

Sewerage and Water Board Task Force
October 17, 2018 1:30 pm
Sewerage and Water Board Board Room, 625 St. Joseph St.

Roll Call:

Ramsey Green, Chair: Present

Councilmember Banks, Vice Chair: Present

Board of Liquidation, Poco Sloss: Present

La Engineering Society, Dr. Emile Robichaux: Present

SWBNO, Ghassan Korban: Present

New Orleans & Co, Cheryl Teamer: Absent

Business Council of New Orleans, Elisa Speranza: Present

Dr. Robichaux introduced himself and discussed his educational and professional background, specifically as it relates to topics pertinent to SWBNO.

Dr. Robichaux requested a sidebar conversation with Ghassan Korban and a tour of SWBNO facilities.

Minutes were briefly reviewed.

Motion to approve minutes, move to accept by Ms. Speranza, second by Councilmember Banks, unanimous approval.

Tyler Antrup: Meetings for November have not been scheduled yet, difficulty with reserving a room. The time is also coming quickly to do community outreach. We can continue to do every other Wednesday at 1:30 if we want to, but we'd have to move to 8th floor at city hall - then there are livestream challenges.

Ghassan Korban: We can see who is occupying this space and see if we are able to work with them to maintain our time and location.

Councilmember Banks joined meeting.

Tyler Antrup: I will discuss more about community meetings during the presentations

Discussion of current issues is brought up, led by Tyler Antrup

Tyler Antrup:

We left this agenda kind of open so we can discuss where we want to go.

One of the biggest issues we've heard over and over is responsibility without corresponding authority. Also:

- Drainage is underfunded and we have looming SELA obligations.
- Coordination issues with drainage system split and regional duplication.
- Equity has come up frequently - taxpayers fund all of drainage and it's based on your property assessment, so it's a very small portion of citizens paying at this time.
- Mission Creep - subsidence and groundwater issues as well as green infrastructure not covered under the existing mission of SWBNO.

Summary of Issues Not to be considered

There are a number of issues that SWBNO faces, but some of those things are not able to be addressed by this task force. (public trust, sewer system, funding mechanisms, power generation, etc.)

Review of Process outline: Today we can discuss a vision of where we want to go, then guiding principles are established, then we can discuss desired outcomes.

Then we can go through management options and see what fits and what doesn't, from there we can have a shortlist. Then we can engage stakeholders to take a deeper dive on the shortlist. Finally, we can produce our recommendations.

Elisa Speranza: On stakeholder engagement - if we aren't careful about how we structure the meetings it is likely that people will come in with complaints about SWBNO and that conversation may not be as focused and productive for what we are looking at. Can we have conversations to ensure we get the right people in the room?

Poco Sloss: Agreed. Specifically bringing in experts.

Ramsey Green: We have a lot of area to cover. We can have five or we can have two or somewhere in between. Tyler, I want to defer to your judgement.

Councilmember Banks: We have to do what we have to do. Five is better because we need to get the public feeling like we are really working to get this thing fixed.

Tyler Antrup: Instead of a full taskforce meeting could we do an informational session?

Councilmember Banks: I'm all for that. I don't think the roll call makes the difference. It's the public input that makes the difference. And before we go into anything we can make it clear that this is not the place to talk about your bills.

Elisa Speranza: If there are groups that are particularly interested in this that have questions we may be able to divide and conquer and attend their meetings.

Councilmember Banks: The more public outreach we do the better

Ramsey Green: I will discuss with Ray Bolling in Neighborhood Engagement to get a list of neighborhood meetings.

Tyler Antrup: I think this is a really good solution because reaching quorum was the big concern.

Discussion begins on Vision. Tyler Antrup:

At the end of the day we need to decide what we are trying to do with the utility.

Presentation of current vision of SWBNO and visions of other utilities.

Drainage is not explicitly mentioned in ours, but it is implied.

Seattle's vision is much more aspirational.

