

BOARD OF DIRECTORS' MEETING

May 16, 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, May 16, 2018 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 Andrew Amacker, Director Ralph Johnson, Director Eileen Gleason, Director Joseph Peychaud, Director Stacy Horn Koch, Director Lewis Stirling, III, Director Lynes Sloss, Director Dr. Tamika Duplessis, and Hon. LaToya Cantrell.

The following member(s) were absent: Director Robin Barnes

Also present were: Ms. Geneva Coleman, The Hawthorne Agency; Mr. Randy Smith, Royal Engineers; Mr. Amer Tufail, GreenPoint Engineering; Mr. Robert Turner, P.E., I-Team; Ms. Brenda Thorton, Communirep; Mr. Joseph Sensebe, I-Team; Mr. Ramsey Green, Deputy CAO of Infrastructure.

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; Mr. Richard Rainey, Deputy Director, Communications; Ms. Lauren Woulard, Communicaitons; Ms. Jade Brown-Russell, Interim Special Counsel; Mr. Ronald Doucette, Deputy Director, Security; Ms. Rosita Thomas, Finance Department; Ms. Jacqueline Winston, Ms. Candace Newell, Board Relations Staff; Ms. Yoland Grinstead, Mary Beth Arceneaux, James Thompson, Legal Dept.; Mr. Dexter Joseph, Budget Dept.; Ms. Jacqueline Shine, Customer Service; Mr. 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; Mr. Ron Spooner, Chief of Engineering .

Prior to the start of the meeting, Mayor Cantrell made an opening statement. She stated that she had the opportunity to meet with all but two of the Board members due to conflicts in their schedules; however, they were able to talk on the phone. This transitional period is the beginning of a new era in the City of New Orleans. The Mayor believes that we are all focused on moving the Sewerage and Water Board forward, focusing on infrastructure relative to the S&WB and the City. Though there may be challenges, Mayor Cantrell commended the members of the Board, most of which are new, for volunteering their service to do what is necessary. The Board members must be accountable as well as responsible. To that end, the Mayor believes that we have the leadership in place to meet whatever challenges that lie ahead. The Mayor assured the Board that she is just as committed as they are to getting things done.

APPROVAL OF PREVIOUS MINUTES

Director Eileen Gleason moved for approval of the Minutes of April 18, 2018. Director Joseph Peychaud seconded. The motion carried.

REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Ms. Marcie Edwards, welcomed Mayor LaToya Cantrell to the Board of Directors. The Interim Director stated that the volunteers have done an amazing job and that we will continue to surge forward in a collaborative manner to work down some of our challenges and take advantage of our opportunities. Interim Operations Director Mr. Joseph Sensebe was asked to give a quick overview of the status of the pumps and power so that the Board can be kept abreast of the status of those critical pieces of equipment.

Agenda

- Power Generation
- Drainage Pumping Status
- Improvements since Aug. 5

➤ 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 (3&4) | Available | 12 MW |
| ▪ EMDs #2, 3, 4, 5 | Available | 10 MW |
| ▪ Turbine #5 | Available | 20 MW |
| ▪ Turbine #1 | Available | 5 MW |
| ▪ Turbine #3 | Available | +12 MW |
| Total | April 30, 2018 | 71.25 MW |
| ▪ Turbine #4 | Testing Underway | +15 MW |
| Total | June 2018 | 86.25 MW |

*Turbine 6 is a 60 Hz generator that can produce 3.75 MW of 25 Hz power through a frequency changer.

According to Mr. Sensebe, as of April 30, 2018, all of our power generation capabilities are online and producing reliable power except for Turbine #4, which is currently undergoing pretesting and pre-commissioning such that we will begin to test that turbine in mid to late June. If all goes well, the full complement of S&WB power generation facilities will be producing reliable power at approximately 86 MW of power by the end of June or early July 2018.

➤ 25 Hz Output

Mr. Sensebe stated that it typically takes 52 MW of power to run everything 25-cycle wise throughout the entire S&WB complex, that's with every pump and every piece of water purification equipment on 25-cycle running at full blast. We're usually running in the 5 MW-7 MW range. There are only 106 days on average per year, where we would need more than 7 MW to drain the city. Generally, we only need 25 MW-40 MW of power when there are significant drainage events. Therefore, by the end of June, not only will we have the full complement of power generation required, we will have excess power to use where needed when ready.

