

BOARD OF DIRECTOR'S MEETING DECEMBER 20, 2017

MEETING MINUTES

SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Board of Directors of the Sewerage and Water Board (SWBNO) met on Wednesday, December 20, 2017 at 9:00 AM in the Board Room at 625 St. Joseph Street. The Interim Special Counsel, Ms. Jade Brown-Russell, called the roll and confirmed the following members were present: Director Ralph Johnson, Director Marion Bracy, Director Joseph Peychaud, Director Dr. Tamika Duplessis, Director Andrew Amacker, Director Eileen Gleason, Director Lewis Stirling, and Hon. Mitchell J. Landrieu.

The following member(s) were absent: Director Stacy Horn Koch and Director Robin Barnes.

Also present were: Geneva Coleman, The Hawthorne Agency; Randy Smith, Royal Engineers; Zach Monroe, Sabiston Consultants; Rita Legrand, Lakeview resident; Amer Tufail, Greenpoint Engineers; Renee Lapeyrolerie, CDM Smith; Paul Rainwater, Interim Emergency Management and Support Team; Joseph Sensebe, I-Team, Operations; Marina Kahn, Interim Chief Financial Officer; Robert Turner, P.E.; Irving Carter, SWB PDU.

Staff present were: Bruce Adams, Interim General Superintendent; Sharon Judkins, Deputy Director, Administration; Valerie Rivers, Deputy Director, Logistics; James Thompson, Yolanda Grinstead, Legal Department; Rosita Thomas, Finance Administrator; Jacqueline Winston, Board Relations Staff; Hayne Rainey, Robert Jackson, Community and Intergovernmental Relations; Jade Brown Russell, Interim Special Counsel; Dexter Joseph, Budget Director; Ron Spooner, Engineering; Richard Rainey, Deputy Director, Communications; Zachary Hudson, Communications; Jacqueline Shine, Revenue Department; Willie Mingo, Purchasing Department; Mubashir Maqbool, Network Engineering.

HONORABLE MENTION

The Honorable Mitchell J. Landrieu welcomed the new Board members and thanked them for offering their services to the Sewerage and Water Board. The Mayor also thanked Mr. Paul Rainwater for responding to the Mayor's call to help the S&WB in time of crisis. Mr. Rainwater made his final presentation to the Board as leader of the Interim Emergency Management and Support Team.

APPROVAL OF PREVIOUS REPORT

Director Dr. Tamika Duplessis moved to approve the minutes of the Regular Board Meeting held on November 15, 2017. Director Eileen Gleason seconded the motion. The motion carried.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Paul Rainwater stated that he has enjoyed working with Mayor Landrieu and that he considered it an honor having worked with the Sewerage and Water Board. The other Emergency Team is in place—Ms. Marina Kahn, Mr. Joseph Sensebe, and Mr. Robert Turner who is extended out until March 2018 to provide some continuity. Along with Mr. Bruce Adams as Interim General Superintendent, they make a good, strong team. Thus, we are fully transitioned.

Mr. Rainwater stated that a lot of progress has been made. There is much better communication, but our infrastructure is still fragile in that we are still under emergency conditions. Good people infrastructure is in place; however, we have old real infrastructure problems. Mr. Rainwater feels that the second Team can help this organization work together to address some of those issues.

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

- I-Team's Mandate
- Power Generation
- Drainage Pumping System
- Manpower
- Emergency Costs
- I-Team Recommendations

➤ **I-Team's Mandate**

- SWB continues to operate under emergency conditions.
- Since 8/22/17, I-Team embed with SWB executive leadership working round-the-clock to stabilize SWB's power generation, drainage and manpower systems.
- SWB and its contractors continue to work to repair all power and pumps.
- I-Team focused on execution of emergency contracts to repair infrastructure, add redundancy and resiliency and to deliver continuity of operations during leadership transition.

