

SEWERAGE & WATER BOARD OF NEW ORLEANS

EXECUTIVE COMMITTEE MEETING

FRIDAY, MARCH 6, 2015

9:00 AM

COMMITTEE MEMBERS

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

FINAL AGENDA

ACTION ITEMS

1. Approval of Previous Report

PRESENTATION ITEMS

2. Topics for Future Discussions
3. Response to Questions

INFORMATION ITEMS

4. Tracking Tool for Commitments to the City Council
5. EEOC Activity Status Report Y.T.D.
6. Any Other Matters

REFERENCE MATERIALS (In Binders)

- A. Sewerage and Water Board By-Laws
- B. 2015 Operating and Capital Budgets
- C. 2011-2020 Strategic Plan
- D. Bond Ratings Information



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

Sewerage & Water Board of NEW ORLEANS

MITCHELL J. LANDRIEU, President
WM. RAYMOND MANNING, President Pro-Tem

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February 6, 2015

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS:

A regular meeting of the **Executive Committee** of the Sewerage and Water Board was called to order on Friday, February 6, 2015 at 9:00 AM in the Board Room at 625 St. Joseph Street.

ATTENDANCE

Present: Wm. Raymond Manning, Committee Chair
Alan Arnold
Marion Bracy
Kerri Kane

Also in Attendance: Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Nolan Lambert, Legal Counsel; Joseph Becker, General Superintendent; Bobby Nathan, Equal Employment Opportunity Director (EEOC); Willie Mingo, Purchasing Department; Dexter Joseph, Emanuel Lain, Budget Department; Alvin Porter, Economically Disadvantaged Business Program; Kathleen LaFrance, Executive Director's Office; Donald Lambert, Hatch Mott MacDonald; Geneva Coleman, The Hawthorne Agency, Inc.

Staff was unable to establish a quorum for the February 2, 2015 Operations Committee meeting. Therefore, all action items were considered at the Executive Committee meeting.

ACTION ITEMS

1. Approval of Previous Report

The Executive Committee received the Executive Committee Report of January 9, 2015 for review and action. Mrs. Kerri Kane motioned to accept the report and Mr. Marion Bracy seconded the motion. The motion passed.

2. Bid Recommendations – DBE Participation

Four (4) Bids were received for YW15-0003 Contract for Furnishing Limestone

Based upon analysis of SLDBE participation, the Economically Disadvantaged Business Program recommended that the SLDBE participation submitted by SAV Trucking Services, LLC, Qualified Transportation, LLC, Pontchartrain Materials Corporation, LLC be accepted and

The SLDBE participation submitted by Hamp's Enterprises, LLC and Jerome's Enterprises, Inc. be rejected.

Mr. Marion Bracy motioned to accept the Bid Recommendations with DBE Participation re: YW15-0003 Contract for Furnishing Limestone and it was seconded by Mrs. Kerri Kane, and the motion carried.

3. Construction Review Committee Recommendations

The following recommendations were made by the Construction Review Committee:

- One year contract, no renewal options for Contract #1371 - HMGP Structural General Contract for an estimated cost of \$2,606,307.00.
- One year contract, no renewal options for Contract #1373 - HMGP Steam Turbine #3 Refurbishment for an estimated cost of \$21,178,500.00.
- One year contract, no renewal options for Contract 3737 – Mistletoe Street 18" Sewer Line Replacement for an estimated cost of \$487,230.00.

Mr. Marion Bracy motioned to accept staff recommendations on the above Construction Review Committee Recommendations and Mr. Alan Arnold seconded, and the motion carried.

4. Staff Contract Review Committee Recommendations

The Staff Contract Review Committee made the following recommendations:

- **One (1) Open Market, 0% SLDBE Participation, one (1) year with one year (1) renewal option.** - Furnishing Air Conditioning and Heating Maintenance for Central Yard
- **One (1) Second and Final Renewal, 35% SLDBE Participation.** - Preparation of the Report on Operations for 2014

Mr. Marion Bracy motioned to accept staff recommendations on the above Staff Contract Review Committee Recommendations and Mrs. Kerri Kane seconded, and the motion carried.

5. Final Acceptance Contracts with DBE Participation

The Economically Disadvantaged Business Program recommends that the DBE participation on below subject contracts be approved for final acceptance.

