

2020 Regular Session

SENATE BILL NO. 390

BY SENATOR PETERSON

LOCAL AGENCIES. Provides relative to the public water system, the public sewerage system, and the public drainage system of the city of New Orleans. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 33:4071(A)(1)(e), 4084(A)(1)(b) and (2) and (E), 4085(A) and

3 (B), 4090, and 4091, and to enact R.S. 33:4084(A)(1)(c), relative to the Sewerage

4 and Water Board of New Orleans; to provide relative to the board; to provide for the

5 purchase of supplies and machinery and equipment; to provide for the letting and

6 bidding of public contracts over a certain amount; to provide relative to the costs of

7 the installation of connections and subsequent work; to provide for reports of board;

8 to provide relative to exemptions related to the Orleans Parish School Board; and to

9 provide for related matters.

10 Notice of intention to introduce this Act has been published.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 33:4071(A)(1)(e), 4084(A)(1)(b) and (2) and (E), 4085(A) and (B),

13 4090, and 4091 are hereby amended and reenacted and R.S. 33:4084(A)(1)(c) is hereby

14 enacted to read as follows:

15 §4071. Creation and organization of sewerage and water board

16 * * *

17 A.(1) * * *

* * *

(e) The members appointed pursuant to Subparagraphs (c) and (d) of this Paragraph shall include one citizen from each of the five council manic districts within the city of New Orleans. In addition, two of the appointments shall be consumer advocates with community advocacy or consumer protection experience or experience in a related field, ~~and one of the appointments shall be a retired civil engineer.~~

* * *

§4084. Purchase of supplies; machinery and equipment; emergency purchase; preference to home merchants

A.(1) * * *

(b) **However, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three quotes by telephone, facsimile, email, or any other electronic form. If telephone quotes are received, a written confirmation of the accepted offers shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file.**

(c) No such purchases shall be made except as provided in this Part.

(2) The advertisement required by this Section shall be **in accordance with R.S. 38:2212.1(B)** ~~published at least three times during a ten-day period calling for bidders, in the official journal of the city of New Orleans, the first advertisement to appear at least fifteen days before the opening of bids.~~

* * *

E. In the event of extreme emergencies, **or an imminent extreme emergency,** including but not limited to fires, storms, floods, and other disasters, **whether natural or man-made,** necessitating major repairs or replacement of equipment and machinery, the executive director or the general superintendent of the board may purchase the necessary machinery, equipment, and materials and furnish

1 the necessary labor to make all necessary emergency repairs and replacements
2 without the formality of advertising for bids. Such purchases may be made without
3 limitation as to cost and without regard as to the designation or source of the funds
4 collected, invested, or maintained by the board.

5 §4085. Construction work; letting contracts

6 A. The Sewerage and Water Board of New Orleans may do construction
7 work on its public systems of water, sewerage, and drainage, with its own forces in
8 those cases where the amount of work involved in the particular project does not
9 exceed a total value of one hundred fifty thousand dollars **the annual amount in**
10 **accordance with R.S. 38:2212.**

11 B.(1) **For all public works contracts where the amount of the contract**
12 **exceeds the limit in accordance with R.S. 38:2212, the Sewerage and Water**
13 **Board of New Orleans shall let the contract to the lowest responsible and**
14 **qualified bidder after advertising as required by R.S. 38:2212.** For all contract
15 work where the amount involved in the project is a sum in excess of ten thousand
16 dollars, the Sewerage and Water Board of New Orleans shall let same out by contract
17 to the lowest responsible and qualified bidder by sealed proposals after at least six
18 notices during a fifteen-day period calling for bidders, in the official journal of the
19 city of New Orleans, on detailed plans and specifications approved by the board on
20 file in the office of the board to be furnished to prospective bidders on application.
21 The specifications shall always be that the contractor shall give bond with some
22 surety company authorized to do business in New Orleans in an amount not less than
23 one-half of the amount of the contract for the faithful performance of his contract.
24 However, for contracts involving an amount less than fifty thousand dollars, the
25 provisions of R.S. 38:2219(A)(3) shall apply.

