

DESOTO PARISH WATERWORKS DISTRICT No. 1



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COMPLIANCE AUDIT

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ISSUED MARCH 14, 2007

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

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STEVE J. THERIOT, CPA

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

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STEVE J. THERIOT, CPA  
LEGISLATIVE AUDITOR

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March 14, 2007

**MR. ROBERT WELLS, PRESIDENT,  
AND MEMBERS OF THE BOARD  
DESOTO PARISH WATERWORKS DISTRICT NO. 1**  
Mansfield, Louisiana

We have audited certain transactions of the DeSoto Parish Waterworks District No. 1 (District) in accordance with Title 24 of the Louisiana Revised Statutes. In July 2006, the Louisiana Legislative Auditor (LLA) received an allegation involving possible misappropriation of funds at the District. On August 14, 2006, auditors from the LLA's office conducted a preliminary assessment of the District that resulted in a compliance audit. Our audit was performed to determine the propriety of this allegation.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*; therefore, we are not offering an opinion on the District's financial statements or system of internal control nor assurances as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response. Copies of this report have been delivered to the District Attorney for the Eleventh Judicial District and others as required by state law.

Respectfully submitted,

Steve J. Theriot, CPA  
Legislative Auditor

CM:GC:DD:dl

DSOWWD1



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## Board Member Employment

During the period January 1, 2005, through June 25, 2005, DeSoto Parish Waterworks District No. 1 (District) Board Member John Neilson was paid \$16,800 to perform the duties of the District's administrator in possible violation of the Louisiana Constitution and Code of Governmental Ethics. In addition, on January 1, 2006, Mr. Neilson received a \$9,000 annual employee pay incentive, \$6,000 of which was paid in violation of District policy.

Louisiana Revised Statute (R.S.) Title 42 Section 1121 prohibits a former board member from employment by that board for a period of two years following termination as a board member. Effective June 28, 2005, the Louisiana Legislature amended Title 42 to allow employment of former DeSoto Parish Waterworks District No. 1 board members.<sup>1</sup>

On February 18, 2003, the DeSoto Parish Police Jury appointed Mr. Neilson as a board member of the District; two days later the District's Board (Board) elected him as president. Mr. Neilson served in this capacity until January 1, 2005, at which time he resigned from the Board, and the Board voted to hire Mr. Neilson as the District's administrator. On February 28, 2005, after being informed by the parish attorney that employing Mr. Neilson violated an existing ethics law, Mr. Neilson withdrew his resignation from the Board and remained a board member but volunteered to act as administrator without pay.

On June 25, 2005, Mr. Neilson officially resigned from the Board. During a June 27, 2005, board meeting, the Board voted to hire Mr. Neilson as the administrator at an annual salary of \$35,000 effective June 28, 2005--the effective date of amended Title 42. However, during that meeting, the Board voted to make Mr. Neilson's pay retroactive to January 1, 2005. Further demonstrating the Board's intent to retroactively pay Mr. Neilson, the Board decided his base salary for 2006 would be budgeted at \$35,000. Since Mr. Neilson was an active Board member and volunteered to act as administrator during the period January 2005 through June 2005, he would be prohibited from receiving compensation for services rendered as administrator. Therefore, by paying Mr. Neilson for services rendered during that period, the Board may have violated provisions of the Louisiana Constitution<sup>2</sup> and R.S. 42:1121.

In addition, in January 2006, Mr. Neilson received a \$9,000 per year incentive pay raise of which \$6,000 was paid in violation of District policy. District policy provides that the water system superintendent (administrator) can be paid an additional \$1,000 for each level of certification in water distribution obtained (up to Class 4) from the Department of Health and Hospitals (DHH). For example, to achieve one level of certification in water distribution, an applicant (with the necessary education and work experience) must successfully pass an examination in water distribution. To achieve a level 3 certification, an applicant must

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<sup>1</sup> **R.S. 42:1121A(2)** provides, in part, that no former member of a board or commission shall, for a period of two years following the termination of his public service on such board or commission, contract with, be employed in any capacity by, or be appointed to any position by that board or commission.

**R.S. 42:1121H** provides that nothing in this section shall prohibit a former board member of the DeSoto Parish Waterworks District No. 1 from being employed by such board.

<sup>2</sup> **Article 7, Section 14 of the Louisiana Constitution** provides, in part, that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

successfully pass three examinations in water distribution. DHH records indicate that as of July 2005, Mr. Neilson passed three examinations in water distribution which earned him three levels of certification.

According to District policy, Mr. Neilson was eligible to receive a \$3,000 per year (\$1,000 per level obtained in water distribution) pay increase. However, District payroll records indicate Mr. Neilson was paid \$9,000--\$3,000 for passing examinations in three levels of water distribution and \$6,000 for passing six examinations in water production and treatment. Because District policy does not provide for pay increases relating to water production and treatment, Mr. Neilson was improperly paid \$6,000 during 2006. According to Board members, they were aware of Mr. Neilson's pay raise but did not know the pay raise violated District policy. In addition, Mr. Neilson's pay raise was not formally approved by the Board.

We recommend the District seek an Ethics Board ruling to determine if Mr. Neilson's retroactive pay violates the Code of Governmental Ethics. We also recommend the Board review and amend, if necessary, its employee certification policy to ensure that all employees are awarded pay incentives based on District policy. In addition, we recommend the Board review employee payroll matters to ensure that pay increases are adequately documented and approved by the Board.

### **Equipment Purchases**

In May 2006, Mr. Neilson sold \$464 worth of personal lawn equipment to the District and then falsified documents to give the appearance that the District had purchased the equipment from a legitimate vendor.<sup>3</sup>

Mansfield Lawn and Cycle was a local business formerly owned by Mr. Neilson. In 2004, Mr. Neilson sold the business to the current owner, Mr. Bryan Slaughter, but retained ownership of the lawn equipment inventory. Mr. Slaughter subsequently formed his own corporation and changed the business name to Mansfield Cycle World, Inc. A handwritten invoice dated May 17, 2006, totaling \$464 from Mansfield Cycle World, Inc., was submitted to the District to purchase two Kawasaki trimmers and six cut-off wheels. The District's cancelled check attached to the invoice was endorsed Mansfield Cycle World by Bryan Slaughter and included an account number. We later determined that the account number listed was Mr. Nielson's bank account number.

According to Mr. Neilson, he obtained a blank invoice from Mansfield Cycle World, Inc.; prepared the invoice to appear as though Mansfield Cycle World, Inc., was selling the trimmers to the District; and then submitted the invoice to the District for payment. Mr. Neilson initially stated that Mr. Slaughter agreed to endorse the District's check over to him and that he kept \$100 and gave the remaining \$364 to Mr. Slaughter. However, bank records indicate the

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<sup>3</sup> R.S. 14:133 provides, in part, that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.

R.S. 14:140 provides, in part, that public contract fraud is committed when any public officer or employee shall use his power or position as such officer or employee to secure any expenditure of public funds to himself, or to any partnership to which he is a member, or to any corporation of which he is an officer, stockholder, or director.



check was deposited into Mr. Neilson's personal bank account. Mr. Neilson later admitted that he did not give any of the money to Mr. Slaughter but rather kept it all for himself. Mr. Slaughter confirmed Mr. Neilson's latter statement.

During our initial inquiry into the matter, we could not locate the lawn trimmers. After we discussed the issue with Mr. Neilson, District employees located the equipment and on August 22, 2006, Mr. Neilson reimbursed the District \$464 for the trimmers and wheels. In a written statement to representatives of the Louisiana Legislative Auditor, Mr. Neilson apologized and acknowledged that he was wrong for what he had done. He added that he was just trying to obtain quality equipment for the District.

We recommend that the District develop and implement written purchasing policies and procedures. These policies and procedures should require the use of requisitions and purchase orders and establish purchasing limits over which Board approval is required. The policies and procedures should also require documentation to support the business purpose and necessity of each purchase. To facilitate these policies and procedures, the District should also establish a centralized purchasing system.

