

## MEMORANDUM

To: All Councilmembers

From: CURO By: Jared Reese

CC: Paul Harang and Anita Curran

Date: May 24, 2024

RE: The Sewerage and Water Board of New Orleans Meeting 05/22/2024

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### EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met on Wednesday, May 22, 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 Status**

SWBNO had 89 of 99 Major Drainage Pumps available. The organization had taken some pumps down for necessary repairs.

- SWBNO took the D Pump out of service to replace the bearing housing unit at DPS 3 on Florida Ave near Hwy 90
  - The station maintained 4 additional drainage pumps and 4 constant duty pumps available
- SWBNO took 1 pump out of service for routine maintenance at DPS 6 on Orpheum Ave
  - The station kept 12 additional drainage pumps and 2 constant duty pumps available
- SWBNO took No. 1 Pump out of service to refurbish the pump at DPS 10 near Haynes Blvd. and Shubrick Ave. at Citrus Canal
  - The station maintained 3 additional drainage pumps available
- SWBNO kept No. 4 Pump on standby for emergency use only at DPS 13 near Tall Timbers in Algiers
  - The station maintained 5 additional drainage pumps and one constant duty pump available
- SWBNO took No. 3 and No. 4 Pumps out of service for mechanical repairs at DPS 14 near Hayne Blvd and Jahncke Rd.

- The station kept 2 additional drainage pumps available
- DPS 10, DPS 16, and DPS Dwyer could address drainage in this area via the Morrison Canal
- SWBNO took No. 1 Pump out of service to repair a gearbox at DPS 15 near Intracoastal Waterway and Industrial Pkwy.
  - The station maintained 2 additional drainage pumps available
- SWBNO took Pumps A & D out of service due to issues with the electric motors at DPS 17 near Florida Ave. and Peoples
- SWBNO took No. 1 Pump out of service for mechanical repairs and installed a portable pump to provide temporary pumping capacity as needed at DPS 18 near Maxent Canal and Michoud Bayou
  - The station kept 1 additional drainage pump available
- T4 remained unavailable (bearings had a scheduled delivery date of June 14), while T5 and T6 remained available for use
- EMDs #2, #3, #4 and #5 remained in service. EMD #1 stayed offline due to a radiator leak. SWBNO tested EMDs #3 and #5 during that week
- Frequency Changers #1, #2, and #3 remained available for use. SWBNO estimated that Frequency Changer #4 would return to service on May 24
- The Algiers Water Treatment Facility kept Frequency Changer #3 available for use
- SWBNO conducted load testing on back generators at individual stations

## **B. SWBNO Power Complex Progress**

SWBNO reported that the organization had completed 95% of the utility rack. The organization had also completed the foundations for the static frequency changers and transformers and had set 5 of the transformers.

## **C. Smart Metering Progress**

SWBNO stated that the organization had installed 16,700 replacements and had provided 9,000 accounts with bills from the new meters. SWBNO remained on track to install half the meters by the end of 2024.

The transition bill policy stated that if a bill exceeded the 12-month average by more than 20%, SWBNO would only charge an additional 20% on top of the monthly usage.

## **D. Communications**

SWBNO sent letters to notify customers of lead lines and potential leaks after installing smart meters if the organization detected either leaks or lead, and the organization included customer recommendations with these letters.

## **E. Promise Pay and Customer Service**

SWBNO stated that 8,000 customers had signed up for the Promise Pay program. The program had accumulated over \$2 million in payments and over \$19 million in incoming funds. SWBNO also maintained a 92% retention rate since the program's launch in February.

The company's data analysis showed that 25,000 customers (18% of active accounts) had past-due balances exceeding 60 days. SWBNO stated that the organization lacked sufficient staff to assist these customers, and the company hoped for assistance from the state. However, the company wanted to hire an outside firm with a forensic billing background to make recommendations for addressing the causes of the arrearages and the company's culpability in some of the more significant cases. The organization intended to share the findings with the state-appointed arbiters.

## **F. Legislative Updates**

**HB 525 Rep. Matthew Willard:** "SWBNO cannot estimate bills. The Senate amended the bill to account for fixed billing." SWBNO agreed with the bill as long as it coincided with the smart meter rollout. Some contention existed about a billing true-up when the organization would add actual consumption to a bill later.

**HB 965 Rep. Stephanie Hilferty:** "The bill allows customers to opt into a fixed monthly rate service and provides bill dispute arbiters for each Council District." Board Member Guzman objected to this bill because it would further complicate billing regardless of its intent, and the state representatives needed to meet with SWBNO to assess HB 965's efficacy. Board Member Antrup noted that Entergy had provided levelized billing and this would effectively be the same. Director Korban said it would put customers at ease until the organization completed the smart meter rollout.

**HB 593 Rep Stephanie Hilferty:** "If the organization cannot fill the position within 90 days after advertisement, the board may employ a person who shall remain exempt from the City's residency requirements." The board had no objections to the bill.

**SB305 Sen. Jimmy Harris:** "The bill provides for the consolidation and related funding of the drainage system under SWBNO. The bill awaited a hearing before the full house and would become effective upon the Governor's signature." The consolidation bill was moving forward and could address funding shortfalls. Board Member Howard objected to the bill unless it guaranteed the necessary funding needed to manage the drainage system as well.

**SB 460 Sen. Royce Duplessis:** "The bill provides for lead service line replacement. A municipality may adopt a resolution that allows right of entry. Use of public funds on private property shall become effective if and when Louisiana amends its Constitution. Right of entry becomes effective August 1, 2024. The bill awaited a House Committee hearing." The executive board unanimously supported this bill and awaited the passage of constitutional amendments.

SWBNO stated that the State Bond Commission had approved the use of \$84 million from the State Revolving Fund to support the Lead Line Replacement Program.

The Regular Legislative Session would adjourn no later than 6:00 p.m. Monday, June 3, 2024.

### **G. Pavement Progress**

SWBNO reported that the backlog had dropped to under 1,000 work orders compared to more than 3,000 in late 2023. The current restoration timeline was 71 days, more than 30 days fewer than in 2023. The company aimed to complete work orders within 2 to 4 weeks.

### **H. Lead Service Line Replacement Program**

The proposed Lead and Copper Rule Improvements established requirements. The organization needed to submit the publicly available service line inventory by October 16, 2024. The program aimed for 100% lead service line replacement by 2037, mitigation for disturbances, lowering action levels from 15 µg/L to 10 µg/L, and increased public outreach.

### **I. Workforce Development**

SWBNO planned to host another job fair on June 21st. The company offered new positions for customer service and smart meter technical support through civil service.