



The Sewerage & Water Board

OF NEW ORLEANS

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September 22, 2021

Dear Chairman Giarrusso and members of the Public Works Committee:

Below please find the Sewerage and Water Board's (SWBNO) third quarterly report to the Public Works Committee, as required by Louisiana Revised Statute 33:4091. The primary focus of this report is SWBNO's preparation for and response to Hurricane Ida. It also contains updated performance metrics and data related to SWBNO's financial, operations, and customer service initiatives.

We are available at your convenience to discuss any of the topics in further depth and look forward to presenting at the September 29 Public Works Committee Meeting.

Regards,

Ghassan Korban
Executive Director

I. HURRICANE IDA PREPARATION AND RESPONSE

Hurricane Ida made landfall one month after SWBNO's last presentation to the Public Works Committee on July 29. Since then, the agency's primary focus has been on storm recovery, resilience, and normalization of all systems, from operations to billing. Below is a review of SWBNO's preparation and response to the storm across all departments.¹

Preparation and Takeaways

Prior to landfall, SWBNO's operations team focused on the status of all self-generating power assets, which paid dividends when Entergy New Orleans' systems went down. In the days before the storm, the team worked extensively to ensure that T4, T5, T6, EMDs, and frequency changers were working well and able to handle necessary loads. Staff also planned for various self-generation scenarios, with attention to creating redundancy where possible, in the event that some of the utility's assets did not perform as expected. SWBNO is pleased to report that its three major turbines, backup EMDs, and frequency changers reliably generated the power necessary to continue providing drinking water and drainage services during and after the storm without interruption.

SWBNO leadership also called for an "all hands on deck" mentality ahead of the storm. Essential staff was on-site and prepared well before the city felt Ida's impact; after the storm, the appropriate staffing level helped the utility to be nimble and send experts and assets where they were needed most – whether at drainage stations or sewer lift stations as circumstances changed.

Real-time communication and coordination with local, state, federal, and business partners played an important role in SWBNO's ability to procure emergency equipment – particularly generators and specialty staff. For example, SWBNO worked directly with Hancock Whitney to obtain generators, with Canal Barge to find mechanical staff support, and with NOHSEP and GOHSEP to keep fuel for assets coming in at a steady pace. Perhaps most important was the constant stream of direct communication with the Entergy New Orleans team regarding power status at priority locations and timeframes for recovery.

¹ Responses to specific post-storm questions from Councilmember Giarrusso have been submitted under separate cover.

Despite the preparation and performance of staff and equipment, Hurricane Ida caused a handful of operational challenges. Most significant was the loss of 60-Hz power at all 84 sewer pumping stations and at the East Bank Wastewater Treatment Plant. The operations team also faced unanticipated issues with backup power at several drainage pumping stations. Details on those challenges are addressed in a separate memorandum to the Public Works Committee. In terms of non-operational challenges, the loss of power at the St. Joseph street headquarters, where the utility's computer servers are located, disrupted real-time email and phone communications among staff as well as access to data dashboards such as the SCADA, Cassworks, and RJN systems. The team relied on backup modes of communication, including handheld radios and fax machines, until power was restored.

Emergency Response

The emergency response team efficiently ran SWBNO's Emergency Operations Center (EOC), which was the central command for daily all-staff briefings, collaboration on emergency requests and associated costs, communication with City and State EOCs, and media requests.

The EOC also supported SWBNO staff by providing cots and other immediate necessities for essential staff staying at the plant, as well as coordinating longer-term food and lodging emergency contracts with the finance and purchasing teams. This support enabled SWBNO's employees to stay on the job and stay healthy in a challenging environment. SWBNO is proud to report that it navigated the storm and recovery with zero injuries or safety incidents.

