



August 18, 2023

Dear Clerk of Council Johnson, Chairman Thomas and Members of the Public Works Committee:

Please find the Sewerage and Water Board of New Orleans’ second 2023 quarterly report to the Public Works Committee below, as required by Louisiana Revised Statute 33:4091. As requested, we have updated the format of this report with labels matching the sections as named in the state statute.

This report contains information on the larger programs, projects, and initiatives that will improve SWBNO’s operations – and our customers’ experiences – over the long term. In reading this report, you’ll also find details about how we are holding ourselves accountable as well as the efforts we’re making and the metrics we’re tracking to do so. Lastly, this report describes our continued progress in immediate focus areas, such as our Smart Metering Program, pavement repairs, and collections.

An attachment to this report includes a list of the pavement repair backlog as of June 2023.

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Board of Directors: LaToya Cantrell – President, Poco Sloss – President Pro Tem, Freddie King III – City Council Member, Robin Barnes, Alejandra Guzman, Janet Howard, Carol Markowitz, Joseph Peychaud, Tamika Duplessis, Maurice Sholas



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We look forward to discussing these topics and answering any questions you may have at the August 30 Public Works Committee meeting.

Regards,

Ghassan Korban

Executive Director, Sewerage and Water Board of New Orleans



EXECUTIVE SUMMARY

CUSTOMER SERVICE

96%

actual meter
reading rate

Resolving bill
disputes

12% Faster

- Implementing door hangers to inform customers we read or attempted to read their meters in compliance with the City of New Orleans Ordinance 34113

FINANCIAL STABILITY

↓ **\$10M**

Reduction in
outstanding customer
receivables since last
quarter

↓ **\$20.8M**

Reduction in past-
due bills since last
quarter

4,700+

Payment plans established
during Q2 2023

SMART METER PROGRAM

- IT integration testing in progress
- Detailed communications planning and messaging continues
- 1.5" – 2" smart meter installations to begin in September (60% residential / 40% commercial)
- \$5 million application for State Revolving Fund loan accepted

SYSTEMS

- Lead service line inventory underway; proactively preparing for LCRR
- Wastewater treatment plant improvements underway on the Eastbank and Westbank
- Ground Maintenance crews cut 500 acres of canals in June

TECHNOLOGY MODERNIZATION

- Selected Oracle Financials software, as implemented by Applications Software Technology, LLC to replace financial system
- Developing a cloud-based website to share critical information during emergencies
- Implemented new firewalls to protect data

FRAUD AND WASTE PREVENTION

- Currently conducting an internal overtime audit by newly created Chief Audit Officer
- SWBNO committee evaluated 14 change order requests at a value of approximately \$3.7 million
- Editing charter language for the Internal Audit and Audit Committee Charters for submittal in September

INFRASTRUCTURE PROGRESS

21% Faster

Average pavement repair
timeline compared to 2022

48%

JIRR Projects under
construction or in post-
construction phase

5

Drinking Water
Transmission Main Projects
under construction or in
post-construction

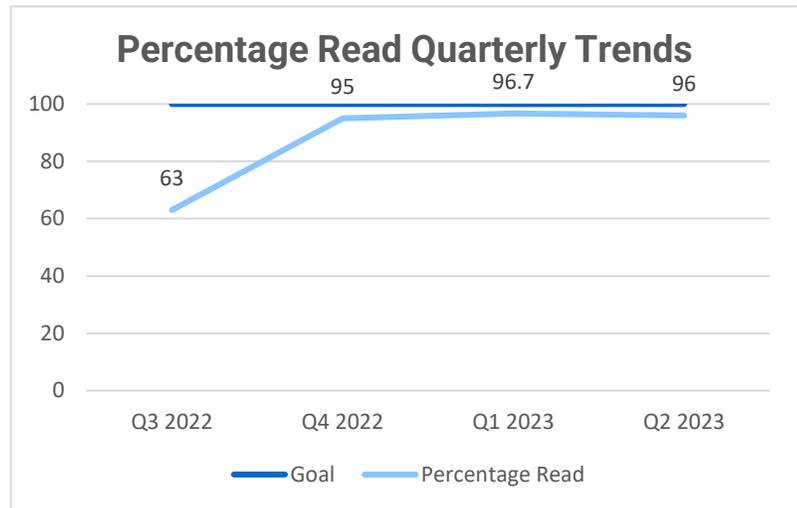


INDUSTRY BEST PRACTICE METRICS

CUSTOMER SERVICE

METER READING

SWBNO has made continued efforts to improve our metering procedures to meet industry best practices. The American Water Works Association’s (AWWA) Policy Statement on Meter Reading says, “Meters should be read at sufficiently frequent intervals appropriate to support the utility’s understanding of volume of production, rate structures and to provide accurate bills and feedback to its customers.”¹



SUCCESS OF NEW METER READING STRATEGY

In Q2, we performed actual reads on schedule for 96 percent of our customers’ water meters. This remains a major improvement over the 63-percent actual read rate we achieved in Q3 2022 when we attempted to read all 140,000 meters each month. Our new strategy of alternating actual reads with estimation every other month, in place since November 2022, continues to prove successful.

Typical obstacles to obtaining actual reads, such as inclement weather, drove the four percent difference between our Q2 performance and a 100-percent actual read rate.

With the success of the new strategy, we have shifted our actual read goal from 98 to 100 percent moving forward.

WE WERE HERE TO SERVE YOU TODAY

NAME: _____

DATE: _____

- We were able to read your water meter today.
- We were **not** able to read your water meter today due to an obstruction.
- We noticed your water meter is broken. We will send an inspector out who will likely generate a work order to repair or replace it.

This doorhanger has been issued per City of New Orleans Ordinance 34113.

QUESTIONS?
52-WATER
customerservice@swbno.org

SWBNO SMART METERING PROGRAM

COMING SOON

SWBNO is replacing its current meters with smart water meters. This reliable, industry-proven technology will allow us to read all 140,000 meters automatically and remotely through a secure network. Smart meters will empower customers and give SWBNO tools to provide New Orleans the customer-focused service it deserves.

Responding to Customer Needs
Confidence that bills reflect actual customer use

- Accurate, frequent water use readings
- Nearly eliminates estimated bills
- Available meter diagnostics

Advanced Account Tools
Empowering customers with modern account management tools

- Near real-time leak detections and alerts
- 24/7 access to your water use info
- Water use budgeting assistance

LEARN MORE
swbno.org/Projects/SmartMetering

¹ <https://www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Metering-and-Accountability>



This significant progress has allowed us to provide timelier, more accurate water use measurements to our customers while we continue to roll out our smart metering program.

DOOR HANGER PROGRAM

New doorhangers (right) have been designed and will be rolled out to customers in the coming weeks in compliance with the City of New Orleans Ordinance 34113. The front of the tag will mark that a SWBNO employee visited the property and what action(s) were taken. The back will communicate updates regarding the Smart Meter Program rollout.

SWBNO is currently training its workers and customer service staff on the process and to anticipate customers' questions.

