ORDINANCE

CITY OF NEW ORLEANS

CITY HALL: July 23, 2026

CALENDAR NO. 35,521

NO. _____ MAYOR COUNCIL SERIES

BY: COUNCILMEMBERS MCCARRON AND HUGHES

AN ORDINANCE to amend and reordain Chapter 159 of the Code of the City of New Orleans, to establish a governance structure for the Sewerage and Water Board of New Orleans, including composition and role of the board of directors, regulation by the city council, and related policies; and otherwise to provide with respect thereto.

WHEREAS, on May 29, 2026, the state legislature, under the leadership of Representative Stephanie Hilferty adopted House Bill 1243 to provide for greater local oversight and regulatory authority for the operations of the Sewerage and Water Board of New Orleans ("SWBNO") with the city and the city council; and

WHEREAS, on June 23, 2026, the bill became Act No. 938 and takes effect on August 1, 2026; and

WHEREAS, the State, the mayor, and the council all recognize the importance of consistent, uniform regulation across utilities and critical infrastructure; and

WHEREAS, on February 2, 2026, Mayor Moreno signed Executive Order HM-26-04 establishing the Infrastructure Coordination Council Advisory Committee, which is responsible for "aligning and coordinating planning, operations, and project delivery" between the city and SWBNO; and

WHEREAS, on June 1, 2026, Mayor Moreno signed Executive Order HM-26-04A establishing the Public Utility Modernization Process Subgroup ("PUMPS"), which is responsible for ensuring "that any transition to greater local control over SWBNO is supported by a clear, public, and actionable plan;" and

WHEREAS, PUMPS is comprised of members from the city council, the administration, SWBNO, and subject-matter experts; and

WHEREAS, the council and the mayor (referred to collectively herein as "the City") recognize that SWBNO employees are dedicated public servants; and

WHEREAS, the City recognizes that SWBNO employees have reported to work in the face of perilous weather conditions to protect their fellow New Orleanians; and

WHEREAS, the City recognizes that during events including Hurricanes Katrina, Ida, and Francine as well as other unnamed storms, SWBNO employees left their families and homes to do everything possible to protect our families and property; and

WHEREAS, this ordinance and the reforms made herein are designed to provide greater support for SWBNO and its employees, to improve efficiencies, and to increase interagency and departmental coordination, and are the result of several meetings of PUMPS; and

SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY ORDAINS, That Chapter 159 of the Code of the City of New Orleans be and the same is hereby amended and reordained as follows:

"Chapter 159 – SEWERAGE AND WATER BOARD OF NEW ORLEANS

ARTICLE I. – IN GENERAL

Sec. 159-1. - Purpose. The purpose and intent of this chapter is to provide a uniform and comprehensive set of regulations and standards for the Sewerage and Water Board of New Orleans.

Sec. 159-2. – Definitions. The following words, terms, phrases, and their derivations shall have the meanings given herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto throughout this Code of the City of New Orleans. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. The word "including" is not exclusive and shall be construed as "including but not limited to".

Actual Bill means a SWBNO bill on which the billed amount is the result of a physical reading of the customer's meter for the billing cycle.

Bill in dispute or disputed bill means a SWBNO bill in which the Customer has contested the amount due to SWBNO and as further defined in section 159-12.

Billing cycle means an interval of not less than 25 days nor more than 35 days between successive billing dates.

Collections or collection agency means an entity secured to recover unpaid amounts related to a customer's account.

Commercial customer means any customer that is not a residential customer.

Customer means a person or entity with a SWBNO account.

Extreme weather conditions means a period during which the following conditions exist: (1) the temperature for the day is forecast to remain at or below 40 degrees Fahrenheit or the night-time temperature is forecast to be 32 degrees Fahrenheit or lower, (2) the high temperature for the day is forecast to be 100 degrees Fahrenheit or higher, or (3) the National Weather Service issues an excessive heat warning or heat advisory for Orleans Parish for a day or portion of a day.

