



Sewerage and Water Board of New Orleans

625 St. Joseph Street
New Orleans, LA 70165

October 31, 2025

Clerk of Council
City Hall, Room 1E09
1300 Perdido Street
New Orleans, LA 70112

Submitted via Electronic Mail


Re: Sewerage and Water Board of New Orleans
Quarterly Report on Operations, Q3 2025

Dear Clerk of Council,

Pursuant to La. R.S. 33:4091(C), please find the Quarterly Report on Operations for the Sewerage and Water Board of New Orleans (SWBNO). This report includes information and updates on operations for Q3 (July, August, September) 2025.

We respectfully request that this report be received at the next regularly scheduled meeting of the New Orleans City Council. If you have any questions about this report or request, please do not hesitate to contact me.

Regards,



Randy Hayman, Esq.
Executive Director, Sewerage and Water Board of New Orleans

cc: Oliver Thomas
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**SEWERAGE AND WATER BOARD
OF NEW ORLEANS**

QUARTERLY REPORT ON OPERATIONS

QUARTER 3 (JULY, AUG., SEPT.) 2025

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SECTION I. STANDARD INDUSTRY METRICS FOR BEST PRACTICE

A. PERCENTAGE OF WATER LOSS

Background. Utilities typically incur water loss in two ways. “Real loss” occurs when treated water is physically lost through leaks in pipes and other parts of the distribution system. “Apparent loss” occurs when treated water has been “lost” through unauthorized consumption (theft), aging or defective meters, meter reading inaccuracies, or billing and data errors. On average, utilities nationwide lose 16% of treated water.¹

Q3 2025. As illustrated in Table A, the Sewerage and Water Board of New Orleans (SWBNO) lost 73% of its treated water year to date through Q3 2025. SWBNO currently lacks the capability to track the various reasons that can cause “real” and “apparent” water loss. However, the utility is actively pursuing projects that will provide meaningful improvements regarding water data, including the Smart Metering Program and the Water Quality Master Plan (both discussed below). SWBNO began using real-time metering at its Carrollton Water Plant in Q4 2024, and the Algiers Water Plant is also metered. This has improved the utility’s ability to accurately track water production rates and how much treated water is leaving the plants in real-time.

Table A: Q3 2025 WATER LOSS DATA²

| | | |
|---|--|---|
| Water Produced 40.6 billion gallons | Water Billed (Water Consumed and Billed) 11 billion gallons (27%) | Non-Revenue Water (Water Consumed by Public Entities and not Billed)* (Water Loss) 29.6 billion gallons (73%) |
|---|--|---|

* Non-Revenue Water includes authorized consumption by certain public entities that are not billed for water usage in accordance with La. R.S. 33:4096.

B. PERCENTAGE OF WATER PAID

Table B: Percentage of Water Paid for Water System in Q3 2025

| Water System | Billed, net* | Collected** | % Paid |
|--------------|--------------------------|--------------|--------|
| Q3 2025 | \$29,463,091 | \$25,682,769 | 87% |
| Q2 2025 | \$29,560,854 | \$25,914,974 | 88% |
| Q1 2025 | \$23,423,520 | \$25,164,653 | 107% |
| Q4 2024 | \$21,387,416 (estimated) | \$22,954,590 | 107% |

¹ United States Environmental Protection Agency (EPA), [Water Audits and Water Loss Control for Public Water Systems](#), July 2013.

² Prior quarterly reports incorrectly reflected water, water billed, and non-revenue water in millions of gallons.

* Billed reduced by customer credits of approximately \$3.3 million

** Cash basis inclusive of payment plans

Table C: Percentage of Sewer Paid for Sewer System in Q3 2025

| Sewer System | Billed, net* | Collected** | % Paid |
|--------------|--------------|--------------|--------|
| Q3 2025 | \$37,778,369 | \$35,149,928 | 93% |
| Q2 2025 | \$38,833,697 | \$38,584,024 | 99% |
| Q1 2025 | \$33,172,646 | \$32,534,586 | 98% |
| Q4 2024 | \$39,458,887 | \$40,368,180 | 102% |

* Billed reduced by customer credits awarded ** Cash basis inclusive of payment plan

