

# BOARD OF DIRECTORS' MEETING

May 22, 2024

MEETING MINUTES

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

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### ROLL CALL

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The Board of Directors for the Sewerage and Water Board of New Orleans (SWBNO) met on Wednesday May 22, 2024, at 9:04 a.m. in the Executive Boardroom. Special Counsel Ms. Yolanda Grinstead called the roll and confirmed the following members were present: Hon. Mayor LaToya Cantrell, Director Joseph Peychaud, Director Janet Howard, Director Lynes Sloss, Director Maurice Sholas, Director Alejandra Guzman, Director Tyler Antrup, and Director Chadrick Kennedy.

The following member(s) were absent: Director Tamika Duplessis, Director Robin Barnes and Councilmember Freddie King.

Staff present were: Ghassan Korban, Executive Director; Renee Lapeyrolerie, Chief of Staff; Grey Lewis, Chief Financial Officer; Stephen Nelson, General Superintendent; Yolanda Grinstead, Special Counsel; Rene Gonzalez, Chief Customer Service Officer; Irma Plummer, EDBP; Tanyell Allen, Board Relations.

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### APPROVAL OF PREVIOUS MINUTES

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Prior to beginning the meeting, Hon. Mayor Cantrell gave her opening remarks. Mayor Cantrell thanked everyone for being present and diligent. Mayor Cantrell acknowledged the National Infrastructure week and recognized the city held its own nationally based on the investments being made. As the city prepares for the 2024 Hurricane season, the need for repair for maintenance and construction remains critical and top priority. Mayor Cantrell stated to solidify a date for the "State of Utility" to make sure the legislative session ends. As the utility braces for what happens in the session, it should be prepared to educate the public, and it will be done in a holistic manner. With the full complement of not only laws but actions and resources that are deploying here on the ground.

The State of the Utility will be an opportunity to inform the public, and make sure not only possibilities that Fairshare has brought to the utility and the city whether its power complex, smart metering, or paving priorities, but also educating the community on where it has been and how it got there and where it needs to go. It will also set the tone in terms of the 40% of customers that do not pay and the 60% that are paying, it will also set the tone for millages that are upcoming and will be rolling off if the community does not act prior to 2027. As the utility is lining up this information, it is critical to get it out there and that will be the start of this utility going out there to every district informing the public. The state of the utility is the starting point. Mayor Cantrell gave acknowledgement to the onboarding of over 16,000 customers relative to the smart metering. As the meters roll online it will abbreviate estimations and bring accuracy to the utility needs.

Mayor Cantrell concluded by giving acknowledgement to Mr. Ron Spooner for his leadership of this utility over three decades.

Mayor Cantrell presented a motion to accept the minutes of the April 17, 2024, Board Meeting. Director Howard moved for approval of the minutes. Director Sloss seconded. The motion carried.

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## COMMITTEE REPORTS

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### Pension Committee Report

Director Joseph Peychaud reported on the summary and actions taken by the Pension Committee. The Pension Committee Report for the month of May was presented and recommended for approval.

Mayor Cantrell asked for a motion to adopt the Pension report as amended. Director Antrup moved to adopt Pension minutes as proposed. Director Sloss seconded. The motion carried.

### Finance & Administration Committee Report

Director Lynes Sloss reported on the summary and actions taken by the Finance and Administration Committee. The Finance Report for the month of May was presented and recommended for approval.

Mayor Cantrell asked for a motion to adopt the Finance report as amended. Director Peychaud moved to adopt Finance minutes as proposed. Director Kennedy seconded. The motion carried.

### Audit Committee Report

Director Maurice Sholas reported on the summary and actions taken by the Audit Committee. The Audit Committee Report for the month of May was presented and recommended for approval.

Mayor Cantrell asked for a motion to adopt the Audit report as amended. Director Howard moved to adopt Audit minutes as proposed. Director Sloss seconded. The motion carried.

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## REPORT OF THE EXECUTIVE DIRECTOR

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Executive Director Ghassan Korban presented a slide overview that focused on the following topics:

### **Pumping and Power Status**

#### **89 of 99 Drainage Pumps Available**

- Pumps are down for repair or maintenance needed
- Some stations have additional capacity for pumps and / or are serviced by other drainage basins, as the drainage system is built on redundancy (i.e. NO East)
- 91 pumps expected to be available by June

### **Power Updates**

- Turbine 4: Bearings scheduled for delivery June 14
- Turbine 5: Performing well carrying majority of 25Hz load
- Frequency Changer #4: Testing this week, estimated return to service by May 24
- EMDs: 3 of 5 in service, testing one this week
- Backup Generators: Load testing in progress at the individual stations; recently needed for May 16/17 storm in New Orleans East and Westbank

