

BOARD OF DIRECTORS' MEETING

November 14, 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, November 14, 2018 at 9:07 AM in the Board Room at 625 St. Joseph Street. Deputy Special Counsel, Ms. Yolanda Grinstead, called the roll and confirmed the following members were present: Director Andrew Amacker, Director Joseph Psychaud, Director Alejandra Guzman, Director Lewis Stirling, III, Director Lynes Sloss, Director Dr. Tamika Duplessis, Director Nicole Barnes, Director Ralph Johnson, Director Eileen Gleason, and Hon. LaToya Cantrell.

The following member(s) were absent: Director Robin Barnes

Also present were: Ms. Geneva Coleman, The Hawthorne Agency, Inc.; Ms. Brenda Thorton, Communirep; Mr. Russell Kelly, ATCO Services, LLC; Mr. Joseph Sensebe, I-Team; Mr. Lloyd Lazard; Mr. Ramsey Green, Chief Administrative Officer, Infrastructure; Mr. Zach Monroe, Sabistan; Mr. Steve Donahue.

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. Jacqueline Winston, Ms. Candace Newell, Board Relations; Ms. Yolanda Grinstead, Special Counsel; Ms. Mary Beth Arceneaux, Mr. Darryl Harrison, Legal Dept.; Mr. Dexter Joseph, Budget Dept.; Mr. Robert Jackson, Community & Intergovernmental Relations; Ms. Conestler Green, Purchasing; Ms. Irma Plummer, EDBP; Mr. Eric Labat, Chief of Operations; Fred Tharp, Chief of Networks; Paula Arceneaux, CWP; John Wilson, Support Services Administration; Brian Ferrara, Risk Management; Ms. Grace Birch, Mr. Curtis Elmore, Communications; Mr. Jason Higginbotham, OEM, Ms. Ann Wilson, Chief of Environmental Affairs; Ms. Veronica Carter, Ms. Tiffany Julien, Mr. Gabriel Bordenave, Revenue Dept, Mr. David Callahan.

Prior to the start of the Board of Directors' meeting, Mayor LaToya Cantrell announced that the Board of Liquidation had confirmed Director Lynes Sloss and Director Ralph Johnson. She also announced that the Board had received the Inspector General's report and stated that we are on the right path to turning the Sewerage and Water Board around.

APPROVAL OF PREVIOUS MINUTES

Director Lynes Sloss moved for approval of the Minutes of October 17, 2018. Director Lewis Stirling seconded. The motion carried.

HONORS AND AWARDS

Prior to the Executive Director's Report, Mr. Ghassan Korban stated that we are in agreement with most of the recommendations from the audit. We will continue to recognize our employees to show our appreciation, but we will refrain from doing anything too elaborate. Ms. Yvette Downs, CFO, recognized Ms. Veronica Carter,

Ms. Tiffany Julien, and Mr. Gabriel Bordenave for their outstanding work in Customer Service.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Ghassan Korban gave his report.

Drainage Pumping Status

115 of 120 pumps are fully operational; 5 pumps are out of service; repairs underway.

DRAINAGE PUMPS UNDER REPAIR

Location	Pump	Capacity (CFS)	Scheduled Completion
DPS #15	#3	250	TBD
DPS #4	CD	80	TBD
DPS #4	D	1,000	TBD
DPS #3	D	1,000	TBD
DPS #1	CD	60	TBD
	Total	2,390	

Director Lynes Sloss wanted to know if it is possible to add a fifth column to show the percentage of total capacity broken down by station. He also wanted to know how many pumps the capacity represented.

In addition, Director Stirling asked if a range could be shown under Scheduled Completion as opposed to “TBD”. Mr. Korban stated that the Scheduled Completion Date will be more precise as they know more definitely.

Mayor Cantrell stated that the report would be updated.

➤ **25 Hz Power Assets Schedule**

Unit	Status/Expected Return to Service Date	Available MW
▪ Turbine #6	Available	3.75 MW*
▪ Carrollton Freq. Changer (1&2)	Available	8.5 MW
▪ Station D Freq. Changer (3&4)	Available	12 MW
▪ EMDs #1, 2, 3, 4, 5	Available	12.5 MW
▪ Turbine #5	Available	20 MW
▪ Turbine #4	Available	17 MW
▪ Turbine #3	Available	12 MW
▪ Turbine #1	Available	6 MW

*Turbine 6 is a 60 Hz generator that can produce 3.75 MW of 25 Hz power through a frequency changer.

