CUSTOMER ADVISORY COMMITTEE

NOVEMBER 11, 2020

GROUND RULES

- Please keep your microphone muted unless you are speaking to reduce background noise
- Be sure to say your name before you speak so everyone knows who is speaking
- To be respectful of everyone’s time, please keep remarks brief and to the point so we can end on time
- Members of the public are able to submit comments via the Q&A feature

INTRODUCTIONS

- When you’re called on briefly introduce yourself with:
  - Your name
  - What neighborhood you live in
  - What you do for work, if applicable
  - Your favorite local restaurant (open or not)

WHO ARE WE?

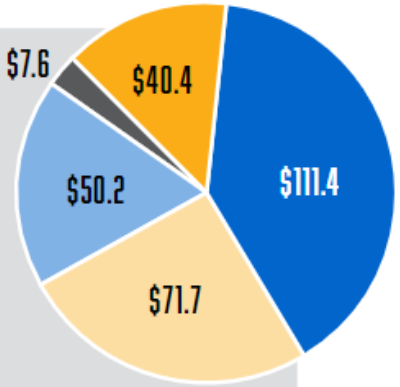
- Political Subdivision of the State
- Established in 1899 by the Louisiana Legislature to furnish, construct, operate, and maintain a water treatment and distribution system and a sanitary sewerage system for New Orleans.
- In 1903, the New Orleans Drainage Commission was merged with the Sewerage and Water Board.
- Governed by an 11-member Board of Directors consisting of:
  - Mayor of the City of New Orleans
  - A member of the New Orleans City Council
  - Two representatives of the Board of Liquidation
  - Seven citizen members of which:
    - Five represent each City Council district
    - Two consumer advocates

WHO ARE WE?

- About 1,300 Employees
- **Water**
  - Purify raw water from Mississippi River
  - 2 WTPs with combined 146 MGD capacity
  - 1,800+ mile water distribution system
  - 136,000+ metered customers
  - Funded by rates charged by metered usage, in addition to fees and charges.
- **Wastewater**
  - Return clean effluent to Mississippi River
  - 1,600+ mile gravity sewer system
  - 83 pump/lift stations
  - 2 WWTPs with combined 132 MGD capacity
  - Funded by rates charged by a proportion of metered water usage, in addition to fees and charges.
- **Drainage**
  - Drain stormwater from a city that is 50% below sea-level and surrounded by levees
  - 200 miles of canals and culverts
  - 24 pump stations with combined 50,891 CFS capacity
  - Shared responsibility with City for collection system (catch basins, smaller lines)
  - Funded exclusively through property tax millage.

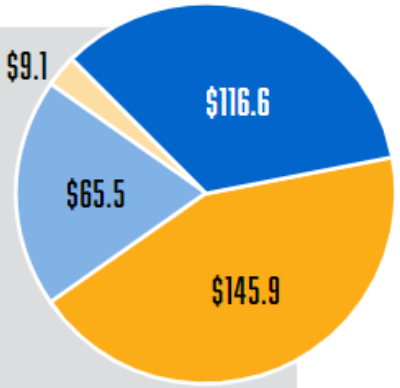
WHO ARE WE?

2020 OPERATING EXPENSES: $281M



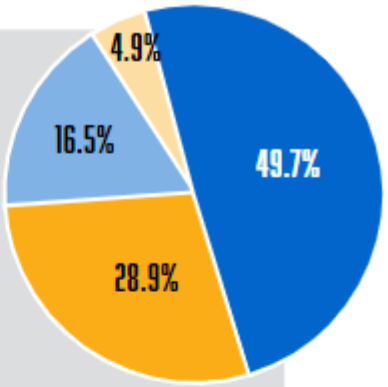
- Personnel Services
- Services and Utilities
- Materials and Supplies
- Other Operating Expenses
- Debt Services

2020 REVENUES: $337M



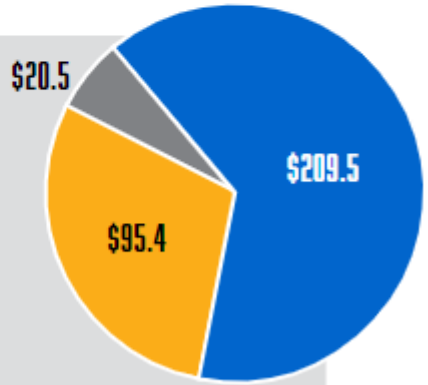
- Water Sales
- Sewer Sales
- Drainage Millage
- Other Revenue Sources