### **SWBNO Power Complex Progress SWBNO Connections and Backup Plant**

- Utility rack – 95% Complete
- Foundations for Static Frequency Changers and Transformers are complete, 5 transformers are set
- Contract 1420 has been awarded

### **Smart Metering Progress**

- To date we have replaced over 16,700 meters and have billed over 9,000 accounts
- Customer Portal set to be available by September
- We remain on track to install approximately half of our meters by the end of 2024
- Informing customers of lead service lines identified during installation
- Potential Leak Alert letters are being sent to customers

### **Transition Bill**

#### **Smart meter-based billing has started**

- Transition bills typically include both mechanical and smart meter data.
- Bill inserts highlighting transition included with all bills.

#### **Transition bills capped**

- Customers whose first smart meter bill was 20% or higher than their 12-month average were capped to not exceed 120% of that average.
- Targeted bill insert included to explain cap, which is a one-time adjustment only on transition bill.

## **Promise Pay | Customer Service Progress**

- Over 8,800 Promise Pay payment plans activated
- Over \$2 million in payments collected
- Over \$19 million promised
- 94% retention rate since February launch

### **Billing Enhancement Initiative**

- We have assembled an internal, dedicated team to conduct a comprehensive review of our data management systems, identifying and addressing any weaknesses that may contribute to billing inaccuracies.
- Includes data entry processes, validation mechanisms, and system integrations with the goal of a seamless Smart Meter transition.
- Additional strike teams will be needed to address the backlog of past due customers.

### **Billing & Accounts Receivable Support**

#### **Time Sensitive**

- Within 90 days the initial Data analysis and discovery of 25,000 customers who are past due more than 60 days should be completed to meaningfully impact this large group of customers prior to further account changes (i.e. smart meter replacement)
- Current staffing and management capacity is not sufficient and requires augmentation to timely prepare for additional proposed changes and to proactively work with our past due customers

#### **Proven Resources**

- Government services practice of nationally known financial staffing and personnel firm
- Experienced with forensic billing projects to validate customer monthly billings going back multiple years
- Group Customers into similar groups to assess why and how significant arrearages exist for the customer and to assess for additional customer credit if there was a utility failure

### **Louisiana Legislative Update**

#### **House Bills**

##### **HB 525 Rep. Matthew Willard**

- Prohibits estimated billing. Amended in Senate to account for fixed billing. Effective January 1, 2025. Pending House concurrence due to amendment.

**HB 965 Rep. Stephanie Hilferty**

- Allows customers to opt into a fixed monthly rate for services and provides bill dispute arbiters for each Council District. Pending and effective 120 days upon Governor’s signature.

**HB 593 Rep. Stephanie Hilferty**

- If a position cannot be filled within 90 days after advertisement, the board may employ a person who shall remain exempt from the City’s residency requirement. Pending Governor’s signature.

**Senate Bills**

**SB 305 Sen. Jimmy Harris**

- Provides for the consolidation and related funding of the drainage system under SWBNO. Pending hearing before the full house, effective upon Governor’s signature and CEA with the City of New Orleans.

**SB 460 Sen. Royce Duplessis**

- Provides for lead service line replacement. A municipality may adopt a resolution that allows right of entry. Use of public funds on private property shall become effective if and when the Louisiana Constitution is amended. Right of entry effective August 1, 2024. Pending House committee hearing.
- State Bond Commission has approved \$84 million in State Revolving Fund dollars to support the Lead Service Line Replacement Program.
- Final adjournment of the Regular Legislative Session is no later than 6:00 p.m. on Monday, June 3, 2024.

**Prioritizing Pavement Progress**

- Paving repairs backlog under 1000 compared to 3000+ in late 2023
- Paving restoration timeline is 71 days compared to 100+ days in 2023
- Goal: to reduce backlog which means repairs can be completed within 2-4 weeks

**Lead Service Line Replacement Program  
Requirements of the Proposed Lead and Copper Rule Improvements (LCRI):**

**Due October 16, 2024:**

- Publicly available service line inventory

**Compliance date of 2027:**

- 100% lead service line replacement
- within 10 years
- Mitigation for disturbances
- Lower action level from 15 µg/L to 10 µg/L
- Increased community outreach

**Program Costs and Funding**

**Current Funding Source**

- \$84 million request submitted to Louisiana Dept of Health Drinking Water State Revolving Fund
- Funds require full Lead Service Line replacement (public + private) - SWBNO estimates based on past construction projects and assumes full restoration
- Estimated 1,800 replacements per year for 3 years with this funding
- Covers only 7% of the total estimated \$1.1 billion need
- Additional funding will be needed to complete this program

**Program Challenges**

- Age of our city and its historic nature
- Cost and timeline to implement (~\$1.1 billion)
- Insufficient funding to support a program of this magnitude
- Requirement to perform full replacement of service lines
- Access to private property and restoration
- Equity and prioritization

**Workforce Development | Job Fair**

**Job Fair | Save the Date | June 21**

- Hiring across all departments
- On site hiring available
- Last year 80 employees hired on the spot

**Workforce Development**

- New Job Series for Customer Service and Smart Meter technical support working through Civil Service Process
- Commitment to train staff to allow growth opportunities
- Select Civil services training classes are now being offered in-house allowing for faster access to required courses for promotional opportunities.

