

BOARD OF DIRECTORS' MEETING

September 18, 2024

MEETING MINUTES

SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Board of Directors for the Sewerage and Water Board of New Orleans (SWBNO) met on Wednesday September 18, 2024, at 9:02 AM in the Executive Boardroom. Special Counsel Ms. Yolanda Grinstead called the roll and confirmed the following members were present: Hon. Mayor LaToya Cantrell, Director Lynes Sloss, Director Janet Howard, Director Tamika Duplessis, Director H. Davis Cole, Director Chadrick Kennedy, Director Robin Barnes, Director Joseph Peychaud, Director Maurice Sholas, Director Tyler Antrup.

The following member(s) were absent: Councilmember Freddie King,

Staff present were: Ghassan Korban, Executive Director; Renee Lapeyrolerie, Chief of Staff; Grey Lewis, Chief Financial Officer; Stephen Nelson, General Superintendent; Yolanda Grinstead, Special Counsel; Irma Plummer, EDBP; Tanyell Allen, Board Relations.

Prior to beginning the meeting, Hon. Mayor Cantrell gave her opening remarks. Mayor Cantrell stated the city is coming off the hills of Hurricane Francine. During Francine the city experienced 7-9 inches of rainfall throughout the evening. The climate has changed for the city as well as for other cities. SWBNO was integrated into the homeland security office in terms of EOC and with the newest technology to the city scattered systems that gives real time analysis of how relative our equipment is functioning. The utility has partner with NolaReady to keep residents informed. This primary trusted sourced of information is good especially in time for crisis or disaster. Mayor Cantrell thanked the members of the Board of Directors and SWBNO employees for doing what they do best responding to the real needs and real time during and after the storm. The SWBNO power complex is the key.

Post Hurricane Francine, Mayor Cantrell is working with team and other stakeholders as is relates to source of \$29 million in capital outlay for some time that was based on projects that is Q to mitigate flooding in the city. The \$29 million from the legislature this year didn't move forward due to politics. With the commitment of the governor, after the \$29 million was denied, the utility received a Hero grant to meet the needs of the power complex for the second phase. The Hero grant is a federal grant that is required at the state level. The application for the Hero grant was submitted at the beginning of September. Mayor Cantrell stated the Hero grant isn't guaranteed but believes the utility has a strong case and it's demonstrated doing and providing real

information based on the needs of the city and utility. The city has been awarded grant funds, it's not confirmed and does not know the structure regarding how the money directed from the federal government will be issued. The mayor reviewed a fact sheet on what the city has done and what needs to be done. The city has been committed to getting the work done and will continue to deliver results. The city is the economic drive. United as a state, united as a city. SWBNO and the city of New Orleans will continue to educate the public, advocate, and work for getting the resources necessary to get the power complex completed.

APPROVAL OF PREVIOUS MINUTES

Mayor Cantrell presented a motion to accept the minutes of the July 17, 2024, Board Meeting as amended. Director Sloss moved for approval of the minutes. Director Peychaud seconded. The motion carried.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Ghassan Korban presented a slide overview that focused on the following topics:

Operational Status Pre-Francine

- 90 of 99 drainage pumps available
- 70 MW of 25-Hz power generation capacity
- Other preparedness efforts
- Coordinating with other agencies
- Getting back up generators in place and tested
- Pumping down canals in advance
- Launched a Storm Center dashboard

Drainage Impacts

- 7-9 inches of rain throughout event
- Highest recorded intensity: 4.4 inches / hour
- Power source failures led to temporarily decreased drainage capacity
- Frequency Change #3 and EMDs (5) tripped offline
- Intermittent loss of 13 pumps (out of 90 available pumps)
- Extended time period for stormwater pumping
- Localized street flooding
- Back to pre-storm drainage pump stations available

Wastewater Pumping Impacts

Electrical issues and power source failures at sewer pump stations

- Sewer Pump Station D remains offline after an electrical malfunction
- Temporary pumps deployed
- Loss of Entergy power impacted several other stations; Entergy power has been restored
- Issued precautionary water conservation notice Wednesday evening; canceled Friday morning

Francine Performance

- 7+ inches of stormwater pumped out
- Minimal canal overtopping – Monticello Canal
- Fully staffed throughout the event
- Drinking water: no impacts to customers
- Wastewater treatment: no impacts to customers
- Wastewater pumping: temporary, precautionary water conservation notice

Current Pump and Power Status

- 90 of 99 drainage pumps
- Back to pre-storm levels
- 65 MW of in-house 25-Hz power generation capacity
- 3 out of 5 EMDs back in service

A Different Story with Power Complex

- Substation as main source of power to all 25-hz drainage pumps
- No wait time for power source to turn on
- Newer, more reliable equipment
- Will replace 100+ year-old turbines that are prone to breakdowns
- Able to decommission older power equipment

