



# **CUSTOMER ADVISORY COMMITTEE**

**December 4, 2020**

# GROUND RULES

- Please keep your microphone muted unless you are speaking to reduce background noise
- Be sure to say your name before you speak so everyone knows who is speaking
- To be respectful of everyone's time, please keep remarks brief and to the point so we can end on time
- Members of the public are able to submit comments via the Q&A feature



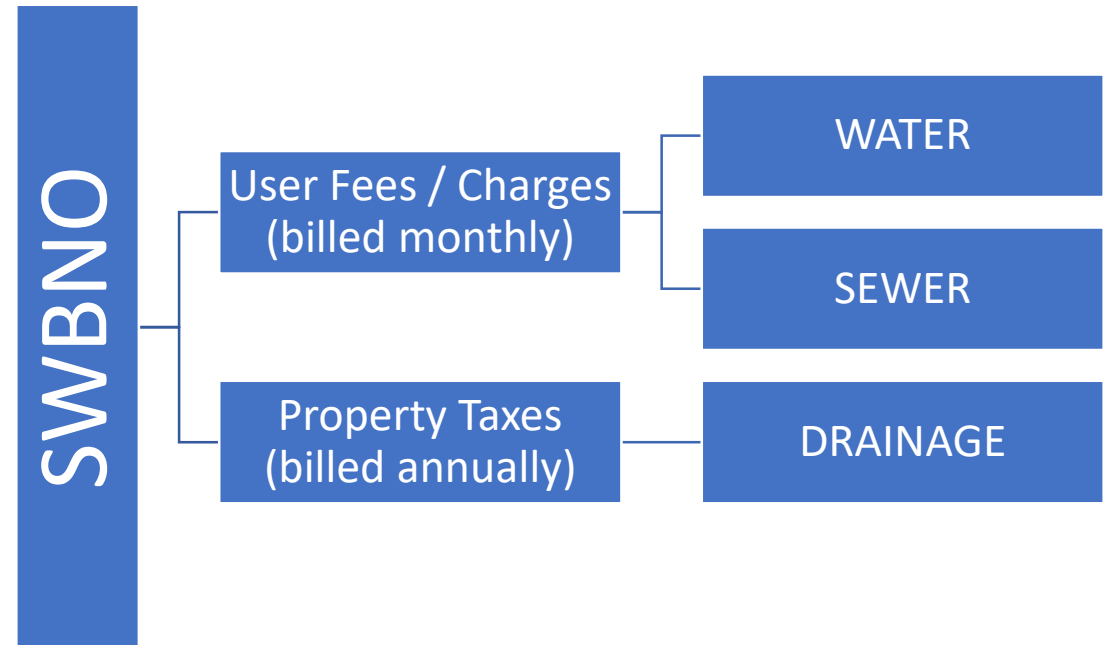
# AGENDA

- Roll Call
- Finances
  - Overview
  - Rates/Bills
  - Millages
- Next Steps



# FINANCE- OVERVIEW

- SWBNO runs 3 lines of business:
  - Water
  - Sewer
  - Drainage
- Funding for each pays for operations and improvements of each system independently
- Funding for administrative costs and other overarching expenditures are typically split evenly in three by system



# BILLING

- Minimum bill for residential customer before usage: \$58.56
- Drainage is not included on this bill

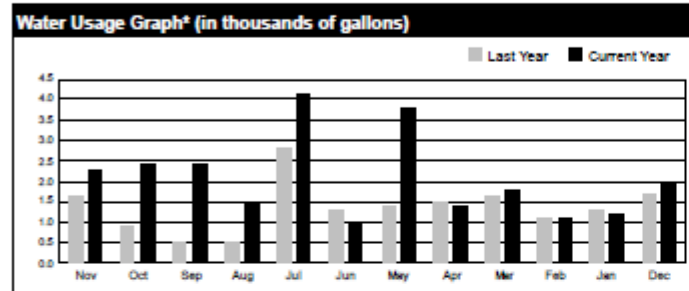


SEWERAGE & WATER BOARD OF NEW ORLEANS  
 625 SAINT JOSEPH ST  
 NEW ORLEANS, LA 70165-8501  
 52-WATER or (504) 529-2837  
 Hearing Impaired TRS 711  
 Visit us on the web at [www.swbno.org](http://www.swbno.org)