Operations

The operations staff was the backbone of the storm response and recovery. They manned all non-automatic drainage pumping stations during the event and manually traveled to all drainage and underpass stations in the aftermath of the storm to inspect and report on equipment status. When all sewer pump stations lost power, the operations staff procured, staged, and operated generators to address accumulating sewerage. They worked seamlessly with contractors and vendors to keep backup power generation working. And they continually operated, monitored, and adjusted the drinking water system as customers returned to the city to meet the demand, including providing clean water to neighboring parishes and government partners as part of a storm relief effort.

Customer Service

Like the emergency management and operations teams, Customer Service staff were also embedded at the EOC for the duration of the storm. The five customer service representatives answered a total of nearly 1,000 calls from a dedicated landline when

SWBNO's 52-water line became inaccessible. They also coordinated with the Networks team in real time to relay main breaks and other issues received via calls.

SWBNO's Customer Service centers have now reopened full time, except the Algiers location which is undergoing storm-related repairs. To proactively reduce the number of customers that may see a 32+ day billing cycle due to storm interruptions, the billing team will estimate the cycles that would have been billed between August 30 and September 10. Billing for Ida-affected cycles will be completed today, September 22. Meter reading for the non-Ida remaining September cycles resumed on September 14, with approximately 70 percent of meter reading staff reporting to work by the week of September 20.

Financial Impact

The finance team is tracking the significant expenditures associated with this emergency and leveraging past experience to seek 100 percent FEMA reimbursement for storm-related costs. Actual costs are still being evaluated, but the most significant expenses were labor, generator rentals, food, and lodging for essential personnel.

Communications

The communications team played an essential role in relaying the state of our utility during and after the storm to our customers. They reached customers near and far through daily Mayor and PIO briefings, national and local media interviews, and multiple social media posts per day in English, Spanish and Vietnamese. The SWBNO social media accounts surpassed 10,000 followers during the storm. When necessary, SWBNO leadership communicated with partners via text updates and one-on-one calls.

II. PERFORMANCE METRICS AND UPDATES

a. Financial Metrics and Updates

As SWBNO approaches its budget season, the utility is focused on revenue protection, recovery, and generation. After 16 months of suspension, SWBNO's water shutoff policy was reinstated in August². Customers have received notice letters well in advance of shutoffs, and the customer service staff has committed to working with customers to craft manageable payment plans. In anticipation of receiving federal relief for low-income customers via the LIHWAP program, SWBNO has excluded customers who may benefit from this relief from the shutoff program for the time being. The federal relief funds are expected to be disbursed in the fourth quarter of this year.

SWBNO leadership also has been in regular communication with federal partners and national water policy groups on the passage of the Federal Infrastructure Act. If the

² SWBNO suspended shutoffs for the three weeks following Hurricane Ida.

landmark legislation passes this fall, SWBNO is prepared to use funds to implement an extensive lead line replacement program, among other high priorities.

Accounts Receivable

The schedules below reflect open and closed accounts as of June 30, 2021, as well as delinquent account information through the same period. Aged 60-day customer receivables have increased since the last quarterly report based on the suspension of collection activities through late July. In addition, receivables increased in this category based on customer collections exemptions having lapsed (disputed accounts receivable are separately tracked while the dispute resolution process is underway), moving the receivables into the normal category for collection follow up.

Closed customer accounts receivables decreased since the last quarterly report based normal on activity and the annual exercise of permanent write-offs, which are done for significantly aged receivables of former customers.

Past due 60+ days:

As of June 30, 2021

	PAST DUE OPEN ACCOUNTS	TOTAL AMOUNT DUE	PAST DUE \$ AMOUNT (60+ DAYS)
Residential	24,908	\$ 54,122,445	\$ 46,544,923
Multi-Family	685	\$ 3,359,282	\$ 2,845,818
Commercial	1,537	\$ 17,746,912	\$ 15,505,834
Industrial	2	\$ 1,115	\$ 784
TOTALS	27,132	\$ 75,229,754	\$ 64,897,359

Closed Accounts

	PAST DUE CLOSED ACCOUNTS	TOTAL AMOUNT DUE	PAST DUE \$ AMOUNT (60+ DAYS)
Residential	22,654	\$ 25,602,185	\$ 24,615,820
Multi-Family	528	\$ 1,731,361	\$ 826,179
Commercial	928	\$ 2,914,244	\$ 2,793,778
Industrial	0	\$ -	\$ -
TOTALS	24,110	\$ 29,375,564	\$ 28,235,776

Uncollectible amounts have been fully reserved for in the valuation of accounts receivable; Customer Receivables, net is \$47,721,054 as of June 30, 2021.

