

***SEWERAGE & WATER BOARD OF NEW ORLEANS***  
**EXECUTIVE COMMITTEE MEETING**  
**FRIDAY, OCTOBER 10, 2014**  
**9:00 AM**

**COMMITTEE MEMBERS**

Mr. Wm. Raymond Manning, Chair • Mr. Mark Moody • Mr. Marion Bracy • Mrs. Kerri Kane • Mr. Alan Arnold

**TENTATIVE AGENDA**

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**ACTION ITEMS**

1. Approval of Previous Report
2. Revisions to the Professional Services Procurement Policy NO. 95 (R-228-2014)

**PRESENTATION ITEMS**

3. Business Opportunities

**INFORMATION ITEMS**

4. Administrative Hearing Policy
5. Tracking Tool for Commitments to the City Council
6. EEOC Activity Status Report Y.T.D.
7. Response to Questions
8. Any Other Matters

**REFERENCE ITEMS (In Binders)**

- A. Sewerage and Water Board By-Laws
- B. 2014 Operating & Capital Budget
- C. Strategic Plan
- D. Bond Rating

**REVISIONS TO THE PROFESSIONAL SERVICES PROCUREMENT POLICY NO. 95**

**WHEREAS**, on February 14, 1996, the Sewerage and Water Board of New Orleans, adopted Resolution R-79-96, establishing a Professional and Personal Services Procurement Policy, that was subsequently revised on February 13, 1998; and

**WHEREAS**, on June 10, 2010 Mayor Mitchell J. Landrieu issued Executive Order, MJL 10-05, establishing a transparent competitive selection procedure for the procurement of professional service contracts; and

**WHEREAS**, on August 18, 2010 the Board adopted a revised Professional Services Procurement Policy; and

**WHEREAS**, the Board has now further revised its Professional Services Procurement Policy so that complete transparency in the selection of professional services is afforded throughout the procurement process.

**NOW THEREFORE, BE IT RESOLVED**, that the Sewerage and Water Board of New Orleans' Professional Services Procurement Policy (No. 95) is hereby adopted as revised.

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I, Cedric S. Grant, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a resolution adopted at the Regular  
Monthly Meeting of said Board, duly called and held,  
according to law, on October 15, 2014.

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**CEDRIC S. GRANT, EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

Cedric S. Grant, Executive Director  
**(REVISED September 17, 2014)**

All Sewerage and Water Board of New Orleans Employees

Professional Services Procurement Policy

## **I. INTRODUCTION**

Professional Services must be competitively selected in accordance with this Policy. The qualifying factors for Professional Service contracts are as follows:

- Contracts for a personal service of a professional character, i.e., attorney, doctor, engineer, etc.
- Requirements of a technical skill or experience of a high degree in a recognized discipline.
- Service which requires advanced study or training in a specialized field.

Professional Service contracts under the sum of \$15,000 may be issued at the discretion of the department head. Professional Service contracts in excess of \$15,000 shall be entered into using the following selection procedures.

Professional Service contracts will be entered into when a need has been determined based on the lack of specific knowledge or available staff time to complete work or on the determination to transfer the risk of the work to another employer. Every reasonable effort will be made to use S&WB personnel. These contracts must be routed to Civil Service for final approval. Professional Service contracts will not be entered into if there are insufficient funds available, as determined by the Executive Director, General Superintendent or Deputy Director, to cover the cost of the contract.

While the goal of disadvantaged business participation in these contracts is 35%, it is recognized that not all contracts lend themselves to this level. Therefore, all professional service contracts whose value exceeds \$15,000 must be submitted to the Staff Contract Review committee for determination of the recommended percentage of disadvantaged business enterprise participation.

Unless contracted using emergency procedures, all Professional Service contracts above \$15,000 must receive Board approval; selection of the firm and authority to negotiate and enter into a contract must be given by the Board in a Board resolution.

The following identifies the personnel/departments involved in the contracting process and their responsibilities:

**A. PURCHASING DEPARTMENT:** The solicitation process for all professional and service contracts will be maintained in this department. Historical files on these contracts will be maintained here. The contract files will contain all original documents assembled by the Contract Administrator during the solicitation and selection process, as well as those original documents produced by the Purchasing Department. The Purchasing Department may also periodically survey potential contractors who did not submit proposals or qualifications. Information received in these surveys, when performed, will be used to identify any problems indicated which these contractors feel limit their interest in participation.

