

BOARD OF DIRECTORS' MEETING

September 19, 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, September 19, 2018 at 9:05 AM in the Board Room at 625 St. Joseph Street. Special Counsel, Ms. Yolanda Grinstead, called the roll and confirmed the following members were present: Director Andrew Amacker, Director Eileen Gleason, Director Joseph Peychaud, Director Lewis Stirling, III, Director Lynes Sloss, Director Robin Barnes, Director Nicole Barnes, and Hon. LaToya Cantrell.

The following member(s) were absent: Director Ralph Johnson, Director Dr. Tamika Duplessis, Director Stacy Horn Koch.

Also present were: Ms. Geneva Coleman, The Hawthorne Agency, Inc.; Mr. Randy Smith, Royal Engineers; Mr. Amer Tufail, GreenPoint Engineering; Ms. Fannie M. Bennett, Buckhart Horn, Inc.; Mr. Richard Briscoe, Gulf South Engineering and Testing Inc.; Mr. Russell Kelly, ATCO Services, LLC; Mr. Joseph Sensebe, I-Team; Ms. Rita Lagrand, Lakeview; Mr. Lloyd Lazard; Mr. Paul Waldman; Mr. David Kenney, Mr. Nick Selby, Ms. Patsy Drehel, Uncorked; Mr. Matthew Butler, CSRS; Rev. William Barnwell, Justice and Beyond.

Staff present were: Mr. Ghassan Korban, Executive Director; Mr. Bruce Adams, Interim General Superintendent; Ms. Yvette Downs, CFO; Mr. Richard Rainey, Deputy Director, Communications; Ms. Rosita Thomas, Finance Department; Ms. Jacqueline Winston, Ms. Candace Newell, Board Relations Staff; Ms. Yolanda Grinstead, Special Counsel; Ms. Mary Beth Arceneaux, Mr. James Thompson, Mr. Darryl Harrison, Legal Dept.; Mr. Dexter Joseph, Budget Dept.; Mr. Robert Jackson, Community & Intergovernmental Relations; Ms. Irma Plummer, EDBP; Mr. Eric Labat, CWP; Mr. Ron Spooner, CWP; Mr. Jason Higginbotham, Office of Emergency Management; Mr. David Callahan, Consultant; Ms. Irma Plummer, EDBP; Chris Bergeron, CWP; Ms. Priya Dey-Sarkar, FUSE Fellow, CWP.

Prior to the start of the meeting, Mayor LaToya Cantrell welcomed the new Executive Director of the Sewerage and Water Board of New Orleans, Mr. Ghassan Korban, and thanked him for his willingness to serve.

Director Eileen Gleason moved to amend the agenda by moving the Report of the Executive Director to Item #2 and moving Resolution R-159-2018, Request to Set Sewerage & Water Board Drainage Millage Rates for 2019, to the end of the agenda. Director Joseph Peychaud seconded. The motion carried.

APPROVAL OF PREVIOUS MINUTES

Director Eileen Gleason moved for approval of the Minutes of August 15, 2018. Director Lewis Stirling seconded. The motion carried.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Ghassan Korban gave the report of the Executive Director. He stated that he noticed teamwork, competency, and compassion in preparation for Hurricane Florence. He also noticed that the Sewerage and Water Board is bombarded with issues, some of which are self-inflicted. Mr. Korban mentioned that we are about to bring in a third party that will give us a new billing process because we need to do right by our customers. Our interaction with the public must be made better. With construction projects, communication is key. Although we are in need of more staffing, it is imperative that we have competent people in positions. Right-sizing will improve operations. A key partner in moving forward in filling positions is Civil Service. A meeting with Civil Service was scheduled the afternoon of Wednesday, September 19, 2018. Mr. Korban was very encouraged that we will move the issue forward.

Mr. Korban thanked the staff for stepping up to take on added responsibilities in order to keep things moving, following the resignation of three deputy directors.

Since the financial condition of this organization is very important, we will have to do less than projected. We must maximize partnerships with the business community. Mr. Korban feels that our brand will improve the more we partner with the outside world. It is his vision that we become a model utility as well as a very popular community organization that serves its residents very well. We are a utility that is responsible for drainage and green infrastructure, which has been proven to be part of the solution. Mr. Korban wants to partner with other entities and be equally involved and not a follower.

Finally, Mr. Korban stated that he needs clarity on his role as Executive Director as well as clarity on the role of the Board of Directors. He needs to have a clear understanding of how they will interact going forward. Mayor Cantrell thanked the Executive Director for looking at the big picture.

R-162-2018 – Approval of Agreement with Retired Rear Admiral David Callahan

Mayor Cantrell thanked Mr. Callahan for the work that he performed while serving as Interim Executive Director and helping with the onboarding of the new Executive Director. Mr. Callahan will now be serving as a consultant to the Sewerage and Water Board for a period of 90 days. There is no residency requirement.

