

May 6, 2014

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The Finance Committee of the Sewerage and Water Board of New Orleans met on Tuesday May 6, 2014 at 9:00 A.M. in the Board Room, 625 St. Joseph Street to consider the following matters.

ACTION ITEMS

Item 1 APPROVAL OF PREVIOUS REPORT

The report of the Regular Finance Committee Meeting held on Tuesday, April 8, 2014 was received. Upon a motion of Mr. Manning and second by Ms. Kane, the report was approved.

Item 2 GENERAL SUPERINTENDENT'S RECOMMENDATIONS

R-076-2014 – CONTRACT 1375 – HURRICANE KATRINA RELATED REPAIRS TO BOILERS/DUCT/ELEVATOR AT MAIN WATER PURIFICATION PLANT POWER COMPLEX

Mr. Becker recommended that all bids be rejected for Contract 1375 and this contract be rebid.

R-077-2014 – CONTRACT 6250 – HMGP GENERATOR LOAD BANK AT CARROLLTON WATER PLANT

Mr. Becker recommended Industrial Mechanical Contractors, Inc. in the amount of \$5,487,045.00.

R-078-2014 – CONTRACT 30009 – RESTORATION OF EXISTING GRAVITY SEWER MAINS BY EXCAVATION AND REPLACEMENT FROM MANHOLE TO MANHOLE AT VARIOUS SITES THROUGHOUT

ORLEANS PARISH

Mr. Becker recommended Wallace Drennan, Inc. in the amount of \$2,088,008.00.

Upon a motion by Mr. Manning and seconded by Ms. Kane, all bids for contract 1375 were rejected and recommended for rebid, contracts 6250 and 30009 were approved to be awarded as recommended.

CONTRACT RENEWAL

R-079-2014 – FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING AEROSOL, JANITORIAL & INDUSTRIAL CHEMICALS – REQ. NO. YW130009

Mr. Becker recommended the first and only renewal of contract for furnishing aerosol, janitorial & industrial chemicals to Associated Products for the amount of \$283,331.25.

R-080-2014 – FIRST AND FINAL RENEWAL OF CONTRACT FOR IRON CASTINGS – REQ. NO. YW130036

Mr. Becker recommended the first and final renewal of contract for furnishing iron castings to E J USA, Inc. in the amount of \$260,266.95.

R-081-2014 – FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING RECLAIMED ASPHALTIC PAVEMENT (RAP) – REQ. NO. YW130012

Mr. Becker recommended the first and only renewal of contract for furnishing reclaimed asphaltic pavement (RAP) to Hamp's Enterprises, LLC. in the amount of \$249,750.00.

R-082-2014 – SECOND AND FINAL RENEWAL OF CONTRACT FOR COLLECTION ENFORCEMENT SERVICES OF DELINQUENT ACCOUNTS – REQ. NO. CD120001

Mr. Becker recommended the second and final renewal of contract for collection enforcement services to Alphonat Company, Inc. in the amount of 12.0% of the collection.

Upon a motion by Ms. Kane and seconded by Mr. Manning the above recommendations were approved.

REPORT OF FINAL ACCEPTANCE

R-083-2014 – CONTRACT 3692 – RESTORATION OF EXISTING GRAVITY SEWER MAINS BY EXCAVATION AND REPLACEMENT MANHOLE TO MANHOLE

Mr. Becker recommended the above contract be accepted.

Upon a motion by Mr. Manning and seconded by Ms. Kane, the recommendation was approved.

Item 3 **R-073-2014 - AMENDMENT OF AGREEMENT BETWEEN THE CITY OF NEW ORLEANS AND THE SEWERAGE AND WATER BOARD OF NEW ORLEANS FOR HAZARD MITIGATION GRANT PROGRAM FUNDS FOR RETROFIT OF THE POWER PLANT**

Ms. Goddard requested that the Board authorize acceptance of additional funding of \$9,620,389.00 for cost associated with Phase I activities through HMPG for the Retrofit of the Power Plant.

Upon a motion by Mr. Manning and seconded by Ms. Kane, the request was approved.

Item 4 **R-074-2014 – AMENDMENT TO AGREEMENT WITH CH2M HILL, INC. FOR PROGRAM MANAGEMENT SERVICES FOR HURRICANE RELATED WATER RESTORATION PROJECTS**

Ms. Goddard requested Board authorization to amend the program management service agreement with CH2M Hill, Inc. for hurricane related water restoration projects to \$9,341,546.00.

Upon a motion by Ms. Kane and seconded by Mr. Manning, the request was approved.

Item 5 **R-075-2014 – AMENDMENT TO AGREEMENT WITH STANLEY CONSULTANTS, INC. FOR DESIGN ENGINEERING AND ENGINEERING SERVICES FOR THE WATER HAMMER HAZARD MITIGATION PROJECT**

Ms. Goddard requested Board authorization to amend the design and engineering service agreement with Stanley Consultants, Inc. for Water Hammer Hazard Mitigation Project at the Carrollton Water Treatment Plant to \$3,525,186.66.

