

BOARD OF DIRECTORS' MEETING SEWERAGE & WATER BOARD OF NEW ORLEANS

WEDNESDAY, APRIL 16, 2014

9:00 AM

**625 ST. JOSEPH STREET
2ND FLOOR BOARD ROOM**

ORDER OF BUSINESS

1. CALL TO ORDER
2. PREVIOUS BOARD MINUTES
3. REPORT OF THE INTERIM EXECUTIVE DIRECTOR
4. COMMITTEE REPORTS
 - A. Pension Committee Report
 - B. Finance Committee Report
 - C. Executive Committee Report
5. CORRESPONDING RESOLUTIONS
6. UNFINISHED BUSINESS
 - Status Update on Selection of New Board Members
 - Status Update on Appointment of New Executive Director
7. NEW BUSINESS
8. INFORMATION ITEMS
 - D. FEMA Status Report
 - E. Report of the General Superintendent
 - F. Report of the Special Counsel
 - G. 2014 Committee/Board Meeting Schedule
 - H. Financial Statements
9. REFERENCE MATERIAL (In Binders)
 - I. Sewerage & Water Board By-Laws
 - J. 2014 Operating & Capital Budget
 - K. Strategic Plan 2011 – 2020
 - L. Tracking Tool for Commitments to the City Council
 - M. Bond Rating
10. ANY OTHER MATTERS
11. ADJOURNMENT

BOARD OF DIRECTOR'S MEETING

MARCH 19, 2014

MEETING MINUTES

SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Interim Executive Director, Robert Miller, called the roll and showed the following members present: **Ms. Suchitra Satpathi, Mr. Wm. Raymond Manning, Mr. Marion Bracy, Ms. Kerri Kane, Mrs. Florence Schornstein, Mr. Charles F. Webb, *Ms. Loyce Pierce Wright (Seven) and a quorum.

Absent: Dr. Beverly Wright, Mr. Mark M. Moody (Two).

**Ms. Suchitra Satpathi, Mayor's Representative

*Ms. Suchitra Satpathi and *Ms. Loyce Wright were not present when roll was called, but arrived later during the meeting.

Also present were: Brenda Thornton, Communirep, Inc; Randy Smith, Royal Engineers; Richard Rainey, Times Picayune; Paul West, Chester Engineers; Derrick Francis, Hayne Rainey, Mayor's Office; Geneva Coleman, The Hawthorne Agency, Inc.; Veronica Gordon, MST Enterprises, LLC; Sharmaine James, Condall Consulting; Terri Dupre, Meyer Engineers.

Staff present were: Robert Miller, Executive Director's Office; Joseph Becker, Madeline Fong Goddard, General Superintendent's Office; Nolan Lambert, Special Counsel; Brian Ferrara, Harold Marchand, Anthony Stewart, Legal Department; Kathleen LaFrance, Executive Director's Office; Alvin Porter, EDBP Department; Willie Mingo, Purchasing Department; Ethel Williams, Finance Administration Department; Jason Higginbotham, Emergency Management Department; Robert Jackson, Community & Intergovernmental Relations Department; Bobby Nathan, EEOC, Equal Employment Opportunity Department.

APPROVAL OF PREVIOUS REPORT

Mr. Charles F. Webb moved to accept the minutes of the Regular Board Meeting held on February 19, 2014. Mr. Marion Bracy seconded the motion. The motion carried.

HONORS AND AWARDS

NONE

REPORT OF THE EXECUTIVE DIRECTOR

Robert Miller, Interim Executive Director, provided a verbal report that focused on:

- **Sewerage and Water Board of New Orleans' Awards Banquet**

The "*Executive Director's Award for Employee of the Year*" was renamed "*Marcia Armant St. Martin Award for Excellence in Public Service*". Eric Labat was named this year's recipient.

- **Bond Issue Status Update**

Feasibility studies and other financial projects are underway. The key objectives are to refinance outstanding bonds for economic savings, modernization of bond covenants and issuance of new money bonds for 2014 projects.

COMMITTEE REPORTS

FINANCE COMMITTEE REPORT

Chairperson, Mr. Charles F. Webb reported on the summary and actions taken by the Finance Committee. The Finance Committee Report for the month of March was presented and recommended for approval.

Ms. Kerri Kane moved acceptance of the Finance Committee report for the month of March. Mr. Glen Pilie seconded the motion. The motion carried.

Ms. Kerri Kane moved approval of the Finance Committee recommendations with the exception of the Executive Session for the month of March. Mr. Marion Bracy seconded the motion. The motion carried.

*Ms. Suchitra Satpathi entered at this time.

EXECUTIVE COMMITTEE

The acting Chairperson, Mrs. Florence Schornstein reported on the summary and actions taken by the Executive Committee. The Executive Committee Report for the month of March was presented and recommended for approval.

*Ms. Loyce P. Wright entered at this time.

Mr. Marion Bracy moved acceptance of the Executive Committee Report and approval of the Executive Committee recommendations inclusive of the Operations Committee recommendations, therein. Mr. Glen Pilie seconded the motion. The motion carried.

CORRESPONDING RESOLUTIONS

The following resolutions were adopted:

R-041-2014 - Ratification for Execution of Third Amendment to Lease Regarding Algiers Customer Service Center Location

R-042-2014 – Contract 8132 – Hurricane Related Repairs to Garage No. 1 and the Generator Building at Central Yard in the City of New Orleans, LA

R-043-2014 – Furnishing Janitorial Services at Central Yard, 2900 Peoples Avenue, 2901 Eads Street Buildings and Trailer – Req. No. YO130018

R-044-2014 – Emergency Letter Bids for 2014 Rewinding Frequency Changer No. 1 at Station “C”

R-045-2014 – Final Acceptance and Close Out to Contract 1337 – Sodium Hypochlorite Bulk Storage/Feed Facility at the CWPP

R-046-2014 – Ratification of Change Order No. 4 for Contract 3661 – Modifications to East Bank Wastewater Treatment Plant Flood Protection System

R-047-2014 – Final Acceptance and Close Out to Contract 8140 – Hurricane Katrina Related Repairs at the Carrollton Water Plant and Water Intake #1

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

R-050-2014 – Authorization to Amend Contract with Chester Engineers, Inc. for Program Management Services for Hurricane Related Drainage Restoration Projects

R-051-2014 – 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

COMMUNICATION

- **Status Update on New Board Members**

The Special Counsel, Mr. Nolan Lambert gave a status update on new Board Members. In accordance with Act 345 of the 2013 Louisiana Legislature, the Board Selection Committee met on February 26, 2014 to select nominees that represent each of the five councilmatic

districts; two communities or consumer advocated; and one member at-large. Twenty-four (24) candidates, from nearly 90 applications received, were selected and submitted to the Mayor. The Mayor has sixty (60) days to make his selection to the full Council.

Following a discussion, Ms. Loyce Pierce Wright stated for the record, her concerns with the selection process of the new Board and the importance of having all areas of the city represented.

- **Status of New Executive Director**

Mr. Lambert updated the Board on the status of hiring Mr. Cedric Grant as the new Executive Director. An attorney has been retained and the Louisiana Ethics Board is scheduled to meet on April 24 and 25, 2014 to discuss all concerns regarding this matter.

The President Pro Tem asked staff to draft a Cooperative Endeavor Agreement (CEA) for the Board to review at its April Board Meeting.

EXECUTIVE SESSION

Mr. Glen Pilie moved to go into Executive Session re: legal matters. Mr. Marion Bracy seconded the motion. The motion carried.