C. RECEIVABLES OUTSTANDING & DELINQUENCY SCHEDULE

Table D: Delinquent Customer Accounts as of Q3 2025 (September 30, 2025)

| Customer Type | Total # of Accounts | Total # of Delinquent Accounts* | Total % of Delinquent Accounts* | Total (\$) Due from Delinquent Accounts* |
|---------------|---------------------|---------------------------------|---------------------------------|--|
| Residential | 120,347 | 21,685 | 18% | \$37,804,116 |
| Multi-Family | 4,421 | 729 | 16% | \$6,320,434 |
| Commercial | 12,398 | 1,499 | 12% | \$16,200,011 |
| TOTAL | 137,166 | 23,913 | 17% | \$60,324,561 |

* Delinquent accounts include those with bills that are 60 days past due.³

1. PROMISE PAY

In Q1 2024, SWBNO launched Promise Pay, a program that allows customers to enroll in an interest free plan with flexible payment options, keep their account in good standing, and avoid a water shut-off. As of Q3 2025, customers are enrolled in 15,297 payment plans. SWBNO has collected \$21.1 million since inception of the program, and customers have committed to paying more than \$23.1 million in future payments. In addition, SWBNO launched a special campaign this summer that waived late fees for any customer who enrolled in a new payment plan. The campaign resulted in 6,898 new payment plans, with 707 customers paying their debt in full.⁴ The Promise Pay enrollment rate is 64% of customers with a past due balance. SWBNO is continuing to promote Promise Pay with the objective of raising participation to 90% over the next few quarters.

³ SWBNO, [Delinquent Bill Process](#), Updated November 2023.

⁴ Customers interested in enrolling in Promise Pay can sign up [here](#).

2. DELIQUENT ACCOUNTS

The utility continues to work with Protiviti Government Services to analyze delinquent accounts, determine the primary causes of debt, and recommend a course of action. The Utility extended the phase 1 work of the consultant for approximately 90-120 days as the Smart Metering Program reaches substantial completion milestone to primarily focus on the workflow to issue service interruption orders as a last resort for customers not in some type of payment plan.

D. CUSTOMER SERVICE IMPROVEMENTS

1. PERFORMANCE DATA

3,169

Walk-in customers served at
Customer Service Centers in Q3
2025

3,990

Customer emails answered in
Q3 2025

57,507

Customer calls answered in Q3
2025

Table E: Call Center Performance Data for Q3 2025

| Month | Total Calls Received | Total Calls Answered | Total % Calls Answered | Total # Calls Dropped | Total % Calls Dropped | Average Wait Time |
|--------------|----------------------|----------------------|------------------------|-----------------------|-----------------------|-------------------|
| July | 19,201 | 17,284 | 90% | 1,914 | 10% | 2:22 |
| August | 18,736 | 16,422 | 88% | 2,314 | 12% | 3:08 |
| September | 19,570 | 17,128 | 88% | 2,442 | 12% | 4:08 |
| TOTAL | 57,507 | 50,834 | 88% | 6,670 | 12% | 3:12 |

2. CUSTOMER SERVICE TRAINING

In Q3 2025, the Customer Service Department developed a multi-course curriculum that addresses how to provide positive customer interactions, handling resolutions from beginning to end, and workplace professionalism. These courses began in May and continued through the summer.

The department also developed the Fundamentals of Customer Service to improve positive interactions with customers and to promote workplace professionalism. This training has been implemented

throughout the department and resulted in improved overall customer satisfaction. Staff is working on building additional training for properly handling and resolving customers' concerns and inquiries.

To foster our workplace professionalism, the department has identified an internal need to add a conflict resolution module to its training plan.

3. BILLING DISPUTES

During Q3 2025, SWBNO continued the process of enabling an outside, third-party consulting firm, selected by the City Council, to hear and handle customer billing disputes.⁵ Upon request by customers, State-appointed arbiters have also started hearing appeals when a customer disagrees with the decision of the third-party firm. SWBNO maintains open communications with the City Council's Utilities Regulatory Office and the third-party firm to discuss issues related to customer disputes, including disputes that are awaiting arbitration, pending a SWBNO investigation, or where a billing credit was granted. SWBNO remains committed to supporting the efforts of the firm and arbiters as they work to resolve customer disputes on the utility's behalf.

