

The State of the Utility 2019

Bureau of Governmental Research, May 14, 2019

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NEW DEAL, NEW DAY

New Infrastructure Funds



- **One-Time: \$50 million**
 - \$34M to pay vendors and drainage's debt to water and sewer systems
 - \$16M for projects (Hazard Mitigation Grant Program reimbursements)
- **Deferred Gulf Opportunity Zone payments: \$17.5 million**
- **Recurring: \$26 million**
 - Increase the budget for the City's Public Works Department
 - Start to address aging water infrastructure
 - Modernize the drainage system, replacing steam with electric power

OUTDATED 25-Hz STEAM POWER



TURBINE 1: **1909** – 6 MW



TURBINE 3: **1929** - ~7 MW



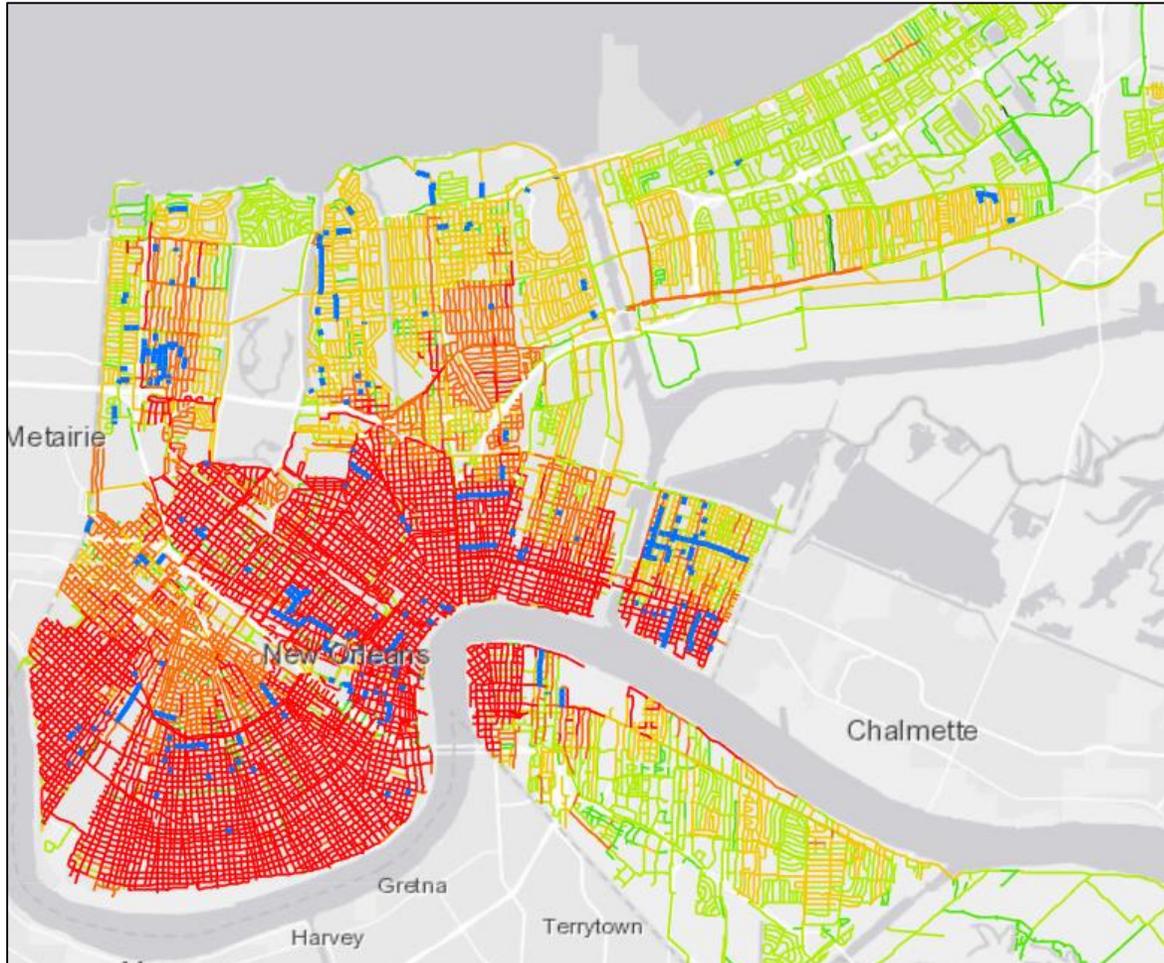
TURBINE 4: **1915** – 20 MW



Steam-powered
water pumps at
the Carrollton
Water Plant



AGING WATER INFRASTRUCTURE



Age of Water Mains	Length of Water Mains (miles)	Percent of distribution system
1900 - 1919	525.02	34.3%
1920 - 1939	208.22	13.6%
1940 - 1959	309.35	20.2%
1960 - 1979	389.47	25.5%
1980 - 1999	97.35	6.4%
2000 - 2019	0.90	0%*
TOTAL :	1,530.3	*0.05%

■ Indicates approximately 23 miles of repairs/replacements made under various post-Katrina construction programs

May 3 break on S. Claiborne Ave.

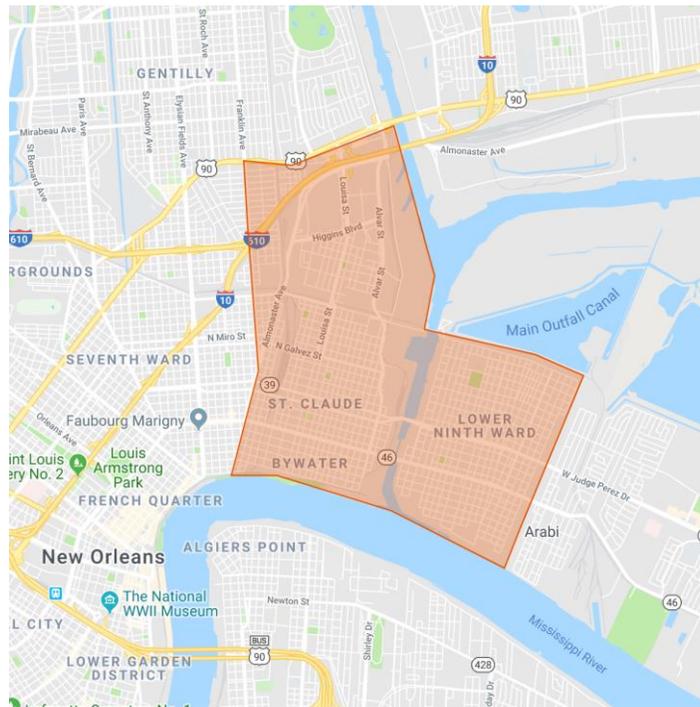
