

**Infrastructure Advisory Board
Progress Report
July 14, 2022**

What is the Infrastructure Advisory Board?

The Infrastructure Advisory Board (IAB) was formed August 6, 2019, by Executive Order LC-19-02 to oversee the spending of new revenue streams created by Act 170, collectively referred to as “Fair Share” funding. These revenue streams are intended to be dedicated to an Infrastructure Maintenance Fund, which supports water, sewer, and drainage projects vital to a sustainable and equitable economy in the City of New Orleans.

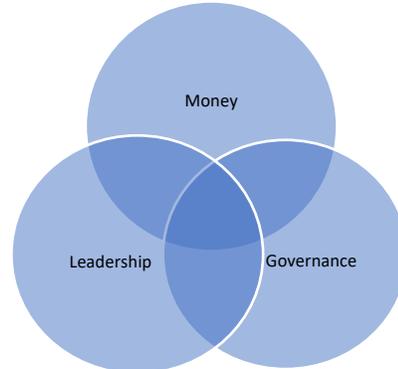
The IAB is also charged with making “recommendations as needed to the Mayor, the Governor, the New Orleans City Council, and the Louisiana Legislature regarding any identified improvements or reforms necessary to ensure the Sewerage and Water Board of New Orleans (SWBNO) is a high performing utility.”

As the IAB approaches the completion of its third year of service, and as Fair Share funding begins to reflect greater economic activity in the city, now that pandemic-related closures are ending, this report is intended to share both the progress and challenges we’ve witnessed at the SWBNO and offer recommendations for continued work.

What is the IAB’s vision?

Over the years, SWBNO has had one or two, but not all three elements the IAB believes are essential for the modern, functional, efficient, effective water/sewer/stormwater utility New Orleans deserves, including:

- access to adequate funding from local, state, and federal sources
- a qualified, experienced leadership and workforce in place, and
- accelerated progress towards building a well-governed, high performing utility.



A quick history of SWBNO

If you live in New Orleans, you are aware of the decades-long, troubled history of SWBNO. A historical underinvestment in infrastructure has left New Orleans with sub-standard water, sewer, and stormwater systems inadequate to consistently support a thriving, healthy city.

This observation is not to disparage or disrespect generations of workers and leaders who presided over these systems in the past—often hamstrung by a dysfunctional governance structure, archaic organizational, technical, and workforce systems, and a historic lack of will or ability to raise rates commensurate with the needs of an aging system.

Recovery from the levee breaks and flooding in the aftermath of Hurricane Katrina alone was a herculean feat, but that recovery did not keep pace with investment needs. In August 2017, catastrophic flooding caused by inadequate power and pumping capacity, plus a clogged system of canals and drainage pipes due to years of poor maintenance—on the heels of multiple boil-water advisories and chronic metering and billing challenges—brought the system to a breaking point.

After a series of interim leaders and emergency fixes, Mayor LaToya Cantrell recruited a proven, seasoned utility leader to begin orchestrating a professional analysis of the troubled agency’s challenges and to implement the improvements needed to bring the utility up to current utility standards. Ghassan Korban, with a track record of success in Milwaukee, arrived in the fall of 2018.

Those closest to the action know it had taken decades for the once proud and innovative system to fall into its broken and dysfunctional state, and that even the most forceful multi-front effort would not bring visible fixes overnight. While we recognize there is still a lot more work to do, it’s worth pausing to critically review progress on major issues made to-date and explore future plans. The table below summarizes these issues and projects.



A car with a 2007 registration tag is removed from a Mid-City drainage canal on August 22, 2019. Mardi Gras beads spilled from the trunk. (Photo: NOLA.com)

Facing the challenges and what we can collectively do about them

The IAB, along with the citizens of our city, know that things have not improved as fast or as efficiently as needed or as we would like. The global COVID-19 pandemic caused a significant decrease in expected revenues from Fair Share Funds, which are dependent on hotel and Short-Term Rental (STR) visitors coming to New Orleans. This setback slowed the implementation of many planned improvements.

Also, SWBNO is still hampered by a profound lack of public trust, and by the invisibility of many of the improvements it *has* made. The utility remains an all-too-easy target for criticism—sometimes deserved, sometimes not—and often misinformed second-guessing. The IAB hopes we can reframe the discussion.

It’s time to offer support to the SWBNO—while also demanding accountability, transparency, and tangible progress. It’s time to collectively find the institutional and political courage to finally resolve daunting and seemingly intractable public policy decisions around modernizing civil service, increasing water and sewer rates, and consolidating stormwater management. It’s also time to develop a fee structure to wean the drainage system off outdated and inequitable millages. Today, 43% of the

property owners in Orleans Parish pay absolutely nothing to support handling their own stormwater runoff. This system is neither sustainable nor equitable.

Probably most importantly, it's time to stop wasting time, energy, and resources with political infighting and blame. It's time for all of us to collectively roll up our sleeves to bring constituencies together and develop solutions.

We need SWBNO leadership and workforce, elected officials, community leaders, business owners, advocates, ratepayers, and property owners to be active, vocal, and constructive players in this critical civic challenge.



We need to act now.

Simply put, we're already living on borrowed time. Addressing the existential threats to our economy, homes, businesses, and communities is not an option and can't be delayed.