Elisa Speranza: I think what we do should be aspirational.

Poco Sloss: A vision is supposed to be aspirational.

Elisa Speranza: I think it's hard to decide on a vision for SWBNO here, but we can discuss a vision for this task force.

Ghassan Korban: I think the organization should create the vision statement and should be brought to the community for a blessing, rather than the community creating a statement.

Tyler Antrup: My intention with this is not to create a SWBNO mission statement, but rather create one for us to use as a guide.

Councilmember Banks: If you combine ours and Seattle's then you've got it

Discussion begins on guiding principles.

Guiding principles are not about what you do, they are about how you do it.

Elisa Speranza: These are all words that are hard to argue with and they may be aspirational.

Poco Sloss: I don't see principles as being aspirational and I would argue for a more concrete definition

Tyler Antrup: We need to measure any potential changes in structure to these principles.

Poco Sloss: If my water comes to me reliably and it's cheap, what do I care if it's transparent?

Ghassan Korban: I would rather be aiming to be efficient rather than affordable because I can control the efficiency rather than the affordability and it's very subjective.

Tyler Antrup: Maybe equitable is a stand-in for affordable

Poco Sloss: But what does equitable mean?

Elisa Speranza: To me it means fair. A system that everyone doesn't pay into isn't fair.

Ramsey Green: I agree that some of these are kind of lofty, but I think we are looking at creating a kind of grading matrix and this is a way to do it.

Dr. Robichaux: You mentioned Pittsburg a few minutes ago, I'm an Entergy customer and it seems to me that these things are pretty agile. They recently corrected some issues. I'm wondering if Entergy could come and maybe discuss some things with us.

Ramsey Green: One of the struggles we got when we first got this task is, what is the product going to look like? Should we go through the options that have been presented to us?

Elisa Speranza: For the work that we are doing, how do we want that to stand up in all of this.

Review of Desired Outcomes

Elisa Speranza: A couple of small amendments to suggest. Remove "groundwater assigned" and "drainage enterprise fund" as criteria, since those two things should happen as part of all the options mentioned.

Tyler Antrup: Currently the SWBNO is the largest impact on groundwater in the city so it would be a natural place to put it.

Ghassan Korban: The holistic approach involves collaboration from others. So I'm obviously for it, but it would require cooperation with many others.

Ramsey Green: The task force could recommend it

Tyler Antrup: Clarifying the language around privatization and presentation of a graphic around the different options related to privatization. Ownership of assets and management of assets are both on a spectrum of full public to full private.

Elisa Speranza: Charlotte-Mecklenburg is not on this chart and that's one we discussed. It's more regional.

Ghassan Korban: To me the P3 is when a private entity invests in the utility long term.

Elisa Speranza: If there's financing involved, but it can also just be a long term service contract.

Poco Sloss: Sounds like outsourcing

Elisa Speranza: It is.

Ramsey Green: What is a supra-municipal? Is that like a regional?

Tyler: It's when you have a utility that's almost treated like its own entity.

The point is raised that we sell water to places outside of Orleans Parish.

Tyler Antrup: Moving into the exercise portion.

Any option that does not keep the status quo, will probably require a vote of the people.

Ramsey Green: On the worksheet I'm counting nine options and on the PowerPoint I'm counting 7.

Tyler Antrup: The bottom of page 13 was broken into 3 different options.

Elisa Speranza: Would the idea be to go through our own evaluation of this against the criteria and guiding principles?

Tyler Antrup: Yes. Exactly

Poco Sloss: What would it take to change the rate setting authority from City Council to another body?

Christy Harowski: It would have to be a state action (state revised statute). There are emergency cases when the board of liquidation can step in and approve rate changes. Essentially: There are two places - state legislation, requires vote of the legislator. Ch. 5 sec 3:3 of home rule charter, would require City Council vote and may also require vote of the people.

Poco Sloss: If the SWBNO wanted to set its own rates, what would happen?