### **Nepotism**

During the period October 2005 through January 2007, the District paid Mr. Neilson's spouse, Ms. Velda Neilson, a total of \$1,577 to perform clerical work in the absence of the office manager. Mr. Neilson hired Ms. Neilson without Board approval and stated that his wife only worked for the District on rare occasions when Office Manager Lynn Burks was out of the office. Her duties were to answer the telephone, process mail outs, and collect water bill payments. According to Mr. Neilson, Ms. Neilson was supervised by Mr. Burks. Mr. Burks confirmed that Ms. Neilson worked at the District office when he was absent but stated that he did not supervise her. As her supervisor, Mr. Neilson approved Ms. Neilson's time sheets.

Louisiana law<sup>4</sup> prohibits agencies from employing immediate family members of board members or the chief executive of the agency. During Ms. Neilson's employment, Mr. Neilson was the chief executive of the District.

We recommend that the Board cease allowing prohibited family members from performing services for the District. We also recommend that the Board implement procedures to include requiring applicants to disclose to the Board all familial relationships with the Board or chief executive of the District.

### **Credit Card Purchases**

During the period January 2005 through August 2006, the District's credit card was used to purchase items totaling \$10,330 for which the business purpose, necessity, and reasonableness are not documented and/or unclear. This amount included \$4,202 for unidentified items; \$3,135 for fuel; \$2,657 for meals; and \$336 for lodging. In some instances, only the credit card

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<sup>4</sup> **R.S. 42:1119** provides, in part, that no member of the immediate family of a member of a governing authority or the chief executive of a governmental entity shall be employed by the governmental entity.

authorizations were attached to the credit card statements and no itemized receipts were included to document the purchases.

During our review, we noted the following:

Unidentified Items

District records indicate that 96 purchases totaling \$4,202 were made at various businesses such as the Sportsman's Corner Convenience Store, Bits Country Store, and Wal-Mart. Mr. Nielson could not provide receipts to indicate what was purchased or documentation for the purpose of the expenditure.

Fuel

District credit card statements indicate that 49 purchases totaling \$3,135 appear to be for fuel from fuel stations such as Chevron, Exxon-Mobile, JJ's Fastrac, and Texaco. Mr. Neilson could not provide individual vehicle log reports to indicate the quantity of fuel purchased, beginning and ending mileage, or the District's vehicle for which the fuel was used.

Meals

According to District credit card statements, 124 meals were purchased totaling \$2,657 although Mr. Neilson could not provide documentation for the purpose of the meal or those who attended meals. Mr. Neilson stated that he believed his position at the District gave him the latitude to purchase meals during the day for himself and employees when performing work for the District or when attending training. Although Mr. Nielson indicated that meals were purchased during meetings and while traveling during the day to conduct District business, he could not provide details of who attended meetings or the business purpose for the meals.

Lodging

District records indicate Mr. Neilson charged \$336 to the District's credit card to pay for lodging in Marksville, Louisiana, and Natchitoches, Louisiana. According to Mr. Neilson, these charges occurred during training conferences in Alexandria. He stated that because hotels in Alexandria were full, he was forced to find accommodations elsewhere. Although Mr. Neilson documented the business purpose for his trip, he could not provide original receipts.

In addition, records indicate Mr. Neilson used the District credit card to purchase flowers for a Board member's mother and food for an employee Christmas party in violation of Article 7, Section 14 of the Louisiana Constitution.

We recommend that the District develop written policies and procedures to provide guidance for the business use of its credit card. These policies and procedures should, at a minimum,:

- (1) require documentation for the purpose of the expenditure and attendees of meetings and meals;
- (2) require timely submission of original receipts when appropriate;
- (3) require vehicle log records to record when fuel is purchased, the vehicle number, mileage, date, and the amount of fuel purchased; and
- (4) provide for disciplinary action for noncompliance.

We further recommend that the District review the *Louisiana State Travel Guide* (PPM 49) for guidance on developing policies and procedures relative to employee travel.

### **Poor Business Practices**

As system administrator, Mr. Neilson is responsible for the day-to-day operation and maintenance of the water system. During our examination of the District, we noted that Mr. Neilson performed a variety of duties including purchasing, field operator, and mechanic that take him away from his primary function as system administrator. This arrangement creates an environment that could allow irregularities to go undetected during the normal course of business. The Board should consider hiring additional personnel to perform some of the duties performed by Mr. Neilson provided consideration is given to the availability of funds to pay for additional help.

Based on observations and employee interviews, we also noted the following:

#### Field Work Accountability

Normal procedure for conducting field work is to obtain a work order from the office manager before beginning the job. Mr. Neilson, however, performs field work throughout the parish but in many instances did not obtain a work order. Although Mr. Nielson sometimes informed the office manager of the work he performed, in many cases, he failed to prepare work orders describing the work to be done, location of the job, material used, or man hours necessary to complete the job. The Board should formalize normal field work procedures by incorporating them into a written policy and to ensure that all employees follow the newly adopted policy.

#### Equipment Storage and Maintenance

District equipment and vehicles are routinely stored and repaired at the home of Mr. Neilson. For example, the District purchased a generator in April 2004 and another generator in September 2006. Both generators were in need of repair and were taken to Mr. Neilson's home. On or about October 27, 2006, Mr. Neilson delivered the generator purchased in September 2006 to the water pumping station. However, as of January 2007,

the generator purchased in April 2004 had not been delivered to the water pumping station.

Mr. Neilson stated that to save the District money in vehicle repairs he routinely takes District vehicles home to repair them. However, the District could not provide detailed vehicle maintenance or repair records by vehicle to indicate repairs performed, replacement parts purchased, part warranty records, discounts, or merchant incentives given.

We recommend that the District not allow employees to take District equipment home as this situation increases the risk of loss.

#### Employee Attendance

The District has not established written policies and procedures to document when an employee is absent from work. By not properly recording the actual hours an employee works, payments could be made to the employee for time not worked, leave balances could be incorrectly charged, or employees who work additional hours may not be properly compensated.

In addition, District policy grants full-time employees 10 days of sick leave with pay annually regardless of employment date. Employees are also allowed to sell up to five days of unused sick time back to the District. Consequently, an employee hired on December 1 is granted 10 days of sick leave and on December 31 is allowed to sell five unused days to the District.

The Board should implement policies and procedures that require documentation to support the accumulation and use of leave time. These policies and procedures should also require leave slips to document when an employee is absent from work. In addition, we recommend that the District develop a uniform system for which annual and sick leave is earned proportionate to the amount of time worked during the year. The earning of such leave should be based on the equivalence of years of full-time service to the District.

#### Cellular Phones

The District has not established written policies and procedures to govern the business use of its cellular phones. Written policies and procedures for the business use and care of cellular phones should be established that:

- (1) contain criteria for the issuance of cellular phones to employees based on employee duties and responsibilities;
- (2) require a review of cellular phone contracts annually to determine the minimum amount of airtime minutes needed per month and negotiate a new contract when the existing contract expires;

- (3) require employees who are issued a cellular phone to review their monthly bills and identify personal calls made or received;
- (4) require employees to reimburse the District at a standard rate for each minute for personal calls; and
- (5) require a review of the monthly bills for correctness and reasonableness of phone usage.

### Accounts Receivable Collection

As of September 29, 2006, the District had 360 water customer accounts totaling \$32,099 that were more than three months past due. Failure to collect delinquent receivables results in lost revenue to the District. The District should implement policies and procedures to ensure that:

- (1) all delinquent water receivables are collected in a timely manner;
- (2) delinquent amounts are aggressively pursued; and
- (3) uncollectible accounts are classified in the accounting records as uncollectible.