➤ **Status of Power Generation**

5.0 MW Turbine 1
3.75 MW Turbine 6
6.0 MW Carrollton Freq Changer 1 (Generators)
2.5 MW Carrollton Freq Changer 2 (Generators)
6.0 MW Station D Freq Changer 1 (Generators)
6.0 MW Station D Freq Changer 2 (Generators)
29.25 MW Total Available

- **Turbines Out of Service for Maintenance:**
 - ❖ **Turbine #3** – Siemens working; journal bearing & seals
 - ❖ **Turbine #4** – Demolition work, inspections, switchgear
 - ❖ **Turbine #5** – GE repairing; parts ship Dec. 22

➤ **EMDs**

- 5 EMDs individually tested to full capacity (2.5 MW each)

- Performance testing of EMDs #2-5 scheduled for Dec. 21 with startup on schedule for Dec. 23.
- EMD #1 damaged during Phase Testing Operations on Nov. 29. Supplier required to replace generator/breaker cubical.
- EMDs #2-5 will provide 10 MW of redundant power.
- Sound wall being designed.

Mr. Rainwater explained to the Board that five EMDs equal one turbine, which is the quickest way to provide power in an emergency situation to stabilize what was happening. The Mayor, along with the I-Team, made the decision to make the purchase. There is a sound wall being designed to reduce the noise when the EMDs are utilized. The neighborhood will receive notification as to when the equipment is to be tested. Mr. Amacker requested that Staff explore additional alternatives to the sound wall, and report those findings to the board at a future meeting.

➤ **Overview of Drainage System**

- 24 Drainage Pumping Stations (DPS) across New Orleans
- In total there are 120 pumps
 - ❖ 100 drainage pumps used during rain events
 - ❖ 20 constant duty pumps for groundwater and to lower water levels in drainage canals
- 12 underpass drainage pumping stations

➤ **Drainage Pumping Status**

- **114 of 120 pumps** currently operational (96%)
- **6 pumps out**; undergoing emergency repairs
 - ❖ 4 drainage pumps (2 are less than 10 CFS)
 - ❖ 3 constant duty pumps
- Next large drainage pump to return to service
 - ❖ **DPS #6, Pump I** (1100 CFS) on Dec. 28
 - ❖ Will bring operational capacity to **98%**
- Drainage Pumps Repaired Since Aug. 20:
 - ❖ DPS 1 -- #2 (225 CFS)
 - ❖ DPS 1 – CD #1 (60 CFS)
 - ❖ DPS 6 – CD #1 (90 CFS)
 - ❖ DPS 6 – CD #2 (90 CFS)
 - ❖ DPS 6 – C (1000 CFS)
 - ❖ DPS 6 – D (1000 CFS)
 - ❖ DPS 6 – F (1100 CFS)
 - ❖ DPS 11 – B (250 CFS)
 - ❖ DPS 11 – D (570 CFS)
 - ❖ DPS 11 – E (570 CFS)
 - ❖ DPS 15 -- 2 (250 CFS)
 - ❖ DPS 20 -- #1 (250 CFS)
 - ❖ **Total – 5,455 CFS**
- Drainage Pumps Under Repair:
 - ❖ DPS 5 – CD 2L (40 CFS) 96% Complete
 - ❖ DPS 5 – CD 2R (40 CFS) 96% Complete
 - ❖ **DPS 6 – I (1100 CFS) 97% Complete**
 - ❖ **DPS 7 – C (1000 CFS) 60% Complete**

- ❖ DPS Grant – 2 (8 CFS) 75% Complete
- ❖ DPS Grant – 4 (8 CFS) 75% Complete
- ❖ **Total – 2,196 CFS**

➤ **Manpower**

- On Monday, Civil Service Commission approved Phase 2 of SWB Class/Comp Study for SWB-specific positions:
 - ❖ Networks
 - ❖ Utility Maintenance
 - ❖ Water/Wastewater Treatment
 - ❖ Brings SWB more inline w/ other public & private utilities
 - ❖ Phase 2 will be approved by City Council in Jan.
- Part of a multi-phased approach w/ Civil Service to increase pay for SWB employees

On December 18, 2017, Civil Service approved Phase 2 of Class/Comp Study for the Sewerage and Water Board specific positions.

➤ **Emergency Costs**

- **Power** \$50,114,804.08
- **Water Pumps** \$ 286,028.20
- **Drainage Pumps** \$ 6,265,788.83
- **Manpower** \$15,138,007.00
- **Combined** \$71,804,628.11
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The manpower emergency costs include contracts provided by the I-TEAM, as well as CH2M and Veolia. These contracts are managed very carefully and are overseen by Ms. Katie Dignan, the City's point person on FEMA Reimbursement and Oversight of the entire recovery of the City of New Orleans. Ms. Dignan works with Ms. Marina Kahn to make sure things are on track.

