



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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July 16, 2018

The Finance and Administration Committee met on Monday July 16, 2018 in the S&WB's Second Floor Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 9:30 A.M.

Present:

Director Lynes Sloss
Dr. Tamika Duplessis
Director Ralph Johnson

Absent:

Director Eileen Gleason
Director Stay Horn Koch

Other Board Members Present:

ACTION ITEMS:

Item 1 General Superintendent's Recommendations

Bids:

- **R-106-2018 – Furnishing Grass Cutting and Debris Pickup of Sewerage and Water Board East Bank Canals – Req. No. GM180001**
- **R-105-2018 – Furnishing Meter Boxes and Meter Box Parts – Req. No. YW180015**
- **R- 088-2018 – Contract #3799 – Bio-Solids Incinerator System Equipment Installation at the East Bank Wastewater Treatment Plant**
- **R-107-2018 – Contract #30217 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites within Orleans Parish**
- **R- 108-2018 – Contract #30218 – Restoration of Gravity Flow Sanitary Sewer Mains by Point Repair at Various Sites throughout Orleans Parish**

Dr. Duplessis moved to accept the General Superintendent's Recommendations in global. Director Ralph Johnson seconded. The motion carried.

Emergency Repair

- **R-094-2018 – Emergency Contract 1406 – Sycamore Filter Gallery Structural and Filter Rehab , Phase 2**

Director Ralph Johnson moved for acceptance of R-094-2018 for Contract #1406. Dr. Duplessis seconded. The motion carried.

Contract Final Acceptance

- **R-095-2018 – Contract #3663 – 404 Replacement of Bullard Sewage Pumping Station**

Director Ralph Johnson moved for acceptance of R-095-2018 for Contract #3663. Dr. Duplessis seconded. The motion carried.

- **R-096-2018 – Contract #3670 - 404 Replacement of Lawrence Sewage Pumping Station**

Dr. Duplessis moved for acceptance of R-096-2018 for Contract #3670. Director Ralph Johnson seconded. The motion carried.

- **R-098-2018 – Contract #30206 – New Orleans East Basin – West Lake Forest/Read Blvd. West-Sewer Rehabilitation.**

Director Ralph Johnson moved for acceptance of R-098-2018 for Contract #30206. Dr. Duplessis seconded. The motion carried.

Item 2 Change Order(s) & Contract Amendments

- **Resolution (R-086-2018) Ratification of Change Order No. 16 and Final Acceptance and Closeout for Contract #1350 – Hurricane Katrina Related Repairs to Power Turbine #4**

Dr. Duplessis moved for acceptance of R-086-2018 for Contract #1350. Director Ralph Johnson seconded. The motion carried.

- **Resolution (R-087-2018) Ratification of Change Order No. 4 and Final Acceptance and Closeout for Contract #6250 – HMPG Generator Load Bank at the Carrollton Water Plant**

Dr. Duplessis moved for acceptance of R-087-2018 for Contract #6250. Director Ralph Johnson seconded. The motion carried.

- **Resolution (R-097-2018) Amendment 2 to Agreement with Stanley Consultants, Inc. for Design and Engineer Services for the Bulk Storage and Chemical Feed Facility Project**

Dr. Duplessis asked was this the original design since the contract had escalated. Mr. Ron Spooner responded that the contract was written in phases and all phases are listed as one total dollar amount.

Director Ralph Johnson moved for acceptance of (R-097-2018). Dr. Duplessis seconded. The motion carried.

- **Resolution (R-100-2018) Resolution of Amendment No. 4 to the Agreement between the Sewerage and Water Board of New Orleans and G.E.C., Inc. for Hurricane Katrina Related Drainage Restoration – Broad Underpass Pump Station Design**

The contract took over a year and is 85% complete. Amendment includes changes by U.S Army Corps of Engineers and Sewerage and Water Board bears the entire cost for delay. The contract is not eligible for FEMA reimbursement.

Director Ralph Johnson moved for acceptance of (R-100-2018). Dr. Duplessis seconded. The motion carried.