2020 CAPITAL USES: $325M



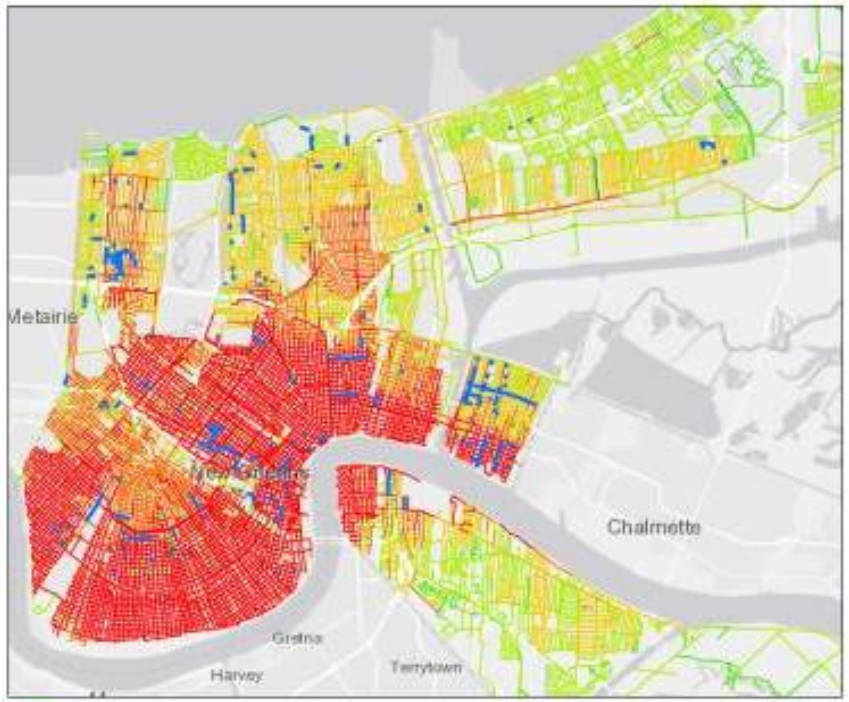
- Water
- Drainage
- Sewer
- Combo

2020 CAPITAL SOURCES: $325M



- Grant Funded Projects
- Targeted Funded Projects
- Fair Share Projects

AGING WATER INFRASTRUCTURE



Indicates approximately 23 miles of repairs/replacements made under various post-Katrina construction programs

Age of Water Mains	Length of Water Mains (miles)	Percent of distribution system
1900 - 1919	525.02	34.3%
1920 - 1939	208.22	13.6%
1940 - 1959	309.35	20.2%
1960 - 1979	389.47	25.5%
1980 - 1999	97.35	6.4%
2000 - 2019	0.90	0%*
TOTAL :	1,530.3	

*0.05%

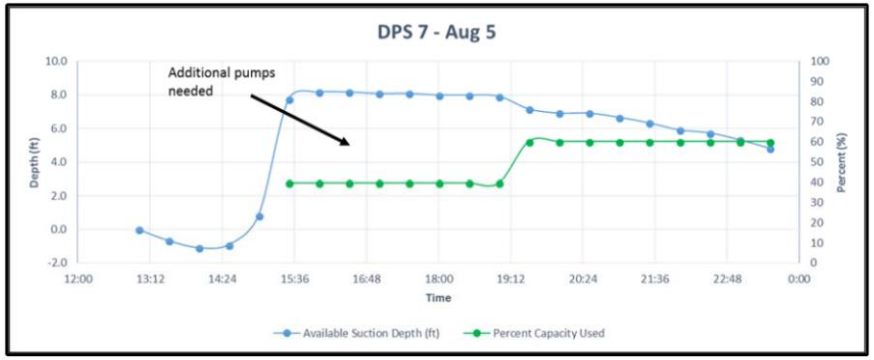
WATER DISTRIBUTION SYSTEM

- Frequent water main breaks and emergency repairs.
- We lose more than half of the water we purify due to leaking hydrants and water main breaks.
- 43 Boil Water Advisories since 2010.
- No inventory of lead service lines.
- We still have to physically read **136,000+** water meters each month.

