

**MINUTES OF THE REGULAR MEETING OF THE
INFRASTRUCTURE ADVISORY BOARD
December 8, 2022**

The regular meeting of the Infrastructure Advisory Board (IAB) occurred on December 8, 2022 in-person at Woodward Design+Build – 2nd Floor, 1000 South Norman C. Francis Parkway, New Orleans, Louisiana.

The following IAB members were present:

1. Paul Flower, Chair
2. Neil Abramson, Secretary
3. Bill Hammack
4. Chuck Morse
5. Elisa Speranza

The following IAB members were absent:

1. Karen Raymond
2. Casey Tingle, Vice Chair

REGULAR ORDER OF BUSINESS

Call to Order. The Chair called the meeting to order at 2:00 p.m.

Approval of Agenda. The agenda was presented and unanimously approved.

Approval of Minutes. The minutes of the September 22, 2022 regular meeting were unanimously approved as written.

Approval of Quarterly Report. The Quarterly Report was unanimously approved.

Presentations. In order of appearance:

Eric Smith, Chief Administrative Office Analyst, City of New Orleans, presented a financial update consisting of a slide presentation that summarized the 2020-2022 Recurring Revenue Breakdown for the Fair Share Agreement, as of 11/15/2022. He explained that economic recovery is on pace or exceeding 2019 benchmarks, with collections on pace for the 2022 goal of \$25M in revenue. He explained a system error that resulted in the incorrect distribution of Short Term Rental tax revenue. The City corrected the system error and credited adjustments in August to the New Orleans Sewerage & Water Board (SWBNO)- \$657,682.00, Department of Public Works (DPW) - \$219,227.00, and New Orleans & Co. (NOCO) - \$545,543.00. This adjustment accounts for the significantly higher August STR equalization of approximately \$1.8M. Mr. Smith also reported on the continued expansion of the internal work force for the DPW, with 39 positions requested, 15 filled and 28 vacant. DPW is in the process of recruiting and interviewing for the

remainder of the positions. Sarah Porteous, introduced below and next, added that DPW is working to diversify its labor pool, but hiring remains a challenge consistent with national trends. She added that DPW has the goal of eventually providing a dedicated maintenance group for every council district. IAB members discussed the components of the IMF and requested specificity about the sources and allocation of revenue.

Sarah Porteous, Acting Director for the Department of Public Works, City of New Orleans, provided several updates. On the Downtown Development District's installation of permeable pavement in seven City corridors, a green infrastructure project, the DDD has awarded the design contract and is working on finalizing the contract for execution. They are on track to begin construction in early 2023. Ms. Porteous explained that the project will include pervious pavement with perforated pipe underneath. The IAB inquired about the status and timing of the DDD's expected contribution of \$2.5M annually into the IMF and the allocation of those dollars between DPW and S&WB, and Mr. Smith and Ms. Porteous committed to follow up with additional information.

On capital outlay, Mr. Smith explained that the situation remained unchanged from prior reports: For the Lower 9th Ward Green Infrastructure Project, the State Bond Commission restored full \$250K in Priority 1 funding (previously approved only \$150K in July 2022) and \$2.65M in Priority 5 funding. For the VA Building Rehabilitation, the City has received architecture and engineering proposals for design of life safety upgrades to the VA Building, and is preparing to move onto next steps. The 2022 regular legislative session authorized \$2M in Priority 1 and \$8M in Priority 5 funding for this project.

Gilbert Montaña, Chief Administrative Officer, City of New Orleans, provided updates on one-time funding, the Infrastructure Maintenance Fund and the Drainage Consolidation Working Group.