The Power Complex

- Construction underway
- Anticipated to come online in summer 2025
- Significant investment in power infrastructure
- More cost effective
- Give customers peace of mind during weather events

- Eight sources of funding
- Applying for DOE HERO grant for \$35M
- Requires 50% local match

Drainage Consolidation

- Minor” drainage system to transfer from DPW to SWBNO
- Aiming for January 2025
- Use current DPW data to assess system/prioritize improvements
- Funding sources not fully identified

Installation Progress

- Over 45,000 meters installed
- 28% of population
- Continuing proactive leak alerts
- On track to install half of residential meters by end of year

Customer Education

- Participation in over 50 neighborhood association meetings. Leak detection letters have been sent to customers.
- 40% have repaired their leaks, with average savings of \$104.04 per customer per bill.

Smart Metering Job Opportunities

- Partnered with Job 1 to hire entry level smart meter technicians and other entry level positions across Operations
- Utilizing 4 new job series : AMI Data Analysts, Infrastructure Project Managers, AMI Meter Technicians
- Utility Customer Service Mangers – Key Accounts

Billing Laws Implementation

- Third party administrator (HGI) appointed by City Council Ordinance implemented 9/6/24
- Temporary fixed rate residential billing to begin in October
- No more estimated bills beginning January 2025

Lead Service Line Replacement Program

\$84M in State Revolving Funds

- Loan closes Q4 2024

Service Line Inventory Available Oct 16:

- Shows both public and private SL material
- Includes unknown locations

Upcoming Procurements:

- Current: Potholing and LSL replacements at schools and daycares
- Q4: Program Manager for LSL Replacement Program

Prioritizing Pavement Progress

- Paving repairs backlog around 500 compared to 3000+ in late 2023
- Paving restoration timeline is 50 days compared to 100+ days in 2023
- Goal: to reduce backlog which means repairs can be completed within 2-4 weeks

Beta version of Work Order Dashboard

Data from 9/18/2024

1,417 water work orders including:

- Water main and manhole repairs
- Services (inlet and outlet repairs)
- Hydrant repairs
- Water valve repairs

369 sewer work orders including:

- Sewer main and house connection repairs
- Sewer line cleaning and manhole repairs

New Funding Request - \$5.5M

Critical Water and Sewer networks repairs

- Water O&M contract - \$2M
- Sewer O&M contract – \$1.5M
- Water Capital contract - \$2M
- Funding will provide: Immediate decrease in backlog of open work orders and Address specific, longstanding project (HOV lane ramp at LaSalle and Poydras)

FINANCIAL SUMMARY

Grey Lewis, Chief Financial Officer, presented an update on the August 2024 financial results and liquidity position, as it is critical that SWBNO maintain sufficient cash flow levels to continue operations, and meet bond covenant requirements. The August 2024 Water and Sewer cash levels (208 / 147-Days cash on hand, respectively) exceed the minimum and target thresholds based on month end cash and budgeted expenses and additionally debt service coverage is within the budgeted forecast.

July and August 2024 collections were near monthly averages for the year \$21.8 and \$20.8M, respectively. Total past due Accounts receivables as of July 31, 2024 (aged > 60 days) were lower than last month \$71.2M (26,606 customers) an increase of <1% or \$303k from the prior month end with 10,741 customers owing <\$500. Promise pay plans total 10,361 at July 31, 2024 and have generated approximately \$3.8M since inception in February.

Total Receivables (\$122.9M) inclusive of aged < 60 days, amounts under and investigation and closed and past due were slightly higher than last month by \$100k. The Consulting Firm Protiviti Government Services is underway with a project to assist management with a programmatic analysis of significant number of customers with arrearages to recommend courses of action based on a grouping of the primary causes of the debt.

July billed revenues (\$22M) were below budget (\$23.9M) and trail YTD budget from lower billed consumption charges and customer adjustments after investigations/hearings. July operating expenses (\$27.9M) were below budget for the month and were slightly below July 2023 (\$32.7M) while budget encumbrances indicate additional spending is planned later in the year and further non-cash expenses are approximately lower by \$1.8M in the month.

ACTION ITEMS

The following resolutions were discussed at the September 18, 2024, Board of Directors Meeting

- Resolution (R-126-2024) Request to Set Sewerage and Water Board Drainage Millage Rates For 2025
 - o **Director Sloss moved to accept R-126-2024. Director Peychaud seconded. The motion carried.**
- Resolution (R-143-2024) Fourth Supplemental Water Revenue Bond Resolution Authorizing the Issuance of an \$86,000,000 Water Revenue Bond.

