

BOARD OF DIRECTORS' MEETING

February 20, 2019

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, February 20, 2019 at 9:00 AM in the Board Room at 625 St. Joseph Street. Special Counsel, Ms. Yolanda Grinstead, called the roll and confirmed the following members were present: Director Andrew Amacker, Director Joseph Peychaud, Director Lewis Stirling, III, Director Lynes Sloss, Director Dr. Tamika Duplessis, Director Nicole Barnes, Director Ralph Johnson, Director Alejandra Guzman, Director Robin Barnes, Councilmember Jay H. Banks, and Hon. LaToya Cantrell.

The following member(s) were absent: None

Also present were: Ms. Geneva Coleman, The Hawthorne Agency, Inc.; Ms. Brenda Thorton, Communirep; Mr. Lloyd Lazard; Mr. Ramsey Green, Chief Administrative Officer, Infrastructure; Mr. Randy Smith, Royal Engineering; Mr. Amer Tufail, GreenPoint Engineering; Ms. Fannie Marcotte, BHA; Mr. Happy Johnson, Public Advocate; Mr. Richard Briscoe, Gulf South Engineering; Ms. Bambi Hall, GEC; Ms. Vanessa Claiborne, BCNO; Mr. Dale Pennington, Ms. Nicole Griffin, Utiliworks; Rev. Barnwell, Justice and Beyond.

Staff present were: Mr. Ghassan Korban, Executive Director; Ms. Yvette Downs, CFO; Mr. Robert Turner, General Superintendent; Mr. Bruce Adams, Deputy General Superintendent; Mr. Richard Rainey, Deputy Director, Communications; Ms. Yolanda Grinstead, Special Counsel; Ms. Mary Beth Arceneaux, Mr. Edward Morris, Legal Department; Mr. Dexter Joseph, Budget Department; Mr. Robert Jackson, Customer Service; Ms. Conestler Green, Purchasing; Ms. Irma Plummer, EDBP; Paula Arceneaux, EIC; Ms. Jacqueline Shine, SWBNO; Ms. Grace Birch, Mr. Curtis Elmore, Communications; Mr. Jason Higginbotham, Emergency Management, SWBNO; Mr. Ron Spooner, Chief of Engineering; Mr. David Callahan, Special Projects; Mr. Andrew Dugue, CWP; Ms. Hazel Bell, Finance Department; Ms. Candace Newell, Ms. Jacqueline Winston, Board Relations.

Prior to calling for the approval of the minutes, Mayor LaToya Cantrell thanked and acknowledged the Board for their leadership and the hardworking men and women of the Sewerage and Water Board of New Orleans (SWBNO) under the leadership of Executive Director, Mr. Ghassan Korban. A pipe burst over a week ago at the intersection of Loyola Avenue and Poydras Street. The Mayor stated that due to their quick response and working through the night, SWBNO employees were able to prevent customers from being totally without water. The area being affected was Poydras Street from Loyola Avenue to the river. Despite our setbacks, we continue to push forward, and we are seeing the results of our efforts.

APPROVAL OF PREVIOUS MINUTES

Director Lynes Sloss moved for approval of the Minutes of January 16, 2019. Councilmember Jay H. Banks seconded. The motion carried.

HONORS AND AWARDS

General Superintendent Robert Turner made the presentation.

- Mr. Andrew Dugue, Engineer Intern II in Networks Engineering, was recognized as Employee of the Month. Mr. Dugue was recommended by Mr. Mark Johnson because of Mr. Dugue's dedicated work and willingness to learn more technology for advancement within SWBNO as well as his willingness to train others.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Ghassan Korban thanked Mayor Cantrell and the Directors for allowing SWBNO to recognize and acknowledge the men and women in our organization who continue to make a difference in how we do things every day. Mr. Korban emphasized that while we do want to celebrate those individuals who are making a difference, we are continually holding everyone accountable who work for the utility and are raising the bar. The Executive Director stated that we are seeing a shift in the culture. People are responding in a very positive manner. Mr. Korban stated that we continue to see the few here and there who do not, and those are the ones that we are going to weed out at some point. That is how we are going to become a model utility. Mr. Korban thanked Mayor Cantrell for setting the tone for SWBNO. Mr. Korban recognized Mr. Bruce Adams who accepted the very tough assignment of being the Interim General Superintendent many months ago. Mr. Adams did an awesome job leading the operations and getting us to a stable situation.

