



SWBNO Task Force

Community Meeting

City of New Orleans
November 2018

Agenda

- I. Opening and Ground Rules:** Office of Neighborhood Engagement
- II. Overview of Task Force and Options:** Tyler Antrup, Urban Water Program Manager
 - A. Summary of Issues
 - B. Overview of process
 - C. Options for consideration
- III. Question and Answer**

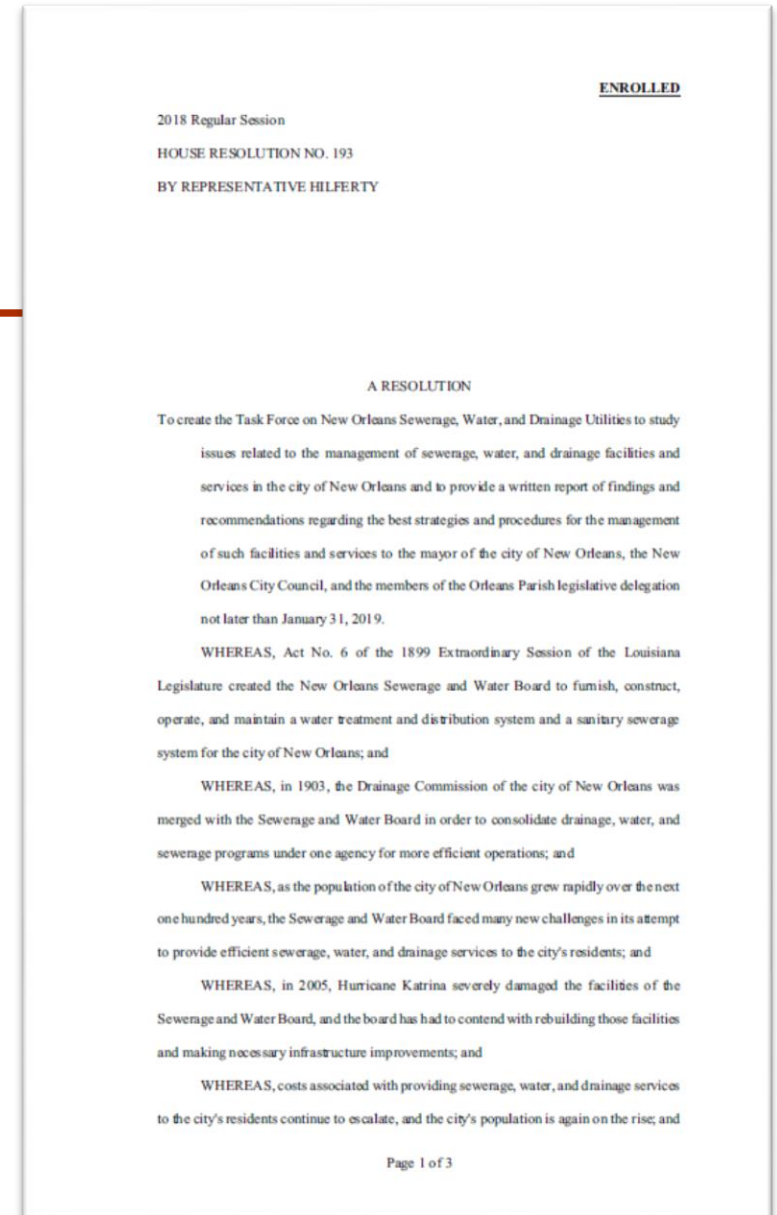
Ground Rules

- I. Please be sure to sign in as we will continue to communicate with you throughout the Task Force's work
- II. Submit general comments on cards, individual comments will be addressed by staff following the meeting
- III. Comment cards will be collected throughout the presentation
- IV. Please limit comments to Task Force-specific issues, individual issues will be addressed separately

What is the Task Force?