- **Director Sholas moved to accept R-143-2024. Director Howard seconded. The motion carried.**
- Resolution (R-144-2024) Fifth Supplemental Water Revenue Bond Resolution Authorizing the Issuance of a \$4,600,000 Water Revenue Bond.
 - **Director Antrup moved to accept R-144-2024. Director Kennedy seconded. The motion carried.**

General Superintendent Recommendations

CONTRACT AWARDS/RENEWALS

- Resolution (R-108-2024) First Renewal of Contract 2023-SWB-43 for Furnishing River Sand and Mason Sand Between the Sewerage and Water Board of New Orleans and MST Enterprises.
 - **Director Sloss moved to accept Contract Awards/Renewals. Director Howard seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-100-2024) Ratification of Change Order No. 2 for Contract 2150 – 43” Watermain Replacement on Leonidas St (Claiborne Ave – Fig St), Fig St (Leonidas St – College Ct), TM006 Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, Inc.
- Resolution (R-109-2024) Ratification of Change Order No. 5 Contract 1415 – West Power Complex Foundations and Underground Package Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-114-2024) Ratification of Change Order No. 7 for Contract 1418 – Carrollton Water Plant Utility Rack Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-116-2024) Ratification of Change Order No. 6 for Contract 1376 – Water Hammer Hazard Mitigation Program – High Lift Pumping Station and Panola Pumping Station Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-124-2024) Ratification of Change Order No. 1 for Contract 1420 – Power Complex Phase 1 Installation and Commissioning Between the Sewerage and Water Board of New Orleans and Frischhertz-Barnes, a Joint Venture.
- Resolution (R-120-2024) Ratification of Change Order No.1 for Contract 30229 –

- Carrollton Basin No. 1 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-121-2024) Ratification of Change Order No.1 for Contract 30230 – Carrollton Basin No. 2 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
 - Resolution (R-122-2024) Ratification of Change Order No.1 for Contract 30232 – Carrollton Basin No. 3 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
 - Resolution (R-123-2024) Ratification of Change Order No.1 for Contract 30235 – Carrollton Basin No. 5 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
 - Resolution (R-127-2024) Ratification of Change Order No. 1 for Contract 2164 – Watermain Line Replacements and Extensions at Scattered Locations Throughout Orleans Parish.
 - Resolution (R-128-2024) Ratification of Change Order No. 3 for Contract 8168 – Repaving Open Cuts in Streets, Driveways, and Sidewalks Resulting from the Sewerage and Water Board of New Orleans Underground Utility Repairs.
- **Director Antrup moved to accept Contract Change Order by Ratification. Director Sholas seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-115-2024) Amendment No. 9 to the Agreement Between the Sewerage and Water Board of New Orleans and Integrated Logistical Support, Inc. For design and Engineering services for the Water Line Replacement Program.
- Resolution (R-117-2024) Authorization of Amendment No. 12 to the Agreement Between the Sewerage and Water Board of New Orleans and Digital Engineering & Imaging, Inc. For Design and Engineering Services Inc. for the Water Line Replacement Program.
- Resolution (R-118-2024) Authorization of contract Amendment No. 12 to the Agreement Between the Sewerage and Water Board of New Orleans and Meyer Engineers, LTD., for Design and Engineering Services for the Water Line Replacement Program.
- Resolution (R-119-2024) Authorization of Amendment No. 14 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Stantec Consulting Services, Inc. (as successor interest to MWH Americas, Inc.) For Design and Engineering Services for the Water Line Replacement Program.
- Resolution (R-129-2024) Authorization of Amendment No. 13 to the Agreement Between the Sewerage and Water Board of New Orleans and Stanley Consultants Inc. For the Design and Engineering Services for Water Hammer Hazard Mitigation Program.

- **Director Sloss moved to accept Contract Amendments. Director Kennedy seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-101-2024) Authorization of Final Acceptance of Contract 2150 – 43” Watermain Replacement on Leonidas St (Claiborne Ave – Fig St), Fig St (Leonidas St – College Ct) Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.
- Resolution (R-107-2024) Reconciliation and Final Acceptance for Contract 30227 – Mid City Basin No. 1 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.

- **Director Howard moved to accept Final Acceptance. Director Sholas seconded. The motion carried.**

MISCELLANEOUS

- Resolution (R-130-2024) Authorization to Investigate and Acquire Properties for Expansion of the East Bank Wastewater Treatment Plant.
- **Director Kennedy moved to accept Miscellaneous. Director Antrup seconded. The motion carried.**

Mayor Cantrell presented a motion to defer executive session to the October Board meeting. Director Sholas moved. Director Psychaud seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- Report Preliminary Financial Results
- Report General Superintendent
- Report Human Resource
- Report Legal
- Report Safety
- Report procurement
- FEMA Project Worksheet Status
- DBE Participation on Contracts Report

PUBLIC COMMENTS

No Public Comments

ADJOURNMENT

There being no further business to come before the Board of Directors, Director Sloss moved to adjourn. Director Howard seconded. The motion carried. The meeting adjourned at approximately 10:50 AM