➤ **Drainage Pumping Status**

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

Director Lynes Sloss asked if there was a chart showing pumping capacity. Mr. Sensebe stated that there is such a chart and that it can be included in this report in the future. At the next meeting, we can go through a breakdown of which pumps are where and what's the capacity at each location. Mr. Robert Turner, PE, stated that the current pumping capacity is just under 95%. Interim Executive Director Edwards stated that all of these pumps are not redundant to each other. Therefore, there is a geographic component that needs to be taken into consideration. Many of the pumps are older and are not at 100% nameplate capacity.

DRAINAGE PUMPS UNDER REPAIR

| Location | Pump | Capacity (CFS) | Scheduled Completion |
|----------|--------------|------------------|----------------------|
| DPS #15 | #3 | 250 | TBD |
| DPS #13 | #4 | 1,000 | TBD |
| DPS #13 | #5 | 1,000 | TBD |
| DPS #1 | CD #1 | 60 | 5/18/18 |
| DPS #1 | D | 1,000 | TBD |
| | Total | 3,310 CFS | |

Pumps #4 and #5 at DPS #13 are totally redundant pumps in addition to the normal capacity at that station. These are two diesel pumps that are backups to the normal electrical pumps so that there's no loss in capacity. Pump D at DPS #1 is available for short-term emergency use if needed. The pump at Station #1 is a redundant pump.

Director Andrew Amacker asked for an explanation as to what was the failure mechanism at DPS #13 during the rain event of April 14, 2018. Mr. Sensebe stated that there was a power outage in shutting down the diesel engine driven pumps. Something caused the water to backup into the pump, therefore, causing the engine to turn backwards, damaging the engine. The pump was thoroughly inspected. Since there was no damage to the pump, a purchase order was written to replace one of the engines with another refurbished engine and to make repairs to the second engine.

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, repairs were made to 18 pumps and these pumps are currently in service.

➤ **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

A complete inventory of the drainage assets is constantly monitored by a team member to make sure that we have up-to-date, verifiable information on the status of our pump inventory. There are approximately 75% of the pumps online. The EMDs have added 10 MW of power in addition to flexible, redundant power that can be used selectively throughout the drainage complex.

Mr. Sensebe also pointed out that throughout the years, it is the significant rainfall events in the spring or late fall that typically are the challenges for the system – not so much the tropical systems.

Mayor Cantrell asked for a status update on the water towers. Mr. Ron Spooner, Chief of Engineering, gave the update. The water towers are 60%-65% complete. They've completed the painting of the Claiborne Avenue Water Tower. There is still work to be done on the internal components. The Claiborne Avenue Water Tower is projected to come online by the end of August to mid-September time frame. The Panola Water Tower is scheduled to come online in March 2019. The water tower project is currently on schedule.

Mayor Cantrell asked for an update on billing matters. Interim Executive Director Marcie Edwards gave the update. Thus far, temporary personnel have been hired to work down backlog; software vendor has been working through software issues; bringing on additional Customer Service personnel; online dashboards that will show status of system; expanding outreach; expanding payment options; Blue Drop to teach customer service skills and scripting; another vendor to search for unbilled revenue. We are making progress. Ms. Edwards recommended having a road show to disseminate information to the community. Mayor Cantrell stated that the administration will be working side by side with S&WB with those community outreach components so that they are consistent, organized, and we meet our people where they are. The Board members will be provided with a list of the outreach locations where they can self-select the location(s) of their choice. The Mayor will do individual outreach to Board members in regard to this process so that they will have input.

Mayor Cantrell stated that she will sometimes ask a question for which she already knows the answer; however, for public consumption, she would like information stated for the record. The Mayor is making a real commitment to addressing billing matters and thinking creatively on how we can do that as a city more effectively.

HONORS AND AWARDS

Interim Director Marcie Edwards stated that she has been holding a series of focus groups with frontline employees since she arrived. Ms. Edwards stated that one of the things that has come up consistently is that we do not do enough to celebrate and acknowledge the good work that our people do and they do a tremendous amount of it. She stated that it is not only important to hold people accountable, but it is also important to acknowledge their contributions. There were two presentations.

