

# BOARD OF DIRECTOR'S MEETING OCTOBER 18, 2017

## MEETING MINUTES

### SEWERAGE AND WATER BOARD OF NEW ORLEANS

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#### ROLL CALL

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The Board of Directors of the Sewerage and Water Board of New Orleans (SWBNO) met on Wednesday, October 18, 2017 at 9:05 AM in the Board Room at 625 St. Joseph Street. Mr. Nolan Lambert, Special Counsel, called the roll and confirmed the following members were present: Director Alan Arnold, Director Robin Barnes, Director Joseph Peychaud, Director Stacy Horn Koch, Director Marion Bracy, Director Ralph Johnson and President Mitchell Landrieu.

The following member(s) were absent: Director Dr. Tamika Duplessis

Also present were: Mr. Amer Turfail, Greenpoint; Mr. Russell Kelly, ATCO Services, L.L.C; Ms. Geneva Coleman, THA, and Ms. Brenda Thornton, Communirep, Inc.

Staff present were: Mr. Bruce Adams, Interim General Superintendent; Ms. Sharon Judkins, Deputy Director, Administration; Ms. Valerie Rivers, Deputy Director, Logistics; 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, Mr. Terrence Ginn, Mr. Robert Turner and Ms. Renee Lapeyrolerie, Interim Emergency Management Team (I-Team).

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#### APPROVAL OF PREVIOUS MINUTES

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Director Joseph Peychaud moved to approve the minutes of the Regular Board Meeting held on September 21, 2017. Director Robin Barnes seconded the motion. The motion carried.

Director Marion Bracy moved to approve the minutes of the Special Board Meeting held on October 13, 2017. Director Stacy Horn Koch seconded the motion. The motion carried.

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#### REPORT OF THE EXECUTIVE DIRECTOR

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Mr. Paul Rainwater and the I-Team presented a PowerPoint presentation on the following:

➤ **Status of Power Generation**

- Turbine Operational:
  - Turbine #1 – 5MW
  - Turbine #3 – 10 MW
  - Turbine #6 – 3.75 MW
- Frequency Changers – 20.5 MW
- Total 25 Hz Power Available – 39.25 MW

- 26 Generators available for redundancy thru hurricane season
- Turbine Operational:
  - Turbine #4 – CH2M updating reentry plan (TBD)
  - Turbine #5 – GE repairing (late Nov.)

➤ **Installation of EMD's Underway**

- 5 Electro-motive Diesel generators (EMDs) have been procured to provide additional power generation and redundancy. Over 90 personnel are working 24/7 to bring them online. All 5 EMDs have been placed on concrete slabs. Installations are on schedule for completion next week. Upon completion, EMDs will provide 12.5 MW of power.
- President Landrieu added the SWBNO is very close to getting into the “green zone”, that is having stable power, whether it's 25 cycle or 60 cycle. He added once completed, SWBNO would have much more power than we've had in a long time.

➤ **Drainage Pumping Station Current Status**

- 110 of 120 pumps currently operational (94%)
- 10 pumps out; undergoing emergency repairs
  - 6 drainage pumps (2 less than 10 cfs)
  - 4 constant duty pumps
- Station with pump outages:
  - DPS #6 (Lakeview) 15 pumps, 1 large and 2 constant duty out ; DPS #11 (Lower Coast Algiers) has 4 pumps, 1 pump is out; DPS #15 (N.O East) has 2 pumps, 1 out
- Next large drainage pump to return to service will be at DPS #15, Pump 2 (250 CFS) on Oct. 22, 2017
- DPS #12 – CH2M preparing documents for repair and upgrade to auxiliary equipment – expediting contracting
- Stations with critical maintenance needs at this time serve Lakeview, Lower Coast Algiers and New Orleans East
- SWBNO is maintaining readiness potential for tropical events. During Hurricane Nate, all drainage pumping stations were manned and National Guard Personnel were activated to provide support
- SWBNO is developing written standard procedures to ensure continuity of operations in addition to solidifying protocols in case of emergencies

President Landrieu stated that with authorized emergency contract in place, when pumps break the emergency contract allows contractors to come immediately to fix the problem.