- 30-inch diameter cast iron water main installed circa 1905.
- Impacted Uptown neighborhoods between South Claiborne, South Carrollton, Napoleon and the Mississippi River.
- Took approx. 24 hours to repair.
- Boil Water Advisory ended May 5.



28 Boil Water Advisories since 2010



Oct. 20, 2010: East bank
March 29, 2011: East bank
May 6, 2011: East bank
June 9, 2011: East bank
June 26, 2011: East bank
May 2, 2012: New Orleans East
Oct. 8, 2012: East bank
March 3, 2013: East bank
July 23, 2013: Uptown
Dec. 14, 2013: Venetian Isles
July 13, 2014: Uptown
June 1, 2015: English Turn, Lower Algiers
July 24, 2015: East bank
September 23, 2015: East bank



June 2, 2016: Lower 9th Ward
Sept. 20, 2017: East bank
Jan. 17, 2018: New Orleans East
Jan. 18, 2018: Expanded to East bank
Jan. 23, 2018: West Bank
May 22, 2018: Venetian Isles
Aug. 4, 2018: Venetian Isles
Sept. 22, 2018: Lower 9th Ward
Oct. 19, 2018: Lower 9th Ward
Oct. 20, 2018: East of Franklin Avenue
Nov. 17, 2018: East bank
Dec. 19, 2018: Peoples Avenue Triangle
Feb. 4, 2019: Bywater, St. Claude, Lower 9th Ward
May 3, 2019: Uptown

WATER LOSS



	New Orleans	National Average
Water Main Issues	67 repairs per 100 miles/year ₁	14 breaks per 100 miles/year ₂
Water Loss rate	55.3 percent ₃	16 percent ₄

