

Assessing the Sewerage & Water Board of New Orleans: Recommendations for Enhancing Governance, Management & Strategic Planning

New Orleans Citizen Sewer, Water & Drainage System Reform Task Force

April 2012

City Water System Governance & Management



The Sewerage and Water Board of New Orleans' (SWBNO) is proposing one of its most ambitious capital improvement plans in its 115-year history to alleviate decades of deferred maintenance. The ten-year, \$3.48 billion capital and operations plan is an important and necessary investment in long-overdue improvements to New Orleans' water-delivery, treatment, and drainage systems.

However, the SWBNO Plan will be handicapped in achieving intended goals without complementing governance reforms that foster greater organizational autonomy and strategic planning; consistent and transparent performance accountability; businesslike management of SWBNO assets and customer service levels; and innovative and sustainable infrastructure and practices that can meet the challenges of the city's ongoing redevelopment and unique water management needs.

The *New Orleans Citizen Sewer, Water & Drainage System Reform Task Force* recommends that the following action-items be achieved concurrently with SWBNO's proposed improvement plan to ensure the success of ratepayer and taxpayer's investment in SWBNO's proposed initiatives.

Recommended Governance & Management Reforms

I. Achieve National Leadership in Sustainable, Goal-Oriented Water Management.....Pages 3-7

Recommended Action Items

- *Establish a joint City-SWBNO Comprehensive Water Management Policy and Investment Framework to guide coordinated planning, regulations, and investment strategies*
- *Institute formal processes for coordinating with other local and regional entities to develop integrated water management solutions*
- *Create a SWBNO Strategic Policy and Planning Department, consolidate City and SWBNO stormwater management functions & Establish a Stormwater Policy Advisory Group*

II. Increase Board Autonomy & Strategic Planning Efforts.....Pages 8-13

Recommended Action Items (Board Composition)

- *Utilize professional SWBNO Board comprised of private citizen members*
- *Appoint two members based on recommendation from local universities*
- *Reduce Board size from 13 to 9 members and reduce terms from 9 to 4 years*
- *Establish a permanent Board-Committee Nominating Committee*

Recommended Action Items (Board & Executive Staff Performance)

- *Institute a permanent Strategic Planning Committee*
- *Conduct comprehensive infrastructure/operations planning and review processes*
- *Establish two-tiered ratemaking process enabling limited SWBNO rate approvals*
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- *Create Board Charter prioritizing member qualifications, roles, and duties*
- *Establish a permanent City Council (sub)committee for SWBNO oversight*
- *Institute a permanent Customer Advisory Council*
- *Evaluate board performance & Create Executive Compensation Committee*
- *Utilize performance metrics to evaluate customer satisfaction and operating efficiency*

IV. Improve Business Development, Contracting, Information Technology & Staff Capacity.....Pages 16-18

Recommended Action Items

- *Reduce direct board execution of SWBNO contract processes*
- *Streamline Disadvantaged Business Enterprise certification and monitoring & Credit DBE prime contractors*
- *Expand SWBNO business development and liaison capacities*
- *Revise civil service rules to improve hiring technical positions*
- *Modernize information technology and harmonize with systems of other government entities*

Goal: Achieve National Leadership in Integrated, Sustainable Water Management Practices

Recommended Action Items

- *Establish a joint City-SWBNO Comprehensive Water Management Policy and Investment Framework to guide coordinated planning, regulations, and investment strategies*
- *Institute formal processes for coordinating with other local and regional entities to develop integrated water management solutions*
- *Create SWBNO Strategic Policy and Planning Department, consolidate City and SWBNO stormwater management functions & establish a Stormwater Policy Advisory Group*

In a sinking city lying below encroaching seas, SWBNO must be an effective water manager, more than a mere conveyer of water. SWBNO's proposed infrastructure investments, alone, will not adequately address the long-term challenges from the waters that fall upon, surround, and infiltrate New Orleans. Long-term sustainability, safety, and economic growth require integrated solutions that buffer residents and businesses from rising seas, abate soil subsidence, ensure safe drinking water, improve operational efficiency, and harness abundant local water supplies and natural resources to bolster financial strength.

Key to achieving these aims is establishing comprehensive, goal-oriented water management governance in which planning, policymaking, and infrastructure investment are fully integrated with constructing and operating the city's water pumps, pipes, and treatment. That is a paradigm shift that is a timely, feasible, and significant leadership opportunity for SWBNO and the City of New Orleans.

Establish a Joint City-SWBNO Comprehensive Water Management Policy & Investment Framework to Guide Coordinated Planning, Regulations, and Investment Strategies:

The City and SWBNO should jointly create a *Comprehensive Water Management Regulatory and Investment Framework* to guide policy and program development and infrastructure investments to achieve meaningful and timely integrated water management practices. The City and SWBNO's official support for more sustainable water management practices and investment needs to translate into major policy and infrastructure initiatives. Looking ahead, a joint regulatory and investment framework is strongly recommended to help the City and SWBNO capitalize on existing policies, planned infrastructure improvements, and available funding sources to achieve this end.

Suitable guides for establishing a joint regulatory and investment game plan can be found in the *New Orleans 2030 Master Plan*, the Administration's *Flood Protection and Coastal Restoration Transition Report*, the forthcoming regional *Comprehensive, Sustainable, Integrated Water Management Strategy for St. Bernard Parish and the East Banks of Orleans and Jefferson Parishes*, and national best-practices for coordinated, innovative, and sustainable water system management.

For example, in the City's Master Plan, *Chapter 12, Section 12.19 of the Master Plan* opines that "[a]n integrated, holistic approach to planning at all scales, with water infrastructure as its foundation, is

necessary in New Orleans.” The Master Plan then offers several more detailed recommendations that should form the basis of a more comprehensive water management system for the city:¹

- Gates and pumps at the lakefront or near the water’s edge need to be designed as all-purpose stations, replacing internal Sewerage and Water Board pump stations and allowing removal of concrete walls along the outfall canals.
- The internal landform should be designed to accommodate maximum hourly rainfall, projected duration of rainfall design event, and potential levee overtopping.
- Storm water control should enhance retention, facilitate groundwater balance, reduce polluted discharge, decrease reliance on pumping capacity and create useful and attractive public space.
- Safety, stormwater storage, a healthy environment and a high quality of life are the principles that underpin a sound water planning approach.

Complementing this, the Administration’s *Flood Protection and Coastal Restoration Transition Report* stated: “the City should implement an urban water management system to direct, control and circulate water both to manage overtopping and intense rainfall and to arrest subsidence.”² To realize this priority, the report recommends:³

- Allocate space for water storage and movement within public spaces, including Bayou St. John and redesigned outfall canals through a managed network of water-related landscape elements, public space and real estate values can be enhanced, particularly in low-lying, slow-recovering areas.
- Manage ground water levels through increased water absorption to reduce soil subsidence related infrastructure and property damage.