➤ **I-Team Recommendations**

- Assign SWB Executive Director to CWP.
- With Executive Search Firm, review span of control for SWB executive leadership positions
- Review and develop a new organizational chart to ensure power generation, water, sewer and drainage operations positions are fully dedicated
- Consider reissuing contract from RFP for Staff Augmentation (NTE a 12 month term)
- Continue implementing SWB Class/Comp Study
- Approve CEA w/ Flood Protection Authority for operations of PCCP
- Implement SOPs for turbines/EMDs
- Build SOPs for Potable Water Pumps
- Supply all DPS w/ same level of equipment
 - ❖ Comms: two-way radios, land lines, cellular
 - ❖ Computer systems
 - ❖ Supervisory Control and Data Acquisition (SCADA)
 - ❖ Safety equipment
- Utilize Decision Recommendation Memorandum:
 - ❖ Establish standard process for activities
 - ❖ Memorialize all actions/events
- Institute a comprehensive Safety program

- Institute complete and progressive employee job training/ sustainment program
- Review power generation redundancy for Station D and key drainage pumping stations

Mr. Paul Rainwater suggested having the Executive Director stationed at the Carrollton Water Plant and letting the Chief Financial Officer be in charge of the Central Office. Mr. Rainwater stated that the Executive Director needs to understand that the money is made in generation, distribution, water and sewer. The S&WB makes money from water and revenue. The security of the City depends on power of the pumps.

Mayor Landrieu interjected his editorial comment. The Mayor stated that an after action report would be forthcoming. One of the things the report will state is that there was a disconnect between what was happening at the CWP and what the Board members knew or should have known, and that the gap needs to close.

Mr. Rainwater recommended that the Board approve the CEA for operations of the pump stations located at Orleans, London and 17th Street Outfall Canals. The pump station operators and the supervisors understand the operations, but they are not ready to take on three more pump stations at this time.

One of the things the I-Team recognized early on was that there were three large failures with turbines. Following the after actions, it was determined that the failures were a result of employee error. The S&WB needs to continue to develop and implement Standard Operating Procedures (SOPs) around turbines and EMDs. Mr. Rainwater recommended that the SOPs be approved at the Board level and that the Board create a subcommittee that oversees and provides a monthly update as to where the turbines and EMDs are in terms of procedure, preventive maintenance and all things that occur. Director Amacker was drafted to be on the Maintenance and Oversight subcommittee. Mr. Rainwater stated that it is very important that staff be held accountable on SOPs on the preventive maintenance.

Mr. Rainwater pointed out that there is no safety program at the S&WB. There are safety personnel; however, they have not been allowed to do their jobs. There are some serious situations dealing with large pieces of equipment that need to be addressed.

Mr. Rainwater stated that we will be in emergency status through March 2018 or longer. Mayor Landrieu pointed out that there have been requests for more drainage funding since 1985. Some of the citizens have said yes on the sewer and water and no on the drainage proposals. We need more resources to build infrastructure that will give us safety and security. In the Mayor's opinion, that means moving away from 25 cycle power to 60 cycle power.

Director Amacker expressed concerns about the methodology used to complete the Class/Comp Study. He wanted to know why private entities were not included in the study. Deputy Director of Administration, Ms. Sharon Judkins, addressed Director Amacker's concerns. The private sector agencies are not required to give us their data; therefore, most private agencies refused to do so, thereby leaving us with data from only public sector agencies. In order to compensate for the gap in the study, the market rate was increased by 10% to cover the gap that may have been created by the private industries who did not give us their data. Mayor Landrieu asked Director Amacker to provide the Board with any other data that he has so that the Board can take a look at it and assess it. A portion of the study has already been implemented. Ms. Judkins managed the production of the study, and going forward, it will probably be managed by Ms. Marina Kahn, Interim CFO.

Mayor Landrieu urged the new Board members to bring any information to the Board that they think would form the basis of different recommendations in the Class/Comp Study. Even though the report has already been adopted, changes can be made. Mayor Landrieu also asked Ms. Judkins to check to see whether we have the correct objective data for the baselines for the 5% - 15% wage increase. Ms. Judkins indicated that she could have the consultants explain their methodology in more detail to the members of the Board.