**B. CONTRACT ADMINISTRATOR:** This person is recommended by the department head requesting the contract and is approved by the Executive Director, Deputy Director, General Superintendent, or Deputy General Superintendent. The appointed Contract Administrator should obtain the necessary training in development of requests for qualifications and requests for proposals as well as the evaluation of proposals.

The Contract Administrator directs the preparation of RFQ's and RFP's; checks references supplied by proposal respondents; and is responsible for assembling the procurement documents including all ranking data, reference checks, and interview notes assembled during the selection process. All original documents must be turned over to the Purchasing Department by the Contract Administrator; the Contract Administrator may retain copies of all original documents in departmental files.

**C. PROPOSAL SELECTION COMMITTEE:** The purpose of the Proposal Selection Committee is to conduct an independent and objective evaluation of proposals. This committee-evaluates and ranks the responses to the RFQ's and RFP's and prepares a ranking of the respondents. The committee is composed of the following five employees: 1) General Superintendent or designee; 2) Deputy Director or designee; 3) Department Head requesting the service or designee; 4) Employee who will manage and monitor the contract and 5) An expert (employee or non-employee) in the field as determined by the Executive Director. For complex procurements, the Selection Committee may retain firms with specialized expertise to advise or assist in analyzing the RFQ/RFP responses. Should the Selection Committee engage a non-employee individual or firm to advise or assist in the analysis of the RFQ/RFP, that individual or firm will be required to submit a letter affirming that no conflict of interest exists and full compliance with the disclosure requirements.

All meetings of the Selection Committee shall be open to the public and in compliance with Louisiana Open Meetings law.

**D. PROFESSIONAL RFQ/RFP CONSULTANT:** This contractor may be hired upon Board approval to prepare, or help prepare Requests for Qualifications and

Proposals where additional expertise beyond that available from S&WB personnel is necessary to prepare these requests.

**E. S&WB COMMITTEE:** Approves or disapproves the selection made by the Selection Committee and presents its recommendation to the Board of Directors.

**F. BOARD OF DIRECTORS:** Approves or disapproves the recommendation of the Committee and authorizes contract negotiations and preparations by Board resolution.

**G. LEGAL DEPARTMENT:** Personnel in the Legal Department, along with the Contract Administrator and appropriate staff, prepare the contract with the selected firm.

**H. ROUTING DEPARTMENTS:** Following a timeline set by the Contract Administrator, personnel in the departments listed below review the contract to ascertain that it complies with all policies, regulations, and requirements under their jurisdiction:

ORIGINATING DEPARTMENT  
ECONOMICALLY DISADVANTAGED BUSINESS PROGRAM  
INTERNAL AUDIT  
RISK MANAGEMENT  
LEGAL DEPARTMENT  
GENERAL SUPERINTENDENT OR DEPUTY DIRECTOR  
EXECUTIVE DIRECTOR  
CIVIL SERVICE

Approval of the contract is indicated by the department's signature on the contract approval sheet; recommended changes are submitted to the Contract Administrator by memorandum.

**I. CIVIL SERVICE:** Civil Service reviews and approves all Professional and Personal Services contracts in accordance with Rule III, Section 6.2 of the Rules of the Civil Service Commission, City of New Orleans.

**J. S&WB PRESIDENT/S&WB PRESIDENT PRO-TEMPORE OR AS OTHERWISE AUTHORIZED BY THE BOARD:** Signs the contract.

## **II. REQUEST FOR QUALIFICATIONS/REQUEST FOR PROPOSALS SELECTION PROCEDURES**

When the need for a professional contract has been determined, the Contract Administrator will begin the preparation of either (1) Request for Qualifications or (2) Request for Proposals. These documents will be prepared either by (a) an in-house committee composed exclusively of S&WB personnel, (b) a consultant firm hired specifically for their expertise and technical knowledge of the project, or (c) a

committee composed of in-house and consultant personnel. Requests for Qualifications and/or Requests for Proposals will be advertised in the Official Journal of the City of New Orleans and other appropriate publications, as well as, electronic media.

