



November 7, 2022

Dear Chairman Thomas and Members of the Public Works Committee:

Please find the Sewerage and Water Board of New Orleans' (SWBNO) third 2022 quarterly report to the Public Works Committee below, as required by Louisiana Revised Statute 33:4091. This report highlights SWBNO's efforts to streamline Customer Service, new financial assistance programs for customers, improvements in employee benefits, pending grant applications for capital improvements, and updates on priority projects such as the West Power Complex. It also contains updated performance metrics and data related to SWBNO's financial, operations, and customer service initiatives through September 30 of this year.

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We are available at your convenience to discuss any of the topics in further depth.

Regards,

Ghassan Korban, P.E.

Executive Director, Sewerage and Water Board of New Orleans



I. SUMMARY OF CURRENT EVENTS

A quiet 2022 hurricane season allowed our teams to focus on major initiatives that will improve our service reliability and our customers' experiences.

West Power Complex Construction

Components of the West Power Complex will begin construction soon. During Q3, we completed design and pre-construction work with Entergy New Orleans. We also began preparations for neighborhood meetings that will occur before construction begins this November.

Streamlining the Customer Service Experience

SWBNO is beginning to integrate Verint, a customer relationship management software, into our Customer Service Call Center systems to improve customer experiences. Verint will lead a customer service representative through a call or face-to-face interaction so customers receive accurate and consistent answers every time. This software will also greatly reduce call resolution times by streamlining the process for the customer service agent.

Meters and Billing

While preparations for the 2023 deployment phase of our smart metering program continued, the Customer Service Department studied and identified a new strategy for addressing customers' immediate billing frustrations.

Most very high bills result from many consecutive months of estimated consumption. Without actual meter reads to bring charges back into line with a customer's true use, too-low estimations can result in a backlog of unbilled service. That manifests as a high bill once an actual meter read takes place and months of underbilling are corrected at once.

In Q3, our Customer Service Department developed a new meter reading approach with the aim of addressing the issue. We expect to pilot the strategy in November. It relies on alternating actual and estimated reads each month for all meters. With approximately 70,000 reads to perform each month instead of nearly 140,000, our completion rate should approach 100 percent.

Although some customers who have not received estimated bills before will under this approach, we anticipate better billing results by eliminating most situations where meters go unread for months at a time. Overall, bills will reflect actual water use more accurately, either from physical meter reads or more precise estimates that average in more actual reads.

More details about these initiatives and other progress made at SWBNO during Q3 2022 are included below.



II. FINANCIAL STABILITY

Practice strong fiscal stewardship and ensure timely revenue recovery while balancing affordability with investments necessary to deliver critical services.

SPECIAL INITIATIVES

Late Fee Forgiveness Program

During Q3, SWBNO defined our partnership with the City's Amnesty Program and began to prepare public outreach material for it. As a result, from October 1 through December 30, 2022, SWBNO will waive late fees for eligible residential customers wishing to reduce – and ultimately eliminate – their delinquent SWBNO bills. A residential customer's account must be considered delinquent to be eligible, meaning more than \$50 is 60 days or more overdue. In addition, low-income customers who cannot pay 25 percent of their balance may qualify for a reduced down payment of 15 percent by providing proof of participation in one or more low-income assistance programs.

We encourage customers who have received delinquent notices to call SWBNO's Customer Service Center at 504-52-WATER to explore these programs and other options to avoid service disconnection.

Low-Income Household Water Assistance Program

As of September 2022, SWBNO awarded nearly \$660,000 to help 782 low-income households in New Orleans regain water service or avoid shutoffs as part of the Low-Income Household Water Assistance Program (LIHWAP). The program – launched in January 2022 by SWBNO, Total Community Action (TCA), and the Louisiana Housing Corporation – distributes federal funds to help low-income households pay off their water and wastewater bills.

BUDGET UPDATE

Year to date as of September 30, 2022:

- **Operating revenues of \$208.7 million** relative to the budgeted amount of \$207.5 million.
 - Lower billed consumption for water and sewer service of approximately \$2.1 million was offset by an increase in other operating revenues of \$3.3 million.
- **Operating expenses were \$240.5 million**, which was \$34.9 million less than the budgeted \$275.4 million.
 - This was driven by the timing of expenses and conservatively budgeted expenses offsetting 2022 commodity price increases and spiking inflation which have negatively impacted expense line items such as chemicals and natural gas costs.



Worldwide supply chain issues and inflation are also impacting construction costs for capital expenses. Lower expenses for the provision for doubtful accounts have been experienced due to the resumption of normal collections.

