

BOARD OF DIRECTORS' MEETING

APRIL 18, 2018

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, April 18, 2018 at 9:09 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 Andrew Amacker, Director Ralph Johnson, Director Eileen Gleason, Director Joseph Peychaud, Director Stacy Horn Koch, Director Lewis Stirling, III, Director Lynes Sloss, Director Robin Barnes, Director Dr. Tamika Duplessis, and Hon. Mitchell Landrieu.

The following member(s) were absent: None

Also present were: Ms. Geneva Coleman, The Hawthorne Agency; Mr. Randy Smith, Royal Engineers; Ms. Rita Legrand, Lakeview resident; Mr. Amer Tufail, GreenPoint Engineering; Ms. Cynthia M. Krizo, Lotus Mudra Therapeutics; Mr. Robert Turner, P.E., I-Team; Ms. Brenda Thorton, Communirep; Ms. Brooke E. Smith, City of New Orleans; Ms. Katie Dignan, PDU; Mr. Joseph Sensebe.

Staff present were: Ms. Marcie Edwards, Interim Executive Director; Mr. Bruce Adams, Interim General Superintendent; Ms. Marina Kahn, CFO; Ms. Sharon Judkins, Deputy Director, Administration; Ms. Valerie Rivers, Deputy Director, Logistics; Ms. Jade Brown-Russell, Interim Special Counsel; Mr. Ronald Doucette, Deputy Director, Security; Ms. Rosita Thomas, Finance Department; Ms. Jacqueline Winston, Ms. Jasmin Lawrence, Board Relations Staff; Ms. Yoland Grinstead, Mary Beth Arceneaux, James Thompson, Legal Dept.; Mr. Dexter Joseph, Budget Dept.; Ms. Jacqueline Shine, Customer Service; Ms. Robert Jackson, Community & Intergovernmental Relations; Mr. Willie Mingo, Purchasing; Ms. Irma Plummer, EDBP; Mr. Eric Labat, Carrollton Water Plant; Mr. David Cappel, Mr. Steve Bass, Networks.

APPROVAL OF PREVIOUS MINUTES

Director Lynes Sloss moved for approval of the Minutes of March 28, 2018. Director Lewis Stirling, III seconded. The motion carried.

THE MAYOR'S FAREWELL ADDRESS

Mayor Landrieu announced that the April 2018 Board of Directors' Meeting is the last meeting that he would be attending. He thanked the members of the Board for their service. For the benefit of the public, the Mayor stated that the Board changes continuously over time. He also thanked the employees of the Sewerage and Water Board along with our partners.

The Mayor stated that the restructuring of the entire city began at the start of his administration in 2010. Some of the highlights are listed below:

- \$511 million in public assistance from FEMA
- \$2.3 billion for a joint roadwork project

- Increased employment and businesses
- 100-year event, August 5, 2017 flood
- 2 new water towers at the Carrollton Water Plant (CWP)
- Installation of new backwash pump station at the CWP to prevent Boil Water Advisories
- Under 5 federal consent decrees in 2010. We have successfully managed through all 5.
- Bond Rating for the Sewerage & Water Board upgraded
- \$2 billion investment in storm protection near completion
- Pumping stations located at the Orleans, London and 17th Street Outfall Canals operated and maintained by the Southeast Louisiana Flood Protection Authority-East
- Drainage millage supplied one-third of the drainage for the City.
- 90% of the people in New Orleans received a reduction in flood insurance premiums. The average policy is \$500.