Director Eileen Gleason moved to approve R-162-2018. Director Lynes Sloss seconded. The motion carried.

CHANGE ORDERS AND CONTRACT AMENDMENTS

R-128-2018 – Contract Amendment No. 2 to the Agreement between the Sewerage and Water Board of New Orleans and Stantec Consulting Services, INC. for Structural Repairs and Improvements to DPS 17/ Station D

R-144-2018 – Contract Amendment No. 7 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-145-2018 – Amendment No. 3 to Agreement with Stanley Consultants, INC. for Design and Engineering

Services for the Bulk Storage and Chemical Feed Facility Project

Director Lewis Stirling moved to approve the amendments in global. Director Lynes Sloss seconded. The motion carried.

CONTRACT RENEWAL

R-157-2018 – Contract 2125 – Water Main Line Replacements and Extensions

Director Lynes Sloss moved to approve R-157-2018. Director Lewis Stirling seconded. The motion carried.

R-161-2018 – Rescinding Signature Authority of Bruce Adams

Director Joseph Peychaud moved to approve R-161-2018. Director Robin Barnes seconded. The motion carried. In the event that Executive Director Ghassan Korban is absent, the President or the President Pro-Tem will have signature authority.

Finance Results through July 2018

Ms. Yvette Downs presented the Financial Results to the Board. System revenues are about \$3.4 million less than budgeted to date. The expenses are about \$1.6 million less than budgeted to date. Our cash-on-hand for water is 127.4 days. Our cash-on-hand for sewer is 37.7 days. Our cash-on-hand for drainage is less than four days. Overall, we have about 63 days of cash-on-hand. Each component should be 90 days minimum.

We have brought in additional resources to help with bill disputes and transfer accounts to improve our bill credibility. We've been working with the financial advisors and City officials to look for ways to identify opportunities to increase our cash flow and to access the capital market. During this budget season, we will be very diligently looking at our expenses. Not only will we be focusing on bill credibility, but reinvestments, compliance and effectiveness, and reliability and predictability of service, making sure our customers know when and what to expect from us.

Mayor Cantrell stated that we have check-in meetings quite frequently with our federal and state partners regarding the federal grants that the administration as well as the Sewerage and Water Board have. Based on our cash flow issues along with the capital improvements that we need to continue to move forward, they are considering making a loan to us. We're being as creative as possible to bring in those dollars that we know are due to the Sewerage and Water Board.

2018 Hurricane Readiness

Mr. Jason Higginbotham, Director of Emergency Management, gave the presentation. He also introduced the members of his team: Mr. Leon Contreras, Mr. Kirk Burrell, Mr. James Glass, Mr. David Hauck, and Ms. Clarissa Houston. Mayor Cantrell thanked the Emergency Operations Center (EOC) Team for being able to see them in full action. Their level of preparedness reassured the Mayor that the Sewerage and Water Board was ready for a hurricane event.

R-159-2018 – Request to Set Sewerage & Water Board Drainage Millage Rates for 2019

Director Lynes Sloss moved to approve R-159-2018. Director Lewis Stirling seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

Executive Director's Approval of Contracts of \$1,000,000 or Less

DBE Participation on Contracts

Monthly Human Resources Amended Activity Report for Period August 1 – August 31, 2018

Report of the General Superintendent

FEMA Report for July 2018

Report of the Special Counsel

PUBLIC COMMENTS

The following persons appeared before the Board of Directors to make comments: Mr. Lloyd Lazard, Mr. David Kenney, Mr. Russell Kelly, Mr. Paul Waldman, and Rev. William Barnwell.

Mr. Lloyd Lazard spoke on hurricane readiness for seniors and DBE participation on contracts.

Mr. David Kenney spoke on the ongoing issues at his business property located at 3100 and 3140 Eads Street.

Mr. Russell Kelly of ATCO Services, LLC spoke on an ongoing issue with Plant-N-Power Services, Inc.

Mr. Paul Waldman came to hear the response of the Legal Department as to the Sewerage and Water Board's action in the assertion that some apartment owners are charging customers for water above and beyond what's included in the tenants' rent. After conducting her research, Attorney Mary Arceneaux stated that the rule that was adopted by the Public Service Commission applied to other than publicly operated utilities. It does not apply to the Sewerage and Water Board. We are not a regulatory entity.

Rev. William Barnwell of Justice and Beyond asked to make a presentation at the October 2018 Board of Directors' meeting. Residents have come to Justice and Beyond with concerns about their water bills. Mayor Cantrell asked Rev. Barnwell to provide her with a list of the residents that have come to Justice and Beyond with Sewerage and Water Board billing issues.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at approximately 10:37 AM.