



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, President

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November 13, 2017

The Finance and Administration Committee met on Monday, November 13, 2017 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 2:05 PM.

Present

Joseph Peychaud
Stacy Horn Koch
Tamika Duplessis, Ph.D.

Absent

None

Other Board Members Present

None

Executive Session

1. Director Joseph Peychaud requested a motion to enter into Executive Session to discuss pending litigation. The committee will consider Faubourg Saint Charles Condominiums v. Sewerage & Water Board of New Orleans, CDC No. 2017-2494-Section 11-G. Motion by Director Dr. Tamika Duplessis. Seconded by Director Stacy Horn Koch. **Motion carried by unanimous consent.**
2. Director Joseph Peychaud requested a motion to exit Executive Session and return to Regular Session. Motion by Director Stacy Horn Koch. Seconded by Director Dr. Tamika Duplessis. **Motion carried by unanimous consent.**
3. Director Joseph Peychaud requested a motion to accept Special Counsel's recommendations with respect to aforementioned litigation while in Executive Session. Motion by Director Dr. Tamika Duplessis. Seconded by Director Stacy Horn Koch. **Motion carried by unanimous consent.**

Action Items

1. Change Order (s) R-141-2017 through R-149-2017:

Director Peychaud made the request that when change orders are listed as action items, that a brief description be listed for each of the change orders on the actual agenda so that when the public views the change orders listed, they will have some idea of what each change order entails.

- **R-141-2017 – Ratification of Change Order No. 2 for Contract 30100 – Electrical Improvement to the Effluent Pump House at the East Bank Sewer Treatment Plant**

Project manager, Felicia Bergeron, answered the committee's questions about project delays related to hurricanes Harvey and Irma. The issues are with manufacturing the variable frequency drives (VFDs) for the project. The manufacturer has a shop in Houston and in the Caribbean. Both of those warehouses were affected by the hurricanes, so there were delays with the manufacturing of the VFDs. The VFDs help control the motors and we're putting in new motors at the Effluent Pump House at the East Bank Sewer Treatment Plant.

Director Dr. Tamika Duplessis moved to accept Change Order No. 2 for Contract 30100 as described in R-141-2017. Director Stacy Horn Koch seconded the motion. The motion carried.

- **R-142-2017 – Ratification of Change Order No. 4 for Contract 3788 – 404 Hazard Mitigation Grant Program – Burke Sewage Pumping Station**

The DBE goal for this contract is 36%. Director Peychaud wanted to know where the contractor is in terms of meeting that 36%. Mr. Ron Spooner stated that he would find out that information and bring it back to the Board.

Director Stacy Horn Koch moved for acceptance of Change Order No. 4 for Contract 3788 as described in resolution R-142-2017. Director Dr. Tamika Duplessis seconded the motion. The motion carried.

- **R-143-2017 – Contract Amendment No. 1 to the Agreement Between The Sewerage & Water Board of New Orleans and Veolia Water North America, LLC for Capital Program Management (CPM Services)**

Director Dr. Tamika Duplessis moved to approve Contract Amendment No. 1 as described in resolution R-143-2017. Director Stacy Horn Koch seconded the motion. The motion carried.

- **R-144-2017 – Ratification of Change Order No. 16 for Contract 1350 –Hurricane Katrina Related Repairs to Turbine 4 at the Carrollton Water Treatment Facility/Power Plant**

Director Stacy Horn Koch moved for acceptance of Change Order No. 16 for Contract 1350 as described in resolution R-144-2017. Director Dr. Tamika Duplessis seconded the motion. The motion carried.

- **R-145-2017 – Ratification of Change Order No. 11/11a for Contract 6247 – Hazard Mitigation Grant Project Retrofit of Generator 4 at the Carrollton Water Purification Plant/Power Complex**

Director Dr. Tamika Duplessis moved to accept Change Order No. 11/11a for Contract 6247 as described in resolution R-145-2017. Director Stacy Horn Koch seconded. The motion carried.

- **R-146-2017 – Ratification of Change Order No. 3 for Contract 6249 – Hazard Mitigation Grant Project – Design Build Retrofit Power Distribution Network**

Director Stacy Horn Koch moved for acceptance of Change Order No. 3 for contract 6249 as described in resolution R-146-2017. Director Dr. Tamika Duplessis seconded. The motion carried.