Mr. Marion Bracy moved to come out of Executive Session. Mrs. Florence Schornstein seconded the motion. The motion carried.

Ms. Kerri Kane moved acceptance of recommendations of the Legal staff regarding matters discussed in Executive Session. Mrs. Florence Schornstein seconded the motion. The motion carried.

ANY OTHER MATTERS

Ms. Loyce Pierce Wright stated that she wanted to offer condolences to Mr. Robert Miller on behalf of the recent loss of his mother. The Board offered their sympathy and condolences.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- FEMA Status Report
- Report of the General Superintendent
- Report of the Special Counsel

- 2014 Committee/Board Meeting Schedule
- Financial Statements

ADJOURNMENT

There being no further business the meeting adjourned.

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.

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.

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

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.

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.

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

FURNISHING AIRBOAT - REQ. NO. WD140016

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**.

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.

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

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

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.**

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.

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

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

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**.

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.

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

FURNISHING FLASHLIGHTS & BATTERIES - REQ. NO. YW140005

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.**

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.

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**

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.

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.

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

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.

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.

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**

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.

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.

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**

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.

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.

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

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.

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.

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

**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.

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.

**ROBERT K. 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

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.

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.

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.

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.

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

**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.

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.

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

**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.

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.

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

**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.

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.

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

**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

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

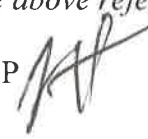
ROBERT MILLER, INTERIM
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

Sewerage and Water Board
Department of Emergency Management
“Preparedness, Mitigation, Response, and Recovery”

FEMA Project Update as of **3-24-14**

This data was collected from E.M. Data and Louisiana.com on the above reference date

Prepared by: Jason Higginbotham, CEM, LEM-P
 Director of Emergency Management



Hurricane Katrina

Estimated Project Cost	\$ 788,465,916.08
Obligated Amount	\$ 657,180,135.08
Not Eligible PW ¹	\$ 10,896,751.08
Not Eligible Loan PW ²	\$ 70,111,970.25
Insurance Deduction ³	\$ 2,747,339.04
Version Request ⁴	\$ 0
Loan/Advancement PW Version Request ⁵	\$ 34,162,501.46
Appeal Amount ⁶	\$ -
Close Out Reconciliation ⁷	\$ 11,427,791.75
Submitted Project Cost	\$ 693,827,990.02
Awaiting Obligation ⁸	\$ 1,939,427.41
Total Invoices in Progress at State	\$ 1,383,432.06
Total Paid by State (LAPA Data)	\$ 361,072,387.40
SPS HMGP Grant	\$ 20,082,538.00
Power Plant HMGP GRANT	\$ 141,175,000.00
Power Plant HMGP Amendment 1	\$ 9,620,389.00

¹ Represents the amount that will not result in payments by FEMA on non-100 Million Dollar P.W.'s.

² Represents the amount that will not result in payments by FEMA on 100 Million Dollar P.W.'s.

³ National Flood Insurance deductions.

⁴ Amount that FEMA is reviewing documentation to adjust scope of work or cost adjustments on non-100 Million Dollar P.W.'s.

⁵ Amount that FEMA is reviewing documentation to adjust scope of work or cost adjustments on 100 Million Dollar P.W.'s. and GOHSEP Advancement Project Worksheets

⁶ Amount that is currently under appeal or arbitration.

⁷ Amount that will be reconciled when Project Worksheet's are closed out.

⁸ Amount pending obligation in FEMA Million Dollar Queue or Funding Review Queue.

Hurricane Gustav

This data was collected from E.M. Data and Louisianapa.com

Original ESTIMATED PROJECT COST	\$ 755,354.17
PROJECT SUBMITTED AMOUNT	\$ 755,354.17
NFIP Reduction	\$ -
OBLIGATED Amount	\$ 755,354.17
Amount Paid by State	\$ 312,309.26

Hurricane Isaac

This data was collected from E.M. Data and Louisiana.gov

Site	Estimated	Insurance Claim	FEMA Claim	PW Amount
CAT B Emergency Labor/Equipment	\$ 1,217,743.75	\$ -	\$ 1,217,743.75	\$ 1,217,743.75
East Bank Waste Water Treatment Plant	\$ 873,596.00	\$ 367,636.00	\$ 505,960.00	\$ 324,593.84
West Bank Waste Water Treatment Plant	\$ 118,755.00	\$ 38,887.00	\$ 79,868.00	\$ 75,569.78
East Bank Water Plant	\$ 184,556.00	\$ 36,850.00	\$ 174,706.00	\$ 74,678.91
West bank Water Plant	\$ 2,269.74	\$ -	\$ 2,269.74	\$ 2,269.74
Sewer Pumping Stations/DPS	\$ 94,063.80	\$ -	\$ 94,377.90	\$ 94,377.90
Drainage Pumping Stations	\$ 9,533.00	\$ -	\$ 9,533.00	\$ 9,533.00
Central Yard	\$ 6,053.60	\$ -	\$ 6,053.60	\$ 6,053.60
Total	\$ 2,506,570.89	\$ 443,373.00	\$ 2,090,511.99	\$ 1,804,820.52



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: 3-24-14

To: Joseph Becker, General Superintendent

From: Jason Higginbotham, Director of Emergency Management and FEMA Grants

Re: Significant Updated to Hurricane Katrina Recovery Program

Recent written versions since March 1st, 2014

The below Projects Worksheets can be viewed on the Katrina Project Managers Report under Newly Written Project Worksheets

- PW 20515 West Lake Forest Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$15,783.63 bringing the total Project Worksheet amount to \$567,285.22.
- PW 20647 Milan Neighborhoods Version 3 (This version was written to adjust the scope of work for the project). This version adds \$163,007.86 bringing the total Project Worksheet amount to \$947,223.14.
- PW 20696 Pines Village Neighborhoods Version2 (This version was written to adjust the scope of work for the project). This version adds \$702,871.98 bringing the total Project Worksheet amount to \$2,578,267.28 .
- PW 20666 Freret Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$9,302.00 bringing the total Project Worksheet amount to \$33,592.30.
- PW 20650 Dillard Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$572,597.00 bringing the total Project Worksheet amount to \$2,523,089.50.
- PW 20347 Navarre Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$100,712.78 bringing the total Project Worksheet amount to \$1,544,669.43.

- PW 20527 City Park Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$5,193.53 bringing the total Project Worksheet amount to \$583,078.64.
- PW 20667 West Riverside Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$132,823.75 bringing the total Project Worksheet amount to \$367,558.20
- PW 20233 Treme Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$141,601.67 bringing the total Project Worksheet amount to \$1,199,655.10
- PW 20530 Little Woods Neighborhoods Version 3 (This version was written to adjust the scope of work for the project). This version adds \$102,967.23 bringing the total Project Worksheet amount to \$3,456,381.97
- PW 20692 Village D' Lest Neighborhoods Version 2 (This version was written to adjust the scope of work for the project). This version adds \$178,905.75 bringing the total Project Worksheet amount to \$5,318,238.37

Newly Obligated Project Worksheet since March 1st, 2014

The below Projects Worksheets can be viewed on the Katrina Project Managers Report under recent Obligated Versions

- 18836 4 Water Hammer 406 Mitigation PDR Adjustment Design Only
Obligated on 3/13/2014 Amount \$1,709,005.34
- 20817 Improved Project for Central Yard Body and Tire Shop
Obligated on 3/10/2014 Amount \$125,103.00

