



MEMORANDUM

To: All Councilmembers
From: CURO
By: Shannon Blanks
CC: Paul Harang and Anita Curran
Date: November 10, 2022
RE: SWBNO Meeting 10.26.2022

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met Wednesday, October 26, 2022. In addition, the Board received updates on the general standing of the SWBNO. The complete packet for the meeting may be found [here](#).

Rate Study and Affordability Plan

SWBNO's chief financial officer, Mr. Gray Lewis, and Tyler Antrup, the director of continuous improvement, presented a request to update the rate-making process. The new approach includes seeking public input before submitting a rate adjustment request. The motion (R-155-2022) was approved, and public meetings and stakeholder meetings are expected to occur from November through December 2022.

A comprehensive rate study revealed that water, sewer, and drainage need additional capital to meet operations, maintenance, and water bond sales requirements. SWBNO has analyzed several rate adjustment scenarios to include current and future financial needs. Although SWBNO continues to seek funding resources from state and federal programs, the funding is limited, and SWBNO expects a rate increase will be required.

SWBNO recognizes that affordability is a concern. Therefore SWBNO seeks to strengthen and expand the [Water Help Program](#) to provide meaningful assistance to customers below the federal poverty line. The expanded program is expected to cost approximately \$3.5 million. SWBNO is evaluating ways to recover the funds, such as a surcharge or using revenues from the rate increase. SWBNO intends to present the revenue requirements, capital investment needs, and affordability plan at the public meetings.

Following the public meetings, SWBNO may propose a rate increase as soon as January 2023 to the Board, the board of liquidation, and finally, the city council. If a rate increase is approved,

SWBNO seeks to have the increase implemented by June 2023. Additional information about the program may be found [here](#).

Executive Director Report

A. Smart Meter Program

The smart metering project team is finalizing the details of the meters. The project is expected to begin phase 1 in spring 2023.

B. Alternative Meter Reading Strategy

SWBNO customer service has updated its meter reading process to address staffing challenges and mitigate billing issues. Presently SWBNO staff is scrubbing the existing data to address any outliers, and a meter reading accuracy monitoring and tracking program has been implemented. Additionally, bill printing equipment and delivery processes are unreliable. Therefore, bill printing and mailing will be subcontracted.

[1] Current meter reading strategy - There are 20 business days per month, and each month has 20 billing cycles. Each billing cycle consists of 13 to 32 meter reading routes. Depending on the characteristics of the route, SWBNO will schedule 1 to 2 meter readers per route. Presently the goal is to complete one cycle per day.

Due to vacancies, staff retention, meter access, and coordination challenges, SWBNO cannot capture actual monthly readings on every meter. This strategy has resulted in inaccurate or successive estimated meter readings and increased requests for billing disputes, investigations, and hearings. To compound the issues, SWBNO bill printing equipment and delivery processes are unreliable.

[2] Proposed alternative meter reading strategy - A fixed 20 to 22 business days per month, with 20 billing cycles. Each cycle will collect 50% actual readings and estimate 50% of the reads. The actual and estimated reads will be on a monthly rotating schedule. Additionally, SWBNO intends to reallocate staff to focus on skipped reads, re-reads, investigations, and other supporting functions.

The new strategy aims to deliver quality readings, reduce sequential estimated bills, provide predictable bill estimates, and increase employee morale and productivity. The intended outcomes are expected to provide quality estimates, smaller true-ups, fewer investigations, disputes, and hearings, reduced investigation and dispute timeline, reduced call volume and waiting time, improved data quality for the Smart Meter implementation, and improved customer trust and confidence.

C. Late Fee Forgiveness Program

SWBNO continues to offer late fee forgiveness for eligible residential customers. The program expires on December 30, 2022.

D. Pumping and Power Assets

- 95 of the 99 drainage pumps are online and available for use.
- Turbines 4, 5, and 6 are online and available for use.
- The commissioning of a rehabilitated potable water pump at Claiborne Water Plant begins in October 2022.

E. West Power Complex (WPC)

The WPC is progressing. SWBNO and Entergy New Orleans will conduct a pre-construction meeting, and groundbreaking for the substation is expected in November 2022.

F. Financialcal UpdateInvestments

The 2023 budget is under development. The budget will be presented to the finance committee in November.