Account Number	
Service Address	
Total Due	\$88.83
Date Due	12/10/2020
Total Due After 12/10/2020	\$88.83

Meter	Service Class	Bill	Read Date	Reading	Read Type	Usage*	Days Of Use	Avg Usage/Day*
A416246	RESIDENTIAL	This Bill	11/11/2020	46.8	Actual	2.3	30	0.08
		Last Bill	10/12/2020	44.5	Actual	2.4	26	0.09

\*Usage in thousands of gallons



**Previous Activity**

Last Bill	\$90.15
Payment Received - Thank You	-\$90.15
Late Fees	\$0.00
Adjustments	\$0.00
Balance Forward	\$0.00

**Current Activity**

Meter A416246

Ready To Serve - Water for 5/8" Meter	\$8.69
Water Usage	\$13.34
Safe Drinking Water Fee	\$1.00
Ready To Serve - Sewer	\$24.87
Sewer Volume Charge	\$16.93
Residential Sanitation Charges (1 unit)	\$24.00
<b>Current Charges</b>	<b>\$88.83</b>

**Important Information**

If you are 62 years or older or disabled, and you are having trouble paying your bill, contact TCA at 504-324-8609 to see if you qualify for Water Help.

<b>Total Due</b> (Balance Forward + Current Charges)	<b>\$88.83</b>
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Please add \$1.00 to Your Payment for Water Help



# READY TO SERVE - WATER

- Costs associated with preparing the bill, receiving payment, meter repair, meter replacement, and having the capacity available to provide service as necessary.
- Based on meter size

<b>Current Activity</b>	
<b>Meter A416246</b>	
Ready To Serve - Water for 5/8" Meter	<b>\$8.89</b>
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Meter Size (Inches)	January 2019	January 2020
5/8	\$7.90	\$8.69
3/4	\$9.67	\$10.64
1	\$12.27	\$13.50
1 1/2	\$20.25	\$22.28
2	\$26.71	\$29.38
4	\$105.24	\$115.76
6	\$206.57	\$227.23
8	\$305.97	\$336.57
10	\$415.07	\$456.58
12	\$487.18	\$535.90
16	\$648.91	\$713.80



# WATER USAGE

- Based on actual metered water usage each month
- Increasing/Decreasing block structure
- “Lifeline Block” lowest

Water quantity rates are billed per 1000 gallons of usage.

Usage	January 2019	January 2020
First 3,000 gallons	\$5.27	\$5.80
Next 17,000 gallons	\$8.97	\$9.87
Next 980,000 gallons	\$7.05	\$7.76
Over 1,000,000 gallons	\$5.91	\$6.50
Wholesale Customers	January 2019	January 2020
All Usage	\$5.64	\$6.20

Current Activity	
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# SAFE DRINKING WATER FEE

- Authorized by the Louisiana Legislature on April 19, 2000 for the benefit of the Office of Public Health of the Department of Health and Hospitals (DHH).
- DHH uses the funds generated by the fee to perform all inspections, tests or procedures of public water supplies to comply with the federal Safe Drinking Water Act.
- SWBNO collects the annual fee on behalf of the state and transfers the proceeds to DHH each year.

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# READY TO SERVE - SEWER

- Based on the costs SWBNO must pay even if you don't use any sewer services.
- These costs include maintaining sewerage pipes, treatment plants, etc. Since the S&WB must always be prepared to treat wastes whenever a meter is installed.
- Based on Meter Size

Meter Size (Inches)	January 2019	January 2020
5/8	\$22.61	\$24.87
3/4	\$32.18	\$35.40
1	\$45.80	\$50.38
1 1/2	\$84.29	\$92.72
2	\$123.27	\$135.60
4	\$487.18	\$535.90
6	\$974.37	\$1,071.81
8	\$1,461.55	\$1,607.71
10	\$1,948.72	\$2,143.59
12	\$2,341.03	\$2,485.13
16	\$3,020.52	\$3,322.57

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# SEWER VOLUME CHARGE

- For residential customers billed at 85% of the metered water consumption, allowing 15% of water use for lawn watering and other uses which contribute no flow to the sanitary sewer.
- Commercial/Industrial customers pay 100% of metered water consumption.
- Higher costs, higher rate, higher charge.

