

Sewerage and Water Board of New Orleans

Strategic Plan 2011-2020

Mission, Vision, and Values

Our mission is to provide safe drinking water to everyone in New Orleans; to remove waste water for safe return to the environment; to drain away storm water; to provide water for fire protection; to provide information about products and services; and to do all of this continuously at a reasonable cost to the community.

Our vision is to have the trust and confidence of our customers for reliable and sustainable water services.

We believe in these values as the foundation for how we will perform our mission and pursue our vision:

- We will focus on our customers and stakeholders.
- We will treat each customer and employee with dignity and respect.
- We will value each employee, their work, and their commitment.
- We will be truthful, trustworthy and transparent.
- We will be knowledgeable and diligent in the performance of our duties.
- We will use financial resources prudently.
- We will be accountable for our performance.
- We will continuously improve our performance.
- We will ensure that the systems that provide our services remain viable for future generations.
- We will remain on the job and will be prepared for storms and other risks.

Goals and Objectives

We are responsible for meeting the requirements of our customers and stakeholders. We have established goals to meet these customer and stakeholder requirements and objectives to measure our performance in meeting these goals:

Customer ratepayers to whom we provide drinking water and waste water services:

- We will provide drinking water and wastewater services that meet or exceed regulatory requirements.
- We will provide accurate bills.
- We will provide timely, responsive and reliable information about our services.
- We will respond promptly to requests for water services at homes and businesses.
- We will be efficient with the use of resources in providing these services.

Citizen taxpayers and adjacent communities to whom we provide drainage water services:

- We will provide drainage services that mitigate the risk of flooding.
- We will coordinate our efforts with the City of New Orleans and other utility service providers.
- We will be efficient with the use of resources in providing this service.

Federal, State and Local Elected Officials to whom we are accountable for our performance:

- We will provide accurate and comprehensive information.
- We will be responsive to requests for assistance.
- We will support community programs and initiatives.

Employees with whom we work to provide water services:

- We will provide a safe work environment.
- We will provide meaningful work and fair compensation.
- We will provide training and opportunities to develop and succeed.

The **Environment** that we share with each other and the natural world:

- We will return water to the environment in a condition better than we received it.
- We will create beneficial reuse for the solids that are created in our treatment processes.
- We will be considerate of the impact that our choices of fuel and materials have on the environment.

US Environmental Protection Agency, Louisiana Department of Health and Hospitals, Louisiana Department of Environmental Quality and other government agencies who regulate our drinking water and waste water quality:

- We will comply with the Safe Drinking Water Act, the Clean Water Act, the Modified Consent Decree, and all other water and air quality laws and regulations.

US Army Corps of Engineers, Southeast Louisiana Flood Protection Authority East and West, Coastal Protection and Restoration Authority of Louisiana, and City of New Orleans Department of Public Works with whom we work to construct drainage facilities:

- We will work collaboratively on the design, construction and operation of drainage facilities.

Bondholders to whom we owe repayment of principal with interest:

- We will comply with the covenants of our bond issues.
- We will work to maintain and improve our creditworthiness to protect the value of their investment.

Suppliers and Economically Disadvantaged Business Enterprises from whom we purchase services and materials:

- We will provide a fair marketplace to openly compete for opportunities to provide services and materials.
- We will pay invoices for services and materials on a timely basis.

Future Citizens and Businesses of New Orleans to whom we owe viable water systems:

- We will operate, maintain, rehabilitate, and replace the drinking water, sewerage, and drainage systems to deliver water services in perpetuity.

All Stakeholders to whom we are accountable:

- We will diligently monitor, measure, and report on our performance.

Assumptions

These are the key assumptions on issues that affect us:

Customer Expectations:

- Customers expect improved efficiency and responsiveness in resolution of their concerns.
- Future improvements in detection technology for microbes and pharmaceuticals will increase customer concerns for water quality.
- The community will expect system renewal to be closely coordinated with other community projects.
- Neighbors will expect us to maintain safe and attractive facilities.

Drinking Water Quality:

- Customers will expect water quality that consistently meets or exceeds regulatory requirements.
- Increasing regulatory requirements will increase operating costs and capital investments.

Wastewater Treatment:

- Customers will expect waste water to be returned safely to the environment.

Stormwater Drainage:

- Customers will expect seamless service between Sewerage and Water Board and City of New Orleans Department of Public Works responsibilities for providing drainage service.

Financial Resources:

- Productivity enhancements and aggressive cost control will be required to reduce the impact on rate increases.
- All stakeholders will demand prudent and effective management of resources.

Employees:

- Retirements of experienced employees will require succession planning and knowledge transfer.
- Improvements in internal customer satisfaction will be needed to drive improvements in external customer satisfaction.

Business and Environmental Influences:

- Future revenues will be closely linked to economic growth of community.
- Consumption per household will decline due to conservation fixtures and fewer persons per household.
- Extreme weather events, sea level rise, shifting precipitation and runoff patterns, temperature changes, and resulting changes in water quality will require adaptive changes to ensure resiliency and sustainability.
- Increased security capabilities will be needed to mitigate the risk of contamination to the drinking water system.

Additional Expenditures:

- Repayment of the Orleans Parish portion of the Southeastern Louisiana Flood Control Program project costs will exceed current millage revenues.
- Operation of the new permanent pump stations at Lake Pontchartrain will add significant annual expenses.
- Participation in operation and maintenance costs of the Gulf Intracoastal Waterway West Closure Complex will add significant annual expenses.