Mr. Korban stated that one significant improvement from last month’s Board meeting was that EMD #1 is now back online. It was down due to some sort of failure; however, the work was done under warranty. This gives us additional power capacity, even though the overall capacity exceeds what we would need on any given day.

WATER HAMMER PROJECT

Executive Director Korban stated that the Claiborne Avenue Water Hammer came online the week of November 12, 2018. It was tested earlier in the week. A pump failure was simulated for about two minutes. Once the pump stops, the pressure immediately drops. Because of the Water Hammer Tower, we only experience a drop of about 3 psi out of 68-70 psi. So, there is significant improvement, buying us time and avoiding any drop in pressure due to a pump or power failure.

To clarify for the public, Mr. Korban further explained that if a pump fails or a power supply fails, you are going to instantly see a drop in pressure, which typically gives us 20 minutes to figure out what went wrong and re-pressurize the main. Once the pressure is down to 20-25 psi or lower, increasing it up to 70 psi creates a dynamic loading on this fragile water main distribution that causes further damage. Mr. Korban stated that the main purpose and objective for building the Water Tower is to reduce the chances of that kind of pounding on the inside of the main, increasing the chance of it breaking down. The huge benefit is if we reduce the chances of having that pressure drop below 20 psi that takes away the need for a Boil Water Advisory.

Director Eileen Gleason asked if we can expect reimbursement of the \$80 million from FEMA. Executive Director Korban stated that it is a work in progress because this is one of several projects under a bigger project. The Panola Tower will go online in the spring of 2019. Following that, there is a major refurbishing or replacement of the actual pumps going from a steady pressure pump to a variable speed pump allowing for flexibility in adjusting pressures in the water main. We submit invoices based on completions as we go along. So, we get progress payments from FEMA. Ms. Downs stated that we have about \$17.4 million from various federal projects coming in now. Mr. Korban stated that at some point, the Board will be invited to a ribbon-cutting to celebrate this project.

Mr. Korban cautioned the Board that the water towers will not eliminate all issues related to a drop in pressure because if you have a major size water main break somewhere in the distribution system, they will not help. The water towers are not designed for that type of situation.

PAVING RESTORATION

Executive Director Korban stated that there is a Cooperative Endeavor Agreement (CEA) between the Sewerage and Water Board (SWB) and the Department of Public Works (DPW) where we restore the pavement after SWB work is done on DPW. There is a significant backlog. In a meeting with Deputy Chief Administrative Officer of Infrastructure, Ramsey Green, Mr. Korban, and their staffs, it was determined that paving restoration is a priority. There is a significant amount of funding that supports this effort. With some assistance from the Mayor, the SWB has taken on a major undertaking of covering the backlog within about six months. This partnership allows the work to continue; thus, about 100 locations are patched every week. Our goal is to minimize, if not eliminate, the creation of another backlog by fixing what we create in 1-3 weeks.

Mr. Korban also stated that the 2019 Budget will provide for an increase in the number of restoration crews as well as restoration work on the part of the contractors for point repair underground. Part of their scope is to restore the pavement once the work is done.

In addition, Mr. Korban stated that we are revising our backfill procedures. Those humped backfill trenches across an entire street are very annoying. Therefore, we are looking to use a different type of material, maybe self-leveling backfill that will help stabilize the trench so that it does not deteriorate as we are experiencing throughout the city. The goal is to fix it before it allows itself to settle and becomes a problem.

Director Johnson wanted to know if there is a way for the public to go online to see when DPW will be in their area paving streets. Mr. Korban stated that, hopefully, he can show the Board by the next meeting the actual

dashboard showing where the crews are within the neighborhoods by zone.

Mayor Cantrell stated that there has been a lot of work in a short period of time to get us to this point. There is technology embedded in everything we are doing at this point, not just for the public, but for us to measure impact, track, and respond in real time.

