



DATE: 06/09/2026

TIME: 9:00 a.m.

LOCATION: Executive Boardroom

COMMITTEE MEMBERS: Courtney Scrubbs, Esq. Chair | H. Davis Cole, Vice Chair | Chadrick Kennedy | Kimberly A. Thomas, JD | Jonathan Stewart |

GOVERNANCE COMMITTEE MEETING AGENDA

PUBLIC MEETING

All meetings are open to the public, and we encourage your attendance.
Those interested can join in person or virtually.

Join In-Person: Executive Board Room, Second Floor
625 St. Joseph St., New Orleans, LA 70165

Join Virtually: <https://www.swbno.org/BoardMeetings>

E-Public comments will be accepted via <https://www.swbno.org/BoardMeetings>.
All e-public comments must be received at least 2 hours prior to the meeting. Comments
will be read verbatim into the record.

I. Roll Call

II. Discussion Items

- A. General Superintendent Compensation Framework and Employment Contract
- B. Executive Leadership Emergency Succession Plan

III. Presentation Items

- A. 2026 Legislative Session Review, Jamie Parker, Chief of Staff
- B. Governance Transition Assessment (House Bill 1243), Office of Special Counsel

IV. Public Comment

V. Adjournment

Governance Committee

June 9, 2026



SWBNO Legislative Agenda





Keep employees in City Civil Service (HB 441)

- Clean up bill to repeal language that required SWBNO employees to transfer to State Civil Service
- Imperative to repeal language during this legislative session to halt implementation of the transfer
- Passed House of Representatives and Senate
- Sent to the Governor for signature



Ensure Legal Path Forward for Lead Service Line Replacement (SB 228)

- Statewide constitutional amendment that will allow public funds to be used to replace lead service lines on private property (customer-owned portion)
- Favorable attorney general opinion recently issued that supports this position, noting substantial public health benefits
- Constitutional amendment will be included on the November 2026 ballot



Ensure Legal Path Forward for Lead Service Line Replacement (SB 268)

- Allows municipalities to carry out lead service line replacement without necessary delay
- SWBNO will focus on replacing lead lines for those properties where right-of-entry has been granted by the property owner
- Passed House of Representatives and Senate
- Sent to Governor for signature



Streamline Procurement Processes (HB 893)

- Streamlines and clarifies the utility's procurement processes
- Aligns SWBNO with the procurement processes of other agencies throughout the state
- Passed House of Representatives and Senate
- Sent to the Governor for signature

State Capital Outlay





State Capital Outlay

Project	Amount	Priority
Water Treatment Plant Improvements	\$9.5 million (New)	Priority 2
Power Complex	\$3 million (Reauthorized)	Priority 1
Monticello Canal Culverts	\$750,000 (Reauthorized)	Priority 1



Governance Transition Impact Assessment

Office of Special Counsel
Sewerage & Water Board of New Orleans



House Bill No. 1243

- **April 23, 2026**
HB 1243 received final passage from the House of Representatives (89-8). Ordered to the Senate.
- **May 11, 2026**
After referral to the Senate Committee on Local and Municipal Affairs, HB1243 was reported favorably from Committee with amendment.
- **May 21, 2026**
HB1243 received final passage from the Senate (36-0) and ordered returned to the House for concurrence.
- **May 27, 2026**
House concurs with Senate amendments and HB1243 receives final passage (100-0).
- **May 28, 2026**
Signed by the Speaker of the House and Senate President.
- **May 29, 2026**
Sent to the Governor for executive approval.



Senate Amendment

PREVIOUS VERSION	AMENDED VERSION
<ul style="list-style-type: none"><li data-bbox="117 646 1235 1146">▪ “The public water system, the public sewerage system, and the public drainage system of the city of New Orleans <u>is a state entity separate and apart from the city of New Orleans and</u> shall be constructed, controlled, maintained, and operated by a sewerage and water board <u>whose composition may be set forth in the home rule charter for the city of New Orleans. The city council may, by ordinance, prescribe rules and regulations governing the appointment, terms and service of board members.</u>”	<ul style="list-style-type: none"><li data-bbox="1261 646 2420 1203">▪ “The public water system, the public sewerage system, and the public drainage system of the city of New Orleans is a state entity separate and apart from the city of New Orleans and shall be constructed, controlled, maintained, and operated by a sewerage and water board <u>the composition of the board may be as set forth in the New Orleans home rule charter, unless otherwise provided by law. The New Orleans city council may, by ordinance in accordance with applicable state law, prescribe rules and regulations governing the appointment, terms, and service of board members.</u>”

Senate Amendment

FINAL VERSION

- “The public water system, the public sewerage system, and the public drainage system of the city of New Orleans shall be constructed, controlled, maintained, and operated by a sewerage and water board. The composition of the board may be as set forth in the New Orleans home rule charter, unless otherwise provided by law. The New Orleans city council may, by ordinance in accordance with applicable state law, prescribe rules and regulations governing the appointment, terms, and service of board members.”