Request for Qualifications and Request for Proposals must include, but are not limited to the following:

1. Purpose, Background, and Scope of Project
2. Description of Work to be Performed and Objectives to be met
3. Deadline for Proposals
4. Identity of the Contact Persons
5. Timetable for Selection
6. Qualification of Personnel
7. Sewerage and Water Board Policies and Procedures
8. Economically Disadvantaged Business Participation Requirement
9. Criteria for Evaluation and the Relative Weight Attached to Each

Weightings for each criterion will be established in the Request for Proposals and Request for Qualifications. Except as determined by the Executive Director upon recommendation of staff, the following criterion are standard and should be included in every Request for Proposals and Request for Qualifications:

1. Specialized Experience and Technical Competence
2. Performance History, including cost control, work quality and ability to Meet schedules and deadlines
3. Location of firm in Orleans Parish
4. Company size and Capability of Completing the Work in a timely fashion
5. Economically Disadvantaged Business Participation Requirement

Other weighting criterion which may be included in the Request for Proposals and Request for Qualifications may include but are not limited to:

1. Fees and Costs for Proposed Service
2. Anticipated schedule and Provisions for Ensuring Adherence to Project Schedule

Once Requests for Proposals have been issued, a pre-proposal conference may be held for all parties interested in submitting proposals. Potential proposers will receive copies of all questions posed at the conference along with their answers. Any questions not raised at the pre-proposal conference from prospective proposers must be submitted to the Purchasing Department and answered by the Purchasing Department in writing. All documentation from the pre-proposal conference, along with additional questions posed to the committee will be preserved in the contract folders; originals will be sent to the Purchasing Department.

If only one response from the Request for Proposals is received, evidence must be presented to the Board that the service provider possesses proprietary processes or that good faith effort was demonstrated to obtain proposals from other firms. The Purchasing Manager must document to the Board that public advertisement, including notice to potential or interested consultants, was made and providing further documentation that additional solicitation is expected to be fruitless. The Board may give its approval not to continue advertising for proposals based on the evidence.

If a second attempt to secure additional responses to the RFP's is unsuccessful, the Purchasing Manager may convey information to the Board regarding the single responsive party.

Once Requests for Qualifications/Proposals have been issued, the Selection Committee members and Board members may not discuss the solicitation with prospective proposers except at Selection Committee meetings or Board meetings, respectively. If the Selection Committee members or Board members are contacted, they should refer the proposer to the appropriate staff member of the Purchasing Department.

Responses to the Request for Proposals will be evaluated by the Selection Committee. Ranking criteria and its weighting will be established in the Request for Proposal. The responsive parties will be ranked using the above described suggested criteria.

Fees and costs shall not be requested of any respondents on RFQ/RFP issued for the selection of providers of design services (La. R.S. 38:2318.1).

Responsive parties may be invited for oral interviews before the Selection Committee. All committee notes ranking the companies' RFQ's, RFP's, and oral presentations will be filed by the Purchasing Manager in the project's file. The recommended proposal will be presented to the appropriate Board Committee with a request to enter into a contract with that respondent. The Committee will then approve or disapprove of the Selection Committee's recommendation and present its recommendation to the full Board for its approval.

The Board of Directors shall either approve the contract with the selected respondent or terminate the procurement process for these services. Upon receiving Board approval, staff may conclude any remaining contract negotiations with the selected respondent.

The Executive Director or General Superintendent may authorize emergency procurements which deviate from the procedures detailed herein when there exists a threat to public health, welfare, or safety under emergency conditions, provided that any emergency procurement must be made with as much competition as is practicable under the circumstances and in compliance with applicable law. A

written determination of the basis for the circumstances and for selection of the particular contractor must be included in the contract file.

The Executive Director or General Superintendent, with the written concurrence of the Special Counsel, may make additional written exceptions to the procedures promulgated herein as required to meet emergency situations or as otherwise may be in the Board's best interests. The Executive Director or the General Superintendent must provide written notice to the Board Members within seven (7) days of granting the exception, explaining why the exception was granted.

The Purchasing Manager may authorize solicitation, without the need for formal advertising, the names of at least three firms from a list of pre-qualified firms who have been vetted through a selection process, kept and maintained by the City of New Orleans, its Departments, Boards and Commissions, Unattached Boards and Commissions, or other related entities, and present the same to a Proposal Selection Committee for evaluation and recommendation.

### **III. CONTRACT MONITORING AND REPORTING**

The Contract Administrator shall file a written standardized evaluation report upon the completion of a contract and file same with Purchasing Department Manager.