METER TEAM STAFFING

During Q2 2023, our meter reading staff ranged from 32 to 40 members. Working toward our goal of 50 staff members, SWBNO continues recruitment efforts, including participating in our utility's annual job fair (described in more detail below) and continuous job postings online. However, job conditions, including excessive heat and weather conditions, physical strain of repetitive tasks, and safety, still contribute to turnover.

Q2 2023	2023 Goal	Description
32-40 staff members	50 staff members*	The average number of staff actively reading meters. 50 full-time Meter Readers were budgeted for 2023.

*Decreased from 60 as of January 2023 due to the new meter reading strategy.

BILLING DISPUTES

In Q2 2023, customers initiated roughly the same number of bill disputes as in Q1 2023. Also similar to Q1 2023, SWBNO completed over 2,000 bill dispute processes. However, this quarter, we resolved those bill disputes 12 percent faster on average. Recognizing continued room for improvement, we hired two new full-time employees in Bill Investigations who started in July 2023. Their roles will help increase the number of bill disputes we can address each quarter, further reducing the backlog.

In Q3, our teams will also begin to revisit unresolved investigations that are 120+ days old. Most investigations require up-to-date meter readings to determine if the high water usage at a location has ceased. For investigations open longer than 120 days, our team should have at least two months of meter reading data to reference. We can use that more recent data to determine if bill adjustments are appropriate and/or if we can close the investigation.

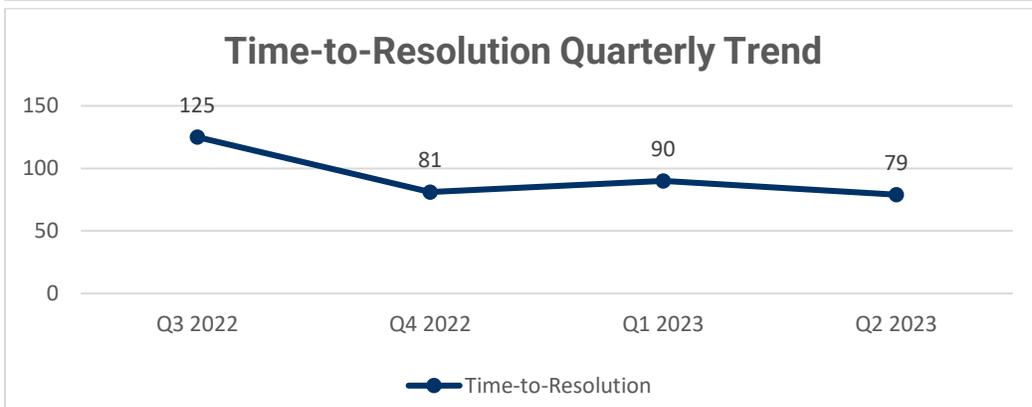
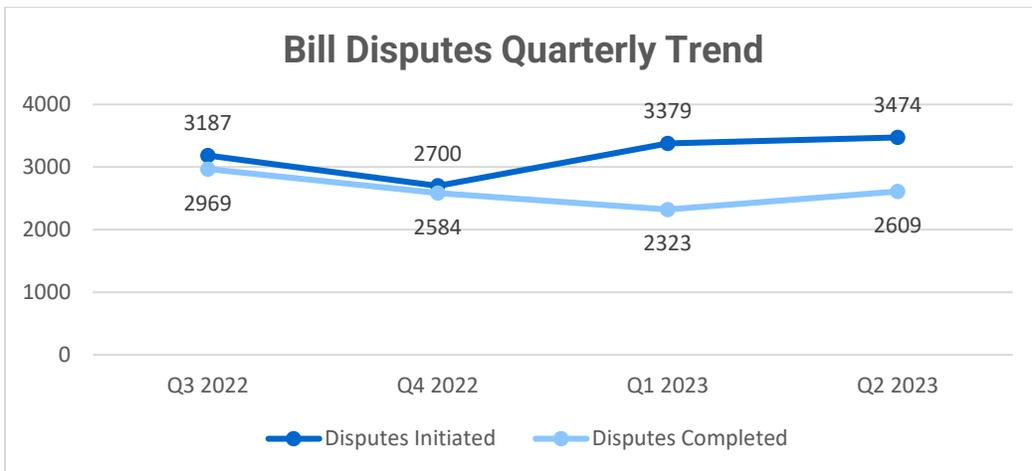
The table below provides bill dispute information for Q2 2023.

Accounts in Dispute



	Accounts in Dispute
Residential	4,252
Multi-Family	272
Commercial	473
TOTALS	4,997

Month	Bill Disputes Initiated	Bill Disputes Completed	Average Time-to-Resolution
April	1071	963	74
May	1252	817	70
June	1151	829	94
TOTAL	3,474	2,609	79





ADMINISTRATIVE HEARINGS

If a customer is unsatisfied with the results of our investigation into their bill dispute, they can request an Administrative Hearing. This quarter we have reduced the backlog of hearing requests and are able to contact customers and schedule their hearings within 24 hours.

Overall, in Q2 we' maintained a similar overall average time-to-resolution compared to Q1 2023 (15 days). However, the average time between a customer's hearing request and the next available hearing date in June lengthened by six days. To address this increase, our Hearing Department is adding an additional hearing each weekday to decrease wait times and improve our customers' experiences.

The table below provides administrative hearing information for Q2 2023.

Month	Average Time-to-Resolution	Avoided Hearings
April	15 days	62
May	15 days	66
June	21 days	39
TOTAL	17 days	167

**The number of billing disputes resolved without a hearing because SWBNO contacted the customer to negotiate a resolution.*

We continue to work with the New Orleans City Council on appeal hearings.

FINANCIAL STABILITY

With our concerted effort to recover past-due bills, we have seen a downward trend in accounts receivable and delinquency.

ACCOUNTS RECEIVABLE

At the end of June 2023, \$49.7 million remained in outstanding overdue customer receivables (i.e., bill amounts overdue by 60 days or more), **a decrease of \$10 million since last quarter**. At the quarter's end, past due accounts receivable were lower than at this time last year (\$61.8 million).

 **\$10M**

Reduction in outstanding customer receivables since last quarter



Over 4,700 payment plans were established during the quarter, and disconnect notices continue to be provided to past-due customers in an effort to avoid service interruptions.

4,700+

Payment plans established during Q2 2023

You can view our bill collections policies and procedures at [here](#).²

Our new Chief Audit Officer is leading a Billing and Collections Audit, with the fieldwork that began in July 2023, to ensure the proper implementation of current policies and procedures, seek areas of improvement, and hold our utility accountable.

Open Accounts

	Past-Due Open Accounts	Total Amount Due	Past Due \$ Amount (60+ Days)
Residential	20,701	44,904,379	37,552,350
Multi-Family	617	3,713,644	3,055,400
Commercial	1,614	11,685,177	9,099,378
TOTALS	22,932	\$60,303,200	\$49,707,128

Closed Accounts

As of June 30, 2023, there were 17,086 closed accounts with a combined unpaid balance of \$23,842,470, prior to reserve for doubtful accounts, which are unlikely to be collected per standard industry assumptions. Generally accepted accounting principles require an estimate based on historical collections, which indicate water bills aged more than 180 days are unlikely to be collectible.