- **Contract #2100 – Water Main Point Repair, Water Service Connection, Water Valve, and Fire Hydrant Replacement at Various Locations throughout the City of New Orleans**
- **Contract #8128 – Re-paving Open Cuts in Streets, Driveways, and Sidewalks Resulting from the Repair to the S&WB Underground Utilities**

Mr. Marion Bracy motioned to accept staff recommendations on the above Staff Contract Review Committee Recommendations and Mrs. Kerri Kane seconded, and the motion carried.

PRESENTATION ITEMS

6. Topics for Future Discussions

Mr. Cedric S. Grant stated he will send out letters to the Board Members next week regarding scheduling of the first strategic session. He will propose the session take place on a weekend with at least a 4 to 5 hour block of time.

7. Response to Questions

Mr. Grant reported on the discussion held at the Finance Committee meeting regarding the Board's financial matters. He noted that an analysis of results for pension investments was submitted to the Pension Committee and that the next step will be to revisit the investment policy.

Mr. Arnold emphasized the need for a formalized evaluation of our senior managers particularly related to execution of operating plans performance against budget targets. He also recommended that the materials presented in the bond official statements should be incorporated into the annual reports on an ongoing basis. He stated that he is particularly interested in information on water pumpage and water consumption.

Mr. Grant noted that he intends to approach the Board with a method for staff evaluations. He emphasized that he will be focused on stabilization of finances for the drainage system and preparing for upcoming meetings with the board on staffing issues.

INFORMATION ITEMS

8. Tracking Tool for Commitments to the City Council - received

9. EEOC Activity Status Report Y.T.D. - received

10. Any Other Matters - none

There being no further business to come before the Committee, the meeting adjourned at 10:20 AM.

Very truly yours,

Wm. Raymond Manning
Committee Chair

Sewerage and Water Board of New Orleans

Tracking Tool for Commitments to City Council

February 2015

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 June 17, 2013. 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 June 17, 2013. 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 June 17, 2013. 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.	Completed December 17, 2014. Board of Directors adopted changes to Bylaws reflecting updated responsibilities of Board committees.	None.	Strategy IV Tactic I.5		
	E. Appoint Board members from recommendations submitted by university presidents.	October 2013 original May 2014 revised	Completed May 22, 2014. New board members appointed.	None.	Strategy IV Tactic I.6		
	F. Establish dedicated independent oversight of Sewerage and Water Board determined by the City Council.	Not determined.	Completed May 30, 2013. Staff presents to Public Works Committee of City Council as scheduled on identified questions and concerns.	None.	Strategy IV Tactic M		

Sewerage and Water Board of New Orleans
Tracking Tool for Commitments to City Council
February 2015

				On Target Not Started 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	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.	Continue replacement of existing manual-read meters with electronic-read meters. Determine if outside expert assistance will be needed in project management. Develop a preliminary implementation plan and issue a request for proposals for change-out of residential and small commercial meters and installation of automated meter reading capabilities. Confirm targeted completion date following implementation of new customer account management 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	Delayed. Alternatives identified and evaluated in New Orleans East pending relocation of Algiers facility.	Original request for proposals was for unimproved space. Contract change order negotiated for move-in-ready space. Evaluate public space alternative prior to proceeding.	Strategy III Tactic H	
	C. Replace existing billing application with new software that includes online customer account management capabilities.	January 2015 original March 2016 revised	On target. Customer Account Management System from Cogsdale Corporation implementation underway.	Project implementation began September 2014.	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	Not started.	Next steps to be determined as part of the development of an Information Technology Strategic Plan.	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	Completed October 31, 2014. Customer Service Improvement Plan updated and reported to Operations Committee monthly.	None.	Strategy III Tactics A, F, and G	
III. Service Assurance Program	A. Provide additional funding for bill payment assistance through the Water Help program.	January 2013	Completed January 31, 2013. Funding for bill payment assistance through the Water Help program increased from \$60,000 to \$240,000.	None.	Strategy III Tactic I.1	

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Status Key
 On Target
 Not Started
 Delayed
 Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
	B. Expand Water Help program to provide assistance with plumbing repairs.	June 2013 original March 2014 revised	Completed March 31, 2014. Program provides up to \$250 for plumbing repairs on the customer's portion of the service line.	None.	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 September 8, 2014. 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 July 17, 2013. Staff recommended that the Board not adopt a waiver of these service charges based on means testing. Recommendations accepted by Board of Directors.	None.	Strategy III Tactic I.4
	E. Evaluate reduction in late payment fee, disconnected fee, returned check fee, and deposits.	March 2013 original June 2013 revised	Completed July 17, 2013. 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
IV. Operational Reforms					

