



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

Sewerage & Water Board OF NEW ORLEANS

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April 11, 2018

The Finance and Administration Committee met on Monday, April 11, 2018 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 10:30 A.M.

Present:

Director Joseph Peychaud
Director Stacy Horn Koch
Director Dr. Tamika Duplessis
Director Eileen Gleason
Director Ralph Johnson

Absent:

None

Other Board Members Present:

Lynes Sloss

Director Peychaud announced the agenda items that would be reviewed in today's meeting. He informed the Committee that Interim Executive Director, Mrs. Marcie Edwards, would only be in attendance for the Finance and Administration Committee meeting for fifteen minutes because she has a meeting with the Mayor- Elect in Baton Rouge with regards to Senate Bill 227 that involves the restructuring of this Board.

Director Gleason asked Mrs. Marcie what the proposed changes are. Mrs. Marcie's response was that the moving target of the Mayor- Elect was successful in negotiations in her shifting the proposed requirement that the City CAO act as the pro tem. Mrs. Marcie believes she gained great flexibility and it is still under discussion whether to add a member of the City Council and if so, whom, and should they add an engineer. This goes up to the House later this week sponsored by Senator Morrell.

In addition, Mrs. Marcie offered an apology because there was a miscommunication on the packets being distributed in a timely manner. The packets did not go out as they should have on Monday. Board Relations will assure the packets go out earlier than the night before. Mrs. Marcie also stated that it's a good suggestion that even though it may be confusing for some, we tend to hold up the whole book for a few trailing pieces. So she instructed Jasmin Lawrence, Board Relations, to send

the balance of the book early on. Mrs. Marcie offered her sincere apologies for the packet arriving so late.

Director Peychaud stated they appreciate her apology as a committee.

ACTION ITEMS:

Item 1 General Superintendent's Recommendations

Bids:

- **R-054-2018 – Contract #2129 – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish**

Director Ralph Johnson moved for acceptance of (R-054-2018) – Contract #2129. Director Tamika Duplessis seconded. The motion carried.

- **R-055-2018 – Contract #30216 – Restoration of Gravity Flow Sanitary Sewer Mains by Point Repair At Various Sites throughout Orleans Parish**

Director Joseph Peychaud noticed the DBE participation seems to be very good in terms of what has been discussed.

Mr. Adams stated the contracts through closing with adjournment involved have been very healthy in response to DBE. They have exceeded the goals.

Director Eileen Gleason moved for acceptance of (R-055-2018) - Contract #30216. Director Ralph Johnson. The motion carried.

- **R- 029-2018 – Contract #5241 – Drainage System Support ANTI-SIPHON DPS 1 Project**

Director Stacy Horn Koch moved for acceptance of (R-029-2018) – Contract #5241. Director Tamika Duplessis seconded. The motion carried.

Emergency Repair:

- **R- 053-2018 – Emergency Contract – Sycamore Filter Gallery Structural and Filter Rehab**

Director Ralph Johnson moved for acceptance of (R-053-2018) Emergency Contract. Director Stacy Horn Koch seconded. The motion carried.

Contract Final Acceptance

- **R-042-2018 – Contract #1381 – Purchase and Installation of Compressor , Tank and Dryer in the Sycamore Filter Gallery at the MWPP**

Director Eileen Gleason moved for acceptance of (R-042-2018) – Contract #1381. Director Ralph Johnson seconded. The motion carried.

- **R-049-2018 – Contract #2111 – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish**

Director Ralph Johnson moved for acceptance of (R-049-2018) – Contract #2111. Director Tamika Duplessis seconded. The motion carried.

- **R-047-2018 – Contract #2123 – Waterline Replacement and Extension at Scattered Locations throughout Orleans Parish**

Director Stacy Horn Koch moved for acceptance of (R-047-2018) – Contract #2123. Director Eileen Gleason seconded. The motion carried.

- **R-013-2018 – Contract #30016 – 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 Repairs at Various Sites throughout The City of New Orleans**

Director Ralph Johnson moved for acceptance of (R-013-2018) Contract #30016. Director Eileen Gleason seconded. The motion carried.

Item 2 Change Order(s) & Contract Amendments

- **Resolution (R-041-2018) Approving Ratification of Change Order No. 1 for Contract #6259 – Installation of Permanent Generators at 5 Drainage Underpass Stations**

Mr. Ron Spooner stated that the original contract as bid last year was for the approval of five underpass drainage pump stations under FEMA funding. Subsequent to that, we have added three underpass drainage stations to the five with permanent generators. This Change Order is for two of the three. The third one is forthcoming because they are working on an estimate. The two additional underpass stations are located in City Park and a critical one on St. Bernard at I-610.

Director Koch asked if they had done a separate bid for the two additional drainage pump stations. Mr. Spooner said they had not done a separate bid because of the existing contract, to get the permanent generators in place. This is the reason for doing the Field Change Order (FCO). Otherwise, the job would have to extend another 6-9 months, and then during those 6-9 months, you do not have a permanent generator at these drainage pump stations.

Director Tamika Duplessis asked for a clarification on the term “Hospital” where the two permanent emergency generators would be placed, as stated in the Inter-office Memorandum. Mr. Spooner explained that “Hospital” is the name of the drainage underpass station located in City Park.

Director Peychaud requested that when the specific details of the contracts are put together, in terms of questions posed earlier, that the response to the questions be included in the upcoming reports.