₁Estimate based on 351 water main repairs completed in 2019 as of May 5

₂Utah State University Water Main Breaks Study, March 2018

₃2017 Water Loss Audit

₄Environmental Protection Agency, 2013



NEW ORLEANS SEWER SYSTEM



1,450 miles sewers, ranging in size from **8 inches to 7 feet** in diameter

82 electrically operated pumping and lifting stations (**SPS**)

SEWER CONSENT DECREE PROGRESS 1997-Present Day

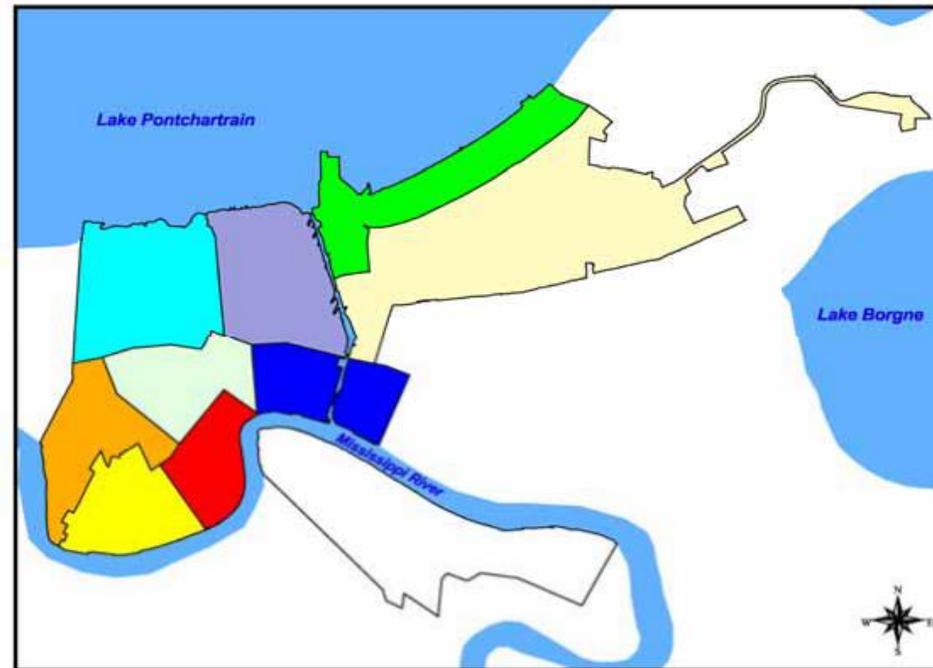


Completed Basins

- 9th Ward – 2018
- Central Business District – 2005
- Uptown – 2005
- Gentilly – 2004
- Lakeview – 2001

Basins Underway

- New Orleans East – October 2019
- South Shore – October 2021
- Mid-City – July 2023
- Carrollton – October 2025



COMPLETION = all previously identified repairs under the SSERP and ESSA programs are completed in that zone

SWBNO and DPW PARTNERSHIP

DRAINAGE

1992 Agreement

- **DPW** manages catch basins and lateral drain pipes less than 36 inches in diameter
- **SWBNO** manages pipes 36 inches and larger, as well as all drainage pumps and power generation
- **Consistent, constant coordination** during rain events
- **Ultimate goal:** One system, one utility to own it

JOINT INFRASTRUCTURE RECOVERY REQUEST PROGRAM

- \$1.67 billion in projects started
- 116 projects in planning
- 57 projects in design
- 5 projects in bid & award
- 12 projects in construction
- 6 projects closing out

MAX PAVE PROGRAM

- 865 targeted service cuts, 93% complete
- DPW addressing SWBNO backlog of unpaved service cuts
- **Ultimate goal:** SWBNO to regularly repave service cuts within 30 days



IMMEDIATE PRIORITIES



- Initiate Master Plan effort (2-3 year, \$3-5 million endeavor)
- Weatherize Turbine 6 for colder temperatures
- Install Frequency Changer to start eliminating steam turbines
- Build more redundancy into Entergy feeder system
- Automated Metering Infrastructure (AMI)



