SEWERAGE AND WATER BOARD OF NEW ORLEANS

QUARTERLY REPORT ON OPERATIONS

QUARTER 3 (JULY, AUGUST, SEPTEMBER) 2026

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SECTION I. STANDARD INDUSTRY METRICS FOR BEST PRACTICE

A. PERCENTAGE OF WATER LOSS

Background. Utilities typically incur water loss in two ways. "Real loss" occurs when treated water is physically lost through leaks in pipes and other parts of the distribution system. "Apparent loss" occurs when treated water has been "lost" through unauthorized consumption (theft), aging or defective meters, meter reading inaccuracies, or billing and data errors. On average, utilities nationwide lose 16% of treated water.[1]

Q3 2026. As illustrated in Table A, the Sewerage and Water Board of New Orleans (SWBNO) lost 70% of its treated water thru Q3 of 2026. SWBNO currently lacks the capability to track the various reasons that can cause "real" and "apparent" water loss. However, the utility is actively pursuing projects that will provide meaningful improvements regarding water data, including the Smart Metering Program and the Water Quality Master Plan (both discussed below). SWBNO began using real-time metering at its Carrollton Water Plant in 2024, and the Algiers Water Plant is also metered. This has improved the utility's ability to accurately track water production rates and how much treated water is leaving the plants in real-time.

Table A: Q3 2026 WATER LOSS DATA

Water Produced 39.7 billion gallons	**Water Billed** (Water Consumed and Billed) 9.9 billion gallons (25%)	**Non-Revenue Water** (Water Consumed by Public Entities and not Billed)* (Water Loss) 29.8 billion gallons (75%)

***** *Non-Revenue Water includes authorized consumption by certain public entities that are not billed for water usage in accordance with La. R.S. 33:4096.*

B. PERCENTAGE OF WATER PAID

Table B: Percentage of Water Paid for Water System in Q3 2026

Water System	Billed, net*	Collected**	% Paid
Q3 2026	30,325,774	27,440,629	90%
Q2 2026	$27,474,846	$27,297,711	99%
Q1 2026	$30,724,492	$27,190,533	88%
Q4 2025	$29,811,143	$25,958,119	87%

[1] United States Environmental Protection Agency (EPA), *Water Audits and Water Loss Control for Public Water Systems*, July 2013.

Q3 2025	$29,463,091	$25,682,769	87%
Q2 2025	$29,560,854	$25,914,974	88%

** Billed reduced by customer credits awarded ** Cash basis inclusive of payment plans*

Table C: Percentage of Sewer Paid for Sewer System in Q3 2026

Sewer System	Billed, net*	Collected**	% Paid
Q3 2026	40,153,821	38,713,734	96%
Q2 2026	$33,625,423	$37,211,262	111%
Q1 2026	$37,150,447	$37,211,262	100%*
Q4 2025	$38,730,534	$38,217,172	99%
Q3 2025	$37,778,369	$35,149,928	93%
Q2 2025	$38,833,697	$38,584,024	99%

** Billed reduced by customer credits awarded ** Cash basis inclusive of payment plan*

C. RECEIVABLES OUTSTANDING & DELINQUENCY SCHEDULE

Table D: Delinquent Customer Accounts as of Q3 2026 (September 30, 2026)

Customer Type	Total # of Accounts	Total # of Delinquent Accounts*	Total % of Delinquent Accounts*	Total ($) Due from Delinquent Accounts*
Residential	121,414	21,793	18%	$42,258,597
Multi-Family	4,418	786	18%	$6,293,492
Commercial	12,311	1,436	12%	$14,298,136
TOTAL	**138,143**	**24,015**	**17%**	**$62,850,225**

** Delinquent accounts include those with bills that are 60 days past due.*[2]

1. PROMISE PAY

In Q1 2024, SWBNO launched Promise Pay, a program that allows customers to enroll in an interest free plan with flexible payment options, keep their account in good standing, and avoid a water shut-off. As of the end of Q3 2026, customers are enrolled in 17,837 payment plans. SWBNO has collected $37.9 million since inception of the program, and customers have committed to paying more than $23.8 million in future payments. The Promise Pay enrollment rate is 74% of customers with a past due balance (up 1 points from last quarter). SWBNO is continuing to promote Promise Pay with the objective of raising participation to 90% over the next few quarters.

For customers who do not voluntarily enter into a payment plan, service interruptions are being completed pursuant to our collections policy and Chapter 159 of the City Code.