FINANCE & ADMINISTRATION COMMITTEE

Director Joseph Peychaud reported on the action taken by the Finance and Administration Committee. The Committee met on Monday, December 18, 2017. The General Superintendent's Recommendations were approved. All of the Change Orders were recommended to the full Board for approval. The 2018 Operating Budget and 2018 Capital Budget Blanket Appropriations Resolution (R-158-2017) was accepted. The 2018 Operating Budget (R-174-2017) was also accepted. The following items were deferred to the full Board: Acceptance of Report on Operations for 2016 (R-151-2016); Resolution to Approve the Selection of Firm for 2017 Independent Financial Auditing Services (R-178-2017); Update on Customer Billing Issues. There was an oral presentation on the Flood Authorization East CEA and a presentation of the Financial Results through October 2017. There was one correction to the attendance. Director Ralph Johnson was in attendance at this meeting. No further business was brought before the Committee.

Director Dr. Tamika Duplessis moved to accept the report of the Finance and Administration Committee. Director Ralph Johnson seconded the motion. The motion carried.

PENSION COMMITTEE

Director Joseph Peychaud reported on the actions taken by the Pension Committee on December 18, 2017. There were two action items. Resolution (R-177-2017), The 2018 Cost of Living Allowance, was presented and approved. Resolution (R-162-2017) to hire Callan LLC Asset-Liability Study Consultants was moved to the Board of Trustees for approval. There were several presentations with regard to implementing a Cost of Living Adjustment (COLA). There was further discussion on the asset-liability consultant, the upcoming general consultant search with regard to FFC Capital Management, the Funds Compliance with regard to asset allocations, and the formation of working committees. There were several items for information only. There being no further business to come before the Pension Committee, the meeting adjourned.

Director Lewis Sterling III moved to accept the report of the Pension Committee. Director Andrew Amacker seconded the motion. The motion carried.

CORRESPONDING RESOLUTIONS

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

R-153-2017—Ratification of Change Order No. 12, Final Acceptance and Closeout of Contract 1351 – Hurricane Katrina Related Repairs to A&B Pumps and Auxiliaries at the Carrollton Water Purification Plant/Power Complex

R-154-2017—Ratification of Change Order No. 6, Final Acceptance and Closeout of Contract 2105 – Line Replacement and Mains Damaged by Hurricane Katrina within the Central Business District and French Quarter

R-155-2017—Final Acceptance and Closeout of Contract 1387 – Painting and Repair of 4 – Four Million Gallon Water Storage Tanks at the Main Water Purification Plant (Rebid of Contract 1379)

R-156-2017—Final Acceptance and Closeout of Contract 30103 – Installation of Emergency Discharge Connections at Horace, Huntlee, Holiday and Eton Sewage Pumping Stations

R-157-2017—Final Acceptance and Closeout of Contract 1371 – Hazard Mitigation Grant Project – Structural General Contract Retrofit Power Plant Main Water Purification Plant Power Complex

R-158-2017—2018 Operating Budget and 2018 Capital Budget Appropriations, December 20, 2017

R-159-2017—Award of Contract to Provide Design and Engineering Services for DPS #4 Canopy and Bridge Crane Addition

R-160-2017—Contract 1402 – Removal of Silt from the New River Intake Station

R-161-2017—Final Acceptance and Closeout of Contract 3737 – Carrollton Area Sewer Rehabilitation, Mistletoe St. 18-inch Sewer Main Replacement

R-163-2017—First and Final Renewal of Contract 30203 – Restoration Gravity Flow Sanitary Sewers by Point Repair of Sewer Mains at various sites throughout the city of New Orleans

R-164-2017—First and Final Renewal of Contract 30204 – Restoration of Existing Gravity Flow Sanitary Sewers by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole, CIPP Lining of Service Laterals and Point Repair at various sites throughout the city of New Orleans

R-168-2017—Final Acceptance and Close Out to Contract 2105 – Replacement of Water Lines Damaged by Hurricane Katrina within Various Roadways in Different Neighborhoods throughout the city of New Orleans

R-169-2017—Final Acceptance and Close Out to Contract 30009 – Restoration of Existing Gravity Sewer Mains by Excavation and Replacement from Manhole to Manhole at various sites throughout Orleans Parish

R-170-2017—Final Acceptance and Close Out to Contract 30103 – Installation of Emergency Discharge Connections at Horace, Holiday, Huntlee and Eton Sewer Pumping Stations

