

SEWERAGE & WATER BOARD OF NEW ORLEANS

STRATEGY COMMITTEE MEETING

MONDAY, SEPTEMBER 14, 2015

10:15 AM

Marion Bracy, Chair • Robin Barnes, Vice Chair • Kimberly Thomas • Dr. Tamika Duplessis • Kerri Kane

FINAL AGENDA

ACTION ITEMS

NONE

PRESENTATION ITEMS

1. Organizing Committee Responsibilities

INFORMATION ITEMS

2. Commitments to the City Council
3. 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



SEWERAGE AND WATER BOARD OF NEW ORLEANS

September 14, 2015

Board of Directors
Sewerage and Water Board of New Orleans
New Orleans, Louisiana

Subject: Planning for Committee Meetings and Agendas

Attached is a crosswalk of responsibilities from the previous committees to the new committees of the Board of Directors. This document was prepared to support planning for the committee meetings and agendas.

It appears that there are three key items to be considered as the committees meet for the first time in September 2015:

- What topics will each committee monitor, advise, and recommend action?
- How frequently will regular meetings be held?
- On what date and time will those meetings be held?

Staff looks forward to discussing these and other topics at upcoming Committee meetings.

A handwritten signature in blue ink that reads "Cedric S. Grant".

Cedric S. Grant
Executive Director




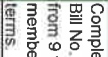
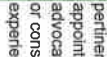




August 19, 2015

		Previous Committee Structure								New Committee Structure							
Legend																	
W Responsible for work of making decision																	
C Must be consulted before a decision is made or action taken																	
N Must be kept informed of decision																	
X No Action																	
A Must approve decision																	
D Decides in case of conflict on issues submitted for resolution																	
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Operations Committee	Finance Committee	Infrastructure Committee	Pension Committee	Plumbing Committee	Executive Committee	Pension Board of Trustees	Board of Directors	Audit Committee	Governance Committee	Finance and Administration Committee	Pension Committee	Plumbing Committee	Strategy Committee	Pension Board of Trustees	Board of Directors
New Strategic Governance Responsibilities																	
1	Approve Executive Director Annual Work Plan																W
2	Establish Policy and Administrative Constraints for Executive Director																W
3	Evaluate Board of Directors Performance																W
4	Review Compliance with Regulations									W							A
5	Evaluate Effectiveness of Internal Control Framework									W							A
6	Evaluate Effectiveness of Risk Management Framework									W							A
7	Adopt Long-Range Facilities Plan														W		A
8	Adopt Long-Range Staffing Plan														W		A
9	Adopt Long-Range Information Technology Plan														W		A
Existing Governance Responsibilities																	
10	Establish DBE Participation on Contracts	W							A			N					N
11	Review Customer Service Results	N							N			N					N
12	Adopt Service Rules and Regulations	W							A		W	C					A
13	Award Contracts less than \$1,000,000		W						A			N					N
14	Award Contracts more than \$1,000,000		W						A			W					A
15	Establish Cooperative Endeavor Agreements less than \$1,000,000		W						A		W	C			C		N

	Legend	Previous Committee Structure								New Committee Structure							
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
16	Establish Cooperative Endeavor Agreements more than \$1,000,000		W						A		W	C			C		A
17	Authorize Settlement of Lawsuits less than \$1,000,000		W						A		W	C					N
18	Authorize Settlement of Lawsuits more than \$1,000,000		W						A			C					A
19	Authorize Issuance of Debt		W						A			W					A
20	Approve Capital Budget			W					A			W					A
21	Approve Operating Budget		W						A			W					A
22	Approve Changes in Water and Sewer Rates		W						A			W					A
23	Approve Changes in Drainage Millages		W						A			W					A
24	Review Monthly Financial Results		W						N			W					N
25	Review Annual Financial Audit		W						N		W						N
26	Review Comprehensive Annual Financial Report		W						N		W						N
27	Review Consulting Engineer Annual Report on Operations		W						N		W						N
28	Establish Levels of Insurance		W						A			W					A
29	Review Condition of Infrastructure			W					N			W					N
30	Selection Pension Investment Consultant				W			A					W			A	
31	Adopt Pension Investment Policy Statement				W			A					W			A	
32	Change Pension Rules				W			A					W			A	
33	Review Pension Investment Results				W				N				W				N
34	Review Annual Pension Actuarial Valuation Report		W		N				N			W					N
35	Change Pension Investment Managers				W			A					W			A	
36	Establish Employer Pension Contribution Rates		W		N				A			W					A