We refer closed accounts to a third-party collector and perform a permanent write-off of bad debts quarterly for closed accounts. Former customers who return requesting new service after closing an account with an unpaid balance will have the historical balance transferred to their new account for payment.

² <https://www.swbno.org/CustomerService/BillDisputeAndAdjustments>



DELINQUENCY

SWBNO continues to offer interest-free payment plans to customers with past-due amounts to address arrearages.

The table below breaks down the value of past-due bills by time overdue.

\$20.8M

Reduction in past-due bills since last quarter

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total Amount
Sewer	\$9,911,422	\$6,783,412	\$4,881,875	\$3,092,543	\$47,690,809	\$72,360,060
Water	\$8,445,609	\$5,254,159	\$4,277,695	\$2,625,096	\$43,180,518	\$63,783,077
TOTALS	\$18,357,031	\$12,037,571	\$9,159,570	\$5,717,639	\$90,871,326	\$136,143,137
Decrease in Total Amount Compared to Q1 2023						(\$20,828,491)

The amount of past due open accounts (\$49.7M) is a subset of total billed receivables (\$136.1M). The categories of total billed receivables include:

- Current open accounts
- Past due open accounts
- Disputed open accounts
- Closed accounts

Net customer receivables equals the total billed receivables (including all categories above) less reserve for doubtful accounts.

PERCENTAGE OF WATER LOSS & PERCENTAGE OF WATER BILLED

Based on average daily pumping for the Eastbank and Westbank and billing data, SWBNO billed customers for roughly 35 percent of water produced while roughly 65 percent of water produced was non-billable for the six months ended June 30, 2023. This is an improvement over the 2022 annual numbers, which were 27 percent and 73 percent, respectively.

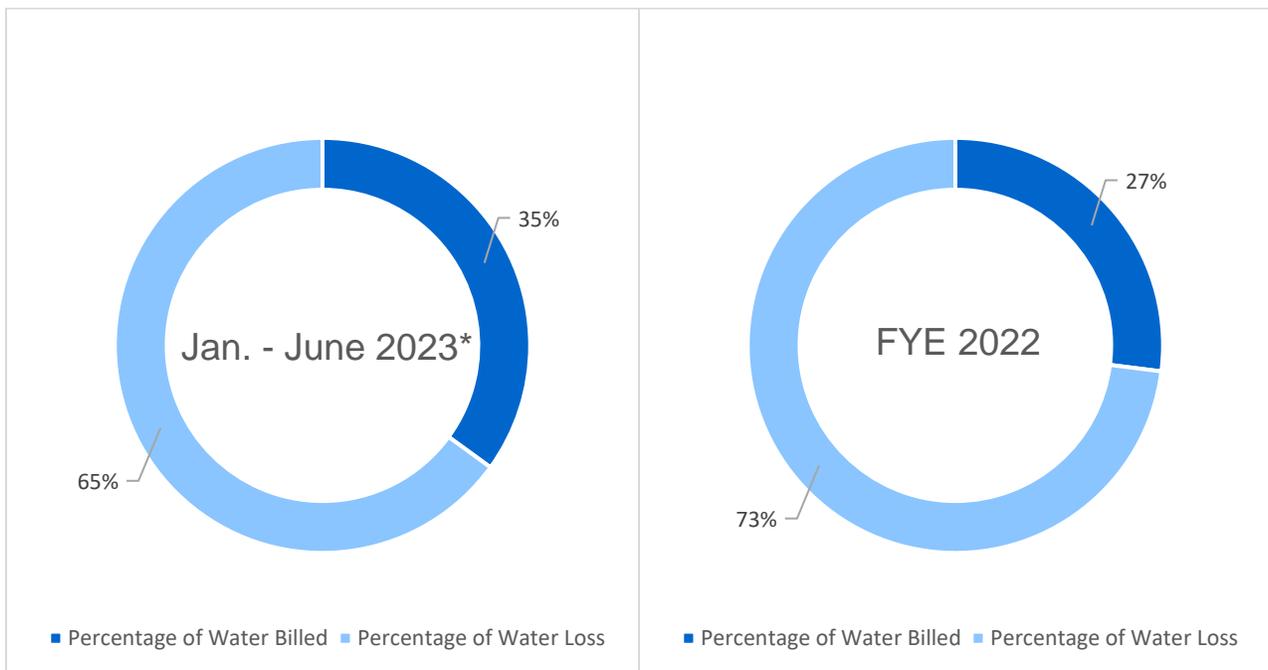
Treated water can become unbilled in variety of ways.

- Leaks and water main breaks in the distribution system are one of the most common causes of water loss across the industry.



- Older, analog water meters tend to slow down and underread consumption as they age. With an average residential meter age of 14 years systemwide, underreading by aging meters results unbilled water.
 - Our much-anticipated Smart Metering Program will nearly eliminate this issue.
- Water provided to City and other entities not billed for water usage in accordance with the Louisiana Constitution.
- Intentional use of water for operational purposes, such as flushing hydrants during infrastructure work.

SWBNO does not currently have the capability of tracking the percentage of unbilled water for each of these sources. The Smart Metering Program, once in full operation, will give us a more precise understanding of unbilled water and its sources.



*Calculated average for first six months of 2023

SWBNO plans to resume a normal cadence of annual water audits in the near future. A 2019 Audit recommended that we improve our data and reduce gaps in data collection in order to have meaningful audits. The new smart metering technology will also address those recommendations and conduct meaningful audits.



FRAUD AND WASTE PREVENTION

This year, we have made a concerted effort to hold ourselves accountable and improve our standards for doing so by placing a focus on our Internal Auditing Department.

In January 2023, we hired SWBNO's first Chief Audit Executive to champion organizational and operational improvement, a key focus area for the utility. Ed Sutherland is independent and reports to the Board of Directors and the Audit Committee, allowing for objective review to help improve our performance, institutionalize transparency, and hold our utility accountable. Since joining SWBNO, our Chief Audit Executive has begun to build an internal audit team. Mr. Sutherland hired staff to fill two new positions and began the interview process for two more in Q2 2023.

Position	Status	Start Date
Audit Senior	Hired	May 22
Audit Supervisor	Hired	June 20
Audit Staff (2)	Open	Interviews ongoing

We implement other efforts to prevent fraud and waste within the utility.

