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BGR's Spotlight on Local Government Issues

S&WB Reforms: Creating a Strong Nomination Process

April 26, 2013

THE LAST TIME most New Orleanians heard about Sewerage & Water Board governance reform, their rates were going up.

In December 2012, at the urging of Mayor Landrieu, the City Council approved substantial increases in water and sewerage rates to be phased in over the next eight years. The mayor, who is also the president of the Sewerage & Water Board (S&WB), promised a host of reforms at the agency, including better board governance. The council gave its thumbs-up to the rate increases based in part on the hope for true reform at the S&WB.

Now Mayor Landrieu must persuade the State Legislature to implement those governance reforms requiring changes to state law. To this end, state Sen. J.P. Morrell and Rep. Walt Leger III have introduced [Senate Bill 47](#). We're pleased to report that the bill covers many of the key [reforms that BGR has recommended](#).¹ The common proposals include:

- Reducing the size of the S&WB board to nine members.²
- Removing City Council members from the board.
- Reducing the terms of board members to four years and imposing term limits.
- Requiring relevant areas of expertise for most board seats.

The bill differs, though, in at least one significant respect. While BGR recommended removing all elected officials from the board,

the bill would keep the mayor on the board and, as its president, firmly in control.

Given this approach, it is important to build independence into the selection process for the six citizen members. In December, Mayor Landrieu proposed appointing each citizen member from a list of three nominees submitted by a committee of university presidents. The committee would consist of the presidents of Delgado Community College, the University of New Orleans, Southern University at New Orleans, and Dillard, Loyola, Tulane and Xavier universities. [BGR reviewed this approach](#) against possible alternatives and concluded it is the most desirable.³

SB 47 currently does not provide for a committee process. The city has indicated that this is an oversight and that it is seeking to address the omission through amendments. Those amendments would establish a nominating committee consisting of the university presidents or their designees and require them to act collectively in making nominations. Unfortunately, the amendments are also expected to include language that would allow the mayor to veto the list of nominees submitted by the committee.

The veto power could send a message to the nominating committee that it should focus on submitting nominees that a mayor finds desirable, rather than focusing simply on who would add the most value to the board. If the process becomes politicized, strong candidates might be reluctant to step forward.

An independent nominating process offers the best chance to seat a board that can most ably tackle the formidable problems the S&WB faces. The introduction of a mayoral veto over nominations strikes at the committee's independence. For this reason, BGR has recommended that a mayor be required to select from the original list of three nominees and that the highest ranked nominee be automatically seated if the mayor fails to make an appointment from the list within 30 days.⁴

To be clear, BGR supports the key governance reforms proposed by Mayor Landrieu. The changes to board structure, terms and member qualifications, as well as the committee nominating process, are essential and forward thinking. They are similar in many respects to the very reforms BGR has recommended in the past. But to strengthen the bill and protect the integrity of the nominating process, amendments to SB 47 should not include the veto power.

Mayor Landrieu and local lawmakers have promised the public significant reforms to the S&WB. This is the moment to deliver on those promises and give citizens the best reforms possible.

NOTES

1 BGR's recommendations can be found in its October 2011 report, *Making the Waterworks Work: Fixing the Sewerage & Water Board's Governance Problems*. The report is available at www.bgr.org.

2 The remaining nine members would consist of: the mayor; two members of the Board of Liquidation, City Debt, appointed by the mayor on the recommendation of that board; and six citizens, appointed by the mayor with the advice and consent of the City Council.

3 BGR's recommendations on the committee nominating process can be found in its December 2012 release, *BGR Backs Mayor's S&WB Reform Proposals, Suggests Improvements*. The release is available at www.bgr.org.

4 Ibid.