Delinquency schedule:

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Unapplied Amount	Total Amount
Sewer	\$ 10,445,911	\$ 4,826,013	\$ 3,646,141	\$ 3,387,735	\$ 56,227,670	\$ (363,626)	\$ 78,169,844
Water	\$ 8,858,722	\$ 4,099,655	\$ 3,183,226	\$ 2,805,129	\$ 48,975,504	\$ (1,536,236)	\$ 66,386,000
Total	\$ 19,304,633	\$ 8,925,668	\$ 6,829,367	\$ 6,192,864	\$ 105,203,174	\$ (1,899,862)	\$ 144,555,844

b. Operations Metrics and Updates

Power and Pumping

A chart outlining the status of each major component of SWBNO’s power program is below, with status updates in red:

Power Source	Plan	Timeline	Approx. Cost	Funding Source*
Turbine 4	Repair and return to service as soon as possible	COMPLETE: T4 is available for use and performing at expected capacity.	\$1.1M	Drainage system funds
Turbine 5	Repair before next hurricane season – will provide 20MW of additional power for the rest of service life (5-10 years)	6-8 months COMPLETE: T5 is available for use and performing at expected capacity.	\$5-6M	Insurance Proceeds (less \$1M deductible)
Turbine 6	Winterize and maximize capacity to transform 60Hz into 25Hz power via new frequency changer	February 2021 Completion – bids opening 9.24.20 COMPLETE: T6 capacity has been maximized and it is ready for use in temperatures	\$700,000	Fair Share One-time funds

		less than 40 degrees		
Turbine 7	Procure and install to replace T5 and become cornerstone of modern power generation suite CDBG application submitted and approved; LDEQ Air Permit application proceeding (critical path)	12-14 months RFP for equipment procurement underway.	\$18 - \$20M	\$13M CDBG funds; \$4M Fair Share recurring funds
Frequency Changer	Procure and bring on-site for utilization with T6 to maximize machine capacity	8 months Vendor selected; notice to proceed issued, and design underway.	\$16M	\$13M Fair Share/HMGP funds; Capital Outlay funds (pending approval)
Substation Site (C7/C8)	Development of site necessary for substation construction, placement of frequency changers, and T7	Spring 2021 Completion Both basins on target for completion by end of year; continuing to address permanent solution for water intrusion issue.	\$8.5M	\$7M State Capital Outlay funds

**Where funding sources do not match the total cost, the difference will be funded through capital budget earmarks*

With T4 and T5 both back online, SWBNO once again has redundant self-generated power. For weather events, the operations team utilizes T4, T5, T6, and frequency changers as primary sources of power. EMDs continue to be backup power sources, and the noise mitigation program continues. Unfortunately, work on the first of the five EMD fans was paused during Hurricane Ida. The Houma-based vendor will resume progress by October.

Unit	Frequency	Capacity	Available
T1	25 Hz	Approx. 6 MW	0
T4	25 Hz	20 MW	18
T5**	25 Hz	20 MW	17.5
Carrollton Frequency Changers 1&2	Converts 60 to 25Hz	8.5 MW	8.5
Station D Frequency Changers 3&4	Converts 60 to 25Hz	12 MW	12
West Bank Power Complex (Algiers Water Treatment Plant)	Converts 60 to 25Hz	2.5 MW	2.5
Five EMDs	25Hz	12.5 MW (total) 2.5 MW (each)	10
T6 (via Plant Frequency Changer)	Converts 60 to 25Hz	3.75 MW	3.75
		Total 25 Hz:	72.25 MW
T6	60 Hz	15 MW	15 (60 Hz)

*T3 has been decommissioned as of May 2021 and has been removed from the table.