Adding to this, the *Task Force* recommends the following considerations and objectives:

- Invest based on analyzed short- and long-term needs and capitalize on multiple funding streams in lieu of planning and investing based on what federal funding might be immediately available.
- Prioritize investments that enable the harnessing of local water supplies as an economic asset
- Identify water management needs based on local inter-parish drainage basins
- Develop investment and operation plans based on anticipated short-term climate change repercussions, including increased turbidity from precipitation changes, salt water intrusion due to sea level rise, and/or lower surface water flows
- Proactively manage information on water use, water demand, and water efficiency and institute innovative water quality safeguards that anticipate increased federal controls⁴

¹ The *Plan for the 21st Century: New Orleans 2030*, Chapter 12, Section 12.19.

² *Flood Protection and Coastal Restoration Transition Report*, Section II, p.4 (April 2010).

³ *Id* at pgs12-13.

⁴ Water efficiency is expected to be an explicit consideration for federal water resource projects subject to National Environmental Policy Act (NEPA). Given the continued future likelihood of joint federal-city partnerships in executing local water infrastructure projects, metrics gauging water efficiency, along with usage and quality, are prudent city investments.

Finally, the ongoing *Comprehensive, Sustainable Integrated Water Management Strategy* being shepherded by Greater New Orleans, Inc. (GNO, Inc.) is generating infrastructure and policy strategies based on international best-practices and local hydrological, land, and development characteristics that already present SWBNO and the City with basis for working with Jefferson and St. Bernard Parishes to begin crafting solutions for inter-parish water system management.

Institute Formal Processes for Coordinating with Other Local and Regional Entities to Develop Integrated Water Management Solutions:

Any comprehensive water management regulatory and investment framework is only as effective as the ability of local governmental entities to achieve its goals together. The City, SWBNO, the New Orleans Redevelopment Authority (NORA), City Planning Commission (CPC), Regional Planning Commission (RPC), and other local entities should formalize transparent and consistent procedures for collaborating with each other, regulators, and ratepayers to develop and execute policies, infrastructure investments, and land use decisions that achieve operational cost savings and increased protections for property and persons.

At present, SWBNO consults with other local governmental entities relative to specific projects. Nonetheless, these *ad hoc* consultations too often are held after project scopes and budgeting is completed. In the context of street repairs, for example, this often results in newly paved streets being torn-up to subsequently accommodate water/sewerage infrastructure work. As such, SWBNO should initiate more proactive planning coordination that aligns project proposals and budgets, funding streams, and implementation schedules well in advance of development. In addition, citywide blight reduction strategies, rezoning, large-scale economic development projects, and other initiatives should be planned in a manner benefitting the city's water management needs.

The following are specific recommended coordination goals:

- *WaterSTAT*: SWBNO and City should develop overarching performance metrics relative to service delivery, capital improvements, rate collection and enforcement, and regulatory compliance and conduct regular public meetings at which such metrics are evaluated and otherwise make this data publicly available via redundant mediums.
- *Increased Stormwater Flood Protection*: SWBNO, NORA, CPC, and City departments related to place-based development, hazard mitigation, and blight control should strategically acquire and reuse abandoned property as water retention features that ease the burden on drainage pump and pipe infrastructure, while adding economic and aesthetic value to adjoining neighborhoods.
- *Enhanced Drainage with Road Repairs*: SWBNO, the City's Department of Public Works (DPW), and RPC should conduct an annual process for project selection, fund sourcing (joint bond issuances), budgeting, and construction plans to better align transportation projects in RPC's *Transportation Improvement Program* and city street improvement initiatives with subsurface repairs or upgrades.
- *Inter-Parish Safeguards to Better Manage Water Needs*: SWBNO, City, CPC, and similar entities from Jefferson and St. Bernard parishes should convene an inter-parish task force to identify

policy, governance, and project opportunities for jointly managing watershed management needs among local drainage basins transcending parish boundaries.

- *Tools for Improving Commercial Water Management Need:* SWBNO, NORA, CPC, the City's departments related to permitting and community and economic development, the New Orleans Business Alliance, and GNO, Inc. should coordinate specific business development services relative to meeting commercial and large-scale residential development water needs, including citywide GIS-based maps of drainage and water-delivery capacity by location, watershed- and stormwater runoff-based permitting, stormwater and gray water re-use incentives, and other policies and practices aimed at assisting sustainable commercial development relative to water management needs.
- *Improve Water Quality and Public Health Benefits:* SWBNO and City environmental and public health departments should coordinate with regulators, stakeholders, and public health experts to create proactive investment and compliance strategies that go beyond minimum measures needed to just comply with federal consent decrees.
- *Coordinated Public-Private Partnerships to Ensure Reliable, Cost-Effective Power Generation & Harnessing Local Fresh Water as a Revenue Source:* SWBNO, City, Port of New Orleans, and other public and private partners should structure legal and infrastructure frameworks that enable the City's water systems to be powered by modernized, affordable, and environmentally-sustainable electricity sources and enable local government to distribute Mississippi River water to other markets as a sustainable revenue source for water management needs.

Create a SWBNO Strategic Policy and Planning Department, Consolidate City and SWBNO Stormwater Management Functions & Establish a Stormwater Policy Advisory Group:

SWBNO Strategic Policy and Planning Department

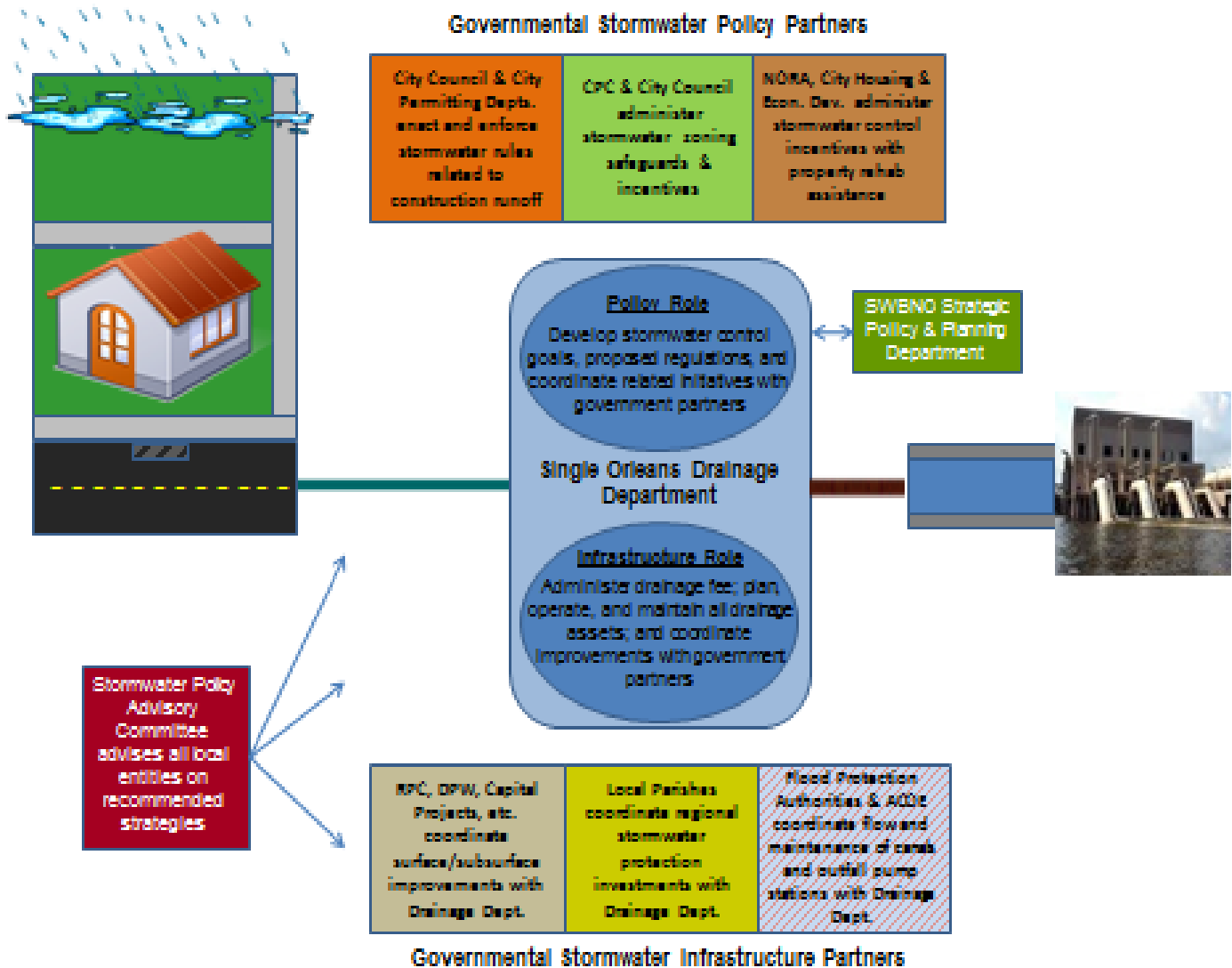
SWBNO should establish a multidisciplinary, professionally staffed department to direct strategic and comprehensive infrastructure, operational, and financial planning. Currently, SWBNO policy planning and coordination is largely done on an ad hoc basis by management without formalized processes for staff and consultant input. Ideally, a dedicated planning unit would work directly with management and the Board, supporting strategic planning and coordination efforts with deep and reliable research, strategic planning, public administration, and intergovernmental coordination recommendations.