- **ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**—SWBNO completed and submitted its ACFR to the Louisiana Legislative Auditor for review. Once approved, the report will be posted and available to the public.
- **CHARTERS**—Our Chief Audit Officer is worked with SWBNO Board Director Sholas to make edits to the Internal Audit and Audit Committee charters. We anticipate those will be formally adopted in the September 2023 Audit Committee meeting.
- **OVERTIME AUDIT**—To hold SWBNO employees accountable specifically, our Chief Audit Executive is leading an Overtime Audit. Detailed testing is currently ongoing, as of June 2023, and we anticipate presenting the results at our Q3 Audit Committee Meeting.
- **LIGHTHOUSE WASTE, FRAUD, AND ABUSE REPORTING SYSTEM**— SWBNO contracts with the Lighthouse Reporting System which encourages employees to submit complaints regarding waste, fraud, and abuse for investigation. The system is designed to provide protected, anonymous reporting should the reporting party choose that feature. Lighthouse placards and posters are prominently displayed throughout SWBNO. Although not intended for external use, the system occasionally receives external reports, which are referred and/or investigated. Many of the external reports are simply customer issues which are referred to Customer Service for resolution. Often, though, the external reports are non-SWBNO-related issues involving city services and are appropriately referred to 311.



In Q2, the system received and SWBNO processed five reports. Three were investigated and determined to be unsubstantiated and therefore closed. One was referred to the Customer Service Department as a customer service issue, and one was determined to be a non SWBNO-related complaint. To protect the confidentiality of the claims, we cannot report or disclose more specific information.

- CHANGE ORDER MODIFICATION REVIEW COMMITTEE³** – SWBNO has a Change Order Modification Review Committee—a non-voting committee comprised of representatives from the Finance, General Superintendent Office, Legal, and Product Delivery Unit departments. This committee meets weekly and acts as a sounding body to discuss contract change orders introduced by project managers based on discussions with SWBNO contractors. In Q2 2023, 14 change order requests were evaluated by this committee at a value of approximately \$3.7 million. While no specific improvements were notated, the multi-departmental committee identified and discussed underlying reasons for scope changes. The committee also requested that project managers negotiate with contractors to the fullest extent possible and utilize new information on future contract specifications to provide adequate budget for contingencies and consideration for projects with higher estimation uncertainty.

EMPLOYEE AND CONTRACTOR PERFORMANCE METRICS

EMPLOYEE PERFORMANCE METRICS

EMPLOYEE SAFETY TRAINING TOPICS

April 2023	May 2023	June 2023
<ul style="list-style-type: none"> Fatigue Falls on the Same Level OSHA 10 training OSHA 30 training 	<ul style="list-style-type: none"> Fall Protection Eye Injury Prevention OSHA 10 training OSHA 30 training 	<ul style="list-style-type: none"> Easy Way Instead of the Right Way Don't Take Back Problems OSHA 10 training

31

SWBNO employees completed OSHA 10 Training in Q2 2023

14

SWBNO employees completed OSHA 30 Training in Q2 2023

³ A change order is a budget increase made after a contract scope and budget have been executed. Change orders have many drivers, ranging from unanticipated conditions or changing work specifications to project management and communication challenges. Reducing the need for change orders by improving scoping, budgeting, and project management practices can yield more efficient budgets, reduce project delays, and improve work quality.



SAFETY HAZARD ISSUES RESOLVED

April 2023	6 safety hazard issues
May 2023	2 safety hazard issues
June 2023	No safety hazard issues reported

JOBSITE VISITS AND INSPECTIONS

completed by Safety Coordinators

April 2023	22
May 2023	22
June 2023	51

JOB HAZARD ANALYSES

completed by Safety Liaison Program

April 2023	11
May 2023	11
June 2023	10



EMPLOYEE FIELD REPAIR PERFORMANCE METRICS

Internal project performance metrics are being measured over time by tracking timeline for completion of key work order types. Below is a comparison of average days to completion for some of the most commonly occurring work requests. This system of tracking is relatively new (instigated within the last quarter) and may remain marginally fluid going forward. Data in the below tables may differ from previous iterations of the draft report but overall convey the same findings. That overall, SWBNO internal personnel are performing work faster this year over last year and that we are doing more work over that same period in many of the key areas. The one departure is the sewer main backup work order type. While this is not our largest work load area we are working to obtain more equipment and personnel to ensure response times are same day as they are for any overflow work order type.

*It should be noted that, for paving jobs in particular, these numbers include only “closed” work orders so if work orders were opened in January of 2023 they are not currently counted into the overall average. We are working on a tool to capture longstanding open work orders and intend to have these metrics incorporated into the next quarterly report.

	Work Orders Closed* 01/01/2022 - 12/31/2022	Average Days to Completion 2022*	Work Orders Closed 01/01/2023 - 06/30/2023	Average Days to Completion Jan-Jun 2023**	Difference	% of Improvement from 2022
Paving*	1297	124	422	56	68	55%
Sewer House Connection Backup	2411	0*	1187	0	0	-
Sewer House Connection Overflow	510	0	216	0	0	-
Sewer Lead Repair	571	24	288	20	4	17%
Sewer Main Repair	35	26	21	16	10	39%
Sewer Main Backup	239	0	143	2	-2	-
Sewer Manhole Overflow	278	0	115	0	0	-



Water Hydrant Leak	116	51	54	30	21	41%
Water Service Inlet Leak	4797	18	2241	14	4	24%
Water Main Break	390	9	333	8	1	8%

* Quantity includes Sewerage and Water Board of New Orleans self-performed work only.

** Quantity includes repair of sub-surface infrastructure

*** Zero indicates a same-day response time

CONTRACTOR PERFORMANCE METRICS

The primary contracts used included services related to:

1. **Paving** – Our two on-call paving contractors are paving at a high rate with CMG in particular paving upwards of 110 locations per month (based on average billing of \$600K per month and \$5,500 per cut). Wallace Drennan has pledged to increase paving output, and we expect similar production to CMG in Q3.
2. **Water Repairs** – Boh Brothers completed a significant number of major water main repairs, including multiple repairs on St. Charles as well as completion of work on the Audubon and Cohn water main break.
3. **Sewer Point Repairs** – Wallace Drennan completed on-call sewer point repairs in a timely fashion and has been key in addressing several more complicated projects, including those at 1061 Camp and Longue Vue gardens.

In general timelines established by contractors have been met.

SWBNO also contracted with four Disadvantaged Business Enterprises (DBEs) in Q2 2023 for 36 percent of a nearly \$26.2 million value. These DBEs are supporting sewer rehabilitation projects in the Carrollton Basin and the S. Claiborne Ave. Transmission Main project. More details about DBE participation are available in our quarterly Construction report.

*As noted with internal work orders this paving data includes only completed work orders. The next quarterly report should include longstanding open paving work orders which will likely increase the average response time. With that noted we are seeing increased production and shorter timelines from our contractor partners as well as internally.



CONTRACTOR FIELD REPAIR PERFORMANCE METRICS

DEPARTMENT OF PUBLIC WORKS COORDINATION

	Work Orders Created* 01/01/2022 - 12/31/2022	Average Days to Completion 2022*	Work Orders Created 01/01/2023 - 06/30/2023	Average Days to Completion Jan-Jun 2023**	Difference	% of Improvement from 2022
Paving*	459	195	93	78	117	60%
Sewer House Connection	127	42	48	37	5	11%
Sewer Lead Repair	38	76	16	63	13	18%
Sewer Main Repair	54	101	12	34	67	66%
Water Hydrant Leak	2	45	1	0	45	-
Water Service Inlet Leak	12	52	0	-	52	-
Water Main Leak	20	73	1	0	73	-

PAVEMENT REPAIRS

SWBNO has collaborated with the City of New Orleans Department of Public Works to allocate resources toward priority projects, which has resulted in a decrease in pavement repair response time. For June 2023, our average repair timeline was 80 days—21 percent faster than our average in 2022.