AUGUST 5, 2017 FLOOD

- Large, slow moving rain event that unevenly fell across the city (>10-year event in 3 basins)
- 3 of 5 major power generation assets were not in service
- Significant number of drainage pumps not in service throughout the system
- Combination of precipitation that exceeded system LOS, power and pumping failures

Drainage Basin	Average rainfall in basin (inches), 13:00-19:00	Average recurrence interval of PFE (6 hr.)
DB1	2.3	<1 yr. event
DB 2	6.1	>10 yr. event
DB 3	7.8	>25 yr. event
DB 4	2.9	<1 yr. event
DB 6	3.2	<1 yr. event
DB 7	5.6	>5 yr. event
DB 12	3.4	<1 yr. event
DB 17+19	6.0	>10 yr. event



WHAT WE'RE DOING NOW: SEWER CONSENT DECREE

- Entered in 1998, modified and extended due to Hurricane Katrina
- Established Sewer System Evaluation & Rehabilitation Program (SSERP)
- Includes significant rehabilitation of sewerage system and investment of $2.5 million in innovative green infrastructure projects
- Recently received $200 Million WIFIA loan to finalize SSERP and achieve compliance by 2025

WHAT WE'RE DOING NOW: PUMPING AND POWER

- Dedicated Entergy Substation
- Moving forward with securing T7
  - Will continue working to modernize our power supply.
- New 25/60Hz Frequency Changer
- Hardening and maximizing use of T6
- Exploring renewable energy options

WHAT WE'RE DOING NOW: WATER

- Automated Metering Infrastructure (AMI)
- Rate and Affordability Study
- Installing approximately 40 miles of waterline on average per year the next 3 years through JIRR.
- Established new Backflow Prevention Permitting Program
- Inventorying Lead Service Lines
- Continued rehab of Carrollton Water Plant

PLANNING FOR THE FUTURE: MASTER PLAN

- Complete rehab of Water Distribution System
- State of the Art Water Purification Plant
- Wastewater Facility Improvements
  - Close loop on WWT processes to increase sustainability
- Drainage and stormwater management plan that incorporates nature-based solutions
- Climate Adaptability
- Addressing subsidence and groundwater management
- Explore better regional collaboration

WHAT DO WE KNOW?

- **Strategic Plan**
  - Last plan was updated in 2013, set to expire in 2020.
  - Current plan doesn't include performance measures to track progress.
- **Outreach and Community Vision**
  - We are overdue for a community conversation around:
    - Desired levels of service
    - Multiple benefits from investments
    - Climate adaptation/resilience
    - Revenue and Costs of Service
- **System Planning**
  - Many studies on individual components in recent years
  - No integrated planning processes in at least a generation
  - Capital program is based on perceived needs, often deferred for years
  - No current system for prioritization of investments/replacement of assets
  - No firm strategies for dealing with climate change, improving resilience, or mitigating emissions
  - No real consensus around specific projects/proposals put forward in recent years

WHY PLAN?

- Promote a culture of planning and continuous improvement
- Allows leadership to explicitly set the tone for staff
- Demonstrated manageable change over time
- Understand short- and long-term needs and consequences of actions
- Greater predictability in budgeting and ratemaking
- Balanced approach that prioritizes needs vs. wants
- Creates quantitative measures of success to demonstrate progress

STRATEGIC VS MASTER PLAN

Utility Strategic Plan (Business)

- Used to set priorities, focus energy and resources, and develop actions around strategic goals
- Establishes intended outcomes/results, and assesses and adjusts the organization's direction in response to a changing environment
- Begins to standardize business processes to be more efficient and better serve our customers
- Updated regularly as utility progresses towards implementation of actions

Master Plan (Infrastructure)

- Determine the capability of existing systems to serve level of service
- Identify efficient and cost-effective ways to meet expected needs and emerging issues
- Estimate the magnitude, cost, and timing of needed capital and operations related projects
- Generate institutional and community support for needed projects
- Create a capital improvement plan for needed improvements to infrastructure

POTENTIAL FOCUS AREAS

- Master Plan Engagement and Visioning
- Affordability and Billing
- System Performance (flooding, BWAs, etc.)

- What ideas do you have?

NEXT STEPS

- What is our meeting schedule?
- How do you want communication to take place?
- What information do you need to be successful?


SEWERAGE & WATER BOARD
CRESCENT BOX
WATER METER
FORD METER BOX CO. WABASH, IND.
NEW ORLEANS, LA.

THANK YOU