



“RE-BUILDING THE CITY’S WATER SYSTEMS FOR THE 21ST CENTURY”

Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, *President*
WM. RAYMOND MANNING, *President Pro-Tem*

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September 12, 2014

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS:

A regular meeting of the **Executive Committee** of the Sewerage and Water Board was called to order on Friday, September 12, 2014 at 9:05 AM in the Board Room at 625 St. Joseph Street.

ATTENDANCE

Present: Wm. Raymond Manning, Committee Chair
Marion B. Bracy
Suchitra Satpathi, Mayor’s Representative

Also in Attendance: Cedric Grant, Executive Director; Robert Miller, Deputy Director; Nolan Lambert, Legal Counsel; Brian Ferrara, Legal Counsel; Yolanda Grinstead, Legal Counsel; Joseph Becker, General Superintendent; Madeline Fong Goddard, Deputy General Superintendent; Robert Jackson, Community & Intergovernmental Relations; Brenda Thornton, Communirep, Inc.; Dexter Joseph, Budget Department; Rosita Thomas, Finance Department; Audrey Lee, Michael LaPorte, Personnel Department; Tiffany Carter, EDBP Department; EDBP Department; Bobby Nathan, Equal Employment Opportunity Director (EEOC); Kathleen LaFrance, Executive Director’s Office; Willie Mingo, Purchasing Department; Hayne Rainey, City of New Orleans; Geneva Coleman, The Hawthorne Agency, Inc.; Jason Akers, Foley & Judell; Conrad Spatz, USI; Donald Lambert, Hatch Mott MacDonald.

ACTION ITEMS

1. Approval of Previous Report

The Executive Committee received the Executive Committee Report of August 8, 2014 for review and action. Mr. Bracy motioned to accept the report and Ms. Satpathi seconded the motion. The motion passed.

Staff was unable to establish a quorum for the September 9, 2014 Finance Committee meeting. Therefore, all action items were considered at the Executive Committee meeting.

2. Workforce Initiative

The Executive Director, Mr. Cedric S. Grant introduced Ms. Ashleigh Gardere of the City of New Orleans. Ms. Gardere presented a slide presentation on ‘Bridging the Skills Gap’, a workforce initiative for the Sewerage and Water Board of New Orleans job development program. This program would work in

partnership with the City of New Orleans, Sewerage and Water Board of New Orleans, and Delgado Community College to bridge the advanced manufacturing of water management skills gap among working-age males in New Orleans with targeted recruitment, assessment and training, and apprenticeship and job placement. It would focus on sector-specific training of skilled crafts, welding, machinist, and industrial maintenance in the waste water management fields. The program has a five-year goal with 250 jobs, or 25% of the workforce to fill the following positions of the Sewerage and Water Board such as machinists, utility plant workers and operators, mechanics, electricians, and welders.

Mr. Wm. Raymond Manning suggested as part of the effort of this program to consider partnerships with engineering firms or sector of the market and electrical unions of New Orleans.

The Executive Director, Mr. Cedric S. Grant stated he would like to offer a resolution to support the above Workforce Initiative Program.

Mr. Bracy moved to approve the Workforce Initiative of the City of New Orleans and the Sewerage and Water Board of New Orleans Program, and Ms. Satpathi seconded the motion, and the motion carried.

3. **General Superintendent's Recommendations**

Bids

Item 1 - Furnishing Grass Cutting and Debris Pick-Up of Sewerage and Water Board East Bank Canals – Req. No. YO140052 (R-197-2014)

Mr. Becker recommended removal of the above Item 1 from the General Superintendent's Recommendations.

Item 2 – Furnishing Grass Cutting and Debris Pick-Up of Sewerage and Water Board West Bank Canals – Req. No. Yo140053 (R-198-2014)

Mr. Becker recommended removal of the above Item 2 from the General Superintendent's Recommendations.

Item 3 – Furnishing Engine Driven Portable Pump Packages – Req. No. CN140005 (R-199-2014)

Three (3) bids were received and it is recommended that the low bid of Better Pumps & Solutions in the total amount of \$71,120.00, be accepted based upon the technical review of the proposals. There is no DBE participation and the estimated amount for this project is \$70,000.00. Funds for this project are budgeted under the Capital Program 318 (Rehabilitation of Gravity Sewer System).