Created by LA HR 193

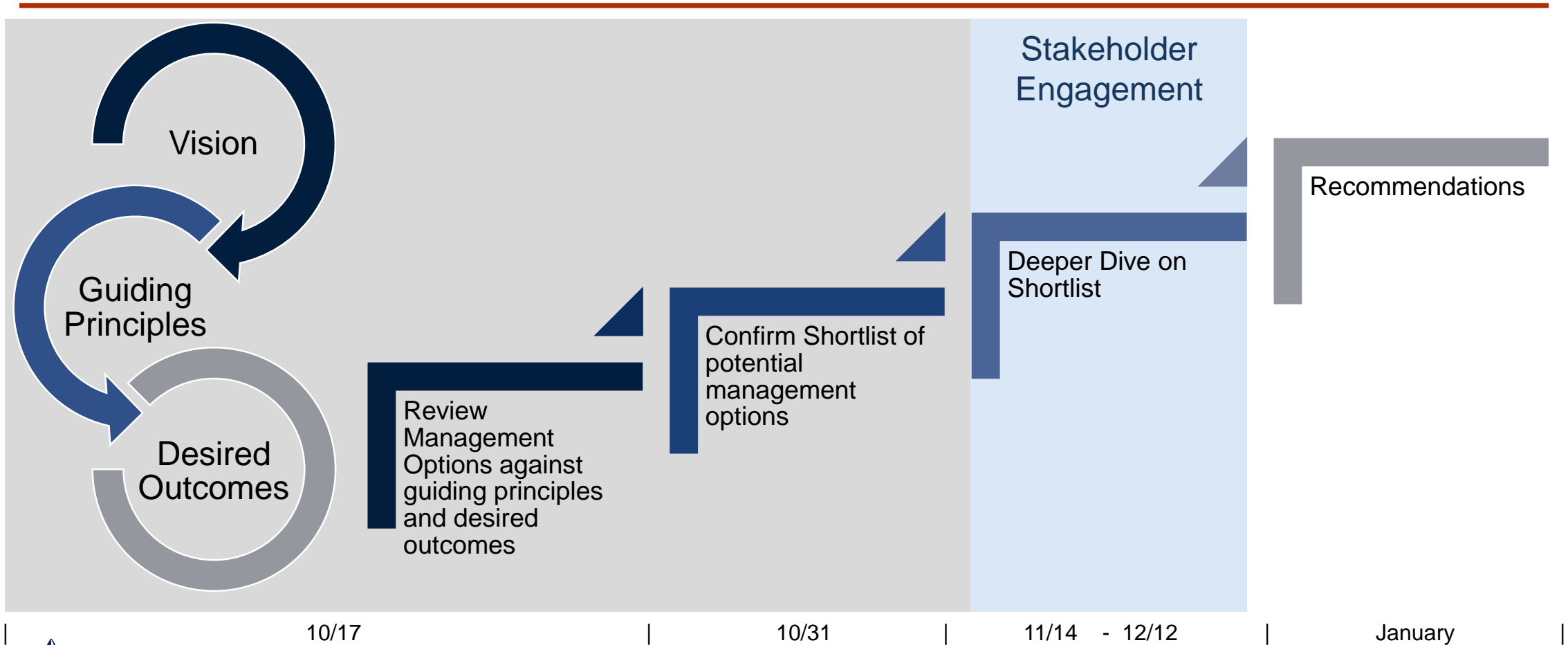
- “To create the Task Force on New Orleans Sewerage, Water, and Drainage Utilities to study issues related to the management of sewerage, water, and drainage facilities and services in the city of New Orleans and to **provide a written report of findings and recommendations** regarding the best strategies and procedures for the management of such facilities and services to the mayor of the city of New Orleans, the New Orleans City Council, and the members of the Orleans Parish legislative delegation not later than January 31, 2019.”



Who is on the Task Force?

- Deputy CAO Ramsey Green for Mayor Cantrell (Chair)
- Councilmember Jay Banks for the City Council Public Works Committee (Vice Chair)
- Ghassan Korban for the Sewerage and Water Board
- Poco Sloss for the Board of Liquidation
- David Gereighty for the Louisiana Engineering Society
- Elisa Speranza for the Business Council of New Orleans
- Cheryl Teamer for New Orleans & Company

Process Outline



Summary of Issues to Consider

What we've heard so far...

Funding

- Board has obligation but not authority
- Drainage is historically underfunded due to millage funding
- Looming obligations (SELA, PCCP)

Coordination

- Drainage system split (City/SWBNO)
- Regional duplication (Other Parishes)

Equity

- Property taxpayers fund 100%; based on assessment
- Workforce and small business opportunities unrealized

Unassigned Responsibilities

- Nobody responsible for groundwater / subsidence
- Green Infrastructure

Summary of Issues Not to be Considered

Things beyond the scope of the Task Force

Rebuilding public trust with the S&WB

- Billing/collections
- Customer service
- Critical infrastructure repairs
- Workforce/culture
- Communications