- **Resolution (R-101-2018) Contract Amendment No.2 to the Agreement between the Sewerage and Water Board of New Orleans and BCG Engineering and Consulting Inc. to Provide Assessments, Design, Construction and Program Management Services for SELA and Drainage System**

Director Ralph Johnson moved for acceptance of (R-101-2018). Dr. Duplessis seconded. The motion carried.

- **Resolution (R-103-2018) Ratification of Change Order No. 5 for Contract #1378 – Hurricane Katrina Related Repairs to Boilers, Duct & Elevators at the Carrollton Water Purification Plant Power Complex**

Director Ralph Johnson moved for acceptance of Contract #1378. Dr. Duplessis seconded. The motion carried.

Director Lynes Sloss welcomed our new Chief Financial Officer, Ms. Yvette Downs. He extended his apologies for omitting to introduce her at the beginning of the meeting. Director Sloss explained that when the Audit Committee becomes active, they will take on the contract ratifications and more, which change the structure of the committee.

Dr. Duplessis pointed out that as they begin to transition some of the normal lines of business for the Finance and Administration Committee over to the Audit Committee, there are certain things that will proceed over, but certainly not all. The Audit Committee will now be taking on field change orders, for example (R-103-2018) that was just reviewed. When they get the administration field change orders, those types of things will turn over to the Audit Committee. In addition, they will also take over the contract final acceptances and all other financial items will still be seen by the Finance and Administration Committee. Also, the executive contracts less than \$1 million will be seen in audit.

DISCUSSION ITEM:

- **Sewerage & Water Board of New Orleans Change Order Sub-Committee Framework**
The framework established protocol to review processes to approve change orders and field change orders for various types of contracts and to advise the Board as to what those contracts consist of. This is still a work in progress. The staff is looking forward to starting this process.

Dr. Duplessis stated that being a part of these initial meetings, she wants to commend staff for coming to the table with fresh ideas and ways to address these issues; they were open and willing to discuss the issues seen in the past and have a clear willingness to want to move forward. As they continue these discussions, she is very pleased with the document presented on July 16, 2018 and as they begin to pull some other essential pieces together and get a finalized document. Dr. Duplessis asked if they have to take action by the Board to create a sub-committee. Acting Executive Director Jade Brown-Russel said there is no action required.

PRESENTATION ITEMS

➤ Preliminary May 2018 Financial Statements

Ms. Downs stated that through May our revenues were 10% less than the budget amount through the end of May. Although our expenses are less, our cash reserves are down. The cash reserves are down 106 days. This committee and staff are looking very closely and want to keep their eye on it. The Days of Cash for water are down to 96, sewer is down to 155 and drainage is down to 33. The goal for the Board is down 180 days. We need to focus on our financial matrix.

Ms. Lisa Daniels from PFM gave the update on our financial status; she is the financial advisor to the Board of Liquidation. Her team members were also present. The investment bond rating fell after Hurricane Katrina. Ms. Daniels explained that the better the credit rating, the cheaper the financing cost. Their intent is to figure out the right methodology for the Sewerage and Water Board. Ms. Down stated that we're pushing to try and get us to an audit by the end of the year. We were granted a 6-week extension and are looking to try and get the financial statement by the end of August to work with the auditor.

In the open discussion on the Committee Focus, Ms. Downs stated that we need to communicate our financial sustainability to insure the health of the organization going forward. It would also be helpful to look at a charter.

ANY OTHER MATTERS

Acting Executive Director Jade Brown-Russell thanked Ms. Sharon Judkins and her team for the success of Hiring Day. According to Chief Doucette, over 1,200 individuals were in attendance. There will be another report at the Board of Directors' meeting on Wednesday July 18, 2018.

INFORMATION ITEMS:

Information items were received.

ADJOURNMENT:

There being no further business to come before the Finance & Administration Committee, the meeting ended at approximately 10:27 A.M. .

Respectfully submitted,

Lynes Sloss, Chair