26 (2) **All bidders bidding on public works for the Sewerage and Water**
27 **Board of New Orleans shall submit all bid forms required by statute or by the**
28 **Louisiana Administrative Code to the governing authority of the Sewerage and**
29 **Water Board of New Orleans prior to the opening of all bids relative to a**

1 ~~contract for public works in accordance with R.S. 38:2212(B)(3)(b). In all such~~
2 ~~contracts, regardless of the amount, which require or involve the employment of~~
3 ~~mechanics or laborers the specifications shall contain a provision stating the~~
4 ~~minimum wages to be paid various classes of laborers and mechanics which shall be~~
5 ~~based upon the wages that will be determined by the secretary of the Department of~~
6 ~~Labor of the United States to be the prevailing wage of the corresponding classes of~~
7 ~~laborers and mechanics employed on projects of a character similar to the contract~~
8 ~~work within the city of New Orleans.~~

9 (3) ~~Bids for work may require the bidders to attach a bid bond or a certified~~
10 ~~check for not more than five percent of the contract price of work to be done, as an~~
11 ~~evidence of good faith of the bidder. The board may publish other necessary notices~~
12 ~~and calls for bids.~~

13 (4) ~~In every case the board may reject all bids and readvertise for new bids,~~
14 ~~and informalities may be waived in the interest of the board.~~

15 * * *

16 §4090. Apportionment of cost of connections with mains; making connections

17 A. For any individual lot of record, the property owner shall bear all
18 costs, inclusive of meter boxes, for initial connections extended from the sewer
19 and water main to the property line. Any additional costs from the property line
20 to on-site facilities including but not limited to expanded connections or new or
21 additional meter boxes, shall be installed and maintained at the cost of the
22 property owner. ~~For a lot of record which existed prior to 1954, one sewer~~
23 ~~connection and one water connection extending from the respective main to the~~
24 ~~property line shall be installed by and at the expense of the board, and from that~~
25 ~~point on, each shall be made at the cost and expense of the owner of the property.~~

26 B. Each owner may contract with a licensed plumber in the state of
27 Louisiana for the installation of connections and any subsequent work, but all
28 such work shall be subject to the regulation, inspection, and control of the
29 board. ~~For all lots created after 1954, the property owner shall bear all costs,~~

1 inclusive of meter boxes, for connections extended from the sewer and water main
2 to the property line. Any additional costs from the property line to on-site facilities
3 shall be installed and maintained at the cost of the property owner.

4 C. In the event that the board performs physical work that causes a
5 disruption of the water or sewer connection from the main to the property line,
6 including but not limited to proactive repairs, moving or replacing a meter box,
7 or replacing a lead water line, the board shall bear the cost of repairing the
8 disrupted connection. Each owner may contract for the putting in of all connections
9 with which he is chargeable, but all such work shall be done under the rules and
10 regulations, and subject to the inspection and control of the board. The board shall
11 take separate bids from contractors for making a property holder's connections,
12 leaving to each property holder the right to require the work on his premises to be
13 done by the contractor at the bid price, or to employ someone else for that purpose.

14 D. For lots of record developed in compliance with the voluntary
15 inclusionary zoning provisions of the city comprehensive zoning ordinance, as
16 certified by the Director of the Department of Safety and Permits, the board
17 shall bear the cost of the initial connections from the sewer and water main to
18 the property line. All other provisions of this Section shall remain in effect.

19 §4091. Reports of board

20 A. ~~On or prior to the first day of May of each year, the board shall make to~~
21 ~~the city council, in writing, a full and detailed report of its acts, doings, receipts, and~~
22 ~~expenditures, the same to be put in printed form for public distribution, and a~~
23 ~~synopsis of same, including a statement of receipts and disbursements, published in~~
24 ~~the official journal of the city. To promote clarity and accountability in its~~
25 function as a public utility, the board shall make to the city council, on the first
26 weekday of March, June, September, and December of each year, a full and
27 detailed report on the following topics of significant public interest:

28 (1) In March, the board shall report on the condition of its water and
29 sewer systems and operations. This report may include, but is not limited to:

1 (a) The latest available estimated percentage of annual water loss due to
2 leaks, theft, or other circumstances.

3 (b) Percentage of metered water, both revenue and nonrevenue.

4 (c) Estimated linear feet of water mains replaced in the previous
5 calendar year.

6 (d) Average age of water mains at the end of the previous calendar year.

7 (e) Number of water valves replaced in the previous calendar year.

8 (f) Age and condition of the board's water distribution pumps.

9 (g) Estimated cost in the previous calendar year of operations and
10 maintenance of the water distribution system.

11 (h) An update of the board's compliance with its obligations under the
12 Third Modified Consent Decree until said obligations for sewer system repairs
13 are completed.

14 (i) An update of major projects underway to improve the management
15 of potable water or wastewater in the city and any estimated associated costs.

16 (j) The latest list of unfunded projects identified to improve the water or
17 sewer system, including descriptions of their anticipated impacts and estimated
18 associated costs to implement.

19 (2) In June, the board shall report on the condition of its drainage and
20 power systems and operations. This report may include, but is not limited to:

21 (a) The condition of its drainage pumps, constant-duty pumps, and pump
22 stations.

23 (b) The condition of its self-generating power equipment.

24 (c) The condition of any board-controlled infrastructure that relays
25 commercial electricity to its drainage system.

26 (d) An update of major board-controlled projects underway to improve
27 the management of storm water in the city and any estimated associated costs.

28 (e) The latest list of unfunded projects identified to improve storm water
29 management, including descriptions of their anticipated impacts and estimated

1 associated costs to implement.

2 (f) Measures taken by the board in preparation for hurricane season.

3 (3) In September, the board shall report on its financial condition,
4 including its latest audited financial report of the previous year and its
5 estimated financial condition year to date. This report may include, but is not
6 limited to:

7 (a) Estimated water and sewer rate collections year to date.

8 (b) Percentage of accounts receivables outstanding, including
9 delinquency schedule.

10 (c) Total ad valorem millages for drainage collected for the current year
11 and amount spent year to date.

12 (d) Update of significant customer service improvements implemented
13 since the first weekday of September in the previous year.

14 (e) Any additional information on subject matters requested by the city
15 council at least thirty days prior to the due date of the report.

16 (4) In December, the board shall report on the condition of its workforce.

17 This report may include but is not limited to the following information compiled
18 since the first weekday of December in the previous year:

19 (a) Number of promotions and new hires made.

20 (b) Number of new positions created.

21 (c) Number of existing vacancies.

22 (d) Description of the workforce based on years of experience.

23 (e) Percentage of workforce eligible for retirement.

24 (f) Percentage of workforce participating in the DROP program.

25 (5) The contents of each quarterly report referenced above may be
26 revised to include additional or different subject matter by the chair of the
27 council's public works committee no less than thirty days prior to the applicable
28 deadline by notifying the board of such changes in writing.

29 B. ~~In addition to the requirements of Subsection A of this Section, the board~~

1 shall report quarterly, in September, December, March, and June, to the city council
 2 relative to the contracts let in the construction and repair of its public systems of
 3 water, sewerage, and drainage. Such report shall include the following for new
 4 contracts let during the reporting period:

5 (1) ~~The total number of contracts let to all contractors.~~

6 (2) ~~The total value of contracts let to all contractors.~~

7 (3)(a) ~~The total number of contracts let to local disadvantaged business~~
 8 ~~enterprises expressed as a percentage of the total number of contracts let.~~