Drainage Pumping Status

114 of 120 drainage pumps are available during rain events. Repairs underway on the following pumps:

Station	Neighborhood	Total Pumps	Designed Total Capacity (cfs)	Pumps Out	Station Operational Capacity	Estimated Repair Completion
1	Broadmoor	11	6,825	1	99%	3/15/2019
6	17 th Street Canal	15	9,580	2	98%	5/31/2019
4	Gentilly	6	3,720	1	73%	3/29/2019
15	N.O. East	3	750	1	67%	3/15/2019
20	N.O. East	2	500	1	50%	4/19/2019

Mr. Korban stated that what is relevant in the chart is the due date when the pumps will be back online and operational in time for hurricane season. Mr. Korban added that this is a combination of work being done in house with our skilled staff, with a few exceptions where we are relying on contractors. There were issues with some payments and people threatening to walk off a job. That situation has gone away with some recent cash flow that we have had, making people whole. Those dates are beginning to be firm and attainable, and Mr. Korban was very pleased to make that report.

SWBNO SELF-GENERATED POWER

Unit	FREQUENCY	MEGAWATTS	STATUS	EST. RETURN
Turbine 1	25 Hz	~6 MW*	Available	
Turbine 3	25 Hz	~7 MW*	Available	
Turbine 4	25 Hz	20 MW	Available	
Turbine 5	25 Hz	20 MW	Available	
Turbine 6	60 Hz	15 MW**	Available	
Carrollton Freq. Changer (1&2)	Converts 60 to 25 Hz	8.5 MW	Available	
Station D Freq. Changer (3&4)	Converts 60 to 25 Hz	12 MW	Available	
Five EMDs	25 Hz	12.5 MW	Available	
TOTAL	25 Hz	86 MW	86 MW	
TOTAL	60 Hz	15 MW	15 MW	

*Actual capacity, not nameplate, due to age of machinery

**T6 can produce 3.75 MW of 25 Hz power through a frequency changer.

In terms of power, Mr. Korban stated that all available power is available. While we do not use it all the time, it is ready to serve us when needed. Mr. Korban stated that this is a very good place to be.

Pump A, a fresh water pump, is still down. Pump A is quite significant because it is one of the larger pumps and it has a variable speed, which means it can adjust to allow any variability in the other pumps' performances. Therefore, if one pump goes down or loses some pumping capacity, Pumps A and B can adjust and stabilize the pressure. It is crucial that Pump A gets back online.

Mr. Korban stated that the leadership team had studied several options and had found a way to gut out the steam portion and found a used electric pump to replace that at a significantly lower cost that will allow them to bring it online. The significance has to do with the timing approaching the warmer season. The team is going to exercise the extreme emergency status and use that process to solicit three bids from three different vendors. The emergency status allows them to make that replacement in a timely fashion to get it back online. Speeding up the process is relevant because of the pump's ability to circulate the water in the clear well where it serves as a cooling mechanism. If that water does not circulate fast enough, it warms up and loses its ability to cool the turbines. If that happens, the turbines will trip. The leadership team is being transparent, letting the Board know what is being done under an emergency.