### Payment Extensions

The District does not have policies or procedures for conducting follow-up reviews of delinquent accounts when payment extensions are granted or for determining whether payment was made by the extension date. In addition, the District does not uniformly enforce its "cut-off" policy though policy requires the termination of water service within 10 days from the due date of the bill. The Board should develop follow-up procedures to ensure that customers are paying by the extension deadlines. The Board should also ensure that water services are terminated for those customers who do not pay by the deadline and uniformly enforce its cut-off policy to reduce the likelihood of customers receiving services after the cut-off date.

### Water Meter Deposits

The District has not established adequate written policies and procedures providing guidelines for processing water meter deposits. The District should establish policies and procedures to ensure that water meter deposits are properly recorded and maintained and reconciled to the detailed listing of customer water meter deposits and to the related bank account.

In addition, the District should maintain a current inventory listing of all water meters placed into service to include the:

- (1) serial number indicated on the meter;
- (2) date the meter was placed into service;

- (3) service location; and
- (4) person who installed the meter.

Furthermore, the District should perform periodic inventory of its meters and at least annually reconcile the meter inventory to a listing of customers billed for service.

#### Bid Law

During the period July 2005 through August 2006, the District purchased water meters totaling \$149,434 and spent an additional \$13,195 to install the meters without seeking public bids. Louisiana law<sup>5</sup> requires public work in excess of \$100,000 to be advertised and awarded to the lowest responsible bidder. The purpose of the bid process is to obtain independent prices from a competitive market with the end objective to receive the best possible competitive price. The District should ensure that the bid law is consistently followed to receive the greatest benefit for each public dollar spent.

#### Travel

The District does not have written travel policies and procedures. The Board should develop travel policies and procedures that require all expenses associated with travel to be authorized and approved in writing. These policies and procedures should also require:

- (1) employees to submit an expense report for reimbursement of meals and lodging personally incurred and not charged to the District credit card;
- (2) employee claims for routine travel to be documented to include the purpose, date, and time of departure and return;
- (3) payment of travel expenses after the employee supplies full documentation of all expenses; and
- (4) vehicle mileage to be recorded separately for each leg of travel so that mileage can be properly reviewed. The practice of recording an aggregate number of miles for several trips made during the week makes it impossible to determine the correct mileage associated with each trip.

This information has been provided to the District Attorney for the Eleventh Judicial District of Louisiana and others as required by law. The actual determination as to whether an individual is subject to formal charge is at the discretion of the district attorney.

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<sup>5</sup> R.S. 38:2212 provides, in part, that all public work exceeding \$100,000, including labor and materials, to be done by a public entity shall be advertised and let by contract to the lowest responsible bidder.

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The DeSoto Parish Waterworks District No. 1 (District) is a political subdivision of the DeSoto Parish Police Jury. The District is governed by a board of nine commissioners appointed by the DeSoto Parish Police Jury. The purpose of the District is to facilitate plans and arrangements for feasibility studies and surveys and the financing, construction, development and operation of waterworks system to provide a public water supply within the proposed district.

The Louisiana Legislative Auditor received information concerning the propriety of certain District transactions. This audit was performed to determine the propriety of the allegations.

The procedures performed during this audit consisted of:

- (1) interviewing employees and officials of the District;
- (2) interviewing other persons as appropriate;
- (3) examining selected documents and records of the District;
- (4) performing observations; and
- (5) reviewing applicable state laws and regulations.

The results of our audit are the findings and recommendations herein.

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## Management's Response

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## *Waterworks District No. 1*

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of DeSoto Parish

PHONE: 318-872-0004  
FAX: 318-872-0005

302 North Washington Avenue  
Mansfield, Louisiana 71052

Mr. Steve J. Theriot  
Legislative Auditor  
1600 North Third Street  
P O Box 94397  
Baton Rouge, La. 70804-9397

Dear Mr. Theriot:

Thank you for the opportunity to respond to the findings in your audit of our Water District. As you may be aware, the present board assumed responsibility of the District in January of 2003, and has made tremendous progress toward making it a beneficial part of DeSoto Parish. We would appreciate your taking into consideration the progress that we have made when making your final report. To that end, we respond as follows.

### **Board Member Employment**

The board had budgeted \$35,000 for an administrator and voted to pay Mr. Neilson \$35,000 for the last 6 months of 2005. Mr. Neilson did not receive any compensation during the first 6 months of 2005. It was the intent of the board to only pay Mr. Neilson for the last 6 months of 2005, being fully aware that the board could not pay him while he was still a board member. Legislation was pending during the first 6 months that would enable the board to hire Mr. Neilson. The Board's attorney originally informed the board that hiring Mr. Neilson was allowed, but after further research, informed the board that they could NOT hire Mr. Neilson.

The original policy allowed a \$1,000 raise for each level of certification achieved by the administrator. Originally, the board only required certification in "Distribution", but now requires certification in "Production" and "Treatment" as well, as defined by DHH certification standards. Mr. Neilson obtained level 3 certification in each of the three categories, so was eligible for the \$9,000 raise. Levels of certification in each category are obtained by points earned for experience, schools attended, and successful testing. Please refer to attached copy of "the Rule" from DHH regarding

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certification. The district will modify its existing policies to include Production, Treatment, and Distribution.

### **Equipment Purchases**

The board has adopted policies requiring a Purchase Order system and has put the Purchase Order system into operation. Any expenditure exceeding \$50, shall be purchased through the Purchase Order System. As well, existing policies state that any purchase over \$5,000 requires prior board approval.

### **Nepotism**

Mrs. Neilson was hired on an as-needed basis at a rate of \$7.00 per hour to handle office duties while Mr. Burks was away. The board allows the administrator to hire part time help as the need arises. It was our understanding that the President of the board would be the agency head as well as the Chief Executive Officer. There was never any intent to violate state statutes, and Mrs. Neilson will no longer be allowed to work pending an opinion on who is the agency head or chief executive officer.

### **Credit Card Purchases**

The board has adopted PPM49 for guidance on meals, hotel, and misc. reimbursements. Also, all employees have been informed that all credit card receipts must be submitted to the District Office. In addition, any purchase exceeding \$50, must be accompanied with a purchase order.

### **Poor Business Practices**

Mr. Neilson was hired to run the District and because of his ability to repair and operate equipment has saved the District a tremendous amount of time and money by not having to have repair work purchased.

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A work order system is in place and will be used to track repair work on each job. Work orders are assigned according to location in the Parish, one operator takes care of the Northern half, while the other operator takes care of the Southern half of the Parish.

The Board is making plans to construct a storage/shop facility at the treatment plant. Then equipment can be stored on premises without being exposed to the elements. Also at that time, repairs can be made on our premises.

Time sheets are used for all hourly employees documenting hours worked each day as well as time taken as sick, annual, or overtime. Mr. Lynn Burks maintains these sheets as well as a computerized record of each employee's sick, vacation, or annual leave balances. Policies will be modified to only allow leave time to be accumulated in proportion to time actually worked.

A cellular phone use policy has been adopted by the board and is being followed. Bills are monitored each month for personal, or overages on each phone.

Accounts receivable have been reviewed and the District has tightened up on the payments of customers. An aggressive program has been established by the board and is being followed by the employees in charge of "cutoffs". A total of \$23,222.21 has been assigned to a collection agency. These accounts date back to the beginning of the Water District in 1998. Accounts deemed uncollectible have been classified as uncollectible.

Payment extensions are handled by the Administrator and will be reviewed periodically by the board.

All water meter deposits are recorded and deposited in the proper account as provided by law. A portion of our water meter deposits were used for the purchase of new meters as provided for in LA R. S. 33:3818, a copy of which is attached. An inventory of meters was taken in November, which showed all meters accounted for.

