

December 2, 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 December 2, 2014 at 8:00 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, November 4, 2014 was received. Upon a motion of Ms. Kane and second by Ms. Barnes the report was approved.

Item 2 GENERAL SUPERINTENDENT'S RECOMMENDATIONS

R-269-2014 – FURNISHING RUBBER HIP BOOTS – REQ. NO. YW150001

Mr. Becker recommended Southeast Safety & Supply in the total amount of \$199,999.95.

R-270-2014 – FURNISHING AND DELIVERING VARIOUS HEAVY DUTY AND REGULAR VEHICLES – REQ. NO. YG140110

Mr. Becker recommended Lamarque Ford Trucks Sales, Inc. in the total amount of \$339,406.00.

R-271-2014 – FURNISHING AND DELIVERING VARIOUS CONSTRUCTION EQUIPMENT AND TRAILERS – REQ. NO. YG140112

Mr. Becker recommended Item 1 and 3 to Duhon Machinery Co., Inc. in the total amount of \$90,500.00.

Mr. Becker recommended Item 2 to Lee Tractor Co., Inc. in the total amount of \$99,800.00.

R-272-2014 – CONTRACT 3794 – REHABILITATION OF BIO-REACTOR TRAIN #1 AT THE EAST BANK WASTEWATER TREATMENT PLANT

Mr. Becker recommended Industrial and Mechanical Contractors, Inc. for the total amount of \$1,274,250.00.

R-273-2014 – CONTRACT 6252 – INSTALLATION OF TRANSFORMERS T2 AND T3 AND CONSTRUCTION OF NEW ELECTRICAL DUCT BANK AT CARROLLTON WATER PLANT

Mr. Becker recommended Frischhertz Electric Co., Inc. in the total amount of \$249,870.00.

R-274-2014 – CONTRACT 8142 – REPAVING OPEN CUTS IN STREETS, DRIVEWAYS, SIDEWALKS RESULTING FROM THE REPAIR TO THE SEWERAGE AND WATER BOARD OF NEW ORLEANS UNDERGROUND UTILITIES

Mr. Becker recommended Fleming Construction Company in the total amount of \$2,471,050.00.

R-275-2014 – CONTRACT 30015 – RESTORATION OF EXISTING GRAVITY SEWER BY POINT REPAIR AND CIPP LINING OF SEWER MAINS AT VARIOUS SITES THROUGHOUT ORLEANS PARISH

Mr. Becker recommended Wallace C. Drennan, Inc. in the total amount of \$1,988,550.00.

Upon a motion by Ms. Barnes and seconded by Ms. Kane, the above bids were approved.

Item 3

CHANGE ORDERS

R-256-2014 – RATIFICATION OF CHANGE ORDER #7 FOR CONTRACT 1353 – HURRICANE RELATED REPLACEMENT OF THE BOILER PRE HEATERS AT THE CARROLLTON WATER PURIFICATION PLANT – POWER COMPLEX

Mr. Becker recommended the ratification of change order no. 7 for contract 1353 – Hurricane Related Replacement of the boiler pre heaters at the Carrollton Water Purification Plant – Power Complex in the amount of \$22,605.11. This brings the total for change orders to \$463,210.37 or 16.8% of the original contract.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the ratification was approved.

R-257-2014 – RATIFICATION OF CHANGE ORDER #10 FOR CONTRACT 1350 – HURRICANE RELATED REPAIRS TO TURBINE 4 AT THE CARROLLTON WATER PURIFICATION PLANT – POWER COMPLEX

Mr. Becker recommended the ratification of change order no. 10 for contract 1350- Hurricane related repairs to turbine 4 at the Carrollton Water Purification Plant – Power Complex in the amount of \$42,925.62. This brings the total for change orders to \$1,645,647.51 or 12.91% of the original contract.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the ratification was approved.

R-258-2014 –RATIFICATION OF CHANGE ORDER #6 FOR CONTRACT 1352 – HURRICANE RELATED REPLACEMENT OF THE PUMP PACKAGE AT THE CARROLLTON WATER PURIFICATION PLANT- POWER COMPLEX

Mr. Becker recommended ratification of change order no. 6 for contract 1352 – Hurricane related replacement of the pump package at the Carrollton Water Purification Plant – Power Complex in the amount of \$113,837.02. This brings the total for change orders to \$269,258.22 or 9.89% of the original contract.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the ratification was approved.