SECTION II. PROCESSES & INDICATORS FOR PREVENTION OF WASTE OR FRAUD

Background. As a steward of public funding and resources, SWBNO is committed to maintaining a system of Anti-Fraud, Waste, and Abuse (AFWA) during the regular course of its operations. To this end, SWBNO uses various policies, processes, and procedures to prevent, detect, report, and rectify fraud, waste, or abuse wherever it may exist throughout the utility. Updates for Q3 2025 include:

- **Hazardous Chemical Handling Pay.** Internal Audit (IA) conducted a review of SWBNO's management and use of Hazardous Chemical Handling Pay (HCHP). HCHP is a form of premium pay that is made available to compensate employees for additional training; a higher level of required care and performance; and the exposure to additional managed risk when working with Hazardous Chemicals. The Audit Report with Management's Response were presented at the Q3 Audit Committee Meeting: IA's report included five Findings, and all associated Recommendations were agreed to by Management.
- **Billing Audits/Quality Assurance Quality Control (QAQC).** IA wrapped up its billing QAQC effort. IA performed recalculations and bill checks on five batches of bills on behalf of the Customer Service Department to ensure consistency with fixed rate billing and general compliance with Act 393 (2024). This Billing Audit / QAQC effort is a consulting engagement and was included as part of the 2025 Audit Plan.

⁵ New Orleans City Council, Ordinance Calendar No. 34,775, adopted September 5, 2024.

- **Annual Comprehensive Financial Report (ACFR).** The ACFR for the fiscal year ended December 31, 2024 was approved by the Louisiana Legislative Auditor (LLA), and made public on September 10, 2025. The ACFR was formally presented at the Q3 Audit Committee Meeting by SWBNO's external auditor, EisnerAmper.
- **Change Order Modification Review Committee.** This non-voting committee, comprised of representatives from the Finance, General Superintendent, Legal, and Product Delivery Unit departments, meets regularly to discuss change orders introduced by SWBNO project managers. In Q3 2025, the committee reviewed 20 change orders in the amount of \$14.4 million, three contract amendments in the amount of \$2.2 million, and one contract renewal in the amount of \$589,000, all of which were subsequently approved by the board.
- **Lighthouse Reporting System.** SWBNO continues operating its internal reporting system, which encourages employees to submit complaints regarding waste, fraud, and abuse for investigation.

SECTION III. PERFORMANCE METRICS FOR EMPLOYEES & CONTRACTORS

A. METER READING

Background. According to the American Water Works Association (AWWA), “[m]eters should be read at sufficiently frequent intervals appropriate to support the utility’s understanding of volume of production, rate structure and to provide accurate bills and feedback to its customers.”⁶

Q3 2025. SWBNO continues to make progress on smart meter installations and seek operational efficiencies in its meter reading department. These ongoing efforts are improving the utility’s ability to perform its meter reading function. As of January 1, 2025, SWBNO does not send bills to customers for consumption unless an actual read has been conducted.⁷

⁶ American Water Works Association, [AWWA Policy Statement on Metering and Accountability](#), Revised January 2019.

⁷ Beginning January 1, 2025, SWBNO will be prohibited from submitting a bill to customers based on estimated services. See [Act 703](#) of the Louisiana Legislature’s 2024 Regular Session.

B. WATER SYSTEM WORK ORDERS & PERFORMANCE METRICS

In Q3 2025, SWBNO completed more than 4,600 water system work orders. SWBNO's Networks Department primarily performed this work, with assistance from the utility's contractors.

