



MEMORANDUM

To: All Councilmembers
From: CURO
By: Shannon Oldfield-Blanks
CC: Paul Harang, Eric Granderson, and Theresa Becher
Date: July 30, 2020
RE: SWBNO Meeting 07.22.2020

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met Wednesday, July 22, 2020, using Microsoft Teams. The full packet for the meeting may be found [here](#). The Board received updates on the general standing of the Sewerage and Water Board.

The agenda was read aloud by SWBNO Counsel Yolanda Grinstead.

Executive Director Report

A. Power Master Plan

- [1] Power Master Plan – SWBNO intends to conduct a presentation of the Power Master Plan (March 2020) in August.
- [2] Turbine 5 (“T5”) – The T5 explosion assessment is nearing completion. The final report with recommendations is expected to be available at the end of August. Upon evaluation of the final report, SWBNO may elect to repair T5. If SWBNO decides that repairing the unit is feasible, then the goal is to bring back functionality for safe operation until another unit (T7) is available for use. T5 will be used for system redundancy after that. With an operable T5, SWBNO will consider decommissioning Turbines 1 and 3.
- [3] Turbine 6 (“T6”) - \$4 million of Hazard Mitigation Grant Program (HMGP) funding is being used for the hardening of T6. Hardening includes weatherization, which will allow the unit to be operational year-round. Additionally, a new control system was added to increase reliability and upgrades are underway to allow the unit to connect to frequency changers in the event of an Entergy outage.

[4] Turbine 7 (“T7”)– \$12.6 million of state grant funding and \$4 million in Fair Share funding have been identified to allow SWBNO to purchase an additional power turbine. The turbine under consideration can produce 25 MW of 60 Hz power.

[5] Frequency Changers- A frequency changer project is underway, which will enable SWBNO to purchase 60 Hz power from Entergy and convert it to supply power to the 25 Hz equipment.

[6] Power Substation- SWBNO will open bids for conduct site preparations for the new substation on August 3, 2020.

B. Customer Service

[1] Billing & Meter Reading- Billing estimation is a historical problem for the organization. SWBNO intended to reduce estimated bills in 2020. However, COVID 19 has limited the number of meter readers available and set the number of actual meter readings back significantly. As a result of staff shortage, SWBNO expanded the department to include additional positions, although staffing the department has been challenging. Such staffing challenges include lengthy hiring processes, training, absences, candidate screening, weather conditions, wages (pre-established by civil service), etc. The department had 60 positions available, 43 of those positions are filled. According to Executive Director Korban, for various reasons, the number of meter readers working on a given day may be as little as 10 to 12. Therefore, SWBNO is evaluating opportunities to use staff from other departments to fill the gap in the short term. SWBNO is strongly considering staff augmentation with a third party and utilizing the remaining department to perform quality control duties.

According to Korban, SWBNO has set a goal to have 80% of all meters read, but the department is not close to achieving that goal. Neighboring parishes may have approximately 85% of actual readings, while the industry standard for actual readings with automated meter infrastructure (“AMI”) is typically near 98%.

Due to the billing cycle time discrepancies, SWBNO sent estimated bills out that were on a shorter 15-day cycle. The intention was to bill according to the residential use rate and credit the account of any overcharges from the extended billing cycle. SWBNO is evaluating the estimated bills for accuracy and will ensure that any imposed fees are valid.

[2] AMI- On June 5, 2020, SWBNO selected a project management firm to manage AMI implementation. However, a bid protest is underway and may delay the start date of this project. Upon resolution, the selected firm will begin Phase 1 of surveying the present metering infrastructure and begin developing the request for proposal (RFP) to furnish and install new AMI.

[3] Chief Customer Service Officer- A Chief Customer Service Officer has been selected. The selected candidate and his start date will be announced soon.

[4] COVID 19 Customer Care Plan- Bill collections have been declining, particularly since April. According to Director Sloss, there is a collection shortfall of nearly \$2 million. Executive Director Korban believes this is a result of financial hardships and the moratorium on service shutoffs. SWBNO is waiting to decide when they will begin reinstating service shutoffs until the end of July. This decision will be predicated on information from the federal government.

Several board members expressed the importance of ensuring that employment is available for New Orleans residents while the agency continues to manage revenue loss.

C. Infrastructure Progress

SWBNO continues to progress with ongoing infrastructure projects. The projects include:

- [1] Southeast Louisiana Urban Flood Control Program (SELA)- The widening of General De Gaulle Canal is underway.
- [2] Joint Infrastructure Recovery Roads Program (JIRR)- A Lake Vista project commenced the second week of July.
- [3] Drainage Canal Inspection and Cleaning - The 5-year annual inspection plan is complete. SWBNO continues to monitor canals and is developing an in-house approach to inspection.

D. Communications Update

SWBNO utilizes news media, social media, and internal communications to communicate information to the public and the organization. The organization also uses social media to understand customer concerns and needs.

SWBNO is reviewing four responses to an RFP to manage internal and external communications. A decision is forthcoming.

E. Civil Service Assessment

SWBNO hired Kairos Consulting to perform a civil service assessment. The objective of the assessment was to explore the current operations and identify opportunities for improvement.