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of DeSoto Parish

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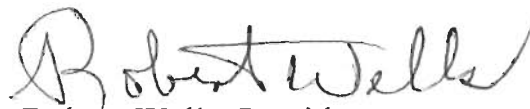
302 North Washington Avenue  
Mansfield, Louisiana 71052

The District developed a "meter change out" program with Master Meter as a result of the original meters not working properly. This was done on a trade in basis, which another supplier would not have been able or willing to do. A copy of the tradeout agreement with Master Meter is enclosed for your review. The District now has modern workable meters at a savings of \$60 per meter. In the future, the District will abide by the state bid law.

The District has adopted PPM49 as our official travel policy and is abiding by the restrictions therein.

We have attached for your review our policies which we have adopted since the audit as well as the law on certifications as provided by Mr. Clay Bowers, District Engineer for the Northwest Regional Office of DHH and a copy of LA R.S. 33:3818 referring to water meter deposits. As well, please find attached a copy of LA R.S. 42:1121(H) allowing the District to hire Mr. Neilson and to set his salary and a copy of the agreement with Master Meter Company.

Sincerely,



Robert Wells, President  
DeSoto Parish Waterworks District #1

## *Waterworks District No. 1*

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### Travel Policy

Travel and expenses related to travel pertaining to the business of DeSoto Parish Waterworks District #1 shall be in accordance with state guidelines contained in the Louisiana State Policies and Procedures Manual PPM 49. A copy is attached and shall be provided to each employee and each new hire. Any overnight trip or trip requiring expense reimbursement shall be pre approved by an officer of the Board of Directors and that approval shall be attached to the actual expense report. Actual expenses will be reimbursed, with dollar amounts not to exceed those listed in the attached brochure. Receipts shall be required for any reimbursement. This policy shall be updated annually in accordance with changes made in PPM 49.

Approved by Board of Directors

Date 10/23/06

*Waterworks District No. 1*

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## Cellular Phone Usage Policy

Cellular Telephones provided by Waterworks District #1 are for the exclusive use of employees for purposes related to the business of Waterworks District #1. Personal use of cellular phones is strictly prohibited. Text messaging is not allowed under any circumstances. Emergency contact by a family member is allowed but will be monitored monthly. Any calls deemed not pertaining to Waterworks District #1 business will be reimbursed by the employee to whom the phone is registered. A copy of this policy shall be given to each employee and each new hire.

Approved by Board of Directors

Date 10/23/06



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Mansfield, Louisiana 71052

# Vehicle Use Policy

Vehicles provided by DeSoto Waterworks District #1 shall be used only for business and travel related to the business of DeSoto Waterworks District #1. Personal use of vehicles is strictly prohibited. Drivers shall sign in each vehicle log book at the beginning of the day notating beginning mileage, ending mileage, any fuel purchased or repairs made. Receipts for fuel and repairs shall include gallons purchased, mileage, and place of purchase. Seat belts shall be worn and all approved safety devices shall be used during vehicle operation. Moving Violation Tickets are the responsibility of the driver of the vehicle being ticketed. Violations regarding registration or non-moving violations shall be the responsibility of the District. Use of personal vehicles shall be pre approved by an officer of the Board of Directors and will be reimbursed in accordance with the State Policies and Procedures Manual PPM 49. A copy of this Policy shall be given to each employee and each new hire.

Approved by the Board of Directors

Date 10/23/06

*Waterworks District No. 1*

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of DeSoto Parish

PHONE: 318-872-0004  
FAX: 318-872-0005

302 North Washington Avenue  
Mansfield, Louisiana 71052

## Purchase Orders

Single items costing \$50 or more, or order for parts totaling \$50 or more shall be ordered with a written purchase order obtained from the office manager. The Purchase order shall list items requested, vendor information, and intended use of item. Purchase Order shall be approved by the Administrator and attached to the invoice when received. Bills shall be approved by both the Administrator and a member of the board before payments are made. Fuel for vehicles are not required to have purchase orders, but will be in accordance with guidelines contained in the Vehicle Use Policy.

Approved by the Board of Directors

Date 10/23/06

§1121. Assistance to certain persons after termination of public service

A.(1) No former agency head or elected official shall, for a period of two years following the termination of his public service as the head of such agency or as an elected public official serving in such agency, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction, involving that agency or render any service on a contractual basis to or for such agency.

(2) No former member of a board or commission shall, for a period of two years following the termination of his public service on such board or commission, contract with, be employed in any capacity by, or be appointed to any position by that board or commission.

B.(1) General rule for other public employees. No former public employee shall, for a period of two years following the termination of his public employment, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which such former public employee participated at any time during his public employment and involving the governmental entity by which he was formerly employed, or for a period of two years following termination of his public employment, render, any service which such former public employee had rendered to the agency during the term of his public employment on a contractual basis, regardless of the parties to the contract, to, for, or on behalf of the agency with which he was formerly employed.

(2) Nothing in this Section shall prohibit a former employee of the Louisiana School for the Deaf from rendering sign language and interpreting services on a contractual basis to or for the Louisiana School for the Deaf.

C. No legal entity in which a former public servant is an officer, director, trustee, partner, or employee shall, for a period of two years following the termination of his public service, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which such public servant at any time participated during his public service and involving the agency by which he was formerly employed or in which he formerly held office.

D. No former public servant shall share in any compensation received by another person for assistance which such former public servant is prohibited from rendering by this Section.

E. Termination of public service. For the purposes of Subsections B and C of this Section, termination of public employment or service means the termination of employment with the agency which employed the public employee, or the termination of public service with the agency in which an elected official served, when he participated in the transaction.

F.(1) Each officer and employee of the office of financial institutions, including the commissioner, shall be prohibited for a period of two years following the termination of his employment with the office of financial institutions from:

(a) Assisting another person for compensation in a particular transaction or in an appearance in connection with a particular transaction for which the officer or employee had responsibility to effectively direct the action of the office of financial institutions at any time during his employment and which involves the office of financial institutions; or

(b) Rendering on a contractual basis to or for the office of financial institutions any service which the officer or employee rendered to the office of financial institutions during his employment there.

(2) However, the provisions of Paragraph (1) of this Subsection shall not apply to post-employment work done for or with a federally chartered agency regulating financial institutions or their holding companies.


(3) A legal entity in which a former officer or employee of the office of financial institutions is an officer, director, trustee, partner, or employee shall be prohibited for a period of two years following the termination of his employment, from assisting another person for compensation in a particular transaction or in an appearance in connection with a particular transaction for which such officer or employee had responsibility to effectively direct the action of the office of financial institutions at any time during his employment and which involves the office of financial institutions. This restriction shall not apply to a legal entity which is a federally chartered agency regulating financial institutions or their holding companies. Subject to the provisions of Paragraphs (1), (2), and (4) of this Subsection, such a legal entity may continue to participate in particular transactions commenced prior to termination of the employment with the office of financial institutions of the former officer or employee.

(4) No former officer or employee shall share in any compensation received by another person for assistance which such former officer or employee is prohibited from rendering by this Subsection.

(5) Notwithstanding any other law to the contrary, this Subsection shall be applicable to each officer and employee of the office of financial institutions and shall be the sole controlling provision on post-employment restrictions for such officers and employees.

G. Nothing in this Section shall prohibit a former member of a municipal governing authority from being appointed to fill a vacancy in the office of mayor regardless of the amount of time that has elapsed since the termination of the former member's service as a member of the municipal governing authority.

NOTE: Subsection H repealed by Acts 2005, No. 140, §2, eff. Aug. 1, 2007.

 H. Nothing in this Section shall prohibit a former member of the board of commissioners of the DeSoto Parish Waterworks District No. 1 from being employed by such board.

NOTE: Subsection I repealed by Acts 2006, No. 89, §2, eff. Aug. 1, 2008.

I. Nothing in this Section shall prohibit a former member of the North Louisiana Exhibition Center Commission from being employed by such commission.