** T5 was tested up to 17.5MW during the pre-start and commissioning stage.

Pump Repairs

SWBNO currently has 93 of 99 drainage pumps available for use:

DPS 14: #4 Pump out of service for gearbox repairs. Vendor in possession of gearbox and is performing repairs. Expected return: October 2021

DPS 6: C, F and I pumps out of service. C and F are large pumps that require rotor repairs; those repairs have been prioritized and a vendor is on site. C pump

is expected to return to service in three weeks, with F pump repairs immediately following. F pump is available for emergency use in the meantime.

DPS 12: D Pump out of service; emergency repairs underway by contractor. Expected return to service in 2-3 weeks.

DPS 13: #5 Diesel Pump out of service; contractor in midst of inspections and will advise on return to service date

West Power Complex

Before Hurricane Ida, SWBNO and Entergy New Orleans reached a consensus on the terms of a fully-funded agreement to construct a substation at SWBNO's Carrollton Water Plant. The site for the substation is proceeding on schedule, as is design work for the substation itself by Entergy New Orleans and its contractor. Entergy New Orleans was expected to submit an application for the City Council's review and approval by early September, but the process was paused due to the storm. SWBNO continues to progress on procurement of the frequency changers and other equipment required for the successful operation of the substation.

JIRR Project Coordination and Customer Notification

Below is data reflecting progress made on JIRR projects where SWBNO is the active lead since the last quarterly report:

1. Transmission Mains – 11 Projects
 - a. Two in Construction – Dupre, St. Bernard and
 - b. One processing NTP – Leonidas and Fig
 - c. One routing to Purchasing – Eden and Grape
 - d. Two in review at GOHSEP and FEMA – Claiborne and French Quarter
 - e. One being routed to GOHSEP and FEMA – TM008 Assorted Transmission and Donor Waterlines
 - f. Four to be routed to GOHSEP and FEMA next Quarter

2. Consent Decree –
 - a. Carrollton Basin – 25% design milestone reached on August 17, 2021
 - b. South Shore Basin – 100% design milestone projected October 31, 2021
 - i. Five sewer projects completing

- ii. Two road recovery projects completing their Emergency Sewer System Assessment (ESSA) and Sewer System Evaluation and Rehabilitation (SSERP) work

c. Customer Service Metrics and Updates

Meter Reading

The presence of dirt and debris in meter boxes makes the task of data collection labor-intensive and hampers accuracy. SWBNO approved the creation of 10 new Public Works Maintenance Worker positions to address the chronic challenge. The new staff will improve the speed and accuracy of meter reading by traveling routes a few days in advance of scheduled readings to clean meters and perform regular maintenance, freeing meter readers to focus on the task of data collection. As of September 21, the hiring process for the new positions was underway. Although SWBNO has collected applications and identified candidates for follow-up, the majority have not been able to successfully complete the onboarding process to be hired. Recruiting will continue to staff the positions.

Between 50 and 60 full-time meter reader positions were consistently filled through Q2 2021, and SWBNO made progress toward supporting the positions with appropriate equipment. To support the larger team size, three vehicles were reassigned from other parts of the utility to the meter reading group, and 15 more are in the process of being procured.

Focus on maintaining staffing levels allowed actual meter reads to hover around 80 percent in Q2. While this level represents improvements over the worst challenges of the pandemic, SWBNO is still striving to increase the total number of meter reads to a minimum of 98 percent each month.

Meter Read Metrics

Month	Actual-Reading Bills	Estimated Bills	Total Bills	Percentage of Actual-Reading Bills
April	101,603	30,525	132,128	77%
May	117,385	25,783	143,168	82%
June	115,195	28,624	143,819	80%
July	115,841	27,967	143,808	81%

Automated Metering Infrastructure

Progress on AMI continues. The project manager, Jacobs Engineering, has nearly completed the meter survey. Business processes are being reviewed and updated to improve current meter reading performance and prepare our systems for the transition to AMI.