Christy Harowski: It would require an amendment to state legislation and a city ordinance. I don't have these laws in front of me, though.

Ramsey Green: We have to be out of this room soon.

Tyler Antrup: If there are options we can throw out regarding this exercise then that's something people should do for homework before the next meeting.

Ramsey Green: Let's rule some of these out

Elisa Speranza: One form of stormwater utility or a regional utility or the public benefit corporation are three that rose to the top for me. Public benefit is a public corporation run more like a business but with one shareholder which is the city. The other options I have to say - we have been through a lot of different conversations in this city around privatization and I don't think it's the right thing for this city.

It is clarified that a stormwater utility would charge fees for the management of stormwater.

Ramsey Green: Elisa, where you stand is the stormwater utility function needs to be defined.

Poco Sloss: Some other cities have transferred assets into their retirement systems. I will send the example to Tyler and Elisa.

Elisa Speranza: To be clear, I'm suggesting we take privatization off the list and stop talking about it. I think we all agree it's not a good fit for our situation (there are no privatized stormwater utilities in the US), it's highly unlikely to happen, and it just upsets people to keep discussing it, which is a distraction from our charge.

Poco Sloss: If you look at the path of resistance - that has heavy resistance.

Ramsey Green: Does anyone have anything else to say about these options?

Ramsey Green: Tyler will get expanded public private partnerships beyond waste water.

Councilmember Banks: In terms of distraction I have real concerns about the regional utility. I think it's a great option, but I don't see it as politically viable and we need to spend our energy on viable options.

Tyler Antrup: Modified existing structure, municipal utility, stormwater utility, public benefit corporation - this is what we are left with.

Councilmember Banks: Whether it's called the SWBNO or it's called the City - it's the same team either way.

Poco Sloss: I don't think we are all on the same team all the time, and I think it's a big problem that the SWBNO isn't able to set rates.

Ramsey Green: Councilmember Banks, in your public works meetings we talk about the '92 CEA a lot and my hope is that the task force looks at it. To be aspirational, I'd like to address that CEA in our recommendations here.

Tyler Antrup: If this task force decides to make a recommendation about responsibility it has to be clarified that ownership and responsibility are two separate things.

Ramsey Green: I don't think we can make huge impacts on governance, but we can on operations.

Tyler Antrup: I will put together a revised list based on the direction of the task force.

Ramsey Green asks for Public Comment.

Lloyd Lazaar: I think it is easier to get people to work a couple hours or hour and half overtime at City Hall so you can get that facility. The way the city is sectioned, you can set up meetings in certain areas and reach everyone. The state creates the power for SWBNO, the city manages the power of SWBNO, the people could own it in the way Wisconsin people own the Packers. When we dealt with the drainage we had sewers. We as African-Americans and slaves built many canals around here and when you cover them up you cover

up the labor. When you look at what's going on with the drains its water flow and air flow because air is stuck.

Elisa Speranza: What Mr. Lazaar said about the Packers is really about a public benefit corporation.

Rita LeGrand: When you have the public meetings, please have the billing clerks come and sit outside so you can have people talk face to face with billing clerks.

Representative Hilferty: Tyler, to your point on Pittsburg. What you outlined in red spoke to me. A well run utility is a good steward of the public money and getting that utility in the proper posture is essential. I have some concerns about lowering the amount of options. The utility that is well run and efficient will be a good steward.

Elisa Speranza puts forth a Motion that the following options will stay in:

- Independent Agency (current model) but modified for at least:
 - Independent rate setting ability
 - Re-thinking 1992 CEA, consolidation of drainage responsibility
- Municipal Utility
- Stormwater Utility (Fee-based, under either SWBNO or City)
- Public Benefit Corporation

The Motion was seconded by Councilmember Banks, the motion passed unanimously.

Mr. Sloss made a Motion to adjourn, seconded by Mr. Korban. Meeting is adjourned.