EXECUTIVE ORDER HM 26-04A

Public Utility Modernization Process Subgroup



- Establishes a standing working group of the Infrastructure Coordinating Council (ICC) called the Public Utility Modernization Process Subgroup (“PUMPS”).
- PUMPS is charged with assisting the ICC, Mayor and City Council with immediate implementation of HB1243 and “transition to a local-control governance model for SWBNO.
- PUMPS will consist of members appointed by the Mayor including representation from the City Council, including the **Council President** and **Chair of the Council Public Works Committee**.
- As needed, PUMPS may include subject matter experts in the areas of: law, public policy, municipal finance, engineering, utility regulation, labor, and project management.

EXECUTIVE ORDER HM 26-04A

Public Utility Modernization Process Subgroup

- PUMPS will make recommendations to the ICC, Mayor and City Council on governance, oversight, and transition issues related to HB1243. Specifically:
 - Evaluation of proposed ordinances and policy initiatives concerning Council oversight of SWBNO.
 - Assessment of the fiscal, legal, operational, infrastructure, and governance impacts of proposed reforms.
 - Develop recommendations and policy guidance for the Administration and City Council.
 - Coordinate analysis and information sharing among stakeholders.
 - Engage agencies, technical experts, and community stakeholders as appropriate.
 - Identify best practices and potential governance improvements.
 - Provide reports, memoranda, draft legislation, and/or recommendation to the ICC, Mayor, or City Council, at the Mayor's request.



EXECUTIVE ORDER HM 26-04A

Public Utility Modernization Process Subgroup

➤ Longer term responsibilities include evaluating and developing a governance and operational model under which the “functions, assets, responsibilities, and operations of SWBNO may be transferred to, consolidated with, or become more fully integrated into the City of New Orleans.” Specifically:

- Assessing the legal, fiscal, operational, personnel, infrastructure, governance, and bond-related implications.
- Identifying charter amendments, ordinances, state-law changes, intergovernmental agreements, transition instruments, or other legal actions necessary to implement.
- Assessing treatment of SWBNO assets, liabilities, revenues, rates, grants, contracts, bond covenants, consent decrees, regulatory obligations, and ongoing capital projects.
- Recommending accountability, oversight, reporting, and performance-management structures appropriate for City oversight of Board infrastructure functions.
- Provide reports, memoranda, draft Charter or ordinance language, transition plans, and other recommendations.



EXECUTIVE ORDER HM 26-04A

Public Utility Modernization Process Subgroup

- As an operational unit of the ICC, PUMPS is *not* a mayoral advisory committee pursuant to Sec. 4-104 of the Home Rule Charter. Accordingly, its meetings are not governed by the Open Meetings Law.
- HM 26-04A explicitly states that the Order does not alter SWBNO's legal status, transfer any asset, impair any contract or bond obligation, limit any existing authority of the legislature, City Council, or SWBNO Board of Directors.





Impact | *Near Term*

Governance

- Effective August 1, 2026, unless signed or vetoed earlier by Governor Landry.
- Intended near-term impacts remain largely unknown as the Council must enact ordinances to alter SWBNO operating procedures or governance structure.
- “Non-Impairment” language in the affected statutory provisions maintain existing obligations held by SWBNO (i.e., bond covenants, contracts related to grants, infrastructure projects, services, etc.)
- Most certain-immediate impact may be the removal of the mayor as Ex Officio President of the Board. The mayor would remain a *member* of the Board per Home Rule Charter Section 5-301. However, **a President may need to be elected from the Board’s membership, by members of the Board.**
- Legal authority for “Customer Advocate” designations for two (2) members of the Board will be stricken from existing law and are not codified in the Home Rule Charter. **These designations may cease to exist.**



Impact | *Near Term*

Contracting

- As stated, non-impairment language in the legislation maintains existing obligations under contract. This appears to extend to the Board's obligations under bond covenants, funding agreements, etc.
- Beyond this, contracts entered into by SWBNO are governed by relevant provisions of Louisiana Public Bid Law for public works and materials-supplies agreements and SWBNO's Policy Memorandum No. 95 for professional services.
- As existing state law, the requirements of bid law relevant to SWBNO operations cannot be altered by ordinance.
- Policy Memo No. 95 establishes Board policy and procedure for professional services. This policy was evaluated and certified for implementation by the City of New Orleans.
- Similarly, obligations related to pension management and funding appear to be protected from impairment as existing obligations under contract.