R-171-2017—Ratification of Change Order No. 1 for Requisition Co 17-0014 Emergency Repairs of Turbine #5 at the Carrollton Water Plant

R-172-2017—Contract Amendment No. 1 to the Agreement between the Sewerage and Water Board of New Orleans and Veolia Water North America-South, LLC for Emergency Professional Services Agreement for Facilities Condition Assessment

R-173-2017—Contract Amendment No. 1 to the Agreement between the Sewerage and Water Board of New Orleans and CH2M Hill Engineers, Inc for Emergency Program Management and Staff Augmentation of Operations Maintenance and Recovery

Director Dr. Duplessis and Director Bracy were concerned about items that were deferred to the full Board that were not on the agenda. Interim Special Counsel, Ms. Jade Brown Russell, stated that some items were not ready to be presented at the December 2017 Board meeting but that they will come before the Board. Mayor Landrieu stated that anything that was time sensitive was pushed to the full Board for the December 2017 meeting.

Director Peychaud moved to approve the Corresponding Resolutions as a whole. Director Lewis Sterling III seconded. The motion carried.

Resolution to Approve a CEA with the Southeast Louisiana Flood Protection Authority (R-176-2017)

Mr. Zach Butterworth, Director of Federal Relations for the City, provided an update in regard to the CEA with the Southeast Louisiana Flood Protection Authority (R-176-2017). The entire hurricane risk reduction system has been turned over on the East Bank to Southeast Louisiana Flood Protection Authority East.

- The pumps are to be operated about every 5 years, requiring daily maintenance; however, operation is infrequent. Hence, a cost-sharing agreement was developed whereby the S&WB would contribute half of the funding to operate and maintain these facilities and the Flood Protection Authority would operate them on behalf of the entire region.
- Prior to the CEA, the S&WB has never had control or financial responsibilities toward the operation and maintenance of the risk reduction system.
- The best estimate from the Army Corps CPRA and Flood Protection Authority of the total cost to operate each individual pump station is about \$4 million per year, which will be a \$2 million a year cost to the S&WB to operate and maintain all three of these facilities. The cost will fluctuate from year to year.
- This is a 10-year CEA that was budgeted this year by the S&WB.
- All routine preventive repair and reconstruction are the role of the Flood Protection Authority.

Director Lewis Stirling III moved to approve the CEA with the Southeast Louisiana Flood Protection Authority (R-176-2017). Director Marion Bracy seconded. The motion carried.

Resolution to Approve the 2018 Capital Budget (R-179-2017)

The Finance and Administration Committee received a full presentation at the December 18, 2017 meeting; however, the resolution had not been prepared at the time of the meeting. Therefore, the Capital Budget Resolution (R-179-2017) was brought before the full Board. Ms. Marina Kahn and Mr. Irving Carter gave a full overview. Mr. Carter pointed out that the 2018 Capital Budget is approximately \$346 million. The total 10-Year Plan is approximately \$3.1 billion. The issue is that we have a total budget of \$346 million but only have commitments for \$289 million. There is a \$56.7 million gap in drainage. So, we'll be taking a look at how to go about funding that gap in the January 2018 Finance and Administration meeting.

Mayor Landrieu requested that at the next Board meeting, Ms. Katie Dignan come back and discuss the Capital issues that are in abeyance right now because of a lack of resources and the HMGP money, as well as FEMA issues.

Director Joseph Peychaud moved to approve the 2018 Capital Budget. Director Andrew Amacker seconded. Director Eileen Gleason voted nay. The motion carried.

Resolution to Approve the 2018 Operating Budget (R-174-2017)

The 2018 Operating Budget was accepted at the December 18, 2017 Finance and Administration Committee meeting. Ms. Marina Kahn, CFO, along with Budget Director, Mr. Dexter Joseph, made the presentation to the Board. A correction was noted on the Summary Sheet under the Major Expense category for line item Furniture and Equipment.

Mr. Dexter Joseph, Budget Director, stated that the Budget Department does not need Board approval to move money within the Budget to fund things that may be short, but the Board would be notified of actions taken. In the event that we're not hitting our marks on this particular issue, Mayor Landrieu asked that this information be reported to the Board before there are any substantial reallocations of money within the budget. The Mayor asked Mr. Joseph to present that information to the Board for notification. Mayor Landrieu asked that any reallocation of money be included in the monthly budget report so that we can measure how well we're doing with hiring and overage. It was announced to the Board that the budget is balanced and that additional contingencies were built into the budget to take care of situations that may arise in the future.