D. CUSTOMER SERVICE IMPROVEMENTS

1. PERFORMANCE DATA

9,035

Customer emails answered in Q3 2026

11,323

Walk-in customers served at Customer Service Centers in Q3 2026

53,425

Customer calls answered in Q3 2026

Table E: Call Center Performance Data for Q3 2026

Month	Total Calls Received	Total Calls Answered	Total % Calls Answered	Total # Calls Dropped	Total % Calls Dropped	Average Wait Time
July	22491	18358	82%	4133	18%	3:38
August	20741	17776	86%	2965	14%	2:37
September	20946	17291	83%	3654	17%	3:14
TOTAL	**64178**	**53425**	**83%**	**10752**	**17%**	**3:09**

[2] SWBNO, Delinquent Bill Process, Updated November 2023.

2. CUSTOMER SERVICE TRAINING

In Q3 2026, the Customer Service Department filled open vacancies that were needed to consistently provide exceptional customer service. Additionally, we are in the process of conducting refresher training for all CSRs. This will help us improve our positive interactions with customers and promote workplace professionalism. In Q4, we plan to hire additional managers to strengthen our staff. In addition, we will improve the Customer's Experience by adding a training track for Supervisors, the Billing Team, and a Stress Management course for all employees.

3. BILLING DISPUTES

During Q3 2026, SWBNO continued the process of enabling an outside, third-party consulting firm, selected by the City Council, to hear and handle customer billing disputes[3]. Upon request by customers, State-appointed arbiters have also started hearing appeals when a customer disagrees with the decision of the third-party firm. SWBNO maintains open communications with the City Council's Utilities Regulatory Office and the third-party firm to discuss issues related to customer disputes, including disputes that are awaiting arbitration, pending a SWBNO investigation, or where billing credit was granted. SWBNO remains committed to supporting the efforts of the firm and arbiters as they work to resolve customer disputes on the utility's behalf.

SECTION II. PROCESSES & INDICATORS FOR PREVENTION OF WASTE OR FRAUD

Background. As a steward of public funding and resources, SWBNO is committed to maintaining a system of Anti-Fraud, Waste, and Abuse (AFWA) during the regular course of its operations. To this end, SWBNO uses various policies, processes, and procedures to prevent, detect, report, and rectify fraud, waste, or abuse wherever it may exist throughout the utility. Updates for Q3 2026 include:

- **Act 393.** The Internal Audit Department (IA) conducted a review of SWBNO's compliance with Act 393 (2023). Act 393 of the 2023 Louisiana Legislative Session updated the state's Open Meetings Law to allow eligible public bodies to hold meetings via electronic means and requires all public bodies to provide ADA-compliant remote participation options for people with disabilities. The final report was issued in Q3 with no Findings identified.

[3] New Orleans City Council, Ordinance Calendar No. 34,775, adopted September 5, 2024.

- **Vehicle Rentals / Leasing.** IA is conducting a review of SWBNO's use of leased and/or rented vehicles (particularly in lieu of fleet) and any risks that may be associated. Q3 ended with the review in the Fieldwork phase.

- **Timeclock Review (Overtime Pay).** SWBNO is currently in the process of employing Biometric Timeclocks for the departments that have historically logged the highest amounts of Overtime Pay; and Internal Audit is shepherding the implementation process. The biometric devices are being rolled out in three groupings: (1) Networks; (2) Pumping and Power; and (3) Support Services. Q3 ended with Biometric Form collection and initial clock installation being complete for all three groupings. (HR system reconciliations for Group 1 and data quality / consistency checks for Group 2 are both slated for Q4.)

- **Warehousing Follow-Up Review.** IA is conducting a Follow-Up Review of Warehousing Controls. The initial Internal Audit report was issued in August of 2024, which included 6 Findings and 11 associated Recommendations. (All Recommendations were accepted by Management.) The Follow-Up Review began in Q3 and is currently in the Planning phase.

- **Annual Comprehensive Financial Report (ACFR).** During Q3, SWBNO's ACFR for the fiscal year ended December 31, 2025 was approved by the Louisiana Legislative Auditor (LLA) and made public via their website on August 12, 2026.

- **Change Order Modification Review Committee**. This non-voting committee, comprised of representatives from the Finance, General Superintendent, Legal, and Project Delivery Unit departments, meets regularly to discuss change orders introduced by SWBNO project managers. In Q3 2026, the committee reviewed 18 change orders in the amount of $299,243,914.20, zero contract amendments in the amount of $0.00, and two contract renewals in the amount of $16,183,810.00, all of which were subsequently approved by the board.

- **Lighthouse Reporting System.** SWBNO continues operating its internal reporting system, which encourages employees to submit complaints regarding waste, fraud, and abuse for investigation.

SECTION III. PERFORMANCE METRICS FOR EMPLOYEES & CONTRACTORS

A. WATER SYSTEM WORK ORDERS & PERFORMANCE METRICS

In Q3 2026, SWBNO completed more than 4,200 water system work orders. SWBNO's Networks Department primarily performed this work, with assistance from the utility's contractors.