A list of our current pavement repair backlog is included as an attachment to this report, and the longest expected timeframe to address a pavement repair is 160 days. Our current goal is to reduce the number of open SWBNO pavement repair work orders from 3,000 to a target of 600 to 1,000 by the end of 2023. To meet that goal, our internal crews are working toward completing 60-70 pavement repairs per week. We’ve also procured additional asphalt and concrete equipment, and we’re bringing on two new field crews in August to reduce our response timelines further.

DPW has also provided substantial support to SWBNO in the form of the Max Pave program which aims to help in this reduction of open work orders this year and through early next year.

In addition to the above, the following actions have been implemented in Q2:

- Bi-weekly Max Pave coordination meetings between SWBNO and DPW leadership



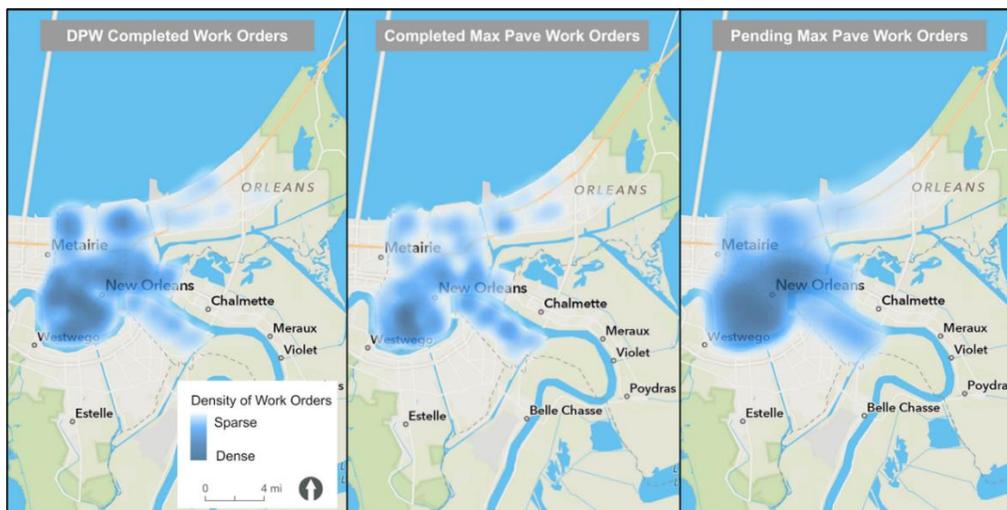
- Standing monthly meetings between SWBNO and DPW leadership (in addition to existing staff level weekly meetings)
- Weekly transmittal of all open and weekly completed work orders from SWBNO to DPW leadership and staff

SWBNO continues to make steady progress in reducing the backlog of pavement cuts throughout the city. We recently received an additional \$4 million in Infrastructure Advisory Board funds, providing additional resources to support this effort. We will continue aggressively moving forward until the backlog is totally cleared, which we anticipate by mid-2024.

MAX PAVE II

The City of New Orleans, Department of Public Works (DPW), and SWBNO are also making progress via Max Pave II, a program created to help eradicate some of the long-standing service cuts around the city from repairs and/or new service connections. The City invested \$8.6 million in bond funds to support this effort.

Currently, in partnership with DPW, SWBNO is on track to address approximately 800 locations through this program. During Q2, SWBNO added two new pieces of asphalt equipment as well as additional concrete equipment to bolster this effort. We are also adding two new crews by the end of Q3 to ensure the utility can keep on pace with new service cuts.



JIRR PROJECTS

From January to June 2023, the City of New Orleans and SWBNO have issued six Notices to Proceed and completed construction on 10 projects. Of the eight projects currently in bid and award, six have received competitive bids and are routing for execution. The remaining two projects



will go to bid in July. The City of New Orleans and SWBNO plan to advertise another 12 projects in the final half of 2023.

The JIRR

Program is funded by:

- **FEMA** in the amount of \$1.664 billion
 - \$1.4 billion for the City of New Orleans
 - \$264 million for SWBNO
- **WIFIA** in the amount of \$275M

Current project status (as of June 30, 2023)

Stage	Number of Projects	% of JIRR Projects
Post-Construction	71	31%
Construction	38	17%
Bid & Award	8	4%
Pre-Construction*	110	48%

*involves planning and design phases

TRANSMISSION MAINS

The Sewerage and Water Board of New Orleans (SWBNO) is replacing several 70- to 120-year-old drinking water transmission mains within our distribution system with newer, larger pipes. These efforts will help stabilize water pressure in many parts of Orleans Parish.

There are 11 total transmission main projects. Eight of the 11 Transmission Main projects are a part JIRR Program noted above. The other three Transmission Main projects are funded by FEMA in the amount of \$10 million. These projects aim to proactively replace water lines as part of SWBNO's commitment to infrastructure resiliency and reliability, a key focus area of our Five-Year Strategic Plan.

Current status of 11 Transmission Main projects (as of June 30, 2023)

Stage	Number of Projects	% of JIRR Projects
Post-Construction	1	9%
Construction	4	36%
Bid & Award	1	9%
Pre-Construction	5	45%

*involves planning and design phases

Completed	Future Projects
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Completed	Future Projects
South Dupre Transmission Main Project Completed: January 25, 2023	Sixth St. Transmission Main Project Anticipated Start: Q1 2026
In Progress	Carrollton, Cohn and Florida Transmission Main Project: Q3 2024
St. Bernard Ave. Transmission Main Project Anticipated Completion: September 2023	Spruce and CWP Transmission Main Project Anticipated Start: Q1 2025
Eden, Grape, and Dupre Transmission Main Project Anticipated Completion: August 2023	Decatur & St Peter Transmission Main Project Anticipated Start: Q2 2024; Could be postponed to 2025 due to Superbowl
Fig and Leonidas Transmission Main Project Anticipated Completion: September 2023	Magnolia, Joseph, Willow Transmission Main Project Anticipated Start: Q3 2025
South Claiborne Transmission Main Project Anticipated Completion: February 2024	
South Claiborne at Third Street Transmission Main Project Authorized by Board in June 2023; Anticipated Start: 2023	

INFORMATION SYSTEMS

SOFTWARE, HARDWARE, AND SYSTEM UPDATES

FINANCIAL SYSTEM

SWBNO selected Oracle Financials software, as implemented by Applications Software Technology, LLC, on April 21 to replace our mainframe CGI Advantage Financial Information Management System, which is over 30 years old, with a modern, cloud-based system. We are currently negotiating the contract with the goal of project kickoff in September.

