

Sewerage and Water Board Task Force
October 3, 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, David Gereighty: Absent

S&WB, Admiral Callahan: Present for Ghassan Korban

New Orleans & Co, Cheryl Teamer: Present

Business Council of New Orleans, Elisa Speranza: Present

Cheryl Teamer moves to approve minutes, Poco Sloss seconds, approved.

Keith Readling of Raftelis presents on drainage service delivery in New Orleans.

Keith Readling is Executive Vice President with Raftelis, with a focus on stormwater drainage - specifically as it relates to organizational aspects and funding.

2002 documents drafted by Raftelis - previous privatization ideas around SWB (in addition to 2016 and 2017 studies)

Major system is run by S&WB, Minor system run by City of New Orleans.

This is a similar function to Northeast Ohio.

Most municipalities do not have to employ pumps the way we do.

Keith Readling: This system is severely underfunded. S&WB does not have authority corresponding to its obligations.

Operational issues, City does parts and S&WB does parts, therefore, full coordination is difficult. Subsidence - drainage infrastructure doesn't settle with other pieces (buildings, streets, etc.).

Cheryl Teamer: Why does water stand in the street?

Keith Readling: Clogged drainage system. We aren't spending enough on maintenance.

Councilmember Banks: What is enough?

Keith Readling: \$8-16 million (\$12 million as engineering estimate)

Poco Sloss: So that \$50 million short is S&WB and DPW combined.

Keith Readling: Correct. The public just wants to system to work, it doesn't matter whose responsibility it is.

Returning to Operations Issues: 3rd point - Connection between street maintenance and drainage maintenance. No matter what you do the connection between maintaining streets and drainage has to be taken into account.

Poco Sloss: If the coordination isn't there is that an inconvenience or a structural issue?

Keith Readling: Traffic control, curb lines, scheduled maintenance and not tearing up things twice are all parts of coordination.

Elisa Speranza asked about the impact of street a sweeping program, which many other cities have as a best practice for stormwater management.

Keith Readling: An aggressive sweeping program would allow for a drainage system that is less full of dirt.

Ramsey Green: When we look at what is coming out of catch basins, it's not illegal dumping, it's dirt.

Councilmember Banks: We aren't the only ones with dirt. What aren't we doing?

Keith Readling: Sweeping. There are places that sweep as often as once a week.

Ramsey Green: Can subsidence be contributing to clogged drains?

Keith Readling: Yes, because a change in a pipe's slope will change what happens with dirt inside it.

Discussion around the system in Charlotte, NC.

It is raised that Charlotte generates about \$80 million in drainage fees.

Councilmember Banks: What is the drainage fee based on?

Keith Readling: Hard surface area. The more hard surface area on your land the more you pay, because it generates more runoff. Assessing surface area can be done by looking through survey pictures, creating a computer program that reads images, or a combination of both.

Poco Sloss: what kind of timeframe would it take to do it manually?

Keith Readling: About 6 months (with considerations for resources).

Ramsey Green: If someone does an intervention on their home and decreases hard surface do they get a discount?

Keith Readling: Yes, that's the idea.

Elisa Speranza: How is the Charlotte-Mecklenburg Stormwater System governed? It is through a Memoranda of Understanding among the entities?

Keith Readling: Yes, there are multiple MOU's.

Poco Sloss: What percentage of water boards have their billing handled by a third party?

Keith Readling: Not incredibly rare, but relatively rare for larger utilities like S&WB - not unheard of.

Discussion is raised around the Northeast Ohio RSD - birthplace of clean water act.

They decided to provide stormwater services and declared it as their duty. Collect tax dollars - give 25% to underlying jurisdictions.

NEORS - probably most sophisticated billing system in the country. They are in the news constantly almost always in a very positive light.

Keith Readling: In New Orleans, there's no opportunity to do a great job because there's not enough money. The authority to raise revenue would optimally be connected.

Questions are raised around the Northeast Ohio structure.

Strength considered: large metro area, getting stormwater out of the wastewater system is a priority.

Councilmember Banks: What is the practicality of having the drainage separate from the entity that operates the streets?

Keith Readling: It is too difficult to coordinate if all drainage infrastructure was under the obligation of a party that did not operate the streets.

Keith Readling: I don't know any drainage systems that are privatized.

Poco Sloss: Privatization is essentially impossible for S&WB.

Indianapolis system: Originally privatized, but has moved to a sort of public-public system now.

It is raised that privatization would require a vote of the people - ballot measure.

Discussion is raised around billing for metered service waste water utilities: the ones that struggle have been about the last time they upgraded and how well the upgrade went.

For storm water service (not a metered service) ones that do that well have additional tools to track changes, intercept changes, and communicate changes to the billing system regularly.

Ramsey Green: If we were to move all of this to one entity or the other – it's hard to put streets under S&WB. On coordination and capital side we are way ahead than where we are on the maintenance side.