Sewerage and Water Board of New Orleans Committee & Regular Board Meeting Schedule

2014 Calendar of Events

WEDNESDAY	APRIL 2, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	APRIL 2, 2014	10:30 AM	PENSION COMMITTEE
MONDAY	APRIL 7, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	APRIL 8, 2014	9:00 AM	FINANCE COMMITTEE
FRIDAY	APRIL 11, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	APRIL 16, 2014	9:00 AM	REGULAR BOARD
MONDAY	MAY 5, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	MAY 6, 2014	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	MAY 7, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	MAY 7, 2014	10:30 AM	PENSION COMMITTEE
FRIDAY	MAY 9, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	MAY 21, 2014	9:00 AM	REGULAR BOARD
MONDAY	JUNE 2, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	JUNE 3, 2014	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	JUNE 4, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JUNE 4, 2014	10:30 AM	PENSION COMMITTEE
FRIDAY	JUNE 6, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JUNE 18, 2014	9:00 AM	REGULAR BOARD
WEDNESDAY	JULY 2, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JULY 2, 2014	10:30 AM	PENSION COMMITTEE
MONDAY	JULY 7, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	JULY 8, 2014	9:00 AM	FINANCE COMMITTEE
FRIDAY	JULY 11, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JULY 16, 2014	9:00 AM	REGULAR BOARD
MONDAY	AUGUST 4, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	AUGUST 5, 2014	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	AUGUST 6, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	AUGUST 6, 2014	10:30 AM	PENSION COMMITTEE
FRIDAY	AUGUST 8, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	AUGUST 20, 2014	9:00 AM	REGULAR BOARD
WEDNESDAY	SEPTEMBER 3, 2014	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	SEPTEMBER 3, 2014	10:30 AM	PENSION COMMITTEE
MONDAY	SEPTEMBER 8, 2014	9:00 AM	OPERATIONS COMMITTEE
TUESDAY	SEPTEMBER 9, 2014	9:00 AM	FINANCE COMMITTEE
FRIDAY	SEPTEMBER 12, 2014	9:00 AM	EXECUTIVE DIRECTOR
WEDNESDAY	SEPTEMBER 17, 2014	9:00 AM	REGULAR BOARD



SEWERAGE AND WATER BOARD OF NEW ORLEANS

April 8, 2014

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

Re: Financial Results through February 2014

Attached are the *Statement of Revenues, Expenses, and Changes in Net Position* with budget and prior year comparisons for the water, sewer, drainage and total systems through February 2014. Variances occurring early in the fiscal year are typically attributable to timing differences and are usually resolved as the year progresses. The Variance Indicators for Financial Results through February 2014 are also attached. The *Statement of Net Assets* and the *Statement of Cash Flows* will be provided after the completion of the 2013 audit.

Operating Revenues:

Water System Fund (pages 7 and 8, line 5) for February of \$6,183,804 is \$89,325 or 1.4% less than budgeted and \$1,400,324 or 29.3% more than February 2013. February YTD operating revenues of \$11,748,461 is \$797,796 or 6.4% less than budgeted and \$1,402,666 or 13.6% more than February YTD 2013.

Sewer System Fund (pages 13 and 14, line 5) for February of \$7,255,185 is \$67,783 or 0.9% less than budgeted and \$1,447,903 or 24.9% more than February 2013. February YTD operating revenues of \$14,105,075 is \$540,861 or 3.7% less than budgeted and \$1,762,892 or 14.3% more than February YTD 2013.

Drainage System Fund (pages 19 and 20, line 5) for February of \$508 is \$508 or 100.0% more than budgeted and 254 or 100% more than for February 2013. February YTD operating revenues of \$762 is \$762 or 100.0% more than budgeted and \$254 or 100.0% more than February YTD 2013.

Total System Funds (pages 1 and 2, line 5) for February of \$13,439,497 are \$156,600 or 1.2% less than budgeted and \$2,848,481 or 26.9% more than February 2013. February YTD operating revenues of \$25,854,298 is \$1,337,895 or 4.9% less than budgeted and \$3,165,812 or 14.0% more than February YTD 2013.

Operating Expenses:

Water System Fund (pages 7 and 8, line 18) for February of \$4,425,095 is \$2,362,085 or 34.8% less than budgeted and \$1,851,189 or 29.5% less than February 2013. February YTD operating expenses of \$10,639,125 is \$2,935,235 or 21.6% less than budgeted and \$2,451,592 or 18.7% less than February YTD 2013.

Sewer System Fund (pages 13 and 14, line 18) for February of \$4,028,904 is \$1,349,980 or 25.1% less than budgeted and \$723,225 or 15.2% less than February 2013. February YTD operating expenses of \$8,162,202 is \$2,595,566 or 24.1% less than budgeted and \$1,590,001 or 16.3% less than February YTD 2013.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Drainage System Fund (pages 19 and 20, line 18) for February of \$2,725,546 is \$1,314,706 or 32.5% less than budgeted and \$729,226 or 21.1% less than February 2013. February YTD operating expenses of \$5,561,680 is \$2,518,825 or 31.2% less than budgeted and \$1,422,039 or 20.4% less than February YTD 2013.

Total System Funds (pages 1 and 2, line 18) for February of \$11,179,545 are \$5,026,771 or 31.0% less than budgeted and \$3,303,640 or 22.8% less than February 2013. February YTD operating expenses of \$24,363,007 is \$8,049,625 or 24.8% less than budgeted and \$5,463,632 or 18.3% less than February YTD 2013.

Net Non-Operating Revenues:

Water System Fund (pages 7 and 8, line 28) for February of \$2,763 is \$15,494 or 84.9% less than budgeted and \$803 or 22.5% less than February 2013. February YTD net non-operating revenues of \$2,919 are \$33,596 or 92.0% less than budgeted and \$1,454,152 or 99.8% less than February YTD 2013.

Sewer System Fund (pages 13 and 14, line 28) for February of \$1,052 is 1,189,693 or 99.9% less than budgeted and \$1,235 or 54.0% less than February 2013. February YTD net non-operating revenues of \$1,269 are \$2,380,222 or 99.9% less than budgeted and \$1,018 or 44.5% less than February YTD 2013.

Drainage System Fund (pages 19 and 20, line 28) for February of \$4,532,064 is \$527,231 or 13.2% more than budgeted and \$247,896 or 5.2% less February 2013. February YTD net non-operating revenues of \$5,996,737 are \$2,012,930 or 25.1 % less than budgeted and \$1,216,777 are 25.5% less than February YTD 2013.

Total System Funds (pages 1 and 2, line 28) for February of \$4,535,879 is \$677,957 or 13.0% less than budgeted and \$249,934 or 5.2% less than February 2013. February YTD net non-operating revenues of \$6,000,925 are \$4,426,747 or 42.5% less than budgeted and \$238,393 or 3.8% less than February YTD 2013.

Income Before Contributions in Aid of Construction:

Water System Fund (pages 7 and 8, line 29) for February of \$1,761,472 is \$2,257,266 or 455.3% more than budgeted and \$3,250,710 or 218.3% more than February 2013. February YTD income before capital contributions of \$1,112,255 is \$2,103,843 or 212.2% more than budgeted and \$2,400,106 or 186.4% more than February YTD 2013.

Sewer System Fund (pages 13 and 14, line 29) for February of \$3,227,333 is \$92,503 or 3.0% more than budgeted and 2,169,893 or 205.2% more than February 2013. February YTD income before capital contributions of \$5,944,142 is \$325,517 or 5.2% less than budgeted and \$3,351,875 or 129.3% more than February YTD 2013.