*Director Stacy Horn Koch entered the meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Ms. Marcie Edwards, presented a PowerPoint presentation on the following:

- Details of 4/14/2018 Rain Event
- Power Generation
- Drainage Pumping Status
- Improvements since Aug. 5
- Manpower
- Emergency Costs

➤ Operations During Rain Event 4/14/2018

- An average of 3.71 inches fell Saturday. The highest: 5.6 inches in New Orleans East.
- Turbines 1 and 5 combined to produce more than 22.5 MW of 25 Hz power at their peak. EMSs, Turbine 6, frequency changers and emergency generators were on standby and available.
- 3 pumps taken out of service, one compromised; affected Pumping Stations kept up with rain
- DPS #1: Pump D (1,000 cfs) – **out of service**
 - ❖ Repairs underway. Est. completion Friday, 4/27
- DPS #12: Pump D (1,000 cfs) – **compromised**
 - ❖ Repairs underway. Estimated completion Friday, 4/20
- DPS #13: Diesel Pumps 4 and 5 (1,000 cfs each) – **out of service**
 - ❖ Damage being assessed

The Interim Executive Director stated that on Saturday, April 14, 2018, the system responded as it should to the rain event that dumped an average of 4 inches of rain on the city over the course of the day. Redundant power sources and backup pumps were available just in case there were any glitches in the system.

➤ 25 Hz Power Assets Schedule

Unit	Status/Expected Return to Service Date	Expected MW
▪ Turbine #6	Available	3.75 MW
▪ Carrollton Freq. Changer (1&2)	Available	8.5 MW

▪ Station D Freq. Changer (1&2)	Available	12 MW
▪ EMDs #2, 3, 4, 5	Available	10 MW
▪ Turbine #5	Available	20 MW
▪ Turbine #1	Available	5 MW
Total	April 18, 2018	59.25 MW
▪ Turbine #3	Testing Underway	+12 MW
Total	April 30, 2018	71.25 MW
▪ Turbine #4	May 28, 2018	+15 MW
Total	June 1, 2018	86.25 MW

The EMDs offer reliable redundancy in case of emergencies or to accommodate occasional maintenance work on other power sources.

➤ **Drainage Pumping Status**

- **115 of 120 pumps** are fully operational
 - ❖ **DPS #13 lost 2 pumps during 4/14/2018 rain event**
- **4 pumps out;** 1 compromised; repairs underway

DRAINAGE PUMPS UNDER REPAIR

Location	Pump	Capacity (CFS)	Scheduled Completion
DPS #15	#3	250	5/1/18
DPS #13	#4	1,000	TBD
DPS #13	#5	1,000	TBD
DPS #12	D	1,000	4/20/18
DPS #1	D	1,000	4/27/18
Total		4,250 CFS	

DRAINAGE PUMPS REPAIRED

Since Aug. 20, 2017

Location	Pump	Capacity (CFS)	Returned to Service
DPS #1	#2	225	9/14/17
DPS #1	CD #1	60	9/8/17
DPS #5	CD#2L	40	2/26/18
DPS #5	CD#2R	40	2/26/18
DPS #6	CD #2	90	11/6/17
DPS #6	CD #1	90	4/11/18
DPS #6	C	1,000	9/22/17
DPS #6	D	1,000	8/26/17
DPS #6	F	1,100	9/10/17
DPS #6	I	1,100	12/28/17
DPS #7	C	1,000	3/8/18
DPS #11	B	250	10/25/17
DPS #11	D	570	8/20/17

DPS #11	E	570	8/29/17
DPS #15	#2	250	11/12/17
DPS #20	#1	250	10/6/17
DPS Grant	#2	8	3/1/18
DPS Grant	#4	8	3/8/18
Total		7,651 CFS	

Since August 20, 2017, 18 pumps are back in service; however, S&WB must continue to maintain and repair drainage pumps in order to keep its aging equipment running as needed during rain events.

➤ **Improvements since Aug. 5**

- 18 drainage pumps repaired; Turbines 1 and 5 repaired
- The S&WB now has a full list of its drainage assets, compiled through Veolia's after-action work
- Veolia created a 'visibility platform' to watch pumps and power operate in real time
- CH2M oversaw instillation of EMDs, which provide a welcome layer of redundant 25 Hz power

Operations now has the capability of monitoring most of the pumps and power generators digitally and in real time while it's raining. The EMDs were not used on Saturday, April 14, 2018; however, they were powered up and ready to go should there have been a need.