Consolidate City & SWBNO Stormwater Functions

All stormwater policy development and infrastructure operations in New Orleans should be consolidated in a single *Stormwater Management Department*. Given existing in-house expertise, experience, and available resources, SWBNO's Drainage Department should serve this role and be structured to achieve the following aims:

- **Policy Development & Coordination:** Develop stormwater regulations, incentives, and technical assistance that are administered in conjunction with initiatives among other governmental entities.
- **Strategic Infrastructure Planning & Investment:** Merge all drainage assets under single utility to better plan, fund, operate, and maintain pipes, culverts, canals, and pumps as an entire system.

- Strategic Master Planning for Integrated Stormwater Protection: Establish and oversee a master plan for stormwater management, including design, coordination, construction, management, operation, maintenance, inspection and enforcement.



Stormwater Policy Advisory Group

It is recommended that SWBNO and the City jointly establish of a public-private *Stormwater Policy Advisory Committee* (SPAC) to recommend longer-term stormwater management policies, practices, and investments based on City, regional, and state goals and policies for environmental protection, density, transportation, and economic development. At a minimum, SPAC should include representatives of SWBNO, City, City Council, and other local governmental entities, the New Orleans Business Alliance and Business Council, Greater New Orleans, Inc., and stakeholders representing environmental, development, engineering, business, and community interests.

Goal: Increase SWBNO Board Autonomy & Strategic Planning Efforts

Recommended Action Items (Board Composition)

- Utilize professional SWBNO Board comprised of private citizen members
- Appoint two members based on recommendation from local universities
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- Establish a permanent Board-Committee Nominating Committee

Recommended Action Items (Board & Executive Staff Performance)

- Institute a permanent Strategic Planning Committee
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For SWBNO's improvement plan to achieve intended objectives, a paradigm shift is needed in how SWBNO's board and staff are structured and interact. SWBNO was created autonomously from City Hall to carry out a mission too important to fail.⁵ As such, SWBNO board and staff interplay is critical to the success of the city's water and drainage systems. At present, however, board-staff interplay is hamstrung by a lack of comprehensive strategic planning, administrative delays from the Board performing tasks more appropriate conducted by staff, reactionary capital investments that follow dollars in lieu of long-term plans, and decision-making too often stymied by political gauntlets and organizational inefficiencies.

These management impediments will limit the effectiveness of SWBNO's proposed infrastructure and operational improvements unless they are concurrently addressed. Indeed, SWBNO acknowledges in its recently adopted ten-year strategic plan that "governance issues that limit financial strength" is a major organizational weakness that must be corrected by "determin[ing an] organization structure to meet operating objectives and support implementation of business plans."⁶

Looking ahead, the *Task Force* recommends that the SWBNO Board's composition be structured to better enable independent, strategic, community-grounded, data-driven decision-making. In this framework, the Board's main role should evolve from performing administrative functions to creating long-term strategic plans and evaluating organization performance in furtherance of those plans. To accomplish this, the following organizational reforms are recommended:

⁵ La. R.S. 33:4071; See, Rightor, Henry. *Standard History of New Orleans*. p.107-108 (1900) (Important municipal functions, including construction and maintenance of the City's water and drainage systems, were structured "to safeguard them against the danger of partisan politics by placing them under the control of boards and commissions, beyond the reach of politics and popular elections."); see also, Parker, Walter. "Municipal Reform in Typical American Cities: X. The Struggle to Rehabilitate New Orleans." *New York Times*. (Sept 6, 1903) ("To secure permanent improvement...it has been necessary...to create boards, either self-perpetuating or beyond the reach of politics.").

⁶ Sewerage & Water Board of New Orleans 2011-20220 Strategic Plan (Adopted September 21, 2011) Available online at: <http://www.swbno.org/documents/reports/StrategicPlan2011.pdf>.

Utilize a Fully Professional SWBNO Board Comprised of Private Citizen Members:

The SWBNO Board should consist of private citizens with relevant areas of expertise that can inform strategic planning and oversight of staff carrying out organizational goals and plans. This recommendation is not to suggest that elected officials should not have a role in overseeing SWBNO operations or in leading in implementing recommended reforms. In fact, SWBNO and its ratepayers would greatly benefit from more thorough, uniform political oversight of SWBNO performance. However, this can be achieved more effectively and consistently through the Mayor's appointment authority and policy decision-making and more direct, regular City Council legislative oversight.

Paired with bolstered political oversight, a professionally-qualified, citizen board will foster more businesslike, technically proficient strategic planning and performance evaluations.⁷ Further, a citizen board will not be hamstrung by the chronic difficulty of elected officials attending meetings – a problem so rampant that state law was enacted to reduce their attendance requirements.⁸ Candidly, such legislation is less a solution than it is a strong signal that it is inherently inefficient for elected officials to attempt the dual role of being a SWBNO board member and its political overseer.

Nonetheless, given the direct impact that SWBNO's functions have on the City's own executive branch functions and the need, therein, for effective coordination, the *Task Force* recommends that the Mayor or a duly-appointed unclassified civil servant representative of the Mayor should serve as a non-voting, *ex-officio* member of the Board.

