



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

Richard Rainey
Director of Communications
504.418.2848
rrainey@swbno.org

S&WB commissioned reports released to inform future drainage discussions

New Orleans – The rising costs of repairing, maintaining and improving New Orleans' vast drainage system is one of the most significant challenges facing the Sewerage & Water Board and the City. It's a long-existing reality brought into stark relief by the flood events of 2017 and the efforts to repair the city's drainage pumps and power supply in their wakes.

The drainage system has been underfunded for decades, leaving residents and city leaders to make hard decisions now about what kind of flooding risks they are willing to face and what strategies they are willing to support to mitigate them.

Meanwhile, costs only continue to go up. At this point, managing today's drainage system will require at least \$50 million more each year than is currently available.

The S&WB's current interim leadership team has released two reports commissioned by the agency to examine the risks and potential costs associated with future drainage challenges. The S&WB Board of Directors heard presentations on these analyses Monday, March 19, during its Finance Committee meeting.

The S&WB has twice before proposed a property fee to manage its rising drainage costs. A plan in 1985 would have generated an estimated \$20 million a year, according to the Bureau of

Governmental Research. Voters rejected it. A 1998 proposal to enact a storm water fee would have generated \$25.6 million a year, but the City Council didn't act on it.

Raftelis Financial Consultants

The Sewerage & Water Board contracted with Raftelis in 2013 to assess different methods to finance the increasing costs of repairing, maintaining and improving New Orleans' drainage system. They completed their work in June 2016, recommending a storm water management fee be considered to partly address the expense of managing a drainage system as massive and complex as New Orleans'.

The report takes into consideration the challenges posed by years of deferred maintenance, both in the larger drainage system managed by the S&WB and the minor system – catch basins and drainage pipes smaller than 36 inches across – managed by the City. But there are discrepancies in the report, and some of its assumptions were made on outdated financial information. They include, but aren't limited to, the following:

- The report states there are 22 drainage pumping stations and 13 underpass stations. There are 24 pumping stations and 12 underpass stations.
- The report was completed before New Orleans voters agreed to renew a 4.46 millage in December 2016.
- It was also completed well before the joint agreement in November 2017 to have the Southeastern Louisiana Flood Protection Authority-East assume management of the permanent pump stations along Lake Pontchartrain at the mouths of three outfall drainage canals. The report assumed an annual cost of \$8-\$10 million for the S&WB to operate and maintain the stations. Under the agreement with the SLFPAE, the S&WB will pay 50 percent – about \$2 million a year – of the operating and maintenance costs. The S&WB also set aside \$500,000 in case of emergency operations.
- It assumes a \$50 million FEMA settlement – at \$5 million for the next 10 years, starting in 2017 – for repairs to catch basins and smaller drainage pipes. While some catch basin and small drainage pipes reconstruction will be covered under the FEMA Joint Infrastructure Settlement, the amount will be determined on a case-by-case basis, rendering the \$50 million inaccurate.

Water Institute of the Gulf

The Water Institute made recommendations in December 2017 by which the S&WB could improve its collection of data and ability to forecast the drainage system's performance during rain events.

These reports and other efforts – including a pending after-action report commissioned by the City to examine what happened on Aug. 5 – will inform the S&WB interim management team as it makes recommendations for the agency's short and long term priorities.

###

*Members of the Board: ANDREW AMACKER • ROBIN BARNES • DR. TAMIKA DUPLESSIS • EILEEN GLEASON
RALPH W. JOHNSON • STACY HORN KOCH • MITCHELL J. LANDRIEU • JOSEPH PEYCHAUD • LEWIS STIRLING, III • LYNES R "POCO"
SLOSS
"An Equal Opportunity Employer"*