Drainage System Fund (pages 19 and 20, line 29) for February of \$1,807,026 is \$1,842,445 or 5201.9% more than budgeted and \$481,584 or 36.3% more than February 2013. February YTD income before capital contributions of \$435,819 is \$506,657 or 715.2% more than budgeted and \$2,639,070 or 119.8% more than February YTD 2013.

Total System Funds (pages 1 and 2, line 29) for February of \$6,795,831 is \$4,192,214 or 161.0% more than budgeted and \$5,902,187 or 660.5% more than February 2013. February



SEWERAGE AND WATER BOARD OF NEW ORLEANS

YTD income before capital contributions of \$7,492,216 is \$2,284,983 or 43.9% more than budgeted and \$8,391,051 or 933.5% more than February YTD 2013.

Certification. In connection with the accompanying monthly financial report of the Sewerage and Water Board of New Orleans for the period ended February 28, 2014, I hereby certify that, to my knowledge, the information contained in the report fairly presents, in all material respects, the financial condition and results of the Board.

A handwritten signature in blue ink, appearing to read "Robert K. Miller", is written above the printed name.

Robert K. Miller
Deputy Director

Sewerage and Water Board of New Orleans
Comparative Variance Indicators for Financial Results
Through February 2014

Statement of Revenues, Expenses, and Changes in Net Position with Prior Year Comparisons				
	Total	Water	Sewer	Drainage
Revenues				
Operating Expenses				
Non-Operating Revenues and Expenses				
Income before Capital Contributions				
Statement of Revenues, Expenses, and Changes in Net Position with Budget Comparisons				
	Total	Water	Sewer	Drainage
Revenues				
Operating Expenses				
Non-Operating Revenues and Expenses				
Income before Capital Contributions				
Statement of Net Position with Prior Year Comparisons				
	Total	Water	Sewer	Drainage
Plant, Property, and Equipment				
Restricted Assets				
Current Assets				
Other Assets				
Net Position				
Long-Term Liabilities				
Current Liabilities from Current Assets				
Current Liabilities from Restricted Assets				
Statement of Cash Flows with Prior Year Comparisons				
	Total	Water	Sewer	Drainage
Operating Activities				
Non-Capital Financing Activities				
Capital and Related Financing Activities				
Investing Activities				
Net Increase in Cash				

