



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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September 11, 2019

The Finance and Administration Committee met on Wednesday, September 11, 2019, in the Board Room located at 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 9:01 A.M.

Present:

Director Lynes Sloss
Director Janet Howard
Director Ralph Johnson

Absent:

Director Joseph Peychaud
Director Alejandra Guzman

Other Board Members Present:

PRESENTATION ITEMS

Mr. Robert Turner gave a brief overview of the Sycamore Filter Gallery. His team is in the process of repairing old infrastructure in several of the filters that are rusted and dangerous. He stated the goals for the Sycamore Filter Gallery repairs are to maintain the current capacity, increase filtration capacity and rehabilitate building structure. The cost is about \$600,000 per filter.

Executive Director Ghassan Korban stated that committee members received an abbreviation version of the committee packet. The information included is relevant and is enough to allow the committee to keep up with Sewerage and Water Board work and approve contracts as necessary. There are source documents to support everything being presented.

ACTION ITEMS

General Superintendent's Report

Contract Bid/Renewals

- Resolution (R-142-2019) Recommendation for Award of Contract 5224 - Hurricane Katrina Repairs to New Carrollton, Hospital, Marconi, Paris and Press Drainage Underpass Pump Stations (Dept – Network Engr)
 - Resolution (R-148-2019) Recommendation for Renewal of Contract 30218 – Restoration of Gravity Sanitary Sewer Mains by Point Repair at Various Sites Throughout Orleans Parish (Dept – Networks Admin)
 - Resolution (R-149-2019) Recommendation for Renewal of Contract 30219 – Restoration of Existing Gravity Flow Sanitary Sewers by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole, CIPP Lining of Service Laterals and Point Repairs at Various Sites Throughout the City of New Orleans (Dept – Networks Admin)
 - Resolution (R-161-2019) Recommendation for Renewal of Contract 30217 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites Within Orleans Parish (Dept – Networks Admin)
- Director Ralph Johnson moved to accept Contract Bid/Renewals. Director Janet Howard seconded. The motion carried.

Change Orders

- Resolution (R-060-2019) Ratification of Change Order No. 6 for Contract 1378 – Hurricane Related Repairs to Boilers, Ducts, Elevators at the Carrollton Water Purification Plant – Power Complex
 - Resolution (R-140-2019) Ratification of Change Order No. 1 for Contract 1393 - Secondary Chlorination Station at Venetian Isles (Dept - Const Admin & Insp)
 - Resolution (R-145-2019) Ratification of Change Order No. 2 for Contract 30102 – DPS 17/Station D Structural Repairs (Dept - Civil Engr)
 - Resolution (R-146-2019) Ratification of Change Order No. 1 for Contract 30110 - Electrical Improvements Phase Two at the EBWWTP (Dept - Operations)
 - Resolution (R-143-2019) Ratification of Change Order No. 7 for Contract 6249 – Hazard Mitigation Grant Project – Design Build Retrofit Power Distribution Network (Dept – Electrical Engr)
 - Resolution (R-152-2019) Change Order No. 1 for Contract YW19-0003 – Furnishing Limestone Material (Support Services)
- Special Council Yolanda Grinstead mentioned that staff is doing a better job at working on assessments to avoid large change orders that have come to the Board in the past.
 - Chief Financial Officer Ivette Downs stated the Procurement Policy will be coming forward in the October meeting next month for review and approval.

- Director Janet Howard moved to accept Change Orders. Director Ralph Johnson seconded. The motion carried.

Contract Cancellation

- Resolution (R-141-2019) Cancellation of Contract 2127 – Algiers Lock Forebay Waterline Replacement (Network Engr)
- Director Ralph Johnson moved to accept Contract Cancellation R-141-2019. Director Janet Howard seconded. The motion carried.

Final Acceptance

- Resolution (R-061-2019) Final Acceptance for Contract 1378 – Hurricane Related Repairs to Boilers, Ducts, Elevators at the Carrollton Water Purification Plant – Power Complex (Dept – Networks Engr)
- Resolution (R-101-2019) Final Acceptance for Contract 1393 – Final Acceptance of Secondary Chlorination Station at Venetian Isles (Dept – Const Admin & Insp)
- Resolution (R-138-2019) Final Acceptance for Contract 1406 – Final Acceptance of Sycamore Filter Gallery Structural and Filter Rehab at Filters #13, 15, 18, And 27 (Dept – Civil Engr)
- Resolution (R-147-2019) Final Acceptance for Contract 30110 – Electrical Improvements Phase Two at the EBWWTP (Dept - Operations)
- Resolution (R-151-2019) Final Acceptance for Requisition CO 17-0014 – Emergency Repair Services for Turbine No. 5 (Dept - Operations)
- Director Janet Howard moved to accept Final Acceptances. Director Ralph Johnson seconded. The motion carried.

Chief Financial Officer's Recommendations

Resolution (R-163-2019) Fair share CEA Ratification

- The Cooperative Endeavor Agreement provides \$28 million dollars to the Board in one-time money to pay down existing debt. \$20 million was received upon execution of the agreement. The remaining \$8 million will be issued upon the city's transfer of certain portions of public streets to the Convention Center. The agreement does not require the Board to expend any money; our only obligation is to use the funds to repay vendors for work performed.
- Director Janet Howard moved to defer R-163-2019 to the full Board at its next meeting. Director Ralph Johnson seconded. The motion carried.

- CFO Yvette Downs presented the monthly financial report for July 2019. The revenues have surpassed the anticipated amount by 16% and operating expenditures are below budget. These higher revenues are primarily due to receipt of 2019 ad Valorem taxes. Sewer revenues are higher than the budgeted amount by \$5.9 million or 8%. The expenses through July are below budgeted straight-line amount of 16%. However, hurricane season has begun and expenses such as overtime and materials and supplies may increase. Finance is anticipating reducing the budget by \$14.5 million or 6% due to conservative spending.
- Director Lynes Sloss asked to set up a finance training to help better understand the financial statements and what the CAFR means. Ms. Downs stated she will set up individual trainings.
- Ms. Downs brought in Tiffany Julian, Billing Director, to discuss the billing estimation methodology. Customer service has been working to improve the estimation methodology for customers who have experienced spiked bills when moved from estimation to actual reads. The new method will better align with individual customers and be less volatile when estimations are required. Ms. Julian stated they are working to change the process.

INFORMATION ITEMS

The information items were received.

There being no further business to come before the Finance and Administration Committee, Director Lynes Sloss moved to adjourn. Director Janet Howard seconded. The motion carried. The meeting adjourned at approximately 10:45 AM.

Respectfully submitted,

Lynes Sloss, Chair