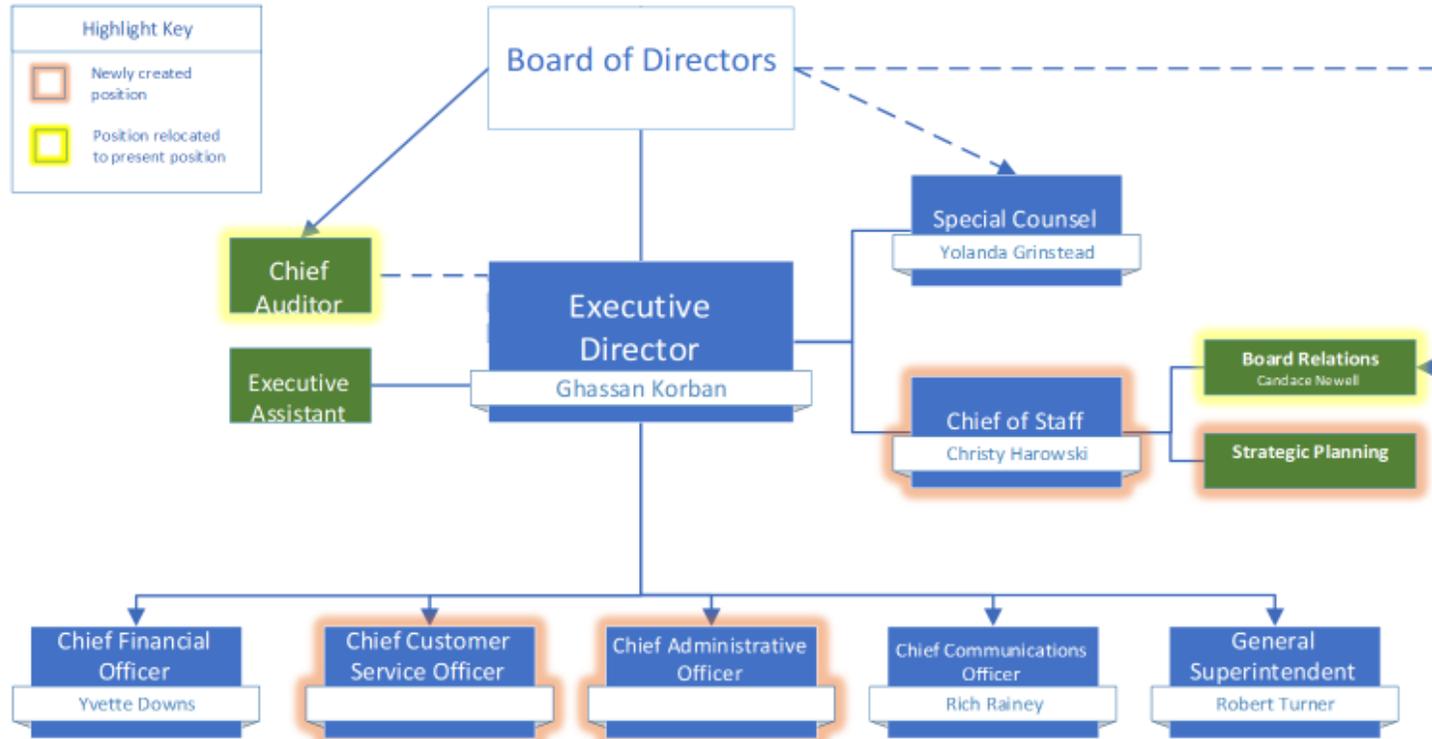
CUSTOMER CARE

BILLING PROGRESS



- **DISPUTED BILLS** – Down from **26,000** in 2017 to approximately **5,000** today
- **TRANSFERS (New Accounts)** – down from **12,000** pending to fewer than **500**; **7-day average wait** to open a new account
- **PAYMENT PLANS** – **5,795** entered in **2019**
- **METRICS** - Expanding data tracking of billing and collections processes (consumption estimates, shutoffs, call wait times, etc.) to map progress; build accountability

Customers Matter



- **ELEVATE** Customer Service's importance within the management structure
- **ELEVATE** public accountability through an independent, Internal Chief Auditor



