

# ***SEWERAGE & WATER BOARD OF NEW ORLEANS***

## **GOVERNANCE COMMITTEE MEETING**

**MONDAY, MARCH 14, 2016**

**TIME: 10:30AM**

**625 ST. JOSEPH STREET  
2<sup>ND</sup> FLOOR BOARD ROOM**

Kerri Kane, Chair • Alan Arnold, Vice Chair • Kimberly Thomas • Robin Barnes

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### **FINAL AGENDA**

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#### **ACTION ITEMS**

1. Sewerage and Water Board of New Orleans Leak Adjustment Policy (R-037-2016)

#### **PRESENTATION ITEMS**

None

#### **INFORMATION ITEMS**

2. Review of Previous Report
3. Any Other Matters



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

March 14, 2016

Governance Committee  
Finance and Administration Committee  
Sewerage and Water Board of New Orleans  
New Orleans, Louisiana

Subject: Leak Adjustment Policy

Dear Directors:

During the City Council hearings on the water and sewer rate increases in December 2012, Sewerage and Water Board proposed a program of initiatives to mitigate the effect of the rate increases, including a provision to pursue legislative change to allow adjustments for water lost through customer leaks. This legislative change occurred in July 2015 with the enacting of R.S. 33:4071(F) which authorized Sewerage and Water Board to adopt rules and procedures to adjust water bills. After careful consideration, staff recommends incorporation of these rules and procedures into the Service Rules and Regulations:

### ***Adjustment Policy***

- Sewerage & Water Board of New Orleans will grant one billing adjustment for water leaks on the customer's service connection every 12 months.
- Adjustments will be calculated over the billing periods when the water leak occurred, up to a maximum of two regular reading cycles.
- A written statement of repairs must be submitted to the Bill Adjustment Department within 60 days of discovery of the water leak. The written statement must include the service address, billing periods over which the leak occurred, location of the leak and a copy of the repair receipt with a clear description of the completed repair. No adjustment will be made until after the repair is completed.

### ***Adjustment Method:***

- Sewerage & Water Board will charge full water rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption.
- Sewerage & Water Board will charge full sewer rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption and excluding the amount of water not passing into the sanitary sewer system during the leak.

- There will be no adjustments of the ready to serve charges.
- Water bills, including City of New Orleans sanitation charges, are required to be paid within 30 days from the date of the bill to avoid a late payment penalty. Late payment penalties will not apply pending an adjustment.

These rules would take effect immediately upon adoption by the Board of Directors. Staff believes that the fiscal impact of this policy change is adequately reflected in the 2016 Operating Budget.

A handwritten signature in blue ink, appearing to read "Robert K. Miller", with a stylized flourish at the end.

Robert K. Miller  
Deputy Director / Chief Financial Officer



**DRAFT**

## **Sewerage and Water Board of New Orleans Leak Adjustment Policy**

### ***Adjustment Policy***

- Sewerage & Water Board of New Orleans will grant one billing adjustment for water leaks on the customer's service connection every 12 months.
- Adjustments will be calculated over the billing periods when the water leak occurred, up to a maximum of two regular reading cycles.
- A written statement of repairs must be submitted to the Bill Adjustment Department within 60 days of discovery of the water leak. The written statement must include the service address, billing periods over which the leak occurred, location of the leak and a copy of the repair receipt with a clear description of the completed repair. Photos verifying the repair and the location of the leak are strongly recommended. No adjustment will be made until after the repair is completed.

### ***Adjustment Method:***

- Sewerage & Water Board will charge full water rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption.
- Sewerage & Water Board will charge full sewer rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption and excluding the amount of water not passing into the sanitary sewer system during the leak.
- There will be no adjustments of the ready to serve charges.
- Water bills, including City of New Orleans sanitation charges, are required to be paid within 30 days from the date of the bill to avoid a late payment penalty. Late payment penalties will not apply pending an adjustment.

### ***How To Apply for an Adjustment:***

- Request an Account Investigation through our Customer Service Department:

By mail:  
Sewerage & Water Board of New Orleans  
Mail Resolving Department  
625 Saint Joseph Street  
New Orleans, LA 70165

By Phone: (504) 529-2837

By Fax: (504) 585-2455

#### **In Person:**

Main Office: 625 Saint Joseph St. New Orleans, LA 70165 8:00a to 5:00p, M-F  
Algiers Office: 4021 Behrman Pl. Ste.M-2, New Orleans, LA 70131 8:30a to 4:30p, M-F

- A SWB Inspector will meet with the customer to determine if there is a leak on the customer's side of the meter. The Bill Adjustments Department will send a written notification approving or denying the adjustment to the bill.
- You may request an Administrative Hearing, if you disagree with the results of your Account Investigation. The Hearing Request forms and Policy are located on our website: [www.swbno.org](http://www.swbno.org).