Power

- Capital improvements
- O&M
- Future plans

Drinking Water System

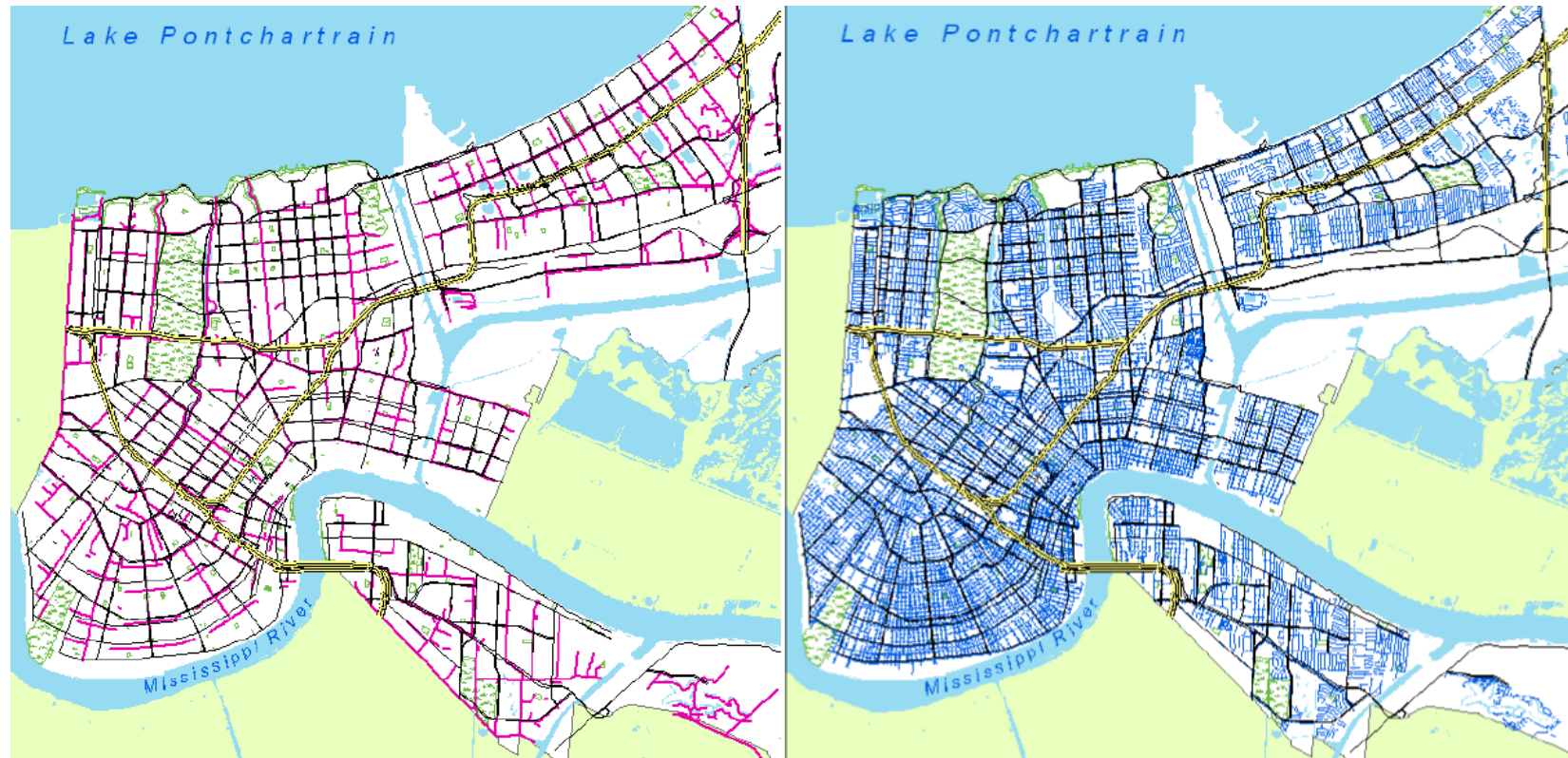
- Capital improvements
- O&M

Sewer System

- Capital improvements
- O&M [Veolia runs 2 treatment plants under P3 contract]