Interim Chief Financial Officer Marina Kahn presented the first award. The Sewerage & Water Board received the Government Finance Officers Certificate of Excellence Award for the 2016 Comprehensive Annual Financial Report (CAFR). We have received this award since 2006. We are very proud of our Finance Division headed by Ms. Rosita Thomas. It requires a lot of overtime and a lot of detail in a very short time period. We are very happy to receive this award. It acknowledges our staff and also the S&WB. Ms. Kahn said this is something that we're doing right and she wanted to show her appreciation to our hardworking staff.

The second award was presented to our Networks group. Interim General Superintendent Bruce Adams introduced the captain of the Water Dogz team, Mr. Jerome Marshall, who introduced the rest of the team. The other members include Mr. Ron Ferdinand (absent), Mr. Ja'Ryan Youngblood, and Mr. Russell Washington. The team recently returned from Dallas where they competed in the Utilities Services meet. The team won First Place in all five categories. The Water Dogz will also host three international teams in September 2018 at the Water Environment Federations Annual Technical Exhibition and Conference (WEFTEC). The Mayor stated that she wants a legacy that we all are a part of, that speaks to the dedication and commitment that the Water Dogz have shown for many years because we value our employees.

Pension Committee

Director Joseph Peychaud reported on the action taken by the Pension Committee on May 8, 2018. There were no actions items at this meeting. There were several presentations and a continuing discussion pertaining to a draft of a professional services procurement policy for the Employees' Retirement System. The information items were received.

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

Finance & Administration Committee

Director Joseph Peychaud reported on the action taken by the Finance and Administration Committee on May 8, 2018. There were four action items: Bids and a Contract for Final Acceptance under General Superintendent's Recommendations; Change Order and Contract Amendment; Resolution Approving Amendment to 2018 Operating Budget; Resolution Approving the Louisiana Systems Survey and Compliance Questionnaire. There were five presentations, one Public Comment and an Executive Session.

Director Stacy Horn Koch moved to accept the report of the Finance and Administration Committee. Director Ralph Johnson seconded.

Director Eileen Gleason amended the report to reflect that the Louisiana Systems Survey and Compliance Questionnaire was referred to the Audit Committee rather than be disposed of by the Finance and

Administration Committee.

Director Dr. Duplessis moved to accept the amendment. Director Lynes Sloss seconded. Director Gleason moved to adopt the report as amended. Director Dr. Duplessis seconded. The motion carried.

Audit Committee

Director Dr. Tamika Duplessis reported on the action taken by the Audit Committee on May 8, 2018. There were no action items for this meeting. However, there were several presentation items headed by the Office of Special Counsel: Overview of role, structure, functions and responsibilities of Audit Committee; Update on progress of the CAFR; Topics for future discussion. The Committee discussed some outstanding items for which several directors expressed concerns with ongoing issues that will be highly scrutinized in the future. The Committee also discussed the need for an RFP for an external auditor to review our internal controls and resources. The concept of an Audit Committee Charter and an Audit Plan were discussed. Finally, the Committee discussed near- and long-term goals, along with a 3-year plan for the Audit Committee. The information items were received. The CAFR (Comprehensive Annual Financial Report) was clarified for Director Andrew Amacker.

Director Eileen Gleason moved to accept the report of the Audit Committee. Director Stacy Horn Koch seconded. The motion carried.

CORRESPONDING RESOLUTIONS

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

R-065-2018 – Contract 2130 – Water Main Point Repairs, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish

R-064-2018 – Contract 2131 – Installation of New Water, Sewer and Drain Service Connections at Various Sites throughout Orleans Parish

R-058-2018 – Bid Proposals for 2018 Contract 30102 DPS 17/Station D Structural Repairs

R-057-2018 – Bid Proposals for 2018 Contract 30109 Sewage Pumping Station A Structural Rehabilitation

R-043-2018 – Final Acceptance and Close Out of Contract 30002 – Restoration of Existing Gravity Sewer Mains Damaged by Hurricane Katrina by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole and Point Repairs at Various Sites throughout Orleans Parish

R-059-2018 – Contract Amendment No. 6 to the Agreement between the Sewerage and Water Board of New Orleans and Stanley Consultants INC. for Design and Engineering Services for Water Hammer Hazard Mitigation Program

R-066-2018 – Amendment to 2018 Operating Budget

Director Joseph Peychaud moved to approve the Corresponding Resolutions in global. Director Lewis Stirling seconded. The motion carried.