- **R-147-2017 – Ratification of Change Order No. 1 for Contract 3796 – Replacement of Vertical Turbine Solids Handling Pumps at the Boulevard “X” Sewage Pumping Stations**

In response to Director Peychaud’s question regarding staff being a part of the review committee for all change orders, Valerie Rivers explained that all of these projects either go before our staff contract review committee or our construction review committee where the user agency actually makes a recommendation. Then, the EDBD staff looks at it to see if in fact we have firms that are ready, willing and able to perform on them. At that time, a determination will be made as to what the realistic goal should be for those items.

Director Stacy Horn Koch moved to approve Change Order No. 1 for Contract 3796 as described in resolution R-147-2017. Director Dr. Tamika Duplessis seconded. The motion carried.

- **R-148-2017 – Ratification of Change Order No. 3 for Contract 1371 – Hazard Mitigation Grant Project Structure General Retrofit Power Plant Contract**

Director Dr. Tamika Duplessis moved to approve ratification of Change Order No. 3 for Contract 1371 as described in resolution R-148-2017. Director Stacy Horn Koch seconded. The motion carried.

- **R-149-2017 – Amendment to Agreement with Burke-Kleinpeter, INC. for Design and Engineering Services for the Sewer Pump Station Catch-All-Project**

Director Stacy Horn Koch moved to accept Amendment to Agreement as described in resolution R-149-2017. Director Dr. Tamika Duplessis seconded. The motion carried.

2. **Acceptance of the Report on Operations for 2016 (R-151-2017):**

Director Dr. Tamika Duplessis moved to defer this item to the December Finance and Administration Committee meeting. Director Stacy Horn Koch seconded. The motion carried.

3. **Budget Amendment Request for Emergency Contracts**

Ms. Katie Dignon gave a detailed report stating that all contracts are over \$1 million; therefore, they will have to be brought to the Board for consideration. Director Dr. Tamika Duplessis moved to defer the Budget Approval Amendment to the full Board for consideration on Wednesday. Director Stacy Horn Koch seconded. The motion carried.

4. Healthcare Plan Recommendation

Ms. Sharon Judkins made the presentation to the committee and explained the new healthcare plan. The HR Department is recommending that our new healthcare provider be The Health Plan, which will also use the Cigna Network. Our life insurance and the additional insurance coverage will be provided by Guardian Insurance. Mr. Conrad explained the new plan to the committee.

Presentation Items

1. Financial Results through September 2017

Ms. Katie Dignon gave the financial results through September 2017. Ms. Rosita Thomas stated that we're cross-referencing two different systems because not all reports are going through the Cogsdale system. Director Joseph Peychaud was deeply concerned that the issues with merging the old with the new system have not been resolved. Director Dr. Tamika Duplessis stated that inventory was a concern in the past and that we needed to track inventory throughout the system.

Director Duplessis wanted to know why the financial report was for the month of September and not October. Ms. Katie Dignon stated that there will always be a month's lag reporting financials. Ms. Rosita Thomas stated that it generally takes about four weeks to collect data and proceeded to give a summary of the financials.

2. AMI Readiness Assessment Project Overview

Ms. Jacqueline Shine gave the status and an overview of the project. Ms. Shine stated that the Sewerage & Water Board contracted with AMI in September. Ms. Nicole Griffin and Mr. Dale Pennington with Utiliworks, located in Baton Rouge, gave a PowerPoint presentation to explain how the new meter reading system works. Director Peychaud asked that as consumer advocates on the Board, that he and Director Koch be kept in the loop.

Director Duplessis wanted to know how the new billing system will interact with our current system. Mr. Pennington stated that the new system is self-diagnostic. Director Koch wanted to know if S&WB will have to terminate meter readers as a result of using the new system. Mr. Pennington's response was that some meter readers will be elevated to new skill sets and that Utiliworks is responsible for training and education. Director Peychaud wanted to know the percentage of employee loss and if there's a likelihood of employees being displaced. Mr. Pennington stated that Utiliworks has seen an increase in employment. Although, some people leave because of the pay scale while others leave through attrition. Director Koch requested statistics showing displacement of employees. Utiliworks will provide information requested. Director Duplessis stated that security will be a major concern.

Information Items

Information items 8, 9, 10, and 11 were received.

Adjournment

There being no further business to come before the Finance & Administration Committee, the meeting adjourned at approximately 4:43 PM.

Respectfully submitted,

Joseph Peychaud, Vice Chair