Summary of Issues to Consider

Drainage System Split



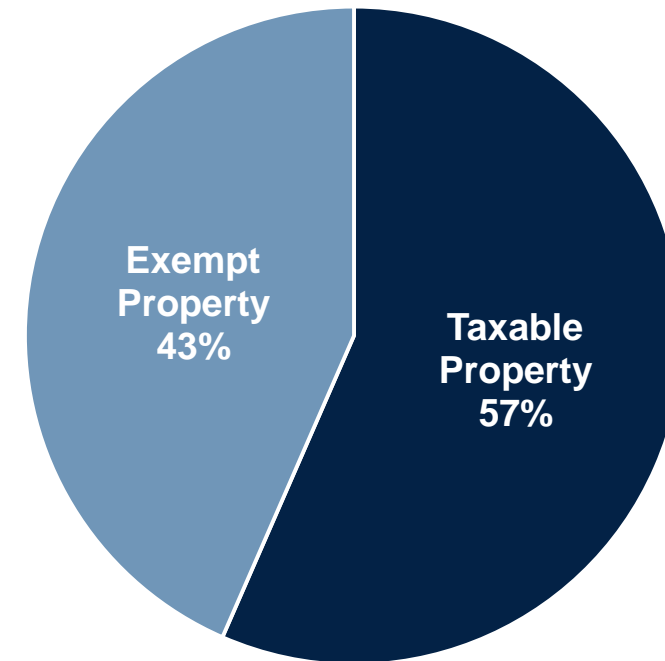
- SWBNO:
 - 235 miles of pipe/canals
 - 23 pump stations
 - power plant
 - \$66.9 M 2017 O&M
- City:
 - 1,288 miles of pipe
 - 68,000+ catch basins
 - \$6M 2017 O&M

Summary of Issues to Consider

Drainage System Funding

- Drainage funded through property tax
- Based on the economic value of the property and the improvements, not demand for drainage
- Properties that are tax-exempt, such as schools, universities, non-profits, and city-owned properties, are not required to pay property tax
- Does not allow for flexibility in spending like affordability programs, grants, or other improvements

Exempt Share of Assessed Value, 2011 (BGR)