Table F: Q3 2026 SWBNO Networks Department Water System Performance Metrics

SWBNO Networks Dept. Work Order Type	Work Orders Created Q3 2026	Work Orders Completed Q3 2026	Average Days to Completion Q3 2026
Hydrant Leak	70	127	122
Service Leak	2928	2665	16
Main Break	296	265	16
Meter Inspection/Repair	426	389	19
TOTAL	**3720**	**3446**	**43**

Table G: Q3 2026 SWBNO Contractors Water System Performance Metrics

SWBNO Contractor Work Order Type	Work Orders Created Q3 2026	Work Orders Completed Q3 2026	Average Days to Completion Q3 2026
Hydrant Leak	2	2	202
Service Leak	4	2	1178
Main Break	11	16	120
Meter Inspection/Repair	102	31	109
TOTAL	**119**	**51**	**402**

B. SEWER SYSTEM WORK ORDERS & PERFORMANCE METRICS

In Q3 2026, SWBNO completed more than 900 sewer system work orders. SWBNO's Networks Department primarily performs this work, with assistance from the utility's contractors.

Table H: Q3 2026 SWBNO Networks Department Sewer System Performance Metrics

SWBNO Networks Dept. Work Order Type	Work Orders Created Q3 2026	Work Orders Completed Q3 2026	Average Days to Completion Q3 2026
House Connection Backup	472	472	0
House Connection Overflow	86	86	0
Lead Repair	164	196	48
Main Repair	48	26	26
Manhole Overflow	63	62	0
TOTAL	**833**	**942**	**15**

Table I: Q3 2026 SWBNO Contractors Sewer System Performance Metrics

SWBNO Contractor Work Order Type	Work Orders Created Q3 2026	Work Orders Completed Q3 2026	Average Days to Completion Q3 2026
House Connection Backup	0	0	0
House Connection Overflow	0	0	0
Lead Repair	10	9	227
Main Repair	14	10	219
Manhole Overflow	1	2	132
TOTAL	**25**	**21**	**116**

C. PAVEMENT REPAIR WORK ORDERS & PERFORMANCE METRICS

In Q3 2026, SWBNO and its contractors completed more than 1,000 paving work orders. SWBNO continues to work toward its goal of completing paving repairs within four weeks of creating a work order.

Table J: Q3 2026 Pavement Repair Performance Metrics

Work Order Responsibility	Total Open Work Orders Q3 2026	Work Orders Created Q3 2026	Work Orders Completed Q3 2026	Average Days to Completion Q3 2026
SWBNO	483	1079	1108	55
SWBNO Contractors	75	41	134	173
TOTAL	**558**	**1120**	**1242**	**114**

***** *Project delays involving the Joint Infrastructure Recovery Roads Program (JIRR) and Sewer System Evaluation & Rehabilitation Program (SSERP) have extended the completion timeframe for some work orders managed by SWBNO's contractors.*

SECTION IV. COORDINATION WITH DEPT. OF PUBLIC WORKS

A. INFRASTRUCTURE COORDINATING COUNCIL

The Infrastructure Coordinating Council (ICC), established by Mayor Moreno through Executive Order HM 26-04 in January 2026, is a standing advisory body within the Chief Administrative Office, chaired by the Deputy CAO for Infrastructure. The Council aligns planning, operations, and project delivery across the City's infrastructure agencies, reduces duplicative work and avoidable street cuts, and provides the Mayor with a single forum for monitoring infrastructure performance. The Executive Director serves as SWBNO's formal representative, with the General Superintendent and Chief Information Officer designated as points of contact for ongoing Council activity.

During the second quarter, the ICC delivered its Integrated Infrastructure Workplan (April 2026) and first quarterly Report to the Mayor (May 2026). SWBNO contributed to both, primarily through subcommittee work on the dashboard, data sharing, and coordination protocols. The ICC dashboard launched publicly on July 13, 2026, at www.nola.gov/icc, and currently consumes SWBNO work order information, giving the City and the public visibility into where SWBNO maintenance activity is occurring alongside other infrastructure work.

On the GIS and Project Identification Subcommittee, SWBNO is co-developing the technical framework and data exchanges that support the dashboard and is facilitating coordination protocols for street and lane closures associated with its capital projects and lead service line replacement activity. This coordination is currently handled through manual notification. A Cooperative Endeavor Agreement between SWBNO and the City, now under review by SWBNO legal counsel and the City Attorney, will allow both parties to configure their GIS systems to exchange work location and closure information in near real time. The CEA will govern three priority interfaces covering GIS infrastructure data, work order

locations, and 311 service requests, and is the prerequisite for SWBNO's capital project data exchange with the dashboard, including project information from the lead service line replacement initiative being executed with CDM Smith.