➤ **Manpower – SWB Class/Comp Implementation**

- **Phase 1** approved by Civil Service and City Council
 - ❖ Covers Operations, Facilities Maintenance, Engineering
 - ❖ SWB pay plan was effective 11/20/17 covering **338 employees**
- **Phase 2** approved by Civil Service and City Council
 - ❖ Covers Networks, Environmental, Laboratory and Plumbing
 - ❖ SWB pay plan was effective 1/15/18 covering **220 employees**
- **Meter Services Division** approved by Civil Service and City Council
 - ❖ SWB pay plan was effective 3/20/18 covering **100 employees**
- **Revenue Administration** approved by Civil Service 4/16/18
 - ❖ SWB pay plan would cover **102 employees**
- The remaining S&WB classifications are under review by Civil Service as the City of New Orleans begins its class/comp implementation.

The Interim Director pointed out that Sewerage and Water Board employees are not being compensated at market levels. As a result, S&WB went with a Class/Comp Study and is in the process of trying to reset salaries upward, particularly for the technical classifications. It's crucial that we are able to attract and retain. She further stated that we are no stronger than our workforce and our ability to invest in our infrastructure. Those two things, the Interim Director added, are key to the continued re-establishment/reinvention of the S&WB.

The recruiting firm of Ralph Andersen has been hired and is doing a national recruitment for the Executive Director. This process usually takes 90-120 days.

COMBINED EMERGENCY COSTS

Category	Amount Contract Board Approved	Amount Change Orders Approved	Total Cost
Power	\$34,523,210	\$22,332,417	\$56,855,627
Water Pumps	\$286,028	\$ 0	\$286,028
Drainage Pumps	\$5,658,906	\$1,418,984	\$7,077,890
Manpower	\$10,816,667	\$8,256,811	\$19,073,478
Combined	\$51,284,811	\$32,008,212	\$83,293,023

Approximately \$83.3 million has been committed thus far for all declared emergencies related to stabilizing S&WB's power generation, drainage pumps, water pumps and manpower. Also included in that figure is \$3.9 million for costs related to stabilizing the water distribution system after the Hard Freeze of January 2018.

The Mayor's final comments emphasized the fact that the lack of investment in infrastructure has caused the existing problems. Veolia determined that the system has been underfunded for decades. The system is in better shape, however, than it has been in the history of our city. The Mayor thanked the I-Team for providing leadership in dealing with the challenges that we have faced since the flood of August 5, 2017. For the past eight years, his administration has attempted to reconstruct everything that is fundamental in the City. Mayor Landrieu stated that, in his opinion, millage for drainage should take priority for the City.

Mayor-elect Cantrell was asked to appoint some people to the technical advisory team. A group of people have been asked to examine 4-5 different ways of going forward and to collaborate in order to determine the best way to go forward for power generation so that we can continue to build a stronger and resilient New Orleans that lives with water. He also feels that the system is manpower-heavy and that technology-heavy is the way to go. The Mayor suggested creating water retention ponds that would alleviate problems with water not having somewhere to go. He recommended that the organization have fewer change orders. Mayor Landrieu asked that everyone receive a copy of the Executive Director's presentation.

At the close of her presentation, the Interim Executive Director thanked the Mayor for his leadership and presented him with a proclamation from the Sewerage and Water Board of New Orleans.

Finance & Administration Committee

Director Joseph Peychaud reported on the action taken by the Finance and Administration Committee on April 11, 2018. The Finance and Administration Committee approved all action items. Ms. Marina Kahn presented the Preliminary December 2017 Financial Statements. Several information items were received. There being no further business to discuss, the meeting adjourned at approximately 11:54 AM.