### **IV. DISCLOSURE REQUIREMENTS**

Each RFQ/RFP shall require the submission by each respondent of a cover letter that includes the following:

- Identify any possible relationships that might impair their ability to perform if awarded the contract, including any familial or business relationships that the firm, the proposed subconsultants, and their principals have with members of the Sewerage and Water Board of New Orleans or any of its employees.
- Respondents are directed to review the Louisiana Code of Ethics (Louisiana Revised Statutes Title 42:1101-1125) as a non-exclusive reference for information regarding ethics and conflicts of interest.
- Affirmation that there is not a conflict of interest
- Respondents shall also be required to identify all proposed subcontracts to be utilized in connection with the project. The successful respondent shall notify the Board of any change in subcontractors and obtain prior approval of the use of any new subcontractors before they can begin work on the project.

Each member of the Proposal Selection Committee shall submit a signed statement prior to review of the proposals that include the following:

I hereby certify that I have no personal interest, economic or otherwise, in the proposed contract with the Sewerage and Water Board of New Orleans for which I am evaluating bids on the Request



for Qualifications and/or Request for Proposals as a member of the Review Panel and/or Selection Committee. Further, I certify that I have no relationship with any of the proposers or bidders, be it economic or otherwise that would affect my ability to be fair and impartial in the review/selection process.

#### **V. PENALTIES FOR NON-COMPLIANCE**

Contractors' failure to comply with the Rules and Regulations of the Sewerage and Water Board of New Orleans, laws of the State of Louisiana or City of New Orleans, including, but not limited to, disclosure requirements, financial reporting, EDB Participation requirements, may result in monetary damages or termination of the contract.

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CEDRIC S. GRANT, EXECUTIVE DIRECTOR

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# ***Sewerage & Water Board of New Orleans***



**Strategic Planning for Business Opportunities**  
**October 2014**

# Business Opportunities

- Sewerage and Water Board is preparing to update its strategic plan to pursue business opportunities to encourage revenue growth.
- This presentation identifies possible business opportunities and describes methods for managing the risks associated with these opportunities.



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# Business Opportunities

Utilities sometimes consider expanding into ventures beyond their primary business that build upon their strengths in order to increase revenues. These ventures can take two primary forms:

- Horizontal integration
- Vertical integration



# Horizontal Integration

The acquisition of additional business activities *beyond the franchise area* but at the same level of the value chain, achieved by internal expansion (organic growth) or external expansion (mergers and acquisitions). This is pursued to achieve economies of scale to enhance revenues.





# Horizontal Integration Opportunities

- Infill within existing service area
- Retail service in adjacent service area
- Wholesale service
  - Continuous and ongoing supply
  - Intermittent and emergency supply
  - Bulk sale to trucks and ships
- Contract operations
  - Plant Operations
  - Network Operations
  - Billing and Collection Services
  - Laboratory Services
  - Fleet Maintenance



# Vertical Integration

The degree to which a utility participates in the business activities of its upstream

suppliers and its downstream customers.

Expansion of activities downstream is forward integration. Expansion upstream is backward integration. This is pursued to improve coordination and capture new revenues.



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# Vertical Integration Opportunities

- Upstream Suppliers

- Buying consortium

- Downstream Customers

- Bottled Water
- Service Line Insurance
- Specialized Technical Services
- Meter Usage Data



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# Risk Management

**Earnings Risk** is the threat that an event or action will adversely affect an organization's ability to achieve its earnings objectives.

An organization's **capacity to bear earnings risk** is a function of its financial strength:

- Cash reserves
- Insurance policies
- Revenues in excess of expenses
- Ability to increase revenues

An organization's **appetite for earnings risk** is the amount and types of risks that it accepts as appropriate for the pursuit of earnings objectives.



# Risk Management

***Business Risk Controls*** are the processes, plans, structures and systems put into place to mitigate risks:

- **Control Environment**
  - Integrity, ethical values, and competence of organization's staff
  - Philosophy and operating style of management
  - Ways of assigning authority and responsibility
  - Attention and direction provided by the board of directors
- **Risk Assessment**
  - Identification, assessment, and management of risks to achievement of organization objectives.
  - Mechanisms to identify and deal with special risks associated with change.