Director Bracy suggested a detailed report on pumps to better understand what the current status is. Director Barnes also stated a visual map on the system would help to identify the actual locations and status.

Mr. Rainwater indicated that going forward there will be a more detailed report on the pumping systems. Mayor Landrieu reiterated for the public there will never be 100% of the pumps working. Once you fix one thing something else can go wrong. He added the system is old and needs to be replaced. The City may need to think about that in the future. Mr. Rainwater emphasized transparent reporting, where information is reported in real time so that problem(s) can be fixed in a timely manner. He also pointed out that the daily SWBNO Drainage Pumping Station Operational Capacity Report can be found online on the SWBNO's website.

➤ **Manpower for Power and Pumps**

- Reset SWBNO's relationship with Civil Service Department
- Focused on hiring Operations, Facilities Maintenance and Engineering personnel for power plant and drainage pump stations
- Working with Civil Service on process changes
  - Job posting as needed, rather than on Fridays
  - Electronic testing
  - Hosting City job fair in November
- Lifted restrictions to allow SWBNO retirees to return to work part-time
- Recruiting City & Corps of Engineers retirees

Ms. Michelle Craig, chairperson of the Civil Service Board, has been working with the I-Team and has re-established the relationship with the SWBNO. Mr. Terrence Ginn and Ms. Michelle Craig gave an update on SWBNO manpower needs. Beginning August 22, 2017, the I-Team has worked to address the critical manpower shortage in Operations, Facilities Maintenance and Engineering quickly with qualified personnel. These positions are often highly specialized and difficult to fill. The SWBNO and the City of New Orleans Civil Service will join forces to address these issues going forward.

The SWBNO presented a Classification/Compensation Study to the Civil Service Commission for review and approval. Civil Service reviewed and recommended approval of the reclassification of 37 job titles encompassing 306 critical budgeted positions. Currently, SWBNO has 88 vacant positions within this group. It's anticipated Civil Service will approve the compensation plan in the coming weeks. It will become the first phase of the new compensation plan for the SWBNO employees. The remainder of the SWBNO positions will be addressed through the City's Classification/Compensation Study. The Civil Service Commission has agreed to assist SWBNO with onboarding of employees by posting jobs as needed rather than on Fridays, migrating to electronic testing rather than paper tests, and co-hosting a City-wide job fair with SWBNO in mid-November. The other HR initiative undertaken with the I-Team includes lifting the restrictions to hire retired SWBNO retirees, former City employees and Corps of Engineers retirees.

The last part of the Classification/Compensation Study deals with job specifications. The consultant has submitted a draft to SWBNO. President Landrieu requested Ms. Judkins to report on this matter at the next Board meeting.

Finally, Director Bracy offered Xavier University as a possible site to host a managers' meeting to go through the job specifications. Director Bracy recommended we work toward hiring the youth in the city. Director Barnes stated that GNO, Inc. would be happy to reach out to the other schools of higher education in the region to make sure they have students that are coming to the job fair and hopefully get some social media messaging out prior to that fair. President Landrieu indicated that the communications departments of both the City and SWBNO will collaborate in promoting the event.

➤ **Emergency Cost – Power \$41,556,677**

To stabilize SWBNO Power Generator System, a total of \$41.5 million has been committed. This includes bringing Turbine #3 and #5 back into service. This figure also includes over \$426,000 to making necessary repairs following the fire during startup of Turbine #4. Also included in this figure is approximately \$15 million committed to bringing the 5 EMDs online by the end of October and securing generators for drainage pumping stations. All contracts contain DBE commitment goal of 10%.

Director Joseph Peychaud asked again about the DBE goal of 10%, whether that goal is actually being achieved or is it lower than 10%? Mr. Paul Rainwater promised to provide that information to the Board.