- **Ad valorem drainage tax revenue was \$60.1 million**, which was above the budgeted amount of \$59.2 million. The increase is based on actual remitted taxes from the City.

COLLECTIONS

- At the end of September 2022, \$56.7 million remained in outstanding delinquent customer receivables, **a decrease of \$5 million since the last quarter.**
- **The delinquency rate**, defined as the uncollected ratio of billed versus collected revenue in the last 12 months, has **improved to 5.0 percent.**

↓ \$5M
*outstanding customer
 receivables since last quarter*

↓ 2.6%
since last quarter

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

Active Accounts¹

Month	Number of Accounts
July 2022	139,152
August 2022	139,431
September 2022	139,100

Q3 averaged 20 more Active Accounts than Q2 average

Number of Billing Exceptions²

Month	Average Number of Billing Exceptions
July 2022	471
August 2022	533
September 2022	507

Q3 average Billing Exceptions up almost 14% from Q2 average

ACCOUNTS RECEIVABLE

In Q3, the number of past-due accounts increased while the total dollar amount owed to SWBNO went down. While SWBNO has more delinquent customer accounts, some high-dollar non-residential accounts caught up on their overdue bills, which helped improve our overall

¹ Active accounts are those that have an active meter installed.

² A billing exception is a bill put on hold by SWBNO for further review. After review, bills are corrected with a confirmed reading or estimate.



position. The table below reflect the dollar amounts owed to SWBNO by customers with open accounts as of September 30, 2022.

Open Accounts

	Past-Due Open Accounts	Total Amount Due	Past Due \$ Amount (60+ Days)
Residential	22,259	\$49,958,661	\$42,681,231
Multi-Family	681	\$3,965,898	\$3,406,721
Commercial	13,140	\$12,652,724	\$10,666,102
Industrial	1	\$4,230	\$3,874
TOTALS	24,429	\$66,581,513	\$56,757,928
Compared to Q2	+2,510	-\$5,428,747	-\$5,043,783

Closed Accounts

As of September 30, 2022, there were 22,501 closed accounts with an unpaid balance. These accounts are referred to third-party collectors.

When defining the value of accounts receivable, we accounted for those receivables that are unlikely to be collected (or uncollectible amounts). As of September 30, 2022, customers with closed accounts owed SWBNO \$33,872,139, omitting the uncollectible portions.

DELINQUENCY

The table below breaks down the value of past-due bills by time overdue. As explained above, collections continued to improve in Q3 – particularly in the accounts with bills overdue by 120 days or fewer – after collection activities resumed last year. In addition, our delinquency resolution timeline has improved since Q2, with more cases resolved within 30 days.

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total Amount*
Sewer	10,196,355	4,434,817	3,199,102	3,142,375	60,859,262	81,831,910
Water	8,460,899	3,748,329	2,738,755	2,862,017	52,596,000	70,405,800
TOTALS	18,657,254	8,183,146	5,937,857	6,004,392	113,455,262	152,237,710
Compared to Q2	-2,698,950	2,185,032	-613,350	-2,673,371	5,542,683	1,742,045

*prior to allowance for uncollectible accounts



III. CUSTOMER SERVICE EXCELLENCE AND STAKEHOLDER ENGAGEMENT

Meet and exceed the service needs of customers and proactively communicate and engage with stakeholders.



Customer Service Call Center Hours Change

In Q3, the Customer Service Department changed its non-emergency call center hours to better staff high-volume call times. As of September 6, the call center's non-emergency hours were adjusted to 8 a.m. to 6 p.m., Monday through Friday. The emergency line remains staffed and available 24/7.

The decision was made based on call center data. In the first seven months of 2022, fewer than three percent of SWBNO's nearly 1,000 average daily calls were made before 8 a.m. or after 6 p.m. Removing those hours from the customer service call center staffing schedule allowed us to focus effort on the midday hours when customer demand is highest.

Verint

SWBNO is beginning to integrate Verint, a customer relationship management software, into our Customer Service Call Center systems to improve customer experiences. Verint will lead a customer service representative through a call or face-to-face interaction, so customers receive accurate and consistent answers every time. This software will also greatly reduce call resolution times by streamlining the process for the customer service agent.

As of Q3, the project team has tested and verified Verint's API connection with Cogsdale, our internal customer information management system. The next milestone is the completed design, testing, and implementation of the first 14 SWBNO business processes that Verint will handle. After approval, a second phase of the remaining 22 business processes will be designed, tested, and implemented. The intent is to integrate all customer service functions into Verint, so our agents will not need to utilize any other system to serve a customer's request. The current goal for rollout is Q1 2023.

