

SENATE BILL NO. 64

BY SENATOR REESE AND REPRESENTATIVES ADAMS, BAYHAM, BOYER,  
BROWN, BRYANT, LACOMBE, STAGNI, THOMPSON AND  
ZERINGUE

1 AN ACT

2 To amend and reenact R.S. 39:100.52(A) and (C) and 100.56(D)(1) and (G), to enact R.S.  
3 39:100.52(E) and (F) and 100.56(K)(2)(c) and (O), relative to the Water Sector  
4 Program; to provide relative to the Water Sector Fund; to remove an outdated  
5 reference to a previous transfer of funds; to create a Phase II Subfund and provide  
6 for the deposit, distribution, and administration of new grants within the program;  
7 to create the Emergency Subfund and provide for the deposit, distribution, and  
8 administration of emergency grants; to provide relative to Water Sector Program  
9 guidance requirements; to provide relative to the authority of the Water Sector  
10 Commission and the division of administration; to require rate studies for grant  
11 recipients; to provide relative to adjustments of grant awards; and to provide for  
12 related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 39:100.52(A) and (C) and 100.56(D)(1) and (G) are hereby amended  
15 and reenacted and R.S. 39:100.52(E) and (F) and 100.56(K)(2)(c) and (O) are hereby enacted  
16 to read as follows:

17 §100.52. Water Sector Fund

18 A. There is hereby created in the state treasury, as a special fund, the Water  
19 Sector Fund, hereinafter referred to in this Section as the "fund". ~~The treasurer is~~  
20 ~~hereby authorized and directed to transfer three hundred million dollars from the~~  
21 ~~Louisiana Rescue Plan Fund into the Water Sector Fund.~~

22 \* \* \*

23 C. Monies in the fund shall be used to provide grant funding for repairs,  
24 improvements, and consolidation of water systems and sewer systems pursuant to the  
25 Water Sector Program as provided in R.S. 39:100.56 or any other purpose as

1 provided for in this Section. Except as provided in Subsections D and F of this  
2 Section and R.S. 100.56(K)(2), expenditure of monies in the fund shall require  
3 prior approval of the Water Sector Commission and the Joint Legislative  
4 Committee on the Budget.

5 \* \* \*

6 E. The Phase II Subfund is hereby created in the state treasury as a  
7 subfund in the Water Sector Fund. Monies appropriated or transferred to the  
8 Phase II Subfund shall be deposited by the state treasurer after compliance with  
9 the provisions of Article VII, Section 9(B) of the Constitution of Louisiana.  
10 Monies in the Phase II Subfund shall be invested in the same manner as monies  
11 in the Water Sector Fund, and any interest earned on the investment of Phase  
12 II Subfund monies shall be credited to the Phase II Subfund. All unexpended  
13 and unencumbered monies in the Phase II Subfund at the end of the fiscal year  
14 shall remain in the Phase II Subfund. Any monies deposited into the Phase II  
15 Subfund shall be used only to provide grant funding for repairs, improvements,  
16 consolidation, and related expenses of community water and sewer systems as  
17 provided in R.S. 39:100.56(O).

18 F. The Emergency Subfund is hereby created in the state treasury as a  
19 subfund in the Water Sector Fund. Monies appropriated or transferred to the  
20 Emergency Subfund shall be deposited by the state treasurer after compliance  
21 with the provisions of Article VII, Section 9(B) of the Constitution of Louisiana.  
22 Monies in the Emergency Subfund shall be invested in the same manner as  
23 monies in the Water Sector Fund, and any interest earned on the investment of  
24 Emergency Subfund monies shall be credited to the Emergency Subfund. All  
25 unexpended and unencumbered monies in the Emergency Subfund at the end  
26 of the fiscal year shall remain in the Emergency Subfund. Monies in the  
27 Emergency Subfund shall be used only to provide emergency grant funding to  
28 address or mitigate an emergency related to a community water system or  
29 community sewer system as provided in R.S. 39:100.56(O). No monies shall be  
30 expended from the Emergency Subfund without prior approval of the Water

1 Sector Commission. Joint Legislative Committee on the Budget approval is  
 2 required for approval of emergency grant funding requests in excess of two  
 3 hundred thousand dollars.

4 \* \* \*

5 §100.56. Water Sector Program

6 \* \* \*

7 D.(1) The division shall promulgate guidance for the administration of the  
 8 program. The guidance shall include application requirements, application period  
 9 dates and deadlines for submissions and approval, criteria for ratings, grant  
 10 requirements, rate study requirements, procedures for the consideration of  
 11 extension requests and adjustments to grant awards, and a process for ensuring  
 12 funding for small water and sewer systems and prioritizing critical infrastructure  
 13 needs. The Administrative Procedure Act, R.S. 49:950 et seq., shall not apply to  
 14 guidance promulgated pursuant to this Section. The division shall submit the  
 15 proposed guidance to the commission for review and approval. Any changes to the  
 16 guidance shall require approval by the commission.

17 \* \* \*

18 G.(1) Each grant recipient shall be required to provide matching funds, as  
 19 provided for in the guidance, unless the commission recommends waiving the  
 20 match requirement.

21 (2) A rate study shall be completed on each grant recipient as provided  
 22 for in the guidance.

23 \* \* \*

24 K.(1)

\* \* \*

25 (2)(a)

\* \* \*

26 (c) The commission shall not consider a request to adjust a grant award  
 27 due to an increase in project costs until the grantee has submitted a value  
 28 engineering review of the project to the division.