Acts 1979, No. 443, §1, eff. April 1, 1980; H.C.R. No. 45, 1983 R.S.; H.C.R. No. 237, 1984 R.S.; Acts 1987, No. 893, §1; HCR No. 203, 1988 R.S., eff. July 8, 1988; Acts 1993, No. 445, §1; Acts 1997, No. 745, §1; Acts 1997, No. 944, §1; Acts 1997, No. 1059, §1; Acts 1999, No. 274, §1; Acts 2005, No. 140, §1, eff. June 28, 2005, §2, eff. Aug. 1, 2007; Acts 2006, No. 89, §1, eff. May 25, 2006, and §2, eff. Aug. 1, 2008; Acts 2006, No. 525, §1; Acts 2006, No. 607, §1.





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101 REGENCY PARKWAY  
MANSFIELD, TX 76063  
817-842-8000  
FAX 817-842-8100

April 11, 2005

Mr. Robert Wells  
DeSoto Parish Water Works District #1  
302 North Washington  
Mansfield, LA 71052

Reference Dialog 2G Exchange Offer

Dear Mr. Wells,

I want to thank you and the Board of Commissioners of DeSoto Parish Water District # 1 for working with us to help address the situation with the DIALOG 2G touch read modules in your system. I believe the offer Master Meter has made will benefit the district and provide an efficient and time saving method for reading the water meters in your system.

I would like to address each of the issues you outlined in your letter to Kurt Ash dated March 29, 2005. Please review my comments on each of the items below:

1. **Master Meter's offer is a one for one exchange. Every Master Meter 5/8" x 3/4" water meter with a Dialog 2G module returned to our plant in Mansfield, will be replaced with a new Bottom Load 5/8" x 3/4" water meter with Dialog 3G RF transmitters in the register at a price of \$80 each. Master Meter is not concerned with the physical appearance or functionality of the meter or Dialog 2G module, but we do expect to receive one meter and one module for the exchange of a new meter. The only exception to this will be the 42 Dialog 2G modules we received against our Return Merchandize Authorization (RMA) #10233. We will accept 42 water meters less the Dialog 2G module to go with these.**
2. Master Meter will supply one complete drive-by system which includes; laptop computer, receiver with antenna & cables, software and training for a cost of \$7,500. Installation and training of drive-by system will be done by Greentree Applied Systems which is a subsidiary of Master Meter. This includes the interface to your existing Greentree billing software.
3. Master Meter will ship and invoice the new Bottom Load meters with the 3G RF Transmitters (at \$80 each) once each batch of existing meters and Dialog 2G modules are received at our plant in Mansfield, Texas. The meters being retuned will need to reference RMA #10233 on the shipping containers or the packing list accompanying the shipment.
4. Master Meter will provide two days of initial support during the start of the change-out.
5. DeSoto Water District #1 can purchase additional Bottom Load 5/8 x 3/4" water meters with Dialog 3G RF transmitters at a price of \$140. This price will be good for a period of one year beginning on May 1, 2005.
6. It is the intention of the DeSoto Parish Water District #1 to have all service connections supplied by the district metered with a 5/8" x 3/4" Master Meter water meter equipped with a Dialog 3G RF transmitter.
7. A complete interface to the District's Greentree billing software is included in this agreement as part of the purchase of the drive-by system as outlined in item number 2 above.
8. Under this agreement, the District plans to address approximately 1,400 meters in their systems. This will be done through the methods described in items number 1 & 5.

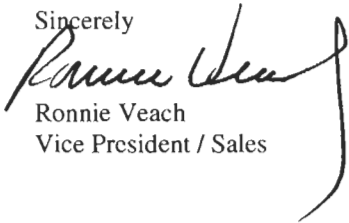
In addition to the items listed above, the District must agree to employ a person who is fully trained on the software & hardware operation of the system, and basic trouble shooting. In the event this person leaves or is terminated from the District, the District will be charged \$750 per day plus travel expenses, to have Greentree return to the District to train the new person.

We need someone at the district to contact Karrie Grundy at 800-765-6518 in Mansfield to coordinate each shipment of meters to be returned to Master Meter. Once the meters are received, we will enter an order for the replacement products described above. We need the District to issue a Purchase Order to cover all material being invoiced. This can be a blanket PO for all material, which includes the replacement meters and the drive-by system. As soon as we receive the PO, we will enter an order for the drive-by equipment and system.

Please look over this document and let me know if you have any further questions. If there are no questions or comments, please sign and date in the space provided below and forward one of the signed copies back to my attention. Once this is done, we can start the process of scheduling the replacement of materials, installation of the system, and training. I would like to make May 1, 2005 the target date for having this agreement in place. If the District decides not to move forward with the agreement before May 1, 2005, we will need to meet again to discuss other options.

Thanks again for working with us in regards to this agreement. We look forward to continuing our relationship with DeSoto Parish Water District #1.

Sincerely



Ronnie Veach  
Vice President / Sales

CC: Kurt Ash  
Jerry Potter  
Neal Farmer  
Bob Williamson

Agreed by:

DeSoto Parish Water Works District #1

Name (print) \_\_\_\_\_

Title \_\_\_\_\_


Signature \_\_\_\_\_

Date \_\_\_\_\_

## §3818. Powers of board of commissioners

A. The board of commissioners of the waterworks district shall have absolute control and authority over the waterworks in the district and shall adopt by-laws, rules and regulations for the proper conduct and operation of a waterworks system in their district. The board may employ the necessary labor for directing and installing a waterworks system in their district and may employ the services of an attorney when necessary and fix his fees or his salary.

B. The board may effect improvement in the water system and for this purpose enter into contracts for the performance of work or the purchase of machinery. The board itself may supervise work under its contracts, or may delegate the supervision to a licensed engineer who shall be a citizen of Louisiana.



C. Out of the funds deposited with the board by purchasers of water service as security to protect the board from loss by reason of extending water service to such purchasers, the board may make purchases of additional new water meters or water meters to replace those already in use; provided, however, that at least ten per cent of the total amount of such funds on deposit with the board at any one time shall be maintained in a cash reserve which shall not be used or encumbered for the purchase of water meters.

Amended by Acts 1962, No. 324, §1.

# FAX TRANSMITTAL

**Department of Health and Hospitals**  
**Office of Public Health, Northwest Regional Office**  
**1525 Fairfield Avenue, Room 569**  
**Shreveport, La. 71101-4388**  
**Telephone # 318-676-7470**  
**Fax # 318-676-5170**

To: JOHN NELSON Date: 2-6-07

Fax Number: 318-872-0005

FROM: CLAY BOWERS

TITLE: DISTRICT 4 ENGR MY TELEPHONE #318/676-7477

TOTAL PAGES (Including Cover Sheet): 7

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| <input checked="" type="checkbox"/> Per your request | <input type="checkbox"/> For your signature              |
| <input type="checkbox"/> For your information        | <input type="checkbox"/> For your comment                |
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MESSAGE THIS IS THE RULE. UNFORTUNATELY  
IT IS NOT SIMPLE. CALL IF YOU HAVE  
A QUESTION.

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## RULE

Department of Health and Hospitals  
Office of Public Health  
Center for Environmental Health

Sanitary Code Chapter XII—Water Supplies  
(LAC 48:V.Chapter 73)

Editor's Note: This Rule is being repromulgated in its entirety to correct printing errors. The original rule may be viewed on pages 502-508 of the March 20, 2002 edition of the *Louisiana Register*. Please note the effective date of this rule.

In accordance with the Louisiana Administrative Procedures Act, R.S. 49:950, et seq., The Department of Health and Hospitals, Office of Public Health, Center for Environmental Health, pursuant to the authority in R.S. 40:4, and authorized by R.S. 40:1148, herewith repeals the Rule entitled Water Treatment Plant Operator Certification consisting of the Louisiana Administrative Code, Title 48, Part V, sections 7301 through 7335, and adopts the following rule consisting of LAC, Title 48, Part V, Sections 7301 through 7339.

Also, under the authority of R. S. 40:4 and in accordance with R. S. 49:950 et seq., the Administrative Procedure Act, the Department of Health and Hospitals, Office of Public Health herewith amends Chapter XII (Water Supplies) of the Louisiana State Sanitary Code.