Once Verint is initially rolled out, SWBNO will implement a second integration with our NICE InContact call center system. NICE is the call-handling platform we use for our 52-WATER contact center. Integrating NICE into the Verint system will allow Verint to identify a caller via their phone number, further reducing the amount of time to resolution. SWBNO began exploring this second integration; however, it is not critical to rolling out Verint. So SWBNO will implement the NICE integration on the back end of the project so the Verint solution can roll out to SWBNO Customer Service departments as quickly as possible.



Plumbing at NOLA One Stop

Collaboration to include plumbing application permitting within the NOLA One Stop has made significant progress. The CEA with the City has been finalized and is currently routing through the various City departments for signatures.

Historically, a resident or contractor would file building permits at City Hall, but they would then need to file for Plumbing permits at SWBNO offices using paper forms. By moving SWBNO's Plumbing permitting process to the City's One Stop Shop online permitting system, all permits can be applied for in the same place, at the same time, and in the same manner. We anticipate the integration to be complete in early Q1 2023.

Customer Service Dashboard

The Customer Service Department continues to track and report metrics to its new KPI dashboard. The data continues to show improvement in operations, detailed below.

SWBNO made the dashboard available on www.swbno.org in Q3 2022. Metrics can be found in Data & Statistics.

CALL CENTER METRICS³

Metric	Description	Q3 2022	2022 YTD	2022 Goal
Service Level: Customer Service Line	Answer 85% of our customer service calls in 60 seconds or fewer.	26%	18%	85%
Service Level: Emergency Line	Answer 85% of our emergency calls in 30 seconds or fewer.	52%	48%	85%

DETAILED CALL CENTER METRICS

Customer Service has a 2022 goal to approach 100 percent staffing by the end of the year.

The table below summarizes call center performance in Q3. Seven new employees are pending hire, and the call center is on track to be 90 percent staffed to help improve performance. We will continue to hire monthly until we are 100 percent staffed. Full staffing is anticipated by Q4 2022.

³ Answer time thresholds were updated this quarter from 30 to 60 seconds for customer service and from 15 to 30 for emergency calls. The year-to-date (YTD) data reflects a blend of attainment at the previous thresholds and this quarter's new information.



Month	Staffing Percentage	Calls Received	Percent Answered in 60 Seconds or Fewer	Average Handle Time ¹	Abandoned Calls ²	Total Calls Answered
July	70%	22,119	50%	4:46	2,192	19,927
August	60%	26,470	35%	5:08	4,282	22,188
September	60%	22,521	33%	5:03	4,268	18,253

METER READING METRICS

In Q3, brutally hot temperatures prompted several meter reading new hires from Q2 to resign. The duties of the position are taxing and demanding. Therefore, turnover remains, and hiring continues. Absences (vacation, sickness, or holidays) and inclement weather also contributed to incomplete routes and skipped reads.

Due to these obstacles, SWBNO has estimated bills more often than is acceptable. Most very high bills result from estimating for multiple subsequent months and averaging only the minimum number of actual reads.

To help alleviate this issue of considerably high bills, SWBNO developed a new meter reading strategy expected to launch in November 2022. Under this new plan, our Customer Service team will read meters every other month and estimates water use for the months in between. This new meter reading approach allows our teams to read closer to 100 percent of customers' meters every two months compared to our previous process, which left some meters unread for months at a time. As a result, customers will receive bills that reflect actual water use more accurately, either from physical meter reads or more precise estimates that average in more actual reads.

At SWBNO, we're making a concerted effort to revamp our meter reading process to make customer bills more accurate. We are committed to working with the Council to improve our customers' experiences. In addition, SWBNO will continue providing updates on how the process is improving our billing system overall.

Metric	Q3 2022	2022 YTD	2022 Goal	Description
Meter Reading: Actual vs. Estimated Reads	63% <i>(21% decrease)</i>	70%	86%	The number of meter readings retrieved versus the number of meters that were not readable, could not be located, were obstructed, or were not assigned due to attendance, all causes of estimated bills.



Meter Read Accuracy	75% (2% decrease)	73.3%	90%	The ratio of accurate meter reads vs. questionable reads.
Meter Read Staffing	40 staff members	N/A	60 staff members	The average number of staff actively reading meters. (Note: The total number of positions was increased to 60 from approximately 40 in 2020 to improve the team's resilience to days off, turnover, etc.)

Detailed Actual vs. Estimated Reads

Month	Actual Reads	Estimated Reads	Percentage of Actual-Reading Bills
July	84,433	48,929	63%
August	82,403	56,600	59%
September	93,259	45,543	67%
Total	260,095	151,072	63%

¹ Handle Time - Average time an agent spent working with a customer

² Abandoned Calls - The number of callers who hung up before reaching a customer service agent.

