



MEMORANDUM

To: All Councilmembers
From: CURO
By: Shannon Oldfield
CC: David Gavlinski, Eric Granderson, and Theresa Becher
Date: March 18, 2019
RE: SWBNO Meeting 2.20.19

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met Wednesday, February 20, 2019. The full packet for the meeting can be found [here](#). The Board received updates on pumping capacity, power generation, finances, and billing.

1. Pumps & Power

a. Drainage Pumps

114 of 120 pumps are available at the surrounding drainage pump stations (DPS). Maintenance schedules require that roughly 5 to 6 pumps are offline for routine maintenance. The estimated completion date for pumps to be back on-line is on or before May 31, 2019. The financial problems that recently threatened the utility's ability to pay vendors is being resolved and SWBNO is optimistic that the timeline set forth to have all pumps on line by hurricane season is achievable.

b. Potable Water Pumps

One of the larger and significant potable water pumps remains unavailable at this time. The repair requires replacing the pump motor. The repair is being expedited in an "extreme emergency" status due to its relevance in cooling the waters needed for the power turbines. Ultimately, SWBNO intends to transition from steam pumps to electric pumps and anticipates having a contract out to bid this fall.

c. Power

Power generation and supply is reported to be at 100% according to actual capacity (not nameplate).

2. Cross Connection Control Program - As required by the Louisiana Department of Health (LDH), SWBNO will develop a program to further safeguard the potable water system from contamination. The preliminary details of this plan are due to be submitted to LDH June 2019. SWBNO intends to hire a consulting firm to perform a city wide survey of all connections, develop a database and inspection protocols. The effort required to complete the citywide survey and also develop the inspection plan is extensive. The current staffing level of SWBNO is not adequate to manage these tasks along with the day-to-day operations and the growth rate of the

city. Therefore, SWBNO intends to begin staffing up and training support personnel to implement the annual inspections subsequent to the development of the inspection plan.

- 3. **Finances** - Mayor Cantrell has received support from the Governor and has established a working group to develop a plan to acquire additional financial resources for the SWBNO. The working group meets weekly and shall have 30 days to develop the plan and recommendations. These recommendations are forthcoming.

Councilmember Banks and Mayor Cantrell are currently exploring opportunities under the Environmental Protection Agency (EPA) Grant for the Water Infrastructure Finance Investment Act and are working with SWBNO to develop of the letter of interest due August 2019. Concurrently, SWBNO is assessing multiple means of additional revenue. SWBNO has submitted applications for EPA loans and has also contacted the Board of Liquidation in an effort to secure additional drainage funds.

SWBNO was able to reallocate and utilize funds that were previously restricted to ensure that ongoing projects are funded and paid for. The organization’s combined funding requirements to date are \$85.3 million: 50.3 million is capital costs and \$35 million is drainage debt.

The breakdown is as follows:

1. Drainage Debt from under funding and emergency repairs	35 Mil
2. SELA Drainage Work	2.3Mil
3. Sewer Consent Decree Obligations	11 Mil
4. Water and Sewer Street Restoration	15 Mil
5. Frequency Converter to eliminate Turbines 1&3	10 Mil
6. Fast Bus Transfer (fast transfer of electrical feeders)	4 Mil
7. Winter Hardening Plan for Turbine 6	3 Mil
8. Production of Master Plan	5 Mil

- 4. **Street Cut Repairs** - A cooperative endeavor agreement (CEA) with the City of New Orleans is underway to restore the right of ways after utility work has been completed. This project is forecasted to resolve approximately 57% of SWBNO’s accumulated roadway paving projects and is currently 50% complete. The Department of Public works (DPW) is managing this project with 3rd party inspection to ensure construction reliability. This work is progressing as scheduled and the contract is due to be completed by the beginning of May.
- 5. **Billing** - Utiliworks, a consulting firm hired by SWBNO, worked to investigate issues surrounding billing errors associated with software and meter reading. While the billing process has been improved in many ways, the negative effects of adjusting estimated bills and human error continue to be reported.

The findings of the investigations are as follows:

- a. The newly implemented billing software is correctly billing customers; however, the software version is outdated and is 9 major releases behind.

- b. The meter reading activities were reported to be highly accurate however the handheld devices that record meter readings are obsolete.
- c. Approximately 20% of meters are unable to be read each month, the majority due to scratched lenses on the meter, inability to locate the meter, flooding and vehicular obstruction.

Since October 2018 with the assistance of Utiliworks the following achievements have been reported:

- a. New efficiencies have been built into meter reading route sequencing and route assignment.
- b. Accounts new and/or closing are processed efficiently though additional dedicated staff.
- c. Delinquency letters are generated more efficiently delivering nearly 600 per week.
- d. An upgrade to billing system commenced February 2019 and is projected to enhance the billing system substantially.

Utiliworks has made the following recommendations:

- a. Prioritize and repair/replace unreadable meters.
 - b. Reduce skipped meter readings and prioritize accordingly.
 - c. Reform the billing estimation process using the new billing software.
 - d. Develop a strategic plan to mitigate high priority objectives and actively support with staff.
 - e. Upgrade meters to advanced metering infrastructure (automated).
6. **Staffing-** The Board of Directors packet contains the Human Resources Activity report (pgs. 151-163). SWBNO has begun reporting reasons for resignations and disciplinary actions. Since the sleeping plant workers incident that preceded the November boil water advisories, 2 individuals have been reprimanded in January for the same reason.