Green = Favorable Variance

Yellow = Unfavorable Variance / No Action Recommended

Red = Unfavorable Variance / Action Recommended

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ALL SYSTEM FUNDS
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH PRIOR YEAR COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
Operating revenues:								
1 Sales of water and delinquent fees	5,946,623	4,558,645	1,387,978	30.4%	11,228,753	9,893,819	1,334,934	13.5%
2 Sewerage service charges	7,227,312	5,763,028	1,464,284	25.4%	13,985,543	12,209,394	1,776,149	14.5%
3 Plumbing inspection and license fees	60,480	46,138	14,342	31.1%	112,414	106,628	5,786	5.4%
4 Other revenues	205,082	223,205	(18,123)	-8.1%	527,588	478,645	48,943	10.2%
5 Total operating revenues	13,439,497	10,591,016	2,848,481	26.9%	25,854,298	22,688,486	3,165,812	14.0%
Operating Expenses:								
6 Power and pumping	558,390	538,708	19,682	3.7%	3,011,795	1,014,412	1,997,383	196.9%
7 Treatment	1,012,774	1,396,827	(384,053)	-27.5%	2,030,204	2,648,076	(617,872)	-23.3%
8 Transmission and distribution	1,421,902	2,047,588	(625,686)	-30.6%	2,558,298	4,719,381	(2,161,083)	-45.8%
9 Customer accounts	277,032	250,509	26,523	10.6%	560,752	521,109	39,643	7.6%
10 Customer service	308,635	285,518	23,117	8.1%	473,885	482,058	(8,173)	-1.7%
11 Administration and general	1,995,898	1,793,298	202,600	11.3%	2,297,547	3,000,501	(702,954)	-23.4%
12 Payroll related	1,406,890	3,718,570	(2,311,680)	-62.2%	4,496,673	8,809,287	(4,312,614)	-49.0%
13 Maintenance of general plant	873,670	1,104,766	(231,096)	-20.9%	2,300,394	1,938,728	361,666	18.7%
14 Depreciation	3,074,342	2,977,978	96,364	3.2%	6,148,684	5,955,956	192,728	3.2%
15 Amortization	14,044	13,756	288	2.1%	28,088	27,512	576	2.1%
16 Provision for doubtful accounts	165,235	282,181	(116,946)	-41.4%	330,470	564,362	(233,892)	-41.4%
17 Provision for claims	70,733	73,486	(2,753)	-3.7%	126,217	145,257	(19,040)	-13.1%
18 Total operating expenses	11,179,545	14,483,185	(3,303,640)	-22.8%	24,363,007	29,826,639	(5,463,632)	-18.3%
19 Operating income (loss)	2,259,952	(3,892,169)	6,152,121	-158.1%	1,491,291	(7,138,153)	8,629,444	-120.9%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	1,284,814	1,355,050	(70,236)	-5.2%	1,700,072	1,355,050	345,022	25.5%
22 Six-mill tax	1,298,575	1,369,563	(70,988)	-5.2%	1,718,283	1,369,563	348,720	25.5%
23 Nine-mill tax	1,946,523	2,052,930	(106,407)	-5.2%	2,575,647	2,052,930	522,717	25.5%
24 Interest income	5,967	8,270	(2,303)	-27.8%	6,923	8,270	(1,347)	-16.3%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	1,453,505	(1,453,505)	-100.0%
28 Total non-operating revenues	4,535,879	4,785,813	(249,934)	-5.2%	6,000,925	6,239,318	(238,393)	-3.8%
29 Income before capital contributions	6,795,831	893,644	5,902,187	660.5%	7,492,216	(898,835)	8,391,051	-933.5%
30 Capital contributions	2,018,777	1,341,039	677,738	50.5%	2,791,640	7,220,516	(4,428,876)	-61.3%
31 Change in net position	8,814,608	2,234,683	6,579,925	294.4%	10,283,856	6,321,681	3,962,175	62.7%
32 Net position, beginning of year					1,600,612,552	1,497,186,349	103,426,203	6.9%
33 Net position, end of year					1,610,896,408	1,503,508,030	107,388,378	7.1%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ALL SYSTEM FUNDS
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH BUDGET COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	5,946,623	5,986,274	(39,651)	-0.7%	11,228,753	11,972,548	(743,795)	-6.2%
2 Sewerage service charges	7,227,312	7,094,144	133,169	1.9%	13,985,543	14,188,287	(202,744)	-1.4%
3 Plumbing inspection and license fees	60,480	57,317	3,163	5.5%	112,414	114,634	(2,220)	-1.9%
4 Other revenues	205,082	458,362	(253,280)	-55.3%	527,588	916,724	(389,136)	-42.4%
5 Total operating revenues	13,439,497	13,596,097	(156,600)	-1.2%	25,854,298	27,192,193	(1,337,895)	-4.9%
Operating Expenses:								
6 Power and pumping	558,390	1,217,534	(659,144)	-54.1%	3,011,795	2,435,068	576,727	23.7%
7 Treatment	1,012,774	1,877,133	(864,359)	-46.0%	2,030,204	3,754,267	(1,724,063)	-45.9%
8 Transmission and distribution	1,421,902	3,302,809	(1,880,907)	-56.9%	2,558,298	6,605,619	(4,047,321)	-61.3%
9 Customer accounts	277,032	430,619	(153,587)	-35.7%	560,752	861,239	(300,487)	-34.9%
10 Customer service	308,635	436,947	(128,312)	-29.4%	473,885	873,895	(400,010)	-45.8%
11 Administration and general	1,995,898	2,194,877	(198,979)	-9.1%	2,297,547	4,389,754	(2,092,207)	-47.7%
12 Payroll related	1,406,890	684,835	722,055	105.4%	4,496,673	1,369,671	3,127,002	228.3%
13 Maintenance of general plant	873,670	2,694,640	(1,820,970)	-67.6%	2,300,394	5,389,280	(3,088,886)	-57.3%
14 Depreciation	3,074,342	3,074,343	(1)	0.0%	6,148,684	6,148,686	(2)	0.0%
15 Amortization	14,044	-	14,044	0.0%	28,088	-	28,088	0.0%
16 Provision for doubtful accounts	165,235	-	165,235	0.0%	330,470	-	330,470	0.0%
17 Provision for claims	70,733	292,578	(221,845)	-75.8%	126,217	585,155	(458,938)	-78.4%
18 Total operating expenses	11,179,545	16,206,316	(5,026,771)	-31.0%	24,363,007	32,412,632	(8,049,625)	-24.8%
19 Operating income (loss)	2,259,952	(2,610,220)	4,870,171	-186.6%	1,491,291	(5,220,439)	6,711,730	-128.6%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	1,284,814	1,109,312	175,502	15.8%	1,700,072	2,218,623	(518,551)	-23.4%
22 Six-mill tax	1,298,575	1,121,145	177,430	15.8%	1,718,283	2,242,291	(524,008)	-23.4%
23 Nine-mill tax	1,946,523	1,680,543	265,980	15.8%	2,575,647	3,361,086	(785,439)	-23.4%
24 Interest income	5,967	-	5,967	0.0%	6,923	-	6,923	0.0%
25 Other Income	-	112,091	(112,091)	-100.0%	-	224,182	(224,182)	-100.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	1,190,745	(1,190,745)	-100.0%	-	2,381,491	(2,381,491)	-100.0%
28 Total non-operating revenues	4,535,879	5,213,836	(677,957)	-13.0%	6,000,925	10,427,672	(4,426,747)	-42.5%
29 Income before capital contributions	6,795,831	2,603,617	4,192,214	161.0%	7,492,216	5,207,233	2,284,983	43.9%
30 Capital contributions	2,018,777	-	2,018,777	0.0%	2,791,640	-	2,791,640	0.0%
31 Change in net position	8,814,608	2,603,617	6,210,991	238.6%	10,283,856	5,207,233	5,076,623	97.5%
32 Net position, beginning of year					1,600,612,552	1,497,186,349	103,426,203	6.9%
33 Net position, end of year					1,610,896,408	1,497,115,511	113,780,897	7.6%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
WATER SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH PRIOR YEAR COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Prior Year	MTD Variance	%	YTD Actual	YTD Prior Year	YTD Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	5,946,623	4,558,645	1,387,978	30.4%	11,228,753	9,893,819	1,334,934	13.5%
2 Sewerage service charges	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	30,240	23,069	7,171	31.1%	56,207	53,314	2,893	5.4%
4 Other revenues	206,941	201,766	5,175	2.6%	463,501	398,662	64,839	16.3%
5 Total operating revenues	6,183,804	4,783,480	1,400,324	29.3%	11,748,461	10,345,795	1,402,666	13.6%
Operating Expenses:								
6 Power and pumping	109,003	170,431	(61,428)	-36.0%	1,645,382	322,455	1,322,927	410.3%
7 Treatment	254,656	625,560	(370,904)	-59.3%	500,190	970,865	(470,675)	-48.5%
8 Transmission and distribution	868,032	1,346,935	(478,903)	-35.6%	1,545,327	3,364,837	(1,819,510)	-54.1%
9 Customer accounts	138,229	123,381	14,848	12.0%	255,362	256,941	(1,579)	-0.6%
10 Customer service	147,441	142,759	4,682	3.3%	231,066	241,029	(9,963)	-4.1%
11 Administration and general	717,008	579,914	137,094	23.6%	1,185,145	987,379	197,766	20.0%
12 Payroll related	560,806	1,417,327	(856,521)	-60.4%	2,189,943	3,290,618	(1,100,675)	-33.4%
13 Maintenance of general plant	434,389	438,199	(3,810)	-0.9%	700,124	791,843	(91,719)	-11.6%
14 Depreciation	1,046,508	1,186,939	(140,431)	-11.8%	2,093,016	2,373,878	(280,862)	-11.8%
15 Amortization	1,555	1,555	-	0.0%	3,110	3,110	-	0.0%
16 Provision for doubtful accounts	117,022	214,141	(97,119)	-45.4%	234,044	428,282	(194,238)	-45.4%
17 Provision for claims	30,446	29,143	1,303	4.5%	56,416	59,480	(3,064)	-5.2%
18 Total operating expenses	4,425,095	6,276,284	(1,851,189)	-29.5%	10,639,125	13,090,717	(2,451,592)	-18.7%
19 Operating income (loss)	1,758,709	(1,492,804)	3,251,513	-217.8%	1,109,336	(2,744,922)	3,854,258	-140.4%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	2,763	3,566	(803)	-22.5%	2,919	3,566	(647)	-18.1%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	1,453,505	(1,453,505)	-100.0%
28 Total non-operating revenues	2,763	3,566	(803)	-22.5%	2,919	1,457,071	(1,454,152)	-99.8%
29 Income before capital contributions	1,761,472	(1,489,238)	3,250,710	-218.3%	1,112,255	(1,287,851)	2,400,106	-186.4%
30 Capital contributions	1,430,259	414,497	1,015,762	245.1%	1,956,790	3,997,209	(2,040,419)	-51.0%
31 Change in net position	3,191,731	(1,074,741)	4,266,472	-397.0%	3,069,045	2,709,358	359,687	13.3%
32 Net position, beginning of year					246,312,556	200,661,384	45,651,172	22.8%
33 Net position, end of year					249,381,601	203,370,742	46,010,859	22.6%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
WATER SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH BUDGET COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	5,946,623	5,986,274	(39,651)	-0.7%	11,228,753	11,972,548	(743,795)	-6.2%
2 Sewerage service charges	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	30,240	28,659	1,581	5.5%	56,207	57,317	(1,110)	-1.9%
4 Other revenues	206,941	258,196	(51,255)	-19.9%	463,501	516,392	(52,891)	-10.2%