# Risk Management

## *Business Risk Controls...*

### ■ Control Activities

- Policies and procedures to ensure that actions identified by management as necessary to address risks to achievement of objectives are carried out (approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties)

### ■ Information and Communication

- Information captured and communicated to conduct, manage, and control operations

### ■ Monitoring

- Ongoing assessment of the system of internal controls performance



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# Utility Risk Appetite

The appetite for *additional* earnings risk for a utility is typically a response to its anticipated growth in sales and expenses.

- If sales growth is neutral or positive while expense growth is low, then the utility's appetite for *additional* earnings risk should be relatively **low** because additional risk is not necessary to achieve earnings objectives.
- If sales growth is low while expense growth is medium or high, then the utility's appetite for *additional* earnings risk should be relatively **high** because additional risk may be necessary to achieve earnings objectives.





# General Strategies to Manage Earnings Risk

Different combinations of sales and expense growth require different strategies to achieve earnings objectives.

## Green Zone

- Pursue lower risk vertical and horizontal integration opportunities

## Yellow Zone

- Pursue moderate risk vertical and horizontal integration opportunities

## Red Zone

- Pursue higher risk vertical and horizontal integration opportunities



# **Appetite for Earnings Risk**

## **as a Function of Sales Growth and Expense Growth**

		Sales Growth		
		Positive	Neutral	Negative
Expense Growth	Low			
	Medium		<b>S&amp;WB</b> ★	
	High			



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# Conclusion

As Sewerage and Water Board updates its strategic plan, consideration should be given to the levels of risk that accompany the horizontal and vertical integration business opportunities.

The business risk controls appropriate for ventures with increased risk include: identification of venture objectives; assessment of risks; regular review of venture performance compared to goals; reporting of results and lessons learned; and development of exit strategy for unsuccessful ventures.

This approach will ensure that business risk controls are in place to limit the risk to acceptable levels within the organization's risk appetite.



# ***Sewerage & Water Board of New Orleans***



*Re-Building the City's Water Systems for the 21<sup>st</sup> Century*



# Sewerage and Water Board of New Orleans

## Tracking Tool for Commitments to City Council

### September 2014

Status Key



On Target



Not Started



Delayed



Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
I. Governance Practices	A. Reduce the length of Board member terms and limiting the number of terms.	October 2013	Completed. Senate Bill No. 47 reduced the term lengths from 9 to 4 years and limiting members to serving two consecutive terms.	None.	Strategy IV Tactics I.1 and I.2
	B. Establish requisite qualifications for Board members.	October 2013	Completed. Senate Bill No. 47 requires experience in architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, consumer or community advocacy, or other pertinent disciplines, with two of the appointments as consumer advocates with community advocacy or consumer protection experience or experience in a related field.	None.	Strategy IV Tactic I.3
	C. Reduce the number of Board members.	October 2013	Completed. Senate Bill No. 47 reduced the size of the Board from 13 to 11 members.	None.	Strategy IV Tactic I.4
	D. Review function and responsibilities of Board committees.	Not determined.	On target. Senate Bill No. 47 provides that a quorum of the board shall adopt rules fixing its own meetings and procedures. Any amendments or changes to such rules shall be adopted only after approved by a quorum of the Board.	Staff developing recommendations for consideration by Committees and the Board of Directors.	Strategy IV Tactic I.5
	E. Appoint Board members from recommendations submitted by university presidents.	October 2013 original May 2014 revised	Completed. New board members appointed on May 22, 2014.	None.	Strategy IV Tactic I.6
	F. Establish dedicated independent oversight of Sewerage and Water Board determined by the City Council.	Not determined.	On target. Staff presents to Public Works Committee of City Council as scheduled on identified questions and concerns.	Continue to prepare detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M