Item 4 – Removal of Debris from 72-Inch Drain Line on Jefferson Davis Parkway – Req. No. CN140030 (R-200-2014)

Two (2) bids were received and it is recommended that the low bid of Compliance Envirosystems, LLC in the total amount of \$152,000.00, be accepted based upon the technical review of the proposals. There is no DBE participation and the estimated amount for this project is \$200,000.00.

Funds for this project are budgeted under the Capital Program 418 (Normal Extensions and Repairs of Canals).

Item 5 – Contract 3986 – Ninth Ward Area Sewer Rehabilitation – Sewer Rehabilitation No. 5 (R-201-2014)

Five (5) bids were received and it is recommended that the low bid of BLD Services in the total amount of \$6,683,179.00, be accepted based upon the technical review of the proposals. The DBE participation is 28% and the estimated amount for this project is \$9,541,000.00. Funds for this project are budgeted under the Capital Program 317 (\$100 Million State Revolving Loan Fund).

Mr. Bracy moved to accept staff recommendations on the above Items 3, 4, and 5, and Ms. Satpathi seconded, and the motion carried.

Contract Renewal

Item 6 – First and Final Renewal of Contract for Furnishing Hot Mix Asphalt – Req. No. YW130007 (R-202-2014)

The contractor, Barriere Construction Co., LLC has requested that the Board renew their contract effective October 1, 2014, as allowed under this contract with no increase in cost and with no change in terms and conditions of their original contract, with the total being \$326,250.00. It is recommended that the Board approve this first and only renewal to Barriere Construction Co., LLC in the total amount of \$326,250.00.

Mr. Bracy moved to accept staff recommendations on the above contract renewal, and Ms. Satpathi seconded, and the motion carried.

4. **Change Orders**

Ratification of Change Order No. 8 for Contract 3661 – Modifications to East Bank Wastewater Treatment Plant Flood Protection System (R-191-2014)

Mr. Becker recommended the approval of Change Order No. 8 for the above contract. This change order is in the amount of \$59,814.00 and funds for this change order will be eligible for reimbursement through FEMA.

Mr. Bracy moved to approve Change Order No. 8 for Contract 3661, and Ms. Satpathi seconded, and the motion carried.

Change Order No. 5 for Contract 5221 – Hurricane Katrina Related Repairs to Pontchartrain Boulevard Drainage Underpass Pumping Station (R-192-2014)

Mr. Becker recommended the approval Change Order No. 5 for the above contract. This change order is in the amount of \$37,483.49 and this change order will not be eligible for reimbursement into the revolving loan fund.

Mr. Bracy moved to approve Change Order No. 5 for Contract 5221, and Ms. Satpathi seconded, and the motion carried.

Change Order No. 4 for Contract 5222 – Hurricane Related Repairs to Canal Boulevard Drainage Underpass Pumping Station (R-193-2014)

Mr. Becker recommended the approval of Change Order No. 4 for the above contract. This change order is in the amount of \$37,483.49. This change order will not be eligible for reimbursement into the revolving loan fund.

Mr. Bracy moved to approve Change Order No. 4 for Contract 5222, and Ms. Satpathi seconded, and the motion carried.

Change Order No. 4 for Contract 5223 – Hurricane Katrina Related Repairs to St. Bernard Avenue Drainage Underpass Pumping Station (R-194-2014)

Mr. Becker recommended the approval of Change Order No. 4 for the above contract. This change order is in the amount of \$3,729.51. This change order will not be eligible for reimbursement into the revolving loan fund.

Mr. Bracy moved to approve Change Order No. 4 for Contract 5223, and Ms. Satpathi seconded, and the motion carried.

Change Order No. 5 for Contract 5226 – Hurricane Katrina Related Repairs to Franklin Avenue Drainage Underpass Pumping Station (R-195-2014)

Mr. Becker recommended the approval of Change Order No. 5 for the above contract. This change order is in the amount of \$6,418.82. This change order will not be eligible for reimbursement into the revolving loan fund.

Mr. Bracy moved to approve Change Order No. 5 for Contract 5226, and Ms. Satpathi seconded, and the motion carried.

Ratification of Change Order No. 6 for Contract 6247 – Hazard Mitigation Grant Project – Retrofit of Generator #4 (R-196-2014)

Mr. Becker recommended approval of Change Order No. 6 for the above contract. This change order is in the amount of \$618,565.75 and funds are available through the Hazard Mitigation Grant.

Mr. Bracy moved to approve Change Order No. 6 for Contract 6247, and Ms. Satpathi seconded, and the motion carried.