5 Total operating revenues	6,183,804	6,273,129	(89,325)	-1.4%	11,748,461	12,546,257	(797,796)	-6.4%
Operating Expenses:								
6 Power and pumping	109,003	292,253	(183,250)	-62.7%	1,645,382	584,507	1,060,875	181.5%
7 Treatment	254,656	821,837	(567,181)	-69.0%	500,190	1,643,674	(1,143,484)	-69.6%
8 Transmission and distribution	868,032	1,788,768	(920,736)	-51.5%	1,545,327	3,577,535	(2,032,208)	-56.8%
9 Customer accounts	138,229	215,008	(76,779)	-35.7%	255,362	430,015	(174,653)	-40.6%
10 Customer service	147,441	212,457	(65,016)	-30.6%	231,066	424,914	(193,848)	-45.6%
11 Administration and general	717,008	832,077	(115,069)	-13.8%	1,185,145	1,664,154	(479,009)	-28.8%
12 Payroll related	560,806	319,855	240,952	75.3%	2,189,943	639,709	1,550,234	242.3%
13 Maintenance of general plant	434,389	1,147,973	(713,584)	-62.2%	700,124	2,295,946	(1,595,822)	-69.5%
14 Depreciation	1,046,508	1,046,508	0	0.0%	2,093,016	2,093,016	0	0.0%
15 Amortization	1,555	-	1,555	0.0%	3,110	-	3,110	0.0%
16 Provision for doubtful accounts	117,022	-	117,022	0.0%	234,044	-	234,044	0.0%
17 Provision for claims	30,446	110,446	(80,000)	-72.4%	56,416	220,891	(164,475)	-74.5%
18 Total operating expenses	4,425,095	6,787,180	(2,362,085)	-34.8%	10,639,125	13,574,360	(2,935,235)	-21.6%
19 Operating income (loss)	1,758,709	(514,052)	2,272,760	-442.1%	1,109,336	(1,028,103)	2,137,439	-207.9%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	2,763	-	2,763	0.0%	2,919	-	2,919	0.0%
25 Other Income	-	18,257	(18,257)	-100.0%	-	36,515	(36,515)	-100.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	2,763	18,257	(15,494)	-84.9%	2,919	36,515	(33,596)	-92.0%
29 Income before capital contributions	1,761,472	(495,794)	2,257,266	-455.3%	1,112,255	(991,588)	2,103,843	-212.2%
30 Capital contributions	1,430,259	-	1,430,259	0.0%	1,956,790	-	1,956,790	0.0%
31 Change in net position	3,191,731	(495,794)	3,687,525	-743.8%	3,069,045	-	-	-
32 Net position, beginning of year					246,312,556	200,661,384	45,651,172	22.8%
33 Net position, end of year					249,381,601	200,661,384	48,720,217	24.3%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SEWER SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH PRIOR YEAR COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges	7,227,312	5,763,028	1,464,284	25.4%	13,985,543	12,209,394	1,776,149	14.5%
3 Plumbing inspection and license fees	30,240	23,069	7,171	31.1%	56,207	53,314	2,893	5.4%
4 Other revenues	(2,367)	21,185	(23,552)	-111.2%	63,325	79,475	(16,150)	-20.3%
5 Total operating revenues	7,255,185	5,807,282	1,447,903	24.9%	14,105,075	12,342,183	1,762,892	14.3%
Operating Expenses:								
6 Power and pumping	91,306	92,191	(885)	-1.0%	361,068	178,305	182,763	102.5%
7 Treatment	758,118	771,267	(13,149)	-1.7%	1,530,014	1,677,211	(147,197)	-8.8%
8 Transmission and distribution	496,761	557,470	(60,709)	-10.9%	950,476	1,072,682	(122,206)	-11.4%
9 Customer accounts	138,228	123,381	14,847	12.0%	255,361	256,941	(1,580)	-0.6%
10 Customer service	149,441	142,759	6,682	4.7%	231,066	241,029	(9,963)	-4.1%
11 Administration and general	677,471	615,618	61,853	10.0%	510,528	1,054,622	(544,094)	-51.6%
12 Payroll related	469,170	1,235,953	(766,783)	-62.0%	1,610,970	2,930,136	(1,319,166)	-45.0%
13 Maintenance of general plant	158,902	288,466	(129,564)	-44.9%	535,619	491,727	43,892	8.9%
14 Depreciation	1,011,382	826,136	185,246	22.4%	2,022,764	1,652,272	370,492	22.4%
15 Amortization	11,521	11,233	288	2.6%	23,042	22,466	576	2.6%
16 Provision for doubtful accounts	48,213	68,040	(19,827)	-29.1%	96,426	136,080	(39,654)	-29.1%
17 Provision for claims	18,391	19,615	(1,224)	-6.2%	34,868	38,732	(3,864)	-10.0%
18 Total operating expenses	4,028,904	4,752,129	(723,225)	-15.2%	8,162,202	9,752,203	(1,590,001)	-16.3%
19 Operating income (loss)	3,226,281	1,055,153	2,171,128	205.8%	5,942,873	2,589,980	3,352,893	129.5%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	1,052	2,287	(1,235)	-54.0%	1,269	2,287	(1,018)	-44.5%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	1,052	2,287	(1,235)	-54.0%	1,269	2,287	(1,018)	-44.5%
29 Income before capital contributions	3,227,333	1,057,440	2,169,893	205.2%	5,944,142	2,592,267	3,351,875	129.3%
30 Capital contributions	376,103	926,542	(550,439)	-59.4%	604,371	3,150,830	(2,546,459)	-80.8%
31 Change in net position	3,603,436	1,983,982	1,619,454	81.6%	6,548,513	5,743,097	805,416	14.0%
32 Net position, beginning of year					557,251,189	548,350,511	8,900,678	1.6%
33 Net position, end of year					563,799,702	554,093,608	9,706,094	1.8%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SEWER SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH BUDGET COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges	7,227,312	7,094,144	133,169	1.9%	13,985,543	14,188,287	(202,744)	-1.4%
3 Plumbing inspection and license fees	30,240	28,659	1,581	5.5%	56,207	57,317	(1,110)	-1.9%
4 Other revenues	(2,367)	200,166	(202,533)	-101.2%	63,325	400,332	(337,007)	-84.2%
5 Total operating revenues	7,255,185	7,322,968	(67,783)	-0.9%	14,105,075	14,645,936	(540,861)	-3.7%
Operating Expenses:								
6 Power and pumping	91,306	215,808	(124,502)	-57.7%	361,068	431,617	(70,549)	-16.3%
7 Treatment	758,118	1,041,038	(282,920)	-27.2%	1,530,014	2,082,077	(552,063)	-26.5%
8 Transmission and distribution	496,761	1,418,602	(921,841)	-65.0%	950,476	2,837,204	(1,886,728)	-66.5%
9 Customer accounts	138,228	215,007	(76,779)	-35.7%	255,361	430,015	(174,654)	-40.6%
10 Customer service	149,441	214,544	(65,103)	-30.3%	231,066	429,089	(198,023)	-46.1%
11 Administration and general	677,471	735,527	(58,056)	-7.9%	510,528	1,471,054	(960,526)	-65.3%
12 Payroll related	469,170	203,787	265,383	130.2%	1,610,970	407,575	1,203,395	295.3%
13 Maintenance of general plant	158,902	246,015	(87,113)	-35.4%	535,619	492,031	43,588	8.9%
14 Depreciation	1,011,382	1,011,383	(1)	0.0%	2,022,764	2,022,765	(1)	0.0%
15 Amortization	11,521	-	11,521	0.0%	23,042	-	23,042	0.0%
16 Provision for doubtful accounts	48,213	-	48,213	0.0%	96,426	-	96,426	0.0%
17 Provision for claims	18,391	77,172	(58,781)	-76.2%	34,868	154,343	(119,475)	-77.4%
18 Total operating expenses	4,028,904	5,378,884	(1,349,980)	-25.1%	8,162,202	10,757,768	(2,595,566)	-24.1%
19 Operating income (loss)	3,226,281	1,944,084	1,282,197	66.0%	5,942,873	3,888,169	2,054,705	52.8%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	1,052	-	1,052	0.0%	1,269	-	1,269	0.0%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	1,190,745	(1,190,745)	-100.0%	-	2,381,491	(2,381,491)	-100.0%
28 Total non-operating revenues	1,052	1,190,745	(1,189,693)	-99.9%	1,269	2,381,491	(2,380,222)	-99.9%
29 Income before capital contributions	3,227,333	3,134,830	92,503	3.0%	5,944,142	6,269,659	(325,517)	-5.2%
30 Capital contributions	376,103	-	376,103	0.0%	604,371	-	604,371	0.0%
31 Change in net position	3,603,436	3,134,830	468,606	14.9%	6,548,513	-	-	-
32 Net position, beginning of year					557,251,189	548,350,511	8,900,678	1.6%
33 Net position, end of year					563,799,702	548,350,511	15,449,191	2.8%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
DRAINAGE SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH PRIOR YEAR COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	MTD	YTD	YTD	YTD	
	Actual	Prior Year	Variance	%	Actual	Prior Year	Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	508	254	254	100.0%	762	508	254	50.0%
5 Total operating revenues	508	254	254	100.0%	762	508	254	50.0%
Operating Expenses:								
6 Power and pumping	358,081	276,086	81,995	29.7%	1,005,345	513,652	491,693	95.7%
7 Treatment	-	-	-	0.0%	-	-	-	0.0%
8 Transmission and distribution	57,109	143,183	(86,074)	-60.1%	62,495	281,862	(219,367)	-77.8%
9 Customer accounts	575	3,747	(3,172)	-84.7%	50,029	7,227	42,802	592.3%
10 Customer service	11,753	-	11,753	0.0%	11,753	-	11,753	0.0%
11 Administration and general	601,419	597,766	3,653	0.6%	601,874	958,500	(356,626)	-37.2%
12 Payroll related	376,914	1,065,290	(688,376)	-64.6%	695,760	2,588,533	(1,892,773)	-73.1%
13 Maintenance of general plant	280,379	378,101	(97,722)	-25.8%	1,064,651	655,158	409,493	62.5%
14 Depreciation	1,016,452	964,903	51,549	5.3%	2,032,904	1,929,806	103,098	5.3%
15 Amortization	968	968	-	0.0%	1,936	1,936	-	0.0%
16 Provision for doubtful accounts	-	-	-	0.0%	-	-	-	0.0%
17 Provision for claims	21,896	24,728	(2,832)	-11.5%	34,933	47,045	(12,112)	-25.7%
18 Total operating expenses	2,725,546	3,454,772	(729,226)	-21.1%	5,561,680	6,983,719	(1,422,039)	-20.4%
19 Operating income (loss)	(2,725,038)	(3,454,518)	729,480	-21.1%	(5,560,918)	(6,983,211)	1,422,293	-20.4%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	1,284,814	1,355,050	(70,236)	-5.2%	1,700,072	1,355,050	345,022	25.5%
22 Six-mill tax	1,298,575	1,369,563	(70,988)	-5.2%	1,718,283	1,369,563	348,720	25.5%
23 Nine-mill tax	1,946,523	2,052,930	(106,407)	-5.2%	2,575,647	2,052,930	522,717	25.5%
24 Interest income	2,152	2,417	(265)	-11.0%	2,735	2,417	318	13.2%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	4,532,064	4,779,960	(247,896)	-5.2%	5,996,737	4,779,960	1,216,777	25.5%
29 Income before capital contributions	1,807,026	1,325,442	481,584	36.3%	435,819	(2,203,251)	2,639,070	-119.8%
30 Capital contributions	212,415	-	212,415	0.0%	230,479	72,477	158,002	218.0%
31 Change in net position	2,019,441	1,325,442	693,999	52.4%	666,298	(2,130,774)	2,797,072	-131.3%
32 Net position, beginning of year					797,048,807	748,174,454	48,874,353	6.5%
33 Net position, end of year					797,715,105	746,043,680	51,671,425	6.9%