Fixed rate means a monthly bill amount calculated as the Customer's average, undisputed monthly Actual Bill amount for the previous calendar year.

Residential customer means a metered customer who uses their premise as a home or dwelling and has less than 3 living units supplied water.

Service disconnect means deliberately suspending water or sewer services to a customer. This does not include interruptions in service caused by necessary repairs or maintenance.

Sewerage and Water Board of New Orleans or SWBNO means the organization established by City Charter Section 5-301 and La. Rev. Stat. § 33:4071 responsible for the public water, sewer, and drainage systems of the City of New Orleans.

Sec, 159-3. - Board of Directors.

(a) Role and responsibilities. Subject to the rules and regulations established by the city council, the board of directors are responsible for reviewing actions and utility operations of SWBNO; administering procurement and approving agreements between SWBNO and other entities, except those subject to approval by the city council; selection or removal of the executive director and general superintendent subject to approval by the city council; and other actions necessary for the functionality of the organization. Nothing in this section delegates powers held by the city council or authorizes the board of directors to enact bylaws or to act in any manner inconsistent with the city council's authority as described in this Chapter and in statute.

(b) Composition. The board of directors for SWBNO shall be composed as set forth in Home Rule Charter Section 5-301.

(c) Officers. The board shall elect by a majority vote a president and president pro tempore from its non-ex-officio members.

(d) Term. The term for the directors shall be four years beginning from the date of confirmation by the council. A director appointed to fill a vacancy on the board shall serve for the remainder of the unexpired term. The term limit for a director shall be two full consecutive terms. However, a director appointed to fill a vacancy shall be permitted to serve the remainder of the initial term and two full consecutive terms.

(e) Removal. Members appointed to the board of directors shall serve at the pleasure of the mayor and may be removed by the mayor via written letter sent to the member with copy to the council, SWBNO executive director, and the board of directors.

Sec. 159-4. - Meetings of the board of directors. The board of directors shall meet not less than quarterly at a location within the City, accessible to the public. All board meetings and meetings of its committees shall be conducted in accordance with Open Meetings Law and broadcast live via the internet with recordings made available on the SWBNO website.

Sec. 159-5. - Regulation by the City Council. Pursuant to the Home Rule Charter and state law, the council has the power to exercise regulatory authority and oversight over SWBNO and its board of directors. The council's authority includes but is not limited to the power to exercise regulatory authority and oversight over SWBNO and the board of directors. Further, the city council may at its discretion require approval of the following:

(a) billing policies and procedures;

(b) rates, fees, and charges imposed by SWBNO;

(c) debt issuance, borrowing, and financial obligations;

(d) finance, operations, and governance policies, including review and approval of operating budgets, capital budgets, and the capital improvement plan;

(e) professional service agreements for consulting services including those related to government relations, legal services, and lobbying; and

(f) confirmation of the executive director and general superintendent.

The council may direct representatives of SWBNO or the board of directors to appear at any meeting of the council or council committee.

Sec. 159.6 – Permitting. SWBNO is required to receive the proper permits and pay the associated fees prior to commencing work in the public right-of-way. Pursuant to Section 146-439, the director of the department of public works may issue SWBNO a blanket permit.

Sec. 159.7 – Reporting. Pursuant to Revised Statutes Sections 33:4091, 33:4159.2, and the council's regulatory authority and oversight responsibilities, SWBNO is directed to include the following information in its quarterly operations reports:

(a) status of drainage pump stations and drainage system capacity;

(b) status of water and sewer system operations;

(c) status of power and related facilities and a description of unplanned electric service disruptions during the reporting period;

(d) progress on major infrastructure repairs and high-priority capital improvement projects outlined in the annual capital budget;

(e) description of the cause, conditions, and corrective actions in response to a triggering event detailed in Section 159-8 or other system failures since the previous report;

(f) upcoming infrastructure milestones or major maintenance activities;