The following rules shall be effective April 1, 2002

## Title 48

## PUBLIC HEALTH-GENERAL

## Part V. Preventive Health Services

## Subpart 21. Water and Wastewater Operator Certification

## Chapter 73. Certification

## §7301. Definitions

A. Unless otherwise specifically provided herein, the following words and terms used in this Chapter are defined for the purposes thereof as follows.

*Committee of Certification*—as defined in statute R.S. 40:1142.

*Community Sewerage System*—any sewerage system which serves multiple connections and consists of a collection and/or pumping/transport system and treatment facility.

*Department*—the Louisiana Department of Health and Hospitals, Office of Public Health.

*Person*—an individual, a public or private corporation, an association, a partnership, a public body created by or pursuant to state law, the state of Louisiana, an agency or political subdivision of the state, a federally recognized Indian tribe, the United States government, a political subdivision of the United States government, and any officer, employee, or agent of one of those entities.

*Operator*—the individual, as determined by the Committee of Certification, in attendance on site of a water supply system or sewerage system and whose performance, judgment, and direction affects either the safety, sanitary quality, or quantity of water or sewage treated or delivered.

*Public Water System*—a system for the provision to the public of water for potable purposes through pipes or other constructed conveyances, if such system has at least 15

service connections or regularly serves an average of at least 25 individuals daily at least 60 days out of the year.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:502 (March 2002), repromulgated LR 28:839 (April 2002).

## §7303. Certification Requirements

A. The basic requirements for certification are set forth in R.S. 40:1141-1151.

B. The Operator of any public water system or any community sewerage system shall hold current and valid professional certification(s) of the required category(s) at or above the level required for the total system and individual facility. Additionally, an operator shall demonstrate that, when not actually on site at the facility, he is capable of responding to that location within one hour of being notified that his presence is needed.

C. Systems operating multiple shifts are required to have a minimum of one certified operator present on each shift. Exact numbers of certified operators required may be determined by the committee of certification.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:502 (March 2002), repromulgated LR 28:839 (April 2002).

## §7305. Categories of Certification

A. Certifications are offered in each of the following areas (categories), of qualification:

1. water production;
2. water distribution;
3. water treatment;
4. wastewater collection;
5. wastewater treatment.

B. Water production certifications are required on all facilities. For those systems which use groundwater as a source of raw water and which do not alter the physical, chemical or bacteriological quality of the water other than simple disinfection, operators will not be required to hold certificates for treatment in addition to production.

C. Water distribution certifications are required on all portions of the water supply system in which water is conveyed from the water treatment plant or other supply point to the premises of the consumer.

D. Water treatment certifications are required for all operators of facilities which use surface water as a source of raw water, as well as those groundwater systems that involve complex treatment and/or which in some way alters the physical, chemical or bacteriological quality of the water. Water Treatment certification shall not be required for groundwater systems for which the only type of treatment employed is simple disinfection, and where the well(s) has been determined to be not under the direct influence of surface water.

E. Wastewater treatment certifications are required on all facilities which provide for the treatment of wastewater and the reduction and/or handling of sludge removed from such wastewater.

F. Wastewater collection certifications are required on all components of a sewerage system except for the sewage treatment plant.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:503 (March 2002), repromulgated LR 28:839 (April 2002).

**§7307. Levels (Classes) of Certification for Types of Facilities**

A. Required levels of certification for an operator, based on facility classification, are as follows:

Population Served	Facility Classification
<1,000	Class 1
1,001-5,000	Class 2
5,001-25,000	Class 3
Over 25,000	Class 4

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:840 (March 2002).

**§7309. Operator Qualifications—General (Education/Experience)**

A. Whereas R.S. 40:1141-1151 specifies minimum operator qualifications in years, these values have been converted to "points" for ease of integration with continuing education credits and substitutions between education and experience. Operator qualifications for the various levels of certification shall be determined by minimum point values as follows:

Certification Level	Required Points
Op-In-Training	0
Class 1	1
Class 2	2
Class 3	5
Class 4	8

**NOTE:** A minimum educational requirement of a High School Diploma (or G.E.D.) is applied to ALL levels of certification. Required point values for education and experience are in addition to this minimum level of education. Point value required for Classes 1 and 2 may be from experience alone although 25 percent of this value may be acquired from education credit. No more than 75 percent of the total required points for Classes 3 or 4 may be obtained from education or experience alone.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:840 (April 2002).

**§7311. Operator Qualifications—Substitutions/Assignment of Point Values**

A. Point values for education, continuing education, and experience are assigned as follows.

1. Education
  - a. Each year of formal college education (minimum of 30 semester hours) = 1 point
  - b. Each year of formal graduate level education = 1.5 points
  - c. Each semester hour (credit) for college-level courses = 0.033 point
  - d. Each 40-hour qualified, approved training course = 0.10 point

- e. Each 8 hours of qualifying, approved continuing education = 0.02 point
- f. Each 1 hour of qualifying, approved continuing education = 0.0025 point
2. Experience
  - a. Each year of qualifying operator experience = 1 point
  - b. Each year of qualifying related experience = 0.5 point
  - c. Each year of qualifying supervisory experience = 1.5 points

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:840 (April 2002).

**§7313. Professional Certification**

A. All persons seeking professional certification must be employed or seeking employment by a water or wastewater utility.

B. Certificates must be displayed by the holder in a prominent place in the classified facility. Additionally, at such time as a certified operator is issued a certified operator identification card, the operator shall carry his identification card on their person while on duty in the classified facility. Failure to do so may be considered grounds for revocation of the certificate in accordance with R.S. 40:1145(D).

C. Certificates shall be valid only so long as the holder uses reasonable care, judgment, and knowledge in the performance of his/her duties. No certificate will be valid if obtained or renewed through fraud, deceit, or the submission of inaccurate qualification data.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:840 (April 2002).

**§7315. Limited Certificates**

A. Only those limited certificates issued prior to the effective date of these Rules, in compliance with R.S. 40:1141-1152 remain valid, and shall remain valid only for the system in which the operator was previously employed and for the conditions of operations and duties involved on the original effective date of this Rule.

B. Limited certificates shall be renewable upon application provided the requirements for renewal without reexamination for certificates of even grade are satisfied.

C. Persons granted limited certificates and renewals of limited certificates shall pay the same fees as are fixed for mandatory certificates of like grade.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:840 (April 2002).

**§7317. Operator-in-Training**

A. Operator-in-Training certificates may be granted to newly hired personnel, who have not previously been certified, or who have not held any type of certification for in excess of two years, and who do not presently qualify for a professional or provisional certificate. Such individuals may make application for the appropriate category (water, wastewater) of operator-in-training certificate. The



certification officer will then begin maintaining records of all approved education, training and experience credits accumulated by the operator-in-training. An operator-in-training certificate shall be valid for a period of 24 months from the date of issue, and may be renewed in the same manner as provisional or professional certificates. Operators-in-training may not be designated as the operator of the system/facility.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:840 (April 2002).

#### §7319. Provisional Certificate

A. A provisional certificate may be issued to any applicant who successfully passes an examination. Provisional certificates shall not qualify an individual to serve as the operator of a facility.

B. A provisional certificate may be converted to a professional certificate if the certificate holder meets all qualifications and assumes the duties of an active operator of a water or wastewater system.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:504 (March 2002), repromulgated LR 28:841 (April 2002).

#### §7321. Examinations—General

A. All operators wishing to become certified by the State of Louisiana, must pass an examination demonstrating they have the necessary knowledge, skills, judgement, and abilities as specified by the committee of certification. All exam questions will be validated by the committee of certification or their appointees.

B. Exams shall be conducted in the English language.

C. The committee of certification has established open examination periods for water and/or wastewater operators to be examined. They are as follows.