Mr. Ramsey Green gave accolades to Mr. Fred Tharp and the Networks Department at SWB along with Mr. Josh Hartley, Senior Project Manager at DPW. The amount of potholes throughout the zones was in the range of 4,500. That number has been reduced to between 2,300 and 2,400. There is a numerical breakdown of what is happening every Monday. The data had to be correct before crews were deployed. That data will be integrated into the existing Roadwork NOLA dashboard. Mr. Green also stated that the crews doing catch basin cleaning now have androids and they upload the status of every catch basin they are cleaning.

Director Andrew Amacker wanted to know if there was a timeline for when we are going to start testing those new methods for the backfill. Mr. Korban stated that because of some limitations with procurement, we can only buy certain things. Mr. Korban and Mr. Tharp are looking into creative ways in which they can pilot some of these methods while keeping the purchase of new products down to a minimum. Mr. Tharp is working on staying within the parameters while allowing us some flexibility to purchase what we need. So, as far as a precise time is concerned, Mr. Korban could not give one because we want to do things right. He also thanked Director Amacker for some of the ideas that he presented.

LEGISLATIVE AUDITOR'S REPORT

Mr. Korban acknowledged the good work that went into preparing the Legislative Auditor's Report. A very thoughtful and thorough audit does some of our work for us. We are in agreement with virtually all of the recommendations and have already implemented some of them. We have begun to institute standard operating procedures (SOPs) system-wide in preparation for the next generation of employees, bringing accountability and a better understanding of how things work for everybody involved. A procurement manual is forthcoming. The centralization of documentation and contracting is a necessity. A timeline has not been established because there may be some costs associated with bringing some software that will allow us to gain a better understanding of the whole process from A to Z. Mr. Korban stated that we are very thankful for the report and that we are going to continue to implement the recommendations.

CANAL CLEANING

Mr. Korban stated that the canal cleaning schedule would be posted online so that the public can see what we are committed to doing and what we are being held accountable for. Mr. John Wilson, Director of Support Services, addressed the prioritization of the cleaning of the canals. The schedule showed all of the concrete-lined canals, which are different from the open wide-butt canals that are seen throughout the city, particularly in New Orleans East. These canals tend to accumulate mud sediment in some of the expansion joints. Mr. Wilson stated that these canals have been scheduled for cleaning in order to reduce the accumulation of mud in future years. Control Foliage, the contractor that will be coming online in early 2019, will be spraying the concrete-lined canals throughout the year to kill the vegetation that grows in between the expansion joints. This will minimize the accumulation of mud as time goes on. Hence, there will be adjustments in the schedule each year because the canals would not need to be cleaned as often. Furthermore, the public will panic less when they see that the canals have been cleaned.

BILLING PROGRESS

Executive Director Korban stated that Utiliworks has been very productive in continuing to give us a lot more confidence in terms of where we will be at year's end as well as very meaningful recommendations and improvements to the billing process. Mr. Korban said that SWB wants Utiliworks to focus on helping us out with confirming the accuracy as it relates to all the delinquent accounts. Utiliworks has thus far confirmed 3,348 accounts with minimal findings in terms of inaccuracies. Now, we are confident in knowing who owes us and how much. Cash flow is crucial for us as we approach the end of the year; therefore, we want to bring in as much money as we can before the end of the year.

Director Lynes Sloss would like for SWB to resume normal billing and not shut off anybody's water whose water should not be shut off, and that we have the mechanisms in place to see to it that that does not happen. Mr. Korban stated that the goal is to bring folks into either full compliance or to come in and dispute their bill and come up with a favorable conclusion and move on. This is a win-win situation. Mr. Korban stated that we are confident of our numbers and accuracies.

Director Ralph Johnson wanted to know the outstanding revenue associated with those 3,348 delinquent accounts that are not in dispute. Ms. Yvette Downs stated that she really did not try to quantify the dollar value. They were actually looking at the accuracies of the notices and the activity for those accounts that occurred over the last two months. In fact, over 1,500 customers have entered into a payment plan over the last few months.

CONTINUED OUTREACH

Executive Director Korban stated that the Sewerage and Water Board wants to be accessible to our customers and the public. Any time that we are invited to a meeting, we are very accommodating. If Mr. Korban is not available, Ms. Downs or someone else will attend and answer questions from the public. The Executive Director stated that he would continue to find ways to help groups such as Justice and Beyond who wish to create a satellite office that will allow folks to come in and dispute their bills. Mr. Korban thanked everyone for their insight and good dialogue.