Table F: Q3 2025 SWBNO Networks Department Water System Performance Metrics

| SWBNO Networks Dept. Work Order Type | Work Orders Created Q3 2025 | Work Orders Completed Q3 2025 | Average Days to Completion Q3 2025 |
|---|--------------------------------|----------------------------------|--|
| Hydrant Leak | 78 | 77 | 110 |
| Service Leak | 3,500 | 3,171 | 13 |
| Main Break | 330 | 293 | 18 |
| Meter Inspection/Repair | 1,056 | 996 | 14 |
| TOTAL | 4,964 | 4,537 | 39 |

Table G: Q3 2025 SWBNO Contractors Water System Performance Metrics

| SWBNO Contractor Work Order Type | Work Orders Created Q3 2025 | Work Orders Completed Q3 2025 | Average Days to Completion Q3 2025 |
|-------------------------------------|--------------------------------|----------------------------------|--|
| Hydrant Leak | 1 | 4 | 59 |
| Service Leak | 7 | 6 | 105 |
| Main Break | 6 | 4 | 62 |
| Meter Inspection/Repair | 123 | 107 | 20 |
| TOTAL | 137 | 121 | 62 |

C. SEWER SYSTEM WORK ORDERS & PERFORMANCE METRICS

In Q3 2025, SWBNO completed more than 700 sewer system work orders. SWBNO's Networks Department primarily performs this work, with assistance from the utility's contractors.

Table H: Q3 2025 SWBNO Networks Department Sewer System Performance Metrics

| SWBNO Networks Dept. Work Order Type | Work Orders Created Q3 2025 | Work Orders Completed Q3 2025 | Average Days to Completion Q3 2025 |
|---|--------------------------------|----------------------------------|--|
| House Connection Backup | 468 | 470 | 1 |
| House Connection Overflow | 53 | 53 | 0 |

| | | | |
|------------------|------------|------------|-----------|
| Lead Repair | 121 | 173 | 23 |
| Main Repair | 9 | 25 | 98 |
| Manhole Overflow | 51 | 51 | 0 |
| TOTAL | 702 | 772 | 24 |

Table I: Q3 2025 SWBNO Contractors Sewer System Performance Metrics

| SWBNO Contractor Work Order Type | Work Orders Created Q3 2025 | Work Orders Completed Q3 2025 | Average Days to Completion Q3 2025 |
|-------------------------------------|--------------------------------|----------------------------------|--|
| House Connection Backup | 0 | 0 | 0 |
| House Connection Overflow | 0 | 0 | 0 |
| Lead Repair | 15 | 19 | 28 |
| Main Repair | 13 | 18 | 45 |
| Manhole Overflow | 0 | 0 | 0 |
| TOTAL | 28 | 37 | 15 |

D. PAVEMENT REPAIR WORK ORDERS & PERFORMANCE METRICS

In Q3 2025, SWBNO and its contractors completed more than 1,000 paving work orders. SWBNO continues to work toward its goal of fully eliminating the paving backlog and completing paving repairs within four weeks of creating a work order.

Table J: Q3 2025 Pavement Repair Performance Metrics

| Work Order Responsibility | Total Open Work Orders Q3 2025 | Work Orders Created Q3 2025 | Work Orders Completed Q3 2025 | Average Days to Completion Q3 2025 |
|------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|--|
| SWBNO | 702 | 1,177 | 1,037 | 54 |
| SWBNO Contractors | 48 | 54 | 50 | 97 |
| TOTAL | 750 | 1,231 | 1,087 | 76 |

* Project delays involving the Joint Infrastructure Recovery Roads Program (JIRR) and Sewer System Evaluation & Rehabilitation Program (SSERP) have extended the completion timeframe for some work orders managed by SWBNO's contractors.

SECTION IV. COORDINATION WITH DEPT. OF PUBLIC WORKS

A. DRAINAGE SYSTEM CONSOLIDATION

In January 2025, SWBNO and the City executed an agreement, consolidating drainage operations and transferring responsibility for the “minor” drainage system to the utility.⁸ For 2025, the City identified \$18.9 million, as shown in Table K, to support operations of the minor drainage system. This funding will help SWBNO begin assessing and cleaning some of the system. However, to reach the utility’s goal of assessing and cleaning 20% of the minor drainage system each year and completing a full assessment and cleaning of the system every five years, which aligns with best practices, a total of \$25 million to \$40 million will be needed annually.