Appoint Two Members Based on Recommendation from Local Universities:

Two voting board members should be appointed by the Mayor based on a list of recommended candidates submitted by a collaborative of local universities that describes relevant candidate qualifications and experience. Remaining board members should be selected as currently set forth in SWBNO authorizing statute, La R.S. 33:4071, including two appointments from the Board of Liquidation and one citizen appointment from each of the city's five *councilmanic* districts.

Reduce SWBNO Board Size from 13 to 9 Members & Reduce Terms from 9 to 4 Years:

SWBNO Board's size should be reduced to help increase overall attendance, consensus, and effectiveness.⁹ The current 13-member total exceeds many comparable public water authorities and

⁷ See i.e., "Making the Waterworks Work: *Fixing the Sewerage & Water Board's Governance Problems.*" Bureau of Government Research (2011) (*Hereinafter* "BGR SWB Report") (BGR raises several scenarios in which SWBNO board activities could be unduly influenced or stalled by political considerations unrelated to SWBNO business. Further, while La R.S. 33:4071 prohibits individuals and other public officials with financial conflicts of interest from serving on the SWBNO Board, there does not exist any prohibition on the Mayor or City Council members serving on the Board from accepting political donations from SWBNO contractors thus raising at a minimum the perception of conflicts of interest.)

⁸ See, La R.S. 33:4071 as amended by Acts 2010, No. 694, §4, and Act 101 of 2001, which altered the law to only require one at-large council members be in attendance and that the mayor can be represented by an unclassified civil servant in the mayor's absence; see also, BGR SWB Report (BGR notes that between January 2007 to June 2011, only two of the five City Council members on the board attended 75% of the meetings, which is an industry best-practice threshold for effective board governance. Attendance rates on SWBNO's finance and infrastructure committees were even more problematic, with attendance ranging 12% to 50% among the three council members serving on those committees.

⁹ See, BGR SWB Report. (Between January 2007 and June 2011, there was NEVER a board meeting at which all 13 members attended. The average attendance was 8 members. At least once a year, quorum of seven members was not established, preventing business-related votes from being taken for a month).

public company boards across the nation.¹⁰ Similarly, board member terms be reduced to four years and limited to two consecutive terms, but staggered to ensure continuity. These changes would allow for important evaluation of board member performance, introduce new ideas and skill sets into SWBNO decision-making, and are aligned with best-practices from comparable water authorities.¹¹

Establish a Permanent Board-Committee Nominating Committee:

The SWBNO Board should utilize a *Nominating Committee* to review and approve, by majority vote, all committee assignments and chairperson selections. Such a deliberate and informed selection process by a committee of board peers will help ensure board committees possess appropriate expertise and experience, while ensuring greater reliability and transparency.

Institute Permanent Strategic Planning Committee:

A *Strategic Planning Committee* should be established to conduct quarterly reviews of existing infrastructure, business, financial and other comprehensive strategies and propose specific planning processes and other initiatives to the Board Executive Committee to address evolving needs. The Strategic Committee should create these assessments and proposals based on service level goals and performance evaluations created among the *Finance, Operations, Infrastructure*, and other committees. In addition, the Committee should enlist advice and counsel of other local governmental entities, regional stakeholder groups, and relevant experts. In so doing, SWBNO should consider establishing formal roles for persons with planning or other experience as is presently done in SWBNO's *Plumbing Conference Committee*, which includes three non-SWBNO certified plumbers.

Conduct Comprehensive Infrastructure/Operations Improvement Planning Processes:

SWBNO should conduct regular infrastructure planning processes to achieve more *proactive* infrastructure investment based on short- and long-term sustainable performance goals. This is a necessary departure from SWBNO's current investment paradigm, which is driven too much by a dependence on federal funds and reactive projects aimed mostly at deferred maintenance needs.

SWNBO's 2011-2020 Improvement Plan is an instructive example. The plan is not the product of a comprehensive infrastructure planning process that identified anticipated service needs, community growth, and opportunities for increased sustainability. Rather, it is a reactionary, albeit necessary, list of projects shaped by the need to redress decades of deferred maintenance and refined by the availability of federal funds to defray costs.

Looking ahead, SWBNO must establish a more proactive investment and operation strategy. Encouragingly, SWBNO has taken two important steps that should be capitalized on with more comprehensive board-directed strategic planning. First, SWBO created a helpful general vision for service delivery and investment goals with its recently-adopted *Sewerage & Water Board of New Orleans 2011-2020 Strategic Plan*. Second, SWBNO is utilizing a capital projects scoring system to

¹⁰ *Id.* (At 13 members, the board is nearly twice the median size of the 10 boards reviewed by BGR, which range from 3 to 7 members and average 5-7 members. In addition, according to the National Association of Corporate Directors, the average board size among public company boards is 8.3 members. Citing, "NACD Insight & Analysis: When Is the Board Too Big?" March 11, 2011, available online at: blog.nacdonline.org/tag/public-company-governance-survey/).

¹¹ *Id.* (Among 10 boards reviewed by BGR, board member terms range from 3 to 6 years, with the median at 4 years.).

prioritize projects based on weighted criteria related to project purpose and functionality.¹² Both of these advancements should serve as the basis for more detailed and regular infrastructure and operations planning processes than what SWBNO has reformed to date.

In addition, the Board's goal-setting and planning processes should also be based on the following:

- *Current & Anticipated Service Area Conditions:* Define population, land-use, drainage, hydrologic, and water consumption changes within service area over defined period.
- *Business Drivers:* Evaluate financial resources and potential business opportunities and revenue enhancers, including regionalization initiatives and non-traditional services.
- *Infrastructure Audit:* Conduct engineering evaluation of physical and technical aspects of existing system and potential changes to meet changing demands.
- *Service Levels Assessment:* Assess current and anticipated levels of quality and reliable water and drainage services relative to survey-based customer expectations.
- *Real Estate Holdings & Needs:* Compile current real estate holdings and properties suitable for disposition as needed in furtherance of project needs.
- *Sustainability Practices:* Evaluate practices that increase local watershed quality and meet or exceed federal requirements through more innovative treatment techniques, minimizing energy consumption, decreasing treatment residuals, reducing demand on drainage infrastructure, expanding training and enforcement.
- *Regulatory Assessment:* Evaluate current and anticipated regulatory mandates and compliance strategies.
- *Operations Review:* Assess operational shortcomings, including offline or damaged systems, personnel inefficiencies, technology shortfalls, and limited collection/enforcement capabilities; and recommendations as to resources, projects, processes for more effective asset management, staff training, and public education and outreach.
- *Infrastructure Investment Opportunities:* Evaluate potential projects to enhance water supply, production, delivery, drainage, and power systems.
- *Capital Improvement Strategies:* Examine implementation tactics, financial considerations, and schedules for potential operations and infrastructure initiatives.

Establish Two-tiered Ratemaking Process Enabling Limited SWBNO Rate Approvals:

A two-tiered "Cost of Service" approach to ratemaking should be used depoliticize SWBNO ratemaking and help ensure rate changes occur gradually, regularly, and based on strategic plans for infrastructure and operational improvements, changing service demands, and projected reserve-fund

¹² Scoring criteria include, in order: regulatory compliance (0.17), system replacement/rehabilitation (0.13), system reliability (0.12), operation flexibility (0.12), customer service (0.10), system security (0.10), system benefits/efficiency (0.09), project benefit/impact (0.09), and system growth (0.08).

needs for meeting all the above. Done right, a *Cost of Service* rate structure is quantifiable and analysis-based, taking into account long-term customer-service needs and goals and the full cost of current and anticipated services – but also the community’s philosophy for what are acceptable rate levels relative to service demands.

