

BOARD OF DIRECTOR'S MEETING

SEPTEMBER 21, 2017

MEETING MINUTES

SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Board of Directors of the Sewerage and Water Board of New Orleans (SWBNO) met on Thursday, September 21, 2017 at 9:20 AM in the Board Room at 625 St. Joseph Street. The Interim Executive Director, Mr. Robert Miller, called the roll and confirmed the following members were present: Director Alan Arnold, Director Robin Barnes, Director Joseph Psychaud, Director Dr. Tamika Duplessis, Director Stacy Horn Koch and President Mitchell Landrieu.

The following member(s) were absent: Director Eric Blue, Director Marion Bracy, and Director Ralph Johnson.

Also present were: Mr. Randy Smith, Royal Engineers; Mr. Amer Turfail, Greenpoint; Mr. Michael Bothick, Mr. Greg Grimsal, Gordan Arata; Mr. Russell Kelly, ATCO Services, L.L.C; Ms. Geneva Coleman, THA, Inc.; Mr. Jerry Cole, Cole Construction Co., and Ms. Brenda Thornton, Communirep, Inc.

Staff present were: Mr. Bruce Adams, Deputy General Superintendent; Ms. Sharon Judkins, Deputy Director, Administration; Ms. Valerie Rivers, Deputy Director, Logistics; Mr. Nolan Lambert, Special Counsel; Mr. Harold Marchand, Mr. James Thompson, Legal Department; Ms. Jasmin Lawrence, Board Relations Staff; Mr. Hayne Rainey, Communications; Mr. Ron Spooner, Chief of Engineering; Mr. Paul Rainwater, Mr. Owen Monconduit, and Ms. Renee Lapeyrolerie, Interim Management Team.

APPROVAL OF PREVIOUS MINUTES

Director Joseph Psychaud moved to approve the minutes of the Regular Board Meeting held on August 16, 2017. Director Stacy Horn Koch seconded the motion. The motion carried.

Director Dr. Tamika Duplessis moved to approve the minutes of the Special Board Meeting held on September 1, 2017. Director Robin Barnes seconded the motion. The motion carried. Director Robin Barnes stated that the Board's minutes were very detailed and appreciated the revision.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Paul Rainwater presented a PowerPoint presentation on the following:

- Update on Power and Pumping Capabilities
- Precautionary Boil Water Advisory, issued on September 20, 2017
- Update on the Water Hammer Project
- Status of Power Generation
- Emergency Motor Diesel Generators (EMD's) being installed

- Drainage Pumping Stations Current Status
- Manpower for Pumps and Power
- Emergency Actions from 3/9/2017 - Turbine #3 and 7/28/2017 - Turbine #5
- Emergency Actions from 8/9/2017 - Manpower, Pumps and Power plus cost
- Combined Emergency Actions

➤ **Summary:**

- Still operating under emergency conditions
- Interim Emergency Management and Support team on ground
- Focus on execution of emergency contracts and budget realignment
- Focus on continuity of operations during leadership change

Key Agenda Topics:

- **Finance and Administration Committee**

Action Items:

- General Superintendent's Recommendations
- Change Orders
- Authorization to Enter into Agreement with Entergy for Phase II of Relocations of Entergy Services Associated with SELA Florida Ave Phase IV Contracts Project
- Resolutions for Emergency Procurement Contracts
- Revision to 2017 Capital/Operating Budget
- Revision to 2017 Operating Budgets
- Request to set Sewerage and Water Board Drainage Millage Rates for 2018

Information Items:

- Financial Results through July 2017
- Executive Director's Approval of Contracts of \$1,000,000.00 or less
- DBE Participation on Contract
- Customer Service Results through August 2017
- FEMA Project Worksheet Status
- Overtime & Standby Overview

FINANCE & ADMINISTRATION COMMITTEE

Director Dr. Duplessis asked why some Change Orders were brought to the full Committee. She questioned whether staff is doing a good job at thoroughly going over what needs to be done on the front end before those change orders are brought before the committee. Director Joseph Peychaud agreed that more work is needed.

Mr. Robert Miller stated that many of the decisions are made as the items come in. However, with Turbine 4, FEMA was a significant decision partner. FEMA makes the determination on which investments they were willing to make and which ones they could not make. In regards to Turbine 4, the decision was made to rebuild it.

Director Koch asked when the Board of Directors will have a clear picture of where we are and where we need to go, moving forward. Mr. Paul Rainwater was asked to give more clarity on what stability and short-term and long-term look like. Mr. Rainwater's response was, to get the EMD's in place and let things run for about 2 to 3 weeks. Additional repairs are to be made on the pumps and that can take about three weeks. He hoped to have a report to the Board on or about October 15, will give information on the near-term, mid-term and long-term status of the pumps and turbines.

Director Peychaud then reported on the actions taken by the Finance and Administration Committee. Director Arnold moved to adopt the Finance and Administration Committee report and its recommendations with the exception of those items that were moved to the full Board for discussion. Director Koch seconded the motion. The motion carried.

