

MEMORANDUM

To: All Councilmembers

From: CURO By: Jared Reese

CC: Paul Harang and Anita Curran

Date: March 27, 2024

RE: The Sewerage and Water Board of New Orleans Meeting 03/27/2024

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met on Wednesday, March 27, 2024. In addition, the Board received updates on the general standing of the SWBNO. The complete packet for the meeting may be found [here](#).

Executive Director Report

A. Pumping and Power Reporting

- Turbine 4 is unavailable.
- Turbine 5 online.
- Turbine 6 is available for use.
- EMDs #3, #4, and #5 are in service. EMD #1 is offline due to a radiator leak (timeline TBD), and #2 is due to electrical issues (anticipated restoration of four to six weeks).
- Frequency Changer #1 at Carrollton Frequency Changer Facility is available for use.
- Frequency Changer #2 at Carrollton Water Treatment Plant is available for use.
- Frequency Changer #3 at Station D is available for use.
- Frequency Changer #4 at Station D is out of service due to electrical issues (anticipated restoration of three to five weeks).
- The plant Frequency Changer at Carrollton Water Plant is out of use due to an electrical issue.
- Frequency Changer #3 at the Algiers Water Treatment Facility is available for use.

B. Pumping and Power Dashboard

SWBNO updated the dashboard with information on drainage capacity. The company planned to add videos and animation explaining New Orleans' drainage system and more features for better user engagement.

C. Turbine 4 Update

Turbine 4 went offline on February 3. After the initial repairs were completed, an operator damaged three bearings during a test. SWBNO estimated the repair time to be five to seven weeks, in late April or early May.

D. Short-Term Power Plan

SWBNO repaired the communication device in EMD #3, adding 2.5 megawatts of 25 Hz power. SWBNO repaired the radiator of EMD#1 with an undetermined completion date.

E. SWBNO Power Complex Progress

SWBNO reported 85% completion of the utility rack and stated Entergy completed construction of the substation. SWBNO began pouring concrete for the foundations of the T7, static frequency changers, and auxiliary equipment.

SWBNO stated that the budget shortfall occurred because of a discrepancy between the estimate and the actual bid. The bidder previously worked with the company, provided reliable service, and completed projects at or near the estimated budget in the past. The company found an alternative method for funding with the support of the Mayor and the City Council. The company stated it would discuss all the details in the budget meeting on April 2 and plans to prevent it from occurring in the future.

F. Pavement Restoration Backlog Progress

SWBNO reported a significant drop-in wait time for pavement repairs. The response time dropped from 101 days from last year to 71 days currently. SWBNO ultimately wanted to reduce the wait time to 2 – 4 weeks.

G. Promise Pay/ Customer Service Progress

4,200 customers initiated payment plans through Promise Pay. SWBNO collected \$830,00 payments and an additional \$10 M promised to the company. The company managed a 98% retention rate.

SWBNO conducted a comprehensive study of its data management systems to improve the transition to Smart Meters. The study examined the processes for data entry, system integration, and the validation mechanisms to troubleshoot system errors that contribute to billing errors.

H. Smart Metering Update

SWBNO continued its rollout of smart meters. The company installed 7,000 smart meters of all sizes across the city. The company held over 50 neighborhood meetings, with 10 in March.

SWBNO stated that the next bill generated would be a transition bill after the installation of the smart meter, and the following bill would be from the smart meter alone. SWBNO

anticipated high bills within the first month of installation due to the slowing down of the analog meters. The company said it would take steps to give customers a “fair” balance of the transition bill if the difference between the analog meter and the smart meter readings were substantial or zero.

I. Governor’s SWBNO Taskforce

The governor's SWBNO task force held three meetings. SWBNO appreciated the opportunity to discuss its unique issues in the first session and hoped the task force's recommendations addressed the specific problems the company highlighted. Executive director Korban said he remained “cautiously optimistic” about legislation or mandates related to lead service lines.

J. Action Item

The executive approved posting a declaration of vacancy on the Board of Directors for Sewerage and Water Board of New Orleans, Council District A.

K. Executive Session

The Board went into executive session to discuss two items. The first item pertained to Watson Memorial, et al. v. Ghassan Korban, Civil District Court Case Number 2022-10955, Court of Appeal, Fourth Circuit, Case Number 2023-CA-0293; La. Supreme Court, Case Number 2024-C-00055. The second item discussed the character, professional competence, and fitness of its Executive Director, Ghassan Korban. After the executive session, the Board agreed to raise Mr. Korban's salary by 3%, or \$10,150, with only one vote in opposition.