General Superintendent Robert Turner stated that this work would be done in two phases. First, the immediate need is to get Pump A back in operation in the next 2-3 weeks. The plan is to purchase a used motor and install that motor without a variable frequency drive at first, just to get the pump in

operation. Then, the long-range plan is, as soon as funds are available, to begin the design and construction to convert Pumps A and B to electric using variable frequency drives as well, which would allow staff to automatically set those pumps and let them adjust to the pressure changes in the system. In the second phase, they are going to be using motors that are paired to the variable frequency drives. This motor will serve as a spare motor at one of the other locations in case we have an outage there. Mr. Korban stated there is built-in redundancy because only four pumps are used at any given time. The system itself has a considerable amount of redundancy in it. Mr. Turner stated multiple sources of power are being used to drive those pumps, so we do not rely on any single source at any one time. We reduce the risk profile by spreading around the possibility of failure.

Councilmember Banks asked how long the used motor would be in place before getting a new one. Mr. Turner stated a lot would depend on the availability of funds. However, they would continue with the design process internally and make plans to have something in place and maybe bid out in the fall this year after hurricane season. Mr. Korban stated the traditional approach of replacing the steam gearbox would have cost about \$500,000 to \$600,000. The approach taken is not only significantly cheaper, but it continues to set us on the path we want to be on, which is to work more electric power. Mr. Korban stated we are thinking power, electric and more efficiency as we move forward. Mr. Korban stated the cost for the temporary fix is being absorbed by the routine Operations and Maintenance cost and there is no specific budget, because it is very hard to predict what is going to break. It is more shifting dollars based on what has the more immediate need.

Mr. Korban also talked about the **Cross-Connection Control Program**. The program is basically creating a data base across the city to identify any potential cross connection which exists, whether it is commercial, industrial or residential. The purpose is to protect our customers and users from any potential contamination. The idea is to look at all possible cross-connections which could siphon back into the system and cause contamination by being very robust in combing the city, identifying locations, and having a continuous inspection system as we move forward. This is a requirement of the Louisiana Department of Health (LDH) and we must submit a plan by June of 2019.

Mr. Korban stated this program requires mostly manpower. A consultant will do the initial effort of basically identifying all the existing cross-connections, then identifying the safeguards needed to protect the system. An annual inspection is required. Mr. Korban indicated SWBNO would probably increase staff to do complete the inspection. Mr. Korban also stated the process would be started from scratch to create a clear and accurate data base and does not anticipate rewriting any building codes, based on the findings.

Mr. Korban stated we would be hiring a firm to do the initial effort of creating the data base, finding where those cross-connections exists, what safeguards we need to create, to demand or require. Once this is established, we will be hiring staff to do the annual, rigorous inspection program. There is also an option to hire someone to do the inspections on our behalf. However, this important key step must take place before we make the second step. Mr. Korban provided we are hoping to have someone on board by June to begin the second step, but not with a full plan. Mr. Jay Arnold, Plumbing Supervisor, was asked to identify the time table.

Mr. Arnold stated the plan is to bring in a private contractor who could survey the city services to private customers – residential and commercial – and then determine what must be done. Mr. Arnold stated that we are looking aggressively to completely deal with all the connections within a year to a year and a half. Once that data base is developed, managing the program will be easier. Mr. Arnold

further stated that it will be a challenge to have boots on the ground to get to all the facilities and assets that we have, to ensure that we do not have cross-connections that are not properly protected. The staff that Mr. Arnold has in the Plumbing Department at this time cannot handle those inspections along with the growth of the city and all the inspections that they are already doing. Mr. Arnold felt that developing a program to better manage with less boots on the ground would expedite the task moving forward. Properties are surveyed year-round, making sure the protection value is still there for all our services so that nothing gets contaminated or minimizes the possibility of contamination.

Mr. Korban then discussed the **water main break** on February 13, 2019. Mr. Korban stated that there is a 20" feeder main that runs down Poydras Street serving all the hotels and businesses from Loyola Avenue to the river. There is a 6" branch from the feeder main that has a valve that is supposed to turn off that 6" valve if you need to isolate the 6" branch. However, the valve was not operable. The 6" main broke, which was located next to a drainage manhole. It probably had been leaking for several days without surfacing because of having a manhole to flow into. Mr. Korban stated that while the easiest thing to do was shut off the 6" main, fix it, then move on, the 6" valve was not working.