VERINT

SWBNO continues work on implementing the Verint software, which will improve our customer service by providing our Call Center staff with scripts and consistent responses for various scenarios for customer interactions. Due to the complex nature of creating workflows for a wide variety of customer needs, we do not have an estimated timeline for when Verint will launch. We have been in regular communication with the vendor, and we have shared an abundance of feedback with Verint to keep the process moving and create a tool that works well for our staff and our customers.



CYBERSECURITY

SWBNO has purchased new firewalls to protect its network and increase the system's security. The firewalls were purchased via a three-year contract at significant savings. By improving our network security, we are better protecting all customer data held on our servers, and we will continue implementing additional cybersecurity software to further protect our customers.

WEBSITE UPDATES

Information Systems is working to develop a cloud-based website for emergencies, including hurricanes. If the SWBNO website is unavailable due to a power outage, for example, the cloud-based website will still be available for customers and share important emergency information, such as boil water advisories, pump and power status, wastewater system function, and other updated related to SWBNO's efforts to keep customers safe and maintain service.

Through improved cybersecurity measures and the development of new online resources, we continue to protect our customers' data and providing timely information to our customers, even amid emergencies.

REDUNDANCY AND SERVICE IMPROVEMENTS

POWER

THE SWBNO POWER COMPLEX

The SWBNO Power Complex continues to be a major redundancy project for our utility that will improve the service we provide for generations to come.

Construction on the Power Complex continues with the anticipated completion of the Entergy substation and Phase One work by the summer 2025. When Phase One is complete, the facility will draw power from the Entergy New Orleans grid and convert it to 25-hz power for our use. A new modern, turbine generator will also provide additional power for backup as needed. Progress is visible onsite as transmission line work and pile driving for the utility rack are currently underway.



SWBNO was allocated \$15M in capital outlay funds during this year's Legislative Session. Although it is a lesser amount than anticipated, it will enable us to connect to the Entergy Substation via one of three frequency changers and install Turbine 7 in time for hurricane season 2025.



With the help of the New Orleans City Council, we were able to secure an additional \$10 million from City of New Orleans Fair Share and hotel occupancy tax funds. This funding will enable us to construct a second frequency changer ahead of hurricane season 2025 and will allow SWBNO to utilize 44MW of power from Entergy. We appreciate our city council members' support of SWBNO and their dedication to this critical project.

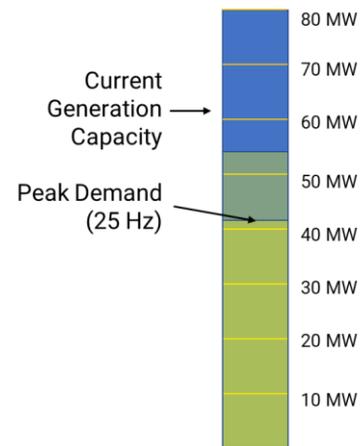
At present, eight contracts totaling \$138 million in SWBNO-managed construction work are underway or complete. In the second quarter, work began on two critical path construction projects:

- Contract 1415, a large civil construction contract for foundations and underground work, and
- Contract 1447, for electrical modifications associated with the existing powerhouse to facilitate construction of the utility rack.

The commissioning and substantial completion for contract 1370A, which includes this first components of a new power distribution control system, was completed in Q2 as well.

POWER SOURCES AND AVAILABLE POWER

Turbine 4 was placed out of service on April 3, 2023, following a malfunctioning of several mechanical components. An extreme emergency declaration was issued on April 6, 2023, to immediately begin inspection and repairs to the machine. (Note: Turbine 4 returned to service, August 5, 2023. The return of Turbine 4 adds 18 MW back into our power generation capacity and redundancies.)



This chart provides the status of each major component of SWBNO's power system.

Unit	Frequency	Capacity	Available
T4	25 Hz	20 MW <i>Tested at 18 MW during commissioning</i>	0 (out of service for Q2, but returned for Q3)
T5	25 Hz	20 MW <i>Tested at 18 MW during commissioning</i>	17.5
Carrollton Frequency Changers 1&2	Converts 60 Hz to 25 Hz	8.5 MW	8.5
Station D Frequency Changers 3 & 4	Converts 60 Hz to 25 Hz	12 MW	12



West Bank Power Complex (Algiers Water Treatment Plant)	Converts 60 Hz to 25 Hz	2.5 MW	2.5
Five EMDs	25 Hz	12.5 MW (total) 2.5 MW (each)	10 (EMD #2 out of service)
T6 (via Plant Frequency Changer)	Converts 60 Hz to 25 Hz	3.75 MW	0 (out of service)
		Peak 25 Hz capacity <i>(includes 3.75 MW that could be converted from T6)</i>	50.5 MW
T6	60Hz	22 MW	22
		Peak 60Hz capacity <i>(full capacity – does not subtract 3.75 that could be converted to 25 Hz)</i>	22 MW

OPERATIONAL REFORMS, CAPITAL IMPROVEMENT PROGRAMS, AND SERVICE ASSURANCE PROGRAMS

Across all three systems, we are investing in our infrastructure and improving our operations to ensure our customers receive the service they deserve. We also continue to prioritize compliance with state and federal regulations.

DRINKING WATER SMART METERING PROGRAM

As of June, we have completed the installation of nine of the 12 planned base stations, which are part of the wireless network infrastructure that will allow the new meters to be “smart.”

The base stations create a wireless link between customers’ water use readings and our billing system for more reliable, on-time bills. Once all 12 base stations are installed and we receive the necessary smart meter stock, we’ll begin installing meters, which we anticipate in September 2023.





HIGHLIGHTS

- Integrations between the smart metering technology and our IT systems are underway; testing in progress
- 1,000+ smart meters have been installed as part of routine meter replacements, including 16 large meters
- Detailed communications planning and messaging continues
 - Initial customer postcard design complete; distribution for 1.5- to 2-inch meter customers anticipated in mid-August
- \$5 million application for State Revolving Fund loan accepted



WATER PURIFICATION PLANTS

In 2023, SWBNO is undertaking a master planning exercise to focus on the improvements needed to both of our water treatment plants to address new regulations related to PFAS and the Lead and Copper Rule as well as our aging infrastructure. SWBNO has drafted the Request for Proposal related to this effort and is in the final review stages internally prior to formally soliciting proposals from vendors who were previously evaluated in a Request for Qualifications of professional consultants.

LEAD SERVICE LINES

We are monitoring potential changes to the federal Lead and Copper Rule, and we have met with the Louisiana Department of Health to discuss the availability of Infrastructure Investment and Jobs Act (IIJA) state revolving funds and administrative requirements for lead service line inventory and replacement.

In June of 2022, we entered a Memorandum of Understanding (MOU) with BlueConduit to begin a service line material inventory using innovative technologies. BlueConduit is currently inputting data from various sources into a digital mapping application that will eventually be made available to the public.

BlueConduit, in collaboration with The Water Collaborative of Greater New Orleans, hosted a public meeting on June 1, 2023, that involved an interactive display to show how water is filtered and cleaned, how water is sourced from the Mississippi River to households, and the pH balance process. The goal of this meeting was to provide attendees foundational knowledge about the drinking water system to prime them for future lead education efforts.