With such a *Cost of Service* framework, a two-tiered ratemaking process is recommended to ensure rate changes timely enough to meet operating costs and fund capital investment goals. Under this approach, City Council would retain rate approval authority above and beyond an established amount. As such, a more comprehensive City Council oversight role, coupled with input from a *Customer Advisory Council*, will be crucial to ensuring large-scale rate changes are done within established time parameters, based on capital and operations improvement plans, and sensitive to affordability and customer-satisfaction issues.

Below an established rate threshold, the SWBNO Board should have authority to change rates based on established price indices that reflect price changes most often experienced in carrying out SWBNO functions, including water, sewer, and electricity costs.¹³ SWBNO’s authority to change rates should be conferred by state law; however, more specific methodologies should also be established by either ordinance or board bylaws. At a minimum, it is recommended that SWBNO establish spending and reserve targets based on strategic goals, regularly monitor and publicly report costs and demand levels, then, as needed, adjust rates to meet changing costs and demands.

Utilize Board Committees to Assess SWBNO Capabilities & Needed Investments:

SWBNO’s *Infrastructure, Finance, and Operations Committees* should be retooled to work in sync with the *Executive and Strategic Planning Committees* to shape comprehensive strategic plans and related investment initiatives and benchmarks with their respective areas of focus, then monitor and evaluate staff performance in furtherance of those aims.

In so doing, these committees should utilize performance management tools, including “balanced scorecards”,¹⁴ to translate the goals of SWBNO’s strategic plan and related investment initiatives into actionable measures that can be evaluated. Further, the committees should utilize outside expertise by designating informal members or committee counsels from among relevant stakeholders with desired subject-area expertise.

Operations Committee: The *Operations Committee* should establish prioritized operational goals to achieve the general aims of the recently adopted *Strategic Plan*. In turn, these priority goals should then guide development of a long-term *Operations Improvement Plan* that details action-items and performance benchmarks for increasing operational capacity (i.e., staffing, collections, technology, online/functioning assets, etc.).

¹³ See, generally, BGR SWB Report for a fuller examination of options for conferring limited rate approval authority to SWBNO Board.

¹⁴ A Balanced Scorecard is a structured management tool that can be used by SWBNO Board and executive staff to execution of staff performance in furtherance of overarching strategic and performance goals for infrastructure investment and operations. In practice, Balanced Scorecards tend to be reports that track priority financial and non-financial measures against an established goal. As such, the scorecard compliments traditional financial or operational reports as a performance summary of performance metrics considered to be the most important gauges of SWBNO performance in meeting strategic goals.

The Committee should then use a monthly staff status report to evaluate progress (.i.e., "How many assets offline? For how long?" "Are staffing levels in Department X at optimal levels?"); amend the *Operations Improvement Plan* to respond to changing needs or challenges; and help inform *Finance and Infrastructure Improvement Plans* by other committees.

Finally, in lieu of engaging directly in Disadvantaged Business Enterprise (DBE) decision-making, the Committee should establish policy goals and performance benchmarks to frame staff administration of the DBE program. Staff should then present a monthly DBE report, which is corroborated by an auditor as meeting pre-determined goals and regulations. The Board would then approve or disapprove the report with comment.

Infrastructure Committee: The *Infrastructure Committee* should develop a long-term *Infrastructure Improvement Plan* that assesses current assets and prioritizes needed infrastructure investments that address the city's current and anticipated water-delivery, treatment, and drainage needs. Such a plan is essential to reversing SWBNO's current paradigm of building to what federal funds are available rather than building what is needed and sustainable towards future growth and self-reliance.

The Committee should develop this plan based on performance goals and evaluations from itself and the Finance and Operations Committee as well as formal coordination with local, State, and Federal governmental entities to ensure any proposed infrastructure investments leverage other existing or planned local infrastructure investments (.i.e., street repairs, green space creation, city-drainage pipe repairs, blighted property reuse, etc.).

The Committee should then use a monthly staff status report to evaluate progress; amend the *Infrastructure Improvement Plan* to respond to changing needs or challenges; and help inform the *Finance and Operations Improvement Plans* by other committees.

Finance Committee: The *Finance Committee* should develop a long-term *Financial Plan* and ongoing budgeting to meet those aims. The Committee should base this plan on information received from the Operations and Infrastructure Committees as well as its own modeling and routine evaluation of budget assumptions, collections, and revenue streams. In addition, the Committee ensure regular budget auditing by using both internal-staff and external auditors,

The Committee should also use a monthly staff status report to evaluate progress in meeting budget targets; amend the *Finance Plan* to respond to changing needs or challenges; and help inform the *Operations and Infrastructure Improvement Plans* by other committees. As part of this monthly update, the staff should be required to present a monthly procurement report, which is corroborated by an auditor as meeting pre-determined procurement goals and regulations. The Board would then approve or disapprove the report with comment.

Goal: Achieve Consistent & Transparent Organization Accountability

Recommended Action Items

- *Create Board Charter prioritizing member qualifications, roles and duties*
- *Establish a permanent City Council (sub)committee for SWBNO oversight*
- *Institute a permanent Customer Advisory Council*
- *Evaluate board performance and create Executive Compensation Committee*
- *Utilize performance metrics to evaluate customer satisfaction and operating efficiency*

Create Board Charter Prioritizing Member Qualifications, Roles & Duties:

The SWBNO Board should ensure certain applicable skill-sets are represented among its members by listing required areas of member expertise in its board bylaws. Among the areas of expertise, the *Task Force* recommends electrical and hydrological engineering, financial management, business management and development, environmental quality, sustainable development and urban planning, consumer advocacy, communications, public administration and/or administrative law.

In addition, the Board should include in its bylaws and other governing frameworks a clear set of responsibilities and practices to define the Board's relationship relative to consumers, SWBNO staff, elected officials, and other governmental entities.

The *Task Force* believes these enhancements are essential for the Board to regularly conduct strategic planning and staff oversight focused on infrastructure investment, business and operational development, and financing. Further, codifying certain areas of expertise and the board's public role within its bylaws helps achieve a more efficient appointment process and strengthens the public's ability to evaluate the performance of the Boards.

Establish a Permanent City Council (Sub)committee for SWBNO Oversight:

The New Orleans City Council should establish a permanent, standing committee or subcommittee to more effectively monitor SWBNO planning and decision-making. This formalized oversight should not just be limited to the time period encompassing requests for rate changes but rather be carried out as part of Council's routine oversight duties.

City Council oversight of SWBNO should be similar to how it holds other local utilities publicly accountable, including performing independent analysis, conducting hearings, receiving public comments, and establishing transparent, uniform procedures for evaluating SWBNO performance and proposals. In this, City Council should regularly receive testimony from SWBNO concerning its strategic plans, performance evaluations, customer service and collections assessments, and the effectiveness of efforts to coordinate SWBNO investments and operations with city street repairs and other projects as well as stormwater management, economic development, zoning, and other local policies that relate to SWBNO actions.