(g) a procurement forecast identifying all capital projects anticipated for advertisement during the subsequent six months, including the anticipated advertisement date, procurement method, engineer's estimate or anticipated contract value, funding source, current design completion status, permitting status, and any anticipated procurement, regulatory, or funding risks that may materially impact the advertisement or award schedule;

(h) updates regarding compliance with the federal consent decree governing sewer and drainage system improvements;

(i) reports of sewer discharges, sanitary sewer overflows, or other environmental incidents as well as findings from investigations related to sewer discharges or environmental incidents and the corrective actions being taken;

(j) reports submitted to the Louisiana Department of Health, Louisiana Department of Environmental Quality, the Environmental Protection Agency, and any other agency similarly tasked with ensuring the safety of drinking water and water quality in Orleans Parish; and

(k) industry standards for best practices regarding safe levels for contaminants in canals, the corresponding levels for canals in the city, and the schedule of water testing for canals;

(l) operational barriers, infrastructure challenges, funding constraints, or regulatory issues impacting system performance or project timelines; and

(1) Infrastructure challenges shall include, but not be limited to, project delays resulting in an anticipated or actual schedule impact of thirty (30) days or more, major utility

conflicts, contractor performance issues, material budget overruns or funding shortfalls affecting project delivery, significant change orders or claims, critical equipment or material procurement delays, and other conditions that materially affect the timely completion, cost, or performance of capital projects or utility infrastructure.

(m) actions or coordination needed from the city council, administration, or partner agencies to help resolve those challenges.

The city council may direct SWBNO to provide any information described in the section at a greater frequency and may require any additional information necessary to fulfill its regulatory responsibilities.

Sec. 159-8. Emergency notifications - In the event of a condition that creates a risk to public health and safety, SWBNO is required to notify all impacted customers, councilmembers, the mayor, designated council and administration staff, and local news media. Such conditions include but are not limited to:

(a) unplanned disruption of water service impacting an estimated 50 or more customers, any daycare, school, healthcare facility, apartment complex, or assisted living facility;

(b) water main break resulting in a drop in water pressure resulting in a boil water advisory;

(c) major drainage pump failure during a rain event that results in diminished capacity to provide drainage services;

(d) electric service disruption or failure to any SWBNO facility, including pumping station or substation, that results in a diminished ability to provide water, drainage, or sewer services;

(e) any issue with a component of water treatment facilities that could impact SWBNO's ability to provide potable water; or

(f) catastrophic failure, defined as an impact to SWBNO equipment or assets that result in diminished level of service to more than 10,000 customers or an emergency declaration by the SWBNO executive director or general superintendent.

In accordance with protocols established by the office of coordination and emergency management (NOCEM), SWBNO shall notify the NOCEM duty officer as soon as practicable that an event described in this section has occurred.

Sec. 159-9. Emergency Preparedness Plan – No later than May 1 of each year, SWBNO shall submit its emergency preparedness plan to the director of the NOCEM, the director of the department of public works, and the city council. The plan shall include a designated point of

contact for the administration and the city council, a list of personnel designated as essential and required to report to work during a declared emergency, a detailed communication plan detailing notification strategies to comply with Section 159-8, a report detailing the training, reporting locations for personnel, and protocols for inspecting equipment. SWBNO shall make any modifications deemed necessary by the directors or the council.

ARTICLE II – CUSTOMER PROTECTIONS AND BILLING

DIVISION 1. - CUSTOMER PROTECTIONS

Sec. 159-10. – Customer Protections. Customers shall have the following rights related to the provision of sewer and water utility services. Prohibitions to disconnect service do not extend to suspension of service that is necessary to perform a critical repair.

(a) The right to safe and reliable water service.

(b) The right to opt-in to paying a fixed monthly rate for water services, which shall be determined by calculating the average monthly cost of the customer's service based on his recent water readings.

