MEMORANDUM

To: All Councilmembers
From: CURO
By: Shannon Blanks
CC: Paul Harang and Theresa Becher
Date: March 31, 2021
RE: SWBNO Meeting 03.17.2021

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans ("SWBNO") Board of Directors ("Board") met Wednesday, March 17, 2021, via video and teleconference. The complete packet for the meeting may be found here. The Board received updates on the general standing of the Sewerage and Water Board.

The agenda was read aloud by SWBNO Counsel Yolanda Grinstead.

Executive Director Report

A. Carrollton Water Plant (CWP) Noise

SWBNO acknowledges the noise disturbance from the CWP. The noise is from the backup power generating units being used in the absence of primary turbines 4 ("T4") and 5 ("T5"). The turbines are under repair and are on schedule to return to service in May and June, respectively.

B. Power

Executive Director Korban explained that power generation capacity remains fragile and presented graphical representations of the SWBNO power availability for 2021. The presentation is appended as **Attachment 1** "Executive Director's Report: March 17,2021". Currently, SWBNO has 33 MW of generation capacity, although 69 MW will be available when turbines 4 and 5 are returned to service. The additional power will provide necessary redundancy at the onset of hurricane season.

Additionally, Mr. Korban provided an update on the progress of the Power Master Plan. The plan is appended as **Attachment 2**.

The two-year look ahead includes:

[1] *Entergy Substation* – The substation site is currently being prepared. The substation will provide 60 MW of power and is expected to be in service in 2023. The benefits include reduced operating costs, reduced maintenance requirements, extended useful service life

of turbines, reduced air emissions, and consistent reliability. This project's estimated cost, along with two frequency changers, is $64 million. According to SWBNO funding comes from an initial investment from Entergy and is coupled with a plan for SWBNO to pay them for their investment. SWBNO and Entergy continue to negotiate the return on investment for this project.

Integrating the new equipment is estimated to cost $20 million; SWBNO is working to secure 2021 capital outlay funds to ensure the project is completed on time.

[2] *Turbine 6 ("T6")* – T6 will be maximized to provide 22 MW. Presently, T6 produces 15 MW of 60 cycle power; however, it is only producing 6 MW of 25 cycle power with the use of frequency changers at this time.

[3] *Turbine 7 ("T7")* – T7 is a planned new turbine. Commissioning for the unit is expected in early 2023. This project is estimated to cost $20 million. This project's funding comes from multiple sources, with $13 million Community Development Block Grant funds and $7 million from system funds.

[4] *Static Frequency Changer* – SWBNO bid a contract for a third frequency changer, responses were due Monday, March 29. Procurement and installation of the equipment is expected in 2022. Funding will come from multiple sources, including Fair Share, Hazard Mitigation Grant Program, and Capital Outlay funds.

[5] *Turbine 5("T5")* – T5 will become backup power upon completing the substation, frequency changers, and turbine projects.

[6] *EMDs (5)* – The EMDs will return to their intended use as backup power in June 2021.

Completing these portions of the power master plan will eliminate all steam power generation at the CWP. A few smaller pieces of equipment that require steam will be converted to reduce their reliance on steam power.

Phases of the power master plan include:

[1] *Phase 1a (near term)*– This phase includes the substation, turbines 5, 6,7 as backup power, and the frequency changers. This portion is expected to be complete in 2023.

[2] *Phase 1b (mid-term)* – This phase includes turbines 8 and 9 and retiring the existing steam plant. Funding for this phase is being researched. SWBNO has applied for $46 million from the FEMA Building Resilient Infrastructure and Communities program. Details of the program may be found here.

[3] *Phase 2 (long term)*– This phase includes converting the drainage pump stations to 60 cycle, upgrading the feeders and connecting more stations to the CWP.

C. Meter Reading

SWBNO collected actual readings on 55 percent of meters in March 2021. The decrease in the percentage of actual readings results from the conclusion of the staff augmentation contract with Olameter. Twenty-four new meter readers have completed training, and began reading meters March 22, 2021. SWBNO has filled 53 of the 60 positions in the meter reading department, and they will continue to advertise in order to fill the remaining vacancies.

D. Customer Service

Rene Gonzalez, the Chief Customer Service Officer, gave a presentation at the operations committee meeting on March 10, 2021. The presentation provided an overview of the current state of the customer service and network maintenance departments. The meeting and presentation may be found here and here.

SWBNO has recently purchased software that enables streamlined dispute tracking. The software along with the implementation of revised processes for identifying and reviewing "flagged" bills have been implemented. Mr. Gonzalez is expected to give a presentation to the Board in the future.