➤ **Emergency Cost – Water Pumps \$235,828**

To stabilize the potable drinking water system, emergency contracts have been executed to repair Water Pumps Panola #1 and #2 and Claiborne Pump #3. In total, approximately \$236,000 has been committed. More information about water pumps and steam pumps will be provided so everyone can have a better understanding of the system.

President Landrieu requested that within the next 30 to 60 days a complete and total briefing on how the entire Sewer, Water and Drainage Systems work be provided to the Board. Staff should be prepared to put together graphs so that any question that is asked can be answered and everyone can understand how big and complex the system is; also included should be the interplay between sewer, water, drainage and what the cost is going to be long-term, not just on the drainage side.

Mr. Paul Rainwater stated the I-Team is working on presentations; however, more time is needed to sit with the President and Board members to show them the process, equipment, operations, etc.

**Carrollton Water Plant: Steam Pumps**

- Pump A – ONLINE
- Pump B – ONLINE

**Claiborne:**

- Pump 2 – Available
- Pump 3 – Offline (emergency use only) 25 Hz pumps
- Pump 1 – Available
- Pump 4 – ONLINE – fed by T1

**Panola:** Fed by either 25 Hz or 60 Hz power source (both available)

- Pump 1 – Available
- Pump 2 – ONLINE – on 60 Hz

➤ **Emergency Cost – Drainage Pumps \$6,208,876**

A total of \$6.2 million has been committed since the I-Team came aboard to stabilize the system. 8 large drainage pumps have returned to service; right now, the drainage system is at 94% operational capacity.

➤ **Emergency Cost – Manpower \$6,557,883**

As it relates to Manpower, just over \$6.5 million has been committed; this includes contracts related to manpower provided by the Interim Emergency Management and Support Team, as well as additional staffing provided by contractor CH2M and Veolia. These contracts are being managed carefully and have been authorized not to exceed certain amounts over various periods of time.

➤ **Combined Emergency Costs \$54,559,264**

In total, for all declared emergencies related to stabilizing SWBNO's power generators, drainage pumps, water pumps and manpower, \$54.6 million has been committed so far. Mr. Rainwater maintained, the

contractors and contracts are being monitored closely, and SWBNO is satisfied with the product delivery. He added this is a significant investment of public resources. Stabilizing this system is absolutely essential to the health and wellbeing of every citizen of New Orleans.

President Landrieu commended the Board for its financial management. As a result, the SWBNO has the financial wherewithal to get through this emergency.

Mr. Paul Rainwater stated weekly meetings are held with all contractors to make sure the contractors are tasked properly and that bench marks are met in the contracts and SWBNO gets the products that are asked for.

Mr. Rainwater stated that the I-Team is working on presentations and will conduct a tour of the Carrollton Plant for Board members.

**Media Relations** – Renee Lapeyrolerie stated that a comprehensive overview will be presented to the Board very soon. Internal communications need improvement; however, some progress has been made with employees. Communications department is trying its best to comply with Public Record Requests from the media outlets. The department has hired Mr. Zachary Hudson to provide for some continuity after November 30, 2017.

➤ **Summary**

- Still working under emergency conditions
- I-Team on ground working round the clock
- Focused on execution of emergency contracts and budget realignment
- Focused on continuity of operations during leadership change

**Key Agenda Topics:**

➤ **FINANCE & ADMINISTRATION COMMITTEE**

**Action Items:**

- General Superintendent's Recommendations
- Change Orders
- First and Final Renewal of Contract 2123 – Water Main Replacement and Extension at Scattered Locations Throughout Orleans Parish
- Request for Declaration of Extreme Emergency for the Restoration of Turbine No. 4
- Authorization To Amend Metering Project Assessment Contract
- Authorization To Procure Customers Relationship Management Software
- East Bank Treatment Plant Municipal Water Pollution Prevention Environment Audit
- West bank Treatment Plant Municipal Water Pollution Prevention Environment Audit

**Presentation Items:**

- Financial Results through August 2017

**Information Items:**

- Executive Director's Approval of Contracts of \$1,000,000.00 or less
- DBE Participation on Contract
- Customer Service Results through September 2017
- FEMA Project Worksheet Status

**FINANCE & ADMINISTRATION COMMITTEE**

Director Peychaud reported on the Committee's meeting held on October 18, 2017 at 10:30 A.M. Director Peychaud's concern again was the amount of Change Orders that were brought to the Committee. Two resolutions were brought from the Committee to the full Board for action.