SWBNO has also engaged a public relations firm, Katz and Associates (Katz), to assist with public communications and outreach related to the Lead and Copper Rule. Katz is currently developing a public outreach plan for our lead-related communications and high-level talking points about SWBNO's lead abatement efforts.

SWBNO is proud to have taken a proactive step in partnering with BlueConduit and community partners to meet our regulatory requirements ahead of schedule and at no additional cost to our customers thanks to the generous support of Google.org. Developing our service line material inventory is only the first step in compliance, and we look forward to working with the New Orleans Department of Health, Total Community Action (TCA), The Water Collaborative, and Civic Studio to engage our residents in conversation about how to deliver the most equitable program to remove lead from our drinking water distribution system forever. SWBNO is currently on track to meet the October 2024 lead service line inventory deadline.

SEWERAGE

WASTEWATER TREATMENT PLANT

We continue to make progress on the preliminary design phase of the Phase One Project, which will help stabilize the Eastbank and Westbank Wastewater Treatment Plants with modern technology and equipment upgrades. These projects are funded through the Clean Water State Revolving Fund Loan Program. The project scope includes:

Eastbank WWTP

- Adding a secondary Waste Activated Sludge storage tank
- Rehabilitating the clarifiers and Return Activated Sludge Pumps Stations

Westbank WWTP

- Rehabilitating the trickling filters, headworks, and disinfection storage
- Upgrading the SCADA and electrical system.

PLUMBING PERMITS

SWBNO is now accepting plumbing applications on One-Stop as an alternative to paper applications. Paper applications may still be submitted to SWBNO's Plumbing Department office through October 1, 2023, at which time it will become mandatory for all plumbers to submit plumbing applications through One-Stop.

To apply through One-Stop, licensed plumbers will need to register for an online account with the City of New Orleans One-Stop App portal. To do so, plumbers will need to submit a:

- Copy of valid Louisiana state plumbing license



- Completed copy of the Trade License Contractors: Web Application Form⁴

These documents can be submitted in one of two ways:

1. Email documents to ljgilbers@nola.gov
2. Drop off documents to the Department of Safety and Permits, 1340 Poydras St, Ste. 800, Monday – Friday between 8am-5pm

Plumbers must register for their One-Stop account prior to October 1, 2023 to avoid having interruptions in their normal business.

DRAINAGE

CANAL MAINTENANCE

Our Grounds Maintenance crew is allocating resources to maintain the large drainage canals throughout the city, including grass cutting as well as removing debris from canals. In June, our teams have cut over 500 acres of grass. This robust grass cutting schedule will continue throughout hurricane season.

Grass Cutting Locations	Completed in June	Scheduled for June
Eastbank Canals	13 canals	18 canals
Westbank Canals	12 canals	12 canals
Total Acreage	506 acres	567 acres

Currently, our Ground Maintenance crews split time between canal cleaning and grass cutting efforts as our existing millage does not support separate cleaning crews.

SWBNO is also in the process of developing an online grass cutting dashboard to share updates on our canal maintenance progress.

⁴ <https://nola.gov/next/services/permits/working-with-contractors/>

SELA UPDATES

The SELA Drainage Program, authorized in 1996, aims to reduce flood damages in the City of New Orleans and surrounding parishes by constructing new pumping stations and better drainage canals throughout the city. In Q2 2023, SWBNO continued efforts on two canal improvement projects:

General DeGaulle Canal Improvements – Upgrades to the open canals on General DeGaulle Drive between Wall Blvd and Behrman Place are ongoing. This project will expand the canal to a 45'x5' U-Flume section. We anticipate this will increase stormwater storage in this section by 200 percent.

As of the end of Q1 2023, the project is ahead of schedule with a current completion date of Q4 2023.

Florida Ave. Phase IV – This project replaces a 25'x10' flume with a 40'x15' flume. Box canals on the side streets (Benefit St., Treasure St., Abundance St., Deers St., Eads St., and Painters St.) are complete, and the pavement laying is 99 percent complete. The remainder of the scope of work for this phase includes canal upgrades in Peoples Canal, which will be constructed under a separate project scheduled to be advertised by the Corps of Engineers in Q4 2023 or Q1 2024.

Figure 1: Project area, General DeGaulle Canal Improvements



TYPICAL SECTION FOR GENERAL DE GAULLE U-FLUME

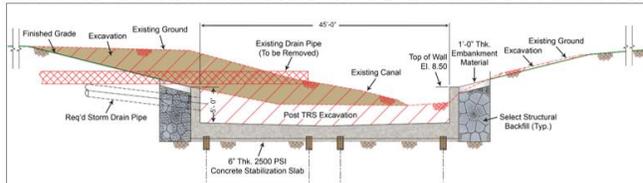
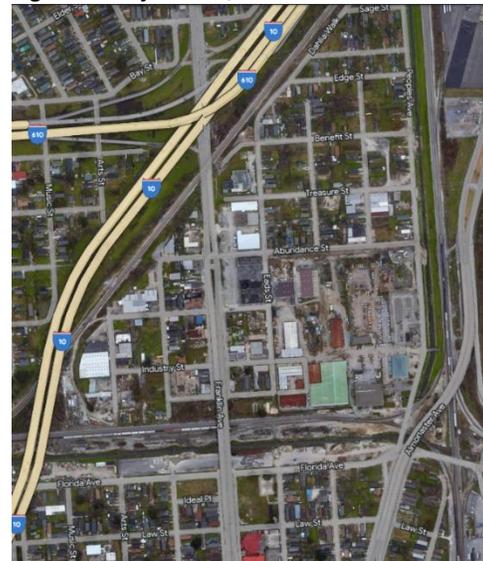


Figure 2: Diagram and photos of changes, General DeGaulle Canal Improvements

Figure 3: Project area, Florida Ave. Phase IV





DRAINAGE PUMP STATUS

93 of 99 drainage pumps were available for service as of July 26, 2023. This allows SWBNO to still offer accurate drainage capacity with slightly less redundancy in the system.

Details of pump status:

- DPS 6 at Metairie Road: 1 Pump out of service due to pump bearing issue. Impellor shipped to manufacturers facility in Wisconsin
 - **An anticipated test date:** 2nd week in August
 - 11 additional drainage pumps available at this station + 2 constant duty pumps
- DPS 10 at Haynes Blvd. and Shubrick Ave. at Citrus Canal: No. 1 Pump out of service
 - 3 additional drainage pumps available at this station
- DPS 13 near Tall Timbers Algiers: No. 4 Pump on standby for Emergency Use Only
 - 5 additional drainage pumps available at this station + one constant duty pump
- DPS 16 in New Orleans East: No. 2 pump out of service due to a coupling issue
 - **An anticipated test date:** 2nd week in August
 - 3 additional drainage pumps available at this station
- DPS 17 near Florida Ave. and Peoples: Pumps A & D out of service due to issues with the electric motor

Underpass Stations:

All underpass station pumps are in service.

All other pumps in service.