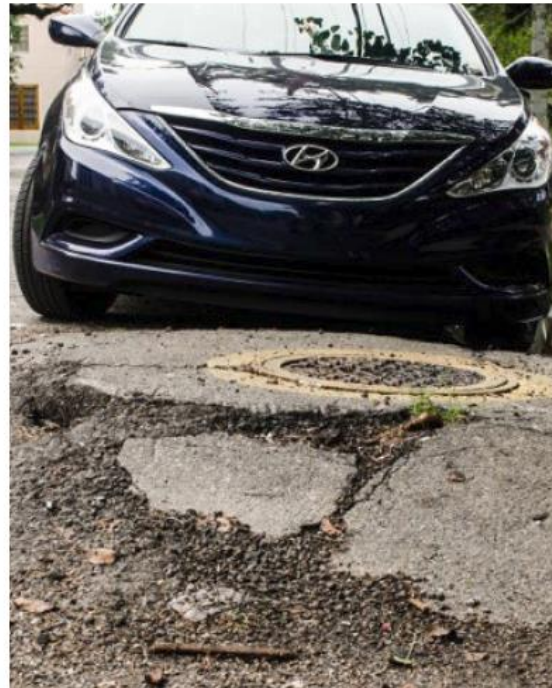


Summary of Issues to Consider

Urban Water Plan



1 Drainage systems are regularly overwhelmed by too much runoff, causing flooding.



2 Excessive pumping causes the land to sink by lowering groundwater levels.

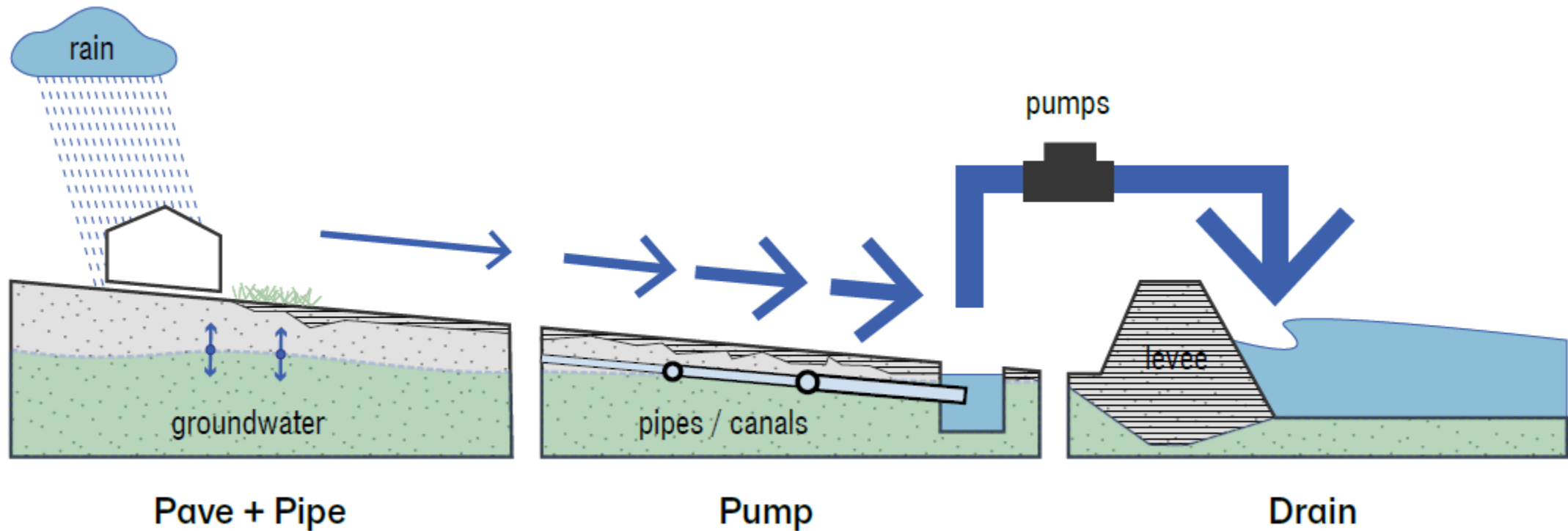


3 Critical water assets are wasted, hidden behind walls, buried underground, or pumped out of sight.



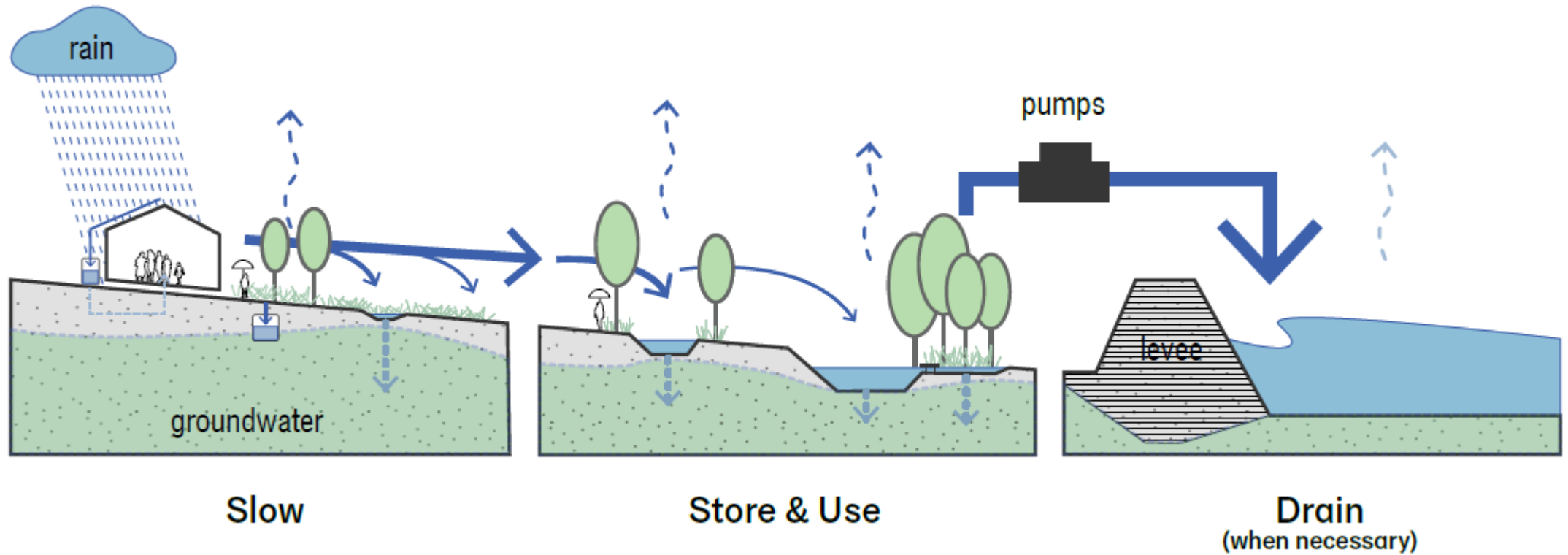
Summary of Issues to Consider

Urban Water Plan



Summary of Issues to Consider

Urban Water Plan



Current Structure

SWBNO- Independent City Agency



- Governed by a Board of Directors
 - Mayor
 - Two representatives of the Board of Liquidation
 - Eight citizen members, of which five represent council districts, one at-large representative, and two consumer advocates.
- Citizen members are appointed by the mayor with the advice and consent of the city council from a list of nominees submitted by a Selection Committee comprised of representatives from:
 - Dillard University
 - Loyola University
 - Tulane University
 - Xavier University
 - Delgado Community College
 - University of New Orleans
 - Southern University at New Orleans
 - New Orleans Chamber of Commerce
 - New Orleans Regional Black Chamber of Commerce
 - Urban League of Greater New Orleans