BILLING DISPUTE METRICS

New, more robust billing dispute metrics will help SWBNO understand and improve the quality of its customer service. At the end of 2021, 2.7 percent of accounts (or 3,650 out of roughly 140,000) were disputed. At the end of Q3 2022, we reached 2.4 percent with roughly 3,453 open disputes. We will continue to work toward our goal of 2 percent by the end of 2022.

Metric	Q3 2022	2022 YTD	2022 Goal	Description
Hearings: Time-to-Resolution	Not yet measured	n/a	n/a	A new metric measuring the average number of days for a bill dispute hearing to reach resolution.
Bill Disputes: Time-to-Resolution	125 days	78 days	90 days	The average number of days it takes to complete the bill dispute process.



Billing Escalations: Received vs. Resolved	59% <i>(17% improvement from Q2)</i>	56%	TBD	A new metric that compares the number of billing escalation complaints received to the number resolved.
Billing Escalations: Time-to-Resolution	6 days	6 days	15 days	The average number of days to resolve a billing escalation (i.e., customers who have gone through the bill investigation process but have unresolved issues remaining should be able to reach a resolution within 15 days).

DETAILED Q3 BILL DISPUTES

The table below provides bill dispute information for Q3 2022.

Month	Bill Disputes Initiated	Bill Disputes Completed	Average Days to Close Dispute
July	1,108	581	79
August	1,161	1,302	168
September	918	1,086	129

* The 2021 end-of-year average was 57 days. The Customer Service Department's 2022 goal is to reduce the average to 45 days (by 21 percent).

SERVICE REQUESTS (WORK ORDERS)

Work orders, which guide the maintenance of SWBNO infrastructure, are prioritized by the impact the associated repair would have on the water, sewer, and drainage systems.

Because of the average age of the components of SWBNO's water and sewer systems, both categories carry substantial work order backlogs. However, many items in those backlogs will be addressed through in-progress capital improvement programs, including the Sewer System Evaluation and Rehabilitation (SSERP) and Joint Infrastructure Recovery Roads (JIRR) Programs.

Work Order Classification

Category A

requires emergency attention

Category B

requires same-day attention

Category C

requires attention that can be scheduled with other projects for efficiency

Total Work Orders (July 1 – September 30)

New: 6,926 | Closed: 6,241

Backlog: 15,396 (1.5% increase from Q2)





Sewer

New: 1,587 | Closed: 1,710 |
Backlog: 8,787 (2% decrease from Q2)

Water

New: 3,354 | Closed: 2,853
Backlog: 3,654 (10% increase from Q2)

Meters

New: 831 | Closed: 680
Backlog: 422 (1% increase from Q2)

Paving

New: 935 | Closed: 804
Backlog: 2462 (33% increase from Q2)

Other

New: 1,154 | Closed: 998
Backlog: 2,533 (4% increase from Q2)

Project Manager Activities in Q3

- Inspected:
 - 1518 sewer manholes
 - 263,000 feet of sewer lines
 - 1042 hydrants
 - 516 valves
- Cleaned 203,000 feet of sewer lines



COMMUNICATIONS

The JIRR group and Communications Department selected a candidate for a Community Outreach Specialist position, and she started in early October 2022. The new role will focus on construction outreach, starting with improved coordination with Roadwork NOLA. The Communications Department also expects to advertise for two other critical positions focused on customer outreach by the end of Q1 2023.

A. INTERNAL COMMUNICATION

The Five-Year Strategic Plan tasked SWBNO's Communications Department with developing a comprehensive communications plan to proactively conduct outreach efforts. In Q3, the Communications Department submitted a draft of this plan to the SWBNO leadership for review and approval.

B. EXTERNAL COMMUNICATION

On July 28, SWBNO participated in an Entergy New Orleans storm preparedness meeting, providing updates on our preparedness activities to our shared customer base.

On August 23, U.S. Homeland Security Secretary Alejandro Mayorkas visited the Carrollton Water Treatment Plant with Gov. John Bel Edwards and Mayor LaToya Cantrell. SWBNO Leadership Team members toured the delegates around the campus, discussing preparations for the 2022 hurricane season, hurricane recovery efforts, and the status of FEMA dollars in projects such as the Water Hammer Mitigation Program.

In Q3, the Communications Department also began preparations for public outreach expected to occur in Q4 regarding:

- Financial and Customer Affordability Study
- Upcoming West Power Complex construction
- Smart metering pre-implementation outreach
- Water Environment Federation's Technical Exhibition and Conference (WEFTEC)



IV. INFRASTRUCTURE RESILIENCE AND RELIABILITY

Improve the efficiency and resiliency of current and future infrastructure by leveraging partnerships and innovative approaches to funding and sustainable design.