SWBNO also participates in the ICC's district-level working group meetings, which rotate through the five Council districts and have surfaced coordination items and constituent concerns that SWBNO staff follow up on directly. Additional SWBNO staff support the Funding, Permitting, and Communications subcommittees. Fourth quarter priorities include execution of the CEA, paving coordination between DPW and SWBNO, and initiation of the capital project data exchange.

B. DRAINAGE SYSTEM CONSOLIDATION

In January 2025, SWBNO and the City executed an agreement, consolidating drainage operations and transferring responsibility for the "minor" drainage system to the utility.[4] For 2025, the City identified $18.9 million, as shown in Table K, to support operations of the minor drainage system. This funding will help SWBNO begin assessing and cleaning some of the system. However, to reach the utility's goal of assessing and cleaning 20% of the minor drainage system each year and completing a full assessment and cleaning of the system every five years, which aligns with best practices, a total of $25 million to $40 million will be needed annually.

Table K: Identified Funding for the Minor Drainage System

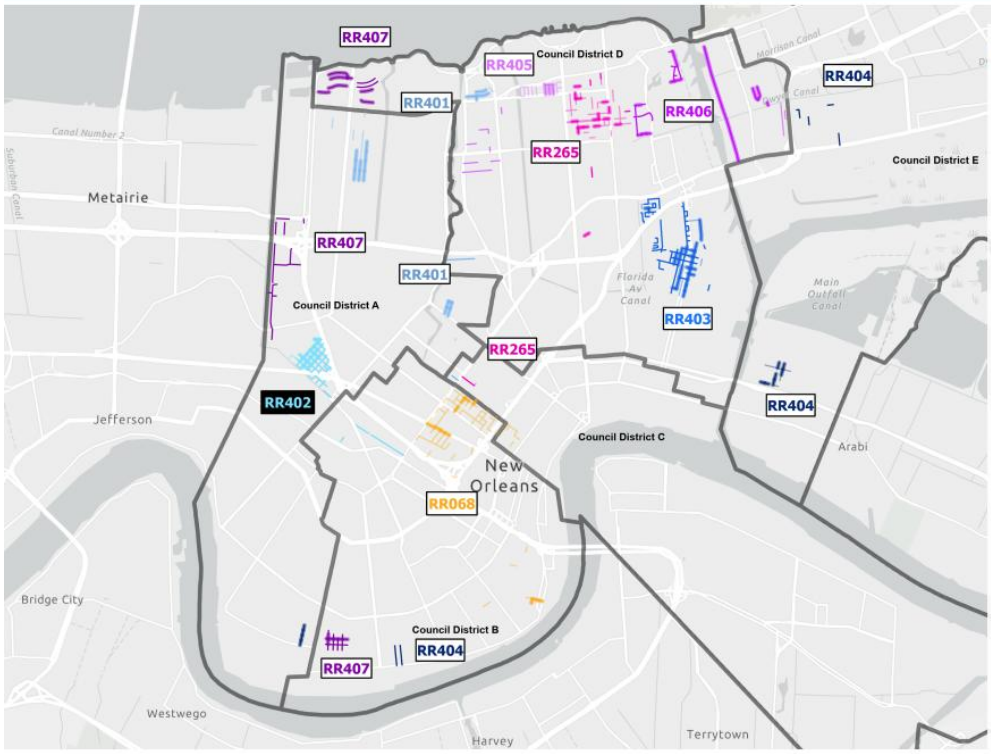
Proposed Revenue Source	Original Estimate 2025	Actuals 2025	Original Estimate 2026	Actuals 2026 - August
American Rescue Plan Act (ARPA) (one-time)	$3.7M	$3.7M	$0	$0
Total Traffic Camera Revenue **	$5.2M	$0	$4M	$3.4M
Special Fair Share Allocation (recurring)	$5M	$0	$0	$0
DPW Share (25%) of Infrastructure Maintenance Fund (recurring)	$5M	$5.8	$6M	$3.4M
Total	**$18.9M**	**$9.5M**	**$10M**	**$6.8M**

**June 2024 to Dec 2025 net collected and forwarded to SWBNO Minor Drainage (April 2026)

[4] Agreement between the City of New Orleans and Sewerage and Water Board of New Orleans for Transfer and Consolidation of Drainage Operations Pursuant to Acts 783 and 103 of 2024, January 14, 2025.

C. JOINT INFRASTRUCTURE RECOVERY ROADS PROGRAM (JIRR)





FEMA Visit

The JIRR program team, City leadership, FEMA and GOHSEP visited construction sites on August 26, 2026. They gathered the following day to review the Quarter 2 2026 Progress Report.

