

SEWERAGE & WATER BOARD OF NEW ORLEANS
EXECUTIVE COMMITTEE MEETING
FRIDAY, JANUARY 10, 2014
9:00 AM

COMMITTEE MEMBERS

Mr. Wm. Raymond Manning, Chair • Mr. Mark Moody • Mr. Glen Pilie • Mrs. Florence Schornstein • Mr. Charles Webb

FINAL AGENDA

ACTION ITEMS

1. Approval of Previous Report
2. General Superintendent Recommendations
3. Algiers Lease Proposal (R-001-2014)
4. 2014 Cash Management & Investment Policy (R-002-2014)
5. Contract Amendments for Bond Feasibility Study (R-012-2014 & R-013-2014)

INFORMATION ITEMS

6. Tracking Tool for Commitments to the City Council
7. (Revised) Amendments to By-Laws
8. EEOC Activity Status Report Y.T.D.
9. Any Other Matters
10. Reference Materials (**In Binders**)
 - A. Sewerage and Water Board By-Laws
 - B. 2014 Operating & Capital Budget
 - C. Strategic Plan
 - D. Bond Rating
11. Adjournment

**REBUILDING AND INSTALLING AUTOMATIC TRANSMISSIONS IN MEDIUM AND
HEAVY DUTY TRUCKS - REQ. NO. YG140004**

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that one (1) bid was received on December 19, 2013 after advertising according to the Public Bid Law, for Rebuilding and Installing Automatic Transmissions in Medium and Heavy Duty Trucks. The bid was hereby accepted and contract awarded therefore to **Crescent Ford Truck Sales, Inc.** for the total amount of **\$40,934.12.**

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

FURNISHING SOLID WALL (PVC) PIPE SDR 26 & 35 POLYVINYL CHLORIDE (PVC) C-900 PIPE FOR THE WATER DISTRIBUTION SYSTEM - REQ. NO. YW140001

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that four (4) bids were received on December 19, 2013 after advertising according to the Public Bid Law, for Furnishing Solid Wall (PVC) Pipe SDR 26 & 35 Polyvinyl Chloride (PVC) C-900 Pipe for the Water Distribution System. The low bid was hereby accepted and contract awarded therefore to **Cimsco, Inc.** for the total amount of **\$248,364.50.**

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FURNISHING POSITIVE DISPLACEMENT TYPE COLD WATER METERS FOR THE
METER SHOP AT THE MAIN WATER PLANT - REQ. NO. MH130008**

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that five (5) bids were received on November 14, 2013 after advertising according to the Public Bid Law, for Furnishing Positive Displacement Type Cold Water Meters. The third low formal bid was hereby accepted and contract awarded therefore to **Mueller Systems** for the total amount of **\$1,830,900.00**.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

CONTRACT 1374 - FURNISHING BASIN DREDGE UNIT

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that one (1) bid was received on December 19, 2013 after advertising according to the Public Bid Law, for Furnishing Basin Dredge Unit. The bid was hereby accepted and contract awarded therefore to **Liquid Waste Technology** for the total amount of **\$166,138.00**.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**CONTRACT 30005 - RESTORATION OF EXISTING GRAVITY SEWER MAINS
DAMAGED BY HURRICANE KATRINA BY EXCAVATION AND REPLACEMENT FROM
MANHOLE TO MANHOLE, CIPP LINING FROM MANHOLE TO MANHOLE AND
POINT REPAIRS AT VARIOUS SITES THROUGHOUT ORLEANS, PARISH**

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that five (5) bids were received on December 20, 2013 after advertising according to the Public Bid Law, for performing work under Contract 30005. The low formal bid was hereby accepted and contract awarded therefore to **W. C. Drennan, Inc.** for the total amount of **\$1,388,183.00.**

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**CONTRACT 30006 - RESTORATION OF EXISTING GRAVITY SEWER MAINS
DAMAGED BY HURRICANE KATRINA BY EXCAVATION AND REPLACEMENT FROM
MANHOLE TO MANHOLE, CIPP LINING FROM MANHOLE TO MANHOLE AND
POINT REPAIRS AT VARIOUS SITES THROUGHOUT ORLEANS, PARISH**

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that five (5) bids were received on December 20, 2013 after advertising according to the Public Bid Law, for performing work under Contract 30005. The low formal bid was hereby accepted and contract awarded therefore to **Boh Bros Construction** for the total amount of **\$4,759,309.00**.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING & DELIVERING
AUTOMOTIVE BATTERIES - REQ. NO. YG120060**

WHEREAS, under the provisions of the contract, the Board, with the contractor's concurrence, reserves the right to renew the contract with no increase in the cost of services and no change in terms and conditions; and

WHEREAS, the contractor, **NAPA Auto Parts (Covington)**, desires to exercise its renewal option as allowed under this contract with the total being **\$39,761.88**, for Furnishing & Delivering Automotive Batteries.

NOW, THEREFORE, BE IT RESOLVED that the request of **NAPA Auto Parts (Covington)**, for this first and only renewal, effective **January 1, 2014**, is hereby approved.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FINAL ACCEPTANCE AND CLOSE OUT TO CONTRACT 3738 - HURRICANE
RELATED REPAIRS TO SEWAGE PUMPING STATION 15**

WHEREAS, Contract 3738 is ready for Final Acceptance by the Sewerage & Water Board of New Orleans; and

WHEREAS, the General Superintendent in his report has recommended that this contract receive final acceptance and be closed out.

NOW, THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans that the recommendation of the General Superintendent to authorize final acceptance and to close out Contract by **Alfred Conhagen, Inc. of LA** for **CONTRACT 3738**, is hereby approved.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FINAL ACCEPTANCE AND CLOSE OUT TO CONTRACT 3989 - LOWER NINTH
WARD AREA SEWER REHABILITATION, REHABILITATION NO. 8**

WHEREAS, Contract 3989 is ready for Final Acceptance by the Sewerage & Water Board of New Orleans; and

WHEREAS, the General Superintendent in his report has recommended that this contract receive final acceptance and be closed out.

NOW, THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans that the recommendation of the General Superintendent to authorize final acceptance and to close out Contract by **Fleming Construction Co., L.L.C.** for **CONTRACT 3989,** is hereby approved.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board, duly called and held, according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: November 27, 2013
To: Robert Miller, Deputy Director
From: Jacqueline K. Shine, Utility Services Administrator
Re: Algiers Lease Proposal

SWBNO's August 21, 2013 Request for Proposals to Lease Office Space in the Algiers Neighborhood received one submittal. The submitter was Latter & Blum Property Management for Suite M-2 in the River Commons Shopping Center, 4021 Behrman Place, New Orleans, Louisiana 70114. This location was visited prior to the RFP, and customer service staff had already expressed an interest in locating there if our current location situation did not improve.

4021 Behrman Place, Suite M-2 is a 3,200 square-foot retail space in the same facility as an Entergy New Orleans customer service location and a Wal-Mart. The proposal offered us the property at \$15 per square foot plus \$4.50 in common area maintenance, which equals a total price of \$19.50 per square foot. The landlord has also offered us a \$5.00 per square foot build-out allowance, which equals \$16,000.

We have met with SWB Engineering and Security staff to develop a build out proposal that will be handled in-house.

We are requesting the attached resolution be presented at the December Executive Committee meeting for approval.

cc: Gabriel Bordenave
Antoinette Jenkins
Rosalind Webb

RESOLUTION

AUTHORIZATION TO ACCEPT THE LEASE PROPOSAL FOR 4021 BEHRMAN
PLACE, SUITE M-2 AS THE FUTURE CUSTOMER SERVICE LOCATION
SERVICING THE ALGIERS NEIGHBORHOOD

WHEREAS, the Sewerage and Water Board of New Orleans
advertised according to the Public Bid Law, for proposals
to lease retail office space for a customer service
location in the Algiers neighborhood of New Orleans,
Louisiana; and

WHEREAS, one (1) proposal was received on September
19, 2013 from Latter & Blum for the property located at
4021 Behrman Place in the River Commons Shopping Center of
New Orleans, Louisiana;

NOW, THEREFORE, BE IT RESOLVED that the proposal is
hereby accepted and contract awarded to Latter & Blum for
the monthly amount of \$5,200.00.

I, Marcia A. St. Martin, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the Regular
Monthly Meeting of said Board, duly called and held,
according to law, on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

DATE: December 30, 2013

FROM: Ethel H. Williams,  Financial Administrator

TO: Robert Miller, Deputy Director

RE: 2014 OPERATING AND CAPITAL CASH MANAGEMENT
INVESTMENT POLICY

Attn: Anita Simmons

In accordance with Act Number 453 of 1997, and Article VI, Section 44 of the Louisiana Constitution, the Board is required to establish a policy for its operating and capital cash management needs.

Attached is the above referenced policy in accordance with mandates of Louisiana Revised Statutes LRS 33:2955(D), and Act 453 of 1997, with corresponding resolution. Our Deputy Special Counsel reviewed the above policy and no revisions were necessary.

If the Board desires to invest in Bonds, debentures, notes or other indebtedness, it must retain an investment advisor, registered with the United States Securities and Exchange Commission. Historically, and at this time, the Board does not invest in the aforementioned indebtedness.

The investment policy reflects the mandate to prudently manage public funds and place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.

The investment policy is in compliance with the State of Louisiana governing statutes relative to investments. The investments shall be made with the exercise of prudent judgment and care. The Chief Accountant/Investment Coordinator performs a search for the highest yield when investing available funds.

Members of the Board and employees involved in the investment process should refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Prohibited investments are not allowed by the Board. All investment activities performed by the Chief Accountant/Investment Coordinator is allowable and permitted by the State of Louisiana Revised Statutes Act Number 453 of 1997. Allowable investments transacted by the Board Investment Coordinator include Treasury Bills, Time Certificate of Deposit, Money Markets, and Repurchase Agreements.

Funds invested in accordance with the provisions of R.S. 33:2955(A)(1)(d) shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation of \$250,000.00 in any one banking institution or in any savings and loan association, or National Credit Union Administration. In cases when the amount exceeds \$250,000.00 the uninsured portion is collateralized.

An investment report is prepared by the Investment Coordinator to upper management quarterly, the policy requires quarterly or annual investment reporting.

Please place this on the Finance agenda and full Board as an action item.

Direct all inquiries to me if further discussion is necessary at (504) 585-2364.

Attachments

cc: Marcia A. St. Martin, Executive Director
Rosita P. Thomas
Nolan Lambert
Brian Ferrara

CASH MANAGEMENT AND INVESTMENT POLICY

In accordance with Act Number 453 of 1997, and Article VI, Section 44 of the Louisiana Constitution, the Board is required to establish a policy for its operating and capital cash management needs. The following regulations are appropriate for administrative procedures relating to the cash and idle investment assets of all municipalities, parishes, school boards and any other subdivisions of the state in compliance with the mandates of Louisiana Revised Statutes 33:2955(D) and Act Number 453 of 1997. In accordance with the mandate, this policy shall be updated annually.

Under the provisions of Act Number 453 of 1997 the investment policy should:

- (1) reflect the mandate to prudently manage public funds
- (2) place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third, and
- (3) establish internal controls for any derivatives in use to ensure that the risks inherent in derivatives are adequately managed.

Under Act Number 453 of 1997 derivatives are defined as any financial instrument created from or whose value depends on the value of one or more underlying assets or indexes of asset value.

OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

1. Safety – Safety of principal is the foremost objective. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
The objective is to mitigate credit risk and interest rate risk.
2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated. Maturities of investments are to be structured in concurrence with cash needs to meet anticipated demand.
3. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return, considering budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return is of least importance as compared to the safety and liquidity objectives described above. Securities shall not be sold prior to maturity with the following exceptions:
 - a. Declining credit security so as to minimize loss of principal.
 - b. Security swap would improve quality, yield or target.
 - c. Liquidity needs of the portfolio require that the security be sold.

These policies of the Board shall be in compliance with the State of Louisiana governing statutes. Investment shall be made with the exercise of judgment and care. Funds shall be placed for investment and not for speculative purposes, considering the probable safety of their capital, as well as the probable income to be derived. Expenses

for banking or financial services shall be competitive with the current market of financial institutions.

All investments shall be adequately secured with the appropriate amounts of insurance coverage and collateral.

GENERAL RULES

Standards

The standard of prudence to be used by the Investment Coordinator shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The Investment Coordinator acting in accordance with established procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with the judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived.

Conflicts

Members of the Board and employees involved in the investment process should refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Employees and investment officials should disclose to the members of the Sewerage and Water Board any material interests in financial institutions with which they conduct business. They should further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and members of the Board involved in the investment process should refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

Safekeeping and Custody

A list will be maintained of financial institutions authorized to provide investment services.

These financial institutions must provide annual financial statements, proof of NASD certification as appropriate, certification of having read the Board’s investment policy, compliance with the collateral provisions of FIRREA (see below). An annual review will be conducted by the Investment Coordinator, who will report the results to upper management and the finance committee.

Prohibited Investments

In no instance shall the Board invest in obligations described as (a) collateralized mortgage obligations that have been stripped into interest only or principal only obligations (b) inverse floaters, or (c) structured notes. Structured notes for the purpose of this policy are defined to mean securities of the U.S. government agencies, instrumentalities, or government-sponsored enterprises which have been restricted, modified and/or reissued by private entities (d) No political subdivision may purchase its own indebtedness

Allowable Investments per Act Number 453 of 1997

Allowable investments permitted by State of Louisiana Revised Statutes include the following:

- (a) Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States.
- (b) Bonds, debentures, notes or otherwise evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America, which obligations include but are not limited to (1) U.S. Export-Import Bank; (2) Farmers Home Administration; (3) Federal Financing Bank; (4) Federal Housing Administration Debentures; (5) General Services Administration; (6) Government National Mortgage Association guaranteed mortgage-backed bonds and guaranteed pass-through obligations; (7) U.S. Maritime Administration-guaranteed Title XI financing, and (8) U.S. Department of Housing and Urban Development. Bonds, debentures, notes, or other evidence of indebtedness issued or Guaranteed by U.S. government instrumentalities, which are federally sponsored and such obligations include but are not limited to (1) Federal Home Loan Bank System; (2) Federal Home Loan Mortgage Corporation; (3) Federal National Mortgage Association; (4) Student Loan Marketing Association; and (5) Resolution Funding Corporation.
- (c) Direct security repurchase agreements of any federal book entry only securities enumerated in Subparagraphs (a) and (b). "Direct security repurchase agreement" means an agreement under which the political subdivision buys, holds for a specified time, and then sells back those securities and obligations enumerated in Subparagraphs (a) and (b).
- (d) Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by R.S. 6:703 (16) or (17), or share accounts and share certificate accounts of federally or state chartered credit unions issuing time certificates of deposit: For those funds made available for investment in time certificates of deposit, the rate of interest paid by the banks shall be established by contract between the bank and the political subdivision; however, the interest rate at the time of investment shall be a rate not less than fifty basis points below the prevailing market interest rate on direct obligations of the United States Treasury with similar length of maturity.
- (e) Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.
- (f) Funds invested in accordance with the provisions of R.S. 33:255(A)(1)(d) shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one banking institution, or in any one savings and loan association, or National Credit Union Administration, unless the uninsured portion is collateralized by the pledge of securities in the manner provided in R.S. 39:1221.

- (g) Guaranteed Investment Contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program for political subdivisions which financing program is approved by the State Bond Commission and offered by a public trust having the state as its beneficiary, provided further that no such investment shall be for a term longer than eighteen months, and provided further that any such guaranteed investment contract shall contain a provision providing that in the event the issuer of the guaranteed investment contract is at any time no longer rated in either of the two highest short-term rating categories of Standard & Poor's Corporation or Moody's Investors Service, the investing unit of local government may either be released from the guaranteed investment contract without penalty, or be entitled to require that the guaranteed investment provider collateralize the guaranteed investment contract with any bonds or other obligations which as to principal and interest constitute direct general obligations of or are unconditionally guaranteed by the United States of America, including obligations set forth in Subparagraphs (a) and (b) to the extent unconditionally guaranteed by the United States of America.
- (h) Investment grade (A-1/P-1) commercial paper of domestic United States corporations.
- (i) Bonds, debentures, notes, or other evidence of indebtedness issued by the State of Louisiana or any of its political subdivisions; provided that all of the following conditions are met:
- 1) No political subdivision may purchase its own indebtedness.
 - 2) The indebtedness shall have a long term rating of Baa3 or higher by & Poor's or a long term rating of BBB- or higher by Fitch, Inc. or a short-term rating of M1G1 or VM1G1 by Moody's Investors Service, a short-term rating of A*1 or A-1+ by Standard & Poor's, or a short-term rating of F1+ by Fitch, Inc.
 - 3) The indebtedness has a final maturity, mandatory tender, or a continuing optional tender of no more than three year, except that such three year limitation shall not apply to (aa) funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or (bb) investment of funds held by either a hospital service district, a governmental 501c (3), or a public trust authority.
- (j) Investment of funds in such mutual or trust fund institutions shall be limited to twentyfive percent of the monies considered available for investment as provided in this policy. In no event shall monies be considered available for investment under the authority of his policy unless and until such funds are determined by the Investment Coordinator, in the exercise of prudent judgment, to be in excess of the immediate cash requirements of the fund to which the monies are credited. As a criteria in making such a determination, any amount of money exceeding ten thousand dollars which is on demand deposit to the credit of the Sewerage and Water Board, or to the credit of any fund and which is not required to meet an obligation for at least forty-five

days, or any amount of money exceeding one hundred thousand dollars which is on demand to the credit of the Sewerage and Water Board or to the credit of any fund and which is not required to meet an obligation for at least fifteen (15) days shall be construed available for investment. Nothing in this policy shall be construed as to abrogate, impair, or supersede the ability of the Sewerage and Water Board from combining monies from several funds in order to invest such monies at a better rate of return. The interest earned on bonds, notes or certificates, time certificates of deposit, or mutual or trust fund investments, so purchased shall be credited by the Sewerage and Water Board to the fund which the bonds, notes or certificates, time certificates of deposit, or mutual or trust fund investments, were acquired, or it may be applied to the payment of the principal and interest of the outstanding bonded indebtedness of the Sewerage and Water Board. At any time that may be deemed advisable the Sewerage and Water Board may cash and liquidate any of the investments authorized herein which are purchased for any particular fund. The proceeds of any such liquidation shall be credited to the fund from which the authorized investments were originally purchased.

- (k) Bonds, debentures, notes or other indebtedness issued by a state of the United States of America other than Louisiana or such state's political subdivisions provided that all of the following conditions are met:
- (i) The indebtedness shall have a long-term rating of A3 or higher by Moody's Investors Services, a long term rating of A- or higher by Standard & Poor's or a long-term rating of A- or higher by Fitch, Inc., or a short-term rating of M1G1 or VM1G1 by Moody's Investors Service, a short-term rating of A-1 or A-1+ by Standard & Poor's, or a short-term rating of F1 or F1+ by Fitch, Inc.
 - (ii) The indebtedness has a final maturity, mandatory tender, or a continuing optional tender of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third-party custodian in connection with a bond issue nor to investment of funds held by either a hospital service district, a governmental 501(c)(3) organization, or a public trust authority.
 - (iii) Prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing Louisiana political subdivision retains the services of an investment advisor registered with the United States Securities and Exchange Commission.

Collateralization of Public Deposits

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) imposed certain limitations on collateral agreements between financial institutions and public entities to provide adequate collateral for public entities to secure sizable public unit deposits. FIRREA provides that a depositor's security agreement which tends to diminish or defeat the interests of the FDIC in an asset acquired by it as receiver of an insured depository shall not be valid against the FDIC unless the agreement (1) is in writing, (2) was executed by the depository institution and any person claiming adverse interest thereunder, contemporaneously with the acquisition of the asset by the depository institution, (3) was approved by the Board of Directors of the depository or its loan committee, and (4)

has been, continuously, from the time of its execution, an official record of the depository institution.

The Board's designee will update this agreement with the Board's depository institutions at least annually and maintain such documentation.

Reporting

An investment report will be prepared by the Investment Coordinator to upper management at least annually, but preferably quarterly, providing a clear picture as to the status of the investment portfolio and types of transactions entered into. The report should list individual investments, list market values by investments, list premiums and discounts, list unrealized gains/losses, list the interest rate, list the maturity date and other pertinent data.

OPERATING AND CAPITAL CASH MANAGEMENT INVESTMENTS POLICY

WHEREAS, Act number 453 of 1997 and 1223 of 2001 mandated allowable investments permitted by State of Louisiana Revised Statutes; and,

WHEREAS, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) imposes certain limitations on collateral agreements between financial institutions and public entities to provide adequate collateral for Public entities to secure sizable public unit deposits; and,

WHEREAS, Louisiana Revised Statutes 33:2955(D) and Act 453 of 1997 mandates that administrative procedures relating to the cash and idle investment assets of Enterprise Funds be adopted by public agency; and,

NOW, THEREFORE, BE IT RESOLVED that the Sewerage and Water Board of New Orleans, in accordance with the aforementioned State regulations adopts the attached policy for investments for its operating and capital cash management needs.

I, Marcia A. St. Martin, Executive Director,
Sewerage and Water Board of New Orleans
do hereby certify that the above and foregoing
is a true and correct copy of a Resolution
adopted at the regular monthly meeting of
said Board, duly called and held January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR



SEWERAGE AND WATER BOARD OF NEW ORLEANS

January 7, 2014

Finance Committee
Sewerage and Water Board of New Orleans
New Orleans, Louisiana

Dear Directors:

Subject: Contract Amendments for Bond Feasibility Study

Sewerage and Water Board intends to issue water and sewer revenue bonds and drainage tax bonds in order to fund projects in the 2014 Capital Budget and 2014-2023 Capital Improvement Program. To assist with these bond issues, the Board of Liquidation has identified a pool of underwriting firms to assist with the bond issues. During the course of discussions about the upcoming bond issues, the underwriting pool has determined that, in order to provide necessary assurances to potential investors on these first new-money borrowings following Hurricane Katrina, it will be necessary and appropriate to have a formal bond feasibility study prepared to obtain independent representations about:

- Existing status of compliance with regulatory requirements.
- Reasonableness and adequacy of the capital program for future regulatory compliance.
- Reasonableness of the capital program for cost estimates and constructability.
- Reasonableness and achievability of the capital program time schedules.
- Qualifications of staff to manage and construct the capital program.
- Adequacy of financial plan and rates to operate system, fund capital program, and service debt.
- Affordability of rates.

The underwriting pool has requested that the study be prepared by the consulting firms that have recently performed engineering and operational reviews and financial planning for the water, sewer, and drainage systems. The bond feasibility study provides greater detail on the adequacy and condition of the systems than the previous work. Sewerage and Water Board has existing contracts with Black & Veatch for engineering and operational reviews and with Raftelis Financial Consultants for financial planning.

To provide independent representations on the engineering and operations, the contract with Black and Veatch should be amended to increase by \$197,000. For completion of the recent updates to the financial plan and to provide independent representations on the financial plan and rates, the contract with Raftelis Financial Consultants should be amended to increase by \$137,170. These amounts also include assistance with development of new bond resolution covenants, review of bond offering documents, and assistance with bond marketing efforts. Staff recommends amending these existing contracts to accomplish the scope of work required for the bond feasibility study.

Robert K. Miller
Deputy Director

AMENDMENT NO. 1 TO EXISING CONTRACT WITH BLACK & VEATCH

WHEREAS, Black & Veatch has satisfactorily completed preparation of the Report on Operations for 2012; and

WHEREAS, in addition to performing engineering and operations assessments, the original agreement contemplated support for future bond issues; and

WHEREAS, Black and Veatch will perform the operations and engineering portion of a bond feasibility study for a fee of \$197,000;

NOW THEREFORE BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro Tem is hereby authorized to execute on behalf of the Sewerage and Water Board of New Orleans Amendment No.1 to the agreement with Black & Veatch for the services described for a fee of \$197,000.

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of the resolution adopted at a Regularly Monthly Meeting of said Board, duly called and held, according to law on January 15, 2014.

MARCIA A. ST. MARTIN
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

AMENDMENT NO. 5 TO EXISTING CONTRACT WITH RAFTELIS FINANCIAL CONSULTANTS, INC.

WHEREAS, on April 27, 2010 the Sewerage and Water Board of New Orleans (hereafter "Board") entered into an agreement with Raftelis Financial Consultants, Inc. for a Comprehensive Financial Planning, Cost of Service Study, and Related Services to be performed; and

WHEREAS, the financial plan and water audit required updates to reflect the audited financial results from 2012 as well as substantial changes to anticipated federal funding in 2013 and beyond; and

WHEREAS, Raftelis Financial Consultants performed the update to the financial plan and water audit for a fee of \$58,710; and

WHEREAS, in addition to assisting the Board in financial planning and rate study for the sewer and water systems, the original agreement with Raftelis Financial Consultants, Inc. contemplated support for future bond issues; and

WHEREAS, Raftelis Financial Consultants, Inc will perform the rates and finances portion of a bond feasibility study for a fee of \$78,460;

NOW THEREFORE, BE IT RESOLVED that the President or President Pro Tem is hereby authorized to execute on behalf of the Sewerage and Water Board of New Orleans Amendment No. 5 to the agreement, as amended, with Raftelis Financial Consultants, Inc. for the services described for a fee of \$137,170 total.

I, Marcia A. St. Martin, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the Regular
Monthly Meeting of said Board, duly called and held,
according to law, on January 15, 2014.

**MARCIA A. ST. MARTIN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

Sewerage and Water Board of New Orleans
Tracking Tool for Commitments to City Council
December 2013

Status Key On Target Not Started Delayed Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
I. Governance Practices	A. Reduce the length of Board member terms and limiting the number of terms.	October 2013	Completed. Senate Bill No. 47 reduced the term lengths from 9 to 4 years and limiting members to serving two consecutive terms.	None.	Strategy IV Tactics I.1 and I.2
	B. Establish requisite qualifications for Board members.	October 2013	Completed. Senate Bill No. 47 requires experience in architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, consumer or community advocacy, or other pertinent disciplines, with two of the appointments as consumer advocates with community advocacy or consumer protection experience or experience in a related field.	None.	Strategy IV Tactic I.3
	C. Reduce the number of Board members.	October 2013	Completed. Senate Bill No. 47 reduced the size of the Board from 13 to 11 members.	None	Strategy IV Tactic I.4
	D. Review function and responsibilities of Board committees.	Not determined.	Senate Bill No. 47 provides that a quorum of the board shall adopt rules fixing its own meetings and procedures. Any amendments or changes to such rules shall be adopted only after approved by a quorum of the Board.	Consideration by the Executive Committee and the Board of Directors.	Strategy IV Tactic I.5
	E. Appoint Board members from recommendations submitted by university presidents.	October 2013	On target. On October 23, 2013, the Board of Directors of Sewerage and Water Board issued a Declaration of Vacancy for the ten appointed board positions effective January 1, 2014, authorized advertisement of vacancies, and authorized processing of applications for board membership.	Applications and nominations for board membership are due by January 31, 2014.	Strategy IV Tactic I.6

Sewerage and Water Board of New Orleans

Tracking Tool for Commitments to City Council

December 2013

On Target
Not Started
Delayed
Needs Attention

Strategic Plan Reference

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
II. Customer Service Improvements	F. Establish dedicated independent oversight of Sewerage and Water Board determined by the City Council.	Not determined.	On target. Staff presents to Public Works Committee of City Council as scheduled on identified questions and concerns.	Continue to prepare detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M
	A. Acquire and implement Advanced Metering Infrastructure. Replace existing mechanical meters with new electronic meters and an automated meter reading system that will provide more accurate readings, enhanced leak detection on customer lines, and improved account monitoring. The new meters will be installed for the residential and small commercial customer base.	December 2016	On target. Request for Information issued to potential vendors during March 2013. Information submitted by ten vendors reviewed by staff in April 2013 and interviews conducted in May 2013. Requests for proposals issued by other utilities being reviewed. A revised standard for purchasing new meters has been completed.	Confirm funding availability to meet accelerated completion date. Determine if outside expert assistance will be needed in project management. Develop a preliminary implementation plan and issue a request for proposals for change-out of residential and small commercial meters and installation of automated meter reading capabilities. This project will be challenging to coordinate with the simultaneous implementation of the new billing system.	Strategy III Tactic B
	B. Open Additional Customer Service Center to provide convenient access to full service capabilities for customers without travelling to the downtown location.	December 2013	On target. Alternatives identified and evaluated in New Orleans East. Request for proposals have been issued and proposals have been received and are being evaluated.	Finalize selection, establish contract, and determine furnishings.	Strategy III Tactic H
	C. Replace existing billing application with new software that includes online customer account management capabilities.	January 2015	On target. Request for Proposal issued in June 2013. Responses to received in August. Interviews conducted with three finalists in September. Narrowed to two finalists following interviews. RFP issued in November. Recommendation will be ready for the final selection by February 2014.	Interview vendors and develop recommendation for award of contract. Finalize arrangements for project team facility.	Strategy III Tactic C
	D. Replace existing work order application with new software that includes online work order tracking and appointment scheduling capabilities.	December 2017	Not started.	Next steps to be determined as part of the development of an Information Technology Strategic Plan.	Strategy III Tactic D and E Strategy IV Tactic D

Sewerage and Water Board of New Orleans

Tracking Tool for Commitments to City Council

December 2013

On Target ☒ Not Started ☐ Delayed ☐ Needs Attention ☐

Status

Commitment

Target Date

Next Steps

Strategic Plan Reference

Topic

Commitment

Target Date

Status

Next Steps

Strategic Plan Reference

E. Improve efficiency and reliability of Customer Service processes. Reduce the volume of calls by increasing perceived accuracy of bills. Ensure meter reading and billing edits are worked diligently. Improve the customer experience when questioning a bill and resolve more issues during the first call. Provide more effective appeals process.

Ongoing

Continue focus on obtaining readings to avoid estimated bills. Improve accuracy of readings. Improve efficiency of meter reading routes. Continue training on proper review of meter reading and billing edits. Reduce call waiting time. Improve coordination between Customer Service and Networks departments. Continue walk-in customer service survey. Implement telephone customer service survey. Document and report improvement results.

Strategy III Tactics A, F, and G

On target. Customer Service Improvement Plan updated and reported to Operations Committee monthly.

A. Provide additional funding for bill payment assistance through the Water Help program.

January 2013

Completed. Funding for bill payment assistance through the Water Help program increased from \$60,000 to \$240,000 in January 2013.

Completed January 2013.

Strategy III Tactic I.1

B. Expand Water Help program to provide assistance with plumbing repairs.

June 2013

Completed. Authorized by Board of Directors in July 2013. Process for identification of participating plumbers completed. Program for plumbing assistance implementation underway.

Staff recommended that the program be expanded to include up to \$250 for plumbing repairs on the customer's portion of the service line.

Strategy III Tactic I.2

C. Pursue legislative change to allow adjustments for water lost through customer leaks.

March 2013 original
July 2013 revised

Delayed. Recommendations developed for consideration by Board of Directors currently under review by Legal Department.

Staff recommended that water and sewer charges for leakage be charged at fifty percent of the regular rate for one occasion of leakage lasting not more than two regular billing periods every two years. These changes are being reviewed for compliance with existing legislation and interpretation by the state attorney general.

Strategy III Tactic I.3

D. Evaluate waiver of service charges based on means testing for qualifying low-income elderly and disabled customers.

June 2013

Completed. Recommendations accepted by Board of Directors in July 2013.

Staff recommended that the Board not adopt a waiver of these service charges based on means testing and that the overall effectiveness of the service assurance program be reviewed prior to reconsideration of this matter.

Strategy III Tactic I.4

Sewerage and Water Board of New Orleans Tracking Tool for Commitments to City Council December 2013

Status Key		On Target	Not Started	Delayed	Needs Attention	Strategic Plan Reference	
Topic	Commitment	Target Date	Status	Next Steps			
IV. Operational Reforms	E. Evaluate reduction in late payment fee, disconnect fee, returned check fee, and deposits.	March 2013 original June 2013 revised	On target.	Recommendation to maintain existing schedule of fees pending review of first full year of revenues approved by Board of Directors in July 2013.	Because of the significant revenue loss associated with a reduction in late payment fees and disconnect fees, staff recommended that consideration of changes to these fees be deferred until after the first full year of revenues have been received from the new rates in order to ensure that revenues from the new rates are sufficient to allow for this offsetting reduction in fees while still accomplishing other financial objectives.	Strategy III Tactic I.4	
	A. Improve operations through performance measures, improved framework, and follow-up reviews to reduce future rate increases.	December 2017	On target.	Training program developed and delivered for pilot group of senior management. Performance measures being reviewed and developed.	Process documentation, analysis, and improvement objectives combined with cost reduction are included in several senior management goals. Document and report improvement results.	Strategy II Tactic D Strategy IV Tactics B and H Strategy IV Tactic M	
	B. Reduce free water and sewer service provided to municipal accounts by fifty percent from a baseline of 2010 usage.	December 2017	On target.	Quantity of free service reduced from 2010 to 2012 by 19.7%. No changes to related laws were initiated for 2013 Louisiana legislative session. Potential changes for 2014 currently under review.	Continue work with property administrators at municipal facilities to identify opportunities for reduced consumption. Coordinate with revenue-producing agencies to pursue legislative relief from burdensome requirements for free service.	Strategy II Tactic F	
	C. Improve coordination between Sewerage and Water Board and Department of Public Works.	Not determined.	A joint team of Sewerage and Water Board engineers and Department of Public Works engineers has already begun working together in coordination of planning and construction for the FEMA Recovery Roads program.	Determine feasibility of performing street drainage maintenance work on a fee-for-service basis, subject to identification of funding requirements, establishment of a funding stream, and gaining necessary legislative authorizations.		Strategy I Tactics A.1, B.1, and C.4	
	D. Improve ratepayer collections.	Not determined.	Plans to improve collections have recently focused on ensuring close compliance with schedules for non-payment turn-offs.	Perform analysis to identify additional tactics to improve performance in this area.		Strategy IV Tactic G	

Sewerage and Water Board of New Orleans
Tracking Tool for Commitments to City Council
December 2013

Status Key On Target Not Started Delayed Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
	E. Develop a long-term staff succession and training program.	Not determined.	A partnership between Delgado Community College, the Sewerage and Water Board of New Orleans and the JOB1 Business and Career Solutions Center has launched a worker training program aimed at increasing the pool of certified water and wastewater treatment personnel to meet the anticipated demand for workers to operate the systems. Delgado has applied to become a certification testing site.	In conjunction with the City's JOB1 program and Sewerage and Water Board, Delgado Community College will develop training to increase the pool of certified personnel to meet the needs of the capital improvement program. Knowledge management and succession planning objectives have been added to several senior management goals.	Strategy V Tactic G
	F. Perform annual water audit to measure progress and critical needs.	Ongoing.	On target. Water Audits have been performed for 2008 through 2012 as part of the 2013 update of the 2011-2020 Financial Plan.	Completed.	Strategy IV Tactic K
	G. Enhance long range planning by developing a Facilities Plan for 2015-2035.	December 2013	On target. Contract awarded in November 2013.	Consultant to develop a Water Purification Facilities Plan for 2015-2035 to identify the capital investments that will be needed beyond the immediate needs identified in the current capital improvement program.	Strategy I Tactic F.1
	H. Develop new sources of funding other than water and sewer rate increases.	Ongoing.	On target. New revenue stream established for handling wastewater from mobile containers, such as portable toilets and shipping containers.	Analyze opportunities for providing wholesale water service over long distances.	Strategy II Tactic I
	Repay funds owed to Department of Public Works.	December 2016	On target.	Pay \$21.8 million obligation owed to the Department of Public Works in four equal installments beginning December 2013.	Strategy II Tactic E

Sewerage and Water Board of New Orleans Tracking Tool for Commitments to City Council December 2013

Status Key			On Target	Not Started	Delayed	Needs Attention
Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference	
V. Economic Opportunities	A. Create economic opportunities consistent with City of New Orleans programs for participation by economically disadvantaged and local business enterprises.	Not determined.		For contracts with DBE participation January to November 2013: Goods and Services \$275,314 or 30.0%, Construction \$13,452,287 or 37.6%, and Professional Services \$4,374,213 or 35.0%.	Sewerage and Water Board will continue to create economic opportunities for participation by economically disadvantaged and local business enterprises through Construction Review Committee and Staff Contract Review Committee recommendations and DBE vendor support and training.	Strategy IV Tactics F and L
VI. Capital Improvement Program	A. Water System Improvements Replacement and rehabilitation of water purification plant facilities. Replacement and rehabilitation of water pumping facilities. Replacement of water system transmission and distribution mains. \$277,000,000	December 2020		On target. Progress on capital projects will be reported as part of Item VII.G below.	Complete bond feasibility study. Revise bond covenants. Issue water system revenue bonds.	Strategy I Tactic A.1 through A.5
	B. Replacement and rehabilitation of sewer system collection pipes required by Federal Consent Decree. \$314,000,000	December 2020		On target. Progress on capital projects will be reported as part of Item VII.G below.	Complete bond feasibility study. Revise bond covenants. Issue sewer system revenue bonds.	Strategy I Tactic B.1 through B.3
VII. WaterStat Reporting and City Council Oversight	A. Establish performance measures and targets as well as reporting methodology.	March 2013		On target. Measurements framework adopted, initial measurements identified, and measurements training delivered to senior management. Collection of performance data in progress. Additional graphs created.	Create capabilities for higher level strategic planning support and performance measures.	Strategy IV Tactics A and B
	B. Implement a systematic approach to process documentation, analysis, and improvement.	June 2013		On target. Training program developed and contract for training delivery awarded.	Systematic approach adopted March 2013. Training delivery to begin in first quarter 2014.	Strategy II Tactic D Strategy IV Tactic H
	C. Perform follow-up reviews to document results and efficiencies achieved.	January 2014		Not started.	Document and report improvement results.	Strategy IV Tactic B
	D. Provide maps showing maintenance work completed, capital projects completed, and planned capital improvements.	January 2013 and Ongoing		On target. Maps have been printed, but processes for maintaining maps are time-consuming and manual.	Completed and ongoing.	Strategy IV Tactic M
	E. Document FEMA receipts and uses of funds.	January 2013 and Ongoing		On target. Summary of FEMA receipts and uses of funds is provided to Board committees each month.	Completed and ongoing.	Strategy IV Tactic M

Sewerage and Water Board of New Orleans
Tracking Tool for Commitments to City Council
December 2013

Status Key

 On Target

 Not Started

 Delayed

 Needs Attention

Topic	Commitment	Target Date	Status	Next Steps	Strategic Plan Reference
F. Initiate annual meetings with citizens of each council district to regularly report on organizational performance results.		May 2014	Not started.	Prepare detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M
G. Provided written updates to the Clerk of the City Council.		Quarterly and As Requested.	On target.	This document serves as the detailed written status reports on the plans and reforms listed in Exhibit B Amendment to Water and Sewer Rates Resolution as well as status of construction projects by City Council district.	Strategy IV Tactic M



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

Date: December 31, 2013
From: Nolan P. Lambert, Legal *NPL*
To: Marcia A. St. Martin, Executive Director
Re: By-Laws Amendment

Proposed amendment to the Sewerage and Water Board By-laws was brought to the Board as an information item in December. The proposed amendment changed the quorum required for both the Board and the Board of Trustees meetings. The By-laws require that amendments be proposed at the regular meeting preceding final action on the amendment.

After the proposed amendment was presented to the Board, two additional items were brought to our attention. The first in Article I, Section 4, changes the quorum for a meeting of the Board of Trustees from nine to eight. The same language is in Article VI, Section 10, Paragraph B, which was proposed in December.

More significant is the change to Article X, Section 1. Previous to the passage of Act 345 by the Louisiana Legislature in 2013, the By-laws, and State statute, specified that the vote of nine members were required to amend the By-laws. That number was based on two-thirds of the membership at that time. Act 345 amended Louisiana Revised Statute 33:4071 such that a quorum is now required to amend the By-laws. Therefore, Article X, Section 1 is proposed to be amended to represent the current statutory requirement to amend the By-laws.

Inasmuch as the By-laws require that notice of the proposed amendment be given at the meeting preceding final action, please again place the proposed amendment to the By-laws as an information item for all committee meetings and the Board meeting. Final action on the proposed amendment will now take place at the February regular meeting of the Board.

SPECIAL COUNSEL

NPL/BAF:mkt

cc: Susan Higginbotham

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BY-LAWS
OF THE
SEWERAGE AND WATER BOARD OF NEW ORLEANS

ARTICLE I - MEETINGS OF THE BOARD

Section 1:

Regular meetings of the Board shall be held on the third Wednesday of each month in the Sewerage and Water Board's Board Room.

In the event a regular meeting of the Board cannot be held on the third Wednesday of the month due to a legal holiday or other circumstances, or will not be held in the Sewerage and Water Board's Board Room, the President or President Pro Tem shall have the power to designate another day for the meeting either in the same week, in the week prior to, or in the week succeeding the week of the third Wednesday of that month and/or another location.

The time and location of the meetings shall be promulgated by the Executive Director's Office at least 24 hours in advance.

Section 2:

Special meetings may be called by the President of the Board, and shall be called by him when so requested in writing by four (4) members of the Board.

Written notice stating agenda and the time and the place of the meeting shall be served by the Executive Director on each member and promulgated at least 24 hours in advance.

ARTICLE I - MEETINGS OF THE BOARD (CONT'D)

Section 3:

No subjects shall be considered at special meetings, except those embraced in the call. However, upon approval of 2/3 of the members present, a matter not on the agenda may be taken up.

Section 4:

~~Seven-Six~~ members shall constitute a quorum for the transaction of business at all Board meetings. Written notice stating the agenda and the time and place of the meeting shall be served by the Executive Director on each Trustee, and promulgated at least 24 hours in advance.

~~Nine-Eight~~ members shall constitute a quorum for the transaction of any business by the Board of Trustees of the Employee's Retirement System of the Sewerage and Water Board of New Orleans.

Section 5:

In the absence of specific rules, policies, or procedures, Robert's Rules of Order, as newly revised, shall be used in conducting a meeting.

Section 6:

The meeting of the Trustees of the Employee's Retirement System of the Sewerage and Water Board of New Orleans ("Retirement System") shall be held during, before or after the Regular or Special Meetings of the Board.

ARTICLE II - OFFICERS

Section 1:

Officers of the Board shall be the President and the President Pro Tem. The Mayor of the City of New Orleans is the Ex-Officio President of the Board. The President Pro Tem shall be elected by a majority of the members of the Board.

ARTICLE III - ELECTIONS

Section 1:

Voting shall be by viva voce, except if otherwise noted herein, a majority of all members present to prevail. Appropriations shall be by roll call vote.

ARTICLE IV - DUTIES OF OFFICERS

Section 1:

Appointments to the Board are made by the President as set forth in R.S. 33:4071. The President shall also make appointments to all Committees of the Board. The President shall preside at all meetings of the Board. He shall have authority to open all documents addressed to the Board. He shall have authority to sign all contracts, checks, warrants and other documents or papers in the name of the Board, and as directed by it. He has the right to vote at any meeting of the Board or any of the Board's committees. The President may also be authorized other duties as established by the Board.

Section 2:

The President Pro Tem shall assume all the duties of the President in the President's absence, or at the President's direction, and any other duties and privileges as may be established by the Board. The President Pro Tem has the right to vote at any meeting of the Board or any of the Board's committees. When both the President and President Pro Tem are in attendance at any committee or Board meeting and the President is presiding, the President Pro Tem shall have the same right to vote as any other member of the Board. The President Pro Tem shall serve for a two (2) year period with an option for the Board to re-elect him for another two (2) year term should the Board so desire, it being the intention of this section that the above reference to terms shall constitute a full, complete and consecutive term and should any President Pro Tem who is removed as such by his removal from the Board through causes beyond his control, who returns to the Board and is reinstated to the position of President Pro Tem, he shall be entitled to serve, if elected by the Board, two (2) full and consecutive two (2) year terms.

**ARTICLE V - DUTIES OF EXECUTIVE DIRECTOR/
DEPUTY DIRECTOR**

Section 1:

The Board shall elect an Executive Director whose salary shall be fixed by the Board. The Executive Director shall hold office at the pleasure of the Board. The election or removal of the Executive Director, and the amount of his salary, shall be determined by a majority vote of the entire Board at one of its regular monthly meetings. The duties of the Executive Director shall be fixed by the Board.

Section 2:

The Executive Director shall be present at all meetings of the Board and its Committees. He shall keep full and accurate written records of the proceedings at all such meetings. However, the Deputy Director may act in his absence.

Section 3:

The Executive Director shall be custodian and hold in safekeeping all records and papers belonging to the Board.

Section 4:

All motions and resolutions passed by the Board shall be recorded by the Executive Director in a book or books to be kept for that purpose. He shall attend to the publication of motions and resolutions and other notices as required.

**ARTICLE V - DUTIES OF EXECUTIVE DIRECTOR/
DEPUTY DIRECTOR (CONT'D)**

Section 5:

The Executive Director shall keep all the accounts of the Board, relating to the receipt and disbursement of funds. He shall keep an inventory of all property acquired or disposed of by the Board, and he is required to make written report at each regular meeting of all transactions named in this section.

The Executive Director shall submit a written annual report for the Board to present to the City Council in accordance with R.S. 33:4091. The report shall be prepared in a timely fashion so that it may be submitted to the City Council on or prior to the first day of May of each year. At least one day in advance of its regular monthly meeting or of any committee meetings, the Executive Director shall place in the hands of each member of the Board or Committee the meeting notice, agenda, and copies of all reports, including the General Superintendent's Recommendations, being presented to the Board or Committee.

Section 6:

The Executive Director shall also perform such other duties germane to his office, as may be required of him by direction of the Board. The Sewerage and Water Board employees indemnity bond is considered as satisfying the statutory requirement for the Executive Director's indemnity bond.

Section 7:

Neither the Executive Director, nor the Deputy Director, nor the General Superintendent shall engage in any other occupation or employment that would interfere or conflict with their Sewerage and Water Board duties. The Deputy Director and the General Superintendent shall not engage in any other occupation or employment unless certified by the Executive Director as not

**ARTICLE V - DUTIES OF EXECUTIVE DIRECTOR/
DEPUTY DIRECTOR (CONT'D)**

interfering or in conflict with their Sewerage and Water Board duties. The Executive Director shall receive such certification from the President Pro Tem before engaging in any other occupation or employment as described above.

Section 8:

The Deputy Director shall act in the absence of the Executive Director in carrying out the duties prescribed by these By-Laws, as well as any other duties that are assigned by the Executive Director or by the Board.

ARTICLE VI - COMMITTEES

Section 1:

There shall be four (4) standing Committees, to be named respectively: the Executive Committee, the Finance Committee, the Operations Committee, and the Committee on Infrastructure and Operating Systems.

In addition, a Pension Committee is established in accordance with the "Rules and Regulations of the Employees Retirement System of the Sewerage and Water Board of New Orleans."

A Plumbing Conference Committee is established in accordance with the Plumbing Code of the City of New Orleans.

Other Ad Hoc Committees may be formed by the Board or by the President of the Board.

The President of the Board shall appoint the Chairpersons and all members of the foregoing Committees. The President of the Board may appoint the Vice Chairpersons of the three (3) standing Committees. The make up of the Committees may be re-examined periodically and new appointments made so that all members of the Board may participate in all phases of Sewerage and Water Board operations and administration. Each Board member must be assigned to serve on at least one (1) Committee.

Section 2:

The Executive Committee shall consist of five (5) members made up as follows: the President Pro Tem, who shall Chair the Executive Committee, and the Chairpersons of the other three (3) standing Committees, and the Chairperson of the Plumbing Conference Committee.

ARTICLE VI - COMMITTEES (CONT'D)

Section 3:

Each of the other standing committees shall consist of five (5) members of the Board, to be appointed by the President. Three (3) members of any standing committee shall constitute a quorum.

Section 4:

In the absence of the Committee Chairperson and the Vice Chairperson at any meeting of a committee, the committee may elect a Chairperson Pro Tem.

Section 5:

The Executive Committee shall act in a deliberative and advisory capacity and to it may be referred any business of the Board for consideration and report, preceding official action by the Board. The following matters are illustrative of those brought before the Executive Committee for consideration: pay plans and policies, personnel matters, including but not limited to Equal Employment Opportunity, Affirmative Action, EEO Reports, and Discrimination Complaints, leases, and in general, matters affecting all utilities (sewerage, water and drainage).

Section 6:

The Finance Committee shall be in charge of the financial affairs of the Board, subordinate to the Board's direction.

The following matters are illustrative of those brought before the Finance Committee for consideration: Capital and Operating Budget recommendation and review, banking, bond issues, review and recommendation for award of all

ARTICLE VI - COMMITTEES (CONT'D)

contracts, all bid appeals, internal and external audit reports, or other matters of a financial nature.

Section 7:

The Committee on Infrastructure and Operating Systems shall have charge of the affairs of the Board relating respectively to each of the Board's systems of sewerage, water, drainage, power generation and power distribution, and shall act and advise on affairs of these systems, subject to the direction and ruling of the Board. Matters pertaining to sewerage, water, drainage, power generation and power distribution shall be brought before this committee for its consideration.

Section 8:

The Operations Committee shall have charge of the affairs of the Board relating to the Economically Disadvantaged Business Program, which shall include but is not limited to a review and recommendation of DBE participation goals for advertisement, award of contracts and bid appeals relating to matters of interpretation and application of the Rules and Regulations relative to the Board's EDB Program and overall operational aspects of the Board.

The Operations Committee may take up matters relating to Customer Relations Policies and Procedures, which shall include but not limited to customer billing and collections, meter reading, installation and removal, customer inquiries, work order management and technology upgrades.

ARTICLE VI - COMMITTEES (CONT'D)

Section 9:

The Pension Committee is established by Section (3) of the "Rules and Regulations of the Employee Retirement System of the Sewerage and Water Board of New Orleans." This Committee consists of: Chairperson - President Pro Tem; Four (4) members appointed by the President, at least one of which shall be a member of the Finance Committee; Three (3) employee members elected by the employees and one (1) retiree representative elected by Board retirees. Five members shall constitute a quorum. The Committee shall be in charge of matters relating to the management of the Employee Retirement System, including establishment of the rules and regulations and management of the pension fund.

Section 10:

A. The Board of Trustees, as defined in the Rules and Regulations of the Employee's Retirement System of the Sewerage and Water Board of New Orleans, shall have full and final authority to make all decisions concerning the investment of assets of said retirement system, to include recommendations of the Pension Committee made to the Board, and which involve the exercise of the Trustees' Investment Authority, as set forth in Section 8.6 of the Rules and Regulations of the Retirement System. These matters shall include, but not limited to, the following:

- a. Selection, hiring and termination of various investment managers, custodial banks and financial consulting firms.
- b. The establishment of an Investment Policy, Asset Allocation Policy and Rebalancing Policy.
- c. Deciding what portion of the Retirement System assets a particular investment manager shall invest.

ARTICLE VI - COMMITTEES (CONT'D)

- d. Evaluating the performance of a particular investment manager, including placing that investment manager on probation.
- e. Receipt and review of actuarial reports and annual investment reports prepared by the investment consultant.

| B. Because the Pension Committee will be called upon to review matters which the Board of Trustees of the Employees' Retirement System will be required to approve in order to be effective:

- a. The Pension Committee, in making its written report to the Board of Directors of the Sewerage and Water Board of New Orleans, shall designate three (3) types of agendas for consideration by the Board of Directors. These three (3) agendas shall consist of consent items, non-consent items and items to be considered by the full Board of Trustees.
- b. At the time that the Pension Committee report is received by the Board of Directors, and such report has on its agenda 'Board of Trustees Items,' the four (4) employee-elected Trustees, if present, shall be invited by the chairperson to join the Board of Directors' Trustees in considering the specific items of that agenda. A roll call shall be made by the Secretary to establish a quorum of the Board of Trustees, which quorum shall be no less than ~~nine-eight~~(98) Trustees. At this time, it is recognized that this is an official meeting of the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans and all Trustees present shall have the right to make motions, enter into discussions, vote and otherwise fully participate in the matters at hand. Each Trustee shall have one vote. All actions of the Trustees shall be by voice vote, unless a roll call is requested and a majority of all Trustees present shall prevail.

ARTICLE VI - COMMITTEES (CONT'D)

Upon conclusion of the specific items of the Board of Trustees agenda, to include that specified on the agenda of the Pension Committee, the chairman shall call for a motion to end the Board of Trustees meeting. Upon such affirmative vote to end, the employee-elected Trustees shall withdraw and the Board of Directors shall continue its regular business

Section 11:

The Plumbing Conference Committee is established by the Plumbing Code of the City of New Orleans. Matters relating to the Plumbing Code shall be brought before the Plumbing Conference Committee for consideration. This Committee consists of: the General Superintendent, the Supervisor of Plumbing; four members of the Sewerage and Water Board appointed by the President, one licensed master plumber, one licensed journeyman plumber, and one member of any allied plumbing or engineering trade or profession. Except for the first two above, all shall be appointed to two (2) year terms by the President of the Board. Five members constitute a quorum.

Section 12:

Any of the Committees may meet upon regular call of the Chairperson and shall meet upon ruling to that effect by the Board.

Section 13:

All reports of Committees for submission at the regular meeting of the Board shall be in writing and action thereon may be deferred to the subsequent regular meeting of the Board.

ARTICLE VI - COMMITTEES (CONT'D)

Section 14:

Both the President of the Board and the President Pro Tem shall be ex-officio members of each and all committees, both with the right to vote the same as any other member of said committees. Both the President of the Board, and the President Pro Tem, when acting as ex-officio members of a Committee in accordance with the foregoing, shall be true members in every sense and shall be counted towards the establishment of a quorum for the meeting.

Section 15:

Action taken by a Committee of the Board shall be by a majority of those present.

Section 16:

Except in instances where the Board shall declare a matter to be an emergency, all matters to be brought before the Board shall first be considered by a Committee of the Board.

Matters that appear before the Board under its consideration of "New Business" shall be assigned by the President or in his absence the President Pro Tem to the appropriate Committee of the Board.

Section 17:

Whenever there is an absence of a quorum required for a Committee of the Board to meet, the Executive Director shall reschedule the Committee Meeting to the next available date and time at which a quorum can be reasonably anticipated. Absent a quorum, there shall be no meeting of the Committee, however, the members present may, if they so desire, receive information or reports pertaining to matters on the agenda for such meeting.

ARTICLE VI - COMMITTEES (CONT'D)

Section 18:

Items not acted upon by the Committee to which they were originally assigned, due to that Committee not meeting because of a lack of a quorum, may, at the discretion of the President or President Pro Tem be placed temporarily upon the agenda of the Executive Committee. If there is no final action taken on the item by the Board, or if the entire matter addressed thereat is not disposed of, any further action regarding the item shall be considered by the Committee to which the item was originally assigned.

ARTICLE VII - DISBURSEMENTS

Section 1:

All warrants for payment of money administered by the Board of Liquidation, City Debt, for account of the Sewerage and Water Board of New Orleans, shall be drawn as provided in Article XIV of the Constitution of 1921, as amended by Sections 23.1 through 23.12 and 23.28 through 23.43 and all said warrants except those for contracts require two (2) signatures, one of which must be provided by the Executive Director, Deputy Director, or Management Services Director. The second signature must be provided by either the Utility Financial Administrator, Public Utility Comptroller, Public Utility Comptroller Assistant, or by an Accountant designated by resolution of the Board. Said warrants shall be listed on audit sheet(s), setting forth the number of the warrant, date of warrant, and number of appropriation; and said audit sheet or sheets require the same signatory authorization, as stated above.

All checks for transfer of money for clearing accounts (i.e., payroll, voucher, etc.) of the Sewerage and Water Board of New Orleans, shall be drawn on the master accounts of the Board and require two (2) signatures, one of which must be provided by the Executive Director, Deputy Director, or Management Services Director. The second signature must be provided by either the Utility Financial Administrator, Public Utility Comptroller, Public Utility Comptroller Assistant, or by an Accountant designated by resolution of the Board. Said checks shall be listed on audit sheet(s), and said audit sheet or sheets require the same signatory authorization, as stated above.

All checks for payment of construction contracts shall be handled in the same manner, as stated above.

Section 2:

There shall be no disbursement of the monies of this Board without the direct order of resolution of the Board, made and entered of record at a meeting thereof, except as provided in R.S. 33:4084.

ARTICLE VIII - EMPLOYEES

Section 1:

The appointment, suspension and removal of employees shall be in accordance with the provisions of R.S. 33:4076 of Louisiana Revised Statutes. All payment of wage or salaries shall cease on dismissal of employees.

ARTICLE IX - DEPOSITORY

Section 1:

All funds of the Sewerage and Water Board of New Orleans, subject to its control, shall be deposited with any bank or banks located in the City of New Orleans, selected by the Board. Such banks shall furnish acceptable collateral in accordance with applicable law.

ARTICLE X - AMENDMENTS

Section 1:

~~These by-laws may be amended at any regular monthly meeting of the Board by a vote of nineeight (98) members, in favor of same~~Any amendments or changes to these by-laws shall be adopted only after approved by a quorum of the board (R.S. 33:4071E), provided~~ing~~ that notice of the proposed amendment shall be given at a regular monthly meeting preceding final action upon such amendment. The amendment to be filed in writing at this meeting and entered upon the Minutes of the Board; further providing that the Executive Director of the Board shall have filed a copy of the amendment with a notice of the meeting for final action, upon every member of the Board not less than a week prior to said meeting.

ARTICLE XI - ORDER OF BUSINESS

Section 1:

Executive Director shall distribute an agenda for the regular monthly meeting of the Board at least 24 hours in advance of the meeting with an Order of Business. Contained within the Order of Business may be a consent agenda which can be adopted at the Board meeting in globo by voice vote of the majority members present. Only matters receiving a unanimous vote of the members present at a meeting of the Committee before which it has been brought shall be placed upon a consent agenda for consideration by the Board at its regular or special meeting. Should any Board member at the Board meeting object to any item(s) contained in the consent agenda, that item(s) shall be removed, not voted upon as part of the consent agenda and the item(s) placed appropriately in the Order of Business for discussion.

The Board may, by a vote of two-thirds (2/3) of the members present at a meeting, alter the order of business for that meeting.

Section 2:

The General Superintendent's monthly report shall be presented to the Finance Committee for its review and recommendations to the Board for action by the Board at its Regular Monthly Meeting.

ARTICLE XII – PUBLIC COMMENT

Section 1:

In accordance with the provisions of R.S. 42:5(D), the public is invited to attend and give comment on any matter listed on the agenda of a regular or special meeting of the Board or any of its committees. The time and length of such comments shall be determined by the Chair of the meeting.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

DATE: December 27, 2013

FROM: Bobby L. Nathan, EEO/Grievance Manager

TO: Marcia St. Martin, Executive Director

RE: The Equal Employment Opportunity Division
Activity Status Report for December 2013 Y.T.D.

I. Federal Equal Employment Activity

During the month of December 2013, there were no new Federal EEOC charges filed by S&WB employees. Two charges of Discrimination are still being processed by EEOC. One from 2012 of Sexual Harassment and one from 2013 of Race Discrimination.

II. Status of the General Grievance Policy #26, The Equal Employment Opportunity Policy #86 and the Workplace Harassment Policy #87.

There were no new Grievances filed in December. The total grievances filed Y.T.D. is thirty-one (31). Discrimination (6), Harassment (11), Pay (3), Promotion (5), Suspension (1), Termination (1), Work (1), Unfairness (1), Transfer (1), and FMLA (1).

III. Conference/Office Activity

1. Telephone calls:

There were fourteen (14) telephone conferences held with employees, concerning/involving a job related issue in December. Field investigations are used when necessary.

2. Office Visits

Visits were made by appointment or walk-in for the purpose of conference or counseling, employment issues or non-employment issues. There were two (2) such consultations held in office during this period.

IV. Grievance Committee Hearings this period:

There was no Grievance Committee Hearing held.

Bobby L. Nathan
Equal Employment Opportunity Officer