Institute a Permanent Customer Advisory Council:

A permanent *SWBNO Customer Advisory Council* should be established either by ordinance or by the SWBNO Board to advise SWBNO on all matters pertaining to or otherwise impacting customer service levels and rates. This Advisory Council should consist of membership up to or equal to the number of SWBNO Board members and include persons representing a cross section of SWBNO's customer base as well as key stakeholder groups and experts representing issue areas relative to SWBNO operations (i.e., consumer advocacy, water management, engineering, environmental quality, finance, urban planning, transportation, etc.).

Advisory Council members should be formally selected and serve established term-lengths. Further, the Advisory Council should have formal powers, which include the right to interview SWBNO staff and board members; be involved in all board strategic planning; advise the Board prior to votes on major actions; and conduct public meetings, on a quarterly basis at the minimum, to solicit public comment and disseminate information relative to SWBNO planning, investments, and other activities.

Evaluate Board Performance & Create Executive Compensation Committee:

At least twice annually, the SWBNO Board Executive Committee should conduct performance evaluations of the Board and its members based on strategic planning goals, committee objectives, and board member performance metrics. These assessments should be publicly available and subject to City Council review.

Similarly, the SWBNO Board should establish a permanent *Compensation Committee* to review performance appraisals of SWBNO executive staff and determine appropriate compensation levels. To ensure transparency and continuity, appraisals should be based on strategic planning goals and organization and personnel performance metrics developed for all areas of SWBNO activity by the Board's Infrastructure, Finance, and Operations Committees. The Compensation Committee, as either a free-standing committee or subcommittee of the Executive Committee, should evaluate executive staff members and adjust annual compensation accordingly.

Utilize Performance Metrics to Evaluate Customer Satisfaction & Operating Efficiency:

The SWBNO Board and Executive Staff should develop performance metrics based on industry best-practices to evaluate organizational structure as well as staff and organization success in meeting investment and operations goals. In addition, comprehensive surveys should be used via a variety of outreach mediums to gauge customer satisfaction and receive feedback relative to proposed initiatives and projects.

Goal: Improve Business Development, Contracting, Information Technology & Staff Capacity

Recommended Action Items

- *Reduce direct board execution of SWBNO contract processes*
- *Unify Disadvantaged Business Enterprise Certification, Credit DBE prime contractors & Streamline certification process and monitoring*
- *Expand SWBNO business development and liaison capacity*
- *Revise civil service rules to improve hiring process for technical positions*
- *Modernize information technology systems and harmonize with relevant systems among Orleans Parish government entities*

Reduce Direct Board Execution of SWBNO Contract Processes:

SWBNO's contracting process should be conducted by a central procurement office with policy guidance and performance oversight derived from the Board. In so doing, this contracting system, governing everything from paper-clips to drainage pumps, must be a process-driven component of the organization's overall Financial Policies and Procedures.

The Board's is currently too involved in the direct administration of SWBNO's contracting process. At present, the Board attempts to review all bid advertisements, requests for proposals, contracts and amendments, bid change orders, and directly manage Disadvantaged Business Enterprise (DBE) selections. While these are all vital functions, attempting to have a monthly-meeting entity with a spotty attendance record manage these tasks is a recipe for inconsistency, delay, and dysfunction.¹⁵ Instead, the Board should establish policies and performance benchmarks to guide and monitor staff management of contracting processes and compliance board policies, budgetary aims, and government regulations.

Nonetheless, large transactions should remain in the direct purview of the Board. The *Task Force* recommends that SWBNO examine other comparable utilities, which have established direct board approval of contracts of \$1 million or more and contract modifications of \$250,000 or more.¹⁶

Unify Disadvantaged Business Enterprise Certification, Credit DBE Prime Contractors, and Streamline Certification Process and Monitoring:

The *Task Force* recommends that SWBNO work with the City and other Orleans Parish governmental entities to establish a single standard for DBE qualification and institute other programmatic reforms that reduce contractor cost, confusion, and delay in achieving that standard.

At present, SWBNO, City, City Council, the Aviation Board, and the Regional Transit Authority (RTA) all utilize separate definitions for what constitutes a qualified DBE. That is a needlessly disparate approach to achieving a shared goal of increasing business opportunities and growth among local

¹⁵ See, BGR SWB Report (According to BGR observations, in July 2011, for example, the finance committee spent two hours reviewing and approving contracts, then lost its quorum before it could consider any financial items on the agenda.).

¹⁶ *Id* (Referencing, among others, Washington DC Water and Louisville (KY) Water Company).

DBE's. Indeed, these separate standards actual inhibit greater DBE inclusion in local government-funded projects. The process for demonstrating compliance with multiple DBE standards is time consuming, confusing, and expensive. That potent combination hamstrings many small DBE businesses from seeking or successfully achieving certification without undue costs and delay. In turn, this leads to an unnecessarily narrow DBE business pool and contract awarded to a disproportionately small number of businesses relative to the number of total local DBE's.

Compounding this, SWBNO does not allow a prime contractor to be certified or otherwise receive credit towards certification even if the company would otherwise fulfill SWBNO's DBE criteria. While the *Task Force* acknowledges the value in including as many qualified DBE subcontractors in SWBNO projects as possible, incentivizing and cultivating DBE-certified prime contractors should be an equally important aim of the DBE program. An increased number of qualified DBE prime contractors guiding projects such as those developed by SWBNO is a strong indicator that overall capacity and prosperity among local DEB businesses is strengthening and deepening. Local government DBE programs should help spur this advancement.

Finally, SWBNO currently lacks transparent and uniform guidelines and evaluation tools by which DBE certification decisions are made. Similarly, SWBNO would benefit from clearer DBE compliance protocol for monitoring contractor compliance with DBE goals, including uniform and consistently applied financial and/or participation penalties for failing to meet DBE goals and incentives to reward practices that exceed stated goals.

Based on this, the *Task Force* recommends the following action-items in administering the SWBNO DBE Program:

- Develop an intergovernmental working group with City, Aviation Board, RTA, and other applicable entities to establish a unified standard for DBE certification, including, as practical, utilizing existing state (i.e., the Louisiana Universal Certification Program), federal, or corporate DBE certification standards, to further harmonize and simplify DBE certification for vendors. In the interim, SWBNO should mirror current City policy and not require separate applications from vendors that have already been granted DBE certification status by the City, Aviation Board, or RTA.
- Enable either full certification or partial credit towards certification when prime contractor vendors are DBE-certified.
- Establish a Central Procurement Office to facilitate staff-administered contracting processes, including SWBNO's DBE program. This Office should monitor payment process to ensure timely payments to contractors and subcontractors; ensure adequate funding for DBE program administration; and present performance reports through which the Board can effectively evaluate and monitor goal achievement.
- Expand contracting process information that is publicly available by providing regularly updated online information about the scope of awarded contracts, certified DBE vendors (already available), resources for assisting in qualifying for SWBNO contracts, and contract performance monitoring.