Table K: Identified Funding for the Minor Drainage System

| Proposed Revenue Source | Original Estimate | Actuals for 2025 |
|--|-------------------|------------------------------|
| American Rescue Plan Act (ARPA) (one-time) | \$3.7M | \$3.7M |
| Electronic Traffic Enforcement Devices from 2024 (one-time) | \$1.8M | TBD |
| Special Fair Share Allocation (recurring) | \$5M | \$0M * |
| DPW Share (25%) of Infrastructure Maintenance Fund (recurring) | \$5M | \$4.2M (Through Aug 2025) |
| Electronic Traffic Enforcement Devices (recurring) | \$3.4M | TBD |
| Total | \$18.9M | \$7.9M |

**City of New Orleans has indicated since the source of this special funding historically came from the former 25% DPW share now allocated to SWBNO, no additional City Funding could be made available for Minor Drainage*

⁸ Agreement between the City of New Orleans and Sewerage and Water Board of New Orleans for Transfer and Consolidation of Drainage Operations Pursuant to Acts 783 and 103 of 2024, January 14, 2025.

B. JOINT INFRASTRUCTURE RECOVERY ROADS PROGRAM (JIRR)

JIRR Quarterly Summary – Q3 2025

The Department of Public Works for the City of New Orleans together with the Sewerage & Water Board of New Orleans is pleased to present the progress report for the JIRR Program, End of Quarter 3, 2025.

Program Data as of September 30, 2025:

- 26 Projects in the Planning Phase
- 82 Projects in Design
 - Preliminary Design – 7
 - Final Design – 75
- 31 Projects in the Bid & Award Phase
- 26 Projects under Construction
- 6 Projects Completed
 - Construction Substantial Completion
- 112 Projects in Contract Close-Out

| PHASE | PROJECTS | PHASE % | PROGRAM BUDGET | % BUDGET | EXPENDITURES |
|-----------------------|------------|---------|-------------------------|----------|-------------------------|
| Planning | 26 | 9% | \$ 111,158,772 | 6.6% | \$ - |
| Preliminary Design | 7 | 2% | \$ 2,108,205 | 0.1% | \$ 1,294,742 |
| Final Design | 75 | 27% | \$ 28,341,466 | 1.7% | \$ 19,609,136 |
| Bid & Award | 31 | 11% | \$ 115,577,806 | 7% | \$ 6,413,420 |
| Construction | 26 | 9% | \$ 360,994,898 | 22% | \$ 147,936,866 |
| Complete | 6 | 2% | \$ 105,924,506 | 6% | \$ 90,108,376 |
| Contract Closeout | 112 | 40% | \$ 948,490,684 | 56.6% | \$ 938,754,662 |
| PROGRAM TOTALS | 283 | | \$ 1,672,596,337 | | \$ 1,204,117,202 |

The Department of Public Works and the Sewerage & Water Board of New Orleans have been working diligently to execute the Joint Infrastructure Recovery Request Program. We appreciate the assistance and support of FEMA and GOHSEP as we continue to execute this program for the benefit of all citizens of the City of New Orleans and Orleans Parish.



JIRR Project Activity by Period – Q3 2025

| Project Activity | Prior To Q1 2022 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Program Totals |
|------------------------|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Moved to Design | 196 | 4 | 11 | 4 | 2 | 1 | 2 | 3 | 3 | 4 | 2 | 2 | 0 | 17 | 6 | 0 | 257 |
| FEMA Submitted | 171 | 8 | 2 | 1 | 0 | 2 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 187 |
| FEMA Approved | 160 | 10 | 6 | 3 | 0 | 0 | 0 | 0 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 184 |
| Bid Opening | 87 | 0 | 6 | 3 | 0 | 3 | 1 | 6 | 2 | 1 | 2 | 2 | 2 | 1 | 3 | 3 | 122 |
| NTP Construction | 89 | 2 | 2 | 3 | 8 | 5 | 0 | 1 | 5 | 0 | 2 | 5 | 2 | 2 | 1 | 2 | 129 |
| Substantial Completion | 37 | 6 | 6 | 5 | 6 | 4 | 6 | 3 | 8 | 1 | 6 | 5 | 2 | 2 | 3 | 2 | 102 |



C. DRINKING WATER TRANSMISSION MAINS

SWBNO continues progress on replacing aging transmission mains within its water distribution system. These federally funded projects are managed by SWBNO in cooperation with the City of New Orleans as part of the Joint Infrastructure Recovery Roads Program (JIRR).