# Sewerage and Water Board of New Orleans

## Tracking Tool for Commitments to City Council

### September 2014

**Status Key**
 On Target
  Delayed
  Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
II. Customer Service Improvements	A. Acquire and implement Advanced Metering Infrastructure. Replace existing mechanical meters with new electronic meters and an automated meter reading system that will provide more accurate readings, enhanced leak detection on customer lines, and improved account monitoring. The new meters will be installed for the residential and small commercial customer base.	December 2016	<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span>	On target. Request for Information issued to potential vendors. Information submitted by ten vendors reviewed by staff and interviews conducted. Requests for proposals issued by other utilities being reviewed. A revised standard for purchasing new meters has been completed. Project will be fully initiated following implementation of new billing system.	Strategy III Tactic B
	B. Open Additional Customer Service Center to provide convenient access to full service capabilities for customers without travelling to the downtown location.	December 2013 original December 2014 revised	<span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black;"></span>	Delayed. Alternatives identified and evaluated in New Orleans East.	Strategy III Tactic H
	C. Replace existing billing application with new software that includes online customer account management capabilities.	January 2015 original March 2017 revised	<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span>	On target. Customer Account Management System from Cogsdale Corporation implementation underway.	Strategy III Tactic C
	D. Replace existing work order application with new software that includes online work order tracking and appointment scheduling capabilities.	December 2017	<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span>	Not started.	Strategy III Tactic D and E Strategy IV Tactic D
	E. Improve efficiency and reliability of Customer Service processes. Reduce the volume of calls by increasing perceived accuracy of bills. Ensure meter reading and billing edits are worked diligently. Improve the customer experience when questioning a bill and resolve more issues during the first call. Provide more effective appeals process.	Ongoing	<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span>	On target. Customer Service Improvement Plan updated and reported to Operations Committee monthly.	Strategy III Tactic A, F, and G
III. Service Assurance Program	A. Provide additional funding for bill payment assistance through the Water Help program.	January 2013	<span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span>	Completed. Funding for bill payment assistance through the Water Help program increased from \$60,000 to \$240,000 in January 2013.	Strategy III Tactic I.1

**Sewerage and Water Board of New Orleans**  
**Tracking Tool for Commitments to City Council**  
**September 2014**

<div> <div> <div>Status Key</div> <div> <div>On Target</div> <div>Not Started</div> <div>Delayed</div> <div>Needs Attention</div> </div> </div> </div>				Strategic Plan Reference	
Topic	Commitment	Target Date	Status	Next Steps	
IV. Operational Reforms	B. Expand Water Help program to provide assistance with plumbing repairs.	June 2013 original March 2014 revised	Underway. Program provides up to \$250 for plumbing repairs on the customer's portion of the service line. Participation by customers is significantly lower than anticipated.	Allocation of funding completed January 2013. Focus on improved customer awareness.	Strategy III Tactic I.2
	C. Pursue legislative change to allow adjustments for water lost through customer leaks.	March 2013 original August 2014 revised	Completed. Staff evaluated several different alternatives to allow adjustments for water lost through customer leaks. However, these recommendations did not comply with existing interpretations of the Louisiana Constitution by the state attorney general.	None.	Strategy III Tactic I.3
	D. Evaluate waiver of service charges based on means testing for qualifying low-income elderly and disabled customers.	June 2013	Completed. Staff recommended that the Board not adopt a waiver of these service charges based on means testing. Recommendations accepted by Board of Directors in July 2013.	None.	Strategy III Tactic I.4
	E. Evaluate reduction in late payment fee, disconnect fee, returned check fee, and deposits.	March 2013 original June 2013 revised	Completed. Because of the significant revenue loss associated with a reduction in late payment fees and disconnected fees, staff recommended that consideration of changes to these fees be deferred until after the first full year of revenues have been received from the new rates in order to ensure that revenues from the new rates are sufficient to allow for this offsetting reduction in fees while still accomplishing other financial objectives. Revenues from the new rates have not been sufficient to allow reduction in fees.	None.	Strategy III Tactic I.4
	A. Improve operations through performance measures, improved framework, and follow-up reviews to reduce future rate increases.	December 2017	On target. Training program developed and underway for frontline employees. Performance measures being reviewed and developed.	Process documentation, analysis, and improvement objectives combined with cost reduction are included in several senior management goals. Document and report improvement results.	Strategy II Tactic D Strategy IV Tactics B and H Strategy IV Tactic M