The team prepared a site tour booklet to show the active and upcoming construction progress maps as well as a fact sheet about each project. The tour stopped by each NOFOG project including the following blocks specifically:

RR401 - Bertha Drive, Memphis Street, General Diaz New York, Frankfort, and Cartier Streets

RR402 - Dixon Neighborhood

RR403 - Johnny Jackson and Adjacent Streets

RR404 - Arabella Street

RR405 - Warrington, Waldo, Wainwright, Wadsworth Curie and Cameron Streets

RR406 - Mithra, Mexico and Pauline Streets

RR407 - Crystal Street





JIRR Program Delivery Team

MONTHLY PROGRESS REPORT

AUGUST 2026

Construction Progress

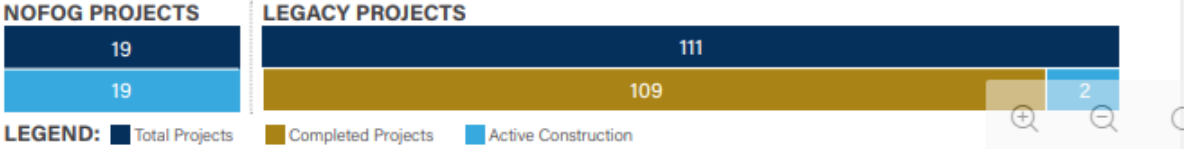
Increasing project effectiveness and stakeholder transparency.

The remaining legacy projects, RR068 and RR265, are forecasted for substantial completion in the fourth quarter of 2026. All New Orleans FEMA Optimized Group (NOFOG) projects are currently under construction.

Project ID	Project Name	Council District	Total Blocks on Project	Blocks Complete	Blocks Under Construction	Total Blocks Remaining	Forecasted Substantial Completion
RR068	Iberville, Tulane-Gravier, LGD, CBD Group A	BC	89	78	11	0	Quarter 4 2026
RR265	Milneburg & Treme-Lafitte 2025	C	70	49	15	6	Quarter 4 2026
RR404	East Riverside Group B (RR036)	B	8	0	0	8	Quarter 2 2028
	Audubon Group C (RR255)	A	4	0	4	0	
	Plum Orchard Group D (RR137)	E	5	0	0	5	
	LNW Northwest Group C (RR110)	E	15	8	7	0	
RR406	Pines Village Group C (RR135)	D	9	4	5	0	Quarter 3 2028
	Pontchartrain Park Group C and D (RR211)	D	25	0	7	18	
RR401	Bayou St. John, Fairgrounds, Seventh Ward Group C (RR005)	AD	9	1	5	3	Quarter 3 2028
	Lake Terrace and Oaks Group B & C (RR219)	D	5	1	4	0	
	Lakeview North Group F and G (RR222)	A	15	6	9	0	
RR405	Filmore North Group C (RR039)	D	5	0	0	5	Quarter 3 2028
	Filmore South Group C (RR044)	D	4	0	0	4	
	St. Anthony East/West Group B and C (RR227)	D	18	13	3	2	
RR403	Desire Group C (RR028)	D	75	8	17	50	Quarter 4 2028
	Desire Group D (RR029)	D	36	0	10	26	
RR402	BW Cooper, Gert Town, Dixon Group E (RR018)	B	11	0	0	11	Quarter 4 2028
	BW Cooper, Gert Town, Dixon Group A and D (RR213)	A	74	4	24	46	
RR407	Uptown Group B (RR184)	B	22	0	7	15	Quarter 4 2028
	Lakeshore Group C and D (RR221)	D	10	1	7	2	
	Lakewood Group B and C (RR223)	A	20	0	0	20	
ACTIVE AND UPCOMING BLOCKS TOTAL			**529**	**173**	**135**	**221**	
JIRR Program Total Completed Blocks: 5,765 (▲183 blocks)							

JIRR Program Project Tracker

The 19 NOFOG projects have been combined into 7 groups to optimize project delivery and construction.



D. DRINKING WATER TRANSMISSION MAINS

SWBNO continues progress on replacing aging transmission mains within its water distribution system. SWBNO has implemented pilot programs on leak detection, including satellite leak detection technology. Staff is currently evaluating the results of that program and is investigating in-line inspections of our transmission mains. Staff has also contracted with a local modeling firm to update our distribution water model to be able to run various scenarios to find weaknesses in the distribution system. These federally funded projects are managed by SWBNO in cooperation with the City of New Orleans as part of the Joint Infrastructure Recovery Roads Program (JIRR).

Table L: Transmission Main Projects (Locations)

Completed Projects	In Progress
South Claiborne Completed April 2024 South Claiborne & Third St. Completed February 2025	Decatur & St. Peter Notice to Proceed issued May 2025 Sixth Street, Magnolia, Joseph, and Willow, Cohn Street, Palmetto Canal, Florida Ave and Elysian Fields, Spruce Street Advertised for bids July 6, 2026

SECTION V. EFFICIENCY AND EFFECTIVENESS OF INFORMATION SYSTEMS

SWBNO is engaged in a multi-year initiative to replace aging information management systems. The modernization and replacement of major enterprise systems address outdated technology in financial management, human resources, customer billing, and asset management. Technology modernization is a core priority in the five-year **strategic plan** and is essential to operational reliability, regulatory compliance, and administrative efficiency.