1. One annual open exam shall be conducted at the conclusion of the annual Louisiana Conference on Water Supply, Sewerage and Industrial Waste "Short Course," meeting which is held in various locations around the state.

2. One open exam shall be conducted at the conclusion of the Louisiana Rural Water Association Annual Conference.

3. Other open examinations may be scheduled at other locations as determined by the committee of certification based on their determination of need subject to provisions of §7305 of these Rules.

4. Application for examinations to be given following scheduled training courses, seminars, workshops, etc., (as listed in §7329 and §7331 of these Rules) will be considered on a case-by-case basis by the committee of certification.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:505 (March 2002), repromulgated LR 28:841 (April 2002).

#### §7323. Examinations—Individual Operator Requirements

A. Individual operators must make written application to the committee of certification to take each examination or series of examinations. The application forms will be made

available to the examinee prior to the exam period with ample time given to allow completion prior to the actual exam period. The operator (examinee) carries the responsibility for the accuracy of the information contained in the application.

B. Applicants for certification examinations must pay the prescribed exam fee at the conclusion of testing (see §7333 of these Rules).

C. All examinations shall be administered in the English language. Requests for examinations to be administered orally may be considered by the administrator, upon written request by an applicant, submitted at least 30 days in advance, with verifiable proof from a physician that the applicant has a medical condition temporarily preventing him from taking the examination in the conventional manner.

D. Exams shall be taken and passed in sequence from the Class 1 to the Class 4 in each category.

E. Applicants may not apply to take and may not take examinations for certification higher than one level above that for which they are currently qualified.

F. If an applicant takes an examination and fails to attain a passing grade (70 percent or higher), he must wait a minimum of 90 days before he can take another exam in the same category and level. After three failed attempts at the same examination, an applicant will be required to attend a 40-hour training course before retesting will be allowed.

G. All examinations will be graded by department personnel and retained for two years. The examinee will be notified of the results. Examinations will not be returned to the examinee, but may, upon written request, be reviewed in the Operator Certification Program Office in Baton Rouge within 30 days following receipt of the notification of results.

H. Individuals caught cheating during the operator certification examinations or found to have prejudiced these exams or applications in any way shall be entitled to an administrative hearing before the committee of certification. If the committee finds that valid grounds exist, it shall revoke the subject's current certificate, it may refuse to certify the applicant and it may reject future applications. As provided in the Administrative Procedure Act, an aggrieved party may seek judicial review of the committee of certification's action.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:505 (March 2002), repromulgated LR 28:841 (April 2002).

#### §7325. Application for Certification

A. All applications for certificates shall be addressed to: Administrator, Operator Certification Program, Louisiana Department of Health and Hospitals, Office of Public Health, 6867 Bluebonnet Boulevard, Baton Rouge, LA 70810. Applications for certificates must be accompanied by the prescribed fees.

B. All initial applications for any category of either new certificates or renewal certificates received subsequent to the effective date of this Rule, shall be accompanied by a "Certification Law and Rules Examination" to be completed by the applicant as part of the application process.



C. Applicants who pass the required examinations, and meet the minimum education and experience requirements, and are actively employed by a water or wastewater system, will be notified that they may apply for the earned professional operator certification.

D. Applicants who pass an examination but do not meet the education and experience requirements will be notified of what education and/or experience and/or training is required to qualify. Such applicants, upon payment of the prescribed fee, will be issued a provisional certification in the classification(s) for which they have passed the examination(s). At whatever time the applicant qualifies, an application with the necessary fee must be submitted or re-examination may be required.

E. Individuals who have combined work experience in both water and wastewater may make written application to the certification committee for credit toward certification in either or both of the two categories. The work experience will be listed in a detailed resume application which details the overlapping areas of work responsibility. This application will be certified by the immediate supervisor of the individual requesting certification. The committee of certification will rule on each individual application as presented. These applications will be reviewed twice a year by a screening subcommittee composed of members of the operator certification committee.

F. One individual may be designated as the operator over (several) more than one water or wastewater system or district provided that he can demonstrate that he is actively involved on a day-to-day basis in the operation of each of the systems, and is able to respond to the systems locations within one hour of notification that his presence is required.

G. Experience must be in actual water system or sewage system operation or its approved equivalent and must be in the field applying to the respective certificates. Experience as foreman or supervisor in most capacities in water and sewerage systems may be considered acceptable. Experience in purely clerical capacity, such as accounting, bookkeeping cannot be considered as acceptable experience. Experience in narrow technical capacities, such as laboratory technicians or meter readers may be considered for partial credit by the committee.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:505 (March 2002), repromulgated LR 28:841 (April 2002).

#### §7327. Renewal and Recertification

A. **Renewal Requirements.** In order to qualify for renewal of certificates held in any and all classes, all operators of water and sewerage works shall enumerate, certify and provide evidence that he/she has attended a minimal number of contact hours of approved operator training for each certificate held during the previous two-year certification period. A minimum of 16 contact hours is required for renewal of any certifications held in water categories or 8 hours per certificate whichever is the greater. Likewise, a minimum of 16 contact hours is required for renewal of any certifications held in wastewater categories. Failure to attend the required training or failure to furnish the required information shall constitute grounds for refusal to renew the certificate. Approved training is defined as the completion of any of the training courses listed in §7329. It

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is strongly recommended that course outlines (or lesson plans) for other proposed in-service training be submitted for approval prior to the proposed date of training.

B. **Recertification.** Operators for whom certification has been expired in excess of two years are not eligible to renew their license(s), and shall be required to reapply for certification under the provisions of this Rule. In such cases, applicants shall be re-examined and shall demonstrate compliance with appropriate education and experience requirements before any certificates will be issued. In those instances where an operator's license has previously been revoked by the committee, the committee shall recommend any additional requirements for recertification that are deemed appropriate, and rule on the operator's eligibility to reapply for a license.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:506 (March 2002), repromulgated LR 28:842 (April 2002).

#### §7329. Training—General

A. **Training Courses Available.** To be approved for training credit by the Administrator of the Operator Certification Program, the training courses identified in Paragraph B of this Section must meet the following general requirements.

1. The administrator must have on file a copy of the course outline of the training course, seminar, workshop, etc. to make his approval decision.

2. Information must include dates, place held, sponsoring organization, speakers/instructors and time (length of subject), and target audience (category and levels of certification addressed).

3. No blanket approvals (from year to year) will be given or implied and a separate approval must be given by the Operator Certification Program each time training is given. On doubtful courses, the administrator will bring the matter to the committee of certification for disposition. (An aggrieved applicant may apply for an administrative hearing to be conducted by a panel of the committee of certification.)

4. Operators shall be responsible to assure the sponsoring organization submitting his certified transcript of training credits earned to the administrator.

B. **Training courses, short courses, technical sessions, seminars, workshops, etc., recognized by both the committee of certification and department include, but are not limited to the following:**

1. annual short course of the Louisiana Conference on Water Supply, Sewerage and Industrial Wastes;

2. regional conferences of one or more days sponsored and/or co-sponsored by the Louisiana Conference on Water Supply, Sewerage and Industrial Wastes;

3. American Water Works Association Annual Conferences, technical sessions, seminars and workshops;

4. National Association of Water Companies Annual Conferences seminars and workshops;

5. Southwest Section, American Water Works Association Annual Conference, technical sessions, seminars and workshops;

6. college or university and vocational-technical sponsored water and/or wastewater courses, as approved by the certification committee;



7. Water Environment Federation Annual Conference, regional meetings, technical sessions, seminars and workshops;

8. Louisiana Water Environment Association regional meetings, technical sessions, seminars and workshops;

9. Louisiana Rural Water Association annual training and technical conference, regional meetings, technical sessions, seminars and workshops;

10. Louisiana Environmental Training Center, at University of Louisiana at Lafayette, training courses, technical sessions, seminars and workshops;

11. regional meetings, technical sessions, seminars, workshops and/or training programs, sponsored and/or co-sponsored by the Department of Health and Hospitals, or the Department of Environmental Quality;

12. water and/or wastewater operator training courses approved for certification examinations by the committee of certification;

13. short schools, technical courses, seminars, workshops and training programs sponsored by other states.