SEWERAGE AND WATER BOARD OF NEW ORLEANS
DRAINAGE SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
WITH BUDGET COMPARISONS
February 2014

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	508	-	508	0.0%	762	-	762	0.0%
5 Total operating revenues	508	-	508	0.0%	762	-	762	0.0%
Operating Expenses:								
6 Power and pumping	358,081	709,472	(351,391)	-49.5%	1,005,345	1,418,945	(413,600)	-29.1%
7 Treatment	-	14,258	(14,258)	-100.0%	-	28,516	(28,516)	-100.0%
8 Transmission and distribution	57,109	95,440	(38,331)	-40.2%	62,495	190,880	(128,385)	-67.3%
9 Customer accounts	575	604	(29)	-4.9%	50,029	1,209	(48,820)	-4038.6%
10 Customer service	11,753	9,946	1,807	18.2%	11,753	19,892	(8,139)	-40.9%
11 Administration and general	601,419	627,273	(25,854)	-4.1%	601,874	1,254,546	(652,672)	-52.0%
12 Payroll related	376,914	161,194	215,721	133.8%	695,760	322,387	373,373	115.8%
13 Maintenance of general plant	280,379	1,300,652	(1,020,273)	-78.4%	1,064,651	2,601,304	(1,536,653)	-59.1%
14 Depreciation	1,016,452	1,016,453	(1)	0.0%	2,032,904	2,032,905	(1)	0.0%
15 Amortization	968	-	968	0.0%	1,936	-	1,936	0.0%
16 Provision for doubtful accounts	-	-	-	0.0%	-	-	-	0.0%
17 Provision for claims	21,896	104,961	(83,065)	-79.1%	34,933	209,921	(174,988)	-83.4%
18 Total operating expenses	2,725,546	4,040,252	(1,314,706)	-32.5%	5,561,680	8,080,505	(2,518,825)	-31.2%
19 Operating income (loss)	(2,725,038)	(4,040,252)	1,315,214	-32.6%	(5,560,918)	(8,080,505)	2,519,587	-31.2%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	1,284,814	1,109,312	175,502	15.8%	1,700,072	2,218,623	(518,551)	-23.4%
22 Six-mill tax	1,298,575	1,121,145	177,430	15.8%	1,718,283	2,242,291	(524,008)	-23.4%
23 Nine-mill tax	1,946,523	1,680,543	265,980	15.8%	2,575,647	3,361,086	(785,439)	-23.4%
24 Interest income	2,152	-	2,152	0.0%	2,735	-	2,735	0.0%
25 Other Income	-	93,833	(93,833)	-100.0%	-	187,667	(187,667)	-100.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	4,532,064	4,004,833	527,231	13.2%	5,996,737	8,009,667	(2,012,930)	-25.1%
29 Income before capital contributions	1,807,026	(35,419)	1,842,445	-5201.9%	435,819	(70,838)	506,657	-715.2%
30 Capital contributions	212,415	-	212,415	0.0%	230,479	-	230,479	0.0%
31 Change in net position	2,019,441	(35,419)	2,054,860	-5801.6%	666,298	(70,838)	737,136	-1040.6%
32 Net position, beginning of year					797,048,807	748,174,454	48,874,353	6.5%
33 Net position, end of year					797,715,105	748,103,616	49,611,489	6.6%