Current Structure

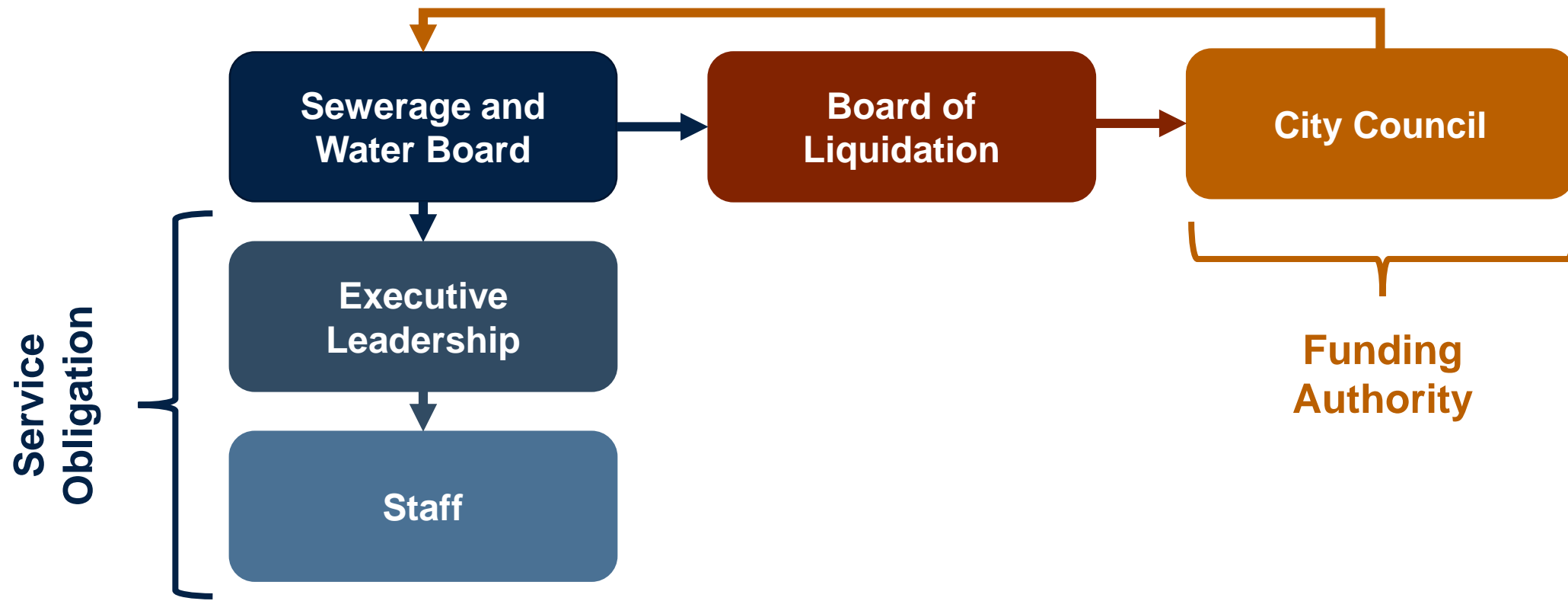
SWBNO- Independent City Agency



- Has responsibility for:
 - Drinking water
 - Sewerage
 - Drainage (major, split with City)
- Rates set by Board > Board of Liquidation > City Council
- Drinking Water and Sewerage rates charged by usage
- Drainage funded through millages

Current Structure

SWBNO- Independent City Agency



Desired Outcomes

*Our recommended options should
accomplish...*

Desired Outcomes

Our recommended options should accomplish...

- Mitigation of Federal debt
- Consolidation of drainage O&M
- Groundwater management
- Sustainable and equitable funding source for drainage
- Comprehensive implementation plan for green infrastructure (Urban Water Plan)
- Workforce and small business training programs
- Holistic approach: regional MOUs with neighboring parishes and other agencies

Management Options

Alternatives to measure against our vision, guiding principles, desired outcomes, and legal requirements

- No action--maintain current structure, including separate drainage systems per 1992 agreement
- Combine all drainage under S&WB--as recommended by Transition Team Report
- Consolidation—move all or part of S&WB under management of city Public Works Department
- Privatization—sell S&WB assets to a private company
- Public-Private Partnership—expand contract operations beyond wastewater treatment to include other facilities/systems
- Separate stormwater utility—consolidate all drainage management under a new utility and move from millage to drainage fee; could be under SWBNO, under the city, or on its own
- Public-Public Partnership—partner with SLFPA or another public agency to manage the drainage system
- City-Owned Corporation—publicly chartered company with one shareholder, the city
- Regional Water Utility—leveraging excess capacity by serving neighboring parishes as well as Orleans