5. **Refunding Opportunity for Drainage Bonds**

The Deputy Director, Mr. Robert Miller provided a background history on the outstanding drainage bonds from Series 1998 and Series 2002. Recently, the bond issue was authorized by the Board of

Directors on February 19, 2014, by the Board of Liquidation on February 25, 2014, by the City Council on March 6, 2014, and by the State Bond Commission on April 17, 2014. Management recommends structuring the refunding so that these savings could be used to fund a corresponding amount of additional capital projects. There are no other additional new bond funds contemplated with this refunding. It is staff recommendation to approve the Refunding Opportunity for Drainage Bonds.

Mr. Bracy moved to approve staff's recommendation re: Refunding of the Drainage Bonds of the Sewerage and Water Board of New Orleans, and Ms. Satpathi seconded, and the motion carried.

6. **Request for City Council to Set the Sewerage and Water Board Millage Rates for 2015 (R-187-2014)**

Mr. Miller reported on the Drainage Millage for the fiscal year 2015. This millage is for the operation and maintenance of the drainage system of the City of New Orleans as well as construction and extension of said drainage systems, excluding the subsurface drainage systems and their appurtenances. The total millage is 16.43 mills. Mr. Miller noted that Ad Valorem Tax Millages are set at the same level of 2013.

Mr. Bracy moved to approve the Request for City Council to Set the Sewerage and Water Board Millage Rates for 2015, and Ms. Satpathi seconded, and the motion carried.

7. **Authorization to Amend Contract with Chester Engineers, Inc. for Program Management Services for Hurricane Related Drainage Restoration Projects (R-189-2014)**

The Deputy General Superintendent, Mrs. Madeline Goddard provided information on the proposed amendment to increase the fees from \$1,806,119.00 to \$1,902,469.00 through February 28, 2015 for increased level of effort as a result of the extended duration of the Drainage Underpass projects. It is staff recommendation to approve the above amendment due to time to manufacture and deliver new pumps, as the existing pumps are irreparable. This amendment is not funded by FEMA but will be paid out of the \$100 Million State Revolving Loan Fund.

Mr. Bracy moved to approve staff recommendation to Amend Contract with Chester Engineers, Inc. for Program Management Services for Hurricane Related Drainage Restoration Projects, and Ms. Satpathi seconded, and the motion carried.

8. **Employee Group Life Insurance (R-204-2014)**

Mr. Miller provided background information of the Board's prior Group Life Insurance issued in 1996. He noted that management decided to pursue a new Employee Group Life Insurance benefit. Mr. Miller highlighted two key objectives of this proposal:

- Obtain competitive market rates for group life insurance
- Provide options for employees to purchase additional life insurance at group rates for themselves and their dependents

The management staff recommends the award of an annual contract to Prudential Insurance Company of approximately \$60,000.00 for group life and accidental death and dismemberment coverage. The amount would vary by the number of employees covered.

Mr. Bracy moved to accept staff recommendations re: Employee Group Life Insurance, and Ms. Satpathi seconded, and the motion carried.

9. **Employee Assistance Program (R-203-2014)**

Mr. Miller reported on the opportunity for the Sewerage and Water Board to implement an Employee Assistance Program (EPA) that would be helpful for employees with various personal problems. He summarized the benefits the Sewerage and Water Board of New Orleans would receive from using an Employee Assistance Program. Some of those benefits include effective ways to identify and address personal problems. The EAP's are confidential, provide multifaceted counseling, and offer education and referral programs designed to help with personal problems such as the following: stress, adolescent behavior, parenting problems, marital difficulties, substance abuse, legal problems, grief and loss, depression, anxiety, and many others. It is an effective way to resolve personal issues in order to minimize work place problems.

The management staff recommends Hidalgo Health Services for a Ten (10) Session Model at a proposed rate of \$2.50 per employee per month for the ten counseling session model, effective October 1, 2014.

Mr. Bracy moved to approve the staff recommendation re: Employee Assistance Program, and Ms. Satpathi seconded, and the motion carried.

10. **Bid Protest: Grass Cutting Contracts for the East and West Bank Canals**

The Special Counsel, Mr. Nolan Lambert maintained it is staff recommendation to defer the above matter re: Grass Cutting Contracts for the East and West Bank Canals to next month's Finance Committee Meeting.

Mr. Bracy moved to accept staff recommendation to defer the Bid Protest: Grass Cutting Contracts for the East and West Bank Canals to the next month's Finance Committee Meeting, and Ms. Satpathi seconded, and the motion carried.