Table L: Transmission Main Projects (Locations)

| Completed Projects | In Progress |
|--|--|
| South Claiborne Completed April 2024 | Decatur & St. Peter Notice to Proceed issued May 2025 |
| South Claiborne & Third St. Completed February 2025 | |

SECTION V. EFFICIENCY AND EFFECTIVENESS OF INFORMATION SYSTEMS

SWBNO is currently engaged in a multi-year initiative to replace critical information management systems. These systems are being implemented to modernize operations in key areas such as financial management, human resources, customer billing, and asset management. This technology modernization is a priority for SWBNO, as outlined in the utility's five-year [strategic plan](#).

An update on SWBNO's progress in modernizing these systems was shared during the utility's July Operations Committee meeting, which can be viewed [here](#). Updates for Q3 2025 include:

- **New Financial Management System.** Oracle Cloud Financials is being implemented to replace the legacy mainframe system. The project has reached major milestones: Systems Integration Testing (SIT) is complete, User Acceptance Testing (UAT) is underway, and staff training sessions are scheduled throughout Q4. These steps ensure the system is fully prepared to deliver improvements in data availability, administrative efficiency, and transaction transparency. The system go-live is planned for early 2026, followed by three months of post go-live support from the implementation partner to ensure a smooth transition and system stabilization.
- **New Human Capital Management System.** Dayforce has been selected as the new human capital management (HCM) platform. This modern, integrated solution will manage payroll, benefits, time tracking, and workforce analytics. The system will enable SWBNO to streamline HR processes, improve data accuracy, and support strategic workforce initiatives such as

retention, recruitment, and development. Implementation planning is underway with a full deployment targeted for 2027.

- **New Billing Software System.** SWBNO finalized the RFP for a new Customer Information Systems and provided it to the Procurement Office. The solicitation process is in progress and will proceed in alignment with procurement protocols. The new system is expected to enhance administrative functions, improve data accuracy, and strengthen revenue collection. Implementation is targeted for 2028.
- **New Asset Management System.** The selection team conducted its first round of reviews, narrowing the field to four vendors for the new Enterprise Asset Management System (EAMS). Implementation is planned for completion by 2028. This system will enable training of maintenance needs for buildings, infrastructure, and equipment, as well as support planning for future capital investments.

SECTION VI. ASSESSMENT & STATUS OF TECHNOLOGIES & OPERATION PROGRAMS & STRATEGIES FOR SYSTEM REDUNDANCY & SERVICE IMPROVEMENTS

A. WORK ORDER DASHBOARD

SWBNO maintains a [Work Order Dashboard](#). While the dashboard is in the beta version, it can be used by customers to view open work orders citywide. The dashboard, which is updated weekly, provides the type of work order, the date the work order was opened, and the average days for repair. A search tool enables customers to find work orders by street address. The goal is to provide the public with more information and transparency regarding issues that have been reported to the utility and the status of repairs.

B. PUMPING AND POWER DASHBOARD

SWBNO maintains a [Pumping and Power Dashboard](#) that provides the public with regular updates on pumps, pump maintenance, and power.⁹ The utility created the dashboard to serve as a resource of information and improve transparency around the utility's operations.

C. SMART METER INSTALLATION DASHBOARD

⁹ The Pumping and Power Dashboard can be accessed here: <https://www.swbno.org/Projects/PumpingandPower>.

SWBNO’s [Smart Metering Dashboard](#) depicts where smart meters have already been installed, enabling customers to see installation progress citywide. The dashboard also illustrates pending installations, indicating locations that are scheduled to receive a smart meter within the next three months.¹⁰

D. NEW CUSTOMER PORTAL

SWBNO maintains a [user-friendly online customer account portal](#). The new account format provides details about water usage (including hourly, daily, and monthly meter readings), enables customers to receive alerts and notifications regarding account and usage activity, and illustrates key data points in easy-to-understand graphs and charts. The account also empowers customers to learn more about their water usage based on smart meter data and, if desired, make conservation choices.