29 \* \* \*

30 O.(1)(a) Any monies deposited into the Phase II Subfund on or after July

1 1, 2024, shall be used only to provide grant funding for repairs, improvements,  
2 and consolidation of community water and sewer systems awarded pursuant to  
3 the provisions of this Subsection.

4 (b)(i) Any monies deposited into the Emergency Subfund shall be used  
5 only to provide emergency grant funding to address or mitigate an emergency  
6 related to a community water system as defined in R.S. 40:5.8 or community  
7 sewer system as defined in the state Sanitary Code, if such system is under a  
8 court appointed receivership in accordance with R.S. 30:2075.3, R.S. 33:42, or  
9 R.S. 40:5.9, or under the appointment of a fiscal administrator in accordance  
10 with R.S. 39:1351 et seq.

11 (ii) Notwithstanding any provision of this Section to the contrary, any  
12 award of emergency grant funding shall be made in accordance with the  
13 procedures and requirements for requests and approvals of funding for  
14 emergencies and receivership expenses as provided in the guidance promulgated  
15 pursuant to this Subsection.

16 (2) The commission shall hold a meeting no later than September 1, 2024,  
17 to submit priorities to the division to utilize in the development of guidance for  
18 emergency grants and any new grants awarded pursuant to the Water Sector  
19 Program on or after July 1, 2024.

20 (3) Upon receipt, the division shall promulgate guidance for the award  
21 and administration of emergency grants and any new grants awarded after July  
22 1, 2024. The guidance shall include application requirements, deadlines for  
23 application submissions and approval, criteria for ratings, a process for  
24 prioritizing critical infrastructure needs, and procedures for requests and  
25 approvals of funding for emergencies and receivership expenses. The  
26 Administrative Procedure Act, R.S. 49:950 et seq., shall not apply to guidance  
27 promulgated pursuant to this Subsection. No later than October 1, 2024, the  
28 division shall submit the proposed guidance to the commission for review and  
29 approval. Any changes to the guidance shall require approval by the  
30 commission.

1           **(4)(a) In addition to the guidance provided for in this Subsection, the**  
2           **division shall submit a proposal outlining administrative costs for program**  
3           **awards made pursuant to the provisions of this Subsection. The proposal shall**  
4           **be submitted to the commission for review and approval at the same time the**  
5           **guidance is submitted to the commission. The commission shall review the**  
6           **proposed administrative costs and make a recommendation to the Joint**  
7           **Legislative Committee on the Budget for funding for administrative costs. The**  
8           **Joint Legislative Committee on the Budget shall review the recommendations**  
9           **submitted by the commission and approve administrative costs for program**  
10           **awards made pursuant to the provisions of this Subsection.**

11           **(b) Notwithstanding any provision of law to the contrary, the division**  
12           **may enter into consulting services, professional services, and information and**  
13           **technology services contracts for the purpose of the procurement of any goods**  
14           **or services necessary to implement and expedite the distribution of funds as**  
15           **emergency procurements exempt from the provisions of the Louisiana**  
16           **Procurement Code and corresponding rules and regulations. The cost of such**  
17           **contracts shall be considered administrative costs and shall require approval of**  
18           **the Joint Legislative Committee on the Budget.**

19           **(5)(a) Each grant recipient shall be required to provide matching funds,**  
20           **as provided for in the guidance, unless the commission recommends reducing**  
21           **or waiving the match requirement.**

22           **(b) A rate study shall be completed on each grant recipient as provided**  
23           **for in the guidance.**

24           **(6) The division shall begin accepting applications for available funds,**  
25           **including those appropriated by the legislature, no later than thirty days after**  
26           **approval by the commission of the guidance. The applications shall include the**  
27           **following, at a minimum:**

28           **(a) The amount of grant funding requested.**

29           **(b) The amount and proposed source of funding for the proposed match.**

30           **(c) The applicant's proposal for use of grant monies for repairs,**

1 improvements, or consolidation with neighboring systems.

2 (d) An assurance that the applicant will comply with the rate  
3 determination of the rate study completed by a third party chosen by the  
4 division prior to release of funds for construction and permission to bid.

5 (7) Within forty-five days of the end of the application period, the  
6 division shall submit ratings of the proposed projects by the working panel  
7 established in Subsection C of this Section and recommendations for funding  
8 for the projects to the commission.

9 (8) The commission shall review the ratings and recommendations  
10 submitted by the working panel. The commission shall submit its  
11 recommendations for grant awards to the Joint Legislative Committee on the  
12 Budget. The recommendations shall include:

13 (a) The amount of proposed matching funds for each project or a  
14 recommendation for a waiver or a decreased match for any project based on the  
15 commission's determination that the local governing authority or water system  
16 is unable to provide the full, required match.

17 (b) Funding for small water and sewer systems as provided for in the  
18 guidance.

19 (9) The Joint Legislative Committee on the Budget shall review the  
20 recommendations submitted by the commission and have final approval of  
21 funding for projects. No monies shall be expended from the Phase II Subfund  
22 without approval of the Joint Legislative Committee on the Budget.

23 (10) The division shall submit a quarterly status update, including a  
24 construction progress report, for projects that received funding approval to the  
25 commission and the Joint Legislative Committee on the Budget.

26 (11) Each grant recipient that receives funding pursuant to this  
27 Subsection shall comply with the provisions of R.S. 24:513.

28 Section 2. This Act shall become effective upon signature by the governor or, if not  
29 signed by the governor, upon expiration of the time for bills to become law without signature  
30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_