



Sewerage & Water Board of New Orleans
Public Hearings on Funding for Water, Sewer and Drainage Systems

Problem Summary

- Cash balances have been depleted
- Income barely exceeds expenses
- No funds available for capital projects
- Expenses cut to unsustainable levels
- SELA Drainage projects are underfunded
- Large expenses for new pumping stations
- Accumulated fund settlements

MEETING SCHEDULE

Monday, January 23, 2012

Dryades Street YMCA
2220 Oretha Castle Haley Blvd.
6 p.m.

Thursday, January 26, 2012

City Council Chambers
1300 Perdido Street
6 p.m.

Monday, January 30, 2012

Lindy Boggs Conference Center
2043 Lakeshore Drive
6 p.m.

PURPOSE

The Sewerage and Water Board of New Orleans is holding public hearings on funding for water, sewer and drainage systems. The purpose of the public hearings is to:

- Communicate the financial problems facing the Sewerage and Water Board.
- Communicate the plans to address those problems.
- Receive feedback from citizens and businesses on solutions to the problems.

NEXT STEPS IN PROCESS

- Prepare transcript of meetings and post on S&WB website
- Present transcripts of meetings and recommendations to S&WB Board of Directors, Board of Liquidation and City Council for review and approval

Roots of the Problems

WATER SYSTEM

- Water revenues for 1980 – 1989 were \$35.7 million below recommended amount
- No revenue changes were implemented during 1990 – 2002
- Water revenues for 2003 – 2010 were \$149.8 million below recommended amount

SEWER SYSTEM

- Sewer revenues were equal to amounts recommended for 1980 – 1986
- No revenue changes were implemented during 1987 – 1997 and 2007 – 2010
- Sewer revenues were \$108.5 million below recommended amount for 1998 – 2006

DRAINAGE SYSTEM

- A new drainage service fee was proposed but not approved in 1998
- As a result, drainage system revenues were \$195.3 million below recommended amount for 1998 – 2010

Convenience and Value for Our Customers

The advertised cost of a case of 24 bottles of water at a national discount chain is \$3.48. At that price, the cost of 1000 gallons would be \$1098.22. Our price for 2012 is \$3.07. That's three-tenths of a cent per gallon, delivered to your tap. Our price to collect and treat 1000 gallons of waste water for 2012 is \$4.65. That's less than one-half of a cent per gallon, with the water returned safely to the environment. The increases that we are presenting will bring the 2012 cost of a thousand gallons of drinking water, equal to 24 forty-two gallon drums, to \$3.09 (our proposed price per thousand gallons for the first 3000 gallons).

RECOMMENDED RATE INCREASES

Year	Water	Sewer
2012	14%	15%
2013	14%	15%
2014	14%	15%
2015	14%	15%
2016	14%	15%

WHAT DOES THIS MEAN

Average Monthly Residential Bill Using 5,300 Gallons

Year	Water	Sewer	Total
	\$22.70	\$29.80	\$52.50
2012	\$25.88	\$34.27	\$60.15
2013	\$29.50	\$39.41	\$68.91
2014	\$33.63	\$45.32	\$78.95
2015	\$38.34	\$52.12	\$90.46
2016	\$43.71	\$59.94	\$103.65

Assumes rates go into effect July 1 of each year.