Mr. Korban indicated that the next step was to shut off the 20" main, but that was not feasible because it would have put so many hotels and businesses out of water, costing them so much money and inconvenience. Thus, they brought a vendor that cut in a new valve under life conditions, basically ensuring a new valve next to the old one, allowing the crew to shut off that 6" main so that the repair could be made. The manhole also had to be rebuilt. There was no interruption of water. Mr. Korban stated that this was heroic work done in the middle of the night. The Executive Director recognized the creativity and strategic thinking, making good decisions.

Mayor Cantrell asked Mr. Korban to tell the Board how much this repair cost SWBNO. Mr. Korban did not have an exact number but stated the incremental cost in cutting the valve versus shutting the valve was about \$35,000-\$40,000. However, if you equate that to the public relations nightmare that you would have faced, the mere cost of businesses having to adjust to not having water would have been significantly more. Also, SWBNO would have been given a black eye because of the public's view that the agency was not thoughtful about what water means to businesses. Mr. Korban would have the dollar amount of the cost of the repair at a later date.

The CAO of Infrastructure for the City, Mr. Ramsey Green, stated that this event happened around rush hour. A streetcar line was diverted, which cost a lot of money. It made a huge impact. To stop a streetcar line, the Regional Transit Authority (RTA) did a series of shuttles. The New Orleans Police Department diverted traffic. New Orleans Homeland Security notified the hospitality industry. The City did a localized alert to everybody who is NOLA Ready registered on Poydras Street. Everyone received a text message saying they would lose water for two hours. Thanks to the Networks team, the water was never shut off. Mr. Green stated that this was a coordinated effort. Mayor Cantrell wanted to make sure this information went on public record.

Mr. Korban stated that this happens every day throughout the city. Networks responds to the worst of the worst. All our resources are being consumed at locations such as this one. It is a matter of allocating resources where they are most needed. This main is 111 years old and very fragile. Mr. Korban added that when you fix a main, you repair the road and move on. This type of repair is costly because it requires a lot of attention and a lot of resources. The patch at the intersection of Poydras Street and Loyola Avenue is what our patches should look like two days after the work is completed.

COMMITTEE REPORTS

Pension Committee Report

Director Lynes Sloss moved to accept the report of the Pension Committee. Director Nicole Barnes seconded. The motion carried.

Finance and Administration Committee Report

Director Lewis Stirling moved to accept the report of the Finance and Administration Committee. Director Dr. Tamika Duplessis seconded. The motion carried.

ACTION ITEMS

Director Lynes Sloss moved to accept **Resolution (R-028-2019) Commendation to Andrew Dugue – Employee of the Month**. Director Alejandra Guzman seconded. The motion carried.

Mr. Ramsey Green explained the partnership between the Sewerage and Water Board of New Orleans (SWBNO) and the Department of Public Works (DPW). Mr. Green stated that the partnership is going very well. The crews have done about 400 gravel pits in the middle of the streets that were in the backlog. The City put about \$6.5 million in bond funds into the program. Mr. Green also stated that we have a third-party inspector making sure the pavement is a 5-year or higher permanent life-span. Mr. Green explained that the money was deployed to do those service cuts where we're not going to do a joint infrastructure project. The crews are hitting about 57% of the backlog because it was discovered that there was a lot of double counting in the first data dump. Some of the gravel pits had already been fixed over the years. The crews have been able to hit about 900 of the 1,300 pits, but the cost of repairing them is very expensive. Mr. Green stated that the city has been broken into four areas, and Area 1 will be finished in about two weeks. Mr. Korban stated that this is good government at work and he is thankful for DPW and Mr. Green's leadership, identifying this project as an important priority for us. Mr. Green also stated that we were two weeks ahead of schedule on Bourbon Street Phase 2 due to SWBNO doing its work ahead of DPW's work on the street and really listening to that neighborhood.

Director Amacker wanted to know what is being done to stabilize the other 43% of the backlog in the interim. Mr. Korban has asked Networks to identify these locations and relevel them for the time being. A crew will take down the hump and put it back in the spot making it more passable. Until they are paved, that is the only thing that can be done.