(c) The right to dispute any amount SWBNO asserts is owed, including the right to an investigation, arbitration and appeal, as described in this Chapter.

(d) The right to not have late fees charged on the Disputed Amount during the Bill Dispute Process described in this Chapter.

(e) The right to receive written notice from SWBNO at least ten (10) days, exclusive of weekends and holidays, prior to the disconnection of service due to nonpayment. During the ten (10) day period, the Customer may either make payment or request a deferred payment arrangement.

(f) The right to not have service disconnected during extreme weather conditions. If the National Weather Service issues an excessive heat warning or heat advisory, SWBNO is prohibited from disconnecting service for the entire day, even if the excessive heat warning or heat advisory is lifted during the day.

(g) The right not to have service disconnected on a weekend, federal, state, or local holiday, day before a federal, state, or local holiday, or Friday after 1:00 p.m.

(h) The right to have same-day service to restore service if the Customer pays, or causes to be paid, the outstanding balance or an alternative amount agreed to by the Customer and SWBNO before 4:00 p.m.

(i) The right to have a meter that is regularly maintained and accurate by SWBNO.

(j) The right to receive notice from SWBNO when there is a scheduled repair that may disrupt service to customers. SWBNO shall notify customers no later than five (5) days, exclusive of weekends and holidays, prior to the scheduled repair.

(k) The right to have any outstanding balance due discharged upon the death of the account holder.

(l) The right not to have interest, fees, or penalties assessed on an amount in dispute while a customer has a bill in dispute.

(m) The right not to have their account referred to collections while the customer has a bill in dispute.

(n) The right not to have service disconnected while the customer has a bill in dispute.

DIVISION 2. – BILLING

Sec. 159-11. – Billing Procedures.

(a) Meter Readings

(1) SWBNO shall conduct meter readings monthly as necessary to bill customers in accordance with the prescribed billing cycles.

(2) When SWBNO conducts a meter reading, the meter reader shall take a picture of the meter at the time of the reading. Such picture shall include the date and time stamp of the reading as well as clear images of the numbers indicating water usage and the meter number. SWBNO shall include a copy of the picture with the customer's bill.

(b) Monthly Billing

(1) SWBNO shall bill customers in accordance with monthly billing cycles. Should SWBNO fail to send a customer a monthly bill, after three consecutive billing cycles, SWBNO forfeits its right to collect payment for the unbilled amount.

(2) In the event a customer receives a billed amount twenty (20) percent higher than the customer's last actual bill, SWBNO shall allow the customer to enter into a deferred payment arrangement for the difference in billed amounts through which SWBNO will collect the balance due over a period not to exceed 24 billing cycles.

(c) Fixed Rate Billing

(1) On all bills for residential customers, SWBNO shall include the method by which the residential customer may elect to receive fixed rate bills, including via email, phone call, in person at a SWBNO customer service center, or postal service.

(2) At any time, a residential customer may opt-in to fixed rate billing by utilizing any of the methods provided by SWBNO. If a customer opts-in to Fixed Rate billing, SWBNO shall take all necessary steps to ensure that the Customer's bills reflect the Fixed Rate no later than the second billing cycle after the Customer submits their request.

(d) Estimated Billing – SWBNO is prohibited from sending estimated bills.

(e) Third-Party Manager – The council has the right to select a third party to oversee, supplement, manage, or otherwise participate in the billing procedures described herein. The third party shall be selected in accordance with all applicable procurement policies and laws.

DIVISION 3. – CUSTOMER COMPLAINTS

Sec. 159-12. – Bill Dispute Process

(a) The city council shall designate a person or firm to respond to customer complaints regarding monthly bills (referred to herein as "firm"). The firm shall operate under the supervision of the Council Utilities Regulatory Office.

(b) A customer who disagrees with the billed amount due may dispute a bill according to the following process:

(1) Contact the firm – The customer shall have 30 days from receipt of a monthly bill to contact the firm to dispute a bill. The firm shall either have access to emails, phone calls, or post received by SWBNO or shall establish an email address, phone number, or mailing address to receive Customer complaints. The contact information shall be published on the SWBNO webpage and on customer bills.