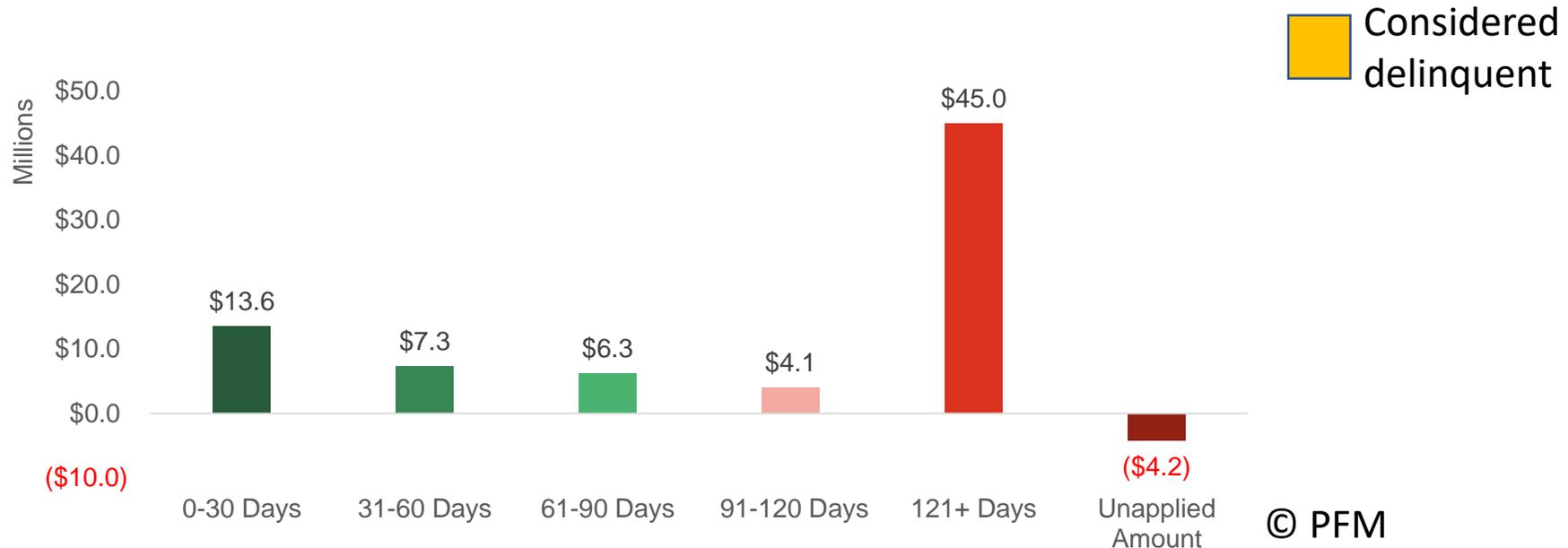
THANK YOU

ACCOUNTS RECEIVABLE AS OF APRIL 5



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Unapplied Amount	Total Amount
Sewer	\$7,384,788	\$3,987,112	\$3,345,696	\$2,201,559	\$22,807,202	(\$1,811,804)	\$37,914,553
Water	\$6,175,364	\$3,357,464	\$2,918,118	\$1,861,825	\$22,207,048	(\$2,356,812)	\$34,163,007
Total	\$13,560,152	\$7,344,576	\$6,263,814	\$4,063,384	\$45,014,250	(\$4,168,616)	\$72,077,560*

*this is a snapshot. The amount is dynamic as new bills go out and payments come in.



OTHER FUNDING OPPORTUNITIES



EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program	Federal low-interest loan up to \$200M
LDEQ's Clean Water State Revolving Fund (CWSRF) loan program	\$10M for sewer system improvements
100 Resilient Cities	\$100M for solar power and assets
Stormwater Management, Water and Sewer Service Rate Study	??
Future Market Opportunities	??

Employees Matter



- **Preserve practical institutional knowledge**
- **Reward excellence; Promote valuable employees**
- **Executive Director's Employee Advisory Council**
 - Entirely employee-driven
 - Reports recommendations directly to Executive Director
 - Members appointed from every SWBNO division
 - Chairs elected
 - Charter and bylaws drafted and approved by Council vote