

Regular Session, 2014

HOUSE BILL NO. 234

BY REPRESENTATIVES REYNOLDS, FANNIN, AND MONToucET

UTILITIES: Provides for the regulation of nonprofit water utility cooperatives wholly owned by water users

1 AN ACT

2 To enact Part I-B of Chapter 4 of Title 12 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 12:435.1 through 435.2, relative to nonprofit water cooperatives;
4 to provide for rate changes; to provide for election by members; to provide for
5 election limitations; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. Part I-B of Chapter 4 of Title 12 of the Louisiana Revised Statutes of
8 1950, comprised of R.S. 12:435.1 through 435.2, is hereby enacted to read as follows:

9 PART I-B. WATER COOPERATIVES

10 §435.1. Nonprofit water utility cooperative or corporation; rate changes; elections

11 A. Any nonprofit water utility cooperative or corporation wholly owned by
12 water user members not under the jurisdiction of the Public Service Commission,
13 prior to any change in rates charged for water, shall conduct an election as follows:

14 (1) The board of directors of any nonprofit water utility cooperative or
15 corporation wholly owned by water user members shall conduct a meeting of the
16 board to discuss evidence of a need for a rate change and shall provide all directors
17 with an opportunity to participate. If by a majority vote of the board of directors, the
18 board agrees that a change in rates is needed, the board shall conduct an election of
19 the water user members to request approval of the rate change.

1 (2) Written notice by mail shall be given to all water user members sixty
2 days prior to an election. The notice may be included in a billing notice, but shall
3 be a separate and prominent document. The notice shall contain a brief explanation
4 of the reasons for the rate change increase on water user members and inform the
5 water user members of the availability of a complete, written explanation of the
6 reasons for the rate change. Such written explanation shall be available for
7 examination by any water user member or his representative at all cooperative or
8 corporation offices during regular business hours at least sixty days prior to the
9 election.

10 (3)(a) Sixty days after notification to the water user members, an election to
11 determine approval of a change in rates shall be conducted. The election may be by
12 mail ballot sent to each water user member or may be conducted by written ballot
13 during a public hearing in a meeting of the water user members. No rate change
14 shall be allowed without the approval of a majority of the water user members.

15 (b) If a mail ballot is conducted, a written ballot may be included in a billing
16 notice, but shall be a separate and prominent document. The ballot shall contain a
17 brief explanation of the reasons for the effect of the rate change and the amount of
18 the requested rate change and any other information the board deems necessary,
19 including a deadline for ballot return. Ballots shall be collected and counted at the
20 cooperative or corporation office.

21 (c) If the election is conducted during a meeting of the water user members,
22 written ballots shall be collected and counted at the meeting.

23 (4) Affirmative approval by a majority vote of the water user members shall
24 be required to change the rates.

25 B. All costs of the election shall be paid by the cooperative or corporation.

26 §435.2. Election limitations

27 A. If the board of directors fails to implement the approved rate change
28 within sixty days after the ballots are tabulated, the election is void and a new
29 election shall be held prior to a change in rates.

1 B. Unless the board of directors declares by majority vote that an emergency
2 exists requiring a change in rates, at least three years shall intervene between
3 elections requesting a change in rates.

4 Section 2. This Act shall become effective on January 1, 2015.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Reynolds

HB No. 234

Abstract: Allows nonprofit water utility cooperatives wholly owned by water user members not under the jurisdiction of the PSC to conduct elections of its user members to make changes in rates charged for water.

Present law (constitution) provides for the regulation of public utilities by the Public Service Commission.

Proposed law allows any nonprofit water utility cooperative wholly owned by water user members to conduct an election of its user members to approve any change in rates charged for water. Requires the board of directors to conduct a meeting of the board to determine the need for a rate change and requires a majority of the board to agree to request a change. Requires written notice by mail to all water user members 60 days prior to an election. Allows the election notice, which must contain a brief explanation of the reasons for requested change, to be included in a billing notice.

Proposed law further allows for an election to determine approval of a change in rates to be conducted by mail ballot or by written ballot at a public meeting of water user members. Requires the cooperative to pay all costs of the election. Requires affirmative approval by a majority vote of the water user members to change the rates.

Proposed law provides that if the board of directors fails to implement the approved rate change within 60 days after the ballots are tabulated, the election is void and a new election must be held before a change in rates. Requires at least three years between elections requesting a rate change, unless the board of directors declares by majority vote that an emergency exists requiring a rate change.

Effective Jan. 1, 2015.

(Adds R.S. 12:435.1-435.2)