Key progress in Q3 2026 includes:

- **New Financial Management System.** Oracle Cloud Financials went live on February 9, 2026, replacing the legacy mainframe financial system. Phase II of the project, which added budget planning and forecasting capabilities, went live in June 2026 and the implementation partner continues to provide post-go-live support. Historical financial data is being preserved and migrated to retire the legacy mainframe environment. The data is expected to be delivered to the vendor by YE2026 for loading into the data warehouse.

- **New Human Capital Management System.** SWBNO has selected Dayforce as the new platform for payroll, benefits, time tracking, and workforce analytics. Implementation activities began in Q1 2026 and implementation continued through Q3 2026. The system will consolidate HR processes that currently span multiple applications and enable improved reporting on workforce management. Full deployment is planned for mid-year 2027.

- **New Customer Information and Billing System.** The solicitation for a replacement customer billing system was advertised in Q4 2025, and responses were received. The Selection Committee moved to re-issue the solicitation based on the quality of responses, which occurred in Q2 2026. The procurement is back in the selection phase. Implementation remains targeted for 2029. The new system will replace software that runs on aging technology and will improve billing accuracy, customer account management, and revenue processing.

- **New Asset Management System.** The Board has contracted with 1898 & Co. to implement Trimble Unity Maintain, a cloud-hosted enterprise asset management platform. Implementation is set to begin in Q4 2026 and is estimated at approximately 27 months in two phases. The first phase covers linear assets (water, sewer, and drainage) and work order transition from the legacy system. The second phase covers facilities and equipment. The new system will replace a work order application that runs on outdated technology and lacks integration with other utility systems.

SECTION VI. ASSESSMENT & STATUS OF TECHNOLOGIES & OPERATION PROGRAMS & STRATEGIES FOR SYSTEM REDUNDANCY & SERVICE IMPROVEMENTS

A. WORK ORDER DASHBOARD

SWBNO maintains a **Work Order Dashboard**. While the dashboard is in the beta version, it can be used by customers to view open work orders citywide. The dashboard, which is updated weekly, provides the type of work order, the date the work order was opened, and the average days for repair. A search tool enables customers to find work orders by street address. The goal is to provide the public with more information and transparency regarding issues that have been reported to the utility and the status of repairs.

B. PUMPING AND POWER DASHBOARD

SWBNO maintains a **Pumping and Power Dashboard** that provides the public with regular updates on pumps, pump maintenance, and power.[5] The utility created the dashboard to serve as a resource of information and improve transparency around the utility's operations.

C. NEW CUSTOMER PORTAL

SWBNO maintains a **user-friendly online customer account portal.** The new account format provides details about water usage (including hourly, daily, and monthly meter readings), enables customers to receive alerts and notifications regarding account and usage activity, and illustrates key data points in easy-to-understand graphs and charts. The account also empowers customers to learn more about their water usage based on smart meter data and, if desired, make conservation choices.

SECTION VII. OPERATIONAL REFORMS, CAPITAL IMPROVEMENT PROGRAMS, & SERVICE ASSURANCE PROGRAMS

A. POWER COMPLEX

Commissioning of the Power Complex continues with T7 completing commissioning in July. If needed, T6 and T7 can be used to power the SFCs, providing an alternative power source to the Sullivan Substation. Final installation and commissioning for all three SFCs and complete tasks related to the equipment controls system integration are completing the project closeout process. The SFCs are now utilized as the main 25 Hz power source for daily operations. SWBNO is working towards the agreements needed with MISO and or Entergy to be able to co-generate power from onsite turbines along with the Sullivan substation, to provide voltage stability in the event of a transmission-level voltage fluctuation. The SFCs are configured to handle a voltage sag down to 28 percent of nominal voltage.

An additional funding source for future contracts was secured as part of a grant awarded to the State of Louisiana from the Department of Energy for the Louisiana Hubs for Energy Resilient Operations (HERO) program, which will allow SWBNO to connect drinking water pumps to the new substation. The sub-recipient application process was announced by the Louisiana Department of Natural Resources (LDNR) in early April 2025. SWBNO submitted the required application on time and remains in contact with the LDNR office throughout the review process. It is anticipated that a subrecipient agreement for this grant

[5] The Pumping and Power Dashboard can be accessed here: https://www.swbno.org/Projects/PumpingandPower.

will be executed in the next 6 months, to allow SWBNO to advertise the projects associated with the $34M grant program ($17M grant funds with a $17M matching requirement).