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**ACTION ITEMS**

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- Resolution (R-097-2024) Approval of Sewerage and Water Board of New Orleans Modification of Preliminary Approval for Water Revenue Bonds
  - **Director Sholas moved to accept (R-097-2024). Director Psychaud seconded. The motion carried.**
  
- Resolution (R-086-2024) Award of Contract 1443 – West Power Complex Water Tie-Ins Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC
  - **Director Sloss moved to accept (R-086-2024). Director Antrup seconded. The motion carried.**

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**CORRESPONDING RESOLUTIONS**

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**General Superintendent Recommendations**

**The following resolutions were discussed at the May 15, 2024, Finance & Administration Committee Meeting**

- Resolution (R-079-2024) Third Extension of Contract Req – SA19-0001 – Furnishing Janitorial and Related Services to Multiple SWBNO Locations Between the Sewerage and Water Board of New Orleans and ETI Janitorial
- Resolution (R-080-2024) First Renewal of Contract No. 2023-SWB-04 – Furnishing Brass Water Service Fittings Between the Sewerage and Water Board of New Orleans and A.Y. McDonald
- Resolution (R-081-2024) First Renewal of Contract No. 2023-SWB-02 – Furnishing Limestone No. 610 Between the Sewerage and Water Board of New Orleans and Hamps Enterprises, LLC
- Resolution (R-087-2024) Award of Contract 1452 – Sycamore Filter Gallery Structural and

- Filter Rehab Between the Sewerage and Water Board of New Orleans and Industrial and Mechanical Contractors, Inc
- Resolution (R-089-2024) Award of Contract 30261 – Carrollton Basin No. 20 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC
  - Resolution (R-071-2024) Ratification of Change Order No. 2 for Contract 2151-St. Bernard Transmission Main, TM002, FEMA Project Worksheet 19846 Multiple Neighborhoods Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, Inc
  - Resolution (R-084-2024) Ratification of Change Order No. 2 for Contract 30236 – Carrollton Basin No. 6 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC
  - Resolution (R-088-2024) Ratification of Change Order No. 1 for Contract 30256 – Carrollton Basin No. 15 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC
  - Resolution (R-072-2024) Amendment No. 1 to the Cooperative Endeavor Agreement Between the City of New Orleans and the Sewerage and Water Board of New Orleans for Carrollton Power Plant Static Frequency Changers 2 and 3 Capital Bond Funds
  - Resolution (R-092-2024) Amendment No. 5 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and HDR Engineering, Inc for Internal and External Communications
  - Resolution (R-093-2024) Amendment No. 3 to the Cooperative Endeavor Agreement Between the City of New Orleans and the Sewerage and Water Board of New Orleans for the West Power Complex
  - Resolution (R-070-2024) Authorization of Final Acceptance of Contract 2140 – Algiers Lock Forebay Waterline Replacement Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC
  - Resolution (R-085-2024) Authorization of Final Acceptance of Contract 2151 – TM002 St. Bernard Transmission Main Project Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, Inc
  - Resolution (R-073-2024) Authorization of Final Acceptance Contract 3742 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites Within Orleans Parish Between the Sewerage and Water Board of New Orleans and Atakapa Services, LLC

**Mayor Cantrell asked for a motion to approve Corresponding Resolutions in Globo. Director Howard moved to accept Corresponding resolutions as proposed. Director Peychaud seconded. The motion carried.**

**Mayor Cantrell presented a motion to defer the executive session to the June Board meeting. Director Sloss moved. Director Sholas seconded. The motion carried.**



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**INFORMATION ITEMS**

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The following items were submitted for informational purposes only:

- Report Preliminary Financial Results
- Report General Superintendent
- Report Human Resource
- Report Legal
- Report Safety
- FEMA Project Worksheet Status
- DBE Participation on Contracts Report

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**PUBLIC COMMENTS**

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No Public Comments

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**ADJOURNMENT**

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There being no further business to come before the Board of Directors, Director Antrup moved to adjourn. Director Sholas seconded. The motion carried. The meeting adjourned at approximately 10:18 a.m.