Director Amacker asked if the new system test could be rolled out to stabilize those patches. Mr. Korban explained that this test has been successful in low traffic volume. The material does not hold up as well in high traffic volume. Mr. Korban and Mr. Fred Tharp, Chief of Networks, have discussed either deepening the layer of the flowable fill that they are already using or maybe using a different material that has a little more strength. However, that means more cure time, meaning you have to stay off of it a couple of extra days. Mr. Korban stated that they are constantly looking for new materials and would keep the Board posted. Mr. Korban stated that this new system is where we are using flowable fill. It is self-setting. Flowable fill is sand or gravel that has a lot of moisture in it. It flows

into the hole and levels itself, so that when it hardens, it is basically compacted. It holds up nicely in lower volume traffic.

Director Johnson asked what is SWBNO's cost for participating in this paving program. Mr. Korban stated that the funds for the Cooperative Endeavor Agreement come from the City. So, SWBNO is not incurring any expense. Mayor Cantrell stated that the filling of the holes in the streets is really the responsibility of DPW, but SWBNO has agreed to own it from start to finish. The City has created the structure to where those dollars go directly to SWBNO and will not be an added burden on the utility, but the responsibility of the City.

Director Joseph Psychaud moved to accept **Resolution (R-036-2019) Cooperative Endeavor Agreement – Max Pave Pavement Restoration Program**. Director Robin Barnes seconded. The motion carried.

Director Lynes Sloss moved to approve **Resolution (R-037-2019) Louisiana Compliance Questionnaire**. Director Lewis Stirling seconded. The motion carried.

CORRESPONDING RESOLUTIONS

The following resolutions were approved at the February 6, 2019 Finance and Administration Committee Meeting:

R-006-2019 – Ratification of Change Order No. 4 and Final Acceptance for Contract 6254 – Hurricane Related Repairs to Electrical Equipment at Garage No. 2 and Main Power Building at Central Yard

R-014-2019 – Contract 8155 – Carrollton Water Plant Building Renovation

R-018-2019 – Ratification of Change Order No. 16 and Final Acceptance for Contract 6247 – Generator 4 Retrofit Power Distribution Network

R-020-2019 – Contract 30106 Rehabilitation of Bio-Reactor Train #4 at EBWWTP

R-004-2019 – Professional Services Contract Amendment No. 5 for Royal Engineers – Hurricane Katrina Related Water Restoration Projects

R-017-2019 – Ratification of Change Order No. 4 for Contract 6249 – Design Build Retrofit Power Distribution Network

R-019-2019 – Approval of Change Order No. 1 for Contract 30109 – Sewer Pumping Station A Structural Rehabilitation

R-026-2019 – Ratification of Change Order No. 1 for Contract 2106 – Installation of New Water, Sewer and Drain Service Connections at Various Sites throughout Orleans Parish

Director Ralph Johnson moved to approve the Corresponding Resolutions in globo. Director Lynes

Sloss seconded. Mr. Lloyd Lazard made a public comment stating that he was concerned about companies that had several change orders. Mr. Lazard also stated that we need to evaluate the cost factor that goes along with change orders to eliminate waste, and that sometimes, it may be better to terminate a contract and rebid it. Mr. Lazard felt that SWBNO doesn't ever seem to move toward equity. Mayor Cantrell stated that Mr. Lazard's points were well taken and that there is absolutely an equity lens that we have on this issue of procurement.

Councilmember Banks asked if there was a process for mitigating change orders. Mayor Cantrell stated that when reviewing contracts, we want to ensure that a change order really is for an unforeseen condition and not just a practice that goes on to where it costs us money and allows others not get a fair shake. The procurement process is deemed a priority.