Director Arnold requested a special Committee meeting be called, for the management to present the financial results of the organization through September 30, 2017.

Director Joseph Peychaud moved to accept the report and recommendations of the Committee. Director Stacy Horn Koch seconded the motion. The motion carried.

### **PENSION COMMITTEE**

#### **Action Items:**

- Mission Statement for the Employees' Retirement System of the Sewerage & Water Board of New Orleans
- Adoption of the CFA Code of Conduct for Member of a Pension Scheme Governing Body by the Employees' Retirement System of the Sewerage & Water Board of New Orleans
- Asset Allocation Targets for Employees' Retirement System of The Sewerage and Water Board of New Orleans
- Miscellaneous Update of the Investment Policy Statement for The Employee s' Retirement System of the Sewerage & Water Board of New Orleans

#### **Executive Session:**

- Disability Retirement Application

#### **Presentation Items:**

- Deputy Director of Administration Discussed on Rehiring Retirees
- 5a. Chief Investment Officer's Presentation

#### **Presentation Items:**

- 5b. LSA R.S.11:3821
- 5c. Code of Conduct for Members of a Pension Scheme Governing Body
- 5d. CFA Code of Ethics and Standards of Professional Conduct
- 5e. Employees' Retirement Investment System Investment Policy Statement
- 5f. Pension Committee Meeting Presentation Oct. 7, 2015
- 5g. Pension Committee Minutes Oct. Nov., Dec., 2015
- 5h. RFP for Asset-Liability Study Consulting Services

Director Peychaud reported on the Pension Committee meeting. Director Johnson moved to accept the report of the Pension Committee. Director Barnes seconded the motion. The motion carried.

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### **CORRESPONDING RESOLUTIONS**

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

R-116-2017 – First and Final Renewal of Contract 2123 – Water Main Line Replacement and Extension at Scattered Locations throughout Orleans Parish

R-119-2017 – Authorization to Amend Metering Project Assessment Contract

R-120-2017 – Authorization to Procure Customer Relationship Management Software

R-123-2017 – Contract 1389 – Algiers Purification Plant Improvements Project

R- 124-2017 – First and Final Renewal of Contract for Furnishing Liquid Ferric Sulfate to the Algiers Water Treatment Plant and the Carrollton Water Plant

R- 125-2017 – Final Acceptance and Close Out to Contract 1345 – Algiers Water Purification Plant Improvements Project

R-126-2017 – Final Acceptance and Close Out to Contract 5203 – Drainage Pumping Station No. 14 – Trash Screen Cleaner Replacement

R-127-2017 – Final Acceptance and Close Out to Contract 8132 – Katrina Related Repairs Garage No. 1 and Generator Building at Central Yard In the City of New Orleans, LA.

R-128-2017 – Award of Contract to Provide Design and Engineering Service for Repairs to River Intake Fender System

R-129-2017 – Emergency Procurement Contract ME 17-0023 Provision of Acceleration of the Scope of Work to Contract 6259 Installation of Permanent Generators at 5 Underpass Station

R-130-2017 – Ratification of Change Order No. 2 for Contract 1395 – Water Hammer Hazard Mitigation – Elevated Storage Tanks

R-131-2017 – Ratification of Change Order No. 11 for Contract 1352 – Hurricane Related Replacement of the Pump Package at the Carrollton Water Purification Plant – Power Complex

R-132-2017 – Ratification of Change Order No. 7 and Final Acceptance and Closeout of Contract # 8143 – Hurricane Katrina Related Repairs to Central Yard Garage #2

R-133-2017 – Ratification of Change Order No. 2 for Contract 6254 – Repairs to Garage #2 Electrical and Equipment Central Yard