SECTION VII. OPERATIONAL REFORMS, CAPITAL IMPROVEMENT PROGRAMS, & SERVICE ASSURANCE PROGRAMS

A. POWER COMPLEX

Progress on the new Power Complex continues through 2025. Major initiatives that have already been constructed include the Entergy substation and the Utility Rack, which were the first major construction projects of the program. Critical items on the foundation contract also have been completed, allowing for the delivery and installation of the components of Turbine 7, which was a major project milestone. All major equipment has been delivered to SWBNO’s facility.

In Q3 2025, the major milestone of beginning the 30-day reliability test for the first static frequency changer (SFC1), was met on September 24. Installation and testing work for SFCs 2 and 3 continued, and the installation of Turbine 7 continued during this time. The current schedule for testing and commissioning of the static frequency changers (SFC) and turbines is below.

| Milestone | Original Expectation | Current Schedule |
|-----------|--|---|
| SFC 1 | End of June 2025, with some real-world testing completed | 30-day reliability test began September 24. |
| SFC 2 | End of June 2025 | End of November 2025, ready to power pumps |
| SFC 3 | Added via change order | End of December 2025, ready to power pumps |

¹⁰ The Smart Metering Dashboard can be accessed here: <https://www.swbno.org/Projects/SmartMetering>.

| | | |
|-----------|------------------|--------------------------------------|
| Turbine 7 | End of June 2025 | November 2025 to begin commissioning |
|-----------|------------------|--------------------------------------|

An additional funding source for future contracts was secured as part of a grant awarded to the State of Louisiana from the Department of Energy for the Louisiana Hubs for Energy Resilient Operations (HERO) program, which will allow SWBNO to connect drinking water pumps to the new substation. The sub-recipient application process was announced by the Louisiana Department of Natural Resources (LDNR) in early April. SWBNO submitted the required application on time and remains in contact with the LDNR office throughout the review process. Additionally, \$8M in capital outlay funds were allocated to the Power Complex during the 2025 legislative session.

B. SMART METER PROGRAM

- **Installation Progress.** At the end of Q3 2025, more than 128,900 smart meters have been installed. More than 90% of all customer accounts now have a new smart meter.
- **New Smart Meter Bills.** As of October 20, 2025, more than 86,353 customers are receiving smart meter bills. SWBNO is continuing targeted communications with customers to assure them that smart meter data and smart bills are accurate.
- **Improved Leak Detection.** By utilizing new smart meter data, SWBNO’s customer portal has notified on average 9,000 customers of potential leaks each month. Approximately 48% of those customers repaired the leaks. The Customer Portal has an ‘Investigate a Leak Module’ allowing customers to proactively check their property for leaks before calling a plumber. Approximately 82% of customers open their leak alerts and 26% click through for additional information to investigate further.

C. LEAD SERVICE LINE REPLACEMENT PROGRAM

A major water system infrastructure project on the horizon is SWBNO’s Lead Service Line Replacement Program. The purpose of the program is to improve public health by locating, removing, and replacing all lead service lines (learn more about lead awareness [here](#)). Key steps to carry out this project are already underway. Major Q3 2025 updates include:

- **Lead Service Line Inventory.** SWBNO has completed its citywide inventory, which requires locating and documenting the composition of all service lines (e.g., lead, other materials, unknown materials). The interactive online map can be accessed through the [Lead Awareness](#) webpage. Each year notifications to customers with lead, galvanized steel, and unknown service lines will be mailed with information about the program and their service line material.

- **Right-of-Entry.** [Act 527](#) of the Louisiana Legislature's 2024 Regular Session addresses right-of-entry hurdles associated with the replacement of lead service lines. Pursuant to the Act, a municipality can adopt an ordinance granting a water utility right-of-entry on private property for the replacement of lead service lines as long as certain notice requirements to property owners and residents are met. While the new law applies to municipalities statewide, efforts to introduce the legislation were spearheaded by SWBNO and the New Orleans legislative delegation.
- **Program Management.** SWBNO is hiring a program management firm to manage the lead service line replacements, inventory, mitigation, and communications required by the Environmental Protection Agency (EPA). A request for proposals for program management services was released in Q4 2024. Proposals were received in Q1 2025, with initial evaluation selection committee meetings in March. In Q2 2025, the utility selected a firm to manage the program. A formal protest was filed regarding this selection, and the utility is now proceeding through its appeal process.
- **Public Education and Communication.** SWBNO continues to develop a strategic communications plan and key messaging materials about the program.