(2) Complaint review – After receiving the customer's complaint, the firm shall review the customer's disputed bill and any relevant information, including but not limited to billing history, past meter readings, maintenance records, etc.

A. SWBNO shall take all steps necessary to ensure that the firm has access to all systems necessary to review the relevant information.

B. The firm shall take all necessary steps to protect a customer's personal information.

C. The firm shall provide a list of all customers who have a complaint under review to SWBNO with copy to the Council Utilities Regulatory Office on a weekly basis. All listed Customers shall be deemed to have a bill in dispute.

(3) Bill adjustments – The firm shall have the authority to make any necessary adjustments to a customer's billed amount. The firm shall submit its decision regarding any adjustments to SWBNO and the customer within two weeks of a customer submitting their complaint. If the firm requires additional time to make a decision regarding a customer's complaint, they shall inform the customer and SWBNO in writing.

A. In the event the firm finds that an error in the billed amount is the result of a malfunctioning water meter, the firm shall offer the customer the opportunity to opt-in to Fixed Rate billing until the meter can be replaced.

B. The firm shall submit a monthly report to the council summarizing the number of complaints reviewed and the total amount of adjustments ordered.

(4) Arbitration – In the event the customer elects to dispute the firm's decision, they may submit a request for arbitration within 14 days, exclusive of weekends and holidays, of receipt of the firm's decision.

(c) Bill in dispute. After contacting the firm to dispute a bill, a customer is deemed to have a bill in dispute until either:

(1) 14 days, exclusive of weekends and holidays, have lapsed since the customer received the firm's decision; or

(2) 14 days, exclusive of weekends and holidays, have lapsed since the customer and SWBNO received the arbiter's decision.

(d) Payment during dispute process. During the bill dispute process, SWBNO shall bill the customer as follows:

(1) Prior to the firm's decision regarding an adjustment, the Customer's monthly bill shall be the fixed bill rate.

(2) After the firm renders a decision, but prior to a decision for the arbiter, SWBNO shall bill the Customer in accordance with the adjustment ordered by the firm.

(3) Upon receipt of the arbiter's decision, SWBNO shall make the ordered adjustments within two billing cycles.

(e) While a Customer has a bill in dispute, SWBNO shall not assess interest, fees, or penalties on the amount in dispute, submit a customer's account to a collection agency, or execute a service disconnect.

Sec. 159-13. Arbitration.

(a) Arbitration team. The legislative auditor and the New Orleans inspector general shall, acting together, appoint the two arbiters for each councilmanic district, subject to confirmation by the council. The arbiters shall be divided into two teams: the residential arbitration team and the commercial arbitration team.

(1) One arbiter from each district shall be appointed to serve on the residential arbitration team. The other arbiter from the district shall be appointed to serve on the commercial arbitration team.

(b) Arbitration hearings. Each arbitration team shall hold at least two regularly scheduled appointment days per month in each councilmanic district at a public facility, with an option for parties to participate virtually. At least one member of the team shall meet with each Customer and a representative from SWBNO to evaluate any evidence related to the disputed bill(s).

(c) Arbitration decision. Based on a review of the materials and arguments presented, and in consultation with other members of the arbitration team as needed, the arbiter shall determine whether the bill amount ordered by the firm is appropriate. The arbitration team shall communicate all decisions to SWBNO and the customer no later than the last day of the month after the arbitration is held.

(d) Standard of review – Arbiters shall review evidence utilizing a clearly erroneous standard of review, meaning the arbiters shall only vacate the firm's decision if, based on a review of the record and evidence available, a mistake has been made.