Volume	January 2019	January 2020
Per 1,000 Gallons	\$7.87	\$8.66

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# SANITATION CHARGE

- The City of New Orleans charges a fee for sanitation and recycling services performed by the City.
- This fee is included on your Sewerage and Water Board bill to minimize the cost of billing and collection.
- All monies collected for sanitation fees are paid to the City of New Orleans, less a small amount for collection of the fee.

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# DRAINAGE

- Drainage funded through property tax
- Currently 16.23 mills (three separate millages)
- 11% of the total mills paid
- Approximate annual revenue of \$55 Million
- Nearly all revenue goes to operations, very little left for capital improvements
- Currently over \$500 Million in unfunded capital improvements up to 2030

## Average Drainage Bill

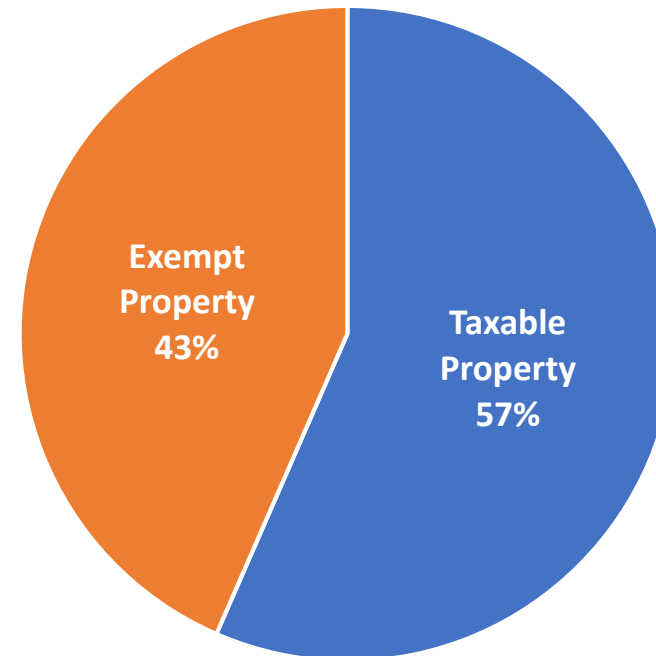
	\$184,000 Assessed Home Value
-	\$75,000 Homestead Exemption
<hr/>	
x	\$109,000 Taxable Assessment
	16.23 Mills (.01623)
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=	\$1,769
	Due for Drainage Annually