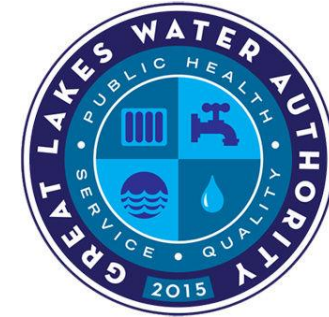
Progress So Far

Meetings Held

- **July 30, 2018**
 - Intro, work plan discussion
- **August 22, 2018**
 - Confirmation of work plan, setting regular meeting dates
 - History of SWBNO- Janet Howard
- **September 12, 2018**
 - Urban Water Plan- Waggonner and Ball
 - Overview of case studies
- **September 18, 2018**
 - Presentation by ABS Group
- **October 2, 2018**
 - Presentation by Raftelis
- **October 17, 2018**
 - Development of Issues and Solutions shortlist
- **October 31, 2018**
 - Confirmation of shortlisted options
- **November 14, 2018**
 - Presentation by Citizens Energy Group
- **November 30, 2018**
 - Presentation by Philadelphia Water

Progress So Far

Experts Engaged



Pittsburgh
Water & Sewer
Authority



Management Options

Alternatives to measure against our vision, guiding principles, desired outcomes, and legal requirements

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- City-Owned Corporation—publicly chartered company with one shareholder, the city
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Summary of Potential Options

- **Option 1:** Independent City Agency, no change in management structure.
 - **Option 1a:** Independent City Agency, reform to allow SWBNO Board to set rates independently.
 - **Option 1b:** Independent City Agency, reform to transfer responsibility for all drainage assets under SWBNO
- **Option 2:** Stormwater Utility (fee-based)
 - **Option 2a:** Stormwater Utility housed under City Department of Public Works.
 - **Option 2b:** Stormwater Utility housed under SWBNO.
- **Option 3:** Public Benefit Corporation

Option 1

Independent City Agency, no change in management structure

- No legal requirements to go this route
- No change in management or operations

Option 1a

Independent City Agency,

reform to allow SWBNO Board to set rates independently

- Legal Requirement:
 - Legislature Amendment to LA. R.S. 33.4096, A(1) & (2), B(1), D and E.
 - SWBNO/Board of Liquidation rule changes for consistency
 - City Council generally vested with power to levy taxes and fees
- Could include detailed process for rate setting
- Would allow obligation and authority to be independent of political influence

Option 1b

Independent City Agency,

reform to transfer responsibility for all drainage assets under SWBNO

- Legal Requirement:
 - Cancellation of the 1992 CEA between SWBNO and DPW
 - Renegotiation and new CEA to reflect new structure
- This would not address the funding issues related to drainage, but could help to streamline operations and maintenance.
- Would need to come with revenue sharing or new revenue source.

Option 3 (a & b)

Stormwater Utility (fee-based)

- Legal Requirements:
 - Requires amendments to State legislation and Home Rule Charter (by vote)
- Legally, could be structured as:
 - Standalone state or regional agency
 - Arm of S&WB
 - City Department

Option 3 (a & b)

Stormwater Utility (fee-based)

- Would add a new fee for stormwater/drainage service based on usage
- Typically charged based on impervious surface of each property
 - For commercial, multi-family, and institutional uses, each parcel is measured
 - For single/double residential uses, each parcel is charged an Equivalent Residential Unit (ERU) based on citywide survey
 - Can include credits for reduction of impervious surface and installation of green infrastructure
- More equitable way to fund drainage- no exemptions
- Allows for more flexibility to address regulatory and service related needs
 - Can also allow for grants and programs for affordability not allowed under a millage structure

Option 3 (a & b)

Stormwater Utility (fee-based)



Stormwater Utility Example

Charlotte-Mecklenburg Storm Water Services



- Joint municipal/county stormwater utility formed in the early 1990's that includes Charlotte and the rest of Mecklenburg County.
- Charlotte-Mecklenburg Storm Water Services staff includes both City of Charlotte and Mecklenburg County employees. Staff coordinates closely to provide comprehensive stormwater services and ensure service to residents is seamless.
- Charlotte-Mecklenburg Storm Water Services works under the guidance of the Storm Water Advisory Committee (SWAC). The advisory committee:
 - reviews policies
 - hears appeals and decides on violations, fee credits, service charges and adjustments
 - evaluates capital and operational programs and budgets
 - makes recommendations or comments to elected officials

