



“RE-BUILDING THE CITY’S WATER SYSTEMS FOR THE 21ST CENTURY”

Sewerage & Water Board OF NEW ORLEANS

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S&WB CRITICAL CHALLENGES POST-KATRINA

The Sewerage and Water Board of New Orleans reports that 18 months post-Katrina the infrastructure challenges are just as critical as they were in September, 2005.

In fact, despite the efforts of a dedicated and skilled workforce to provide services to the entire city, the impact of hurricane Katrina has devastated the Sewerage and Water Board's four systems: drinking water, waste water, drainage, and power generation. It is absolutely imperative that we restore the systems to pre-Katrina functionality to protect the current and future health and safety of New Orleanians, as well as hasten the recovery of the city.

These four systems have assets that represent billions of dollars of facilities and equipment that include: treatment plants, pumps, underground pipelines, canals, power plants, electrical circuitry controls, and more. Some but not all have been returned to operational status, but many are neither in a reliable or sustainable condition.

The restoration of these systems, critical to the recovery of New Orleans, has been hindered by the legislation that governs the Federal Emergency Management Agency and the interpretation of that legislation.

The legislation did not envision a disaster of the magnitude of Hurricane Katrina and as such does not allow for the legitimate needs of the system over such an extended period. Simply stated, FEMA has assumed a business as usual posture that falsely implies that a post-Katrina normalcy exists and is oblivious to the real emergent crisis in which we find ourselves.

Many legitimate needs are ineligible under FEMA guidelines. The current estimate of essential immediate funding needs is \$1.9 billion. This figure, without favorable consideration by the Administration, FEMA, and Congress, will result in water, sewer and drainage system failures that will derail the recovery of New Orleans.

Besides the need for billions of infrastructure dollars, today we are faced with reprehensible, bureaucratic, failed commitments, and de-obligations of previously committed funding approvals.

Contractors are unpaid in the areas of point repair, paving, sewer system evaluation, and additional work that has been completed. This is impeding the issuance of all new contracts and payment for work already performed.

More specifically:

- • FEMA is imposing a National Flood Insurance charge on all work performed, totaling to date \$20 Million. This situation leaves the Sewerage and Water Board short of funds to pay contractors for work already performed.
- • The de-obligation of sewer line inspection funds is delaying sewer line evaluation that must be performed so that repairs can be made to the network.
- • FEMA's lack of action and bureaucratic malaise leaves the Sewerage and Water Board with 33 of its 66 eastbank sewer pumping stations operating on temporary and unreliable pumps. The longstanding failure to provide simple height elevation information prevents the timely repair and restoration of these stations to their full operational capacities.
- • The fact that the combined obligation and reimbursement process during this critical period often times moves at a snail's pace, and does not have a crisis focus, leaves critical contractors unpaid for services rendered and less than thrilled to conclude current contracts, let alone, sign up for future contracts. Currently we owe as much as \$10 Million each to two of our contractors, as well as other significant sums to other contractors and vendors whose work is critical to the maintenance and continuity of service.

Again, it is important to note that the \$1.9 billion only reflects the essential immediate needs and costs as of December, 2006. As the systems are evaluated, these costs will assuredly increase, since 80% of New Orleans was under salt water for 21 days, affecting the Sewerage and Water Board system wide.

It must be realized that if there is no water, no sewer, and no drainage, there is no New Orleans. It must be further realized by all that if the present FEMA response to our ongoing crisis is not immediately heightened and sustained, we will very soon find ourselves in a city with no potable drinking water or wastewater services.