Mayor Cantrell stated that as Chair of the Board, she has the authority to identify the chairs of the various committees and restructure as necessary. However, the Mayor does not anticipate doing that without having talked with the Board members. Director Peychaud is willing to chair the Pension Committee and stay on the Finance and Administration Committee, not necessarily as Chair. She encouraged the other members to consider stepping into the role as Chair of the Finance and Administration Committee. Director Dr. Duplessis will continue to chair the Audit Committee.

In her conversations with the Board members, Mayor Cantrell mentioned the need for a committee focused on personnel and human resources. The Mayor is now aware that there is a Strategy Committee as identified in the By-Laws, so we will keep that name. However, the focus should be on personnel and human resources. The Mayor would prefer that the names of the committees be in line with the duties of each committee so that the public, as well as the S&WB, is clear as to what the committees are focused on.

Louisiana System Survey and Compliance questionnaire (R-067-2018)

The Finance and Administration Committee referred the Louisiana Systems Survey and compliance Questionnaire (R-067-2018) to the Board for approval and to the Audit Committee for review. This item is required by the Audit.

Director Gleason asked if there was a more updated Attachment A, since the attachment the Board received was dated April 2017. Interim Special Counsel stated that there is a more updated roster that would be shared with the Board. Mayor Cantrell stated that since those members were serving on the Board in 2017, it is necessary to recognize both during their tenure, that there is a responsibility to complete as well.

Director Stacy Horn Koch moved to approve R-067-2018. Director Lynes Sloss seconded. The motion carried.

Director Andrew Amacker pointed out the same contact information would also be needed for Attachment A for all the people who were previously appointed per the original attachment.

Director Gleason amended the approval of the motion going forward on the condition that Attachments A and B be updated as discussed. Director Gleason moved to amend the motion. Director Amacker seconded. The motion carried.

Executive Director Search Ad Hoc Committee

Mayor Cantrell thanked Ms. Marcie Edwards for serving as our Interim Executive Director. The firm of Ralph Andersen & Associates has been contracted to do an executive search. At the present time, we're not in a position to name a permanent director. We're not doing interim, but acting, to ensure that progress will be made while moving forward with the process. The Mayor stated that the Ad Hoc Committee will not only come together to select the new executive director, but by Friday, May 18, 2018, provide the Board with a short list of individuals that they recommend serving as Acting Director of the Sewerage and Water Board. We will be losing Ms. Edwards on May 22, 2018 and the Mayor wants to ensure that we have leadership in place.

Mayor Cantrell stated that the Ad Hoc Committee will consist of three members from the Board of Directors of the S&WB as well as two non-Board individuals to create balance. The Mayor asked Directors Dr. Tamika Duplessis, Lewis Stirling, and Ralph Johnson to serve on the Ad Hoc Committee. All three directors accepted the responsibility. The Mayor will have the two non-Board members identified by Thursday, May 17, 2018. Mayor Cantrell will entertain any recommendations from the body as well.

Declaration of Board Vacancy Council District "D" (R-068-2018)

Dr. Marion Bracy, representing District D, no longer desired to serve on the Board of Directors of the Sewerage and Water Board. Thus, we now have a vacancy. Mayor Cantrell instructed her Intergovernmental Affairs Division on the Executive side to begin the process to name a new Board member. In addition, on June 30, 2018, a community advocacy term will be expiring. Currently serving in that capacity is Director Stacy Horn Koch. The Mayor stated that she is not seeking to remove Director Koch, but that the vacancy needs to be on public record. Mayor Cantrell stated that that doesn't mean she won't entertain a reappointment, but it is also

an opportunity for other members of the community to express their desire to serve.

Director Gleason moved to adopt R-068-2018. Director Dr. Duplessis seconded. The motion carried.