	Legend	Previous Committee Structure								New Committee Structure							
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
37	Establish Employee Pension Contribution Rates		N		W			A				N	W			A	
38	Establish Pension Investment Strategy		N		W			A				C	W		C	A	
39	Adopt Plumbing Code					W			A				W				A
40	Establish Legislative and Regulatory Lobbying Objectives						W		A		W			C			A
41	Monitor Commitments to City Council						W		N					W			N
42	Adopt Strategic Plan	N	N	N	N		W		A	N	N	N	N		W		A
43	Monitor Labor Relations Activities						W		N			N					N
44	Change Bylaws	N	N	N	N		W		A	N	W	N	N		N		A
45	Evaluate Executive Director Performance																W
46	Approve Changes to Compensation Program		W						A			C			W		A
47	Approve Changes to Benefits Program		W						A			C			W		A
48	Monitor Operational Performance Metrics	W							N			W					N
49	Evaluate Business Development Opportunities		W						A			C			W		A
50	Adopt Long-Range Financial Plan		W						A			W			C		A

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

Topic	Status Key			Target Date	Status	Next Steps	Strategic Plan Reference
	 On Target	 Not Started	 Delayed				
I. Governance Practices	A. Reduce the length of Board member terms and limiting the number of terms.				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 1.1 and 1.2
	B. Establish requisite qualifications for Board members.				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 1.3
	C. Reduce the number of Board members.				Completed June 17, 2013. Senate Bill No. 47 reduced the size of the Board from 13 to 11 members.	None.	Strategy IV Tactic 1.4
	D. Review function and responsibilities of Board committees.				Completed. Board of Directors revised Bylaws based upon recommended best practices contained in New Orleans Office of Inspector General Guide for Boards, Commissions, and Public Benefit Corporations.	None	Strategy IV Tactic 1.5
	E. Appoint Board members from recommendations submitted by university presidents.				Completed May 22, 2014. New board members appointed.	None.	Strategy IV Tactic 1.6
	F. Establish dedicated independent oversight of Sewerage and Water Board determined by the City Council.				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
August 2015

Topic	Status Key	On Target	Not Started	Delayed	Needs Attention
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. Pilot demonstration of leak detection and automated shutoff capabilities underway. 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 traveling to the downtown location.	December 2013 original December 2015 revised	Delayed.	Identify and evaluate public facilities in New Orleans East for reuse as Customer Service Center.	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 Cogswade Corporation implementation underway.	Project implementation steps for setup, testing, and training 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	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	Previous Customer Service Improvement Plan completed October 31, 2014. New Customer Service Improvement Plan adopted June 17, 2015. Status updates reported to Operations Committee monthly.	None.	Strategy III Tactics A, F, and G





Sewerage and Water Board of New Orleans
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Topic	Commitment	Target Date	Status Key	On Target	Not Started	Delayed	Needs Attention
III. Service Assurance Program	A. Provide additional funding for bill payment assistance through the Water Help program.	January 2013		Original initiative completed January 31, 2013. Funding for bill payment assistance through the Water Help program increased from \$50,000 to \$240,000. Working with Total Community Action to streamline the program.	Rollout agreed-upon streamlined methods.	Strategy III Tactic 1.1	
	B. Expand Water Help program to provide assistance with plumbing repairs.	June 2013 original March 2014 revised		Original initiative completed March 31, 2014. Program provides up to \$250 for plumbing repairs on the customer's portion of the service line. Working with Total Community Action to streamline the program.	Develop agreed-upon streamlined methods.	Strategy III Tactic 1.2	
	C. Pursue legislative change to allow adjustments for water lost through customer leaks.	March 2013 original August 2014 revised June 2015 revised		Underway. R.S. 33:4071(F) enacted in July 2015 authorized Sewerage and Water Board to adopted rules and procedures to adjust water bills.	Develop rules and procedures to adjust bills according to legislation.	Strategy III Tactic 1.3	
	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 1.4	
	E. Evaluate reduction in late payment fee, disconnect 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 disconnect 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 1.4	
IV. Operational Reforms	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 August 2015

Topic	Status Key			Strategic Plan Reference		
	<div>On Target</div>	<div>Not Started</div>	<div>Delayed</div>	<div>Needs Attention</div>		
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 2014 by 25.6%. School system billing piloted for consumption beginning July 2013. No changes to related laws were initiated for 2015 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 1.15% in 2014.	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.	Perform water audit for 2014.	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. Final development of report pending staff review.	Strategy I Tactic F.1		

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Topic	Status Key		Target Date	Status	Next Steps	Strategic Plan Reference
	 On Target	 Not Started				
	 Delayed	 Needs Attention				
Commitment						
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.	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 annual installments.	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. 2014 Spending \$46,602,825. 2015 Capital Budget nearly fully funded. Progress on capital projects reported to Board of Directors.	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. 2014 Spending \$58,730,086. 2015 Capital Budget nearly fully funded. Progress on capital projects reported to Board of Directors.	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

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

Topic

Status Key

 On Target

 Not Started

 Delayed

 Needs Attention

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 for printed maps. Online Tool to Track Road Construction Across New Orleans released on March 10, 2015.

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

Completed December 2014. Sewerage and Water Board staff regularly attend meetings in each council district upon request.

None.

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