OTHER PROJECT AND IMPROVEMENT UPDATES

HURRICANE SEASON PREP

In May, we joined Mayor LaToya Cantrell and partners to talk about New Orleans 2023 hurricane preparedness. We are prepared to provide safe and clean drinking water to our customers in the event of an extended power outage and we are prepared to drain the city in the instance of intense rainfall.

We are continually cleaning canals, testing generators, and reinforcing standard operating procedures at our drainage pumping stations, water treatment facilities, and wastewater treatment plants to ensure its operators and equipment are prepared. This cleaning, testing, and training is done throughout the year to prepare not only for hurricanes, but all intense weather events.



When rain intensities are high – over one inch an hour – residents may see localized street flooding. Assuming water can pass through city-owned catch basins and collector lines to SWBNO’s drainage canals, our system can handle one inch of rain per hour and a half inch of rain each hour after that. That means three inches of rainfall in one hour can take up to five hours to drain.

PEOPLE PLAN

With support from the Greater New Orleans Foundation (GNFO), SWBNO is partnering with PFM Group Consulting, LLC (PFM) to complete a workforce model study. The 20-month effort will identify our best avenues to support a thriving, productive workforce that can consistently deliver excellent service. An employee steering committee will work alongside PFM throughout the study process.

We are currently in the first phase of this project, which will delineate key focus areas (e.g., recruitment, retention, career development pathways, compensation practices, accountability structures, and diversity, equity, and inclusion) and establish a range of goals for improved workforce outcomes.

As of June 30, PFM was on track with Phase One and gathering data about SWBNO’s current Civil Service system. That process included hosting focus groups with employees throughout the utility to collect their candid feedback on the opportunities and challenges surrounding SWBNO’s current workforce model. PFM will also conduct a survey of SWBNO employees to glean insights from a wider group. A final report of the Phase One findings is expected to be finalized by September



2023. With that complete, PFM will begin Phase Two, which involves a comparative analysis of workforce models.

COMMUNICATIONS

CUSTOMER ADVISORY COMMITTEE

In Q2 2023, we added new members to our Customer Advisory Committee, which formally gives community members a voice within the utility’s planning processes and decision-making structure. The Committee guides SWBNO’s Master Planning process. It also helps utility staff and leadership understand the community’s needs and priorities, so our work reflects the values of our customers.

During the June CAC meeting, we started piloting the New Orleans Water (NOW) Academy—a water leadership and education program that offers an inside look into our utility, how we operate, our progress, and our challenges so participants can reach their own informed conclusions about the best path forward for this city. The first session provided an overview of SWBNO’s history, who sets policy for the organization, the three services we provide (water, sewerage, and drainage), and our customer service department. Future sessions will focus on topics such as:

- Drinking Water and Wastewater
- Drainage and Emergency Mode
- Capital Investments and Financial Stability
- Customer Service and Billing

With feedback from the CAC on the NOW Academy structure and content, we aim to finalize a public-facing version of this program to further educate and empower those within our community.

CONSUMER CONFIDENCE REPORT

We are pleased to share our 2022 Consumer Confidence Report (CCR) – an annual look into the safety and quality of New Orleans’ public water supply. The report details SWBNO’s work to modernize our systems and provide safe, high-quality drinking water to the residents of our great city throughout the past year. All account holders should have received a copy of the 2022 CCR in the mail in July. The report is also available [on our website](https://www.swbno.org/Reports/WaterQuality).⁵

The 2022 CCR contains important information about New Orleans’ drinking water, the water purification process, and the water quality test results for federally regulated contaminants.



⁵ www.swbno.org/Reports/WaterQuality



Its results show that over the past year, SWBNO continued to provide safe drinking water. We are delighted to report that test results met or exceeded all federal water quality standards.

STAKEHOLDER ENGAGEMENT

Our Communications Department engaged in a variety of stakeholder engagement activities, including:

- [Bayou St. John Green Infrastructure Ribbon Cutting⁶](#) – April 18
- National Water Policy Week Fly-In trip to Washington DC to meet with EPA and other national partners
- New Orleans State Delegation Luncheon Lobbying for Capital Outlay dollars to be moved to Priority
- Infrastructure Open Houses in partnership with the City of New Orleans District B – May 24 | District A – June 7
- New Orleans Chamber of Commerce Tour of Power Complex – May 18
- Participated in Mayor LaToya Cantrell’s Hurricane Preparedness Press Conference – May 31
- Preparing for Mayor LaToya Cantrell’s Budget Meetings in July



DRAINAGE SYSTEM CIVIL ENGINEERING HISTORIC LANDMARK

The Sewerage and Water Board of New Orleans (SWBNO) and American Society of Civil Engineers (ASCE) celebrated the New Orleans drainage system’s Civil Engineering Historic Landmark designation with a dedication ceremony on Tuesday, May 23 at Drainage Pump Station 6 located at 345 Orpheum Avenue.

⁶https://www.nola.com/news/environment/new-park-aims-to-ease-mid-citys-stormwater-stress/article_383feef8-de23-11ed-8630-5310ac169e98.html?fbclid=IwAR3kaurO_J_hZzX4VRQED0wJJndHi0mcGmQ0d6zN_ToaUH-YHOd0nMK3o6l



ASCE's Historic Landmark Program honors civil engineering achievements that have played a unique role in shaping the world. With this designation, New Orleans' drainage system joins the esteemed list of famous landmarks worldwide, such as the Hoover Dam, the Eiffel Tower, and the Suez Canal.



Designed around the turn of the 20th century, the drainage system has been integral to New Orleans' survival, overcoming extraordinary natural conditions. The city receives over 62 inches of rain per year—among the highest annual rainfall in major U.S. cities—and New Orleans' bowl-like topography means the city cannot rely on gravity to drain that water out. Instead, every drop of rain that falls must be moved out with pumps and through canals. Understanding the challenges ahead of them, the original engineers decided to create separate systems for drainage and sewage, making New Orleans one of the first examples of a city utilizing this type of infrastructure.

JOB FAIR

SWBNO's HR team hosted a successful Job Fair on June 9, 2023, to fill vacancies across the utility. The job fair included over 20 SWBNO Departments and 13 other employers from across New Orleans. Job seekers were able to get drug tested, have their background checked, and apply on-site during the job fair. With these resources available, SWBNO aimed to decrease barriers to employment for New Orleanians.



The results:

- Over 900 job seekers attended
- Over 20 SWBNO Departments represented
- 13 other participating employers
- Application room for on-site digital applications
- On-the-spot interviews and drug testing
- Over 200 applications received on-site
- Since the Job Fair, SWBNO has onboarded 61 new hires.



SWBNO also partnered with special vendors, including the Louisiana Workforce Commission, who provided mobile kiosks; InclusivCare, who offered dental care information and glucose/high-blood pressure screenings; and State of Louisiana Voter Registration, who facilitated a registration drive.

VACANCIES

As of August 2023

Department	Number of Vacancies
General Superintendent Office	230
Chief Administrative Officer	23
Customer Service Office	60
Executive Director's Office	9
Legal	6
Chief Finance Officer	20
Unclassified	13
TOTAL	361