DRINKING WATER

CLAIBORNE PUMPING STATION UPDATE

Claiborne Pumping Station Pump No. 4 has been commissioned and is running normally. The commissioning of Pump No. 3 has begun, and acceptance of the pump is expected in early November. The reconstruction of Claiborne Avenue is also ongoing, with the full restoration expected in January or February of 2023.

WATER HAMMER MITIGATION PROJECT UPDATE

Water Hammer Phase 3 began work, and Panola Pump Station work is ongoing. One High Lift Pump has been taken out of service for scanning. It is anticipated that the pump will be returned to service in the coming weeks. Multiple discharge pipes will be taken out of service for replacement before the end of 2022. These shutdowns may cause impacts on city water pressure. Outages will be staggered to ensure these impacts are minimized. Panola Pumping Station is also expected to be taken out of service for at least nine months in November.

LEAD SERVICE LINE REPLACEMENT AND INVENTORY

SWBNO is monitoring potential changes to the federal Lead and Copper Rule, and we have met with LDH to discuss the availability of IIJA-related state revolving funds and other administrative requirements for lead service line inventory and replacement. In June of 2022, we entered into a MOU with BlueConduit to begin a lead service line inventory using innovative technologies. We anticipate initial model results in Q1 2023.

GRANT APPLICATIONS

In August, SWBNO submitted two state Water Sector Commission grant applications related to our drinking water system. These grant applications have a \$5 million cap.

- **Construction of a new Bulk Chemical delivery system at Carrollton Water Plant.** This project has a total anticipated cost of \$20 million and addresses several ongoing Louisiana Department of Health compliance issues. The additional funding for the project is planned to come from Fair Share revenue sources.
- **12-inch Water Line Replacement in Algiers.** This project will replace a damaged 12-inch water line running under the Intracoastal Waterway to the Lower Coast of Algiers, providing a



redundant water line to that community. The costs for this project are within the \$5 million grant cap amount.

SEWERAGE

GRANT APPLICATIONS

In an ongoing effort to identify and secure additional funds for sewer system upgrades, SWBNO began a Clean Water State Revolving Fund (CWSRF) application for wastewater treatment system upgrades. The pre-application was submitted to the state at the end of August. Staff also submitted a FEMA grant application to purchase portable generators for sewer pump stations, a need that was prioritized in the aftermath of Hurricane Ida.

In August, SWBNO also submitted two state Water Sector Commission grant applications related to repairs and upgrades at the Eastbank and Westbank wastewater treatment plants. The maximum grant amount for this program is \$5 million, so SWBNO plans to leverage additional funding from the WIFIA and SRF programs to meet these needs.

JIRR PROJECTS

In cooperation with the City of New Orleans, SWBNO continued to progress on projects in the Joint Infrastructure Recovery Roads (JIRR) Program. Updates on work initiated or completed, new contracts advertised or awarded, and other accomplishments achieved within the program during Q3 include:

- One more project completed – four total to date
- One more project moved to contract closeout – 33 total to date
- Six more projects moved to warranty – 52 total to date
- Seven more projects started construction – 100 total to date
- 26 projects in bid and award
- 74 projects in final design
- 16 projects in preliminary design
- 29 projects in planning

SWBNO acts as the lead agency for additional water transmission and sewer main projects throughout the city. During Q3, four transmission main projects were under construction to improve the reliability and resilience of some of the city's critical water supply arteries. Three sewer main replacement projects with similar goals were underway in Mid-City.

DRAINAGE

DRAINAGE PUMP STATION NO. 12

An improvement project underway at Drainage Pump Station No. 12 will help prevent the backward flow of water after a pump or motor trip by creating a more automated siphon break. Material delivery



delays will push the completion of the work to 2023 to avoid the risk of taking the station offline during hurricane season.

DRAINAGE CANAL MAINTENANCE

In Q3, we invested in a small fleet of remote-control lawnmowers to help our maintenance crews keep more of the city's drainage canals looking tidy and fresh. By utilizing the latest technology and improving our performance in grass cutting, we also cut down on the amount of plant debris that washes into canals to potentially cover drainage pump intake screens.

DRAINAGE PUMP STATUS

A total of 95 of 99 drainage pumps were available for service at the time of this report.