Strengths, Weaknesses, Opportunities, and Threats

These are the key internal strengths upon which we will build, internal weaknesses that we will resolve, external opportunities for partnership with others that we will pursue, and external threats for which we will be prepared:

Strengths

- Employee commitment, knowledge, and experience
- Abundant water supply
- Capability to provide high quality products and services
- Coordination with stakeholders
- Environmental stewardship
- Reliable backup power supply
- Demonstrated record of success in reliable delivery of service
- Available capacity to support community growth
- Effective relationships with federal regulators

Opportunities

- FEMA funding of water and sewer system replacement
- Improved coordination with economic development agencies
- Improved coordination with departments of the City of New Orleans
- Improved methods for communicating with the public
- Customer education of financial requirements
- Collect revenues from entities receiving free services
- Purchase natural gas on the open market
- Improved information to customers on leaks and repairs

Weaknesses

- Unresolved damage to buried infrastructure
- Extensive water loss
- Deferred maintenance of infrastructure
- Aging workforce
- Difficulty in hiring experienced technical employees
- Unfunded liability for pensions and other post-employment benefits, unfunded settlements from liability claims, and unfunded reimbursement requirements for system improvements in support of street paving projects
- Information technology systems which have exceeded their design life
- Insufficient documentation of work processes
- Governance issues that limit financial strength
- Collection Practices
- Process for changes to rates and millages

Threats

- Hurricanes
- Potential for failure of levee system
- Reduced population and jobs in the community
- Liability claims that exceed financial capacity
- Climate changes that impair our readiness to serve
- Saltwater intrusion up the Mississippi River
- Attacks against security of employees and infrastructure

Strategies and Tactics

These are the strategies and tactics that we will implement to fulfill our mission, reach our vision, and achieve our goals and objectives.

I. We will build necessary infrastructure.

A. Water System

1. Replace water distribution system.
2. Rehabilitate water treatment plants.
3. Rehabilitate raw water intake stations.
4. Replace water meters.
5. Improve water plant security.

B. Sewer System

1. Replace wastewater collection system.
2. Rehabilitate sewer pump stations.
3. Construct improvements at East Bank Sewage Treatment Plant.

C. Drainage System

1. Prepare to operate three pump stations constructed by Corps of Engineers at canals near lakefront.
2. Participate in drainage system improvements in coordination with SELA Program.
3. Participate in storm proofing for drainage pump stations.

D. Power System and Other Utility Facilities

1. Rehabilitate or replace boilers, turbines, and other power system facilities.
2. Construct secondary power for all drainage pump stations.

E. Regulatory Compliance

1. Prepare for treatment of pharmaceuticals, personal care products, and other emerging contaminants.
2. Prepare for adaptation to climate changes.

II. We will rebuild our financial capabilities.

A. Develop and update ten-year financial plan that identifies sources and uses of funds for construction, operation, and maintenance of water, sewer, and drainage systems and allocates the cost of service to customers of the water, sewer, and drainage systems.

B. Adopt a financial management policy for financial planning, budgeting, accounting, and reporting; debt management; investment of funds; ratemaking and tax setting; and responsibilities for financial management.

C. Establish rates and charges to meet financial plan requirements.

D. Reduce expenses through process documentation, analysis and redesign and integration of new technologies.

- E. Repay unfunded current liabilities.
- F. Reduce quantity of free water provided.
- G. Align resources to ensure that highest priority initiatives are funded.
- H. Pursue program of debt management initiatives to meet bond rating agency criteria for target credit rating.

III. We will improve our customer service capabilities.

- A. Reduce time between problem identification and resolution for customer complaints.
- B. Evaluate and install improved metering and meter reading processes and technologies.
- C. Provide online Account Management capabilities for all customers.
- D. Provide appointment scheduling capabilities for customer work requests.
- E. Provide field customer service representatives with online access to maps and other information.
- F. Provide relationship managers for large commercial and industrial accounts and neighborhood associations.
- G. Improve internal customer satisfaction through front-line employee participation in process improvements.

IV. We will enhance our business performance.

- A. Develop business plans for implementation of each strategy in this strategic plan.
- B. Establish measurements and reporting standards.
- C. Determine organization structure to meet operating objectives and support implementation of business plans.
- D. Develop and execute Information Technology Business Plan to improve business systems.
- E. Develop program to identify, assess, and mitigate business risks.
- F. Improve coordination of our efforts with other service providers, including Businesses and Economic Development Entities.
- G. Improve collection of debts.
- H. Improve business capabilities through process documentation, analysis and redesign and integration of new technologies.

V. We will enhance the capabilities of our employees.

- A. Improve appraisal of performance for all employees.
- B. Utilize best practices for safety improvement.
- C. Develop work plans for all management employees.
- D. Develop training plans for all employees.
- E. Review employee incentive programs for effectiveness.
- F. Expand amount of information communicated from leadership.
- G. Perform succession planning and knowledge transfer for all managerial positions and all positions held by DROP Program participants.
- H. Provide opportunities for feedback from front-line employees to senior management.
- I. Assess competitiveness of total compensation program for recruitment and retention.
- J. Improve the quality of worklife for employees.

VI. We will protect the environment.

- A. Construct wetlands assimilation, heat dryers, and other beneficial reuse projects.
- B. Provide leadership in water environmental issues affecting Southeastern Louisiana.