Director Joseph Peychaud moved to adopt the 2018 Operating Budget. Director Dr. Tamika Duplessis seconded. The motion carried.

Resolution to Approve the Selection of Firm for 2017 Independent Financial Auditing Services (R-178-2017)

Ms. Rosita Thomas, Finance Administrator, explained that the resolution would allow S&WB to continue our independent financial auditing service which ended with Calendar Year 2016. An RFP for Independent Financial Auditing Services for 2017 was issued in November and Postlethwaite & Netterville CPA was selected. Bruno and Tervalon CPA was selected as the DBE participant with 45% on this contract. At the end of 2021, the contract amount will total \$129,000. In the normal scope of operations, this is not a matter that requires Board approval because the Executive Director has the authority to sign contracts for \$1 million or less. But because we're in an interim emergency, the Finance Department thought it would be a good idea to communicate this matter to the Board.

Director Marion Bracy moved to approve resolution (R-178-2017). Director Eileen Gleason seconded. The motion carried.

RFP for Contract Staff Augmentation and Support Services

Interim Counsel, Ms. Jade Brown Russell, gave an update on the RFP for Contract Staff Augmentation and Support Services. On Thursday, December 14, 2017, an Evaluation Selection Committee considered one received proposal in response to an RFP for Contract Staff Augmentation and Support Services. It was the determination of the Selection Committee that the response was non-responsive based upon the requirement of years of service. For the record, Mr. Willie Mingo, Procurement Administrator, stated that the Procurement Department developed the specifications. Mr. Bruce Adams, Interim General Superintendent, offered 25 years in the specifications because they wanted people with senior experience in these areas. The recommendation from the Selection Committee was to defer the matter to the Board.

Mr. Mingo stated that the bid can be re-advertised once the specifications are developed. Board approval is not required. The Interim Executive Director or Interim General Superintendent can approve the contract. Ms. Valerie Rivers, Deputy Director of Logistics, stated that once the specifications are developed, Procurement can put it right back out and turn it in seven days. There will be a pre-bid meeting. Anyone that is proposing can ask questions at that time. The results would be brought to the Finance and Administration Committee.

Mayor Landrieu requested that Mr. Adams, Mr. Sensebe and Mr. Mingo reconvene as soon as possible, listen to input from some of the Board members about the levels of competence needed, redraft an RFP/RFQ, bring it to the Finance and Administration Committee and finally to Interim General Superintendent, Mr. Bruce Adams for approval. Also, the committee was asked to keep the Board informed. Director Ralph Johnson suggested having some flexibility built into the RFP/RFQ where 25 years or some other documented experience would be acceptable in terms of meeting the requirements. This matter is time sensitive. Mayor Landrieu wanted the record to reflect that staff augmentation is not an attempt to privatize the S&WB.

Presentation Items

▪ **Class/Comp Study**

Ms. Sharon Judkins, Deputy Director of Administration, stated that compensation has already increased in some areas. Managers are permitted to hire from registers for any positions needed. In the event there are no registers, HR is opening up all positions that are closed at this point to get registers. Tools are in place to assure that we have competent people on the registers that are provided to our managers. If managers determine that those individuals are not qualified for any of the jobs, HR will work with the managers to determine where the gaps exist and what needs to be done to fill the gaps. The final draft of the Class/Comp Study, which was accepted by the staff, was

distributed to the Board for consideration. Mayor Landrieu believes that Interim Executive Director, Ms. Marcie Edwards, Ms. Marina Kahn and Ms. Sharon Judkins will collaborate on the Study and will have some good recommendations at our next meeting.

▪ Customer Billing Issues

The Update on Customer Billing Issues was filed with the Finance and Administration Committee at the December 2017 meeting. Ms. Kahn had to leave and was unable to make the presentation. Ms. Kahn provided the Board with data as to where we are. A problem was detected in April 2017. There were 13,723 complaints in which investigations were initiated. Of those, 7,439 have been completed. There are 4,787 complaints that are still under investigation. This means that we usually have to go back and get a meter read and inspect the site for leaks to find out what is wrong.