Nomination and Appointment of Pro Tem of Board of Directors

Mayor Cantrell stated that she plans to be engaged and involved in every Sewerage and Water Board meeting. She has informed her staff that her schedule needs to be aligned with that of the S&WB. A Pro Tem would be required should there be a conflict in schedules. The Mayor's Transition Team recommended that the Mayor create a position of Infrastructure. She has, therefore, created the position of Deputy Chief Administrative Officer (CAO) of Infrastructure. The Deputy CAO ensures that there is a direct line of communication and coordination with the City of New Orleans – the Administrative branch. The Mayor introduced Mr. Ramsey Green, the new Deputy CAO of Infrastructure, who manages the Department of Public Works, Capital Projects, Sanitation, Parks & Parkways, as well as PDU. Mr. Green spoke briefly to the Board.

Mayor Cantrell stated that she had discussed the Pro Tem position with the Board members in their individual meetings. There was no divisiveness, nor was there a consensus. However, there was a consensus about what the Board members were looking for in a Pro Tem: someone who has been engaged, someone who has some institutional knowledge, someone who is prepared. Mayor Cantrell recommended Dr. Tamika Duplessis to serve as President Pro Tem of the S&WB.

Director Stacy Horn Koch moved to approve Dr. Tamika Duplessis as President Pro Tem of the S&WB. Director Gleason seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- Financial Results through February 2018
- Revenues and Expenses for January 2018
- Monthly Human Resources Amended Activity Report for Period April 1 – April 30, 2018
- Executive Director's Approval of Contracts of \$1,000,000.00 for Less
- Report of the General Superintendent
- Report of the Special Counsel
- FEMA Report
- DBE Participation on Contract Bids

ANY OTHER MATTERS

Director Stacy Horn Koch mentioned that the Finance and Administration Committee had previously discussed having an ad hoc committee to take a look at our contracting and change order processes. She would like to talk about how the Board can support the S&WB staff in developing performance measures so that we have a little more clout. She said that sometimes it feels like we're over a barrel. Director Koch stated that we need to make our expectations clear.

Director Dr. Duplessis stated that one of the things the Audit Committee has taken up as their charge is taking an in depth look at the change order and contracting processes. The Audit Committee had not begun to meet when Director Koch initially expressed her concerns. She would like to work with the Audit Committee.

Mayor Cantrell stated that this is a priority and it is something she is taking a deeper dive on and will present it to the Audit Committee as well. The Mayor stated that internal controls have to be tightened around procurement practices.

Mayor Cantrell stated that she received a call from Jefferson Parish Councilwoman Jennifer Van Vrancken on

Tuesday, May 15, 2018. The Mayor also received correspondence from Councilwoman Van Vrancken informing her that the Jefferson Parish Council would be meeting on Wednesday, May 18, 2018 to pass a resolution that states that Jefferson Parish will remain in partnership with the City of New Orleans as it relates to Drainage Pumping Station #6. Mayor Cantrell assured Councilwoman Van Vrancken that the partnership would continue, which gives Jefferson Parish greater flexibility and oversight working with the City as it relates to Pumping Station #6. Councilwoman Van Vrancken referenced major improvements since the August 5, 2017 rain event. She did a site visit last week so that she could say with certainty at their Council meeting that the pumping station is working.

Mayor Cantrell stated that it is always good to show that we are thinking regionally and that we are working with our neighboring parishes. Councilwoman Van Vrancken reiterated that all percentages of shared costs will remain the same. In addition, the Mayor stated that we will continue to focus on Board governance as it relates to the Board receiving reports and agenda items in a timely manner.

Prior to going into Executive Session, the Mayor thanked all of the employees of the S&WB for their perseverance.

EXECUTIVE SESSION

Director Lynes Sloss moved to enter into Executive Session. Director Stacy Horn Koch seconded. The motion carried.

Director Andrew Amacker moved to leave Executive Session and enter into Regular Session. Director Peychaud seconded. The motion carried.

There was no action taken in Executive Session.

Director Gleason moved to accept Counsel's recommendations. Director Peychaud seconded. The motion carried.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at approximately 10:35 AM.

