Sewerage and Water Board of New Orleans
Water Loss Control

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Purpose of This Report

The purpose of this evaluation was to determine how much water the Sewerage and Water Board of New Orleans (SWBNO) was losing through its water distribution system and what policies and practices it employed to reduce water loss. The evaluation sought to determine if the SWBNO followed best practices for water loss control and if these policies and practices were effectively implemented throughout the SWBNO system. Given the importance of the SWBNO in providing safe drinking water reliably and affordably, it is important that the SWBNO manage this critical resource efficiently and effectively.

What the OIG Found

The OIG found that the SWBNO experienced significant amounts of non-revenue water, including losses due to both infrastructure weaknesses and metering and billing errors. SWBNO water losses were found to be consistently above the highest range of industry averages of 45.5 percent, with a ten-year average of non-revenue water of approximately 73 percent between 2008 and 2017. OIG evaluators found the SWBNO continued to experience similar rates in 2021 and 2022, with 75 percent water loss in 2021 and 64 percent water loss in 2022. The OIG also found that, while the SWBNO followed certain practices employed at other water utilities, it did not adopt many of the most basic elements of water loss control best practices recommended by the American Water Works Association and the United States Environmental Protection Agency. The most glaring omission in the SWBNO's practices was the lack of annual water audits, upon which operational planning and evaluation are based. Significantly, the SWBNO lacked the capacity to collect the necessary data to conduct water audits.

OIG evaluators found that the SWBNO had embarked on several new projects that agency officials expected to greatly enhance their ability to better manage the City's water resources. The utility had begun an Advanced Metering Infrastructure System program, or smart meter program, and had begun planning a Water Quality Master Plan and an Enterprise Asset Management Work Order System Plan. However, the SWBNO did not have a formal framework for water loss control based on best practices through which it could evaluate these programs. Moreover, while the SWBNO had entered into a contract for the implementation of the smart meter program in late 2022, this program was not expected to be completed and fully launched until sometime in 2025. Meanwhile, the SWBNO's requests for proposals for the Water Quality Master Plan and the Enterprise Asset Management and Work Order System were still under development at the conclusion of the OIG's review. A final finding was that the SWBNO was not consistent in reporting water loss to the City Council of New Orleans. The inability of the SWBNO to reliably collect relevant data hampered the utility's ability to meet its legal responsibilities to provide the City Council and other stakeholders with percentage water loss. Specifically, evaluators found that:

1. The SWBNO had rates of non-revenue water far greater than industry averages.
2. The SWBNO did not have a comprehensive, integrated water loss control program that was consistent with the framework and best practices offered by the Environmental Protection Agency and the American Water Works Association.
3. The SWBNO did not report water loss to the City Council as required by Louisiana Revised Statute 33:4091.

What the OIG Recommended

While recognizing the SWBNO had begun planning and/or implementing several large projects to improve its operations, the OIG recommended:

1. The SWBNO should firmly place its water loss control programs within best practice frameworks, beginning with annual water audits, and dedicate the necessary resources to keep these programs on track over the long term.
2. The SWBNO should enhance its data collection efforts to ensure it can provide meaningful data in complying with reporting requirements.