- Utilize regular performance audits of the SWBNO's DBE program, including use of transparent criteria for monitoring contractor compliance with DBE goals, financial and participation penalties for prime contractors who fail to meet DBE goals, and incentives offered when stated DBE goals are exceeded.
- Establish a tiered DBE process whereby certified DBE vendors "graduate" from a baseline DBE certification level upon achieving an established amount of time in the program and/or business capacity threshold. Possible continued incentives for such entities upon reaching this benchmark, would be aforementioned certification or credit as a prime vendor and/or credits received as a DBE mentoring entity or for facilitating continuing education programs for DBE participants.

Expand SWBNO Business Development & Liaison Capacity:

SWBNO should create a department focused on customer retention and new business development. This is a noticeably absent function within SWBNO but essential to developing reliable non-federal revenue streams for future investment. This department should include a business liaison who works directly with the City's economic development-related departments, the New Orleans Business Alliance, and Greater New Orleans, Inc., to provide prospective businesses and developers with real-time information relative to SWBNO operations and water/drainage capacity at potential development locations. Further, SWBNO should invest in information technology enhancements, including GIS mapping, which would enable commercial interests to directly access service capacity information from throughout the city.

Revise Civil Service Rules to Improve Hiring Process for Technical Positions:

The *Task Force* recommends that SWBNO be afforded greater autonomy in hiring technical and engineering positions. Current rules, which uniformly define technical positions across all local governmental entities, ignore highly specialized skill-sets that SWBNO needs to conduct operations and contribute to SWBNO's diminished in-house expertise, innovation, and operational flexibility. As such, SWBNO should be granted greater flexibility to define the scope and compensation of specialized positions that are needed to accomplish its mission.

Modernize Information Technology Systems and Harmonize with Relevant Systems Among City Departments and Other Governmental Entities:

The *Task Force* strongly recommends that SWBNO develop a strategic plan that identifies existing information management systems that need to be modernized and/or harmonized with related systems among other local governmental entities in order to improve customer service, metering and billing, and general water system functions.

SWBNO alludes generally to its intention to use increased revenue to improve existing information systems. Concurrent with its rate increase request, SWBNO should outline a strategic plan and timeline by which it would utilize increased revenues to accomplish that aim.



SWBNO Management Solutions
CHECKLIST FOR CHANGE

| | Recommended Reform | Lead Entity | Partner Entities | Applicable Policies | Applicable Funding | Recommended Next Steps |
|--|---|---|--|--|---|--|
| <p>Achieve National Leadership in Sustainable, Goal-Oriented Management</p> | <p><i>Establish a joint City-SWBNO Comprehensive Water Management Policy & Investment Framework</i></p> | <p>Orleans Parish Government Entities</p> | <p>Other regional parish government entities, GNO, Inc, New Orleans Business Alliance, other community and civic organizations</p> | <p>City Master Plan & CZO; Stormwater & Building Permitting; SWBNO & City Capital Projects; SWBNO Operational & Financial Plans; City Blight, Housing, Environmental and Economic Development Policies; Regional Transportation Implementation Plan; City Hazard Mitigation Plan</p> | <p>SWBNO & City bonds, water & sewer rates, CDBG, General Fund, disaster-recovery funding, drainage fee</p> | <p><u>Within Next Year:</u> (1) Develop goals for water management related to safety, environmental quality, economic development, and quality of service that be adopted by parish governmental entities, and as practical, among local parishes; (2) identify existing projects, policies, and programs that can be structured to further joint water management goals; (3) identify and prioritize new project, policies, and programs that can be developed to advance water management goals; (4) identify opportunities for inter-governmental coordination and public-private partnerships; and (5) establish means for citizens to participate and track progress in achieving established water management goals.</p> |
| | <p><i>Institute formal processes for coordinating with local and regional entities to develop integrated water management solutions</i></p> | | | | | <p><u>Within Next Year:</u> Outline an organizational and funding structure for this recommended department</p> <p><u>Within Next Two Years:</u> (1) Develop City-SWBNO team to identify assets and functions to consolidate and funding, staffing, and timeline needs; (2) assess laws and policies to consolidate; (3) execute necessary legal and policy changes; and (4) finalize protocols for staff transition, hiring, and continued City-SWBNO coordination.</p> |
| | <p><i>Create a SWBNO Strategic Policy and Planning Department</i></p> | <p>SWBNO</p> | | | | |
| | <p><i>Consolidate City and SWBNO stormwater management functions within SWBNO Drainage Department</i></p> | <p>SWBNO, City</p> | | | | |

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|---|---|--------------------|---|---|--|--|
| <p>Achieve National Leadership in Sustainable, Goal-Oriented Management</p> | <p><i>Establish Stormwater Policy Advisory Group</i></p> | <p>SWBNO, City</p> | <p>City Council, CPC</p> | | | <p><u>Within Eight Months:</u> (1) Develop scope of committee and identify appropriate areas of expertise; (2) finalize any necessary policies to codify existence and role of committee; (3) conduct selection process; and (4) initiate committee advisory process</p> |
| <p>Increase Board Autonomy & Strategic Planning Efforts</p> | <p><i>Utilize professional SWBNO Board comprised of private citizens</i></p> | <p>SWBNO</p> | <p>State Legislature, City, City Council</p> | <p>SWBNO Strategic Capital, Operational & Financial Plans</p> | <p>Bonds, water & sewer rates, disaster-recovery funding, drainage fee</p> | <p><u>Phased Implementation Concurrent with Existing Ex-Officio Member Terms:</u> (1) Develop a transition plan to phase-in revised board structure concurrent with existing terms of Mayor and City Council members on SWBNO Board; and (2) revise applicable state law, local ordinances, and board bylaws as necessary.</p> |
| <p><i>Appoint 2 board members based on local universities' recommendations</i></p> | <p>Mayor's Office, local universities</p> | | <p><u>Within Eight Months:</u> Develop committee structure and amend related bylaws to establish committee.</p> | | | |
| <p><i>Reduce board size to 9 members & reduce terms to 4 years</i></p> | <p><u>Within Next Year:</u> (1) Revise Board Bylaws to establish a Strategic Planning Committee; (2) adopt a transparent, customer-inclusive framework for researching and prioritizing short-, mid-, and long-term infrastructure investments.</p> | | | | | |
| <p><i>Establish permanent Board-Committee Nominating Committee</i></p> | | | | | | |
| <p><i>Institute permanent Strategic Planning Committee</i></p> | | | | | | |
| <p><i>Conduct comprehensive infrastructure and operational planning processes</i></p> | | | | | | |