R-134-2017 – Ratification of Change Order No. 4 for Contract 1378 – Hurricane Katrina Related Repairs to Boilers, Ducts, & Elevators at the Carrollton Water Purification Plant Power Complex

R-135-2017 – Ratification of Change Order No 5 for Contract 2105 – Line Replacement of mains Damage by Hurricane Katrina within the Central Business District and French Quarter

R-136-2017 – Resolution of Amendment No. 2 To the Agreement Between The Sewerage & Water Board of New Orleans and G.E.C., Inc. for hurricane Katrina Related Drainage Restoration – Broad Underpass Pump Station Design

R- 137-2017 – Amendment No. 10 To the Agreement Between The Sewerage & Water Board of New Orleans and Waldemar S. Nelson and Company for Hurricane Katrina Related Water Restoration Projects

R-139-2017 – Contract 4101 – Requisition and Delivery of Two New Pumps and One Motor at New River

**East Bank Treatment Plant Municipal Water Pollution Prevention Environment Audit (R-121-2017)**

Chief of Environmental Affairs, Ms. Ann Wilson, read the report on the East Bank Treatment Plant Municipal Water Pollution Prevention Environment Audit (R-121-2017). The audit is a yearly requirement for public entities operating a waste water treatment plants. An internal review was performed by Veolia, SWBNO contractor, as well as different departments of the SWBNO. Overflows of the collection system

were documented according to the requirements in the Consent Decree and reported to EPA and DEQ on a monthly basis. The reporting period was June 2016-May 2017. The Board is required to pass a resolution acknowledging receipt and review of the audit.

Director Peychaud moved to approve the resolution. Stacy Horn Koch seconded the motion. The motion carried.

#### **West Bank Treatment Plant Municipal Water Pollution Prevention Environment Audit (R-122-2017)**

Ms. Wilson, Chief of Environmental Affairs, read the report on the West Bank Treatment Plant Municipal Water Pollution Prevention Environment Audit (R-122-2017). The reporting period was September 2016-August 2017. The overflows of the collection system were documented and reported to DEQ on a monthly basis. The Board is required to pass a resolution acknowledging receipt and review of the audit.

Director Koch moved to approve the resolution. Director Barnes seconded. The motion carried.

President Landrieu asked Mr. Paul Rainwater to assist the Environmental Affairs Department in putting together a roadmap for the future and to let the Board know how far SWBNO is in compliance. In response to President Landrieu's question, Mr. Ron Spooner responded that Ms. Kathy Smith is the coordinator for the Consent Decree, but Mr. Joseph Becker was the overall point person for the decree; however, as Chief of Engineering, Mr. Spooner said he would be filling in on the Consent Decree going forward. The Environmental Affairs Department will put together a presentation for the Board. Mr. Spooner also stated that the Consent Decree and all future projects are included in the annual capital program as well as the 10-Year Outlook.

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### **INFORMATION ITEMS**

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The following items were submitted for informational purposes only:

- Monthly Human Resources Activity Report for the Period September 1 through September 30, 2017
- FEMA Status Report
- Report of the General Superintendent
- Report of Special Counsel
- Financial Statements
- Customer Service Results through September 2017

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. This matter was brought up at last month's Board meeting. Staff was asked to give a report on this matter.

Just for clarity, President Landrieu stated that from SWBNOB's perspective, ATCO had a contract with Plant-N-Power but did not have a contract directly with SWBNO, and that SWBNO does not have a responsibility or obligation to Plant-N-Power or to ATCO. As a result, the Board had no authority to do anything on the matter. SWBNO legal counsel's advice to the Board was that there is no action that can or should be taken at this time.

Director Peychaud asked counsel if there was communication or consultation with Mr. Kelly that explained the process so that he understood this was not a Board matter to address. Counsel responded that this had been adequately communicated. Mr. Kelly, however, felt that the SWBNO and their Legal Department were giving incorrect information.



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**ADJOURNMENT**

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There being no further business, Director Bracy moved to adjourn. Director Koch seconded. The meeting adjourned at approximately 10:37 AM.