# Sewerage and Water Board of New Orleans Tracking Tool for Commitments to City Council September 2014

Status Key			On Target		Not Started		Delayed		Needs Attention		Strategic Plan Reference
Status Key			On Target		Not Started		Delayed		Needs Attention		
Topic	Commitment	Target Date	Status	Next Steps							
B.	Reduce free water and sewer service provided to municipal accounts by fifty percent from a baseline of 2010 usage.	December 2017	On target. Quantity of free service reduced from 2010 to 2013 by 11.0%. School system billing initiated for consumption beginning July 2013. No changes to related laws were initiated for 2014 Louisiana legislative session.	Continue work with property administrators at municipal facilities to identify opportunities for reduced consumption. Coordinate with revenue-producing agencies to pursue legislative relief from burdensome requirements for free service.	Strategy II Tactic F						
	C. Improve coordination between Sewerage and Water Board and Department of Public Works.	Not determined.	A joint team of Sewerage and Water Board engineers and Department of Public Works engineers work together in coordination of planning and construction for the FEMA Recovery Roads program.	Determine feasibility of performing street drainage maintenance work on a fee-for-service basis, subject to identification of funding requirements, establishment of a funding stream, and gaining necessary legislative authorizations.	Strategy I Tactics A.1, B.1, and C.4						
	D. Improve ratepayer collections.	Not determined.	Plans to improve collections have recently focused on ensuring close compliance with schedules for non-payment turn-offs. The amount written off as uncollectable has reduced from 10.23% in 2010 to 1.52% in 2013.	Perform analysis to identify additional tactics to improve performance in this area.	Strategy IV Tactic G						
	E. Develop a long-term staff succession and training program.	Not determined.	A partnership between Delgado Community College, the Sewerage and Water Board of New Orleans and the JOB1 Business and Career Solutions Center has launched a worker training program aimed at increasing the pool of certified water and wastewater treatment personnel to meet the anticipated demand for workers to operate the systems. Delgado has applied to become a certification testing site.	In conjunction with the City's JOB1 program and Sewerage and Water Board, Delgado Community College will develop training to increase the pool of certified personnel to meet the needs of the capital improvement program. Knowledge management and succession planning objectives have been added to several senior management goals.	Strategy V Tactic G						
	F. Perform annual water audit to measure progress and critical needs.	Ongoing.	On target. Water Audits have been performed for 2008 through 2012 as part of the 2013 update of the 2011-2020 Financial Plan.	Completed. Complete audit for 2013. Improve measurement capabilities for water production volumes. Monitor results of water line replacement program for reductions in water loss.	Strategy IV Tactic K						
G.	Enhance long range planning by developing a Facilities Plan for 2015-2035.	December 2013	On target. Contract awarded in November 2013.	Consultant to develop a Water Purification Facilities Plan for 2015-2035 to identify the capital investments that will be needed beyond the immediate needs identified in the current capital improvement program.	Strategy I Tactic F.1						

# Sewerage and Water Board of New Orleans Tracking Tool for Commitments to City Council September 2014



Status Key

On Target

Not Started

Delayed

Needs Attention

Strategic Plan Reference

Next Steps

Status

Target Date

Commitment

Topic

H. Develop new sources of funding other than water and sewer rate increases.

On target. New revenue stream established for handling wastewater from mobile containers, such as portable toilets and shipping containers, resulted in \$379,539 additional sewer revenue in 2013.

Analyze opportunities for providing wholesale water service over long distances.

Strategy II Tactic I

Repay funds owed to Department of Public Works.

On target. Sewerage and Water Board repaid \$4,763,858.77 to Department of Public Works at year-end 2013. Amount was lower due to lower-than-forecast obligation by drainage system.

Pay remaining obligation owed to the Department of Public Works in three equal installments beginning December 2014.

Strategy II Tactic E

A. Create economic opportunities consistent with City of New Orleans programs for participation by economically disadvantaged and local business enterprises.

For contracts with DBE participation 2013: Goods and Services \$275,314 or 30.0%, Construction \$13,452,287 or 37.6%, and Professional Services \$4,374,213 or 35.0%.

Sewerage and Water Board will continue to create economic opportunities for participation by economically disadvantaged and local business enterprises through Construction Review Committee Staff Contract Review Committee recommendations and DBE vendor support and training.

Strategy IV Tactics F and L

A. Water System Improvements  
Replacement and rehabilitation of water purification plant facilities.  
Replacement and rehabilitation of water pumping facilities.  
Replacement of water system transmission and distribution mains.  
\$277,000,000

On target. 2014 Capital Budget fully funded. Progress on capital projects will be reported as part of Item VII.G below.

Continue execution of capital improvement program.

Strategy I Tactic A. 1 through A.5

B. Replacement and rehabilitation of sewer system collection pipes required by Federal Consent Decree.  
\$314,000,000

On target. 2014 Capital Budget fully funded. Progress on capital projects will be reported as part of Item VII.G below.

Continue execution of capital improvement program.