NEW BUSINESS

Mr. Bruce Adams reported on two items brought before the full Board from the Finance and Administration Committee meeting. The members were concerned as to why the bids were well over the original contract bid. The two items were Contract 1384 and Change Order No. 6 for Contract 8143.

Mr. Ron Spooner, Chief of Engineering of SWBNO, gave a brief description and update on Contract 1384 Sycamore Filter Gallery Backwash Pump Replacement. He discussed the four bids received and asked that the Board approve the bid by M.R. Pittman in the amount of \$6.6 million.

Director Peychaud indicated he had requested to meet with staff and the committee that handles the DBE process to ensure that the 35% DBE participation goal is met. Director Dr. Duplessis wanted to know what happens in a case where a company doesn't meet that goal. That information was not given to the Board. President Landrieu suggested generating a report to show the aspiration goal so the Board and others can review.

Director Koch moved to approve Contract 1384 Sycamore Filter Gallery Backwash and Pump Replacement as described in (R-072-2017). Director Alan Arnold seconded the motion. The motion carried.

Mr. Spooner gave a brief description and update on Change Order No. 6 for Contract 8143. Contract 8143 is for the repair of existing garage #2 at Central Yard. Contract 8143 commenced in June 2015, at an original cost estimate of \$803,000. Change Order No. 6, which is an administrative Change Order, is a compilation of twenty-one field change orders that have been executed to date. The total Change Order cost is approximately \$201,000, of which \$151,000 will be reimbursed by FEMA.

Director Dr. Duplessis indicated she was satisfied with the new details. If that information had been provided, the Finance & Administration Committee would have voted on it. President Landrieu suggested staff have more details when making presentations to the Board and Committees.

Director Dr. Duplessis moved to accept Change Order No. 6 Contract 8143 as described in R-101-2017. Director Koch seconded the motion. The motion carried.

Mr. Miller presented on the recommendations for the Amendment of the 2017 Capital Budget and Revision of 2017-2026 Capital Programs. Robert Miller recommended that in the absence of a permanent Executive Director, Chief Operating Officer and Chief Financial Officer, it would not be prudent for the Board to revise the 2018 budget that is markedly different than the 2017 budget. Mr. Miller surmised that it's best to adopt a budget that allows significant degree of flexibility, so that when the new Executive Director comes in, resources can be aligned as he/she deems appropriate. Mr. Miller recommended the Board adopt resolutions (R-112-2017) and (R-113-2017).

Director Dr. Duplessis moved to accept (R-112-2017). Director Barnes seconded. The motion carried. Director Dr. Duplessis moved to accept (R-113-2017). Director Barnes seconded. The motion carried.

Also, it was the consensus of the Board to authorize staff to develop and issue a proposal for an executive search firm and to report back to the Board on the progress being made.

CORRESPONDING RESOLUTIONS

The following resolutions were adopted in conjunction with approval of the Committee reports as follows:

R-073-2017 – Final Acceptance and close out to Contract #8144 – Repaving open cuts in streets, driveways and sidewalks resulting from the repair to the Sewerage & Water Board of New Orleans Underground Utilities

R-074-2017 – Emergency Procurement for Emergency Contract EE 17-0005 Expedited Repairs at DPS No. 6 and DPS No. 7

R-075-2017 – Emergency Procurement for Emergency Contract EE 17-0006 Furnish Rental of Temporary Generators at Various Locations

R-076-2017 – Emergency Procurement for Emergency Contract EE 17-0007 Furnish Rental of Temporary Generators at DPS No.17

R-077-2017 – Emergency Procurement for Emergency Contract EE 17-0008 Purchase of five Generators sets for backup power at CWP

R-078-2017 - Emergency Procurement for Emergency Contract EE 17-0009 Electrical Services to Connect Temporary Generators at DPE No.17

R-079-2017 - Emergency Procurement for Emergency Contract EE 17-0010 Electrical Services to Connect Permanent Generators at CPW

R-080-2017 - Emergency Procurement for Emergency Contract ME 17-0008 Provision of Spare Parts and Spare Pump at Old Carrollton Underpass Pumping Station

R-081-2017 - Emergency Procurement for Emergency Contract ME 17-0009 Repair of Pump 1 at Drainage Pumping Station 20 (Amid)

R-082-2017 - Emergency Procurement for Emergency Contract ME 17-0010 Repair of I-Pump at Drainage Pumping Station 6

R-083-2017 - Emergency Procurement for Emergency Contract ME 17-0011 Repair of Pump 2 and Constant Duty Pump 1 at Drainage Pumping Station 1 and repair of Pump D and Pump E at Drainage Pumping Station 11

R-084-2017 - Emergency Procurement for Emergency Contract ME 17-0012 Repair of Constant Duty Pump 1 at Drainage Pumping Station 6 and repair of Constant Duty Pumps 2L/2R at Drainage Pumping Station 5

R-085-2017 - Emergency Procurement for Emergency Contract ME 17-0013 Repair of Drainage Pump B at Drainage Pump Station 11

R-086-2017 - Emergency Procurement for Emergency Contract ME 17-0014 Provision of two new Pumps/ Motor Assemblies at Old Carrollton Underpass Drainage Pumping Station

