

## Operator Certification Program

Louisiana can use the state program management set-aside funds to support its operator certification program. If needed due to budget constraints, we will assist the operator

certification program accomplish its goals and objectives with funding. LDH agrees to demonstrate compliance with the operator certification program provisions.

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### **D. Local Assistance and Other State Programs** (SDWA reference - 1452(g)(2), Max allowed: 10% for any one activity; overall up to 15% or \$1,573,350 of FFY22 grant)

Louisiana will use \$750,000 of this set-aside fund as shown in Attachment 5 to provide assistance, including technical, managerial, and financial assistance, to public water systems as part of its

capacity development strategy in SFY '23. Louisiana will use \$750,000 of these set-aside funds from the FFY22 grant.

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## VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

### **A. Distribution of Funds**

The SDWA provides each state with flexibility to determine how much of their grant should be used for infrastructure loans, disadvantaged assistance, and set-aside activities. However, with this flexibility comes responsibility to determine how to best direct funds to address the problems in our state. We believe it is critical to evaluate and understand the impact of our decisions in order to ensure that assistance will be available in the future. There is a direct relationship between set-aside funding and the long-term loan capacity of the DWRLF. This impact is significant and might suggest that we should limit our set-aside use. After consultation with the stakeholders, we determined to use 26.26 percent of the FFY22 funds for set-aside activities. Many of the activities conducted under the set-asides can have a direct impact on preventing future problems in the public water systems. Ensuring that operators are properly

trained and enhancing the technical, financial and managerial capacity of small water systems can also reduce the need for costly infrastructure improvements. We will reevaluate our use of set-asides on an annual basis as we develop the IUP to determine whether set-asides levels should be reduced or increased in the future.

Section 1452 authorizes the establishment of a drinking water revolving loan fund to provide financial assistance to eligible water systems. . The Federal allotment for FFY22, including the state match, is \$12,586,800. Louisiana reserved 26.26% or \$2,755,000 of the grant for set-aside activities, specified \$1,966,788 and reclaims \$788,212 in funds from previously unspecified set-asides, resulting in \$2,755,000 (26.26%) specified for the set-aside activities described previously. This results in \$9,831,800 available for loans through the drinking water revolving loan fund program, for this funding cycle.