Strategy I Tactic B. 1 through B.3

A. Establish performance measures and targets as well as reporting methodology.

On target. Measurements framework adopted, initial measurements identified, and measurements training delivered to senior management. Collection of performance data in progress. Additional graphs created.

Create capabilities for higher level strategic planning support and performance measures.

Strategy IV Tactics A and B

VII. WaterStat Reporting and City Council Oversight



**Sewerage and Water Board of New Orleans**  
**Tracking Tool for Commitments to City Council**  
**September 2014**

On Target
  Delayed
  Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
	B. Implement a systematic approach to process documentation, analysis, and improvement.	June 2013	On target. Training program developed and contract for training delivery awarded. Departmental training plans developed in March 2014 and business skills training began in April 2014. Improvement initiatives identified by training participants.	Continue delivery of business skills training. Monitor results of improvement initiatives.	Strategy II Tactic D Strategy IV Tactic H
	C. Perform follow-up reviews to document results and efficiencies achieved.	January 2014 original October 2014 revised	Status report underway.	Document and report improvement results.	Strategy IV Tactic B
	D. Provide maps showing maintenance work completed, capital projects completed, and planned capital improvements.	January 2013 and Ongoing	On target. Maps have been printed, but processes for maintaining maps are time-consuming and manual.	Completed and ongoing.	Strategy IV Tactic M
	E. Document FEMA receipts and uses of funds.	January 2013 and Ongoing	On target. Summary of FEMA receipts and uses of funds is provided to Board committees each month.	Completed and ongoing.	Strategy IV Tactic M
	F. Initiate annual meetings with citizens of each council district to regularly report on organizational performance results.	May 2014 original October 2014 revised	Status report underway.	Prepare detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M
	G. Provided written updates to the Clerk of the City Council.	Quarterly and As Requested.	On target.	This document serves as the detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**DATE:** September 30, 2014 (Revised October 7, 2014)

**FROM:** Bobby L. Nathan, EEO/Grievance Manager

**TO:** Cedric S. Grant, Executive Director

**RE:** The Equal Employment Opportunity Division  
Activity Status Report for September 2014 Y.T.D.

I. **Federal Equal Employment Activity**

During the month of September 2014 there were no new EEOC Cases filed with the EEOC.

There is (1) one case of "Retaliation" and (1) one case of "Race Discrimination" currently being processed by the EEOC.

II. **Status of the General Grievance Policy #26, The Equal Employment Opportunity Policy #86 and the Workplace Harassment Policy #87 are as follows:**

**Cases Year-to-Date:**

There have been fourteen (14) General Grievances filed by Sewerage and Water Board employee's year-to-date. Three (3) of the fourteen (14) cases were filed in September 2014.

III. **Conference/Office Activity:**

1. **Telephone Calls:**

There were forty-three (43) telephone conferences held with employees, concerning/involving a job related issue in September 2014. Field investigations are conducted when necessary.

2. **Office Visits**

Office Conference, counseling of employment issues, and/or non-employment issues can be made by appointment or by walk-in there were six (6) such consultations held during September 2014.

Bobby L. Nathan  
Equal Employment Opportunity Officer

**EEO Grievance Status Y.T.D:**

<b>Case#</b>	<b>Grievance</b>	<b>Status</b>
01	(Promotion)- No follow-up by the complainant; withdrew promotion complaint	Closed
02	(Promotion)- No follow-up by the complainant; withdrew promotion complaint	Closed
03	(Promotion) – No follow-up by the complainant; withdrew promotion complaint	Closed
04	(Retaliation) – Being processed by EEOC; (Filed in February)	Open
05	(Promotion) – Employee thought it was a promotion complaint, but EEO discovered it was a ‘reclassification’ issue instead	(Referred to Personnel/Classification Issue  Closed
06	(Harassment) – Employee is working with supervisor	Closed
07	(Harassment) – No follow up by employee	Closed
08	(Harassment) – No follow up by employee	Closed
09	(Harassment) – Case being processed by EEO	Open
10	(Race Discrimination) – Case being processed by EEO	Closed
11	(Work) – Employee complained about a Pension Committee	Closed – referred to Personnel Department
12	(Harassment) – Employee complaint, No follow up	Closed
13	(Harassment) –Feels health condition not being recognized	Grievance Committee- Hearing being set ADA
14	Harassment – Feels supervisor does not treat fairly	Grievance Committee – Hearing being set