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**MEDIA CONTACT: Edward Michel, Inspector General**

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**Phone Number: 504-681-3200**

## **OIG FOUND HIGH WATER LOSSES AND WEAK WATER LOSS CONTROLS AT SEWERAGE AND WATER BOARD**

As detailed in the Sewerage and Water Board of New Orleans Water Loss Control report released today, the Office of Inspector General (OIG) conducted an evaluation of the Sewerage and Water Board of New Orleans' (SWBNO) policies and procedures regarding water loss control. The period under review was February 1, 2019 through April 1, 2023. After reviewing internal documents and published reports, the OIG concluded that the SWBNO experienced water losses far greater than industry averages and did not have comprehensive water loss control policies and practices consistent with best practices.

During the evaluation, evaluators found consistently high levels of non-revenue water, which included water losses due to both infrastructure weaknesses and metering and billing errors. These losses hovered around 70 percent of total water produced each year for over a decade. This translated to a combined loss of over \$19M for 2021 and 2022 in expenditures to treat water that was ultimately never billed. Further, evaluators discovered that, while the SWBNO utilized intervention activities employed by some other water utilities, it did not adopt many of the best practices recommended by the American Water Works Association or the U.S. Environmental Protection Agency for water loss control programs. This included the recommendation of an annual water audit to assess the amount of water lost through infrastructure leaks. The SWBNO lacked the capability to collect the data necessary to conduct the recommended audits. Moreover, the agency did not have a formal framework for water loss control through which it could evaluate the effectiveness of its water loss intervention activities. Finally, evaluators found that SWBNO officials did not report water losses to the New Orleans City Council on a quarterly basis, as required by La. R.S. 33:4091.

The combination of high water losses and no discernable overarching water loss control framework raised concerns about waste of natural and financial resources, as well as the efficiency and effectiveness of operations at the SWBNO.

To address these findings, the OIG recommended:

- 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.
- The SWBNO should enhance its data collection efforts to ensure it can provide meaningful data in complying with reporting requirements.

Inspector General Ed Michel stated:

*“As part of the City’s critical infrastructure, the Sewerage and Water Board of New Orleans has a duty to provide safe drinking water to the citizens of New Orleans in a manner that is fiscally responsible and protects our natural resources. While the OIG is encouraged that the utility has taken steps towards improving its ability to measure leaks in the system, the lack of a comprehensive plan to evaluate and control water loss impacts the effectiveness of SWBNO operations.”*

In addition to today’s report, the OIG released a brief with highlights. Go to [www.nolaoig.gov](http://www.nolaoig.gov) to view all OIG reports.

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