

# **SEWERAGE & WATER BOARD OF NEW ORLEANS**

## **FINANCE COMMITTEE MEETING**

**TUESDAY, APRIL 8, 2014**

**9:00 AM**

### **COMMITTEE MEMBERS**

Mr. Charles F. Webb, Chair • Ms. Kerri Kane • Mr. Wm. Raymond Manning • Ms. Loyce Pierce Wright

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### **FINAL AGENDA**

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#### **ACTION ITEMS**

1. Approval of Previous Report
2. General Superintendent's Recommendations
3. Change Orders
4. Renewal of Government Crime Policy (R-052-2014)
5. Renewal of Property Insurance (R-062-2014)
6. *Item has been moved to the Executive Committee agenda*
7. Amendment No. 3 for Professional Services for Emergency Sewer Assessment Phase II between Sewerage & Water Board of New Orleans and MWH Americas, Inc. (R-053-2014)
8. State of Louisiana, Department of Transportation & Development, Authorization to Advertise Florida Avenue Canal Phase II & III, State Project No. #576-36-0012 (R-048-2014)
9. Ratification of Award of Two Attorneys to represent the Sewerage and Water Board of New Orleans on Automobile Accident Cases (R-063-2014)

#### **INFORMATION ITEMS**

10. Financial Results through February 2014
11. Employee's Retirement System Actuarial Valuation Report
12. Water Contributed for Public Purposes in 2013
13. Change Order Analysis
14. FEMA Project Worksheet Status
15. 2014 Committee/Board Meeting Schedule
16. Any Other Matters
17. Reference Material (**In Binders**)
  - A. Sewerage & Water Board By-Laws
  - B. 2014 Operating & Capital Budget
  - C. Strategic Plan
  - D. Tracking Tool for Commitments to the City Council
  - E. Bond Rating
18. Adjournment



**"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

625 ST. JOSEPH STREET  
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER  
www.swbnola.org

March 11, 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 March 11, 2014 at 9:00 A.M. in the Board Room, 625 St. Joseph Street to consider the following matters.

### **ACTION ITEMS**

#### **Item 1      APPROVAL OF PREVIOUS REPORT**

The report of the Regular Finance Committee Meeting held on Tuesday, February 4, 2013 was received. Upon a motion of Mr. Manning and second by Ms. Kane, the report was approved.

#### **Item 2      GENERAL SUPERINTENDENT'S RECOMMENDATIONS**

##### **R-042-2014 – CONTRACT 8132 – KATRINA RELATED REPAIRS GARAGE NO. 1 AND THE GENERATOR BUILDING AT CENTRAL YARD IN THE CITY OF NEW ORLEANS, LA**

Mr. Becker recommended the second lowest bid of Industrial and Mechanical Contractors, Inc. in the total amount of \$1,204,500.00.

##### **R-043-2014 –FURNISHING JANITORIAL SERVICES AT CENTRAL YARD 2900 PEOPLES AVENUE AND 2901 EADS STREET BUILDINGS AND TRAILER – REQ. NO. Y0130018**

Mr. Becker recommended the second lowest bid of ARC Enterprises in the amount of \$48,841.50.

Upon a motion of Mr. Manning and second by Ms. Kane, the above bids were approved.

#### **EMERGENCY REPAIR**

**R-044-2014 – EMERGENCY BIDS FOR 2014 RENTAL REWINDING  
FREQUENCY CHANGER NO. 1 AT STATION “C”**

Mr. Becker recommended the only bid of Bollinger Quick Repair, L. L. C. in the amount of \$1,300,000.00.

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

**REPORT OF FINAL ACCEPTANCE**

**R-045-2014 – CONTRACT 1337 – SODIUM HYPOCHLORITE BULK  
STORAGE/FEED FACILITY AT THE CWPP**

**R-047-2014 – CONTRACT 8140 – HURRICANE KATRINA RELATED  
REPAIRS AT THE CARROLLTON WATER PLANT AND WATER  
INTAKE #1**

Mr. Becker recommended the above contracts be accepted.

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

**Item 3**

**CHANGE ORDERS**

**R-046-2014 – RATIFICATION OF CHANGE ORDER NO. 4 FOR  
CONTRACT 3661 – MODIFICATIONS TO EAST BANK WASTEWATER  
TREATMENT PLANT FLOOD PROTECTION SYSTEM**

Mr. Becker recommended the ratification of change order #4 for contract 3661 for Modifications to the East Bank Wastewater Treatment Plant Flood Protection System in the amount of \$1,675,147.75. This brings the total change order amount to \$2,196,146.15 or 9.0% of the original bid amount.

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

**Item 4**

**R-050-2014 – AUTHORIZATION TO AMEND CONTRACT WITH  
CHESTER ENGINEERS, INC. FOR PROGRAM MANAGEMENT  
SERVICES FOR HURRICANE RELATED DRAINAGE RESTORATION  
PROJECTS**

Mr. Becker recommended authorization to amend contract with Chester Engineers, Inc. for Program Management Services for hurricane related drainage restoration

projects for the amount of \$1,806,119.

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

**Item 5      R-041-2014 –RATIFICATION FOR EXECUTION OF THIRD  
AMENDMENT TO LEASE REGARDING ALGIERS CUSTOMER  
SERVICE CENTER LOCATION**

Mr. Miller recommended ratification for execution of third amendment to lease regarding the Algiers Customer Service Center location.

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

**Item 6      R-049-2014 –AUTHORIZATION TO ISSUE REQUEST FOR PROPOSAL  
FOR TWO ATTORNEYS TO REPRESENT SEWERAGE AND WATER  
BOARD OF NEW ORLEANS ON AUTOMOBILE ACCIDENT CASES**

Mr. Marchand recommended authorization to issue Request for Proposal for two attorneys to represent the Board on automobile accident cases.

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

**Item 7      R-051-2014 – RATIFICATION OF THE EXECUTION OF AGREEMENT  
WITH AARON & GIANNI PLC TO REPRESENT SEWERAGE AND  
WATER BOARD OF NEW ORLEANS IN CASANDRA JONES v.  
SEWERAGE AND WATER BOARD OF NEW ORLEANS USDC 2:13 cv  
06288**

Mr. Lambert recommended ratification of the execution of agreement with Aaron & Gianna, PLC to represent Sewerage and Water Board of New Orleans in Cassandra Jones v Sewerage and Water Board of New Orleans USDC 2:13-cv-06288.

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

**Item 8      EXECUTIVE SESSION – LITIGATION MATTERS**

It was moved by Mr. Manning and seconded by Ms. Kane to move to Executive Session to discuss matters under litigation. The motion carried and the Committee went into closed session at 9:30 am.

The Committee returned from closed session at 9:55 am. It was motioned by Mr. Manning and seconded by Ms. Kane to move back to regular session. The motion carried.

Regarding the matter of Christina Johnson, et al v. Demetrius Jones, et al, CDC No. 2011-2506, Div. "E", Sec. 7.

Regarding the matter of Pamela Mercadel v. City of New Orleans, et al, CDC No. 2012-3170, Div. "N"

Regarding the matter of Terrill Johnson v. Sewerage & Water Board of New Orleans, et al, CDC No. 2012-1625, Div. "L", Sec. 6

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

#### **INFORMATION ITEMS**

**Item 9      FINANCIAL RESULTS THROUGH JANUARY 2014**

Mr. Miller stated there are no significant or unexpected results in the financial statements for January 2014. He also stated that we are still on track to complete the 2013 Audit as scheduled. He briefly went over the long term financial plan status and stated that it was moving forward as planned. He did a brief overview of the anticipated bond sale with an estimate of when it will be completed.

**Item 10      CHANGE ORDER ANALYSIS**

The committee received the report.

**Item 11      FEMA PROJECT WORKSHEET**

The committee received the report.

**Item 12      COMMITTEE/BOARD MEETING SCHEDULE**

The committee received the report.

**Item 13      ANY OTHER MATTERS**

None

**Item 14      REFERENCE MATERIAL (IN BINDERS)**

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

**Item 15 ADJOURNMENTS**

**ATTENDANCE**

**Present:**

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

**Absent**

Ms. Loyce Wright

Also in attendance were Robert Miller, Interim Executive Director; Joseph Becker, General Superintendent; Madeline Goddard, Deputy Superintendent; Nolan Lambert, Special Counsel; Harold Marchand, Deputy Special Counsel; Ethel Williams, Finance Admin.; Dexter Joseph, Budget Director; Emanuel Lain, Michele Holley, Budget Analyst; Jacqueline Shine, Utility Services Admin.; Alvin Porter, EDB Management Supervisor I; Jason Higginbotham, Utilities Senior Services Mgr.; Kathleen LaFrance, Executive Director Analyst; Carol Rocque, Damon Rocque, Rocque Securities Corp.; Joe Sensebe, Arcadis; Max Nassar, PSI.

Respectfully submitted,

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Mr. Charles F. Webb, CPA, Chair

**FURNISHING AIRBOAT - REQ. NO. WD140016**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that one (1) bid was received on March 13, 2014 after advertising according to the Public Bid Law, for Furnishing this airboat. The bid was hereby accepted and contract awarded therefore to **Mark's Airboat** for the total amount of **\$73,947.00**.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FURNISHING AIR CONDITIONING AND HEATING MAINTENANCE - REQ. NO.  
PM140018**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on March 13, 2014 after advertising according to the Public Bid Law, for performing work under Contract 8132. The second low formal bid was hereby accepted and contract awarded therefore to **XCEL AIR CONDITIONING SERVICES, INC.** for the total amount of **\$61,767.00.**

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS



**FURNISHING FIRE EXTINGUISHERS SERVICE FOR SEWERAGE AND WATER  
BOARD - REQ. NO. YW140004**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that one (1) bid was received on March 20, 2014 after advertising according to the Public Bid Law, for Furnishing Fire Extinguishers Service for Sewerage and Water Board. The bid was hereby accepted and contract awarded therefore to **Hebert S. Miller** for the total amount of **\$50,496.00**.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FURNISHING FLASHLIGHTS & BATTERIES - REQ. NO. YW140005**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on March 13, 2014 after advertising according to the Public Bid Law, for Furnishing Flashlights & Batteries. The low bid was hereby accepted and contract awarded therefore to **General Mill Supplies, Inc.** for the total amount of **\$42,222.40.**

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING SAFETY  
SUPPLIES - REQ. NO. YW130001**

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**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, **Southeast Safety & Supply**, desires to exercise its renewal option as allowed under this contract with the total being **\$142,504.92**, for Furnishing Safety Supplies.

**NOW, THEREFORE, BE IT RESOLVED** that the request of **Southeast Safety & Supply**, for this first and only renewal, effective **April 1, 2014**, is hereby approved.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING HOSES AND ACCESSORIES - REQ. NO. YW130004**

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**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, **Atlas Hose & Gasket, Co.**, desires to exercise its renewal option as allowed under this contract with the total being **\$172,960.38**, for Furnishing Hoses and Accessories.

**NOW, THEREFORE, BE IT RESOLVED** that the request of **Atlas Hose & Gasket, Co.**, for this first and only renewal, effective **April 1, 2014**, is hereby approved.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING HAND TOOLS,  
HARDWARE SUPPLIES, PAINT & PAINT SUPPLIES - REQ. NO. YW130003**

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**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, **Assorted Products, LLC**, desires to exercise its renewal option as allowed under this contract with the total being **\$362,479.75**, for Furnishing Hand Tools, Hardware Supplies, Paint & Paint Supplies.

**NOW, THEREFORE, BE IT RESOLVED** that the request of **Assorted Products, LLC**, for this first and only renewal, effective **April 1, 2014**, is hereby approved.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**SECOND OF THREE ONE-YEAR RENEWALS OF CONTRACT 8138 FOR  
FURNISHING SKILLED AND UNSKILLED LABOR FOR MAINTENANCE SERVICES**

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**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, **Gee Cee Company of LA Inc.**, desires to exercise its renewal option as allowed under this contract with the total being **\$2,428,498.00**, for Furnishing Skilled and Unskilled Labor for Maintenance Services.

**NOW, THEREFORE, BE IT RESOLVED** that the request of **Gee Cee company of LA Inc.**, for this second renewal, effective **April 1, 2014**, is hereby approved.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**FINAL ACCEPTANCE AND CLOSE OUT TO CONTRACT 8126 - RE-PAVING OPEN CUTS IN STREETS, DRIVEWAYS, SIDEWALKS RESULTING FROM THE REPAIR TO THE SEWERAGE AND WATER BOARD OF NEW ORLEANS UNDERGROUND UTILITIES**

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**WHEREAS, Contract 8126** 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 Company, Inc.** for **CONTRACT 8126,** is hereby approved.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**RATIFICATION OF CHANGE ORDER NO. 005 FOR CONTRACT ME 11-0017 -  
EMERGENCY REPAIRS TO PANOLA STREET STATION AT MAIN WATER  
PURIFICATION PLANT – POWER COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract ME 11-0017 with Lou-Con, Inc. for FEMA funded repairs to Panola Street Station at the Main Water Purification Plan – Power Complex and

**WHEREAS**, 110 additional Contract days will be granted to the Contractor as detailed in Change Order #005 to complete the work and

**WHEREAS**, this Change Order, in the amount of \$0.00, brings the accumulated Contract change order total to \$1,253,699.67, or 171.4% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 005 for Contract ME 11-0017 is ratified by the Sewerage and Water Board of New Orleans.

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I, Robert K. Miller, Interim 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 April 16, 2014.

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ROBERT K. MILLER, INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS





# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 11, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert K. Miller, Interim Executive Director

**Re:** Contract ME 11-0017 – Hurricane Katrina Related Emergency Repair of the Panola St. Pump Station

Enclosed please find a recommendation for approval of Change Order No. 5 for the above captioned contract.

This change order encompasses the following work: 110 Additional Contract days, no cost.

- *Start up and commissioning of the pump involved verification of electrical services. The delivery of S&WB supplied equipment (25 Hz rheostat) was delayed. The equipment was supplied to the Contractor the week of February 17th 2014. Phasing issues on the S&WB supplied equipment will require further verification to insure that there will be no damage to the equipment. This will result in the need for additional Contract time to complete the work.*

The total cost of this change order is \$0.00.

The required DBE participation goal on this contract is 26% percent and will remain unchanged through this approved change order. Previous change orders to this contract totaled \$1,253,699.67. This Change Order brings the cumulative total of Change Orders to \$1,253,699.67, which is 171.4% of the original bid amount of the Contract.

I would appreciate you forwarding this change order to the attention of the appropriate committees of the Board for their consideration and approval.

Joseph Becker, P.E.  
General Superintendent

**Cc:** Madeline Goddard, Deputy General Superintendent  
M. Ron Spooner, Chief of Engineering  
Reid Dennis, FEMA Program Manager Supervisor  
Alvin Porter, Acting EDB Director  
Roy Thomas, CH2M HILL  
Jason Higginbotham, Director of Emergency Management



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 11, 2014

**From:** M. Ron Spooner, P.E.  
Chief of Engineering

**To:** Joseph Becker, P.E.  
General Superintendent

**Re:** EMERGENCY REPAIRS TO PANOLA STREET STATION AT MAIN WATER PURIFICATION PLANT – POWER COMPLEX

CHANGE ORDER NO. 5

Enclosed please find a recommendation for approval of Change Order No. 6 for the above captioned contract.

This change order encompasses the following work: 110 Additional Contract Days, no cost.

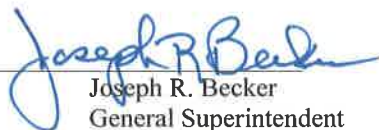
- *Start up and commissioning of the pump involved verification of electrical services. The delivery of S&WB supplied equipment (25 Hz rheostat) was delayed. The equipment was supplied to the Contractor the week of February 17th 2014. Phasing issues on the S&WB supplied equipment will require further verification to insure that there will be no damage to the equipment. This will result in the need for additional Contract time to complete the work.*

This results in a net increase in cost in the amount of \$0.00

Original Contract Bid Price:	\$731,500.0
DBE Participation:	0%
Previous Change Orders Approved:	\$1,253,699.67
This Change Order Amount:	\$0.00
Total Cumulative Change Order % of Original Contract:	171.4%
Total Cumulative Dollar Change Order Amount:	\$1,253,699.67

The Engineering Department has reviewed this proposal and is recommending it for approval.