D. WATER QUALITY IMPROVEMENTS

The Water Quality Master Plan will identify the next level of investments and upgrades needed at the Carrollton and Algiers water treatment plants. It will consider new technology, the current and changing regulatory landscape, and the potential impacts of climate change. During Q3 2025, master planning efforts continued moving forward. SWBNO anticipates the completion of the Water Quality Master Plan by Q4 2025. A status update on the Water Quality Master Plan was recently shared with the utility's Strategy Committee and can be viewed [here](#).

E. SEWER (WASTEWATER) IMPROVEMENTS

SWBNO has concluded the design phase of major improvements for both the East Bank and West Bank Sewer Treatment Plants. SWBNO is working to bid the Phase I Improvements for the East Bank in Q4 2025 and bid the West Bank improvements in Q1 2026. New equipment is needed at both facilities, which would increase operational efficiency, reduce human error by integrating more automation, and provide a better water quality returned to the environment. SWBNO will use \$38 million in state loans to pay for these upgrades and improvements. The utility has also applied for a federal earmark for fiscal year 2026 to help fund the needed improvements.

Additional projects will need to be completed prior to construction at the East Bank. Since clarifiers will be offline and the amount of flow will not change, SWBNO must maintain compliance with the state issued permit to avoid noncompliance and penalty from the EPA. SWBNO is working to repair Clarifiers 1, 2,

and 3 to ensure that this equipment is at maximum efficiency, provides the redundancy and capacity needed to adequately treat the wastewater to prevent compliance issues while protecting the environment and downstream users.

F. SELA DRAINAGE PROJECTS

The U.S. Army Corps of Engineers (USACE) recently awarded the second contract, SELA 72.2, for the General De Gaulle Drive Drainage Canal Improvement Project. This project will include drainage improvements in Algiers, as well as earthen levee improvements near the Algiers Outfall Canal. SELA 26 Florida Ave Phase IV is in closeout and USACE plans to award the second part of the contract in Q4 2025.

G. SWBNO WORKFORCE

SWBNO’s Human Resources Department (HR) is turning the page to forge a new chapter - one focused on progress, purpose, and building a forward-thinking team of professionals who drive lasting organizational impact.

During Q3, the Human Resources Department advanced key strategic initiatives to strengthen workforce engagement, communication, and long-term sustainability. The Employee Electronic Information System (EEIS) continues to progress, with the next installation planned for the Central Yard location. The second volume of the *Retiree Newsletter* is in development for the next quarter and will help keep retirees informed and connected to agency news and initiatives. HR also continues to expand the Employee Recognition and Appreciation Program, highlighting employee achievements and reinforcing a culture of appreciation across the organization. Additionally, HR is collaborating with Christopher Bergeron, Chief of SWBNO Engineering, and academic partners, including ULL, UNO, SUNO, and LSU, to establish an engineering recruitment pipeline that supports workforce continuity and succession planning.

Table M: Q3 2025 Workforce Data

| | Vacant Positions | New Hires | Resignations | Terminations | Retired |
|----------------|------------------|-----------|--------------|--------------|---------|
| Q3 2025 | 99 | 27 | 9 | 15 | 1 |
| Q2 2025 | 387 | 29 | 15 | 21 | 4 |
| Q1 2025 | 298 | 7 | 20 | 7 | 11 |
| Q4 2024 | 79 | 58 | 18 | 9 | 2 |

SECTION VIII. IDENTITY & DETAILED INFORMATION ON THE STATUS OF ALL PROJECTS AND IMPROVEMENTS MADE SINCE THE CLOSE OF LAST QUARTER

See information and updates included in Section VII (Operational Reforms, Capital Improvements, and Service Assurance Programs).