Mayor Cantrell thanked Mr. Korban for his outreach. The Mayor said that Mr. Korban did a great interview with our local media outlets. Even radio station WBOK came out. We are now partnering with Justice and Beyond. Pastor Gregory Manning has placed a satellite office in Broadmoor Community Church.

Finance and Administration Committee Report

Director Lynes Sloss read the report of the Finance and Administration Committee and moved for acceptance. Director Ralph Johnson seconded. The motion carried.

Mayor Cantrell stated that she will be looking at committee assignments in January 2019 because we are at the end of the year and we still have a Board member forthcoming from the New Orleans City Council. She believes Councilmember Jay H. Banks will be joining us in January in accordance with the state law that was passed in the last Legislative Session. In addition, we should have representation from District D again. That being said, the Mayor wanted to get a full Board complement before moving forward with committee assignments. Mayor Cantrell will be reaching out to get a feel for where the Board members believe they can provide the best service to the Board. She will be collaborating with the members rather than appointing them to committees.

CORRESPONDING RESOLUTIONS

The following resolutions were approved at the November 2018 Finance and Administration Committee Meeting:

- R-148-2018 – Bid Recommendation – Furnishing Liquid Ferric Sulfate to Algiers Water Plant
- R-176-2018 – Bid Recommendation – Furnishing Standard 4” and 5” Fire Hydrants with McGard Anti-Tampering Device
- R-175-2018 – Bid Recommendation – Repaving of Open Cuts in Street
- R-149-2018 – DPS 11 Clearing Debris from Suction Basin/ Screens
- R-150-2018 – Emergency Diving Services
- R-131-2018 – Effluent Pump House Electrical Improvements at the East Bank Waste Water Treatment Plant
- R-174-2018 – Asbestos Testing and Abatement – Turbine #5
- R-172-2018 – Turbine #4 Low Resistance Grounding Unit Voltage
- R-173-2018 – Turbine #6 Fire Suppression Sensors System
- R-178-2018 – CH2M/Jacobs Amendment No. 6 Relative to HMPG/HRWRP through December 31, 2018
- R-170-2018 – Municipal Water Pollution Prevention Audit West Bank Waste Water Treatment Plant
- R-171-2018 – Municipal Water Pollution Prevention Audit East Bank Waste Water Treatment Plant

- R-165-2018 – Ratification of Professional Services Agreement with Utiliworks for Quality Assurance/ Quality Control Review
- R-166-2018 – Approval of Professional Services Agreement with Raftelis Financial, Inc. for Settlement Billing
- R-177-2018 – Approval of Amendment No. 2 for Professional Services Agreement with Richard CPAS, LLC for Audit Support Services
- R-179-2018 – Approval of Amendment No. 1 for Professional Services Agreement with Raftelis Financial Consultants, Inc. for Bond Feasibility Study

Director Dr. Duplessis moved to accept the Corresponding Resolutions in global. Director Lewis Stirling seconded. The motion carried.

PUBLIC COMMENTS

The following persons appeared before the Board of Directors to make comments:

- Mr. Lloyd Lazard spoke on the water towers, the Cogsdale billing system, and the Economically Disadvantaged Business contracts.
- Mr. Russell Kelly from ATCO expressed his concerns relating to his dispute with Plant-N-Power.
- Mr. Steve Donahue wanted to know the criteria for the meter readers to estimate a bill and who calculates the estimated use. He said that he would be watching his bill closely.

EXECUTIVE SESSION

Director Andrew Amacker moved to enter into Executive Session. Director Lynes Sloss seconded. The motion carried.

Director Joseph Peychaud moved to leave Executive Session and return to Regular Session. Director Eileen Gleason seconded. The motion carried.

Director Johnson moved to accept the recommendation of Counsel as related to Worker's Compensation. Director Synes Sloss seconded. The motion carried.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- External Audit Update
- Financial Results through September 2018
- Monthly Human Resources Activity Report for the Period October 1 – October 31, 2018
- Executive Director's Approval of Contracts of \$1,000,000.00 or Less
- Report of the General Superintendent
- Report of the Special Counsel
- FEMA October Project Worksheet
- DBE Participation on Contracts

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at approximately 10:32 AM.