- **DPS 6 at Metairie Road:** 1 Pump is out of service due to a pump bearing issue.
 - H Pump returned to service on July 27, 2022, making 12 additional drainage pumps and two constant-duty pumps available at this station
- **DPS 10 in New Orleans East:** No. 1 pump is out of service; an investigation is underway.
 - Three additional drainage pumps are available for use at the station
- **DPS 13 near Tall Timbers Algiers:** No. 4 Pump on standby for Emergency Use Only.
 - Five additional drainage pumps and one constant-duty pump are available at this station
- **DPS 16 in New Orleans East:** No. 2 Pump is out of service due to a coupling issue as of June 14, 2022.
 - Three additional drainage pumps are available at this station

GREEN INFRASTRUCTURE

In Q3, work continued on green infrastructure projects:

- Environmental Affairs staff continued to assess eight green infrastructure projects to determine their existing condition, functionality, and future maintenance needs.
- Maintenance continued for the Aurora Rain Gardens, Hollygrove Greenline, and the Board's St. Joseph Street Administration Building Green Roof projects.
- Temporary in-house maintenance continued at the Hollygrove Greenline GI site after the project partner, the Carrollton-Hollygrove Community Development Corporation dissolved. SWBNO's grounds maintenance teams have continued periodic mowing of the site until a more long-term contract is secured.
- Temporary in-house maintenance continued at the Bayou St. John Green Infrastructure Project site after the CEA with the City of New Orleans gave SWBNO the responsibility of maintaining the property until the vendor (Dana Brown and Associates) breaks ground for the slated project.



SWBNO's Environmental Affairs staff also continued providing educational outreach to the community and schools about green infrastructure through contracts with grantees, as well as through external tours and in-house staff outreach. These efforts included:

- Urban Conservancy BASIN Summer Camp tour of pump station #2 (July 19)
- Ripple Effect Water Literacy Project tour of pump station #4 (July 20)
- Project Pipeline summer camp (July 29-31)
- Green Roof Tour for Thrive (August 5)
- Mayor's Neighborhood Engagement's Back to School Resource Fair (August 5)
- Tour of Pump Station 6 with participants of the National Land Conservation Conference (September 15)
- Green Infrastructure 101 Workshop (September 22)

POWER

WEST POWER COMPLEX

In Q3 2022, SWBNO continued to work with consulting engineers to design facility components, such as underground/civil works packages, critical utility tie-ins, and the new Operations Center. We managed ongoing projects related to site preparation, the manufacture of Static Frequency Changer 1, and the manufacture of Turbine 7. Contracts for the supply of generator step-up (GSU) transformers and packaged auxiliary power equipment were also awarded. SWBNO also opened bids for the overhead utility rack project construction (contract 1418), with expectations of awarding the contract in October 2022. Coordination with Entergy on pre-construction activities for the substation was ongoing, with anticipated mobilization for substation construction in Q4 2022.

In September, SWBNO approved the issuance of \$45 million in drainage system limited tax bonds for activities associated with the West Power Complex. We anticipate these funds will be used for contract 1415 (underground/civil work) and the purchase of electrical cable.

SWBNO also received a \$6 million grant from the HUD Economic Development Initiative (EDI) Community Project Funding (CPF) program. We are working with the Office of Economic Development – Congressional Grants Division to submit documentation and other information needed to receive the funding.

POWER SOURCES AND AVAILABLE POWER

This chart provides the status of each major component of SWBNO's power system with status updates in red.

This table displays the amount of power available for use at the time of this report.



Unit	Frequency	Capacity	Available
T4	25 Hz	20 MW <i>Tested at 18 MW during commissioning</i>	18
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	6 (unit #3 out of service for planned maintenance)
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
T6 (via Plant Frequency Changer)	Converts 60 Hz to 25 Hz	3.75 MW	3.75
		Peak 25 Hz capacity <i>(includes 3.75 MW that could be converted from T6)</i>	66.25 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



V. ORGANIZATIONAL AND OPERATIONAL IMPROVEMENT & TECHNOLOGY MODERNIZATION



Optimize the utility's organizational structure, alignment, and capacity to ensure safe and efficient operations. Modernize technology and system integration to improve reliability and efficiency of operations and enhance customer service.

DEPUTY GENERAL SUPERINTENDENT POSITIONS

Infrastructure resilience and reliability require strong leadership. In Q2, SWBNO worked with the Civil Service Commission to add three new Deputy General Superintendent positions to the General Superintendent's Organization, which oversees the operations of all three of SWBNO's systems – water, sewer, and drainage. The new structure aligns with organizational best practices in similar utilities.

The City Council approved the positions in July 2022, and SWBNO began actively recruiting for candidates in August. Reviews of applications and candidates are underway.

PROJECT MANAGEMENT POSITIONS

SWBNO recognizes that internal management capacity is critical to delivering our priority projects, programs, and initiatives. Therefore, SWBNO submitted a proposal for a new Project Management position series to Civil Service following a discussion with staff. The series positions, along with salaries, are currently under review. We anticipate these positions will support the Smart Metering Program, a future Lead and Copper Rule Compliance program, and other key initiatives within the organization.