Director Sloss stated that we have rolled over some contracts that have an annual renewal available to us, and we have used the change order mechanism for that. Director Sloss stated that they previously discussed that a renewal is for work that is anticipated when the contract is written. Ms. Downs stated that a new procurement process would be brought to the Board next month. In reviewing and revising those processes, change orders were the focus. The goal is to be more transparent and proactive at the beginning of a contract.

Councilmember Banks suggested that we use the term contract extension as opposed to change order to assure the public that we are trying to do what is right as it relates to their dollars. Mayor Cantrell stated that Councilmember Banks' point was taken as well; however, the actual resolution speaks to what is being passed. If there is an extension, the resolution would say that. Mr. Lazard entered the change order into the record.

Mayor Cantrell then called for the vote. The motion carried, and the resolutions passed in globo.

PRESENTATION ITEMS

Overview of the Economically Disadvantaged Business Program (EDBP)

Mayor Cantrell commended Director Peychaud, stating that he has gotten us where we need to be. The Economically Disadvantaged Business Program has been a top priority for him.

Ms. Irma Plummer, Director of EDBP, gave an overview of the program. Ms. Plummer began her presentation by stating that EDBP is committed to small business and that the growth and development of small business is important to us. Following a brief history of the Economically Disadvantaged Business Program, Ms. Plummer explained the function of the Construction Review Committee and the Staff Review Committee.

Ms. Plummer stated that SWBNO, the New Orleans Aviation Board, the City and Harrah's Casino have joined in their certification efforts. Once companies have been certified, The EDBP revisits that certification every two years. Companies are certified in three areas: Goods and Services, Professional Services, and Construction. DBE will only monitor those contracts for which a goal has been assigned.

In 1998, the Board outlined how contract compliance monitoring should be handled through a resolution. Staff can make site visits to the prime, to the sub, or to the site, announced or

unannounced. If the prime is not meeting its goal, or is not performing as required for DBE participation, we can review the DBE Participation Summary Sheet and shut down the contract if necessary, or take any other action as deemed appropriate to make sure compliance is met.

Ms. Plummer cited two examples of what happens when a prime does not meet its DBE goal. In one instance, there was a professional services contract where the prime did not engage a DBE whatsoever. Upon review, it was recommended that the prime could not engage in any SWBNO work for six months. In another instance, the prime did not meet its DBE goal. The Good Faith Effort Statement provided was insufficient. Therefore, we recommended a “no recommendation” for final acceptance. Ms. Plummer stated that though that course of action may have been appropriate at the time, their department needs to take a stronger response when a prime fails to meet its goal.

Director Peychaud thanked Ms. Plummer and her staff for their hard work. Director Peychaud wanted to know how the DBE piece fits into contract extensions. Ms. Plummer stated that when a goal is assessed, be it contract extension or change order, the goal follows the changes in the value of the contract. Director Ralph Johnson asked if there was any support for those companies that did not receive certification, that they may come back again to apply for certification. Ms. Plummer stated that when a company has been denied certification, they have outgrown the program. The program threshold is \$24 million, but we also follow the Small Business Association (SBA) industry thresholds.

Director Peychaud was concerned about areas where there are specialized services needed and there may not be a DBE that meets those qualifications. Director Peychaud inquired about enhancing that process to ensure that at some point, DBEs may be able to become a part of a specialized skill set needed for a particular job. Ms. Plummer stated that they are not quite there yet.

Director Amacker was concerned about the overall impact of the DBE program to the agency and that cost. Ms. Plummer stated that when the scope of the work is developed, the cost of doing that work is assessed at that time, independent of DBE participation. The project manager and the person(s) that puts the scope of work together have an idea of what it would cost to get something done. That information is packaged and forwarded to SWBNO. Our department only looks at if there’s an opportunity for a small business to be able to participate in providing that service; thus, that is not added on. Ms. Plummer stated that the base is the base. When DBE participation is assured, and it is bid out, if the bidder comes in higher than the assessment, the contract doesn’t move forward.