On one-time funds, explained that the New Orleans has access to an unprecedented amount of one-time funds through ARPA (American Rescue Plan Act). He observed that the Council's budget process had been robust and complemented its professionalism. He summarized that in Tranche 1 the City received \$193.7M, with \$186.6M used as revenue replacement and \$5.1M remaining. He summarized that in Tranche 2, the City received \$193.7 and selected projects with director, community and Council input. The City plans to present the full plan to the Council soon, with the goal of adoption in December. He explained that, from Tranche 2, approximately \$70M remains, which likely will be subject to a new allocation process in 1Q23. He emphasized a mandatory time line that requires allocation and use. Mr. Montaña also addressed the significant Fund Balance, explaining because of vacancy savings and carryover dollars, the Fund Balance at the start of 2023 will be \$200M to \$250M. He then transitioned to a summary of total one-time infrastructure investing: ARPA Tranche 2 funding will provide \$10M to catch basin cleaning, addressing 24,000 catch basins, and \$15M to the SWBNO Substation. From the Fund Balance, the City will spend approximately \$20M on right-of-way improvements, addressing surface cuts, potholes, streetlight repairs, traffic signal repairs, sign replacement/repair, and striping streets and sidewalks, with a project amount for each category forthcoming. He clarified that this spending was not from the Fair Share funding; it supplements shortages to the IMF from lower revenue collections in 2020 and 2021. He also noted workforce challenges in completing these projects and explained that he

is expending these funds similar to a federal grant program to prepare for accountability and audit. He discussed the importance of a 20% benchmark for the reserve Fund Balance to safeguard against emergencies, noting that the prior amount of \$36M was insufficient.

On the Infrastructure Maintenance Fund, specifically the money that remains from the City/DPW's portion, almost \$26M was appropriated 2023 budget, with \$1.2M funding 41 personnel positions and \$24.5M allocated to other operating expenses.

On the Drainage Consolidation Working Group, Mr. Montaña explained the group's mandate and the fact that the working group has met three times to discuss key issues. The effort is ongoing, including the involvement of the City's law department to analyze what is required to move toward consolidation. Financial feasibility is a key issue, with concern by working group members about understanding the public benefit of any fee structure or program. Mr. Montaña will report to the council by January 1, 2023 on the legal mechanisms, efficiencies and funding for consolidation. IAB members raised a series of questions regarding outstanding IMF funding, and expressed disappointment that 20% of the Fair Share funds, \$5M annually, has not come to fruition. All parties agreed that this requires a renewed effort to honor the terms of the original Fair Share agreement. The members of the IAB agreed to follow up with Mr. Montaña and Councilmember Gairusso on this item.

Ghassan Korban, Executive Director, SWBNO, reported \$31M total revenue received from Fair Share/IMF through October 2022, with total expenditures of \$7M on items including Turbine 7 design (\$1.2M), Smart Meter Program (\$1.4M) and SELA Drainage Projects (\$3.5M). He explained the discrepancy between revenue and expenditures as intentional pending the 2023 launch of projects. Mr. Korban shared updates on priority projects: (1) On December 14, 2022, SWBNO Board of Directors is expected to approve final contract with the vendor, Aquameters, for installation of AMI. The deployment phase is underway with the anticipated first round of meter installation beginning mid-2023. (2) SWBNO celebrated the groundbreaking of The West Power Complex in early December, with \$20M in Fair Share funds used in 2023. Mr. Korban expressed his gratitude for the funding and support the project has gotten from every level of government. The total project cost is estimates at \$300M with a delivery date of mid-2024. IAB members examined the breakdown of the funding sources and asked a series of questions about it. The IAB also raised the issue of the SWBNO stormwater management fee study update. Mr. Korban explained that he expects an updated study from Raftelis in three months, and that the Water Collaborative and the Business Council are engaging in public education and outreach. The IAB requested a more developed analysis of the stormwater management fee for its next meeting.

Mr. Korban and Mr. Montaña revisited the earlier discussion of the Drainage Consolidation Working Group. Mr. Korban explained that there is an enhanced awareness of the necessity of a higher level of maintenance of catch basin cleaning. In response to a question about the potential timing of the consolidation, Mr. Montaña explained that timing depends on the ultimate recommendation and the complexity of implementation. He also clarified that, should the City take responsibility, it would only control pipes 36 inches in diameter and below and not the drainage pumps.

The IAB noted the importance of understanding SWBNO progress to date, and specifically pointed to the progress report prepared by the IAB. The attendees also agreed to a follow-up meeting on budget matters among the IAB, the City and the City Council.

Public Comment There was no public comment.

Approval of 2023 IAB Meeting Schedule. The IAB unanimously approved the proposed 2023 meeting schedule after adjustment from the original proposal: Q1 – March 16, 2023; Q2 - June 8, 2023; Q3 – September 14, 2023; Q4 – December 14, 2023.

Other Business. There was no new or other business raised by the attendees.

Adjournment. The IAB adjourned the meeting at 3:23 PM.

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