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

Pension Committee

Director Joseph Peychaud reported on the actions taken by the Pension Committee on April 11, 2018. There was only one action item – Resolution Assigning Contract to FFC Advisors of Raymond Jones. There were two presentations given – the Chief Investment Officer's Presentation creating a professional services policy for the Employees' Retirement System and the Callan LLC Asset-Liability Study Kick-Off. The information

items were received.

Director Ralph Johnson moved to accept the report of the Pension Committee. Director Lynes Sloss seconded. The motion carried.

CORRESPONDING RESOLUTIONS

The following resolutions were approved at the April 2018 Finance and Administration Committee Meeting:

R-013-2018 – Ratification of Change Order #2 and Final Acceptance and Closeout for Contract No. 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 Orleans Parish

R-029-2018 – Contract 5241 – Drainage System Support Anti-Siphon DPS 1 Project

R-041-2018 – Ratification of Change Order No. 1 for Contract 6259 – Installation of Permanent Generators at 5 Drainage Underpass Stations

R-042-2018 – Ratification of Final Acceptance and Close Out of Contract 1381, Purchase and Installation of Compressor, Tank and Dryer in the Sycamore Filter Gallery at the MWPP

R-044-2018 – Contract Amendment No. 2 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-045-2018 – Ratification of Change Order No. 3 for Contract 1395 – Water Hammer Hazard Mitigation – Elevated Storage Tanks

R-046-2018 – Change Order No. 2 for Contract 1368 – Hazard Mitigation Grant Project Oak Street Pumping Station

R-047-2018 – Ratification of Change Order No. 2 and Final Acceptance for Contract 2123 – Water Main Line Replacements and Extensions at Scattered Locations throughout Orleans Parish

R-049-2018 – Ratification of Change Order No. 4 and Final Acceptance for Contract 2111 – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

R-051-2018 – 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 Engineering Services for the Retrofit Power Plant Hazard Mitigation Grant Project

R-052-2018 – Contract 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

R-053-2018 – Bid Proposals for 2018 Structural and Filter Rehabilitation of the Sycamore Filter Gallery in the

Area of Filters 21-24

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

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

Mayor Landrieu stipulated that we are to do a good job early in creating the scope of contracts in an effort to reduce the number of change orders. He also stated that if the Board members are going to exercise oversight, they have a responsibility to go and see the breadth and depth of the work that is actually being done so that they will have an appreciation for how much is happening simultaneously. The amount of work is massive.

Director Stacy Horn Koch moved to approve the corresponding resolutions. Director Eileen Gleason seconded. The motion carried.

Approval of Interim Executive Director Contract Extension

Director Koch moved to approve the Resolution for the Approval of Amendment No. 1 to extend the contract of Interim Executive Director Marcie Edwards to May 22, 2018. Director Dr. Tamika Duplessis seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- Financial Results through December 2017
- Monthly Human Resources Amended Activity Report for Period March 1 – March 31, 2018
- Report of the General Superintendent
- Report of the Special Counsel
- FEMA Report
- DBE Participation on Contracts

ANY OTHER MATTERS

Lakeview resident, Ms. Rita Legrand, made a public comment. Ms. Legrand thanked Mayor Landrieu for doing a fantastic job. She also requested that going forward the HR information in the Minutes be posted to the S&WB website. Special Counsel Brown-Russell stated that she would speak with the IT Dept. regarding this matter.

Director Lynes Sloss stated that he was given a tour of the Carrollton Water Plant and was very impressed. Director Andrew Amacker advised others to take the tour. Mayor Landrieu appealed to the members of the Board to take a tour of the Carrollton Water Plant.

Mayor Landrieu directed the Legal Department to provide the City Council with any information that the Board receives. He also stated that the Pro-tem usually chairs the Board meetings and not the Mayor.

The Board members expressed their gratitude to Interim Executive Director Marcie Edwards for offering her services in our time of need.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at approximately 10:19 AM.