C. A water and/or wastewater organization or utility not listed above may apply to the committee of certification for recognition and approval to conduct a training course.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:506 (March 2002), repromulgated LR 28:842 (April 2002).

#### §7331. Examinations in Conjunction with Training Courses

A. Applicants for approved training courses may request that certification exams be conducted following the completion of the course. In order to obtain approval from the committee of certification, the applicant (sponsoring individual or organization) must comply with the following requirements and rules.

B. The applications must be submitted to: Administrator, Operator Certification Program, Louisiana Department of Health and Hospitals, Office of Public Health, 6867 Bluebonnet Boulevard, Baton Rouge, LA 70810.

C. Applications must be submitted 30 days prior to the beginning of the course.

D. No exam shall be conducted without prior written approval.

E. Blanket approval for training courses and exams will not be given by the committee of certification, i.e., each training course and each exam period must be approved according to these Rules.

F. No exam shall be approved to follow a training course consisting of less than 32 hours. An exception to this Rule may be granted to the Louisiana Conference on Water Supply, Sewerage and Industrial Waste as this organization and its sub-organizations comprise the official training arm of the committee of certification.

G. Approval will be given to conduct exams only for the classes and categories covered by the training course, i.e., for training in Class I, II, III or IV in production, treatment or distribution, or wastewater collection or treatment.

H. The classes and categories for which the course is designed must be stated in the application.

I. The applicant must submit a detailed course outline to include:

1. the goal of the training course;
2. which operators in water and/or wastewater would benefit from taking the course;
3. each subject to be covered;
4. a formal lesson plan for each subject area to be covered;
5. the number of hours covered in each subject;
6. what references will be supplied in the course;
7. what references and materials the student should bring to the course.

J. The applicant must submit the names of all instructors, and their qualifications, including their education and work experience credentials and their certification levels. Instructors shall possess, at a minimum, a "provisional" certification in the subject area covered; or, shall have completed a qualified instructor training course or equivalent; or, be specifically accepted by the committee based upon their credentials.

K. Only those examinations prepared under the auspices of the administrator and the committee of certification will be recognized for certification.

L. All examinations will be conducted and monitored by members of the staff of the department and/or members of the committee of certification. No exams will be conducted without the presence of a sufficient number of monitors approved by the department.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:507 (March 2002), repromulgated LR 28:843 (April 2002).

#### §7333. Examination Fees

A. All fees for examinations shall be paid to the committee of certification.

B. Examination Fees shall be established as authorized by the Legislature, but in no case shall be less than \$5 per exam.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:507 (March 2002), repromulgated LR 28:843 (April 2002).

#### §7335. Certification Fees

A. Certificate fees, in addition to the examination fee, shall be:

1. collected for issuance, renewal and/or reciprocation of all classes of certificates. The amount of the certificate fee shall be as established by the legislature, but in no case shall be less than \$10 for certification in the first category in water and/or sewerage and an additional \$5 for each added category.

2. communities, municipalities, utilities and/or corporations may elect to utilize a flat fee system regarding their employees' certification. For a fee of \$50 per year for either field of water or sewerage or \$100 per year for both, all eligible operators may be certified, either initially or renewed. In addition to the flat fee, there will be a \$5 per certificate charge for each certificate issued. In the instance of the flat fee, the individual operators at each facility will



be the responsibility of the principal of the organization and shall be submitted with each renewal (flat fee) payment;

3. duplicate certificates will be issued for a fee of not less than \$5 per certificate.

4. water and wastewater operator certificates will be renewed on a two-year basis, with the fees remaining at the same annual rates as are currently in effect but collected every two years.

5. fees are to be paid in the form of a check or money order payable to the Committee of Certification, 6867 Bluebonnet Boulevard, Baton Rouge, LA 70810. Failure to attend the required training or failure to furnish the required information shall constitute grounds for refusal to renew the certificate.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:507 (March 2002), repromulgated LR 28:843 (April 2002).

#### §7337. Reciprocity

A. Reciprocity shall be granted at the discretion of the committee of certification, without examination, to holders of comparable certificates issued by other states, territories, or possessions of the United States. The applicant for a certificate under the reciprocity clause must submit his application on an official application blank, obtainable from the administrator. The application must be accompanied by the appropriate fee. The applicant must submit a copy of his certificate or other proof, satisfactory to the committee of certification that he holds a certificate issued by a governmental agency of another state, territory or possession of the United States. Such certificates must have been received after passage of an examination at least equivalent to that given by the Louisiana committee of certification for the level of competency for which application is made.

B. The burden of proof to submit sufficient information for the committee of certification's consideration shall be upon the applicant. If, after receiving such an application, the committee of certification is satisfied that the applicant qualifies for a certificate, it may, at its discretion award him a certificate in the appropriate grade. A reciprocal certificate will not ordinarily be issued unless the applicant is employed, or has accepted employment, in a Louisiana water or wastewater facility.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:507 (March 2002), repromulgated LR 28:844 (April 2002).

#### §7339. Notification

A. Failure to receive any notices previously mentioned does not relieve the certificate holder or applicant from complying with the rules of the committee of certification. The burden is upon the certificate holder or applicant to provide the committee of certification with a current mailing address.

B. Any request for applications, training course approvals, reciprocity, etc., and/or questions on operator certification should be addressed to: Administrator, Operator Certification Program, DHH-OPH, 6867 Bluebonnet Boulevard, Baton Rouge, LA 70810.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 40:1141-1151.

**HISTORICAL NOTE:** Promulgated by the Department of Health and Hospitals, Office of Public Health, LR 28:507 (March 2002), repromulgated LR 28:844 (April 2002).

The amendment to Chapter XII of the Sanitary Code, State of Louisiana reads as follows:

#### Sanitary Code, State of Louisiana Chapter XII (Water Supplies)

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12:003-2: Plant Supervision and Control: All public water supplies shall be under the supervision and control of a duly certified operator as per requirements of the State Operator Certification Act, Act 538 of 1972, as amended (R.S. 40:1141-1151).

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David W. Hood  
Secretary

0204#038

#### RULE

#### Department of Insurance Office of the Commissioner

#### Regulation 77—Medical Necessity Review Organizations (LAC 37:XIII Chapter 62)

In accordance with the provisions of R.S. 49:953 of the Administrative Procedure Act and R.S. 22:3090, the Department of Insurance has adopted the following Rule regarding standards for determining the necessity of medical care or services recommended by health care providers. This Rule is necessary to establish reasonable requirements for limiting covered services included in a policy or contract of insurance coverage that do not misrepresent the benefits, advantages, conditions, or terms of the policy issued, or to be issued, based on medical necessity determinations. This Rule establishes the statutory requirements for health insurance issuers who seek to make such limitations in products sold in this state and establish the standards for Medical Necessity Review Organizations seeking licensure under Title 22 of the Louisiana Revised Statutes of 1950.

#### TITLE 37

#### INSURANCE

#### Part XIII. Regulations

#### §6201. Purpose

A. The purpose of this regulation is to enforce the statutory requirements of Title 22 of the Louisiana Revised Statutes of 1950 that require health insurance issuers who seek to establish exception criteria or limitations on covered benefits that are otherwise offered and payable under a policy or certificate of coverage sold in this state, by requiring a medical necessity determination to be made by the health insurance issuer. The statutory requirements also apply to any health benefit plan that establishes exception criteria or limitations on covered benefits that are otherwise offered and payable under a non-federal government benefit plan. Additionally, the statute establishes a process for Medical Necessity Review Organizations to qualify for state licensure and Independent Review Organizations to become certified by the Department of Insurance. The statutory requirements establish the intent of the legislature to assure