Impact | *Near Term*

Emergency Preparedness

- Primary authority for SWBNO emergency operations is set out in **La. R.S. 33:4084**, which authorizes the Board to dispense with most of the formal requirements for procuring materials and services in emergency situations upon issuance of a Declaration of Emergency or Declaration of extreme emergency.
- Authority is unaffected by HB1243 as this provision was not amended.
- Contracts for emergency services are procured ahead of hurricane season. Nearly all emergency services agreements have been procured and reduced to contract for the 2026 hurricane season.
- The obligations created by these agreements can not be impaired by ordinance.



Impact | *Long Term*

- The long-term intended impacts of HB 1243 are best conveyed by Executive Order HM 26-04 A, which describes PUMPS’s mandate as assisting the ICC, Mayor, and City Council:

“in matters related to the evaluation and immediate implementation of HB1243 and, over a longer-term, transition to a local-control governance model for SWBNO.”

HM 26-04A

OFFICE OF THE MAYOR

EXECUTIVE ORDER HM 26-04A

PUBLIC UTILITY MODERNIZATION PROCESS SUBGROUP

WHEREAS, Executive Order HM 26-04, as amended, establishes a mayoral advisory committee known as the Infrastructure Coordinating Council (“ICC”) to make recommendations to the Mayor for aligning and coordinating planning, operations, and project delivery among the Department of Public Works (“DPW”), the Sewerage and Water Board of New Orleans (“SWBNO”), the City’s capital projects and capital delivery functions, and relevant other public utilities and infrastructure partners to deliver coordinated, efficient, and high-quality infrastructure service year-round;

WHEREAS, House Bill 1243 of the 2026 Regular Session of the Louisiana Legislature proposes to provide the New Orleans City Council with broader local authority over SWBNO governance, operations, oversight, regulation, and accountability;

WHEREAS, the proposed reform package contemplates expanded City Council oversight authority, potential local authority concerning rates, fees, charges, annual operating budgets, capital plans, board policies, major contracts, executive leadership, hiring, investigations, and other matters affecting SWBNO governance and performance;

WHEREAS, the transition to greater local control over SWBNO should be guided by a transparent, technically informed, and fiscally responsible process that considers governance structure, operational accountability, financial stability, ratepayer impacts, and public confidence;

WHEREAS, the forthcoming local regulation of SWBNO falls logically within the purview of the ICC, as reliable water, sewerage, and drainage infrastructure, implemented and managed in coordination with other infrastructure providers, is indispensable to public health, public safety, economic development, environmental protection, storm preparedness, and the long-term resilience of the City of New Orleans; and

WHEREAS, Executive Order HM 26-04 contemplates the establishment of standing working groups of the ICC to advise the Mayor and to coordinate the operational activities of the ICC;

WHEREAS, coordination between the Administration and legislative leadership is critical to ensuring thoughtful and effective review of proposed reforms affecting essential public infrastructure and services;

NOW, THEREFORE, I, HELENA MORENO, MAYOR OF THE CITY OF NEW ORLEANS, by the authority vested in me by the Constitution and laws of the State of Louisiana and the Home Rule Charter of the City of New Orleans, including Section 4-104 thereof, do hereby order as follows:

1. **Establishment.** There is hereby established a standing working group of the ICC to be known as the Public Utility Modernization Process Subgroup (“PUMPS”). PUMPS shall assist the



Strategy | *Areas of Analysis*

- Input on current Board procedures and anticipated transition impact will be solicited from appropriate SWBNO sub-units on areas of Board operations identified in statute.
- This input can be recorded and organized by Staff and evaluated by the Office of Special Counsel with the goal of identifying legal implications, areas of ambiguity and implementation risk.
- *Rates, Fees and Charges*
- *Annual Operating Budgets*
- *Capital Budgets & Capital Improvement Plans*
- *Billing, Finance, Operations & Governance Policies*
- *Contracts*
- *Employment*



Strategy | Risk Assessment

Risk of implementation can be analyzed and documented in a format similar to the sample below:

Risk Area	Description	Potential Impact	Current Owner	Future Owner (if different)	Mitigation / Monitoring	Open Questions
Governance	TBD	TBD	Board / Management	TBD	Clarify responsibilities and communication pathways	What decisions shift and when?
Emergency Management	TBD	TBD	Management / Board	TBD	Review emergency protocols and reporting pathways	Who is responsible for what during a major event?
Financial Oversight	TBD	TBD	Board / Council	TBD	Clarify approval authorities and escalation processes	How will oversight responsibilities be exercised?



Questions?