11. **Agreement with Statewide Flood Control Funding of the Louisiana Avenue Canal (R-206-2014)**

Mr. Becker provided an overview of the above agreement pertaining to the Statewide Flood Control Funding of the Louisiana Avenue Canal State project. This agreement authorizes the Executive Director to execute agreements on behalf of the Sewerage and Water Board of New Orleans.

Mr. Bracy moved to approve the Agreement with Statewide Flood Control Funding of the Louisiana Avenue Canal, and Ms. Satpathi seconded, and the motion carried.

12. **Agreement with the Coastal Protection and Restoration Authority for the Operation and Maintenance of the Western Closure Complex (R-207-2014)**

Mr. Becker provided information on the above agreement pertaining to the Coastal Protection and Restoration Authority (CPRA) to authorize the Executive Director to execute agreements to financial participation in operation and maintenance costs associated with the Gulf Intracoastal Waterway West Closure Complex.

Mr. Bracy moved to approve the Resolution to Authorize the Executive Director to Execute Agreements related to Financial Participation in Operation and Maintenance Costs Associated with the Gulf Intracoastal Waterway West Closure Complex, and Ms. Satpathi seconded, and the motion carried.

PRESENTATION ITEMS

13. **Financial Results through July 2014**

Mr. Miller reported on the Financial Results Report through July 2014. He noted the results of the recent Series 2014 Water and Sewer Revenue Bond Issues. These recent journal entries have been reviewed by the external auditors. He further noted the cost of issuance, recorded as a current non-operating expense, would not impair the current year's debt service coverage.

In addition, staff is in the process of developing internal controls to avoid drawing down the cash reserves below the equivalent of ninety days of operations and maintenance expenses. The goal is for staff to increase the Sewerage and Water Board's liquidity and cash flow balances. He reported on the Accounting Change for Facility Relocations. Mr. Miller stated that after careful consideration, staff has determined it would be appropriate for the benefiting system to pay for the cost of relocation. Particularly, the costs associated with relocating water and sewer lines for SELA drainage projects have been transferred from the drainage capital program to the corresponding water and sewer capital programs, resulting in no net change to the 2014 Capital Budget.

14. **Professional and Personal Services Procurement Policy**

Mr. Lambert maintained there is no action required on the above matter today. Rather, staff would bring their recommendations back to the Full Board for review and approval.

The Legal Counsel, Ms. Yolanda Grinstead provided an overview of the Board's Professional and Personal Services Procurement Policy. Mr. Lambert stated staff would bring back more information for the Board to review on the above policy.

15. **Procurement of Group Health Insurance**

Mr. Miller provided information to the committee on the Sewerage and Water Board's Group Health Insurance plan. The plan covers major medical, prescriptions, and dental plans through a Plan Administrator, Blue Cross/Blue Shield of Louisiana. To secure the best pricing, management has authorized the USI Insurance Services to solicit bids for the Group Healthcare Plan.

Management would be prepared to bring recommendations for action on this matter in the October 2014 cycle of Committee and Board meetings. No action is required at this time.

16. Administrative Hearing Policy

Mr. Nolan Lambert provided an overview of the Administrative Hearing Policy. He stated that the administrative adjudication policy has been developed to outline procedures that may be used not only to levy fines, penalties, costs and fees for violations of federal, state and local laws and Board

rules and regulations, but also assist the Sewerage and Water Board in the performance of its operations where applicable. This policy allows the General Superintendent and /or Executive Director to exercise their authority granted to them by the law to take appropriate remedial and preventative action as may be needed with the need for an administrative hearing.

Following a discussion, Mr. Manning directed staff to provide this information on the Board's website for public review re: Administrative Hearing Policy.

INFORMATION ITEMS

17. Tracking Tool for Commitments to the City Council

Mr. Miller provided an update on the Tracking Tool for Commitments to the City Council Report to the committee. He noted three key items as follows: First, Under Section II, C – staff are on target to replace the Board's existing billing system with a new Customer Account Management System and, Secondly, Under Section III, Service Assurance Program – staff have completed the funding for bill payment assistance through the Water Help Program, and thirdly, Customer Leak Adjustments – staff would pursue legislative changes and support to allow adjustments for water lost through customer leaks.

18. EEOC Activity Status Report Y.T.D. - received

There being no further business to come before the Committee, the meeting adjourned at 10:47 AM.

Very truly yours,

Wm. Raymond Manning
Committee Chair