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| <p>Increase Board Autonomy & Strategic Planning Efforts</p> | <p><i>Establish two-tiered ratemaking process enabling limited SWBNO rate approvals</i></p> | <p>SWBNO, City Council, and State Legislature</p> | | <p>Board Resolution, City Ordinance, and state law</p> | <p>Bonds, water & sewer rates, drainage fee</p> | <p><u>Within Next Year:</u> (1) Develop a transition plan to define structure for two-tiered ratemaking authority and respective authorities of SWBNO Board and City Council; (2) revise applicable state law, local ordinances, and board bylaws as necessary; and (3) identify and implement any additional oversight authority involving City Council and the proposed Customer Advisory Council attendant with conferring SWBNO direct limited rate change authority</p> |
| | <p><i>Utilize board committees to assess SWBNO capabilities & needed investments</i></p> | <p>SWBNO</p> | | <p>Board Bylaws & Resolution; SWBNO Strategic Capital, Operational & Financial Plans</p> | | <p><u>Within Next Year:</u> (1) Establish performance goals specific to the <i>Infrastructure, Finance, and Operations Committees</i> based on SWBNO's <i>Strategic Plan</i>; (2) develop performance management tools to evaluate staff and infrastructure performance; and (3) restructure board composition and board committee interrelationships, including the proposed <i>Executive and Strategic Planning Committee</i>, to conduct ongoing strategic planning.</p> |
| <p>Achieve Consistent & Transparent Organization Accountability</p> | <p><i>Create Board Charter to prioritize member qualifications, roles & duties</i></p> | <p>SWBNO</p> | | <p>Board Bylaws</p> | | <p><u>Within Next Eight Months:</u> (1) Revise Board Bylaws to list priority areas of expertise represented in board structure; (2) detail in bylaws a clear set of responsibilities and practices to define the Board's relationship relative to consumers, staff, elected officials, and other governmental entities.</p> |

Achieve Consistent & Transparent Organization Accountability

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| <p><i>Establish permanent City Council (sub)committee for SWBNO oversight</i></p> | <p>City Council</p> | | <p>City Ordinance or Council Resolution</p> | | <p><u>Within Next Year:</u> (1) Establish a permanent committee or subcommittee to review SWBNO operations and decision-making; (2) define oversight scope based on existing authorities relative to SWBNO rate approval or other applicable jurisdiction; (3) invest in staff and other resources as needed to ensure effective committee oversight.</p> |
| <p><i>Institute permanent Customer Advisory Council</i></p> | <p>SWBNO, City Council</p> | | <p>Board Bylaws, City Ordinance, or Council Resolution</p> | | <p><u>Within Next Year:</u> (1) Develop Council scope, authorities, member structure and terms (2) finalize policies to establish Council as an advisory body to SWBNO and City Council; (3) conduct selection process; and (4) initiate committee</p> |
| <p><i>Evaluate board performance & create Executive Compensation Committee</i></p> | <p>SWBNO</p> | | <p>Board Bylaws</p> | | <p><u>Within Eight Months:</u> Develop compensation committee structure and amend related bylaws to establish committee.</p> |
| <p><i>Utilize performance metrics to evaluate customer satisfaction & operating efficiency</i></p> | <p>SWBNO</p> | | <p>Board Bylaws & Resolution; SWBNO Strategic Capital, Operational & Financial Plans</p> | | <p><u>Concurrent with Rate Increase Request:</u> Outline internal performance and customer-satisfaction indicators to guide use of increased investment in operational capacity and staffing.</p> <p><u>Within Next Year:</u> (1) Conduct customer surveys and internal operations audit to quantify current and optimal levels of system efficiency; (2) establish protocols for staff to measure progress in achieving performance and customer service; (3) present updates to Board and City Council; and (4) develop transparent multi-medium options for ongoing customer input and monitoring.</p> |

Empower Staff to Manage Assets & Operations More Efficiently

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|--|--------------|---|--|--|---|
| <p><i>Reduce direct board execution of SWBNO contract processes</i></p> | <p>SWBNO</p> | | <p>Board Bylaws & Resolution; SWBNO Strategic Capital, Operational & Financial Plans</p> | | <p><u>Within Next Year:</u> (1) Establish board policy goals related to procurement, purchasing, and DBE selection; (2) develop performance tracking tools to evaluate staff performance in furtherance of those goals; (3) establish a central procurement office with needed staff increases and restructuring as needed to ensure reliable and consistent staff administration; (4) develop staff report template detailing procurement, purchasing, DBE compliance updates for board approval; (5) institute regular audits or an ombudsman function to confirm DBE compliance; and (6) establish procedures for direct contract board approval processes above a certain threshold amount.</p> |
| <p><i>Unify Disadvantaged Business Enterprise Certification, Credit DBE Prime Contractors, and Streamline Certification Process and Monitoring</i></p> | <p>SWBNO</p> | <p>All Orleans Parish Governmental Entities</p> | | | <p><u>Within Next Year:</u> (1) Amend DBE policy to accept certifications from other local government DBE programs; (2) establish board policy to DBE selection; (2) establish performance tracking tools to evaluate staff performance in furtherance of those goals; (3) incorporate certification review and monitoring protocols into a central procurement office; (4) develop transparent means for Board and public monitoring and overall compliance auditing; (5) develop a tiered structure for crediting DBE prime contractors and facilitating mentoring; (6) partner with other local entities to establish a unified DBE certification standard.</p> |

Empower Staff to Manage Assets & Operations More Efficiently

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|---|--|--|----------------------------|--|---|
| <p><i>Expand SWBNO business development and liaison capacity</i></p> | <p>SWBNO</p> | <p>City, GNO, Inc, New Orleans Business Alliance</p> | | | <p><u>Within Next Year:</u> (1) Partner with local business and economic development entities to identify performance goals and operations strategies that increase customer retention, develop additional business and revenue streams, and offer competitive rate structures; (2) develop and implement information management and GIS mapping tools that allow residential and business customers to ascertain location-specific water, sewerage, and stormwater service capacity; (3) outline an organizational and funding structure for establishing a department focused on customer retention and new business development.</p> |
| <p><i>Revise civil service rules to improve hiring technical positions</i></p> | <p>SWBNO, Civil Service Commission</p> | <p>City, GNO, Inc, New Orleans Business Alliance</p> | <p>Civil Service Rules</p> | | <p><u>Within Next Year:</u> (1) Define positions for which revised hiring rules would be preferred and the rationale; and (2) collaborate with Civil Service Commission staff to finalize position definitions, compensation, and related hiring processes.</p> |
| <p><i>Modernize information technology systems and harmonize with relevant systems among city departments and other governmental entities</i></p> | <p>SWBNO</p> | <p>City and other Orleans Parish Governmental Entities</p> | | | <p><u>Within Eight Months Year:</u> (1) Establish performance goals and identify existing information and data-related technology systems that should be upgraded and/or harmonized with applicable systems among City departments; (2) outline a funding and implementation plan that utilizes proposed revenue increase within an expedited timeline to achieve stated aims; develop means by which customers can track progress towards implementation.</p> |

Governance & Management Reform Advisory Group

Members:

- Gary Solomon, Chairman, Crescent Bank & Trust (Chair)
- Alan Arnold, Principal, Arnold & Co. Inc
- Kelly Commander, CEO, Command Construction Industries, LLC
- Keith Crawford, Principal, Loftin Group, LLC
- Mark Davis, Director, Tulane Institute on Water Resources Law and Policy
- Steve Picou, Horizon Initiative, Water Management Subcommittee
- Greg Rattler, Senior Vice President, Public Financing, JP Morgan Chase
- Lee Anne Sciambra, Managing Partner, KPMG, LLC
- Jeffrey Thomas, Principal, Thomas Strategies, LLC

Organizational Advisors:

- Bureau of Governmental Resources
- City of New Orleans
- GNO, Inc.
- Horizon Initiative, Water Management Subcommittee
- New Orleans Board of Liquidation
- New Orleans Redevelopment Authority
- Raftelis Financial Consultants, Inc.
- Regional Planning Commission
- Sewerage and Water Board of New Orleans

