
DIGEST

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HB 729 Original

2016 Regular Session

Montoucet

Abstract: Regulates the initial assessment and subsequent changes in the rates charged by water cooperatives for water usage

Proposed law defines "water cooperatives" for the purposes of proposed law in order to provide for clarification.

Proposed law requires water cooperatives to request the Louisiana Rural Water Assoc. (LRWA) to perform an assessment for the purpose of establishing the initial rate at which the water cooperative may charge its water user members for water usage.

Proposed law requires any assessment performed by the LRWA, for the purpose of establishing the initial rate at which its members should be charged for water usage, shall be conducted during a public meeting. Proposed law requires the results of the assessment to be verified by the legislative auditor.

Proposed law requires written notice of the public meeting described in proposed law and further requires the notice be sent by certified mail, at a reasonable time prior to the meeting, to all water user members. The written notice shall include, at a minimum, a clear and concise statement regarding the purpose of the meeting, the address where the meeting shall take place, the date, and the time of the meeting.

Proposed law requires the board of directors of a water cooperative to conduct an election of the water user members for approval of any rate change for water usage.

Proposed law requires the board to provide all directors an opportunity to attend any meeting that is held for the purpose of considering evidence of the need for a rate change. Proposed law requires that the board may elect to conduct a rate change election only when the board has agreed by a majority vote of the board that a change in the existing rate is necessary. Proposed law further establishes election procedures and requires a majority vote of the water user members to approve any rate change.

Proposed law requires written notice be sent by mail to all water user members at least 30 days prior to a rate change election. Proposed law allows the notice to be included in a billing notice; however, proposed law requires the notice to be a separate and prominent document that must include an explanation of the reasons for a rate change, a statement of the amount of the rate change, and a statement informing the water user members of the availability of a complete and written explanation

of the reasons for rate change at the office of the water cooperative. Proposed law requires the water cooperative to post that complete explanation at least 30 days prior to the election and make it available for all water user members or their representative during regular business hours.

Proposed law requires the election to be conducted neither earlier than 30 days nor later than 60 days from the date of the mailing of the notice to the water user members.

Proposed law allows the election to be conducted either by mailed ballots or by written ballots provided to each water user member during a public hearing.

Proposed law allows a mailed ballot to be included in a billing notice; however, proposed law requires the mailed ballot to be a separate and prominent document that shall also include:

- (1) A brief explanation of the reasons that necessitate a rate change.
- (2) A clear statement of the amount of the requested rate change.
- (3) A clear statement of both the deadline and the address for ballot return.
- (4) Any other information the board deems necessary.
- (5) A clear statement of the date that the ballots shall be collected, counted, and posted at the office of the water cooperative.

Proposed law requires that, when the election is conducted by written ballots, the written ballots shall be collected, counted, and announced at the public hearing.

Proposed law requires all costs of any rate change election shall be paid by the water cooperative.

Proposed law requires that, when a rate change is approved by an election conducted pursuant to proposed law, the rate change shall be implemented by the board within 90 days of the tabulation of the election ballots. When the board fails to implement the rate change within 90 days, the election is deemed void, and a new election subject to the provisions of proposed law shall be held prior to any rate change.

Proposed law requires 3 years to intervene between rate change elections. Proposed law provides for an exception to that time restriction by allowing the board to declare, by majority vote, that an emergency exists that necessitates a rate change before those 3 years have passed since the previous election. Proposed law requires that any emergency rate change election shall be conducted subject to the provisions of proposed law.

Effective if and when the proposed amendment of Article IV, Section 21(C) of the Constitution of Louisiana contained in the Act which originated as House Bill No. 154 of this 2016 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 45:1601-1603)