Over the last several years, the IAB has heard from experts and "best practice" utilities from around the country and we are convinced everything that's wrong with our water, sewer, and stormwater systems can be fixed. There are lessons we can learn from others. New Orleans is special, but it's not necessarily unique.

We know that rebuilding public trust depends on tangible, visible outcomes people see in the streets, in their environment, and in their water bills. People will support what they value, and they will value what they trust.

Here are the objectives:

- Accurate, timely water and sewer bills.
- An affordable and equitable rate structure.
- An engaged, well-trained, and valued utility workforce.
- A functional and adequately funded power and drainage system, incorporating the many benefits green infrastructure brings to our neighborhoods.
- An end to boil-water advisories and clean, safe, reliable drinking water 24/7.
- A sewer system that continues to protect the environment and public health.
- Preventive and predictive maintenance rather than costly and disruptive emergency repairs.
- Public assets sustainably managed for the long term.
- Pride in a trusted utility system built to serve the community.

The IAB commends SWBNO for the progress made to date, often against stiff headwinds. We will continue to advocate for and support investment in critical projects, while also demanding

accountability. We encourage all public decision-makers: Administration, SWBNO Board, City Council, and the New Orleans legislative delegation to do the same.

The table below is very important, and we ask people to study it carefully. It summarizes key issues and projects SWBNO has tackled in recent years, progress made to-date, and near-term next steps. As we said earlier, while there still is plenty to do, significant progress, much of it invisible to the public, has already been accomplished.

Issue	Progress since 2018	What's next
<p>Organization, leadership, management, and culture</p>	<ul style="list-style-type: none"> • Re-organized utility structure to create a balanced leadership team and new customer service and administrative divisions • Recruited and hired a Chief of Staff, Chief Customer Service Officer, Chief Administrative Officer, and Chief Financial Officer to join other senior managers in re-focusing the utility • Established Employee Advisory Committee • Worked with the Civil Service Commission to incentivize key departments, such as meter reading, and create crucial positions, such as Strategic Planning Director and Deputy Superintendents to support operations • Expanded safety, training, and leadership programs available to all staff • Formed positive working relationships with partners such as Entergy, the federal Environmental Protection Agency, the Louisiana Department of Environmental Quality, and the Louisiana Department of Health 	<p><i>Evaluate workforce model options, including Civil Service and others, and determine an appropriate fit for SWBNO (in accordance with SWBNO's strategic plan)</i></p>
<p>Customer Service & Outreach</p>	<ul style="list-style-type: none"> • Reduced average call wait times, instituted Customer Care Plans, revised bill estimating system, expanded satellite customer service centers • Doubled meter reading personnel to reach more meters monthly and reduce the need for estimated bills • Automated Metering Infrastructure ("Smart Meters") plan completed, and contractor selected • Established Customer Advisory Committee • Developed "Report a Leak" online platform and interactive maps showing pipes and drainage in neighborhoods • Increased visibility and public access through social media and neighborhood engagement 	<p><i>Implementing a "smart metering" program to overhaul the meter-reading and billing systems; first meters expected to be installed in the fourth quarter of 2022</i></p>

Comprehensive Planning	Five-year Strategic Plan completed with employee and customer input	<ul style="list-style-type: none"> • <i>Master Plan</i> • <i>Asset Management Plan</i> • <i>Modern work order system</i>
Power	<ul style="list-style-type: none"> • Power Master Plan completed with a vision of transitioning entire system to the more modern 60HZ power and relying on less expensive, cleaner power from Entergy New Orleans for daily power needs, replacing the over 100-year-old steam power plant and reducing greenhouse gas emissions with new, energy efficient, natural gas backup generation capacity. • Broke ground on West Power Complex in preparation for a new Entergy power substation; secured up to \$30m and a Cooperative Endeavor Agreement with the City • Rehabbed Turbines 4 & 5; winterized Turbine 6; completed environmental permitting for future Turbine 7 	<ul style="list-style-type: none"> • <i>Build Entergy substation</i> • <i>Turbine 7 installation</i> • <i>Frequency changer installation</i>
Resilience	<ul style="list-style-type: none"> • Water towers completed, drastically reducing precautionary boil advisories • No loss of water service and no flooding during Hurricane Ida 	<i>Continue to evaluate opportunities to improve.</i>
Funding	<ul style="list-style-type: none"> • \$275M low-interest WIFIA loan through the EPA for citywide sewer-system improvements • \$75M in state capital outlay funds to support West Power Complex construction and integration with substation • \$52M in partnership with the City to fund substation and frequency changer purchases • \$7M in Fair Share funds spent to date to support smart meter procurement, additional meter reading capacity, and continued work on SELA drainage programs (\$16M additional funds in que to continue this work) • \$6M in federal earmarks to support drainage needs • \$4M of federal funds to assist low-income customers with outstanding bill payments 	<ul style="list-style-type: none"> • <i>Rate study for water and sewer revenues completed this year</i> • <i>Development of a more equitable and adequate funding mechanism for stormwater management</i>
Drainage System Improvements and Green Infrastructure	<ul style="list-style-type: none"> • Canal/ditch clean-out in coordination with the City's Department of Public Works • Expanded green infrastructure keeps 304k+ gallons of stormwater out of streets during every major rain event 	<i>Working with the Mayor and City Council on a plan to consolidate drainage management</i>

The IAB has met quarterly since its inception; all its meetings and proceedings are public and posted at <https://roadwork.nola.gov/fair-share/>.