R-259-2014 – AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE SEWERAGE AND WATER BOARD OF NEW ORLEANS AND WALDERMAR S. NELSON AND COMPANY FOR HURRICANE KATRINA RELATED WATER RESTORATION PROJECTS #5 – TASKS IN POWER PLANT – CARROLLTON PLANT

Mr. Becker recommended amendment to the agreement with Waldemar S. Nelson and Company for hurricane Katrina related repairs to the Power Plant – Carrollton Plant increasing the fee authorized to be paid to \$3,206,704.57.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the ratification was approved.

Item 4 R-265-2014 – 2015 OPERATING BUDGET

Mr. Miller recommended approval of the Operating Budget.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the Operating Budget was approved.

Item 5 R-266-2014 –2015 CAPITAL BUDGET & 2015-2024 CAPITAL PROGRAM

Mr. Miller recommended approval of the Capital Budget.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the Capital Budget was approved.

**Item 6 R-253-2014 - 2015 OPERATING BUDGET AND 2015 CAPITAL BUDGET
BLANKET APPROPRIATIONS RESOLUTION**

Mr. Miller recommended approval of the 2015 Operating Budget and 2015 Capital Budget Blanket Appropriations Resolution.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the 2015 Operating Budget and 2015 Capital Budget Blanket Appropriations Resolution was approved.

**Item 7 R-255-2014 - COMMERCIAL FLOOD INSURANCE POLICY FOR
FACILITIES**

Mr. Miller recommended renewal of the Commercial Flood Insurance for the total amount of \$177,117.00 for the period January 12, 2015 through February 15, 2016.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the renewal was approved.

**Item 8 R-260-2014 – AWARD OF CONTRACT TO PROVIDE DESIGN AND
ENGINEERING SERVICES FOR SEWER PUMP STATION A –
STRUCTURAL REHABILITATION**

Ms. Goddard recommended award of contract to provide Design and Engineering Services for Sewer Pump Station A – Structural Rehabilitation not to exceed \$83,101.00.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the award of the above contract was approved.

Item 9 R-261-2014 – AWARD OF CONTRACT TO PROVIDE OWNER’S REPRESENTATION AND CONSTRUCTION MANAGEMENT SERVICES FOR CAPITAL PROJECTS AT THE WASTEWATER TREATMENT PLANTS

Ms. Goddard recommended award of the above contract to provide Owners Representation and Construction Management Services for Capital Projects at the Wastewater Treatment Plants for a level of effort not to exceed 1.7 FTE at an agreed upon fixed hourly rates.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the award of the above contract was approved.

Item 10 R-262-2014 - AMENDMENT NO. 3 TO AGREEMENT WITH MWH AMERICAS, INC. FOR ENTERGY SEWER ASSESSMENT PHASE II

Ms. Goddard recommended amendment no. 3, agreement to MWH Americas, Inc. not to exceed the total amount of \$293,000.00.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the above amendment was approved.

Item 11 R-263-2014 – AWARD OF CONTRACT TO PROVIDE ASSESSMENTS, DESIGN, CONSTRUCTION, AND PROGRAM MANAGEMENT SERVICES FOR SELA AND DRAINAGE SYSTEM

Ms. Goddard recommended award of the above contract to provide analyses and modeling to evaluate and combine the Board’s major drainage model with the City of New Orleans Department of Public Works model at an amount not to exceed \$908,000; and design, bid and construction administration services for a dechlorination facility at the East Bank Wastewater Treatment Plant for the Wetlands Assimilation Project A-2 at an amount not to exceed \$64,250.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the award of the above contract was approved.

Item 12 R-264-2014 – AMENDMENT TO AGREEMENT WITH STANLEY CONSULTANTS, INC. FOR DESIGN AND ENGINEERING SERVICES FOR THE WATER HAMMER HAZARD MITIGATION PROJECT

Ms. Goddard recommended amendment to agreement with Stanley Consultants, Inc. to increase the fee by \$37,940.50 to a total fee of \$3,563,124.16.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the above amendment was approved.