Additionally, $8M in capital outlay funds were allocated to the Power Complex during the 2025 legislative session and reauthorized in 2026. Projects utilizing this funding are being prepared for bid, including a permanent fuel delivery system for Turbine 7, as well as a new blackstart generator for the entire complex.

B. SMART METER PROGRAM

- **Installation Progress.** At the end of Q3 2026, more than 137,**800** smart meters have been installed. More than 96% of all customer accounts now have a new smart meter.

- **New Smart Meter Bills**. At the end of Q3 2026, more than 130,000 customers are receiving smart meter bills and SWBNO surpassed its goal of having 101,000+ accounts registered for the Online Account Portal (75% of total accounts), which provides an additional communication engine for customer specific messaging and broader alerts. SWBNO is continuing targeted communications to assure customers that smart meter data and bills are accurate. Surpassed both Paperless and Auto Pay registrations.

- **Improved Leak Detection.** By utilizing new smart meter data, SWBNO's customer portal has sent an average of 9,400 potential leak notifications each month. Approximately 36% of those customers repaired the leaks. The Customer Portal has an 'Investigate a Leak Module' allowing customers to proactively check their property for leaks before calling a plumber. Approximately 50% of customers open their leak alerts and 50% click through for additional information to investigate further.

C. LEAD SERVICE LINE REPLACEMENT PROGRAM

In late July 2026, SWBNO officially launched its Lead Service Line Replacement Program--a major, 10-year program to inspect and replace all lead service lines in its water system. (Learn more about lead awareness **here.**) The program is about protecting the health of our community today and for future generations. This is a shared priority among our local, state, and federal partners, and key steps to carry out this program are already underway. Major Q3 2026 updates include:

- **Program Management.** SWBNO hired CDM Smith to manage the lead service line replacements, inventory, mitigation, and communications required by the Environmental Protection Agency (EPA). Notice to Proceed was issued in late July.

- **LSLR Program Ramp Up:** The Program Team has begun working on the following to set up the foundation for the program:
    - Program management plan and quality management plans
    - Developing a prioritization model based on a variety of factors and characteristics to help determine the program schedule
    - Data management tool development to track field activities, outreach and customer communication, and other success and compliance metrics
    - Drafting a community survey to launch in October to inform the prioritization model and outreach
    - Recruiting and training canvassers who will help educate customers about the program, inform them before work happens, and answer questions
    - Developing outreach materials to support an initial launch (in a small area of the city) of the program starting in mid-October
    - Developing a strategic communications plan for the program
    - Designing bid packages for inspection and replacement work
    - Exploring additional funding opportunities

- **Inspection Pilot Program in Gentilly:**
    - SWBNO began a pilot inspection program in Gentilly in mid-September to test hydrovac technology for service line inspections at 45 residential properties in Gentilly.
    - The goal is to identify the effectiveness of this technology and understand the cost-benefit analysis of using it for the broader program.
    - The pilot was successful in confirming that the method was minimally invasive and will be recommended in the future contracts.
    - Before starting work, we canvassed the area and left door hangers letting residents know about the upcoming work.
    - We hosted a community information session on Thursday, September 24 at Mt. Tabor Baptist Church.
    - Work is anticipated to be completed in early October.

- **Lead Service Line Inventory.** Our interactive inventory map continues to be available to the public online on the **Lead Awareness** webpage. Each year notifications to customers with lead, galvanized steel, and unknown service lines will be mailed with information about the program and their service line material.

- **Favorable Attorney General Opinion for Use of Public Funds on Private Property:** In April, SWBNO received a favorable opinion from the state Attorney General (AG) giving New Orleans the ability to use public funds for lead service line replacements on private property.

Legal reviews acknowledge this gives SWBNO the approval needed to move forward. While waiting for the AG opinion, SWBNO pursued a constitutional amendment route as well as a back-up. Constitutional Amendment No. 7 will offer the same benefits New Orleans currently has (via the AG opinion) to the rest of the state.

D. WATER QUALITY IMPROVEMENTS

The Water Quality Master Plan, completed in April 2026, identified the next level of investments and upgrades needed at the Carrollton and Algiers water treatment plants. It considered new technology, the current and changing regulatory landscape, and the potential impacts of climate change. The next steps in this effort include the following:

- Implement a corrosion control optimization pilot test at the Algiers Water Treatment Plant, which will help protect against lead exposure from drinking water and impacts from future saltwater intrusion events in the Mississippi River. This pilot test commenced in June 2026.

- Implement a coagulant chemical pilot test at Carrollton Water Plant to improve efficiency and possibly reduce chemical costs (planned for 2027).

- Begin a request for proposals for preliminary design for the first phase of rehabilitation of treatment facilities at the Carrollton Water Plant, which is part of a 30-year capital improvement plan (CIP). This first phase will consist of replacing the sedimentation basins.