Option 4

Public Benefit Corporation

- Legal Requirements:
 - State law provides for the creation of a “public benefit corporation” to “finance the construction, renovation, and operation of public properties and facilities.” LA R.S. 39:1051(B).
 - Enables re-financing options, including ability to partner with private entities to “leverage additional funds not otherwise available to public entities” (with State Bond Commission Approval). La. R.S. 39:1051(E).
 - Requires amendments to state enabling legislation and Home Rule Charter (by vote)
- Does not trigger privatization requirements because agency continues to be publicly-owned
- City owns/controls agency and appoints board

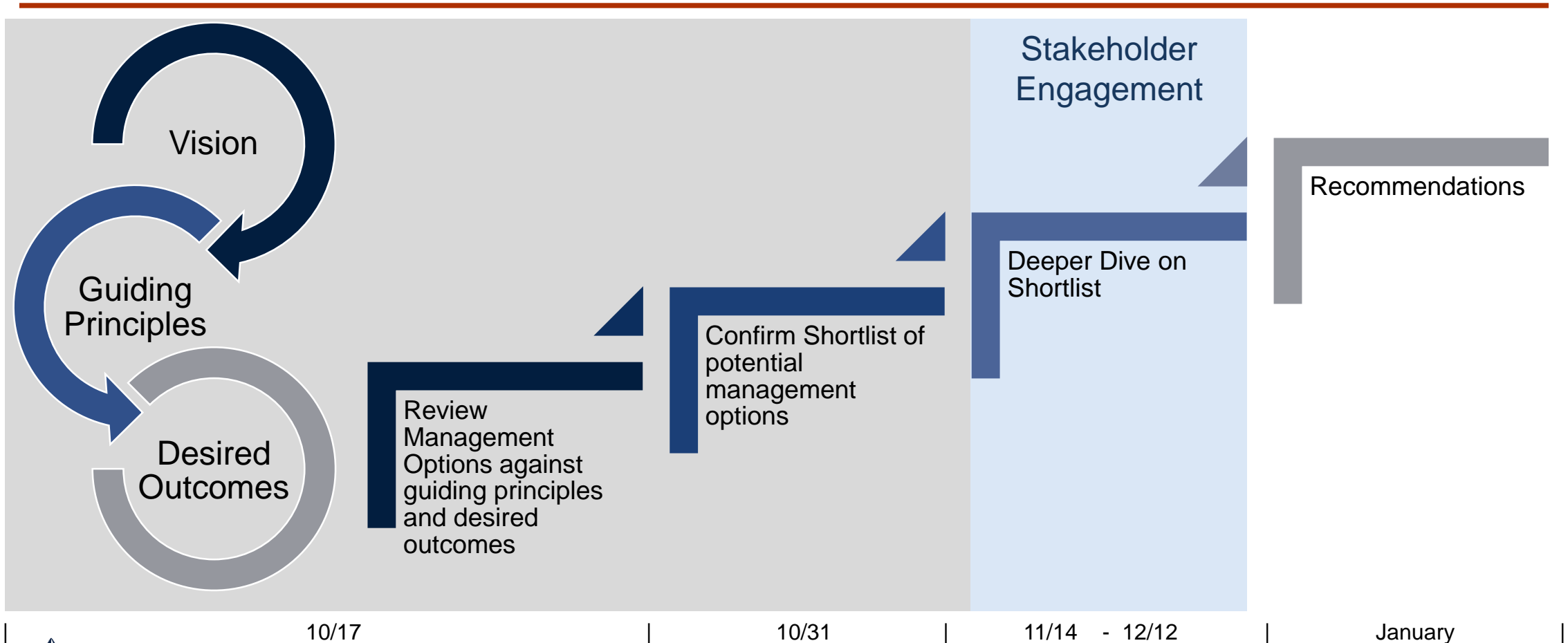
Public Benefit Corporation

Citizens Energy Corp, Indianapolis



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- Founded in 1887, Utilities held in Public Trust
 - Largest water and wastewater utility in Indiana
 - 2011- “Better Utilities for a Better City”
 - Utilities kept under public ownership
 - Non-profit business model
 - Non-partisan governance
 - Operational savings
 - Smaller rate increases
 - Excellent customer service
 - \$425 million in proceeds to City to fund other hard infrastructure

Revisiting the Process





Questions?

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<https://roadwork.nola.gov/swb-task-force/>