Item 13 R-267-2014 – AMENDMENT NO. 3 TO AGREEMENT WITH BLACK AND VEATCH CORPORATION FOR DESIGN AND ENGINEERING SERVICES FOR THE EBWWTP SLUDGE DRYER PROJECT

Ms. Goddard recommended amendment no. 3, agreement to Black and Veatch Corporation, not to exceed \$87,082, increasing the fee authorized to be paid to Black and Veatch by \$87,082 with a total cumulative fee of \$735,356.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the above amendment was approved.

Item 14 R-268-2014 – AWARD OF ENGINEERING SUPPORT SERVICES IN THE AREA OF ENGINEERING SURVEYING SERVICES, MATERIAL TESTING AND GEOTECHNICAL ENGINEERING SERVICES

Mr. Becker recommended award of the Engineering Support Services in the areas of, Engineering Surveying Services, Material Testing and Geological Engineering Services.

Upon a motion by Ms. Barnes and seconded by Ms. Kane the award of the above the above was approved.

Item 15 R-276-2014 – AWARD OF CONTRACT TO PROVIDE STAFF SUPPORT FOR WATER LINE REPLACEMENT PROGRAM

Ms. Goddard recommended award of the above contract to provide Staff Support for Water Line Replacement Program.

Upon a motion by Ms. Kane and seconded by Ms. Barnes the award of the above contract was approved.

PRESENTATION

Item 16 COMMITTEE RESPONSIBILITIES BY-LAWS CHANGE

Mr. Grant presented a proposal of changes in the by-laws that defined the role of the Finance Committee. There are key issues that may be added in order to clarify that

Defined role: financial reporting, financing strategies; alternative financing
Mechanisms; credit ratings; internal control assessment; and audit compliance.

Item 17 FINANCIAL RESULTS THROUGH OCTOBER

Mr. Miller presented the Financial Report through October 2014. He stated that water and sewer revenues were on target. Operating expenses are well below the budget. There is approximately \$88 million left in bond proceeds. We have 160 days of cash for water, 258 days of cash for sewer and 255 days of cash for drainage. Debt Service coverage is expected by year end to be in excess of 2.0 for water and sewer.

INFORMATION ITEMS

Item 18 CHANGE ORDER ANALYSIS

The committee received the report.

Item 19 FEMA PROJECT WORKSHEET STATUS

The committee received the report.

Item 20 TOPICS FOR FUTURE DISCUSSION

None

Item 21 2015 COMMITTEE/BOARD MEETING SCHEDULE

The committee received the report.

Item 22 RESPONSE TO QUESTIONS

None

Item 23 ANY OTHER MATTERS

None

ADJOURNMENT

Adjourned at 9:10 am

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

ATTENDANCE

Present:

Mr. Mark Moody
Ms. Kerri Kane
Ms. Robin Barnes

Absent

Mr. Scott Jacobs
Mr. Wm. Raymond Manning

Also in attendance were Cedric S. Grant, Director; Robert Miller, Deputy Executive Director; Joseph Becker, General Superintendent; Madeline Goddard, Deputy Superintendent; Nolan Lambert, Special Counsel; Brian Ferrara, Deputy Special Counsel; Rosita Thomas, Interim Finance Administrator; Dexter Joseph, Budget Director; Emanuel Lain, Utility Services Manager; Michele Holley, Budget Analyst; Robert Jackson, Utility Sr. Services Manager; Jason Higginbotham, Utility Sr. Services Manager; Steve Klepeis, Utility Services Manager; Irma Mahannuar, Internal Audit; Kathleen LaFrance, Executive Director Analyst; Brenda Thornton, CommuniRep, Inc.; Charles Kennedy Jr., The Kennedy Financial Group; Randy Smith, Royal Engineers; Sharmaine James, Condall Consulting; Stephen Stuart, BGR; and Donald Lambert, Hatch Mott MacDonald

Respectfully submitted,

Mr. Mark Moody, Chair