Sewerage and Water Board of New Orleans
Tracking Tool for Commitments to City Council
February 2015

Status Key  On Target  Not Started  Delayed  Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
	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.	On target. 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.	Completed December 31, 2013. 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.	None.	Strategy IV Tactic G
	E. Develop a long-term staff succession and training program.	Not determined.	On target. 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.	Completed December 12, 2014. Water Audits have been performed for 2008 through 2013.	None.	Strategy IV Tactic K
	G. Enhance long range planning by developing a Facilities Plan for 2015-2035.	December 2014	On target. Draft reports were provided to staff for both the Carrollton and Algiers WTPs at the end of December 2014.	Recommendations in the draft report were included in the 2015 capital program. Staff will review draft report and prepare comments.	Strategy I Tactic F.1

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Status Key On Target Not Started Delayed Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
	H. Develop new sources of funding other than water and sewer rate increases.	Ongoing.	On target. New revenue stream established for handling wastewater from mobile containers, such as portable toilets and shipping containers, resulted in \$189,202 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.	December 2016	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
V. Economic Opportunities	A. Create economic opportunities consistent with City of New Orleans programs for participation by economically disadvantaged and local business enterprises.	Not determined.	On target. For contracts with DBE participation 2014: Goods and Services \$256,644 or 22.87%, Construction \$14,367,582 or 30.39%, and Professional Services \$5,237,764 or 20.35%.	Sewerage and Water Board will continue to create economic opportunities for participation by economically disadvantaged and local business enterprises through Construction Review Committee and Staff Contract Review Committee recommendations and DBE vendor support and training.	Strategy IV Tactics F and L
VI. Capital Improvement Program	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	December 2020	On target. 2015 Capital Budget nearly 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	December 2020	On target. 2015 Capital Budget nearly 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
VII. WaterStat Reporting and City Council Oversight	A. Establish performance measures and targets as well as reporting methodology.	March 2013	Completed March 31, 2013. Measurements framework adopted, initial measurements identified, and measurements training delivered to senior management. Collection of performance data in progress. Additional graphs created.	None.	Strategy IV Tactics A and B

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Status Key On Target Not Started 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	Completed April 1, 2014. 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.	None.	Strategy II Tactic D Strategy IV Tactic H
	C. Perform follow-up reviews to document results and efficiencies achieved.	January 2014 original December 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	Completed January 1, 2013. Maps have been printed.	None.	Strategy IV Tactic M
	E. Document FEMA receipts and uses of funds.	January 2013 and Ongoing	Completed January 1, 2013. Summary of FEMA receipts and uses of funds is provided to Board committees each month.	None.	Strategy IV Tactic M
	F. Initiate annual meetings with citizens of each council district to regularly report on organizational performance results.	May 2014, original December 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.	Completed May 30, 2013.	None.	Strategy IV Tactic M

Statistics	
Completed	19
On Target	12
Not Started	1
Delayed	3
Needs Attention	0
Total	35



SEWERAGE AND WATER BOARD OF NEW ORLEANS

March 6, 2015

Executive Committee
Sewerage and Water Board of New Orleans
New Orleans, Louisiana

Dear Directors:

Subject: Equal Employment Opportunity Activity Status Report for February 2015

Federal Equal Employment Activity

There have been no new cases filed in 2015.

There are 3 pending EEOC complains filed prior to 2015 that have not yet been resolved.

Grievances Filed according to General Grievance Policy #26, Equal Employment Opportunity Policy #86 and the Workplace Harassment Policy #87

There have been no new grievances filed in 2015.

There are no previous pending grievances.

Office Visits

Office conferences for counseling of employment issues can be made by appointment or as a walk-in. There were 2 consultations held during the month.

Grievance Committee Hearings

There are no Grievance Committee Hearing cases pending.

Office Transition

The previous EEO Program Manager, Mr. Bobby Nathan, resigned effective February 14, 2015. Mr. Nick Lopez will be handling interim responsibilities for investigating grievances and complaints; conducting grievance hearings; preparing reports required by federal regulations and preparing reports required by management; managing, administering, and monitoring the Water Board's EEO program; advising management on EEO-related matters; reviewing departmental policies and procedures to ensure there are no adverse impacts against employees in any racial/ethnic, gender, or disability category; and ensuring that EEO efforts are appropriately implemented.

Robert K. Miller
Deputy Director