ARTICLE III - BUDGET AND CAPITAL IMPROVEMENT PLAN

DIVISION 1. - BUDGET

Sec. 159-14. - Operating and Capital Budgets. Annually and in accordance with the council's rules and directives, SWBNO shall submit and present to the city council its proposed operating budget. The capital and operating budgets shall be prepared in consultation with the city's chief administrative office. The operating budget shall include any related SWBNO revenues and expenditures. Additionally, the operating budget shall include details related to satisfying financial obligations to the city, including expenses related to utility regulation as described in Section 3-130 of the Home Rule Charter. The capital budget shall be prepared and reflect the annual expenditures of projects, programs, and improvements as detailed in the capital improvement plan.

Sec. 159-15. – Budget Format. SWBNO shall submit its budget template and presentation in accordance with the council's rules and procedures.

Sec. 159-16. – Budget Approval Process. SWBNO shall submit its budgets to the council in the appropriate format no later than October 1 of each year. SWBNO shall submit its budgets and presentation as directed by the council. The council shall act to approve or amend the operating and capital budgets for SWBNO no later than December 1. The approved budgets shall be sufficient to ensure SWBNO's ability to provide safe and reliable water, sewer, and drainage services.

DIVISION 2. CAPITAL IMPROVEMENT PLAN

Sec. 159-17. - Capital Improvement Plan. SWBNO shall develop a capital improvement plan annually. The capital improvement plan shall include projects and programs designed to protect, enhance, and repair the water, sewer and drainage infrastructure systems. Beginning in 2027, the capital improvement plan shall include a five-year plan of projects and programs. SWBNO shall develop the capital improvement plan in consultation with the department of public works and any other office or department designated by the mayor so that proposed capital investments are planned and prioritized in a manner consistent with the city's adopted Climate Action Plan, resilience strategies, sustainability objectives, and other related initiatives. The capital improvement plan shall include but not be limited to the following:

(a) Current projects - A list of projects in process of construction or acquisition, their present status, the amounts spent or estimated to be spent each year over the planned five years, a schedule including the work required to complete the project, the funding source(s) for each project, the amount and funding source(s) required to complete each project, method of financing, estimated operations and maintenance costs, any budgetary shortfall, and a justification of the project, including social, geographic, economic, engineering, and public welfare reasons;

(b) Planned projects – A list of proposed projects including a schedule, funding source(s), method of financing, the estimated budget to be spent each year over the planned five years, the estimated operation and maintenance costs, the proposed dates of initiation and completion of the project, and a justification of the project, including social, geographic, economic, engineering, and public welfare reasons; and

(c) Actions required or included in the scope of a project which requires coordination with or completion by an outside entity, including any state or city department, office, or agency.

Sec. 159-18. – Public engagement. For the five-year capital plan, SWBNO shall conduct not less than five public meetings, one per councilmanic district, to solicit feedback on priorities and to educate the public on proposed projects and priorities. SWBNO shall coordinate with the district councilmember to schedule each public meeting and notify the designated representatives of the administration the date, times, and locations of each public meeting. SWBNO shall submit to the council a summary of the feedback received no more than 48 hours after each public meeting.

Sec. 159-19. - Approval. SWBNO shall submit its capital improvement plan to the council as directed. The city council shall approve or amend the plan submitted via motion. Prior to acting, the council shall conduct at least one public meeting before the council or a council committee to consider the proposed plan and receive public comment."

SECTION 2. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY ORDAINS, That notwithstanding the provisions of Section 159-16, SWBNO shall submit its 2027 operating and capital budgets to the council no later than November 15, 2026, and the council shall act to approve or amend the operating and capital budgets for SWBNO no later than December 31, 2026.

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS_____

_____
PRESIDENT OF THE COUNCIL

DELIVERED TO THE MAYOR ON _____

APPROVED:
DISAPPROVED: _____

_____
MAYOR

RETURNED BY THE MAYOR ON _____ AT _____

_____
CLERK OF COUNCIL

ROLL CALL VOTE:
YEAS:
NAYS:
ABSENT:
RECUSED: