



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board OF NEW ORLEANS**

MITCHELL J. LANDRIEU, President  
WM. RAYMOND MANNING, President Pro-Tem

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Wednesday, December 3, 2014

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

Mesdames and Messieurs:

The Infrastructure Committee met on Wednesday, December 3, 2014 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. with Mrs. Kerri Kane, Dr. Tamika Duplessis, Mr. Alan Arnold and Mr. Joseph Peychaud at approximately 9:00 a.m.

## **Presentation Items:**

1. The Infrastructure Committee report of Wednesday, November 5, 2014 was motioned by Mr. Joseph Peychaud and seconded by Dr. Tamika Duplessis. The motion carried.

## **2. Water Hammer Hazard Mitigation Project**

Deputy General Superintendent Madeline Goddard presented a slide presentation which covered items discussed at its Water Hammer Hazard Mitigation Project Community Meeting held on November 20, 2014. The presentation items were FEMA proposed project funding at \$48M, what is a water hammer, what is the impact, what will the tanks look like, and where will the tanks be. Mrs. Goddard stated all projects are currently in design, construction scheduled to begin in Fall 2015, after completion of SELA projects, and completion estimated in early 2018. Other projects discussed were: 1) FEMA Hazard Mitigation Grant \$150M for Power Plant generator 4, Turbines 3 and 5, structural improvements; emergency fuel storage; power distribution network; instrumentation and controls; raw water pumps. 2) FEMA Public Assistance +50M for Power Plant Turbine 4, Steam A & B pumps, boiler preheaters, ducts, elevators and miscellaneous pumps, Panola Pump Station.

Mr. Alan Arnold asked if there was any opposition or concerns from the public and Councilwoman Susan Guidry. General Superintendent Joseph Becker and General Superintendent Madeline Goddard provided assurances that they have met with the citizens and have informed Councilwoman Susan Guidry about the project and that the citizens raised some concerns but there was no opposition.

The concerns were lighting, branding on the tanks and possible pile driving damages to properties. Mrs. Goddard stated that there will be no lighting on the tanks, no commercial branding and they will have consultants to deal with all pile driving issues. The S&WB will also schedule a meeting with the citizens to get their ideas on Tank design and what is their branding preference for the tanks.

### **3. Capital Improvement Plan 2015-2024**

Deputy Director Robert Miller discussed the 2015-2024 Capital Improvement Plan by carving out one year which is the 2015 Capital Budget. Mr. Miller described that the total amount of the 2015 year budget was approximately \$350 million, with approximately \$250 million of that being Contribution in aid of construction which is from the federal government and the remainder of that being \$100 million being funded by Sewerage and Water Board through system funds and bond proceeds.

Mr. Miller went on to describe our capability as an organization (Board of directors and its Managers) to meet the challenge to manage the risk associated with managing a Capital Budget of the size of ours and explained the types of risk in detail. Mr. Miller also discussed in some details the expectations of our stakeholders, Customers, Rating Agencies and Bond Holders, on how the Board manages that risk. Mr. Miller also described the thought process in developing the items or projects in the capital budget were based on the needs of preserving and maintain the system and the needs of the customers the Sewerage and Water Board serve.

Mr. Miller also covered the particulars of each Utility and the percentage that each utility was funded, the Water and Sewer Utilities were both approximately 97% funded and that the Drainage system faced the biggest challenge because it was only 78% funded. Mr. Miller described that the 3% shortfall in the Water and Sewer Utilities would be made up from the closing of the 2014 financial year with excess of revenues over expenditures in each Utility, but that the gap in Drainage could not be closed in the same way.

The Capital Budget is approximately \$350 million with the Water and Sewer system portion of the budget being near fully funded and it is predicted that the 3% deficiency would be covered in the first quarter of 2015, but the Drainage program has challenges in fully funding all the projects catalogued by the agency and some of the lower priority projects may have to be deferred until a later time.

Mr. Alan Arnold suggested Green Infrastructure be on the January and February 2015 Infrastructure agenda so that discussion can take place regarding the important Green information that was learned while he and Mrs. Robin Barnes traveled to the Green seminars.

### **4. Committee Responsibilities By-Laws Change**

General Superintendent Joseph Becker gave an outline of the By-Law changes.

### **INFORMATION ITEMS – RECEIVED**

5. Topics for Future Discussions
6. 2015 Committee/Board Meeting Schedule
7. Response to Questions
8. Any Other Matters

## **Reference Material (In Binders)**

- A. Sewerage and Water Board By-Laws
- B. 2014 Operating & Capital Program
- C. Strategic Plan
- D. Tracking Tool for Commitments to the City Council
- E. Bond Rating
- 9. Adjournment – The Infrastructure Committee ended at approximately 10:12 a.m.

PRESENT:                      Mrs. Kerri Kane- Chair  
                                     Mr. Alan Arnold  
                                     Mr. Joseph Peychaud  
                                     Dr. Tamika Duplessis

ABSENT:                      Ms. Kimberly Thomas

OTHER COMMITTEE/  
BOARD MEMBERS PRESENT: NONE

Also in attendance were: ; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; ~~+~~ Brian Ferrara, Legal Department; Willie Mingo, Purchasing Department; ; Susan Higginbotham, Staff of the Executive Director Office; Brenda Thornton; Dexter Joseph, Planning & Budget Department; Kevin Garrison, Budget Department; Geneva Coleman, Hawthorne Agency

Very truly yours,

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Mrs. Kerri Kane  
Chairperson

KK/kal