9 (b) ~~The total number of contracts let to local businesses expressed as a~~
 10 ~~percentage of the total number of contracts let.~~

11 (4)(a) ~~The total value of contracts let to local disadvantaged business~~
 12 ~~enterprises expressed as a percentage of the total value of contracts let.~~

13 (b) ~~The total value of contracts let to local businesses expressed as a~~
 14 ~~percentage of the total value of contracts let.~~

15 (5) ~~The total number of contracts let to a fifty-fifty joint venture enterprise~~
 16 ~~expressed as a percentage of the total number of contracts let.~~

17 ~~C. In addition to the requirements of Subsections A and B of this Section, the~~
 18 ~~board shall report quarterly no later than the first day of the second month following~~
 19 ~~the close of each calendar quarter to the city council relative to its operations. The~~
 20 ~~report shall include the following in a manner as prescribed by the city council:~~

21 (1) ~~Standard industry metrics for best practice, including but not limited to:~~

22 (a) ~~Percentage of water loss.~~

23 (b) ~~Percentage of water paid.~~

24 (c) ~~Percentage of receivables outstanding, including delinquency schedule.~~

25 (d) ~~Customer service improvements.~~

26 (2) ~~Processes and indicators for prevention of waste or fraud.~~

27 (3) ~~Performance metrics for employees and contractors.~~

28 (4) ~~Benchmarks of success regarding improved coordination between the~~
 29 ~~board and the Department of Public Works to ensure priority and resource alignment.~~

1 ~~(5) Report on the efficiency and effectiveness of information systems.~~

2 ~~(6) Detailed reports on assessment and status of technologies and operation~~
3 ~~programs and strategies for system redundancy and service improvements.~~

4 ~~(7) Detailed reports on assessment and status of operational reforms, capital~~
5 ~~improvement programs, and service assurance programs.~~

6 ~~[Effective Date: Text of Paragraph (C)(8) effective upon election per 2018, 366, §3]~~

7 ~~(8) The identity and detailed information on the status of all projects and all~~
8 ~~improvements made since the close of the last quarter.~~

9 ~~[Effective Date: Text of Subsection D effective upon election per 2018, 366, §3]~~

10 ~~D. The mayor or the chief administrative officer and the executive director~~
11 ~~shall present each quarterly report to the city council at the next regularly scheduled~~
12 ~~city council meeting dedicated to public works.~~

13 E. If a quarterly report is not submitted timely to the city council, the
14 executive director shall attend the council's next regularly scheduled meeting and
15 present to the council the reasons for the failure to timely submit the report.

16 F.C. In addition to the other requirements of this Section, the board shall send
17 a report, by electronic mail, to the members of the Orleans Parish legislative
18 delegation and the members of the governing authority of Orleans Parish detailing
19 the pumping and electrical power of its facilities and the available manpower no later
20 than twenty-four hours prior to a hurricane entering the Gulf of Mexico as
21 determined by the National Weather Service and no later than forty-eight hours after
22 a flood watch or warning or thunderstorm watch or warning is issued by the National
23 Weather Service for any area of Orleans Parish **condition of its drainage and**
24 **power assets and manpower no later than twenty-four hours prior to the**
25 **estimated landfall in the greater New Orleans area of a storm of tropical-storm**
26 **strength or greater as determined by the National Weather Service. The board**
27 **shall also send an after-action report detailing the performance of its drainage**
28 **and power systems and assets to the aforementioned parties within seven**
29 **business days of a rain event categorized as a twenty five-year storm or greater**

1 **for any area of Orleans Parish by the National Weather Service.**

2 * * *

3 Section 2. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by James Benton.

DIGEST

SB 390 Original	2020 Regular Session	Peterson
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Present law provides for the Sewerage and Water board of New Orleans "board" to be
composed as follows:

- (1) The mayor.
- (2) The chair of the Public Works, Sanitation and Environment Committee of the New Orleans city council, a member of the committee appointed by the chair, or a civil engineer appointed by the chair. Any member appointed by the chair shall serve at the pleasure of the chair.
- (3) Two syndicate members of the board of liquidation, city debt, to be appointed by the mayor on the recommendation of the board of liquidation, city debt.
- (4) Seven citizens, to be appointed by the mayor, with the advice and consent of the city council from a list of nominees submitted by the Sewerage and Water Board Selection Committee.