Upon a motion by Ms. Kane and seconded by Mr. Manning, the request was approved.

Item 6 2013 AUDITED FINANCIAL RESULTS

Ms. Brandy Smith, of Postlethwaite & Netterville, presented the audited financial statements and schedules for the audit year 2013. There were no findings and there were no new policies adopted.

Upon a motion by Ms. Kane and seconded by Mr. Manning, the report was approved.

Item 7 R-071-2014 - EMPLOYEES RETIREMENT SYSTEM ACTUARIAL VALUATION REPORT AS OF January 1, 2014

Mr. Conefry of Conefry & Company, L.L.C. presented the 2013 Actuarial Valuation Report, and GASB 27 calculations.

Upon a motion by Mr. Manning and seconded by Ms. Kane, the report was approved.

Item 8 PROPOSED REVISION TO FINANCIAL MANAGEMENT POLICY

Mr. Miller recommended amendment to the Financial Management Policy.

Upon a motion by Ms. Kane and seconded by Mr. Manning, the recommendation was approved.

Item 9 WATER AND SEWER SYSTEM BOND DOCUMENTS

Ms. Meredith Hawthorne, of Foley & Judell, LLP, spoke on the old and new provisions of the Water and Sewer System bond documents.

No action taken at this time. The above item will be presented to the full Board on May 21, 2014.

Item 10 R-072-2014 - AUTOMOBILE FLEET LIABILITY INSURANCE RENEWAL

Mr. Miller recommended purchasing the primary coverage from Genesis for \$500,100 and the excess coverage from RSUI for \$213,000, for a total renewal premium of \$713,000.

Upon a motion by Mr. Manning and seconded by Ms. Kane, the recommendation was approved.

Item 11 R-064-2014 – RECOMMENDATIONS FOR AWARD OF CONTRACT FOR

INSURANCE BROKER SERVICES

Mr. Klepeis recommended the Board authorize acceptance of the proposal from Eagan Insurance Agency, LLC for the annual amount of \$59,500 renewable with no increase in cost for up to five years.

Mr. Noah Lewis of Arthur J. Gallagher Risk Management Services submitted a protest of the recommendation to award the contract to Eagan Insurance Agency. He stated the RFP response did not state a firm amount or a DBE percent, only an estimate.

Upon a motion by Mr. Manning and seconded by Ms. Kane, the recommendation was approved.

Item 12 EXECUTIVE SESSION – LEGAL MATTERS IN RE: CLAIM OF KESHA AND MARQUES DUBUCLET

It was moved by Ms. Kane and seconded by Mr. Manning to move to Executive Session to discuss matters under litigation.

The motion carried and the Committee went into closed session at 10:40 am.

The Committee returned from closed session at 10:48 am. It was motioned by Mr. Manning and seconded by Ms. Kane to move back to regular session. The motion carried.

It was recommended that the committee accept the staff recommendations regarding claim of Keshia and Marques Dubulet.

Upon a motion by Ms. Kane and seconded by Mr. Manning, it was moved to accept the recommendations of the legal staff.

INFORMATION ITEMS

Item 13 FINANCIAL RESULTS THROUGH MARCH 2014

The committee received the report.

Item 14 QUARTERLY CASH MANAGEMENT AND INVESTMENT REPORT AS OF March 31, 2014

The committee received the report.

Item 15 CHANGE ORDER ANALYSIS

The committee received the report.

Item 16 FEMA PROJECT WORKSHEET STATUS

The committee received the report.

Item 17 2014 COMMITTEE/BOARD MEETING SCHEDULE

The committee received the report.

Item 18 ANY OTHER MATTERS

None

Item 19 REFERENCE MATERIAL (IN BINDERS)

- A. Sewerage & Water Board By-Laws
- B. 2014 Operating & Capital Budgets
- C. Strategic Plan
- D. Tracking Tool for Commitments to the City Council
- E. Bond Rating

Item 20 ADJOURNMENT

Adjourned at 10:49 a.m.

ATTENDANCE

Present:

Mr. Charles F. Webb
Mr. Wm. Raymond Manning
Ms. Kerri Kane

Absent

Ms. Loyce Wright

Also in attendance were Robert Miller, Interim Executive Director; Joseph Becker, General Superintendent; Madeline Goddard, Deputy Superintendent; Nolan Lambert, Special Counsel; Harold Marchand, Brian Ferrara, Deputy Special Counsel; Ethel Williams, Finance Administor; Rosita Thomas, Utility Senior Services Manager; Dexter Joseph, Budget Director; Emanuel Lain, Michele Holley, Budget Analyst; Steven Klepeis, Utility Sr. Services Manager; Kathleen LaFrance, Executive Director Analyst; Carol Rocque, Damon Rocque, Rocque Securities Corp.;

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Charles Kennedy Jr., The Kennedy Financial Group; Jamie Parker, BGR; Andrew Eagan, Eagan Insurance Agency; Shawn Barney, CLB Porter.

Respectfully submitted,

Mr. Charles F. Webb, CPA, Chair