- Obtain funding for a 5-year CIP through state capital outlay program, to fund critical repairs that are needed to maintain level of service while the larger replacement program is being developed. In the 2026 Legislative Session, $9.5M in P2 funding was approved for Water Treatment Plant Modernization projects, with an additional $4.5M approved in P5 funding.

- In Q3 2026, SWBNO proceeded with state drinking water revolving fund loan materials for the Bulk Chemical Storage Facility project, to address long-standing chemical storage needs. This project and be done in parallel with other capital projects as part of the Water Quality Master Plan.

E. SEWER (WASTEWATER) IMPROVEMENTS

SWBNO has concluded the design phase of major improvements for both the East Bank and West Bank Sewer Treatment Plants. SWBNO will use $38 million in state loans to pay for these upgrades and improvements. SWBNO has competitively bid and awarded Phase I Improvements for the East Bank Sewer Treatment Plant to RNGD. The notice to proceed was September 25, 2026.

F. SELA DRAINAGE PROJECTS

The U.S. Army Corps of Engineers (USACE) is currently managing the construction for SELA 72.2 General DeGaulle Drive Drainage Canal Improvement Project. This project includes drainage improvements in Algiers, as well as earthen levee improvements near the Algiers Outfall Canal. The contractor is performing upgrades to the General DeGaulle canal as well as a couple of side streets adjacent to the project. USACE has awarded SELA 26.1A Florida Ave Phase IV project and started construction. The project includes upgrades to the SWB utilities near the Peoples Ave Canal and the Florida Ave Canal to make way for drainage upgrades in the next phase. The Contractor is currently performing their Jack and Boring work under the railroad tracks along the canal. This work is the major sewer line relocations needed, and is being performed 24/7 to complete in a timely manner.

G. SWBNO WORKFORCE DEVELOPMENT PIPELINE PROGRAM

Throughout 2026, SWBNO has continued to strengthen workforce development efforts through our HR Roadmap by actively participating in recruitment events, career fairs, and community outreach initiatives designed to connect job seekers with meaningful employment opportunities. Through partnerships with organizations such as Goodwill Industries, Job1, Job Corps, Café Reconcile, Tulane University, Loyola University, the Youth Career Expo, NOFJC, MSYEP, and other community stakeholders, SWBNO expanded its reach within the community and promoted awareness of career opportunities across the organization.

As part of its commitment to building a diverse and sustainable workforce, SWBNO remains dedicated to creating pathways to employment for individuals seeking second-chance opportunities, unemployed residents, and emerging professionals entering the workforce. These efforts support both immediate hiring needs and the long-term development of a strong talent pipeline for the organization.

Looking Ahead

To further strengthen workforce development and address future workforce needs, SWBNO is exploring the development of a **School-to-Work Pipeline Program** in partnership with the City of New Orleans and local workforce development organizations. The initiative would establish a dedicated part-time, direct-hire position designed to provide entry-level candidates with hands-on, paid work experience while receiving supplemental industry-specific training through workforce development partners.

The program is envisioned as a pathway for individuals seeking careers in public service and utility operations, while creating a sustainable talent pipeline for critical operational functions. Participants would gain practical experience within high-demand departments and develop the skills necessary to compete for permanent full-time positions.

Potential participating areas include:

SWBNO:

- Water Purification
- Water Treatment
- Sewer & Water Networks
- Drainage Networks
- Support Services
- Machine Shop
- Electric Shop
- Power Operations

City of New Orleans (Current Confirmed Participants):

- Parks & Parkways
- Department of Public Works
- Office of Resilience

Potential Workforce Development Partners include:

- Louisiana Green Corps
- Groundwork New Orleans
- New Orleans Career Center
- Other community-based workforce organizations

This approach is modeled after a successful workforce development partnership implemented in Philadelphia, where the water utility, workforce development organizations collaborated to repurpose an existing position classification to create a structured training-to-employment pathway. Participants received paid on-the-job experience while building qualifications that are directly aligned with full-time entry-level positions, creating a seamless transition from workforce development programs into long-term careers.

Table M: Q3 2026 Workforce Data

	Requisitioned Positions	New Hires	Resignations	Terminations	Retired
Q3 2026	90	34	23	7	10
Q2 2026	152	35	21	12	10
Q1 2026	85	8	19	5	10
Q4 2025	76	57	17	9	3
Q3 2025	99	27	9	15	1

SECTION VIII. IDENTITY & DETAILED INFORMATION ON THE STATUS OF ALL PROJECTS AND IMPROVEMENTS MADE SINCE THE CLOSE OF LAST QUARTER

See information and updates included in Section VII (Operational Reforms, Capital Improvements, and Service Assurance Programs).