**LEAK ADJUSTMENT POLICY**

**WHEREAS**, During the City Council hearings on the water and sewer rate increases in December 2012, Sewerage and Water Board proposed a program of initiatives to mitigate the effect of the rate increases, including a provision to pursue legislative change to allow adjustments for water lost through customer leaks; and

**WHEREAS**, this legislative change occurred in July 2015 with the enacting of R.S. 33:4071(F) which authorized Sewerage and Water Board to adopt rules and procedures to adjust water bills; and

**WHEREAS**, staff has developed recommended rules and procedures to adjust water bills;

**NOW, THEREFORE, BE IT RESOLVED** that these rules and procedures be approved and incorporated into the Service Rules and Regulations:

Sewerage & Water Board of New Orleans will grant one billing adjustment for water leaks on the customer's service connection every 12 months.

Adjustments will be calculated over the billing periods when the water leak occurred, up to a maximum of two regular reading cycles.

Sewerage & Water Board will charge full water rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption.

Sewerage & Water Board will charge full sewer rates for normal consumption during the affected billing period and 50% of the rate for the excess water consumed by the leak based on the average of the past 12 previous months of consumption and excluding the amount of water not passing into the sanitary sewer system during the leak.

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I, Cedric S. Grant, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a Resolution adopted at the Regular  
Monthly Meeting of said Board, duly called and held,  
according to law, on March 16, 2016.

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**CEDRIC S. GRANT, EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"

# **Sewerage & Water Board of NEW ORLEANS**

MITCHELL J. LANDRIEU, President

625 ST. JOSEPH STREET  
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER  
www.swbno.org

January 14, 2016

The Governance Committee met on Thursday, January 14, 2016 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at 2:05 PM.

## **ATTENDANCE**

### **PRESENT:**

Kerri Kane, Chair  
Robin Barnes  
Suchitra Satpathi

### **ABSENT:**

Alan Arnold, Vice Chair  
Kimberly Thomas

### **Others:**

Cedric S. Grant, Executive Director; Joseph R. Becker, General Superintendent; Bruce Adams, Deputy General Superintendent; Nolan P. Lambert, Special Counsel; Harold Marchand, Legal; Robert K. Miller, Deputy Director; Lisa Martin, Deputy Director/Communications; Valerie Rivers, Deputy Director/Logistics; Sharon Judkins, Deputy Director/Administration; Willie Mingo, Purchasing; Robert Jackson, Communication & Intergovernmental Relations; and Brenda Thornton, Communirep, Inc.

## **ACTION ITEMS:**

### **1. Board Self-Assessment Tool and Board Planning Retreat**

Mr. Grant gave an overview of the Board Self-Assessment Tool and Board Planning Retreat. This tool is meant to create an informed starting point for discussion among the Board to address priorities which will result in Board effectiveness. He stated in advance of the next planning retreat, he recommends that the Governance Committee request the individual board members to complete the self-assessment tool and return the completed document to staff for compilation of the results. Board members will be contacted to identify the most convenient date for the next all-day planning meeting.

Robin Barnes moved to accept staff recommendation. Upon a second by Suchitra Satpathi, the motion passed.

### **2. Cooperative Endeavor Agreement (CEA) between the City of New Orleans and the Sewerage & Water Board of New Orleans / Supplemental Equipment and Operations for Special Event Clean-Up**

Staff recommends the Committee accept the CEA between the City of New Orleans and the Sewerage & Water Board of New Orleans to accomplish a valuable public purpose of cleaning up the City's neutral grounds, streets and sidewalks during and after certain special events. This agreement supports continued improvements to the City of New Orleans and thereby enhances community development and supports economic growth and related public purposes.

Robin Barnes moved to accept staff recommendation. Upon a second by Suchitra Satpathi, the motion passed.

### **PRESENTATION ITEMS:**

#### **3. Executive Director Work Plan 2015 Results**

Mr. Grant submitted an update of his 100 Day Implementation Plan he presented to the Board in December 2014. In addition to the remaining elements of the 100 Day Implementation Plan, he discussed the following key strategic initiatives that were achieved during 2015:

- FEMA Settlement
- Reliability of Power Supply to Water Distribution System
- Board Structure
- Organization Structure
- Cost Reduction
- Water & Sewer System Revenue Bond Issues
- Pension System Improvements
- Organization Culture

Mr. Grant stated he will be prepared to present his work plan for 2016 at the February 2016 meeting.

#### **4. Executive Session**

None

#### **5. Orientation of New Board Member**

Mr. Grant asked the Committee to submit to him any information they believe would be beneficial to new Board Members to help them get acquainted with the organization.

There being no further business to come before the Committee, the meeting adjourned at 2:53 PM.

Respectfully Submitted,

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Kerri Kane  
Chairperson