Director Koch stated that the perception of a Contract Amendment is much different from the perception of a Change Order. She suggested that since we already have a number of people under contract, that we put out an LOI (Letter of Intent) among people who already have a contract that we can amend.

Mr. Joseph Sensebe stated that a majority of the Change Orders are not contractor initiated but are due to unforeseen circumstances. Many of those services are at the request of the Board. Director Koch is requesting an evaluation of the work done by Drennan since Drennan seems to be the recipient of many contracts and is always the lowest bidder. Mr. Sensebe stated that the possible reason for that is that there aren’t enough contracts to parcel out the work. However, that practice has been set aside and we are going to have many more contracts.

Mr. Sensebe stated that they are trying to be more strategic and more tactical when attacking problems, getting them dealt with and trying to make contracts a lot more equitably distributed as far as where the work goes, which means more contractors.

Ms. Yolanda Grinstead suggested the option of creating an ad hoc committee to handle this issue so they can review the current Board policies, procedures, and protocols as it relates to change orders and amendments and what would be best for the Board.

Director Peychaud stated that some of these items may fall under the purview of the Audit Committee, in terms of the Finance Committee dealing with those things specifically related to it as a committee.

Director Tamika Duplessis moved to approve Ratification of Change Order No. 1 for Contract #6259. Director Ralph Johnson seconded. The motion carried.

- **Resolution (R-044-2018) Approving Contract Amendment No. 2 to the Agreement Between The Sewerage and Water Board of New Orleans and Veolia Water North America0 South, LLC for Emergency Professional Services Agreement for Facilities Condition Assessment**

This contract was awarded to Veolia for completion of their work on the emergency services post-August 5, 2017 flooding to cover completion of diagnostic work on the drainage pump stations and for an extensive IT system allowing staff to monitor pump station activity, water system activity and sewer system activity remotely from their laptops.

Director Stacy Horn Koch moved to accept Resolution (R-044-2018). Director Tamika Duplessis seconded the motion. The motion carried.

- **Resolution (R-045-2018) Approving Ratification of Change No. 3 for Contract #1395 – Water Hammer Hazard Mitigation – Elevated Storage Tanks**

Mr. Bruce Adams explained that several months ago the backwash pump at the Carrollton Water Plant began to deteriorate. Staff was able to do some repairs to put it back in service. B&K Construction Co., LLC was already on the site working on the water tower. The company was contracted to install a new backwash pump station to avoid a Boil Water Advisory. The work is complete.

Director Stacy Horn Koch moved to accept Resolution (R-045-2018). Director Johnson seconded. The motion carried.

- **Resolution (R-046-2018) Approving Change Order No.2 for Contract #1368 – Hazard Mitigation Grant Project Oak Street Pumping Station**

Director Stacy Horn Koch moved for acceptance of (R-046-2018) Contract #1368. Director Eileen Gleason seconded the motion. The motion carried.

- **Resolution (R-051-2018) Approving Contract Amendment No. 5 To The Agreement Between The Sewerage and Water Board of New Orleans and CH2M Hill Engineers, INC for Program Management and Design and Engineering Services for The Retrofit Power Plant Hazard Mitigation Grant Project**

Director Eileen Gleason moved to accept Resolution (R-051-2018). Director Tamika Duplessis seconded the motion. The motion carried.

- **Resolution (R-052-2018) – Contracts Amendment No. 2 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 Peychaud asked Mr. Sensebe of the I-Team when their next status updates would be given in regards to the work that has been done and for work that needs to be done in relation to the pumps and generators, etc. , in terms of contracts for final acceptance of work that has been completed. Mr. Sensebe informed Director Peychaud that they will be meeting with the Mayor on April 12, 2018 and they will update the Mayor on the situation and would make a presentation at the next Board meeting.

Director Joseph Peychaud also reminded Mr. Adams that the report must be very inclusive regarding questions and concerns that have been addressed by committee members to get a true handle of this and understand why it's happened.

Director Koch wants to know what contracts they have with the Board and as they do close outs, who is completing the evaluation of the work done and if the committee can have access to it. She also stated she had a few concerns about the bid in other contracts.

Director Koch moved to accept Resolution (R-052-2018). Director Ralph Johnson seconded the motion. The motion carried.

PRESENTATION ITEMS

Chief Financial Officer, Ms. Marina Kahn, presented the information in the Preliminary December 2017 Financial Statements. Director Ralph Johnson has concerns about presenting 2017 financial results when we are in April 2018, He believes that many things should have been updated and corrected themselves by now. Mr. Johnson thinks that they should be caught up with the timing of the months.

Ms. Kahn talked about the Operating Revenues. The issue with December's 2017 Financial Statements is there is a lot to be approved and work to try and get all of those in place. They thought the Board needed to see what was going on with revenues and the expenditures. The January numbers will be presented at the next meeting, which will be based on the comparison of prior years to how they will compare to the budget to see if they over-estimated. The only difference from last month's presentation is they were lagging behind a little on their sales that were at 7%, and now they have all the approvals. So they increased to 9.4%, which reflects that 10% rating increase that was approved.

INFORMATION ITEMS:

Information items 4, 5, 6, 7 were received.

ADJOURNMENT:

There being no further business to come before the Finance & Administration Committee, the meeting ended at approximately 11:54 A.M. .

Respectfully submitted,

Joseph Peychaud, Chair