Ms. Jacqueline Shine, Customer Service Manager, also addressed the billing issues. Ms. Shine said that we're improving. There are ongoing problems; therefore, the number will never be zero. We usually try to keep the number of customers requiring investigations, property inspections or meters reviewed at 1% or lower. Investigations are usually generated by the customer and S&WB initiates the investigation. The bills alert customers when there is a problem using a percentage now rather than a set dollar amount. Customers are notified in writing as to the outcome of their investigation. If the customer disagrees with the outcome of the investigation, the customer can request a hearing with our Administrative Hearing Officer.

Director Marion Bracy stated that customer service has been elevated due to the manner in which the customer service representatives are answering the phone, as opposed to six months ago.

Director Joseph Peychaud asked if Customer Service had addressed the reasons why those billing instances occurred, i.e. software, etc. Ms. Shine stated that the billing issues were a result of training issues and staff not understanding how the software works. The problem has been corrected and customers will no longer be double-billed. Mayor Landrieu asked Ms. Kahn and Ms. Shine for a regular update on this issue.

EXECUTIVE SESSION

- Consideration of Marcie Edwards for Interim Executive Director
- Faubourg St. Charles Litigation Matter

Director Lewis Stirling III moved to officially add the Faubourg St. Charles Litigation Matter to the agenda. Director Eileen Gleason seconded. The motion carried.

Director Marion Bracy moved to enter Executive Session. Director Ralph Johnson seconded the motion. The motion carried.

No action was taken in Executive Session. The Board acted on what was decided in Executive Session during Regular Session. In Executive Session, the Board discussed the hiring of an Interim Executive Director.

Mayor Mitchell Landrieu called for a motion to adopt the resolution for the approval of the interim appointment of a new Executive Director of Sewerage and Water Board of New Orleans, as read by Interim Special Counsel, Ms. Jade Brown Russell.

Director Lewis Stirling III moved to adopt the resolution for the approval of the appointment of a new Interim Executive Director of the Sewerage and Water Board of New Orleans. Director Eileen Gleason seconded. The motion carried. The Mayor requested that Ms. Marcie Edwards' resume' be posted and made available to the public. Mayor Landrieu feels that Ms. Edwards will be an asset as the Board works with Mayor-Elect Cantrell to search for a permanent Executive Director so that this public water utility gets back on stable footing.

Interim Special Counsel, Ms. Jade Brown Russell, was seeking a motion from the Board to proceed with the recommended settlement in connection with the Faubourg St. Charles Litigation Matter as presented during Executive Session.

Director Joseph Peychaud moved to accept Counsel's recommendation. Director Ralph Johnson seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- Monthly Human Resources Activity Report for the Period November 1 through November 30, 2017
- Executive Director's Approval of Contracts of \$1,000,000 or less
- FEMA Status Report
- Report of the General Superintendent
- Report of the Special Counsel
- Financial Statements
- DBE Participation on Contracts

PUBLIC COMMENT

Mr. Mubashir Maqbool, an engineer with S&WB, made a public comment. Mr. Maqbool wanted to know why S&WB is doing staff augmentation when there are numerous individuals waiting to be hired that are experts. He commented that if S&WB paid market compensation, there would be no need for staff augmentation. Ms. Sharon Judkins responded to Mr. Maqbool's comment.

Ms. Judkins distributed the final draft of the Class/Comp Study that staff had accepted. However, the report had not been adopted by the Board. Since there is a backlog of openings that we want to fill and make sure that we have the resources necessary to hire competent people, Mayor Landrieu referred the Class/Comp Study to the Finance and Administration Committee to review and make changes by the next meeting, if possible.

ANY OTHER MATTERS

In the Mayor's comment, he stated that the City Council of New Orleans has had nine Council Hearings regarding S&WB issues since August 5, 2017. The Council members and their staff are invited to all S&WB meetings. The Mayor has asked that after every meeting, beginning with the December 2017 Board of Directors' meeting, the agendas, all attachments, any information, and a draft copy of any minutes be sent to the City Council Clerk to be distributed to the members of the City Council so that the Council can have real time communication from us, in the event that the Council or their staff cannot attend our meetings.

If anyone has any questions, they are to be directed to Interim General Superintendent, Mr. Bruce Adams, who will then disseminate them to staff.

ADJOURNMENT

There being no further business to come before the Board, Director Joseph Peychaud moved to adjourn. Director Eileen Gleason seconded. The meeting adjourned at approximately 12:45 PM.