# DRAINAGE EQUITY

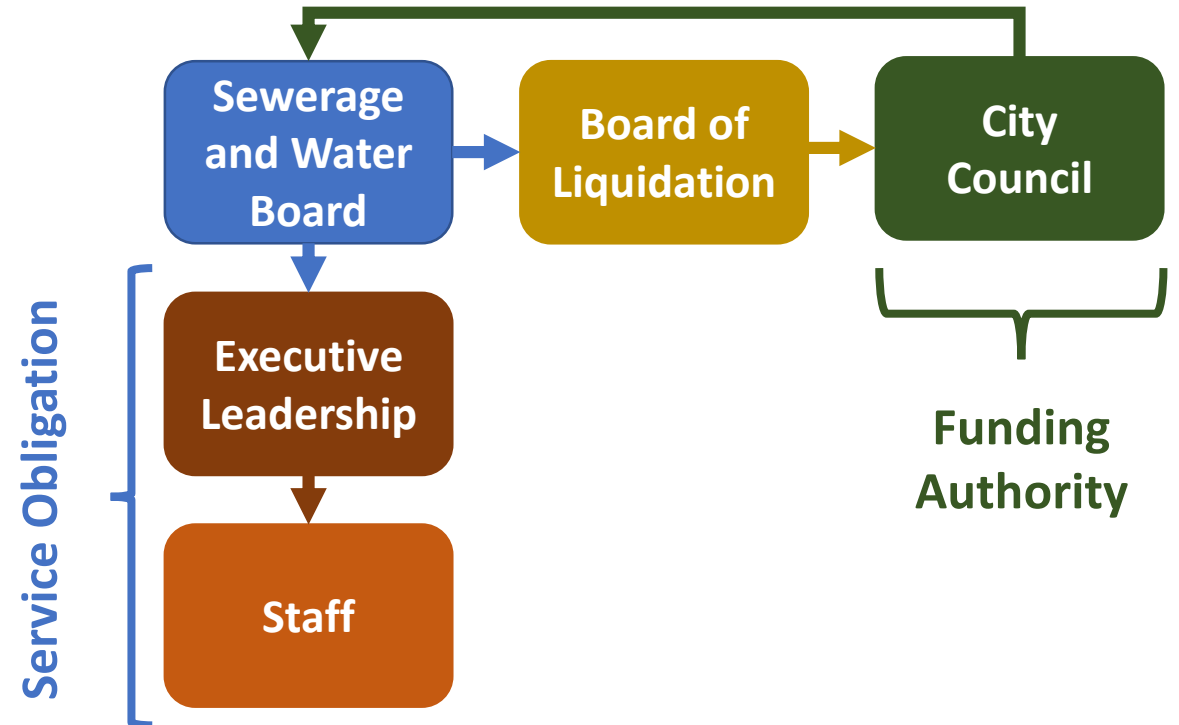
- Based on the economic value of the property and the improvements, not demand for drainage
- Properties that are tax-exempt, such as schools, universities, non-profits, and city-owned properties, are not required to pay property tax (about 40% of the taxable value citywide)
- Does not allow for flexibility in spending like affordability programs, grants, or other improvements

Exempt Share of Assessed Value, 2011 (BGR)



# RATE SETTING

- Rates are proposed by the Sewerage and Water Board's Executive Leadership
- They must then be approved by the Board of Directors, the Board of Liquidation, City Debt, and ultimately the City Council
- The Board of Liquidation and City Council cannot modify the rates; they can only accept or reject them.
- The SWB can override the Council only if the rate increase is necessary to pay existing debt.



# RATE HISTORY

- Between 1987 and 2007, water rates only increased twice
- Between 1986 and 2000 sewer rates did not increase at all
- During these times charges and fees declined relative to inflation
- City Council approved broad multi-year increases in 2012 to address this backlog
- Effective January 2013
- 10% increase in water and sewer each year for 8 years
- Compounded this is about 115% increase by 2020



# NEXT STEPS

- Next Meeting will be December 18 at noon
  - What should be the theme?
- Kyle Galloway's Thoughts







**THANK YOU**

SWBNO Customer Advisory Committee  
Kyle's recommendations

- Input to Utility Strategic Plan
  - Make recommendations on improvements to business practices:
    - Billing improvements
    - Rate study
    - Improvements to maintenance operations
    - Storm water fee
    - Climate adaptations
  - Deliverable – summary report of CAC and community recommendations for inclusion in strategic plan
  
- Input to Master Plan
  - Make recommendations on improvements to infrastructure:
    - Balancing level of service versus cost
    - Asset management
    - Capital project delivery
  - Deliverable – summary report of CAC and community recommendations for inclusion in master plan
  
- Community Engagement
  - Develop 5-min presentation for CAC members to introduce to stakeholder groups
  - Generate list of stakeholder groups we want to engage
    - Neighborhood associations, professional organizations, City-sponsored town halls, etc.
    - Kyle's list (will have some overlap with others): Algiers Point Assoc, Algiers Economic Development Foundation, Councilwoman Palmer's town halls, ASCE, ACEC, LES, Water Collab, APA (I may not be the one for this group but just thought of it)
  - Develop schedule to present to these groups within reasonable time frame
  - Compile input from stakeholders at these meetings and as received outside of these meetings
  - Community comments will inform reports discussed above. All comments could be included as appendix.
  
- Develop timeline and strategy to deliver the above:
  - What time frame is needed to be useful to SWB's planning process?
  - How do we organize ourselves to deliver? Sub-committees? Champions?