I concur:

  
Joseph R. Becker  
General Superintendent

Date:



Cc:

Jason P Higginbotham, EMS Director  
Ethel Williams, Finance Director  
Bob Moeinian, Chief of Operations  
Alvin Porter, Acting EDB Director  
Hunter Hyche, Construction Mgr, CH2M HILL  
M. Ron Spooner, Chief of Engineering

Reid Dennis, FEMA Program Management Supervisor  
Madeline Goddard, Deputy General Superintendent  
Roy Thomas, Program Manager, CH2M HILL  
Dexter Joseph, Budget Director  
Nolan Lambert, Special Counsel

**SCOPE OF CHANGES  
WATER PROGRAM  
CONTRACT ME 11-0017  
(Change Order NO. 5)**

**ADDITIONAL ITEMS TO BE ADDED TO CONTRACT**

Item #	FCO#	Detailed Description	Units	Unit Price	Quantity	Amount	Days	Comments
1	5	110 Additional Contract Days	1	\$0.00	1	\$0.00	110	N/A

Contract DBE%	N/A
Current DBE%	N/A

Original \$	731,500.00
Amount of previous Change Orders \$	1,253,699.67
Amount this Change Order \$	50.00
Change Orders to date \$	1,253,699.67
<b>REVISED CONTRACT AMOUNT</b>	<b>\$ 1,985,199.67</b>

BASE	
Original Contract Days	120
Days Previously Added	590
Days this Change Order	110
Days Added to date	700
<b>REVISED CONTRACT DAYS</b>	<b>820</b>

**% OF ORIGINAL CONTRACT  
AMOUNT**

This Change Order	0.00%
Previous Change Order	171.39%
<b>TOTAL TO DATE</b>	<b>171.39%</b>

Work Order Date 1/17/2012

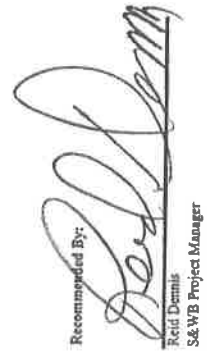
It is mutually agreed to perform and accept the above revisions in accordance with the original contract and applicable specifications for the above price.

Proposed By:

  
Loe-Con, Inc.  
Contractor Representative

Approved By:

  
W. Ron Spooner  
Chief of Engineering

Recommended By:   
Reid Dennis  
S&WB Project Manager

3/14/14  
Date

3/12/14  
Date

9/17/14  
Date

**RATIFICATION OF CHANGE ORDER NO. 5 FOR CONTRACT 1351 -  
HURRICANE RELATED REPAIRS TO A & B PUMPS AND AUXILIARIES AT  
THE MAIN WATER PURIFICATION PLANT POWER COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract 1351 with Lou-Con, Inc. for FEMA funded repairs to Board water distribution system service pumps in the bid amount of \$13,594,000.00, and

**WHEREAS**, the Contractor completed the wiring and programming of the Turbine #1 Governor at the request of S&WB staff. These costs will not be eligible for FEMA reimbursement, and

**WHEREAS**, the Contractor will be granted thirty six (36) additional Contract days to complete this work and

**WHEREAS**, this Change Order, in the amount of \$31,472.70, brings the accumulated Contract change order total to -\$410,123.04, or -3.0 percent of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 5 for Contract 1351 is ratified by the Sewerage and Water Board of New Orleans.

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I, Robert K. Miller, Interim 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 April 16, 2014.

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Robert K. Miller, Interim Executive Director  
SEWERAGE AND WATER BOARD OF NEW ORLEANS



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** February 26, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert K. Miller, Interim Executive Director

**Re:** Contract 1351 – Hurricane Katrina Related Repairs to A&B Pumps and Auxiliaries at the Carrollton Water Purification Plant – Power Complex

Enclosed please find a recommendation for approval of Change Order No. 5 for the above captioned contract.

This change order encompasses the following work:

- *On the turbine 1 generator, the Contractor landed the wires for expansion I/O in each of the cabinets, programmed the IFM expansion I/O sensors and commissioned the turbine controls. Wires were run for the condensate pumps. There were also two extra sensors added (hot well and lube oil temperature).*

The total cost of this change order is \$31,472.70. This cost is not eligible for FEMA reimbursement.

The required DBE participation goal on this contract is 6.4% percent and will remain unchanged through this approved change order. Previous change orders to this contract totaled -\$441,595.74. This Change Order brings the cumulative total of Change Orders to -\$410,123.04, which is -3.0% of the original bid amount of the Contract.

I would appreciate you forwarding this change order to the attention of the appropriate committees of the Board for their consideration and approval.

Joseph Becker, P.E.  
General Superintendent

**Cc:** Madeline Goddard, Deputy General Superintendent  
M. Ron Spooner, Chief of Engineering  
Reid Dennis, FEMA Program Manager Supervisor  
Alvin Porter, Acting EDB Director  
Roy Thomas, CH2M HILL  
Jason Higginbotham, Director of Emergency Management



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** February 26, 2014

**From:** M. Ron Spooner, P.E.  
Chief of Engineering

**To:** Joseph Becker, P.E.  
General Superintendent

**Re:** Contract 1351 – Hurricane Katrina Related Repairs to A&B Pumps and Auxiliaries at the Carrollton Water Purification Plant – Power Complex

Enclosed please find a recommendation for approval of Change Order No. 5 for the above captioned contract.

This change order encompasses the following work:

- *The Contractor landed the wires for expansion I/O in each of the cabinets, programmed the IFM expansion I/O sensors and commissioned the turbine controls. Wires were run for the condensate pumps. There were also two extra sensors added (hot well and lube oil temperature).*


This cost is not eligible for FEMA reimbursement.

This results in a net increase in cost in the amount of \$31,472.70.

Original Contract Bid Price:	\$2,721,890.00
DBE Participation:	6.4%
Previous Change Orders Approved:	-\$441,595.74
This Change Order Amount:	\$31,472.70
Total Cumulative Change Order % of Original Contract:	-3.0%
Total Cumulative Dollar Change Order Amount:	-\$410,123.04

The Engineering Department has reviewed this proposal and is recommending it for approval.

I concur:

  
Joseph R. Becker  
General Superintendent

Date:

March 30, 2014

Cc:

Jason P Higginbotham, EMS Director  
Ethel Williams, Finance Director  
Bob Moeinian, Chief of Operations  
Alvin Porter, Acting EDB Director  
Hunter Hyche, Construction Mgr, CH2M HILL  
M. Ron Spooner, Chief of Engineering

Reid Dennis, FEMA Program Management Supervisor  
Madeline Goddard, Deputy General Superintendent  
Roy Thomas, Program Manager, CH2M HILL  
Dexter Joseph, Budget Director  
Nolan Lambert, Special Counsel

**SCOPE OF CHANGES  
WATER PROGRAM  
CONTRACT 1351  
(Change Order NO. 5)**

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item #	FCO#	Detailed Description	Units	Unit Price	Quantity	Amount	Days	Comments
1	7	Wiring and Programming of WOODWARD 505 CONTROL SYSTEM FOR DELAVAL #1 STEAM TURBINE UNIT NUMBER PBA 100A	1	\$31,472.70	1	\$31,472.70	36	Not Eligible for FEMA Reimbursement

Contract DBE%	6.4%
Current DBE%	6.4%

Original	\$	13,594,000.00
Amount of previous Change Orders	\$	(441,586.74)
Amount this Change Order	\$	31,472.70
Change Orders to date	\$	(410,114.04)

410,123.04

**REVISED CONTRACT AMOUNT \$ 13,183,885.96**

Original Contract Days	308
Days Previously Added	631
Days this Change Order	36
Days Added to date	667
<b>REVISED CONTRACT DAYS</b>	<b>975</b>

**% OF ORIGINAL CONTRACT AMOUNT**

This Change Order	0.2%
Previous Change Order	-3.2%
<b>TOTAL TO DATE</b>	<b>-3.0%</b>

Work Order Date 9/19/2011

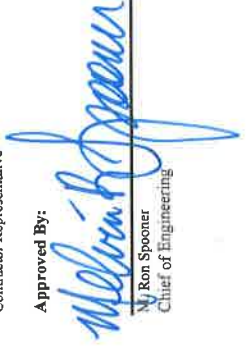
It is mutually agreed to perform and accept the above revisions in accordance with the original contract and applicable specifications for the above price

Proposed By:

  
Lou-Con, Inc.  
Contractor Representative

2.26.14  
Date

Approved By:

  
Ron Spooner  
Chief of Engineering

9/7/14  
Date

Recommended By:

  
Reid Dennis  
S&WB Project Manager

7/6/14  
Date

**RATIFICATION OF CHANGE ORDER NO. 6 FOR CONTRACT 1353 -  
HURRICANE RELATED REPLACEMENT OF THE BOILER PRE HEATERS  
AT THE CARROLLTON WATER PURIFICATION PLANT – POWER  
COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract 1353 with Alfred Conhagen Inc. of Louisiana, for the FEMA funded Replacement of the Boiler Pre Heaters at the Carrollton Water Purification Plant and Power Complex

**WHEREAS**, an additional seventy seven (77) Contract days will be granted to the Contractor to complete work and

**WHEREAS**, this Change Order, in the amount of \$0 brings the accumulated Contract change order total to \$440,605.26 or 16% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 6 for Contract 1353 is ratified by the Sewerage and Water Board of New Orleans.

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I, Robert K. Miller, Interim 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 April 16, 2014.

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ROBERT K. MILLER, INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS





# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 11, 2014  
**From:** Joseph Becker, P.E.  
General Superintendent  
**To:** Robert K. Miller  
Interim Executive Director  
**Re:** Hurricane Katrina Replacement of the Boiler Pre Heaters at the Carrollton Water Purification Plant – Power Complex,  
Contract 1353 – Change Order #6

### CHANGE ORDER NO. 6

Enclosed please find a recommendation from M. Ron Spooner, Chief of Engineering for approval of Change Order No. 6 for the above Contract.

This additional work represents the following work at the Carrollton Water Purification Plant site as detailed below:


- *This Change Order represents seventy seven (77) additional Contract days and no cost.*

### Description of Change Order:

The Contractor (Alfred Conhagen, Inc.) has requested seventy seven (77) additional Contract days to complete the work due to site delays caused by others that impeded their re-mobilization.

The required DBE participation goal on this contract is 6% percent and will remain unchanged through this approved change order. Previous change orders to this contract totaled \$440,605.26. This Change Order is at a cost of \$0.00 and brings the cumulative total of Change Orders to \$440,605.26, which is 16% of the original bid amount of the Contract.

I would appreciate you forwarding this change order to the attention of the appropriate committees of the Board for their consideration and approval.

  
Joseph Becker, P.E.  
General Superintendent

**Cc:** Madeline Goddard, Deputy General Superintendent  
Jack Huerkamp, Chief of Engineering  
Jason Higginbotham, Director of Emergency Management  
Reid Dennis, FEMA Program Manager Supervisor

Ron Spooner, Network Department Mgr.  
Alvin Porter, Acting EDB Director  
Roy Thomas, CH2M HILL



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 11, 2014  
**From:** M. Ron Spooner, P.E. *MR*  
Chief of Engineering  
**To:** Joseph Becker, P.E.  
General Superintendent  
**Re:** Hurricane Katrina Replacement of the Boiler Pre Heaters at the Carrollton Water Purification Plant – Power Complex,  
Contract 1353 – Change Order #6

### CHANGE ORDER NO. 6

#### Description of Change Order:

- Seventy Seven (77) Additional Contract Days - \$0.00

This Change represents the following:

The Contractor (Alfred Conhagen, Inc.) has requested seventy seven (77) additional contract days to complete the work due to site remobilization delays caused by others.

There is no cost associated to this change. Please see the attached scope of changes form.

Original Contract Bid Price:	\$2,757,426.00
DBE Participation:	6%
Previous Change Orders Approved:	\$440,605.26
This Change Order Amount:	\$0.00
Total Cumulative Change Order % of Original Contract:	16%
Total Cumulative Dollar Change Order Amount:	\$ 440,605.26

The Engineering Department has reviewed this proposal and is recommending it for approval.

I concur:

*Joseph R. Becker*  
Joseph R. Becker  
General Superintendent

Date:

*March 30, 2014*

Cc:

Jason P Higginbotham, EMS Director

Ethel Williams, Finance Director

Bob Moeinian, Chief of Operations

Alvin Porter, Acting EDB Director

Hunter Hyche, Construction Mgr., CH2M HILL

M. Ron Spooner, Chief of Engineering

Reid Dennis, FEMA Program Management Supervisor

Madeline Goddard, Deputy General Superintendent

Roy Thomas, Program Manager, CH2M HILL

Dexter Joseph, Budget Director

Nolan Lambert, Special Counsel

**SCOPE OF CHANGES  
WATER PROGRAM  
CONTRACT 1353  
(Change Order NO. 6)**

3/11/2014

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item #	FCO#	Detailed Description	Units	Unit Price	Quantity	Amount	Days	Comments
1	6	Additional days due to delays on project site caused by others.	1	\$ -	1	\$0.00	77	N/A

Total \$0.00

Contract DBE%	6.0%
Current DBE%	6.0%

Original	\$ 2,757,426.00
Amount of previous Change Orders	\$ 440,605.26
Amount this Change Order	\$0.00
Change Orders to date	\$ 440,605.26

BASE	
Original Contract Days	370
Days Previously Added	410
Days this Change Order	77
Days Added to date	487

**REVISED CONTRACT AMOUNT \$ 3,198,031.26**

**REVISED CONTRACT DAYS 857**

**% OF ORIGINAL CONTRACT  
AMOUNT**

This Change Order	0.0%
Previous Change Order	16.0%
<b>TOTAL TO DATE</b>	<b>16.0%</b>

Work Order Date 1/24/2012

It is mutually agreed to perform and accept the above revisions in accordance with the original contract and applicable specifications for the above price.

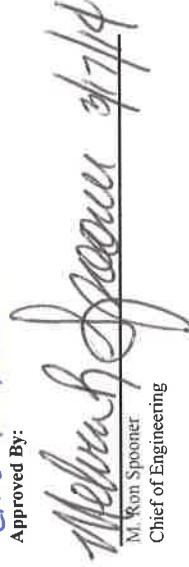
**Proposed By:**

  
Alfred C. Conhagen of Louisiana, Inc.  
Contractor Representative

  
Eric H. Henderson  
Approved By:

**Recommended By:**  
  
Reid Dennis  
S&WB Project Manager

3/14/14  
Date

  
M. Ron Spooner  
Chief of Engineering

3/12/14  
Date

\_\_\_\_\_  
Date

**RATIFICATION OF CHANGE ORDER NO. 005 FOR CONTRACT 8139 -  
HURRICANE KATRINA RELATED REPLACEMENT OF THE CENTRAL  
YARD ANNEX BUILDING**

**WHEREAS**, the Sewerage and Water Board entered into Contract 8139 with W.L. Wyman Construction Company, Inc., in the amount of \$1,035,164.00 for FEMA funded Replacement of the Central Yard Annex Building which was damaged during Hurricane Katrina

**WHEREAS**, the Contractor will be granted an additional 300 Contract days to complete the work and,

**WHEREAS**, this Change Order has no monetary value and leaves the accumulated Contract change order total at \$69,679.34, or 6.7% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 005 for Contract 8139 is ratified by the Sewerage and Water Board of New Orleans.

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I, Robert K. Miller, Interim 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 April 16, 2014.

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ROBERT K. MILLER, INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 11, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert K. Miller  
Interim Executive Director

**Re:** Contract 8139 – Hurricane Katrina Related Replacement of the Central Yard Annex Building  
CHANGE ORDER NO. 005

Description of Change Order: 300 Additional Contract days, no cost.

These additional days requested are related to the Sewerage & Water Board's Central Yard Annex Building as detailed below:


The Contractor has requested an additional 300 Contract days which represent the following delays:

1. 120 days for the time between work order and building permit issuance by the City.
2. 150 days for the time starting September 17, 2013 when alternate power installation halted and until new electrical permit was issued by the City.
3. 30 days to re-mobilize subcontractors.

This change order is in the amount of \$0.00.

The required DBE participation goal on this contract is 36% percent and will remain unchanged through this approved change order. Previous change orders to this contract totaled \$69,679.34. This Change Order does not impact the cumulative total of Change Orders which remains at \$69,679.34, or 6.7% of the original bid amount of the Contract.

I would appreciate you forwarding this change order to the attention of the appropriate committees of the Board for their consideration and approval.

  
Joseph Becker, P.E.  
General Superintendent

**Cc:** Madeline Goddard, Deputy General Superintendent  
Ron Spooner, Network Department Mgr.  
Jack Huerkamp, Chief of Engineering  
Alvin Porter, Acting EDB Director  
Jason Higginbotham, Director of Emergency Management  
Roy Thomas, CH2M HILL  
Reid Dennis, FEMA Program Manager Supervisor



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 11, 2014

**From:** M. Ron Spooner, P.E.  
Chief of Engineering

**To:** Joseph Becker, P.E.  
General Superintendent

**Re:** Contract 8139 – Hurricane Katrina Related Replacement of the Central Yard Annex Building

CHANGE ORDER NO. 005

Description of Change Order: 300 Additional Contract days.

These additional days represent the following delays at the Sewerage & Water Board's Central Yard Annex Building as detailed below:

- 120 days for the time between work order and building permit issuance by the City.
- 150 days for the time starting September 17, 2013 when alternate power installation halted and until new electrical permit was issued by the City.
- 30 days to re-mobilize subcontractors.

Please see the attached scope of changes form.

Original Contract Bid Price:	\$1,035,164.00
DBE Participation:	36%
Previous Change Orders Approved:	\$69,679.34
This Change Order Amount:	\$0.00
Total Cumulative Change Order % of Original Contract:	6.7%
Total Cumulative Dollar Change Order Amount:	\$69,679.34

The Engineering Department has reviewed this proposal and is recommending it for approval.

I concur:

Joseph R. Becker  
General Superintendent

Date:

Cc:

Jason P Higginbotham, Director of EMS  
Jack Huerkamp, Chief of Eng.  
Ethel Williams, Finance  
Bob Moeinian, Chief of Operations  
Alvin Porter, EDB Director  
Brian Ferrara, Special Counsel

Reid Dennis, FEMA PgM Mgmt Supervisor  
Madeline Goddard, Deputy General Superintendent  
Dexter Joseph, Budget  
Roy Thomas, Program Mgr. CH2M HILL  
Kristi Sanford, ECM  
Joseph R. Becker, General Superintendent

**SCOPE OF CHANGES  
WATER PROGRAM  
CONTRACT 8139  
(Change Order NO. 5)**

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item #	FCO#	Detailed Description	Units	Unit Price	Quantity	Amount	Days	Comments
1	6	300 Additional Contract days, no cost.	1	\$	1	\$0.00	300	

Contract DBE%	36.0%
Current DBE%	36.0%

Original	\$	1,035,164.00
Amount of previous Change Orders	\$	69,679.34
Amount this Change Order	\$	-
Change Orders to date	\$	69,679.34

**REVISED CONTRACT AMOUNT \$ 1,104,843.34**

Original Contract Days	180
Days Previously Added	239
Days this Change Order	300
Days Added to date	539

**REVISED CONTRACT DAYS 719**

**% OF ORIGINAL CONTRACT  
AMOUNT**

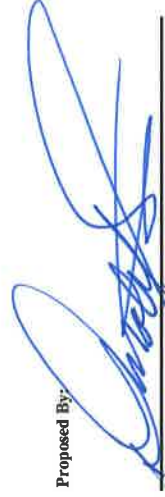
This Change Order	0.0%
Previous Change Order	6.7%
<b>TOTAL TO DATE</b>	<b>6.7%</b>

Work Order Date 6/12/2012

It is mutually agreed to perform and accept the above revisions in accordance with the original contract and applicable specifications for the above price.

Recommended By:   
Reid Dennis  
S&WB Project Manager

3/14/14  
Date

Proposed By:   
W.L. Wyman Construction Company, Inc.  
Contractor Representative

3/12/14  
Date

Approved By:   
Ronald Spencer  
Chief of Engineering

3/17/14  
Date

**RATIFICATION OF CHANGE ORDER NO. 5 FOR CONTRACT 3661 –  
MODIFICATIONS TO EAST BANK WASTEWATER TREATMENT PLANT FLOOD  
PROTECTION SYSTEM**

**WHEREAS**, the Sewerage and Water Board entered into Contract 3661 with Cajun Constructors, Inc. for FEMA funded Modifications to the East Bank Wastewater Treatment Plant Flood Protection System in the bid amount of \$24,391,466.00, and

**WHEREAS**, in the course of these modifications, the design engineer directed the contractor to drive additional concrete piles at monoliths 116-118, 120, 123, 124, 126, 127, 129, 146, 202-204, & 232. The contractor was instructed to install forms, rebar and concrete around the additional piles, at an additional cost of \$147,323.00. This cost will be eligible for FEMA reimbursement, and

**WHEREAS**, in the course of these modifications, the contractor was instructed to perform a CCTV inspection of both the 54 inch and 66 inch SFM's at monolith 120. This work will require an additional 60 days being added to the contract, for a total of 283 days added. The revised contract completion date is June 8, 2014. During the installation of concrete piles at monolith 120, the 66" SFM started leaking at the levee, both lines will be de-watered, flushed, cleaned and perform the CCTV inspection to determine the repairs required, at an additional cost of \$358,609.00. This cost will be eligible for FEMA reimbursement, and

**WHEREAS**, the Sewerage and Water Board has previously approved Change Orders for this Contract in the amount of \$2,196,146.15. This Change Order, in the amount of \$505,392.00, brings the accumulated total to \$2,702,078.15, which is 11.1% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 5 for Contract 3661 be ratified by the Sewerage and Water Board

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I, Robert Miller, Interim 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 April 16, 2014

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ROBERT MILLER, INTERIM  
EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS





# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 25, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert Miller  
Interim Executive Director

**Re:** Contract Number 3661 – Modification to East Bank Wastewater Treatment Plant Flood Protection System

Enclosed please find a recommendation from Ron Spooner, Chief of Engineering for approval of Change Order No. 5 for the above Contract. This Change Order is in the amount of \$505,932.00 and funds for this Change Order will be eligible for reimbursement through FEMA.

This additional work entails the installation of forms, rebar and concrete around the additional piles installed at monoliths 116-118, 120, 123, 124, 126, 127, 129, 146, 202-204, & 232. Perform a CCTV inspection of both the 54 inch and 66 inch SFM's at monolith 120. This work will require an additional 60 days being added to the contract, for a total of 283 days added. The revised contract completion date is June 8, 2014. The required DBE participation on the Contract is 35% and the Contractor is forecasted to meet a 37.5% DBE participation.

The previous change orders for this contract were in the amount of \$2,196,146.15. This change order brings the accumulated total to \$2,702,078.15 which is 11.1% above the original bid amount of Contract.

I would appreciate you forwarding this to the attention of the appropriate committees of the Board for their consideration and approval.

Joseph Becker, P.E.  
General Superintendent

**Cc:** Madeline Goddard, Deputy General Superintendent  
Ron Spooner, Chief of Engineering  
Reid Dennis, FEMA Program Management Supervisor  
Alvin Porter, EDB Director  
Jason Higginbotham, Director of Emergency Management  
Anita Simmons  
Brian Schick, BKI



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 25, 2014

**From:** Ron Spooner, P.E.  
Chief of Engineering

**To:** Joseph Becker, P.E.  
General Superintendent

**Re:** Contract Number 3661 – Modification to East Bank Wastewater Treatment Plant Flood Protection System


### CHANGE ORDER NO. 5

Install forms, rebar and concrete around the additional piles installed at monoliths 116-118, 120, 123, 124, 126, 127, 129, 146, 202-204, & 232. Perform a CCTV inspection of both the 54 inch and 66 inch SFM's at monolith 120. This work will require an additional 60 days being added to the contract, for a total of 283 days added. The revised contract completion date is June 8, 2014.

Original Contract Bid Price:	\$24,391,466.00
Contract DBE Participation	35%
Current DBE Participation	37.5%
Previous Change Orders Approved: 4	\$2,196,146.15
This Change Order Amount:	\$505,932.00
Total Change Orders (% of Original Contract)	11.1%
Total Dollar Change Order Amount:	\$2,702,078.15

The Engineering Department has reviewed this proposal and is recommending it for approval.

I concur:

  
Joseph R. Becker  
General Superintendent

Date:



**Cc:** Reid Dennis, FEMA Program Management Supervisor  
Ron Spooner, Chief of Engineering  
Bob Moeinian, Chief of Operations  
Madeline Goddard, Deputy General Superintendent  
Alvin Porter, EDB Director  
Jason Higginbotham, Director of Emergency Management  
Nolan Lambert, Special Counsel  
Dexter Joseph, Budget  
Ethel Williams, Finance  
Brian Schick, BKI

**SCOPE OF CHANGES**  
**Contract 3661**  
**(Change Order NO. 5)**

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item #	PCM #	Detailed Description	Units	Unit Price	Quantity	Amount	days	Comments
1	30	Install additional concrete, rebar and formwork where additional piles were installed per the D.E.	1	\$ 147,323.00	1	\$ 147,323.00	0	Pending FEMA Review
2	31	Perform CCTV Inspection to determine repairs of both 54" & 66" SFM's	1	\$ 358,609.00	1	\$ 358,609.00	60	Pending FEMA Review

**CONTRACT DAYS**  
**(BASE)**

Contract DBE%	35%
Current DBE%	37.5%

Original	\$ 24,391,466.00
Amount of previous Change Orders	\$ 2,196,146.15
Amount this Change Order	\$ 505,932.00
Change Orders to date	\$ 2,702,078.15

Original Contract Days	520
Days Previously Added	223
Days this Change Order	60
Days Added to date	283

**REVISED CONTRACT DAYS**

**REVISED CONTRACT AMOUNT \$ 27,093,544.15**

**803**

**% OF ORIGINAL CONTRACT**  
**AMOUNT**

This Change Order	2.1%
Previous Change Order	9.0%
<b>TOTAL TO DATE</b>	<b>11.1%</b>

Work Order Date	3/27/2012
CD Date	N/A
<b>FLOAT</b>	<b>N/A</b>

**FINAL COMPLETION DATE**

BERM	8/29/2013
Original	6/8/2014
Revised Date w/ added days	6/1/2014
Forecasted Completion Milestone	

It is mutually agreed to perform and accept the above revisions in accordance with the original contract and applicable specifications for the above price.

**Proposed By:**

**Recommended By:**

Reid Dennis  
S&WB Project Manager

James Smith  
Contractor Representative

Cajun Constructors, Inc.

Approved By:

Ron Spooner  
Chief of Engineering

Date

Date

**RENEWAL OF GOVERNMENT CRIME POLICY**

WHEREAS, the Governmental Crime Insurance policy of the Sewerage and Water Board of New Orleans expires on May 1, 2014; 12:01 A.M.; and

WHEREAS, staff recommends a one- year renewal with the existing insurance carrier, Zurich/Fidelity & Deposit, for an annual premium of \$6335.00 with coverage and limits as follows: Employee Theft at \$1,000,000 per occurrence and \$5,000.00 deductible; Theft of Money & Securities – Inside and Outside The Premises at \$25,000.00 each occurrence with a deductible of \$500.00; Forgery & Alteration/Computer Fraud/Funds Transfer Fraud and Money Orders & Counterfeit Paper each at \$500,000 limit per occurrence and each with a \$5,000 deductible.

NOW THEREFORE, BE IT RESOLVED that the Board authorizes the Executive Director of the Sewerage and Water Board of New Orleans to renew said insurance with Zurich/Fidelity & Deposit for the annual premium of \$6,335.00 and the policy term May 1, 2014 to May 1, 2015.

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I, Robert Miller, Interim 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 said Board, duly called  
and held, according to law on April 16, 2014.

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ROBERT MILLER  
INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**The Sewerage Water Board of New Orleans  
Government Crime Policy Renewal \***

Zurich / Fidelity & Deposit A+ (Superior) Term: 5/1/2014 to 5/1/2017		Recommendation Current Plan		Option 1 Zurich/Fidelity & Deposit		Option 2 Zurich/Fidelity & Deposit	
Insuring Agreements	Limit of Insurance per occurrence	Deductible Amount per occurrence	Limit of Insurance per occurrence	Deductible Amount per occurrence	Limit of Insurance per occurrence	Deductible Amount per occurrence	
Employee Theft - Per Loss Coverage	\$1,000,000	\$5,000	\$2,000,000	\$10,000	\$5,000,000	\$25,000	
Forgery Or Alteration	\$500,000	\$5,000	\$1,000,000	\$5,000	\$2,000,000	\$10,000	
Inside The Premises - Theft of Money and Securities	\$25,000	\$500	\$50,000	\$500	\$50,000	\$500	
Outside The Premises	\$25,000	\$500	\$50,000	\$500	\$50,000	\$500	
Computer Fraud	\$500,000	\$5,000	\$1,000,000	\$5,000	\$2,000,000	\$10,000	
Funds Transfer Fraud	\$500,000	\$5,000	\$1,000,000	\$5,000	\$2,000,000	\$10,000	
Money Orders And Counterfeit Paper Currency	\$500,000	\$5,000	\$1,000,000	\$5,000	\$2,000,000	\$10,000	
Annual Premium	\$6,335		\$7,583		\$9,909		

\* Our "market shopping" led to insurers that were either non-responsive or non-competitive including Travelers, a premier insurer who currently insures our Auto Fleet Liability.

Prepared by: The Kennedy Financial Group



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 27, 2014

**From:** Steven P. Klepeis  
Risk Manager

**To:** Robert Miller  
Interim Executive Director

**Re:** SWB Property Insurance Recommendation

The Sewerage and Water Board utilizes property insurance to protect property from a range of perils including, but not limited to, Named Wind Storms and Terrorism Risk. Last year, five quotes from Swiss Re, ACE Westchester, RSUI, Torus and One Beacon were combined to provide \$100 million in total insured value for a premium of \$769,487. This included a \$15 million deductible for Named Wind Storms.

In an effort to renew property insurance, the SWB staff obtained a range of quotations. At this time, staff is recommending a combination of quotations from Swiss Re, ACE Westchester, RSUI, One Beacon and Hiscox Terrorism. This proposal:

1. Reduces the Named Wind Storm minimum deductible from \$15 million to \$10 million
2. Matches our current policy for a \$1 million minimum deductible for All Other Perils
3. Includes a Terrorism Policy in lieu of the previous, more costly, terrorism endorsements
4. Provides "extra expense" coverage for additional costs associated with operations during a post-disaster "Period of Restoration" for a period of up to 30 days, and
5. Provides the same \$100 million limit in insurance coverage and reduces the premium from \$768,487 to \$747,105.

It is the recommendation of staff that the selected proposal be approved by the Sewerage and Water Board.

cc: Becker, Goddard, J Higginbotham

**PROPERTY INSURANCE RENEWAL FOR 2014-2015**

**WHEREAS**, the Sewerage and Water Board of New Orleans ("Board") desires to maintain its "All Risks" commercial property insurance to protect its properties, with reasonable limits which are also in compliance with FEMA's requirements; and

**WHEREAS**, ongoing cooperation with FEMA has established the properties in our insured property schedule for the period 2013-2014, which remain unchanged; and

**WHEREAS**, the Board previously paid a premium of \$769,487 to insure its property with a \$100 Million total insured value, and the Board's broker, The Kennedy Financial Group, has now obtained an insurance renewal quotation for an annual premium of \$747,105, which is a reduction in annual premium of \$22,382.00 from the 2013-14 total premium, also with a reduction in the named windstorm deductible from \$15 Million to \$10 Million, and with the same total insured value; and

**WHEREAS**, the quotation includes "Extra Expense" which covers the additional cost incurred to operate the business during the "Period of Restoration" (30 days) over and above the cost that would normally be incurred to operate the business during the current period had no "Covered Cause of Loss" ever occurred;

**NOW, THEREFORE, BE IT RESOLVED** that the President or President Pro Tem is authorized by the Sewerage and Water Board of New Orleans to purchase commercial property insurance as described, with a total insured value of \$100,000,000.00 for the period 2014-2015 for the total annual premium of \$747,105.

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I, Robert Miller, Interim Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above is a true and  
correct copy of a resolution adopted at the Regular  
Meeting of the Board, duly called and held,  
according to law, on April 16, 2014.

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**ROBERT MILLER**  
**INTERIM EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** April 3, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert Miller  
Interim Executive Director

**Re:** Professional Services for Emergency Sewer Assessment Phase II

In response to damages associated with Hurricane Katrina, the Orleans parish sanitary sewer system suffered significant damages. As a result of extensive negotiations, the SWB was successful in developing an approved project worksheet through FEMA to inspect the East Bank sanitary sewer system for damages that occurred as a result of Katrina. This program was titled the Emergency Sewer System Assessment (ESSA) and was performed in 2 phases.

As a result of continued negotiations with FEMA, the repair of Katrina damaged sewer manholes was included in the ESSA program. This additional repair effort will extend the length of the program.

This resolution requests that the Sewerage and Water Board's contract with our ESSA program manager be extended until December 31, 2015 to allow for management of the program to complete required and federally funded sewer repairs.

I would appreciate you placing this on the agenda for the appropriate Board committee for their approval.

Joseph Becker, P.E.  
General Superintendent



**AMENDMENT NO. 3 FOR PROFESSIONAL SERVICES FOR EMERGENCY SEWER ASSESSMENT PHASE II BETWEEN SEWERAGE AND WATER BOARD OF NEW ORLEANS AND MWH AMERICAS, INC.**

**WHEREAS**, on August 16, 2006, the Sewerage and Water Board of New Orleans (herein after "Board") adopted resolution R-97-2006 at its regular meeting that authorized the Board to enter into an agreement with MWH Americas, Inc. to perform emergency sewer assessment (ESSA II) for the sum of \$8,484,224.00, and

**WHEREAS**, on September 24, 2007, the Board and MWH Americas, Inc. entered into an agreement for engineering and professional services in association with the FEMA funded ESSA II project, and

**WHEREAS**, on August 17, 2011, the Board adopted resolution R-124-2011 that authorized the Board to enter into an amendment with MWH Americas, Inc. due to FEMA providing additional facility survey for manholes, line cleaning and CCTV inspections for those Sewer Pump Station areas that were operating on temporary pumps for prolonged period of time at the cost of \$3,723,047.13, and

**WHEREAS**, on September 28, 2011, the Board and MWH Americas, Inc. entered into Amendment No. 1 for additional engineering and professional services in association with the FEMA funded additional work associated with the ESSA II project, and

**WHEREAS**, on July 17, 2013, the Board and MWH Americas, Inc. entered into Amendment No. 2 for a time extension in association with the FEMA funded additional work associated with the ESSA II project, and

**WHEREAS**, due to the magnitude of work and the inclusion of the rehabilitation of manholes services including engineering and construction services in PW 3073, Version 3, it requires extending the duration of the Agreement through December 31, 2015 in order to complete FEMA funded engineering and construction services.

**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 contract Amendment No. 3 extending the duration of the Sewerage and Water Board of New Orleans ESSA II Agreement with MWH Americas, Inc. through December 31, 2015, in order to facilitate the continuity of the services described in the Agreement.

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I, Robert Miller, Interim 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 April 16, 2014.

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ROBERT MILLER, INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

---

**Date:** April 3, 2014

**From:** Joseph Becker, P.E.  
General Superintendent

**To:** Robert Miller  
Interim Executive Director

**Re:** Authorization to Advertise Florida Ave. Canal Phases II and III

Florida Ave. Canal, Phases II and III, is a single drainage project that is being completed as part of the SELA program.

SELA is a program to address interior drainage in the greater New Orleans metro area. The SELA program has been very successful at reducing flooding in the Hollygrove and Uptown areas as well as along Dwyer and Florida in eastern New Orleans. The SELA program in Orleans Parish is performed in partnership with the state of Louisiana and our federal partners the US Army Corps of Engineers. The majority of the work associated with the SELA program is funded federally, but the local sponsor is currently responsible for a 35% for the cost of each project.

The SELA projects are very large and expensive projects and our share of the projects is a significant amount of money. In an effort to further minimize the impact to the SWB, staff has identified a funding source through the Louisiana Statewide Flood Control Program. By applying for funds through Statewide Flood Control, we have been able to obtain a significant portion of our required participation without having to increase drainage fees.

Before you today, is a resolution that is a requirement of the state for participation in the Statewide Flood Control Program. They require a resolution indicating that their participation in the project is limited to the funds committed and protects them from risks associated with our construction project.

I would appreciate it if you would place this on the April cycle of Board committees so that we may obtain their approval.

Joseph Becker, P.E.  
General Superintendent

cc: Goddard, Spooner

**RESOLUTION REQUESTING STATE OF LOUISIANA, DEPARTMENT OF  
TRANSPORTATION AND DEVELOPMENT AUTHORIZATION TO ADVERTISE  
FLORIDA AVENUE CANAL, PHASES II & III – STATE PROJECT NO. 576-36-0012,  
ORLEANS PARISH**

**WHEREAS**, the Sewerage and Water Board of New Orleans (S&WB) has submitted an application for funding of the Florida Avenue Canal, Phases II and III flood control project under the Statewide Flood Control Program; and

**WHEREAS**, the State's share of the project funds have been made available and the S&WB has available its local matching share of the project funds in an amount of not less than 30% of the non-federal share; and

**WHEREAS**, at the request of the S&WB, Pepper and Associates, Inc., under the supervision of the U.S. Army Corps of Engineers has prepared plans and specifications for said project, which plans and specifications are designated by State Project No. 576-36-0012; and

**WHEREAS**, the S&WB has reviewed the final plans, specifications, and cost estimate and accepts them as submitted and the Department of Transportation and Development (DOTD) has reviewed the final plans, specifications, and cost estimate and has approved them inasmuch as they comply with the requirements of the Statewide Flood Control Program; and

**WHEREAS**, all necessary servitudes, rights of way, spoil disposal areas, rights of ingress and egress and the means thereof have been acquired by the S&WB, and the titles thereto are valid and indefeasible; and

**WHEREAS**, the S&WB has obtained all necessary permits required for the construction of this project; and

**WHEREAS**, the S&WB has agreed to accomplish all necessary utilities, fence and other facilities, relocations and alterations made necessary by this projects; and

**WHEREAS**, the S&WB desires the Corps of Engineers to advertise for competitive bids, in accordance with Corps requirements, for the award of a contract in the name of the Corps of Engineers, and for the Corps of Engineers to furnish engineering services during the construction of the work.

**NOW, THEREFORE BE IT RESOLVED** that the DOTD be and hereby is requested to authorize the S&WB to advertise for competitive bids through the Corps of Engineers and in accordance with Corps of Engineers requirements for the award of a contract in the name of the Corps of Engineers, covering the aforesaid improvements.

**BE IT RESOLVED** that the DOTD be and hereby is assured that all necessary servitudes, rights of way, rights of ingress and egress and the means thereof have been obtained

by the S&WB, and the titles thereto are valid and infeasible and the S&WB expressly agrees to defend any action for the failure of an servitude, right of way, right of ingress or egress, and S&WB does hereby assume complete responsibility for the maintenance and upkeep of the project after construction.

**BE IT RESOLVED** that DOTD be and hereby is assured that all required permits have been obtained by S&WB.

**BE IT RESOLVED** that the DOTD be and hereby is assured that S&WB has available its local matching funds in an amount not less than thirty (30%) percent of the non-federal share to insure construction of this project.

**BE IT RESOLVED** that S&WB will and hereby does assume complete responsibility for all utilities, fence, and other facilities relocations and alterations made necessary by this project.

**BE IT RESOLVED** that S&WB does hereby save and hold harmless the DOTD against any loss or damage of an kind incident to or occasioned by activities undertaken in pursuance of this agreement and expressly agrees to defend any suit brought against the DOTD, and pay any judgment which may result from said suit as it relates to this project.

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I, Robert Miller, Interim 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 April 16, 2014

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**EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### Inter-Office Memorandum

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**Date:** March 28, 2014  
**From:** Harold D. Marchand, Deputy Special Counsel  
**To:** Robert K. Miller, Interim Executive Director  
**Re:** Ratification of Award to Two Attorneys to Represent the Sewerage and Water Board of New Orleans on Automobile Accident Cases

Please place this matter on the agenda of the Finance Committee meeting scheduled for the month of April as an action item along with the attached proposed resolution for the following reasons:

The Sewerage and Water Board of New Orleans ("Board") is insured for liability coverage in connection with automobile accidents involving Board vehicles. The Board is self-insured up to the liability amount of \$200,000. The Board requires legal representation up to the self-insured amount of \$200,000.

On February 24, 2014 the Board issued a mini Request for Proposals for two attorneys to provide legal services to represent the Board in automobile accident cases. The Board used the City of New Orleans' 2011 RFQ list of approved attorneys to invite firms to submit short informal proposals. These firms were on the City's approved list and were qualified in the area of personal injury. The attorneys were given a deadline to provide responses by March 7, 2014 by email.

The law firms of Mitchell & Associates, A Professional Law Corporation, and Burglass & Tankersley, L.L.C. were selected by the Board to represent the Board in automobile accident cases up to the liability amount of \$200,000.

  
DEPUTY SPECIAL COUNSEL

HDM/plg

Enc.

cc: Nolan P. Lambert, Special Counsel  
n:\ag\140328millermemo.transreso\_ratification.autolliabilityattys.doc

**RATIFICATION OF AWARD TO TWO ATTORNEYS TO REPRESENT THE SEWERAGE  
AND WATER BOARD OF NEW ORLEANS ON AUTOMOBILE ACCIDENT CASES**

**WHEREAS**, the Sewerage and Water Board of New Orleans ("Board") is insured for liability coverage in connection with automobile accidents involving Board vehicles; and

**WHEREAS**, the Board is self-insured up to the liability amount of \$200,000; and

**WHEREAS**, the Board requires legal representation up to the self-insured amount of \$200,000; and

**WHEREAS**, on February 24, 2014 the Board issued a mini Request for Proposals for two attorneys to provide legal services to represent the Board in automobile accident cases; and

**WHEREAS**, the Board used the City of New Orleans' 2011 RFQ list of approved attorneys to invite firms to submit short informal proposals. These firms were on the City's approved list and were qualified in the area of personal injury; and

**WHEREAS**, the attorneys were given a deadline to provide responses by March 7, 2014 by email; and

**WHEREAS**, the law firms of Mitchell & Associates, A Professional Law Corporation, and Burglass & Tankersley, L.L.C. were selected by the Board to represent the Board in automobile accident cases up to the liability amount of \$200,000.

**NOW THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that the law firms of Mitchell & Associates, A Professional Law Corporation, and Burglass & Tankersley, L.L.C. have been selected to represent the Sewerage and Water Board of New Orleans on automobile accident cases up to the self-insured amount of \$200,000.

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I, Robert K. Miller, Interim 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 April 16, 2014.

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**ROBERT K. MILLER, INTERIM EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

## CONEFRY & COMPANY, L.L.C.

1340 Poydras Street, Suite 2130

New Orleans, LA 70112-5274

Tel. 504.392.8853 ■ Facsimile 504.392.4430

March 5, 2014

Mr. Robert K. Miller  
Deputy Director  
Sewerage and Water Board of New Orleans  
625 St. Joseph Street  
New Orleans, LA 70165

Re: January 1, 2014 Actuarial Valuation

Dear Mr. Miller:

Enclosed is the actuarial valuation report of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of December 31, 2013.

This actuarial valuation has been performed on a basis consistent with that which was performed as of December 31, 2012.

It should be noted that Exhibit III contains the Schedule of Funding Progress according to the requirements formerly mandated by Statement No. 25 (as modified by Statement No. 50) of the Governmental Accounting Standards Board (GASB #25 and #50). As described in that Exhibit III, these statements have been replaced by GASB Statements #67 and #68 and will be addressed in a separate report.

I have summarized below the principal results of the actuarial valuation.

### Summary of Valuation Results

	<u>12/31/2012</u>	<u>12/31/2013</u>
1. Number of Active Participants	842	871
2. Total Active Annual Payroll	\$ 29,074,529	\$ 29,706,715
3. Plan "Amortization" Contribution as a Percentage of Active Payroll	36.394%	39.988%
4. Expected Employee Contribution as a Percentage of Active Payroll	5.000%	5.000%
5. Employer "Amortization" Contribution as a Percentage of Active Payroll	31.394%	34.988%

Mr. Robert K. Miller  
March 5, 2014  
Page 2

	<u>12/31/2012</u>	<u>12/31/2013</u>
6. Plan "Minimum" Contribution as a Percentage of Active Payroll	25.277%	27.411%
7. Expected Employee Contribution as a Percentage of Active Payroll	5.000%	5.000%
8. Employer "Minimum" Contribution as a Percentage of Active Payroll	20.277%	22.411%
9. Market Value of Plan Assets	\$ 220,704,055	\$ 234,358,049
10. Actuarial Value of Plan Assets (Adjusted Market Value Basis)	\$ 229,137,699	\$ 226,423,894
11. Valuation Unfunded Actuarial Liability	\$ 53,965,718	\$ 62,379,320
12. Ratio of UAL to Valuation Payroll	185.6%	210.0%
13. Funded Ratio	81.9%	79.5%

Yours truly,



Michael A. Conefry, FCA, ASA, MAAA\*  
Actuary

\* Member of the American Academy of Actuaries and qualified to render the Statements of Actuarial Opinion contained herein.

MAC:wp  
Enclosures



**ACTUARIAL VALUATION REPORT**

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**EMPLOYEES' RETIREMENT SYSTEM  
OF THE SEWERAGE AND WATER BOARD  
OF NEW ORLEANS**

Annual Actuarial Valuation  
as of January 1, 2014

**CONEFRY & COMPANY, LLC**

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ACTUARIAL AND EMPLOYEE BENEFIT CONSULTING  
NEW ORLEANS, LOUISIANA

## INTRODUCTION

We present in this report the results of our actuarial valuation of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2014. The plan is an actuarially funded qualified governmental defined benefit pension under the Internal Revenue Code, and we have performed this actuarial valuation using conventional and generally accepted actuarial methods, assumptions, and principles applicable to qualified defined benefit pension plans. We have performed the actuarial valuation using the Entry Age Normal Cost Method. A full description of the funding method is contained in Section II of the report.

The Summary of Plan Provisions presented in the Appendix is intended to describe the principal benefits provided by the plan, particularly from the perspective of their significance in affecting the actuarial liability and cost of the plan. The summary is not, of course, intended to be a comprehensive or complete description of all benefits payable under all circumstances under the pension plan.



EMPLOYEES' RETIREMENT SYSTEM  
OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

SUMMARY

I. FINANCIAL AND ACTUARIAL STATUS  
As of January 1, 2014

Market Value of Assets	\$ 234,358,049	Page 1
Actuarial Value of Assets	\$ 226,423,894	Page 2

II. EMPLOYER AND EMPLOYEE CONTRIBUTIONS  
For the Plan Year Beginning January 1, 2014

Total "Amortization" Contribution (As % of Payroll)	\$ 11,879,057 (39.988%)	Page 6
Expected Total Employee Contributions (As % of Payroll)	\$ 1,485,335 (5.000%)	Page 6
Employer "Amortization" Contribution (As % of Payroll)	\$ 10,393,722 (34.988%)	Page 6
Total "Minimum" Contribution (As % of Payroll)	\$ 8,142,972 (27.411%)	Page 7
Expected Total Employee Contributions (As % of Payroll)	\$ 1,485,335 (5.000%)	Page 7
Employer "Minimum" Contribution (As % of Payroll)	\$ 6,657,637 (22.411%)	Page 7
Net Actuarial Experience		Page 8

APPENDIX

Summary of Plan Provisions	Exhibit I - P. 12
Statement of Actuarial Basis for Funding Purposes	Exhibit II - P. 20
Statement of Accounting Information for Financial Statements	Exhibit III - P. 22
Active and Inactive Participant Profiles	Exhibit IV - P. 23
Market Value and Actuarial Value Investment Performance	Exhibit V - P. 30

CERTIFICATION

Page 34

I. FINANCIAL AND ACTUARIAL STATUS as of January 1, 2014

We have conducted this actuarial valuation using employee data and asset information furnished by the administrative office of the System. This section of the report presents a summary of the assets of the plan at Market Value, as well as the development of the Actuarial Value of Assets used in the funding method. The funding method used to determine the actuarial liabilities is described in Section II and the actuarial assumptions upon which the liabilities are based are summarized in Exhibit II of the report.

ASSETS

The following table showing the composition of the assets as of December 31, 2013 is based on information supplied by the administrative office and the auditors of the System.

Table 1

Statement of Assets  
as of December 31, 2013

<u>Assets</u>	<u>Market Value</u>
Cash	\$ 1,145,186
Investments	<u>232,097,010</u>
Total Invested Assets	233,242,382
Plus accounts receivable	+1,115,667
Less accounts payable	<u>0</u>
Total Assets	\$ 234,358,049 *

- \* The actuarial value of assets used in this valuation is Adjusted Market Value as determined in Table 2. D.R.O.P. account balances of \$11,272,538 are included in the foregoing Assets and shown as an actuarial liability in Table 4, item (2)f.

## ACTUARIAL VALUE OF ASSETS

Beginning with the January 1, 1998 actuarial valuation, the method of determining the actuarial value of assets was changed to adjusted market value from the former adjusted book value basis. The change has been necessitated because the former method, in our opinion and that of the auditors, is not "market value related" within the meaning of Statement No. 25 of the Government Accounting Standards Board (GASB #25), which now applies to your plan.

This revised method reflects actual market value performance over a seven year period ending on the valuation date. The market value performance is averaged over the seven year period by reflecting the actual external cash flow and adjusting each prior year's market value to the current valuation date using the actuarial interest assumption.

The following table develops the Adjusted Market Value of Assets to be used as the Actuarial Value of Assets in the actuarial valuation.

Table 2  
Actuarial Value of Assets  
As of December 31, 2013

Plan Year Ending	Beginning Market Value	Net External Cash Flow For Year	Market Value Inv. Income For Year	Ending Market Value	Market Value Adj. Performance For Year	Market Value Component
2007	229,184,172	-6,058,903	8,667,155	231,792,424	3.8324%	289,619,602
2008	231,792,424	-6,251,824	-59,122,504	166,418,096	-25.8553%	184,241,879
2009	166,418,096	-7,306,708	31,912,755	191,024,143	19.6067%	211,132,725
2010	191,024,143	-8,223,289	22,439,431	205,240,285	12.0053%	222,587,720
2011	205,240,285	-8,114,890	8,968,361	206,093,756	4.4578%	216,726,701
2012	206,093,756	-8,472,301	23,082,600	220,704,055	11.4351%	226,300,582
2013	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	234,358,049

Years Included: 7    -53,952,935    59,126,812

Average Adj. MV: \$226,423,894

## II.

### EMPLOYER AND EMPLOYEE CONTRIBUTIONS for the Plan Year Beginning January 1, 2014

#### DESCRIPTION OF ACTUARIAL COST METHOD

Under the Entry Age Normal Cost Method, the normal cost of the plan is designed to be a level percentage of payroll, calculated on an aggregate basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant's hypothetical entry age into the plan assuming the plan had always been in existence, to his expected retirement date. The actuarial accrued liability is the amount of total liability not covered by future entry age normal costs. This amount is composed of the actuarial value of benefits already funded (assets) and those not yet funded (unfunded actuarial liability).

The plan's funding cost for the year is the sum of the Entry Age Normal Cost and the amount necessary to amortize the remaining unfunded actuarial liability as of the valuation date over the adopted amortization period.

Beginning with the January 1, 2007 actuarial valuation, a new amortization basis was established. The former amortization basis used a level dollar amortization for a ten (10) year "closed" (that is, with the remaining period reducing by one each year) amortization period from January 1, 2003 through December 31, 2012. This has been replaced by a level dollar amortization for an "open" (that is, a constant number of years) ten (10) year amortization period effective on each valuation date. This open ten (10) year amortization amount is developed later in this section and presented in Table 5.

Table 3  
Entry Age Normal Cost for Plan Year  
Beginning January 1, 2014

(1)	Actuarial Present Value at Entry Age of Expected Benefits to Plan Participants	\$ 12,525,546
(2)	Actuarial Present Value at Entry Age of Future Payroll of Active Participants	117,384,662
(3)	Normal Cost as a Percentage of Payroll: (1) divided by (2)	10.671%
(4)	Current Payroll of Active Participants *	29,706,705
(5)	Normal Cost: (3) x (4) (Assumed payable January 1, 2014)	\$ 3,170,002
(6)	Normal Cost, adjusted for monthly payments	\$ 3,270,464

\* There are 871 active participants: 531-fully vested; 0-partially vested; 340-not vested.



Table 4  
Unfunded Actuarial Liability  
as of January 1, 2014

(1)	Actuarial Present Value of Expected Benefits to Active Plan Participants		
(a)	Basic and Supplemental Retirement Benefit	\$ 96,966,620	
(b)	Death and Survivor Benefit	7,484,583	
(c)	Disability Benefit (Inc. suppl & surv.)	6,378,325	
(d)	Vesting Benefit	6,039,303	
(e)	Refund of Employee Contributions	<u>1,174,203</u>	
	Total Active		\$ 118,043,062
(2)	Actuarial Present Value of Expected Benefits to Inactive Plan Participants		
(a)	Regular Retirees	\$ 108,648,879	
(b)	Disability Retirement	8,299,189	
(c)	Survivors	5,256,315	
(d)	Terminated Vested	1,348,140	
(e)	D.R.O.P. Retirees (Future Benefits)	51,593,001	
(f)	D.R.O.P. Retirees (Account Balances)	<u>11,272,538</u>	
	Total Inactive		\$ 186,418,062
(3)	Total Actuarial Present Value of Expected Benefits to All Plan Participants		
	(1) + (2)		304,461,096
(4)	Actuarial Present Value of Future Payroll of Active Participants		146,733,034
(5)	Normal Cost as a Percentage of Payroll: (From Table 3)		10.671%
(6)	Actuarial Present Value of Future Normal Cost Contributions:		
	(4) x (5)		15,657,882
(7)	Actuarial Value of Assets (from Table 2)		226,423,894
(8)	Unfunded Actuarial Liability:		
	(3) - (6) - (7)		62,379,320

TOTAL CONTRIBUTION FOR PLAN YEAR BEGINNING January 1, 2014

CONTRIBUTION TO AMORTIZE UNFUNDED ACTUARIAL LIABILITY

The adopted "amortization" contribution for a plan year equals the normal cost plus the level dollar amount necessary to amortize the Unfunded Actuarial Liability over ten (10) years. The annual amount required to amortize the Unfunded Actuarial Liability of \$62,379,320 over 10 years at 7% annual interest (assuming monthly payments) is \$8,608,593.

Table 5

Total Required "Amortization" Contribution for the  
Plan Year Beginning January 1, 2014

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,270,464	
(2)	Net Annual charge Required for Amortization of Unfunded Actuarial Liability Over 10 year period beginning January 1, 2014 (See Above; Assumed payable monthly)	8,608,593	
(3)	Total Plan Contribution as of January 1, 2014: (1) + (2)	\$ 11,879,057 (39.988%)	*
(4)	Annual Employee Plan Contributions as of January 1, 2014	\$ 1,485,335 ( 5.000%)	*
(5)	Employer Contribution as of January 1, 2014: (3) - (4) (Assumed payable monthly)	\$ 10,393,722 (34.988%)	*
*	Expressed as a percentage of annual participant payroll of \$29,706,705.		

"MINIMUM" CONTRIBUTION

GASB Statements 25 and 27 require that the Unfunded Actuarial Liability be amortized over a period not longer than 30 years. The minimum contribution for a plan year equals the normal cost plus the amount necessary to amortize the Unfunded Actuarial Liability over the thirty (30) year period which begins on the valuation date. Using a level dollar, open period amortization method, the annual amount required to amortize the Unfunded Actuarial Liability of \$62,379,320 over the 30 year period beginning January 1, 2014 at 7% annual interest (assuming monthly payments) is \$4,872,508.

Table 6

Total Required "Minimum" Contribution for the  
Plan Year Beginning January 1, 2014

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,270,464	
(2)	Net Annual Charge Required for Amortization of Unfunded Actuarial Liability Over 30 year period beginning January 1, 2014 (see above) (Assumed payable monthly)	4,872,508	
(3)	Total Plan Contribution as of January 1, 2014: (1) + (2)	\$ 8,142,972 (27.411%)	*
(4)	Annual Employee Plan Contributions as of January 1, 2014	\$ 1,485,335 ( 5.000%)	*
(5)	Employer Contribution as of January 1, 2014: (3) - (4) (Assumed payable monthly)	\$ 6,657,637 (22.411%)	*
*	Expressed as a percentage of annual participant payroll of \$29,706,705.		

NET ACTUARIAL EXPERIENCE  
for the Plan Year Beginning January 1, 2013

Actuarial experience refers to the comparison of actuarial results of each valuation with those expected from the previous valuation according to the actuarial assumptions. A decrease or increase in the Total Plan Contribution as a percentage of payroll is indicative of favorable (gains) or unfavorable (losses) experience, respectively. If the overall experience follows the general pattern indicated by the assumptions presented in the Appendix, the Total Plan Contribution (on a given amortization basis) as a percentage of payroll will remain relatively stable, except for routine fluctuations.

The Total "Amortization" Contribution as a percentage of payroll increased from 36.394% for the plan year beginning January 1, 2013 to 39.988% for the plan year beginning January 1, 2014. The Total "Minimum" Contribution as a percentage of payroll increased from 25.277% for the plan year beginning January 1, 2013 to 27.411% for the plan year beginning January 1, 2014. These increases of 3.594% and 2.134% of payroll, respectively, are indicative of an overall actuarial loss for the most recent plan year.

Table 7  
Effect on Total "Amortization" and "Minimum"  
Contributions by Component  
for the Plan Year Ending December 31, 2013

<u>Component</u>	<u>"Amortization"</u> <u>Gain (-) or Loss (+)</u>	<u>"Minimum"</u> <u>Gain (-) or Loss (+)</u>
Interest	+4.379%	+2.478%
Salary Scale	-0.839%	-0.462%
Net from All Other Sources	<u>+0.054%</u>	<u>+0.118%</u>
Total Gain(-)/Loss(+)	<u>+3.594%</u>	<u>+2.134%</u>

APPENDIX

EXHIBIT I

EMPLOYEES' RETIREMENT SYSTEM OF THE  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

SUMMARY OF PLAN PROVISIONS

EFFECTIVE DATE:

Authorized by Act Number 551, effective January 1, 1957; Last Restatement for Plan Qualification, January 27, 2011; Latest Restatement, April 17, 2013; last amendment date as of the date of performance of this valuation, April 17, 2013.

MEMBERSHIP:

Employees who become members as a condition of employment.

CREDITABLE SERVICE:

Prior service plus membership service for which credit is allowable. Also, one year service credit given for every 250 days of unused sick and annual leave. Credit for prior military service may be purchased (maximum 4 years) by active contributing member who is vested; lump sum payment required based on 4% of excess over first \$100 monthly average for each month claimed plus 7% compound interest. Military service available only to those who will not receive a benefit from another retirement system (except Social Security). There are also provisions for restoring service on behalf of certain leaves without pay such as for Katrina Disaster Leave and Workers' Compensation.

EARNABLE COMPENSATION:

Annual compensation paid to an employee; excluding on-call and stand-by pay or over-time.

AVERAGE COMPENSATION:

Average annual earned compensation of a member for highest thirty-six successive months of service as a member, minus \$1,200. For employees hired after December 31, 1995, the \$1,200 reduction was not applicable. Effective June 19, 2002, the \$1,200 reduction was eliminated for all employees. Periods without compensation are not used in determining the average compensation.

EMPLOYEE CONTRIBUTIONS:

4% of earnable compensation through December 31, 2012. Effective January 1, 2013, 5% of earnable compensation.

EMPLOYER CONTRIBUTIONS:

Certain percentage of earnable compensation of each member, determined on basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, determined by actuary.

EXHIBIT I (Continued)

RETIREMENT BENEFITS:

Eligibility:

Any age with 30 years of Service; age 60 and 10 years of Service; effective January 1, 1996, age 65 and 5 years of Service; age 70 with any Service. Effective June 19, 2002, age 60 and vested (with actuarial reduction) and any member whose age and service total 80 or more years may retire without reduction for age.

Benefits:

Retirement allowance, consisting of (1) and (2) below:

1) An annuity, which is the actuarial equivalent of employee's accumulated contribution; plus

2) An annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years. Effective June 19, 2002, the above percentages were changed to 2.5% for the first 25 years plus 4% for years over 25 years.

3) An additional annual pension equal to 2% of \$1,200 times first 10 years, plus 2 1/2% of \$1,200 times next 10 years, plus 3% of \$1,200 times next 10 years, plus 4% of \$1,200 times service over 30 years; if the employee was hired prior to 1996 and retires prior to age 65 on retirement allowance. Ceases at age 65 or receipt of first Social Security check, whichever comes first. Effective June 19, 2002, this additional benefit no longer applies except to those who retired prior to that date.

4) For service retirement prior to age 62 with less than 30 years of Service, (2) and (3) above are reduced by 3% for each year rounded to nearest day below the age of 62.

5) Effective January 1, 1997, a member may retire after 30 years of service, regardless of age, with no reduction in his benefit.

6) Maximum Benefit: Benefit no greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 13, 1977.

## EXHIBIT I (Continued)

7) Form of Benefit: Modified cash refund annuity. If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity and pension payments, then lump sum balance of his contributions is paid to beneficiary.

8) Cost-of-Living: Effective July 1, 1992, for members that retired prior to January 1, 1984, if funds are available, each July 1st a 2% increase times the number of years retired will be given to members over age 65.

For members that retired on or after January 1, 1984, and are over age 65, each January 1st, increases in benefits based on the increase in the CPI, not to exceed 2%.

Spouses receiving a Joint and Survivor Annuity that have reached the age of 65 shall also receive an increase, based on the increase in the CPI, not to exceed 2%.

### DISABILITY BENEFITS:

#### Eligibility:

10 years of credited service. (certified by physician nominated by Board).

#### Benefits:

1) A retirement allowance equal to the greater of: An annuity, which is the actuarial equivalent of the member's accumulated contributions at retirement; or

2) An annual pension equal to 75% of the accrued benefit based on service credits to the member had he continued in service until age 62.

3) Benefit offset by Workmen's Compensation benefits.

4) Effective 1/1/84, disability allowance is subject to the same COLA after age 65 as regular retirement.

### DEATH BENEFITS:

#### Eligibility:

Death of member in active service.

#### Benefits:

Employee's accumulated contributions paid to beneficiary.

1) If member has 3 years Creditable Service, but less than 10 years, a lump sum benefit equal to the Member's accumulated contributions and 25% of the member's prior year earned compensation is payable to the designated beneficiary or estate.



EXHIBIT I (Continued)

2) If member dies in active service with less than three years Creditable Service, a Lump Sum Benefit equal to the Member's accumulated contributions is payable to the designated beneficiary or estate.

3) If, at date of death, member was eligible for retirement and leaves Surviving Spouse, Surviving Spouse shall be eligible for a Joint and 100% benefit or a lump sum refund of Employee's contributions.

4) If, at date of death, member was ineligible for retirement, but had at least 10 or more years of creditable service, then surviving spouse shall receive benefit equal to 80% of the former member's accrued benefit at death, payable at the later of the member's death or spouse's attainment of age 62.

5) If, at date of death, member was receiving a disability benefit and dies, his spouse shall receive 80% of the former member's disability retirement allowance payable at the later of the retiree's death or spouse's attainment of age 62. Eligible children shall receive 65% of the disability benefit payable until they reach age 18, age 25 if the child attends school full time or is mentally or physically disabled or until the spouse attains age 62.

6) The spouse's benefit shall be subject to the COLA after attaining age 65 as for a regular retiree.

SEPARATION BENEFITS:

1) A member that withdraws from service before age 60 with 10 years of Creditable Service may allow his accumulated contributions to remain on deposit until he is eligible to receive a separation retirement allowance. Effective June 19, 2002, only 5 years of Creditable Service is required.

2) Upon withdrawal without 10 years Creditable Service (or, after June 19, 2002, 5 years) Employee is entitled to a refund of his accumulated contributions or may allow contributions to remain on deposit for maximum of five years. In case of employee's death, accumulated contribution are paid to designated beneficiary.

Note:

If employee re-enters after receipt of refund and continues service thereafter for 18 months, he may repay amount of refund plus the amount of employee contributions, with interest at a rate of 4% for service prior to 1970 and 7% compounded annually to date of payment for service after January 1, 1970, to receive prior creditable service again.

EXHIBIT I (Continued)

OPTIONAL FORMS OF BENEFIT:

1) A member shall receive a retirement allowance payable for life. If he dies before receiving, in annuity payments, the value of his annuity at the time of his retirement, the balance is payable to his beneficiary.

2) A reduced benefit payable for the life of the member and continued to beneficiary after member's death. A specific percentage is chosen by the member at the time of retirement. Such percentage shall be an integral multiple of 5%, to a maximum of 100%.

3) A reduced benefit payable for the life of the member and 100% of that amount is paid to the spouse after member's death.

RECIPROCITY:

Effective July 16, 1974, provisions made for reciprocal transfers of service and funds between this System and Employees' Retirement System of the City of New Orleans, in the event an employee transfers from one employing agency to the other; service credits were transferred from sending system to receiving system provided all employee contributions plus earned interest and all employer contributions plus agreed-upon interest were transferred; effective September 23, 1993 (retroactive for transfers on and after October 17, 1988), agreement was amended to provide for a transfer from the sending system to the receiving system equal to the GASB #5 liability of the sending system at 7% interest, 5% salary scale, the remaining GASB #5 actuarial assumptions and the salary and benefit structure in effect for the sending system at time of transfer.

DROP ACCOUNT:

Effective January 1, 1996, any member who is eligible for a service retirement under Section 6(1) can participate in the DROP program:

1) A member can only participant once, and only up to three years. Effective June 19, 2002, the allowable period was increased to 5 years.

2) When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

EXHIBIT I (Continued)

3) Interest is credited to the separately invested DROP accounts at the actually earned rate at the end of each month (not including the month of withdrawal unless on the last day of the month), but not below zero. Members of the DROP receive no cost-of-living increases.

4) Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out in a lump sum.

5) Continued employment after the end of the DROP period is possible only by reapplication to the Board by the employee. If rehired, that employee shall receive a lump sum of his DROP account balance as if he had retired. For DROP participants rehired after April 20, 2005, the retirement allowance that had been paid into the participant's DROP account shall be suspended while re-employed and the participant shall be treated in the same manner as a re-employed retiree.

EXHIBIT I (Continued)

SUMMARY OF SUBSTANTIVE PLAN CHANGES IN RECENT YEARS  
HAVING AN IMPACT ON ACTUARIAL VALUATION RESULTS

September 23, 1993:

Reciprocity agreement with City of New Orleans amended, retroactive for transfers on and after October 17, 1988.

January 8, 1994:

Allows for purchase of credit for prior military service.

December 13, 1995:

Plan amended for qualification under Internal Revenue Code for Governmental Plans.

January 1, 1996:

The Deferred Retirement Option Plan was adopted to allow members terminating employment and accepting a service retirement allowance under plan section 6(1) to participate in this program.

Average Compensation amended to remove the \$1,200 reduction for employees hired after December 31, 1995.

Any member with 5 years of Creditable Service and attainment of age 65 may retire.

January 1, 1997:

For members retiring on or after January 1, 1997 and choose a Joint and Survivor option, if the beneficiary predeceases the retiree, the reduced benefit reverts back to the maximum amount upon the death of the spouse.

A member with 30 years of creditable service may retire, regardless of age, with no reduction in benefits.

Death benefit payable to the spouse of a deceased disabled retiree is now available immediately upon the retiree's death, on an actuarially equivalent basis.

June 21, 2000:

Disability benefit equal to 75% of the member's accrued benefit based on service credits to the member had he continued in service until age 62.

Eligible Dependent amended to add age 25 if the child attends school full-time or if the child is mentally or physically disabled.

EXHIBIT I (Continued)

SUMMARY OF SUBSTANTIVE PLAN CHANGES IN RECENT YEARS  
HAVING AN IMPACT ON ACTUARIAL VALUATION RESULTS

June 21, 2000:

Death benefit payable to designated beneficiary or estate when there is no spouse or eligible dependents equal to the member's accumulated contributions at death plus 25% of the member's prior year's earnable compensation payable from the Trust fund.

January 1, 2001:

Any retiree with less than 30 years of Credited Service and under age 62, the benefit is reduced by 3% for each year of age rounded to the nearest day below age 62.

February 25, 2001:

Plan amended for the Uruguay Round Agreements Act, the Small Business Job Protection Act of 1996, Uniformed Services Employment & Reemployment Rights Act of 1994, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, (GUST).

June 19, 2002:

Benefit formula amended to 2.5% of first 25 years of service, plus 4.0% for each year of service in excess of 25 years, up to a maximum of 100% of pay. A Rule of 80 retirement eligibility (age plus years of service greater than or equal to 80) without age reduction was added. Eligibility to leave employee accumulated contributions on deposit for Separation Retirement was changed from 10 years to 5 years; the exclusion of the first \$1,200 of annual pay was eliminated; D.R.O.P. period was extended from 3 to 5 years.

January 31, 2011:

Interest on DROP accounts changed from "Credited Interest" to that actually earned on the separately invested DROP accounts, but not below zero.

January 1, 2013:

Employee contribution formula amended from 4% to 5% of earnable compensation.

EXHIBIT II  
EMPLOYEES' RETIREMENT SYSTEM  
OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
STATEMENT OF ACTUARIAL BASIS FOR FUNDING PURPOSES

Actuarial Funding Method:

Cost Method:	Entry Age Normal Cost Method.
Asset Valuation Method:	Adjusted Market Value. Refer to the explanation on page 2 of the report and development in Table 2.

Actuarial Assumptions

Interest:	7% compounded annually.
Mortality:	1971 Group Annuity Mortality Table for males and females. (See chart in the following pages for specific rates by age and sex).
Turnover:	Table developed from the 1977-1980 Actuarial Experience Study, as used by the prior actuary. (See chart in the following pages for specific rates by age).
Salary Increases:	5.0% compounded annually.
Cost of Living Increases:	Actuarial liabilities for future cost of living increases were included for both active and inactive participants as per the appropriate sections of the plan.

## STATEMENT OF ACTUARIAL BASIS FOR FUNDING PURPOSES

### Actuarial Assumptions (Continued)

**Retirement:**

It has been assumed that employees retire at a variation of the earliest age at which they would be eligible to retire (with reduced benefits, if applicable) as follows; if the earliest age of retirement eligibility is less than or equal to age 55, the assumed age at retirement is the earliest age plus one year, but not beyond age 55; if the earliest age of retirement eligibility is greater than age 55, the assumed age at retirement is the earliest age of retirement eligibility.

**Disability Incidence:**

The rates utilized in the 14th actuarial valuation of the U.S. Railroad Retirement System. (See chart in the following pages for specific rates by age).

**Survivor Benefits:**

85% of active participants are assumed to be married to spouses of equal age. Children's survivor benefits and spouse's disability benefits (in the event of the death of a member on disability) were estimated to be 10% of the related benefits giving rise to the secondary benefits being valued.

**Other assumptions:**

20% of participants terminating with a vested right were assumed to withdraw their accumulated contributions upon termination, while 80% were assumed to retain their vested deferred benefits by leaving contributions on deposit.

Accumulated employee contributions are credited with 2% interest compounded annually.

### EXHIBIT III

#### December 31, 2013 ACCOUNTING INFORMATION FOR FINANCIAL STATEMENTS

This section is included to provide information required by the Governmental Accounting Standards Board Statement Number 25 and is provided for historical continuity and consistency. GASB Statements 25 and 27 have been replaced by GASB Statements 67 and 68. These two statements have made extensive and fundamental changes in the nature of the financial disclosure requirements and have effectively removed the actual funding aspects of the plan from any direct involvement. The effective date of GASB 67 (with respect to the plan itself) is the first Plan Year beginning after June 15, 2013 (namely, the Plan Year beginning January 1, 2014). The effective date of GASB 68 (with respect to the Sewerage & Water Board as sponsoring employer) is the first Fiscal Year beginning after June 15, 2014 (namely, the Fiscal Year beginning January 1, 2015). The actuarial information for financial disclosure as required by these GASB Statements will be presented in a separate report.

The Projected Benefit Obligation (PBO) as of December 31, 2013 is based on all of the assumptions outlined in Exhibit II including future salary growth. The Unfunded Accrued Liability (UAL) is that used in funding the plan and is developed in Table 4.

#### SCHEDULE OF FUNDING PROGRESS

	<u>12/31/2012</u>	<u>12/31/2013</u>
Interest Assumption	7.00%	7.00%

#### RATIO OF UAL TO VALUATION PAYROLL:

[1] Unfunded Accrued Liability (UAL)	\$ 53,965,718	\$ 62,379,320
[2] Valuation Annual Payroll	29,074,529	29,706,705
[3] Ratio: [1] divided by [2]	185.6%	210.0%

#### FUNDED RATIO:

[1] Projected Benefit Obligation (PBO)		
Inactive Plan Participants	\$ 180,867,664	\$ 186,418,062
Active Plan Participants	<u>99,534,543</u>	<u>98,324,924</u>
Total PBO	\$ 280,402,207	\$ 284,742,986
[2] Actuarial Value of Assets	229,633,410	226,423,894
[3] Funded Ratio: [2] divided by [1]	81.9%	79.5%



EXHIBIT IV

ACTIVE AND INACTIVE PARTICIPANT PROFILES

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2014 ACTIVE PARTICIPANT AGE VS SERVICE GRID  
JANUARY 1, 2014 ACTUARIAL VALUATION

----- ALL ACTIVE PARTICIPANTS -----

AGE	YEARS OF SERVICE										TOTAL	TOTAL ANNUAL SALARIES	AVERAGE SALARY
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+				
0-19	3	0	0	0	0	0	0	0	0	3	63,222.37	21,074.12	
20-24	50	1	0	0	0	0	0	0	0	51	1,229,064.95	24,099.31	
25-29	77	23	0	0	0	0	0	0	0	100	2,694,440.16	26,944.40	
30-34	60	24	3	0	0	0	0	0	0	87	2,458,163.17	28,254.75	
35-39	26	19	10	6	1	0	0	0	0	62	1,928,467.32	31,104.31	
40-44	32	17	9	20	10	0	0	0	0	88	2,968,189.28	33,729.42	
45-49	31	22	14	29	28	15	6	0	0	145	5,292,191.26	36,497.87	
50-54	31	19	7	20	19	34	22	0	0	152	5,781,895.10	38,038.78	
55-59	29	23	10	12	22	20	19	0	0	135	5,321,719.25	39,420.14	
60-64	8	8	3	6	6	3	1	1	1	37	1,364,735.67	36,884.75	
65-69	1	1	4	2	0	1	0	0	0	9	557,162.08	61,906.90	
70-74	0	1	0	0	0	0	0	0	0	1	47,471.06	47,471.06	
	348	158	60	95	86	73	48	1	1	870	29,706,721.67	34,145.66	

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2014 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2014 ACTUARIAL VALUATION

----- REGULAR RETIREES -----

AGE	YEARS SINCE RETIREMENT							TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34			
50-54	8	3	0	0	0	0	0	11	353,664.96	32,151.36
55-59	19	43	2	0	0	0	0	64	1,767,300.96	27,614.08
60-64	20	73	28	0	0	1	0	122	2,966,955.72	24,319.31
65-69	11	68	43	7	0	0	0	129	2,925,988.92	22,682.08
70-74	4	24	41	15	2	0	0	87	1,826,902.32	20,998.88
75-79	0	1	21	26	6	2	0	56	1,014,346.44	18,113.33
80-84	0	0	3	17	16	4	1	41	680,631.36	16,600.76
85-89	0	1	3	0	5	12	3	24	408,806.04	17,033.59
90+	0	0	0	2	0	2	3	8	101,241.36	12,655.17

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
 01/1/2014 INACTIVE PARTICIPANT PROFILE  
 JANUARY 1, 2014 ACTUARIAL VALUATION

AGE	YEARS SINCE RETIREMENT										TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+				
	----- DISABLED RETIREES -----												
40-44	2	1	0	0	0	0	0	0	0	3	59,879.40	19,959.80	
45-49	1	1	0	0	0	0	0	0	0	2	31,338.72	15,669.36	
50-54	3	5	0	3	0	0	0	0	0	11	134,368.32	12,215.30	
55-59	3	6	1	2	0	1	0	0	0	13	189,273.00	14,559.46	
60-64	1	4	10	3	1	0	0	0	0	19	190,847.64	10,044.61	
65-69	0	2	5	6	2	0	0	0	0	15	153,889.08	10,259.27	
70-74	0	0	1	0	0	0	0	0	0	1	8,971.92	8,971.92	
	10	19	17	14	3	1	0	0	0	64	768,568.08	12,008.88	

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2014 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2014 ACTUARIAL VALUATION

AGE	YEARS SINCE RETIREMENT									SURVIVORS		TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL			
0-19	1	0	1	0	0	0	0	0	0	2	16,377.84	8,188.92	
20-24	0	1	0	0	0	0	0	0	0	1	12,080.88	12,080.88	
45-49	2	0	0	0	0	0	0	0	0	2	6,506.40	3,253.20	
50-54	2	1	0	0	0	0	0	0	0	3	13,579.80	4,526.60	
55-59	4	7	1	0	0	0	0	0	0	12	95,887.68	7,990.64	
60-64	7	6	0	0	1	0	0	0	0	14	60,205.56	4,300.40	
65-69	6	1	2	1	0	0	0	0	0	10	61,000.68	6,100.07	
70-74	3	2	2	0	1	0	0	0	0	8	44,454.60	5,556.83	
75-79	4	7	1	0	0	2	0	0	0	14	76,393.44	5,456.67	
80-84	3	0	1	1	2	2	0	0	0	9	78,775.08	8,752.79	
85-89	4	3	1	1	0	2	1	0	0	12	77,844.96	6,487.08	
90+	1	3	5	0	0	0	1	2	1	13	107,046.96	8,234.38	
	37	31	14	3	4	6	2	2	1	100	650,153.88	6,501.54	

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2014 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2014 ACTUARIAL VALUATION

----- DROP RETIREES -----												
AGE	YEARS SINCE RETIREMENT							TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT		
	0-4	5-9	10-14	15-19	20-24	25-29	30-34				35-39	40+
50-54	19	0	0	0	0	0	1	0	0	20	724,992.24	36,249.61
55-59	51	0	0	0	0	0	0	0	0	51	1,910,017.56	37,451.32
60-64	49	0	0	0	0	0	0	0	0	49	1,643,125.32	33,533.17
65-69	14	0	0	0	0	0	0	0	0	14	505,185.84	36,084.70
133	0	0	0	0	0	0	1	0	0	134	4,783,320.96	35,696.43

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM  
12/31/2013 TERMINATED VESTED EMPLOYEES WITH DEFERRED BENEFITS

NAME	EMPLOYEE ID NUMBER	S E X	DATE OF BIRTH	DATE OF TERMINATION	(BASIC) INIT. MO. BENEFIT	(BASIC) CURR. MO. BENEFIT	SUPPL. MONTHLY BENEFIT	ACCUMULATED EMPLOYEE CONTRIBS.
707	M	M	11/05/59	3/24/2001	1,812.12	1,812.14	36.96	31,447.13
708	M	M	8/19/71	5/04/2006	0.00	435.87	0.00	7,004.63
709	M	M	4/14/58	1/11/1994	250.44	250.44	26.25	7,540.24
710	F	F	8/12/53	4/13/1995	1,174.56	1,174.56	39.37	21,694.69
711	M	M	6/23/54	3/28/2006	0.00	916.65	0.00	16,296.90
712	M	M	2/24/67	11/08/2004	0.00	1,110.29	0.00	21,156.73
713	M	M	3/29/62	8/08/2007	0.00	2,133.13	0.00	23,833.94
714	M	M	8/29/62	1/13/1999	337.93	337.93	21.25	7,605.62
715	M	M	12/01/53	11/05/2005	0.00	1,055.82	0.00	16,631.41
716	M	M	2/25/58	1/13/2007	0.00	1,306.16	0.00	25,960.64
717	M	M	2/06/61	3/16/2011	0.00	0.00	0.00	10,376.09
718	F	F	10/17/76	5/29/2009	0.00	301.10	0.00	4,196.67
719	F	F	10/29/53	4/07/1995	604.69	604.69	51.75	12,185.61
720	F	F	5/01/55	2/23/2007	0.00	516.40	0.00	8,680.25
721	M	M	11/30/55	4/11/2007	0.00	507.35	0.00	7,034.37
722	F	F	6/25/61	7/08/1995	555.81	555.81	22.50	14,099.34
723	F	F	11/22/58	10/24/1999	930.15	930.15	28.75	16,496.91
724	M	M	1/13/69	4/21/2006	0.00	1,550.40	0.00	24,767.31
725	M	M	7/27/61	6/21/1996	1,099.34	1,099.34	23.75	19,182.41
726	M	M	11/22/53	12/04/2000	1,086.60	1,086.61	31.81	32,383.78
727	M	M	11/14/69	7/10/2012	0.00	1,155.34	0.00	16,568.28
728	M	M	9/24/60	9/07/2000	688.67	688.68	40.37	14,593.58
729	M	M	12/17/62	3/31/2006	0.00	1,324.56	0.00	21,895.91
TOTALS:					8,540.31	20,853.42	322.76	381,632.44

TOTAL COUNT: 23

EXHIBIT V

MARKET VALUE AND ACTUARIAL VALUE ASSET INVESTMENT PERFORMANCE



**EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ESTIMATED MARKET VALUE INVESTMENT PERFORMANCE**  
**BY CALENDAR YEAR**

PLAN YEAR ENDING	EMPLOYER CONTRIBUTIONS FOR YEAR	EMPLOYEE CONTRIBUTIONS FOR YEAR	TRANSFERS IN FOR YEAR	TOTAL BENEFIT PAYMENTS FOR YEAR	TRANSFERS OUT FOR YEAR	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INV. PERFORMANCE FOR YEAR
12/31/91	4,524,382	1,001,436		4,460,555	0	1,065,263	11,331,152	68,744,768	19.9208%
12/31/92	4,980,959	1,113,066		4,988,329	0	1,105,696	5,789,535	75,594,235	8.3601%
12/31/93	4,873,366	1,092,713		4,678,593	0	1,287,486	8,471,584	85,353,305	11.1120%
12/31/94	5,102,920	1,298,780		5,220,801	0	1,180,899	-2,682,882	83,851,322	-3.1217%
12/31/95	5,188,055	1,395,149		5,733,411	0	849,793	22,390,520	107,091,635	26.5680%
12/31/96	5,678,507	1,463,218		5,704,458	0	1,437,267	12,894,655	121,423,557	11.9605%
12/31/97	5,933,289	1,202,021		6,410,573	0	724,737	21,841,187	143,989,481	17.9341%
12/31/98	5,448,823	1,138,063		6,573,992	0	12,894	13,756,662	157,759,037	9.5535%
12/31/99	5,151,389	1,028,094		6,928,999	0	-749,516	16,013,013	173,022,534	10.1745%
12/31/00	5,444,048	1,053,495		7,317,215	0	-819,672	5,658,247	177,861,109	3.2780%
12/31/01	5,417,854	1,040,680		7,632,745	0	-1,174,211	-1,677,973	175,008,925	-9.465%
12/31/02	2,931,065	1,089,543		7,625,705	0	-3,605,097	-15,455,327	155,948,501	-8.9231%
12/31/03	3,391,535	1,097,183		9,184,249	0	-4,695,531	36,142,887	187,395,857	23.5304%
12/31/04	3,721,034	1,120,776		8,884,614	0	-4,042,804	19,502,120	202,855,173	10.5204%
12/31/05	3,716,381	1,176,637	714,343	10,177,467	0	-4,570,106	7,713,678	205,998,745	3.8459%
12/31/06	3,343,713	982,418	2,357,005	12,231,855	0	-5,548,719	28,734,146	229,184,172	14.1391%
12/31/07	3,885,124	1,014,461	1,854,239	12,812,727	0	-6,058,903	8,667,155	231,792,424	3.8324%
12/31/08	4,915,512	1,143,858	958,605	13,269,799	0	-6,251,824	-59,122,504	166,418,096	-25.8553%
12/31/09	5,247,031	1,161,744	516,393	14,231,876	0	-7,306,708	31,912,755	191,024,143	19.6067%
12/31/10	5,146,081	1,190,714	849,540	15,409,624	0	-8,223,289	22,439,431	205,240,285	12.0053%
12/31/11	5,436,700	1,161,996	1,233,504	15,947,090	0	-8,114,890	8,968,361	206,093,756	4.4578%
12/31/12	6,114,997	1,128,257	1,690,683	17,406,238	0	-8,472,301	23,082,600	220,704,055	11.4351%
12/31/13	5,946,614	1,465,774	1,065,165	18,002,573	0	-9,525,020	23,179,014	234,358,049	10.7339%
Number of Years Included: 23							249,550,016		

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ESTIMATED INVESTMENT PERFORMANCE BY MARKET VALUE AND ACTUARIAL VALUE OF ASSETS  
BY CALENDAR YEAR

YEAR ENDING	ENDING MARKET VALUE	MARKET VALUE INV. PERF. FOR YEAR	MARKET VALUE MEAN FUND	ACTUARIAL VALUE MEAN FUND	ENDING ACTUARIAL VALUE OF ASSETS	ACTUARIAL ASSETS INV. PERF. FOR YR
12/31/91	68,744,768	19.9208%	56,880,985	58,063,594	64,921,832	10.8943%
12/31/92	75,594,235	8.3601%	69,251,852	65,474,680	72,541,969	9.9496%
12/31/93	85,353,305	11.1120%	76,237,978	73,185,712	81,932,422	11.0718%
12/31/94	83,851,322	-3.1217%	85,943,755	82,522,872	87,957,901	5.8706%
12/31/95	107,091,635	26.5680%	84,276,219	88,382,798	100,059,569	12.7308%
12/31/96	121,423,557	11.9605%	107,810,269	100,778,203	114,805,212	13.2056%
12/31/97	143,989,481	17.9341%	121,785,926	115,167,581	120,911,255	4.6726%
12/31/98	157,759,037	9.5535%	143,995,928	120,917,702	134,901,231	11.5592%
12/31/99	173,022,534	10.1745%	157,384,279	134,526,473	149,976,441	11.7633%
12/31/00	177,861,109	3.2780%	172,612,698	149,566,605	164,845,672	10.4896%
12/31/01	175,008,925	-.9465%	177,274,004	164,258,567	180,737,128	10.3895%
12/31/02	155,948,501	-8.9231%	173,206,377	178,934,580	187,892,718	6.0138%
12/31/03	187,395,857	23.5304%	153,600,736	185,544,953	196,697,432	7.2760%
12/31/04	202,855,173	10.5204%	185,374,455	194,676,030	204,706,452	6.1907%
12/31/05	205,998,745	3.8459%	200,570,120	202,421,399	209,829,340	4.7885%
12/31/06	229,184,172	14.1391%	203,224,386	207,054,981	217,143,723	6.2124%
12/31/07	231,792,424	3.8324%	226,154,721	214,114,272	223,583,589	5.8374%
12/31/08	166,418,096	-25.8553%	228,666,512	220,457,677	222,598,640	2.3891%
12/31/09	191,024,143	19.6067%	162,764,742	218,945,286	228,999,660	6.2608%
12/31/10	205,240,285	12.0053%	186,912,499	224,888,016	230,298,898	4.2343%
12/31/11	206,093,756	4.4578%	201,182,840	226,241,453	229,137,699	3.0736%
12/31/12	220,704,055	11.4351%	201,857,606	224,901,549	229,633,410	3.9875%
12/31/13	234,358,049	10.7339%	215,941,545	224,870,900	226,423,894	2.8085%

**EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ESTIMATED INVESTMENT PERFORMANCE**  
**BY CALENDAR YEAR**

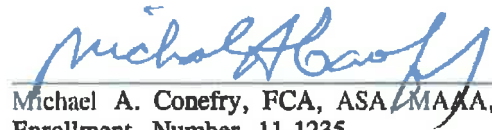
PLAN YEAR ENDING	BEGINNING MARKET VALUE	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INVESTMENT PERFORMANCE			ACTUARIAL ASSET VALUE INVESTMENT PERFORMANCE			YEAR
					FOR YEAR	CUMULATIVE	AVERAGE	FOR YEAR	CUMULATIVE	AVERAGE	
12/31/91	56,348,353	1,065,263	11,331,152	68,744,768	19.9208%	19.92%	19.92%	10.89%	10.89%	10.89%	1
12/31/92	68,699,004	1,105,696	5,789,535	75,594,235	8.3601%	29.95%	13.99%	9.95%	21.93%	10.42%	2
12/31/93	75,594,235	1,287,486	8,471,584	85,353,305	11.1120%	44.39%	13.03%	11.07%	35.43%	10.64%	3
12/31/94	85,353,305	1,180,899	-2,682,882	83,851,322	-3.1217%	39.88%	8.75%	5.87%	43.38%	9.43%	4
12/31/95	83,851,322	849,793	22,390,520	107,091,635	26.5680%	77.04%	12.10%	12.73%	61.63%	10.08%	5
12/31/96	107,091,635	1,437,267	12,894,655	121,423,557	11.9605%	98.22%	12.08%	13.21%	82.98%	10.59%	6
12/31/97	121,423,557	724,737	21,841,187	143,989,481	17.9341%	133.77%	12.90%	4.67%	91.52%	9.73%	7
12/31/98	143,989,481	12,894	13,756,662	157,759,037	9.5335%	156.10%	12.47%	11.56%	113.66%	9.96%	8
12/31/99	157,759,037	-749,516	16,013,013	173,022,534	10.1745%	182.15%	12.22%	11.76%	138.80%	10.15%	9
12/31/00	173,022,534	-819,672	5,658,247	177,861,109	3.2780%	191.40%	11.29%	10.49%	163.85%	10.19%	10
12/31/01	177,861,109	-1,174,211	-1,677,973	175,008,925	-9.465%	188.65%	10.12%	10.39%	191.26%	10.21%	11
12/31/02	175,008,925	-3,605,097	-15,455,327	155,948,501	-8.9231%	162.89%	8.39%	6.01%	208.77%	9.85%	12
12/31/03	155,948,501	-4,695,531	36,142,887	187,395,857	23.5304%	224.75%	9.48%	7.28%	231.24%	9.65%	13
12/31/04	187,395,857	-4,042,804	19,502,120	202,855,173	10.5204%	258.91%	9.56%	6.19%	251.75%	9.40%	14
12/31/05	202,855,173	-4,570,106	7,713,678	205,998,745	3.8459%	272.72%	9.17%	4.79%	268.59%	9.09%	15
12/31/06	205,998,745	-5,548,719	28,734,146	229,184,172	14.1391%	325.42%	9.47%	6.21%	291.49%	8.90%	16
12/31/07	229,184,172	-6,058,903	8,667,155	231,792,424	3.8324%	341.72%	9.13%	5.84%	314.34%	8.72%	17
12/31/08	231,792,424	-6,251,824	-59,122,504	166,418,096	-25.8553%	227.51%	6.81%	2.39%	324.24%	8.36%	18
12/31/09	166,418,096	-7,306,708	31,912,755	191,024,143	19.6067%	291.72%	7.45%	6.26%	350.80%	8.25%	19
12/31/10	191,024,143	-8,223,289	22,439,431	205,240,285	12.0053%	338.75%	7.67%	4.23%	369.89%	8.04%	20
12/31/11	205,240,285	-8,114,890	8,968,361	206,093,756	4.4578%	358.31%	7.52%	3.07%	384.33%	7.80%	21
12/31/12	206,093,756	-8,472,301	23,082,600	220,704,055	11.4351%	410.72%	7.69%	3.99%	403.64%	7.63%	22
12/31/13	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	465.54%	7.82%	2.81%	417.79%	7.41%	23

Number of Years Included: 23

CERTIFICATION

The foregoing report presents fairly the actuarial position of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2014 in accordance with generally accepted actuarial principles applied on a basis consistent with the preceding valuation, except where noted. In our opinion, the assumptions used in preparing the liabilities and estimated costs are reasonably related to the experience of the plan and to reasonable expectations and represent our best estimate of anticipated experience under the plan.

CONEFRY & COMPANY, L.L.C.

A handwritten signature in blue ink, appearing to read "Michael A. Conefry", is written over a horizontal line.

Michael A. Conefry, FCA, ASA, MAFA, MSPA  
Enrollment Number 11-1235

New Orleans, Louisiana  
March, 2014  
V201312

**EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**GASB #27 DEVELOPMENT OF NET PENSION OBLIGATION (ASSET)**  
**BY CALENDAR YEAR**

FISCAL YEAR ENDING	COVERED PAYROLL (1)	ACTUAL EMPLOYER CONTRIBUTIONS		ACTUALLY RECOMMENDED CONTRIBUTIONS		INTEREST ON NET PENSION OBLIGATION (ASSET)		ADJUSTMENT TO ACTUALLY RECOMMENDED CONTRIBUTIONS		ANNUAL PENSION COST (10)	CHANGE IN NET PENSION OBLIGATION (11)	BEGINNING OF YEAR NET PENS. OBLIG. (ASSET) (12)	END OF YEAR NET PENSION OBLIGATION (ASSET) (13)
		AMOUNT (2)	RATE (3)	AMOUNT (4)	RATE (5)	RATE (6)	AMOUNT (7)	YRS AMORT - (8)	AMOUNT (9)				
12/31/87	26,583,220	4,452,689	16.750%	4,513,831	16.980%	7.000%	0	14	11,294,21	4,513,831	61,141	0	61,141
12/31/88	26,202,498	4,415,121	16.850%	4,548,754	17.360%	7.000%	4,280	13	10,631,04	4,547,282	132,161	61,141	193,303
12/31/89	25,301,492	4,263,301	16.850%	4,493,545	17.760%	7.000%	13,531	12	10,139,57	4,488,012	224,710	193,303	418,013
12/31/90	27,140,566	4,573,185	16.850%	4,795,738	17.670%	7.000%	29,261	11	9,235,15	4,779,736	206,550	418,013	624,563
12/31/91	28,111,436	4,736,777	16.850%	4,964,480	17.660%	7.000%	43,719	10	8,510,16	4,934,809	198,032	624,563	822,595
12/31/92	29,774,648	5,017,028	16.850%	5,228,428	17.560%	7.000%	57,582	9	7,768,67	5,180,124	163,095	822,595	985,691
12/31/93	30,248,264	5,096,832	16.850%	4,830,648	15.970%	7.000%	68,998	10	8,509,31	4,783,809	313,023	985,691	672,667
12/31/94	30,178,052	5,085,002	16.850%	4,916,005	16.290%	7.000%	47,087	9	7,763,90	4,876,451	208,551	672,667	464,117
12/31/95	31,952,080	5,383,925	16.850%	4,942,987	15.470%	7.000%	32,488	8	7,001,16	4,909,184	474,742	464,117	(10,625)
12/31/96	33,718,695	5,681,600	16.850%	4,913,488	14.572%	7.000%	(744)	7	5,560,06	4,914,655	(766,945)	(10,625)	(777,570)
12/31/97	32,772,094	5,522,098	16.850%	5,701,361	17.397%	7.000%	(54,430)	6	4,917,44	5,805,056	282,958	(777,570)	(494,611)
12/31/98	31,544,198	5,315,197	16.850%	4,694,092	14.881%	7.000%	(34,623)	5	4,230,12	4,776,395	(538,802)	(494,611)	(1,033,413)
12/31/99	31,276,546	5,270,098	16.850%	3,304,993	10.567%	7.000%	(72,339)	4	3,494,54	3,528,376	(1,741,722)	(1,033,413)	(2,775,135)
12/31/00	30,235,213	5,094,633	16.850%	891,032	2.947%	7.000%	(194,259)	3	2,707,48	1,721,759	(3,372,874)	(2,775,135)	(6,148,010)
12/31/01	28,855,551	4,862,160	16.850%	0	0.000%	7.000%	(430,361)	2	1,865,32	2,865,599	(1,996,561)	(6,148,010)	(8,144,571)
12/31/02	28,886,538	2,310,923	8.000%	3,190,807	11.046%	7.000%	(570,120)	10	7,246,17	3,744,670	1,433,747	(8,144,571)	(6,710,824)
12/31/03	28,443,387	3,141,857	11.046%	3,193,339	11.227%	7.000%	(469,758)	9	6,721,71	3,721,962	580,105	(6,710,824)	(6,130,718)
12/31/04	30,165,927	3,386,729	11.227%	4,271,797	14.161%	7.000%	(429,150)	8	6,160,54	4,837,806	1,451,078	(6,130,718)	(4,679,641)
12/31/05	30,050,827	4,255,498	14.161%	4,702,353	15.648%	7.000%	(327,575)	7	5,560,08	5,216,428	960,930	(4,679,641)	(3,718,710)
12/31/06	25,931,584	4,057,774	15.648%	4,073,593	15.709%	7.000%	(260,310)	10	7,246,17	4,326,480	268,705	(3,718,710)	(3,450,005)
12/31/07	26,544,603	4,169,892	15.709%	4,598,587	17.324%	7.000%	(241,500)	10	7,246,17	4,833,201	663,309	(3,450,005)	(2,786,696)
12/31/08	29,466,571	5,104,789	17.324%	7,146,527	24.253%	7.000%	(195,069)	10	7,246,17	7,336,034	2,231,245	(2,786,696)	(555,451)
12/31/09	29,947,906	5,188,175	17.324%	7,591,495	25.349%	7.000%	(38,882)	10	7,246,17	7,629,268	2,441,092	(555,451)	1,885,642
12/31/10	29,670,378	5,140,096	17.324%	8,358,739	28.172%	7.000%	131,995	10	7,246,17	8,230,508	3,090,412	1,885,642	4,976,053
12/31/11	29,774,937	5,564,936	18.690%	9,815,606	32.966%	7.000%	348,324	10	7,246,17	9,477,214	3,912,279	4,976,053	8,888,332
12/31/12	29,074,529	6,287,658	21.626%	9,127,658	31.394%	7.000%	622,183	10	7,246,17	8,523,216	2,235,558	8,888,332	11,123,890
12/31/13	29,706,715	6,023,631	20.277%	11,086,546	37.320%	7.000%	778,672	10	7,246,17	10,330,077	4,306,447	11,123,890	15,430,337



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

April 8, 2014

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

Dear Directors:

Subject: Water Contributed for Public Purposes in 2013

As mandated by state law and in accordance with R.S. 33:4096, the Sewerage and Water Board provides free water service to the City of New Orleans and its public institutions from which no revenue is derived. In addition to providing non-revenue generating institutions with free water service, R.S. 33:4096 mandates the Audubon Park and Zoological Garden, the New Orleans City Park, and the New Orleans Museum of Art shall only be charged for annual consumption in excess of their respective 1981 usage. In accordance with state law R.S. 33:4121 the Sewerage and Water Board provided free sewer service to the City of New Orleans and its public institutions from which no revenue is derived and the Medical Center of Louisiana, formerly the Charity Hospital of Louisiana in New Orleans.

During 2013, the Sewerage and Water Board provided 745,453,200 gallons of water at no charge to the non-revenue producing agencies of the City of New Orleans and three revenue-generating public agencies. The 2013 usage increased by 72,615,300 gallons, 10.8% above consumption for 2012. The value of this free water, at current rates is \$2,648,570.38. The retail value of the sewer charges is \$3,432,895.70. The total value of all charges is \$6,081,466.08.

Water used in process by Sewerage and Water Board, which is listed separately, decreased from 622,443,400 gallons in 2012 to 593,075,100 gallons in 2013. The retail value of the water and sewer used in process is \$4,492,742.44.

As a result of changes to the related state statutes in 1992, Sewerage and Water Board began billing the School Board accounts on a July 1 to June 30 fiscal year. Billing is exempted for all water consumed which did not exceed four gallons per day for 365 days a fiscal year for each student enrolled and any other person regularly assigned to that campus facility. However, from August 2005 through June 2013, Sewerage and Water Board had not billed public school accounts and all usage since that date had been considered within the previously allowed limits. Sewerage and Water Board has since begun recording consumption for school accounts effective July 1, 2013 in order to bill them for usage above their allotted amounts for the 2013-2014 school year.

The three revenue-generating public agencies, City Park, Audubon Park and The New Orleans Museum of Art, continued to receive free water under "caps" or maximum annual limits, established by the legislature in 1982. City Park used 28,044,900 gallons, which is 207,278,500 gallons or 88% below the annual cap of 235, 323, 400 gallons. Audubon Park used 143,274,400 gallons; 96,725,600 gallons or 40% below the annual cap of 240,000,000 gallons. The Museum of Art used 162,400 gallons; 2,391,400 gallons or 93% below annual cap of 2,553,800 gallons.

Robert K. Miller  
Deputy Director



WATER CONTRIBUTED DURING 2013 FOR PUBLIC PURPOSES

TYPE	DESCRIPTION	METERED ACCOUNTS	UNMETERED ACCOUNTS	GALLONS PROVIDED 2012	GALLONS PROVIDED 2013	DIFFERENCE IN CONSUMPTION	WATER AND SEWER DOLLAR AMT
MUNICIPAL							
A	FOUNTAIN	10		4,308,800	4,199,900	-108,900	\$40,350.34
B	N.O. FIRE DEPT	35	3	16,393,900	16,642,000	248,100	\$188,543.94
C	SWIMMING POOLS	16		3,841,800	6,478,900	2,637,100	\$113,947.54
D	LIBRARIES	21	2	5,721,100	3,948,300	-1,772,800	\$61,525.89
E	CEMETERIES	10		566,300	809,600	243,300	\$9,151.11
F	CITY OF N.O.	38	3	25,671,400	35,927,000	10,255,600	\$383,137.12
G	DEPT OF HEALTH	9		225,900	200,400	-25,500	\$18,371.96
H	DEPT OF PROP MGMT	12		51,096,000	62,869,900	11,773,900	\$560,569.23
I	SAFETY/PERMITS	5		60,500	3,718,000	3,657,500	\$32,429.80
J	SANITATION DEPT	9		108,000	179,700	71,700	\$26,928.77
K	PUBLIC WORKS	19		4,050,100	3,285,200	-764,900	\$59,271.38
L	DEPT OF WELFARE	4		2,785,400	293,300	144,900	\$36,045.10
M	MUNICIPAL MISC	7		1,902,200	575,700	-1,326,500	\$28,063.84
	TOTALS (MUNICIPAL)	195	8	116,731,400	141,764,900	25,033,500	\$1,558,336.02
PARKS AND PLAYGROUNDS:							
N	CITY PARK	9		34,896,200	28,044,900	-6,851,300	\$164,848.90
O	N.O. MUSEUM OF ART	1		695,800	162,400	-533,400	\$17,778.16
P	AUDUBON PARK	13		111,834,700	143,274,400	31,439,700	\$75,212.26
Q	PARKS & PARKWAYS	116	4	49,636,000	70,403,600	20,767,600	\$450,799.30
R	NORD	117	4	32,488,300	27,622,000	-4,866,300	\$319,093.87
	TOTALS (PARK AND PLAYGROUNDS)	256	8	229,551,000	269,507,300	39,956,300	\$1,027,732.49
POLICE DEPARTMENT:							
S	CRIMINAL SHERIFF	41	5	93,570,300	89,414,100	-4,156,200	\$896,973.15
T	NOPD	40	1	63,340,300	60,647,800	-2,692,500	\$519,278.65
	TOTALS (POLICE)	81	6	156,910,600	150,061,900	-6,848,700	\$1,416,251.80
U	SCHOOLS*	305	33	169,644,900	184,119,100	14,474,200	\$2,079,145.77
	GRAND TOTALS	837	55	672,837,900	745,453,200	72,615,300	\$6,081,466.08

DOLLAR VALUE OF FREE WATER ACCOUNTS:

\$ 2,648,570.38

TOTAL VALUE OF FREE SEWERAGE ACCOUNTS:

\$ 3,432,895.70

TOTAL VALUE OF FREE WATER AND SEWERAGE ACCOUNTS:

\$ 6,081,466.08

PROVIDED FREE IN FISCAL YEAR 2012/2013  
FWATOT2013



## WATER USED IN PROCESS BY SEWERAGE AND WATER BOARD

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	METERED ACCOUNTS	GALLONS PROVIDED 2012	GALLONS PROVIDED 2013	DIFFERENCE DECREASE
SEWERAGE & WATER BOARD	234	622,443,400	593,075,100	29,638,300

### DOLLAR VALUE OF WATER AND SEWER USED IN PROCESS

\$4,492,742.44

### YEAR-TO-YEAR COMPARISON OF WATER USAGE

#### FREE WATER:

City Agencies (EXCLUDING SCHOOLS)	TOTAL 2012	672,837,900
	TOTAL 2013	<u>745,453,200</u>
		72,615,300
	10.8% Difference	INCREASE
S&WB Process Water	TOTAL 2012	622,443,400
	TOTAL 2013	<u>593,075,100</u>
		29,368,300
	4.7% Difference	DECREASE

WATER CAP ACCOUNTS

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Dollar Value\*  
of Water and Sewer Quantity  
Provided Free of  
Charge

City Park:

Cap Amount	235,323,400	\$69,078.12
Water Provided	28,044,900	
Amount Under Cap	207,278,500	

Audubon Park:

Cap Amount	240,000,000	\$51,514.95
Water Provided	143,274,400	
Amount Under Cap	96,725,600	

Museum Of Art:

Cap Amount	2,553,800	\$661.65
Water Provided	162,400	
Amount Under Cap	2,391,400	

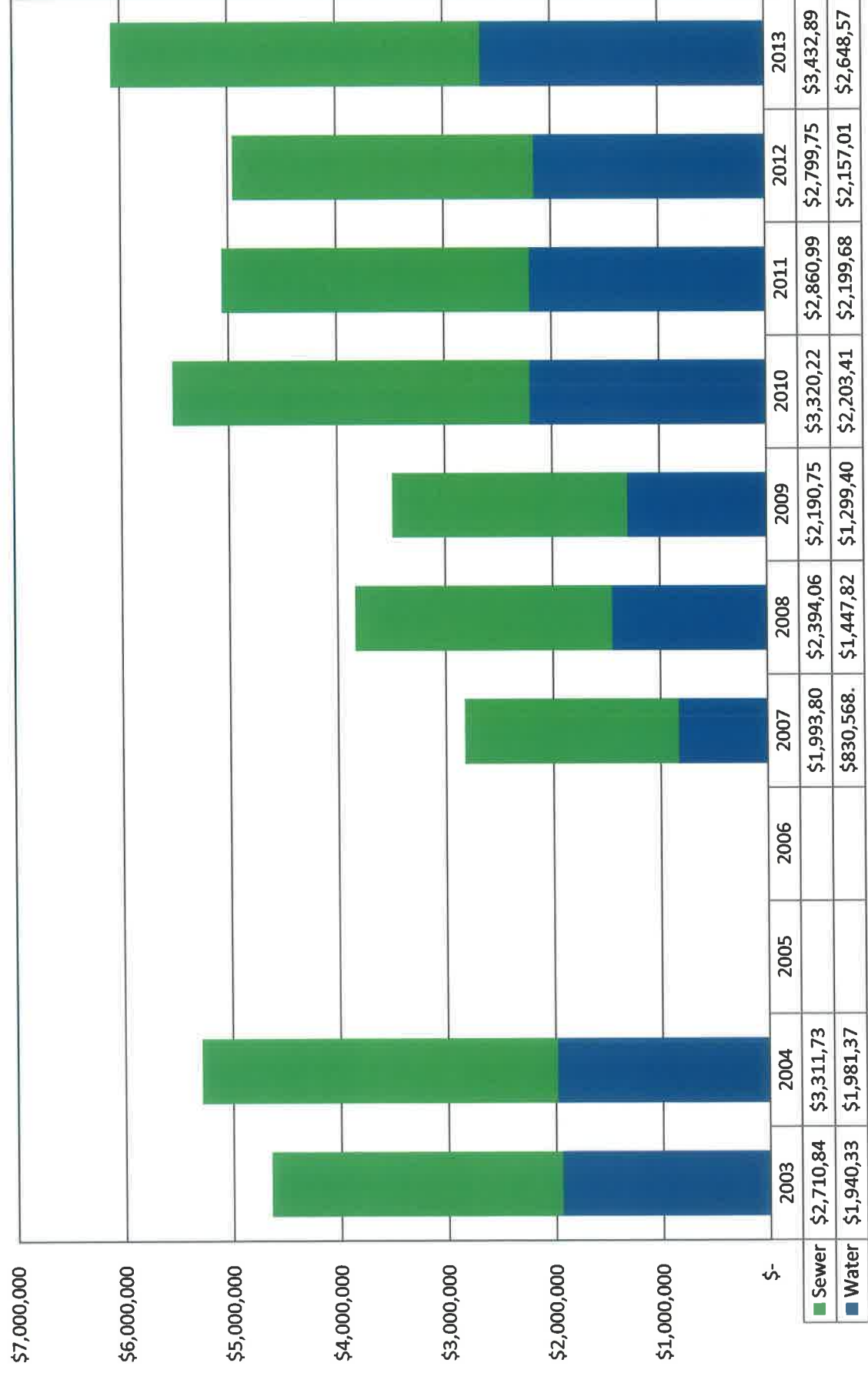
The above listed "water cap" accounts pay only for the water and sewerage service charges and water and sewerage quantity charges that exceed the "cap" amount.

\*The dollar values listed are the values of the free water quantity charges actually provided to the agencies.

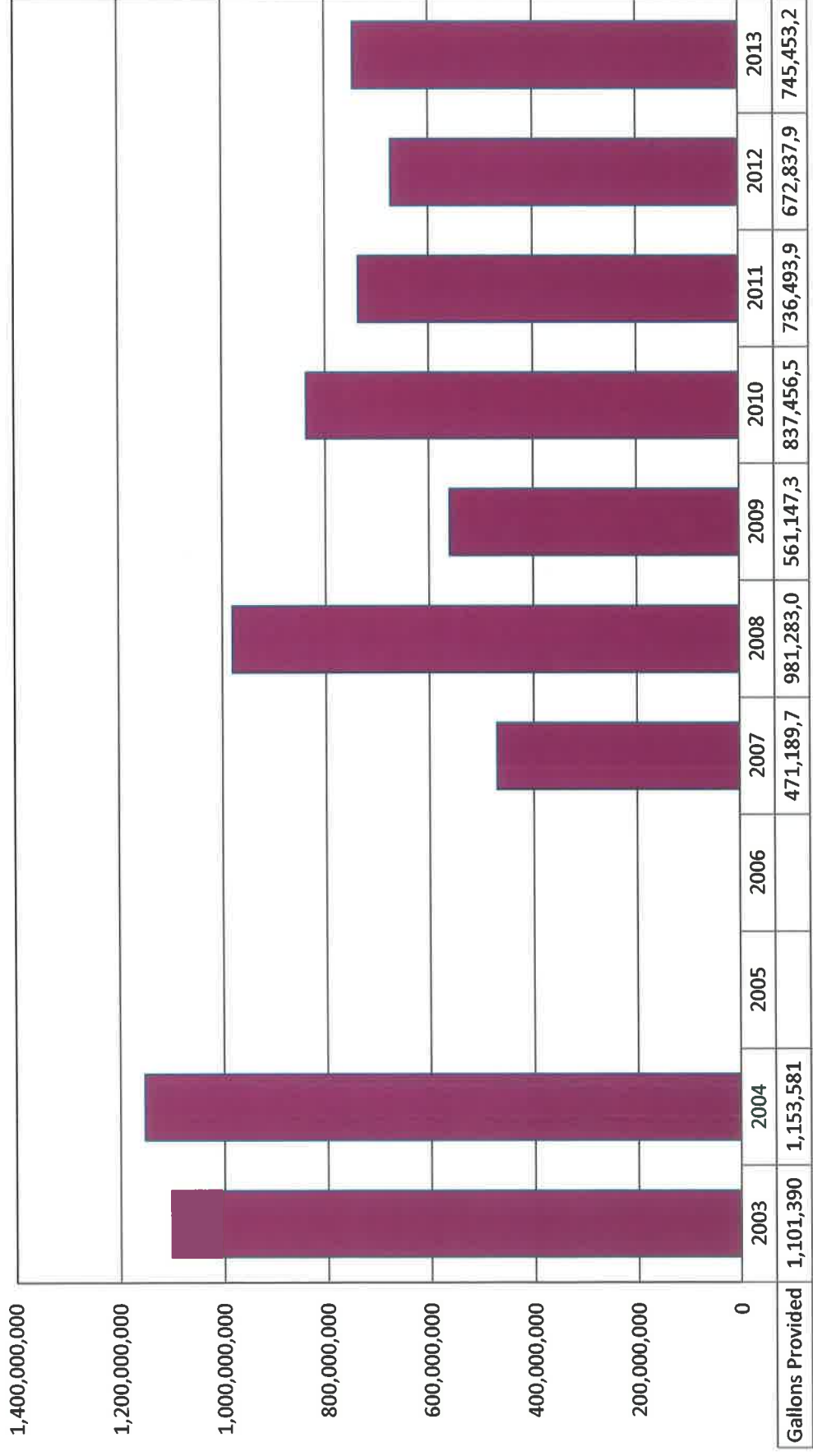
# Sewerage and Water Board of New Orleans

## Water and Sewer Services Contributed for Public Purposes

### Value of Services Provided



# **Sewerage and Water Board of New Orleans** **Water and Sewer Services Contributed for Public Purposes** **Gallons of Water Provided**



■ Gallons Provided

REPORT: SACR122 -01 REL: 5.03  
DISTRIBUTION: COMPUTER CENTER  
12-31-13

SEWERAGE AND WATER BOARD  
CUSTOMER ACCOUNT SUB-SYSTEM

PAGE: 1  
DATE: 02-04-14  
TIME: 13.49.04

WATER CONTRIBUTED DURING 2013 FOR PUBLIC PURPOSES  
FREE WATER FOR: 2013

TYPE DESCRIPTION	METERED	UNMETERED	CONSUMPTION (GALLONS)	WATER	SEWER	EXCESS SEWER	AMOUNT ( \$ )
A FOUNTAINS	10		4,199,900	18,552.97	21,797.37	0.00	40,350.34
B FIRE DEPARTMENT	35	3	16,642,000	78,738.83	109,805.11	0.00	188,543.94
C SWIMMING POOL	16		6,478,900	36,180.43	77,767.11	0.00	113,947.54
D LIBRARIES	21	2	3,948,300	26,880.60	34,645.29	0.00	61,525.89
E CEMETERIES	10		809,600	4,099.24	5,051.87	0.00	9,151.11
F CITY OF N. D.	38	3	35,927,000	183,659.91	219,477.21	0.00	383,137.12
G DEPT OF HEALTH	9		200,400	4,394.99	13,976.97	0.00	18,371.96
H PROPERTY MGMT	12		62,869,900	244,036.40	316,532.83	0.00	560,569.23
I SAFETY+PERMITS	5		3,718,000	15,512.36	16,917.44	0.00	32,429.80
J SANITATION DEPT	9		179,700	7,887.55	19,041.22	0.00	26,928.77
K PUBLIC WORKS	19		3,285,200	39,616.72	19,654.66	0.00	59,271.38
L DEPT OF WELFARE	4		2,930,300	15,379.72	20,665.38	0.00	36,045.10
M MUNICIPAL MISC	7		575,700	7,317.05	20,746.79	0.00	28,063.84
N CITY PARK	9		28,044,900	74,599.74	90,249.16	0.00	164,848.90
O MUSEUM OF ART	1		162,400	3,907.89	13,870.27	0.00	17,778.16
P AUDUBON PARK	13		143,274,400	6,185.62	69,026.64	0.00	75,212.26
Q PARKS+PARKWAYS	116	4	70,403,600	306,363.45	144,435.85	0.00	450,799.30
R RECREATION DEPT	117	4	27,622,000	124,577.35	194,516.52	0.00	319,093.87
S CRIM. SHERIFF	41	5	89,414,100	385,632.44	511,340.71	0.00	896,973.15
T N.O.P.D.	40	1	60,647,800	234,409.56	284,869.09	0.00	519,278.65
U SCHOOLS	305	33	184,119,100	850,637.56	1,228,508.21	0.00	2,079,145.77
V S. & W. B.	234	2	593,075,100	2,395,607.55	2,097,134.89	0.00	4,492,742.44
***TOTAL***	1,071	57	1,338,528,300	5,044,177.93	5,530,030.59	0.00	10,574,208.52

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CHANGE ORDER ANALYSIS SUMMARY FOR FISCAL YEAR 2013**

As of March 31, 2014

	<u><b>Total Active Contracts (\$)</b></u>	<u><b>Total Change Orders (\$)</b></u>	<u><b>Percentage Contract</b></u>
<b>WATER</b>			
Construction	\$ 235,855,839	\$ 3,716,867	1.6%
Design	\$ 37,628,420	\$ 7,237,026	19.2%
Total: Water	<b>\$ 273,484,259</b>	<b>\$ 10,953,894</b>	<b>4.0%</b>
<b>SEWERAGE</b>			
Construction	\$ 131,045,994	\$ 2,142,428	1.6%
Design	\$ 14,071,884	\$ 4,952,192	35.2%
Total Sewerage	<b>\$ 145,117,878</b>	<b>\$ 7,094,620</b>	<b>4.9%</b>
<b>DRAINAGE</b>			
Construction	\$ 52,787,510	\$ 1,356,243	2.6%
Design	\$ 28,693,133	\$ 1,953,986	6.8%
Total Drainage	<b>\$ 81,480,643</b>	<b>\$ 3,310,228</b>	<b>4.1%</b>
<b>Total Program</b>	<b>\$ 500,082,780</b>	<b>\$ 21,358,742</b>	<b>4.3%</b>