Is there any city designed like New Orleans - in that we push the water away?

Keith Readling: There's no place I've worked that is similar in that regard.

Discussion is raised around pipes.

Tyler Antrup: Our pipes are not sealed, essentially serve as a system of French drains throughout the city constantly draining groundwater.

Poco Sloss: Do you have any sense of an average/rational drainage fee?

Keith Readling: \$32 per month for a house here. Average fee across the country is about \$8 a month. Your water management costs are going to be expensive here, it's not completely out of range with everyone, but it's more than average.

Elisa Speranza raised a question about equity. Since more than half the City property owners are not paying for drainage under the current property-tax based millage model, wouldn't a drainage fee be more fair?

Keith Readling: The drainage fee would be seen as a more fair way to generate the revenue, however given how much money you need - my recommendation would be tax and fee.

Charlotte did this when they originally formed their current system. Where I worked, no property would be exempt including government property - so the city of New Orleans would be a rate payer.

Poco Sloss: Do the fees run forever or do they have to be renewed?

Keith Reading: They run forever everywhere I've worked.

Ramsey Green: You've cited reports you did for S&WB, Keith - can we put those on our website?

Tyler Antrup: Most are, but will add the one that isn't.

Next agenda item:

Tyler Antrup: Come up with a list of few concise issues that could actually be solved by management reform. I think next we want to take that list of issues and compare it to options.

Issues brought up: Funding, Coordination, Responsibility without corresponding authority.

A request is made for a copy of state statute that establishes S&WB for next meeting.

Elisa Speranza suggested the Task Force also look into affordability programs other utilities have put in place for drainage fees.

Request is made for the organizational chart of S&WB next meeting.

Elisa Speranza suggested three criteria for looking at different models:

- Preserving the S&WB's independent bonding authority
- Preserving the S&WB's rate-setting authority (with approval by the Council)
- Creating the possibility of establishing a regional system, at least for drainage, since water doesn't know when it crosses a Parish border.

Discussion is raised around the importance of addressing regional needs - water doesn't know when it crosses a border (politically difficult, but can be possible. San Francisco is an example).

Ramsey Green: Brings up discussion of Dig Once program in San Francisco.

Ramsey Green: Pittsburg, Northeast Ohio, and Dallas - still have two systems coordinating but it's working.

Poco Sloss: Maybe we can take a look back at things when S&WB was a model agency.

Councilmember Banks: The gorilla in the room is what is this going to do to rates - we already have affordability issues all over the city, we cannot overlook what this will cost people. Whatever discussion we have - understanding of what this will cost the people has to be coordinated in it.

It is raised that Atlanta and Detroit are places to look at for the affordability piece.

Discussion is raised around pros and cons of privatization. Understanding that privatization is very unlikely. If anything near that would happen it would be a public-private partnership, similar to Lafayette, LA.

Poco Sloss: What we're paying right now isn't paying for the system and we have to figure out how to handle that long-term.

It is raised that when we talk about the \$50 million cost we aren't talking about major aging infrastructure costs.

Keith Readling: Correction on previous annual maintenance cost analysis for the City side of the system, closer to \$27 million.

Question is raised around whether there is another city struggling the way we are.

Keith Readling: Pittsburg has the most similarities. People use less water, but your costs don't have much to do with how much water people use so your costs stay the same.

Keith Readling: New Orleans has half the amount of money it needs for drainage. The one thing that these other places that are working have that you don't is money.

Public Comment:

Freddy Yoder: President and CEO of an infrastructure company. I've done work on private and public. I came off the Fix My Street Commission. I spent a year and a half working on fixing my streets. I worked on DPW in the 60's. I know we can fix this but you have to come up with solutions that are long term. Maybe privatization, maybe CEA's. There is a tremendous waste of energy. We need a long term way to fund a fix it plan. I wrote a 30 page report on solutions when I sat on the Fix My Streets Commission. If you look at the magnitude of the problem, you've got to think globally. We spent \$100 million last year on streets. It's a \$9 billion problem. The magnitude of the fix is quite expensive, but you can carry it over 30 years and defer some of the cost. You can privatize S&WB to Some extent and use private contractors.

Rita LeGrand: I'm a boots on the ground person. Love the idea of getting rid of mud in the streets. How do we get all that done?

Ramsey Green: I will inquire about how to ensure the streets are cleaned.

Nathan Lott: I work on water collaborative. I have a data point to share. We worked with the last administration on the Master Plan, a public document that might be germane in this work. What's the different between a drainage fee and a stormwater utility?

Keith Readling: Don't have a direct answer

Poco Sloss: Lafayette Water and Sewer have a private-public partnership. Could we have someone from there come speak to us?

Tyler Antrup: Will look into it.

Tyler Antrup: We had discussed a tour of a plant, need to figure out public meeting issues surrounding it.

Meeting adjourned.