Councilmember Banks asked if Ms. Plummer knew the number of small businesses that were subs that have transitioned into businesses that are prime. Ms. Plummer did not have a number at that Board meeting. Director Lewis Stirling stated that the successes of the small businesses that eventually become big businesses should be measured, and that would be something he would be proud of. Ms. Plummer stated that she could do that as an assessment of all the DBEs that are participating in active contracts right now, and then try to find out as much as she can about contracts that have closed and DBEs that have moved on. Ms. Plummer stated that she would take that on as a task for next year.

Councilmember Banks wanted to know the reason why the subs could not bid as primes. Ms. Plummer stated that it is possible for subs to bid as primes, except where there might be bonds required to do the work. At any time, though, a sub can bid as a prime, provided he has the capacity.

In some cases, the bonds are based on the scope of the work.

Councilmember Banks also asked if it were possible to break down a project to make it more reachable so that small businesses could be the prime and build their capacity. Mr. Korban stated that in this business, that is called unbundling. Sometimes it is convenient and sometimes it is not. Mr. Korban stated that one would notice a significant increase in cost by breaking the project down so much that the efficiency of having one project, one package, is lost. This has been done in the past, where it made sense to allow the opportunity for small businesses, who have the ability, to build.

Director Stirling stated that we do not want businesses to remain at \$23.9 million. Mr. Korban stated that he has always told small businesses that they should want to graduate from the DBE program and be on their own and not be hired because of their certification, but because of the merit and quality of their work. Those businesses ultimately become competitors and must win those jobs in the future because our procurement is competitive. We want to be as encouraging as we can. Director Guzman stated that we need to recognize and celebrate that this is a good situation to be in because most organizations do not even give that opportunity for businesses to graduate.

Utiliworks – Utility Billing Assessment

Mr. Dale Pennington, President and CEO of Utiliworks, and Ms. Nicole Griffin, Project Manager for the Billing Quality Assurance Quality Control Project, gave a presentation to the Board. Mr. Pennington explained that their task was to look at some of the critical issues that were happening in billing, how could we improve, and what kind of quality assurance was done.

Ms. Griffin explained that Utiliworks was engaged by SWBNO because there have been an irregularly high number of billing errors since the implementation of Cogsdale CSM, a new Customer Information System. These errors have impacted both the revenue and the public perception of SWBNO and its relationship with its customers. Utiliworks, an independent consultant, did a third-party review of the entire process from meter read to bill generation. Utiliworks provided on-site support to ensure correctness for all delinquent mailings, and they communicated their findings and recommendations throughout their stay.

Director Sloss wanted to know if Utiliworks examined abnormalities such as a \$121,000 water bill. Ms. Griffin stated that they did, and the way the Cogsdale System is configured is in line with Best Practices. Should that occur, the system would spit out that this is a high bill, an exception that needs to be investigated. Nevertheless, this does not prevent human error of people overriding things.

Ms. Downs stated that from an earlier review, it was determined that the meter for this customer had been replaced, so there was a negative reading. Through human error, the bill was processed incorrectly and sent out instead of correcting it. The system did not notify Customer Service that something was wrong. Ms. Downs stated that the bill was corrected on February 15, 2019, but the customer probably had not been notified prior to the news broadcast.

Director Lewis Stirling wanted to know if the system automatically goes back and picks up all the differences over the last 12 months if a customer received an estimated bill of \$90.00 each month for about a year and suddenly has a bill for \$800.00. Ms. Griffin stated that that is what happens. It is called a true-up bill. Director Stirling stated that a bill like that would be easy to explain.

Director Johnson asked if there are any fixes in those versions of the software that would help with estimations or would it have no impact on a customer's bill. Mr. Korban stated that the software would have a tremendous impact. There are nine versions that must be applied at some point when we are ready. However, we do not want to apply something that we do not know how it will be absorbed when we are in the middle of chaos. Mr. Korban stated that we are moving toward upgrading to the current version. Ms. Downs stated that her team is working on estimations in a test environment to make sure that everything is okay when they move into production. Mayor Cantrell stated that we will be staying close to that testing environment, making sure that it is accurate before it becomes fully operational.