The RFP for an AMI vendor is nearly complete and will be released in the fourth quarter of 2021. Jacobs has provided an estimate of \$45-55 million for purposes of evaluating financing alternatives. Approximately \$20 million has been segregated for capital projects after the March 3, 2021 bond refunding, and SWBNO is using monthly savings from debt service costs in 2021 to add to the amount available for capital projects such as AMI. We are exploring the possibility of securing additional funding through multiple other sources – including Fair Share dollars, municipal bonds, state revolving funds, bank financing, and federal grant programs.

Program branding and a comprehensive communications plan are being finalized so that SWBNO can begin educating customers and community members about the program and setting expectations for the meter installation and transition process.

Billing

Active Accounts

Month	Number of Accounts
April	138,658
May	138,701
June	138,956
July	139,127

Number of Bills Flagged

Month	Number of Bills Flagged
April	674
May	625
June	618
July	631

Days in Billing Cycle

Month	Average Number of Days in Cycle	Customers in 28-32 Day Range	Percent in 28-32 Day Range
April	29	126,767	95.9%
May	28	136,047	95.0%
June	30	143,671	99.9%
July	29	136,364	94.8%

Bill Disputes

Month	Bill Disputes Initiated	Bill Disputes Completed	Average Days to Close Dispute
April	1,127	1,255	56
May	934	1,117	45
June	1,300	1,207	44
July	1,010	1,078	41

Customer Service

In Q3 2021, SWBNO implemented organizational changes in the Customer Service Department and made progress in employee training. The department was able to improve operational efficiency by redistributing staff and responsibilities among groups (i.e., mail resolving dissolved), and it is in the process of defining and filling a management-level role dedicated to continuous improvement and project management. Supervisory level staff completed a two-day management program in partnership with Laitram, and the Escalation Team completed Cassworks training. The development of a SWBNO-specific training program and curriculum are underway.

Customer Call Center Metrics

Internal and external factors shaped Customer Call Center metrics. On June 24, the Customer Service Center launched a new phone system, Nice InContact. Call wait times temporarily increased in June and July as staff learned the new system.

In July, call wait times and payment arrangement numbers both increased when the Customer Care Plan was announced to the public. As more customers contacted SWBNO to set up payment arrangements, wait times increased as staff navigated the more time-intensive customer service interactions.

Month	Calls Received	Percent Answered	Average Wait	Payment Arrangements	Walk-In Customers	E-mails Received	Total Customers Served
April	19,519	95.4%	0:42	123	2,324	3,800	34,122
May	18,408	95.4%	0:46	90	2,084	4,006	33,557
June	19,766	93.7%	1:14	108	2,441	5,890	35,208
July	19,626	92.7%	2:22	751	2,837	4,238	34,659

YTD	77,319	94.3%	1:16	1,072	9,686	17,934	137,546
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Customer Communications

The Communications Department continues to develop, manage, coordinate, execute, and measure internal and external communications strategies and programs in furtherance of the utility’s mission to serve the people of New Orleans. Crisis communications are key to our operation, especially during major weather events. During Hurricane Ida, social media was key for this department. On Twitter alone, the utility gained over 2,000 followers to surpass 10,000, and tweets registered over two million impressions (i.e., the number of times a tweet appears on others’ timelines). This reach is an increase of over 10,000 times that of typical engagement. During the storm, the utility posted key messages in both Spanish and Vietnamese, a practice that will continue in the future. Post-Ida, the Communications Department assisted the Leadership Team in reviving “The Pipeliner,” the utility’s internal newsletter. Lots of lessons were learned in Q3 about resiliency, especially as it relates to communications and technology.

The first communications support deliverables were submitted by HDR, our communications support vendor, in August and September. SWBNO is in the process of reviewing material for the first of three website updates and a package of social media content through December 2021. Work on internal employee newsletters continues, and content production for 2022 bill inserts and PSAs will begin by the end of the month.