



625 St. Joseph Street
New Orleans, LA 70165
504.529.2837 or 52.WATER

June 18, 2025

The Strategy Committee met on Wednesday, June 18, 2025, in the Executive Boardroom.
The meeting convened at approximately 9:55 a.m.

Present:

Director Robin Barnes

Director Janet Howard

Director Maurice Sholas, MD, PhD

Director Tyler Antrup

PRESENTATION ITEMS

Mr. Ron Spooner, Interim Executive Director, of Sewerage & Water Board of New Orleans (SWBNO) presented the committee with a general overview of the Drainage Fee Development updates. Mr. Spooner discussed the complex drainage system with deteriorating infrastructure. SWBNO has been managing drainage for the City of New Orleans for over a century and is responsible for all drainage operations within the city (R.S. 33:4072.B.1). Mr. Spooner further expanded on the issue of enduring underfunding, highlighting that SWBNO depends on property taxes to finance the drainage system. Unfortunately, the funding allocated for drainage has remained stagnant for decades. Since 1982, the utility has not acquired a new revenue source for the major drainage system.

Mr. Grey Lewis, Chief Financial Officer, provided an overview of current funding and obligations. The utility's current funding structure is not sustainable. Two of the three taxes that support the major drainage system will expire in the next few years. With limited bonding capacity, a different funding structure is needed.

Mr. Steve Nelson, General Superintendent, discussed the deferred capital needs and impacts to service. He outlined how the utility \$930M ten-year drainage capital improvement plan is 93% underfunded. All projects in the capital improvement plan are critical. Priority improvements include drainage stations, drainage canals, and power systems. Additionally, Mr. Nelson, spoke on how a drainage fee would provide fair funding for the future and a financially sustainable approach because all properties would contribute based on their use of the drainage system. A fee would also provide more meaningful support for the operations & maintenance of the drainage system and enable SWBNO to expand its partnership roles in the green infrastructure space and increase collaborations with city agencies and



625 St. Joseph Street
New Orleans, LA 70165
504.529.2837 or 52.WATER

other green infrastructure community leaders. Mr. Nelson also drew a connection on how infrastructure issues directly impact the level of service the utility can provide to customers.

Ms. Henrietta Locklear of Raftelis Financial Consultants provided an update on the continued development and refinement of a drainage fee.

Ms. Locklear discussed the Equivalent Residential Unit (ERU) approach and its common use in other jurisdictions. She also shared insights from Raftelis' experience about the importance of having an affordability program in addition to a credit program. Ms. Locklear briefly discussed various funding mechanisms to support the drainage system, including the benefits and drawbacks of relying only on property taxes (which is the current approach), relying on drainage fee only, and relying on a combination of property taxes and drainage fee (which is the recommendation of Raftelis).

Following the presentation, the Strategy Committee engaged in robust discussions on capital repairs, turbine 4, infrastructure plans and development.

PUBLIC COMMENT

- Mr. Joey Albier of The Water Collaborative asked about the specifics of the ERU and which cities are being considered as examples.
- Katherine Provost, local resident, raised concerns about the stormwater fee, highlighting the disparity and potential financial burden it may impose on community members. She emphasized the need for further consideration and examination of the fee's structure.
- Cheryl Austin from Greater Treme Consortium, Inc. is involved with stormwater management. She expressed concerns for businesses in New Orleans East and stated that it is worth reviewing the assessor's records regarding property tax exemptions and how they are imposed.
- Jeff Supak from Water Wise Gulf South is seeking transparency for a clear strategic plan that includes community drainage solutions and increased outreach efforts.

ADJOURNMENT

There being no further business to come before the Strategy Committee, Director Sholas made a motion to adjourn. Director Howard seconded. The motion carried. The meeting was adjourned at approximately 11:05 a.m.