SMART METERING PROGRAM

In Q3, SWBNO made significant strides in preparing for the deployment phase of smart metering. So far, design has started around crucial elements, such as network infrastructure, meter design, and integration efforts. The deployment phase, which is expected in Q4, will involve finalizing the design, followed by IT integration and network infrastructure. The final stage will include meter installation. We anticipate the project costing around \$60 million.

FINANCIAL MANAGEMENT SYSTEM

In Q2, SWBNO advertised the financial management system RFP developed during Q1. The new system will modernize the utility's financial and accounting processes, which are constrained by a dated mainframe system from the 1990s. The proposals opened on August 17, 2022, and a selection committee meeting to shortlist vendors took place on September 27. The five shortlisted vendors will give software demonstrations during October and November 2022.



CYBERSECURITY

In Q3, improved phishing test rates moved SWBNO's overall risk score from "yellow" to "green." The green risk score, which is the optimal range for risk, ranges from 0-20. SWBNO's score is now 19.8. SWBNO's phish-prone score of 4.1% is now lower than our comparable industry average of 5 percent.

MOBILE COMPUTERS

Over a three-year period, SWBNO will move to 100 percent mobile computers. In Q3, we received all computer equipment for the first phase of computer upgrades at SWBNO. The St. Joseph Street location will be upgraded in late 2022, Carrollton in 2023, and Central Yard and other locations in 2024.

Moving to mobile computers will enhance our abilities during emergencies that require SWBNO staff to work from home or evacuate to another location. The COVID-19 pandemic brought to light the necessity of making it easier for employees to work from home. We are gradually moving to cloud-based applications, which will allow working anywhere that an employee has an internet connection.

To date, we have implemented a cloud-based telephone center application, Office 365, and Outlook 365. We are evaluating cloud-based financial systems and plan on requiring that our asset management system is also cloud-based. By 2028, we will move our billing, human resources, and payroll systems to the cloud.

OTHER TECHNOLOGY MODERNIZATION ACCOMPLISHMENTS

- Preparations were made to launch direct internet access at the Carrollton Water Treatment Plant in late October or early November, making the site more resilient. Once primary internet is up on that campus, a secondary backup internet will be purchased. Currently, all sites reach the internet via the St. Joseph Street data center.
- We received equipment necessary to undertake a Q4 cell phone upgrade.
- Implemented a UserWay ADA overlay for www.swbno.org while developing a plan to replace the current website. The software improves accessibility by allowing website users turn on and off ADA features as needed.

HEALTH, SAFETY, AND TRAINING

Employee Sustained Injuries: 24 in Q3 2022 (54 YTD)

Employee injuries remain down for year-to-date totals over last year as of the end of Q3 (-8%).

OSHA Training

In Q3, we exceeded our monthly OSHA training completion goal of 10 or more OSHA trainings.

Meaning 14 percent of employees completed OSHA training in the first three quarters of this year, and 44 percent of the entire employee population has had OSHA training as of Q3.

This quarter, SWBNO had:



- 92 OSHA 10* course completions (compared to 71 in Q2 2022)
- Two OSHA 30 course completions (compared to one in Q2 2022)

*OSHA 10-hour training is now mandatory for all SWBNO employees

OTHER TRAINING

July	August	September
<ul style="list-style-type: none"> • Combustible Materials • Safe Lifting Practices 	<ul style="list-style-type: none"> • Fatigue Management • Working in Hot Weather 	<ul style="list-style-type: none"> • Head Protection • House Keeping

The Safety Department also:

- Completed six safety orientation presentations in Q3 for new SWBNO employees
- Completed a job hazard analysis training session in August 2022
- Facilitated seven fire drills at four SWBNO locations

Safety Liaison Q3 Activities

July	August	September
<ul style="list-style-type: none"> • One Job Hazard Analysis Each 	<ul style="list-style-type: none"> • One Job Hazard Analysis Each 	<ul style="list-style-type: none"> • One Job Hazard Analysis Each

Safety Coordinators:

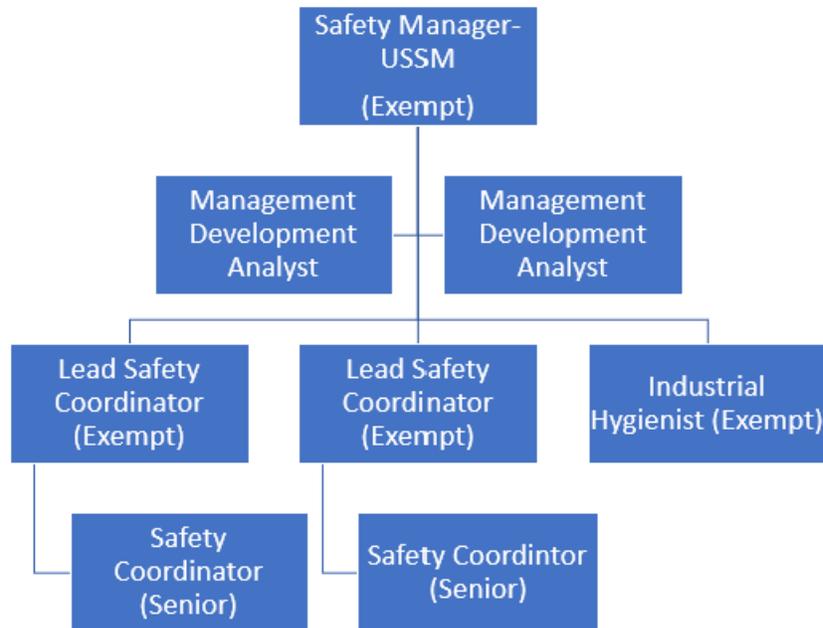
- Completed 51 job site visits in Q3 2022
- Investigated 16 reports of injury
- Addressed and closed 14 safety hazard issues at seven SWBNO locations
- Accident Review Board reviewed 23 cases

Safety Department Staff Positions

- In Q3, The Safety Department and other SWBNO employees worked with the Civil Service Commission to update the structure of the Safety Department. The new structure aligns with organizational best practices in similar utilities and current job duties.
- The new positions have been requested and are waiting for Civil Service approval.



0084 Safety Department Organizational Chart



Other Q3 Safety Efforts

- Digging and excavating incidents caused by SWBNO employees resulting in damage claims against SWBNO are down, both in the total number of incidents as well as monetary damages.
 - Employees who dig often or who have preventable digging incidents are now required to complete the Louisiana One Call Safe Digging training program.
- The quarterly driver's license audit SWBNO does in-house has been replaced with a service that runs every single authorized driver's license daily. This allows us to respond to suspended licenses by pulling the driver off the road almost immediately after they lose the legal right to drive. It also runs CDL credentials daily so our team can get the CDL drivers out of the trucks immediately if their medical certification expires.
- Open extended Workers' Compensation claims settled since October of 2021 reached a projected total savings of \$2,775,000 during the third quarter of this year. This includes projected payroll indemnity exposure and medical cost exposure.
- Multiple cost recoveries were made for incidents in which SWBNO facilities were damaged by outside parties, including a \$50,000 payment for an incident that occurred in June of 2020.



VI. WORKFORCE DEVELOPMENT AND ENRICHMENT

Support and develop a high-performing team that is skilled, committed, inspired, rewarded, engaged, and accountable.



RECRUITMENT

Overall, 107 new employees hired in Q3.

PAY INCREASE

In Q3, the City Civil Service Commission approved a proposal to give City of New Orleans employees a pay increase across the board. SWBNO leadership worked with the Commission and the utility's budget to ensure the raises applied to SWBNO employees, too.

SWBNO employees can expect:

- One-time payments of 5% of their annual salaries, which SWBNO hopes to provide before the holidays.
- A 5% pay increase in January 2023.
- 2.5% percent pay increases in January 2024 and 2025.

BENEFITS

New Third-Party Insurance Provider

In its commitment to take care of SWBNO's employees, the Board of Directors accepted the Selection Evaluation Committee's recommendation of UMR, United Healthcare as a new third-party insurance provider during its August 2022 Board meeting. The Committee began contract negotiations. Open enrollment for SWBNO employees is expected to occur October through November 2022.

New Hire to lead Benefits Team

In September 2022, SWBNO welcomed a new Benefits Manager, Stephanie Chambliss. Stephanie, a previous SWBNO employee, recently rejoined to lead the Benefits Team. In her new role, Stephanie will oversee our retirement, insurance, and leave programs. Stephanie holds a bachelor's degree in Accounting from LSU and an MBA from Texas Southern University. Stephanie also holds several professional financial certifications and Louisiana Life and Health Insurance licensure. She has experience in both the private and public sectors.

Pension Committee

On September 1, 2022, Rebecca Johnsey was awarded the vacant employee seat on the SWBNO Pension Committee. Ms. Johnsey's term will last four years until August 31, 2026. SWBNO thanks Latressia Matthews for her valuable, dedicated service to the Pension Committee and her fellow employees for the last four years.