Proposed law provides that the members appointed pursuant to (3) and (4) above shall include one citizen from each of the five council manic districts within the city of New Orleans. In addition, two of the appointments shall be consumer advocates with community advocacy or consumer protection experience or experience in a related field, and one of the appointments shall be a retired civil engineer.

Proposed law retains present law but eliminates the mandate that one of the appointments to the board must be a retired civil engineer.

Present law requires the advertisement and letting of a contract when the board purchases materials or supplies exceeding \$30,000 for the conduct, operation, maintenance, and repair of the its systems.

Proposed law retains present law and provides that purchases of \$10,000 or more but less than \$30,000, must be made by obtaining at least three quotes by telephone, facsimile, email, or any other printable electronic form. Proposed law further provides for a written confirmation of the accepted offer must be obtained and made a part of the purchase file.

Present law provides for the board to do construction work on its public systems with its own forces when the amount of work involved in the project does not exceed a total value of

\$150,000.

Proposed law authorizes the board to contract with the lowest bidder after advertising for all public works contracts exceeding the legal limit.

Present law provides for the board to install and pay the cost to connect one sewer connection and one water connection extending from the respective main to the property line and from that point on, each must be made at the cost and expense of the owner of the property for a lot of record which existed prior to 1954.

Present law requires the property owner for all lots created after 1954, to bear all costs for connections extended from the sewer and water main to the property line, and any additionally costs from the property line to on-site facilities must be installed and maintained at the cost of the property owner.

Proposed law provides that each property owner may contract with a licensed plumber in the state of Louisiana for the installation of connections and any subsequent work, however all such work shall be subject to the regulation, inspection and control of the board. Proposed law further provides that if the work is performed by the board and a disruption of the water or sewer connection from the main to the property line is caused, the board will bear the cost of repairing the disrupted connection.

Present law requires for the board to make to the city council, in writing, a full and detailed report of its acts, doings, receipts, and expenditures, on or prior to the first day of May of each year. Additionally, present law provides that the board report quarterly, in September, December, March, and June to the city council relative to contracts let in the construction and repair of its public systems.

Present law requires the board to report quarterly no later than the first day of the second month following the close of each calendar quarter to the city council relative to its operations. The report shall include the following in a manner as prescribed by the city council:

- (1) Standard industry metrics for best practice.
- (2) Processes and indicators for prevention of waste or fraud.
- (3) Performance metrics for employees and contractors.
- (4) Benchmarks of success regarding improved coordination between the board and the Department of Public Works to ensure priority and resource alignment.
- (5) Report on the efficiency and effectiveness of information systems.
- (6) Detailed reports on assessment and status of technologies and operation programs and strategies for system redundancy and service improvements.
- (7) Detailed reports on assessment and status of operational reforms, capital improvement programs, and service assurance programs.

Present law provides for the Orleans Parish School Board to be exempt from water rates in certain circumstances.

Proposed law deletes present law.

Proposed law retains present law and provides that the exemptions afforded to the Orleans Parish School Board may be superceded by a mutually agreed upon and executed cooperative endeavor agreement between the Sewerage and Water Board of New Orleans

and the Orleans Parish School Board, wherein the terms of the cooperative endeavor agreement shall govern the rate and means by which public schools in Orleans Parish are charged for water and sewer services.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 33:4071(A)(1)(e), 4084(A)(1)(b) and (2) and (E), 4085(A) and (B), 4090, and 4091; adds R.S. 33:4084(A)(1)(c))