R-087-2017 - Emergency Procurement for Emergency Contract ME 17-0015 Provision of Drainage Pump 2 and Drainage Pump 4 at Drainage Pumping Station Grant

R-088-2017 - Emergency Procurement for Emergency Contract ME 17-0016 Provision of Emergency Diving Inspection Service at Drainage Pumping Station 7 and Drainage Pumping Station 5

R-089-2017 - Emergency Procurement for Emergency Contract ME 17-0014 Provision of Emergency Bypass Pumps at Drainage Pumping Station 7 and Drainage Pumping Station 5

R-090-2017 - Emergency Procurement for Emergency Contract ME 17-0018 Installation of Emergency Bypass Pumps at Drainage Pumping Station 7 and Drainage Pumping Station 5

R-091-2017 - Emergency Procurement for Emergency Contract ME 17-0019 Crane Support of Installation of Emergency Bypass Pumps at Drainage Pumping Station 7 and Drainage Pumping Station 5

R-092-2017 - Emergency Procurement for Emergency Contract ME 17-0020 Provision of Temporary Generators Rentals at 8 Underpass Drainage Pumping Stations

R-093-2017 - Emergency Procurement for Emergency Contract MS 17-0140 Repair of Gearbox of Pump 2 at Drainage Pumping Station 15

R-094-2017 – request to Set Sewerage & Water Board Drainage Millage rates for 2018

R-095-2017 – Ratification of Change Order No. 15 for Contract #1350 – Hurricane Katrina Related repairs to Turbine #4 at the Carrollton Water Treatment Facility/ Power Plant

R-096-2017 – Ratification of Change Order No. 1 for Contract #1352 – Hurricane Related Replacement of the Pump Package at the Carrollton Water Purification Plant – Power Complex

R-097-2017 – Ratification of Change Orders No. 3 for Contract #1378 – Hurricane Katrina Related Repairs to Boiler, Duct & Elevators at the Carrollton Water Purification Plant Power Complex

R-098-2017 – Ratification of Change Order No.1 for Contract #2126 – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

R-099-2017 – Ratification of Change Order No. 1 for Contract #6254 – Electrical Repairs to garage 2 and Power Room at Central Yard

R-100-2017 – Ratification of Change Order No. 6 for Contract #8132 – Katrina Related Repairs to Garage #1 and the Generator Building at Central Yard

R-102-2017 – Change Order No. 1 for Contract 30100 – Electrical Improvements to the Effluent Pump House at the East Bank Sewer treatment Plant

R-103-2017 – Ratification of Contract Amendment No. 1 To The Agreement Between The Sewerage & Water Board of New Orleans and CDM Smith for the Sludge Line to the River Design WQMP Priority Project, Improvement to Carrollton Water Purification Plant

R-104-2017 – Ratification of Contract Amendment No 4. To The Agreement Between The Sewerage & Water Board of New Orleans and Royal Engineering & Consultants, LLC for Hurricane Katrina Related Water Restoration Projects

R-105-2017 – Contract Amendment No.1 To The Agreement Between The Sewerage & Water Board of New Orleans and BCG Engineering and Consulting Inc. To Provide Assessment, Design, Construction and Program Management Services for SELA and Drainage System

R-106-2017 – Ratification of Amendment with Design Engineering, Inc. for Design and Engineering Services for the 404 Sewer Hazard Grant Mitigation Program

R-107-2017 – Ratification of Change Order No. 1 for Contract #30203 – Restoration of Existing Gravity Sewer Point Repair and CIPP Lining of Sewer Mains at Various Sites Throughout Orleans Parish

R-108-2017 – Authorization to Enter Into Agreement to Enter Into Agreement with Entergy for Phase II of Relocations of Entergy Services Associated with the SELA Florida Ave Phase IV Construction Project

EXECUTIVE SESSION

Director Joseph Peychaud moved to go into Executive Session. Director Stacy Horn Koch seconded the motion. The motion carried.

Director Joseph Peychaud moved to return to Regular Session. Director Robin Barnes seconded the motion. The motion carried.

Director Dr. Tamika Duplessis moved to accept the recommendation of Special Counsel on the SELA litigation. Director Robin Barnes seconded the motion. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- FEMA Status Report
- Report of the General Superintendent
- Financial Statements
- Monthly Human Resource Activity Report for the Period August 1 through August 31, 2017
- Executive Director's Approval of Contracts of \$1,000,000.00 or less
- Overtime and Stand By Time Overview

ANY OTHER MATTERS

Mr. Russell Kelly with ATCO Services, LLC, requested a resolution concerning a DBE matter. He indicated that he was a sub-contractor for Plant N Power (PNP) on Contract 1378 that was terminated. PNP had used the services of his employees without his knowledge and had refused to pay him. Mr. Kelly requested the SWBNO to take action by passing a resolution for PNP to pay him or his payment be out of PNP's retainage. President Landrieu asked that a report be presented to the next Board meeting on this matter.

ADJOURNMENT

There being no further business to come before the Board, Director Koch moved to adjourn. Director Barnes seconded. The meeting adjourned at approximately 12:27 PM.