Director Sloss commended staff on the 80% of meters that are readable but wanted to know what happens to the other 20%. Ms. Griffin stated that the other 20% are estimated and that that is where the inaccurate bills come from. Utiliworks recommended that we work on the issue of reading those meters that have not been read.

Councilmember Banks wanted to know how long it would take to get a bill with an actual read if a customer's meter could not be read and an estimate had to be made. Mr. Korban stated that the amount of time it takes varies. If the meter has a scratched lens, it could be a matter of days to replace the lens. If the meter is defective, it could take longer because a work order must be generated. The councilmember also wanted to know how long it would take before a customer would get an actual read if the customer has gotten an estimated bill. Mr. Korban stated that, ideally, we want an estimated reading corrected within a month. In some instances, meters are consumed by tree roots. Those readings are months and months of estimates because until a new meter is installed or the line is rerouted, that issue still exists. Mr. Korban stated that it is the science of estimating more accurately so that when you actually true-up the bill, you are not so drastically off.

Director Amacker asked if there was a technology that we could migrate over to with little impact since the Itron handhelds are now obsolete. Ms. Griffin stated that SWBNO is looking into that. The newer generation will have improved functionality.

Director Nicole Barnes asked if there was any way to put a notice in the system that indicates that a customer has had an estimated bill for several months and now has a true-up. Ms. Barnes stated that we may need to put an insert in the customer's bill to explain the reason for the sudden spike, if there is no way to note it on the bill.

Director Sloss asked if the software can do intelligent estimating. Ms. Griffin stated that it could and added that if the customer has had six months of estimates, the software is going to average estimates. Mr. Pennington stated that moving from 100 gallons to 170 gallons when estimating, the real actual usage, would make the true-up much smaller.

Director Robin Barnes stated that we need to try to communicate to the general public what is going on by notifying the public as we learn these issues; thus, being proactive.

Director Amacker and Ms. Downs discussed the formatting of the water bill. Ms. Downs feels that it is important to have a bill that communicates and is transparent. The system would have to be reprogrammed to redesign the water bill and this is expensive. Right now, other things take priority.

Mr. Pennington stated that by taking some of the steps SWBNO is taking, that some of these issues

will be eradicated over time. It is good strategy to constantly use the assets that we have and improve them. Mr. Pennington also pointed out that the billing system is a reliable, good billing system, but it must be upgraded.

Councilmember Banks suggested stretching out the payment plan for some individuals making an hourly wage to help them make their payments. Ms. Downs stated that affordability is high on their list of issues. Ms. Downs' team is trying to give the Customer Service representatives some room to have a conversation and look at what that back payment might look like for the average person who might call in. Mr. Korban stated that we want to be sensitive, but we also want to be fiscally responsible.

EXECUTIVE SESSION - None

PUBLIC COMMENTS

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

- Mr. Lloyd Lazard stated that leaks should be checked when reported to eliminate erosion. Mr. Lazard also commented on Cogsdale, water management, and compliance with the DBEs.
- On behalf of Justice and Beyond, Rev. Barnwell thanked SWBNO for providing staff at the Keller Library to allow customers to contest their bills on four Wednesdays in January 2019. Justice and Beyond would like SWBNO to continue this service and explore other places in the city where this service could be offered, also offering one evening or one Saturday each week for those who cannot get off work during the day.
- Mr. Happy Johnson suggested SWBNO host a State of the Sewerage and Water Board, an annual report to the community on the permanent updates for the residents. Mr. Johnson asked about the new protocols that would prevent a lapse in communication between Entergy and SWBNO regarding the November 17, 2018 incident. Mr. Johnson also asked for the number of customers on the automatic debit program receiving refunds resulting from overbilling.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- Financial Results through December 2018
- Report of the General Superintendent
- Report of the Special Counsel
- FEMA December Project Worksheet Status
- Monthly Human Resources Activity Report for the Period January 1 – January 31, 2019
- DBE Participation on Contracts

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at approximately 11:53 AM.