*April 2014
Exec Dir
Report*

APRIL 2014 BOARD MEETING		
INVESTMENTS MATURED FOR MARCH 2014		
PREPARED BY: STEVE WOOLRIDGE		
<u>FUND</u>	<u>AMOUNT</u>	
DRAINAGE SYSTEM FUND - 3 MILL	10,434,431.66	
DRAINAGE SYSTEM FUND - 6 MILL	10,823,960.21	
DRAINAGE SYSTEM FUND - 9 MILL	11,136,142.75	
WATER REVENUE BOND ACCOUNT 1998	286.51	
WATER REVENUE BOND ACCOUNT 2002	1,658.00	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 97	1,652.79	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 98	1,301.41	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 00A	1,489.46	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 00B	7.96	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 2001	1,719.23	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 2002	75.12	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 2003	273.35	
SEWERAGE SERVICE REVENUE BOND ACCOUNT 2004	1,612.69	
<u>SYSTEM FUNDS INVESTED</u>	<u>AMOUNT</u>	<u>% INVESTED</u>
WATER SYSTEM FUND	9,517,793.76	99.98%
SEWERAGE SYSTEM FUND	14,039,148.59	99.99%
AD VALORUM TAXES & WATER SEWERAGE & DRAINAGE BOND PROCEEDS	32,404,611.14	98.24%
<u>AWARDED JOB/CONTRACT BALANCES</u>		
WATER SYSTEM FUND	8,441,862.20	
SEWERAGE SYSTEM FUND	15,349,200.52	
DRAINAGE, BONDS AND BANS PROCEEDS	222,237,341.33	

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March 13, 2014

Louisiana Ethics Administration Program
P.O. Box 4368
Baton Rouge, Louisiana 70821

Dear Board Members and Staff;

Introduction

On behalf of the Mayor of New Orleans and the Sewerage and Water Board of New Orleans, I wish to express our appreciation for the courtesies and assistance provided by the Staff of the Louisiana Board of Ethics. And by this letter, we are requesting guidance through an advisory opinion regarding a proposed lateral transfer¹ of Mr. Cedric S. Grant within the government of the City of New Orleans (from the Executive Office of the Mayor to the Sewerage and Water Board of New Orleans, both positions having executive level compensation and benefits) to ensure compliance with Section 1121(A)(2) of the Code of Governmental Ethics.

Background

At or near the beginning of his first term in 2010, Mayor Mitchell J. Landrieu, City of New Orleans, appointed Mr. Cedric S. Grant to an unclassified position as his Deputy Mayor for Facilities, Infrastructure and Community Development. In this role, the Deputy Mayor has coordinated the efforts of the Capital Projects Administration, the Department of Public Works, Property Management, Housing and Development, and the Project Delivery Unit, helping to enhance the city's recovery effort and to integrate both the rebuilding of roads and buildings as well as their ongoing maintenance. In the community development area, this Deputy Mayor has connected the recovery with ongoing projects to help build the strongest neighborhoods possible for all citizens.

Necessarily, many of these efforts include helping the Mayor and others to provide the essential services of the public water system, the public sewerage system, and the public

¹ The lateral transfer proposed herein is to fill a vacancy due to the recent retirement of the prior Executive Director, Ms. Marcia St. Martin, who herself had transferred from the position of Executive Director of the City's Department of Safety and Permits. There have been other laterals between these two City entities.

drainage system. And since 1899, the New Orleans Sewerage and Water Board has been serving citizens, protecting the environment and had the primary responsibility for these public systems.

The Sewerage and Water Board of New Orleans has a unique history. On August 8, 1899, in response to a petition by concerned citizens of the city of New Orleans, the governor convened a special session of the Louisiana legislature which adopted Act VI of 1899, Extra Session, "to make effective the vote and levy of the special tax by the property taxpayers of the city of New Orleans for water, sewerage and drainage purposes" thereby creating the Sewerage and Water Board of New Orleans.

The Sewerage and Water Board of New Orleans is uniquely tied to the City of New Orleans. Under the City of New Orleans' Home Rule Charter, the Sewerage and Water Board is listed as an "unattached board and commission" of the City of New Orleans. (Section 5-30 of the Charter¹.) Moreover, while the Sewerage and Water Board and the City are separate agencies, all of the employees of both are governed under the same Civil Service rules of the City of New Orleans. (R.S. 33:4076) The transfers of employees from the City of New Orleans to the Sewerage and Water Board are seamless as a result of this. Additionally, the City Attorney is the legal advisor of the Board. (R.S. 33:4077) The City Attorney appoints a Special Counsel who shall be in charge of the legal business of the Board. When it becomes necessary to expropriate any property convenient or necessary for the operation of the Sewerage and Water Board, these actions must be instituted in the name of the City of New Orleans and the property acquired is titled in the name of the City of New Orleans for the Use and Benefit of the Board. (R.S. 33:4078) In addition, the Sewerage and Water Board of New Orleans and the City, pursuant to Section 5-302 of the New Orleans Home Rule Charter, are required to coordinate the Water Board's repair, maintenance and construction projects in order to minimize disruption of the city streets, sidewalks and other public spaces. The Water Board may acquire in the name of the City of New Orleans servitudes necessary in the conduct of its business. Last, but certainly not least, the Mayor is the ex-officio president of the Sewerage and Water Board and with the consent of the City Council, selects Board members to the Sewerage and Water Board of New Orleans from nominees from a Selection Committee made up of university presidents and business leaders. (R.S. 33:4073 and 33:4071) The ties between the City and the Water Board are as unique as the City itself.

The duties of the Board Members of the Sewerage and Water Board of New Orleans are set out in the Bylaws of the Board. While the Mayor, as President of the Board is an *ex officio* member of all committees, each Board member is named by him to at least one of the four standing committees. Additionally, the President of the Board shall appoint a

Board Member as the Chairperson of the Committee. He shall also appoint a Board Member as a Vice Chairperson of the Committee. Also, four Board Members may request the President of the Board to call a Special Meeting.

Clearly, the rights, duties and responsibilities of a Board member for the Sewerage and Water Board of New Orleans are different and more extensive than those of Mr. Grant as a "representative" of the Mayor. As a "representative" he was not appointed to any committee, not named as a Chair person or Vice Chairperson, and was not able to request that a special meeting of the Board be called. As a member of the Mayor's Administration and in the course and scope of his employment as an unclassified employee of the City, Mr. Grant as a representative of the Mayor was assigned to attend meetings of the Water Board to vote "in the stead of the absent Mayor" and to be counted for quorum purposes. (R.S. 33:4071) Unlike all other members of the Board, Mr. Grant as the Mayor's representative was not nominated to any committee of the Water Board by the Mayor. He was not appointed by the Mayor with the consent of the Council. He was not required to possess the professional disciplines or experience as outlined in R.S. 33:4071.

All of the other Board members were appointed based upon what they offer to the Board individually - their experience, education and knowledge. Mr. Grant as the Mayor's "representative" was never appointed to the Board in his individual capacity. Rather he attended the meetings as an employee of the Mayor, solely in his representative capacity.

In 2013, the Sewerage and Water Board conducted an extensive search to identify a well suited candidate to fill the vacancy of Executive Director for the board. And during its December meeting with the Mayor presiding, the board voted to have Mr. Grant transfer from his role as Deputy Mayor with the City to focus more on the various essential services of the Sewerage and Water Board of New Orleans and serve as its Executive Director. Mr. Grant continues his employment with the City as Deputy Mayor and has not been hired or employed by the Sewerage and Water Board of New Orleans.

The proposed transfer was viewed as a lateral transfer within City government - simply from one position of City public service to another and a routine matter. Various reviews were conducted and discussions were had to ensure compliance with all laws and ordinances. During this period, the issue of compliance with R.S. 42:1121(A)(2) was discussed and the board of the Sewerage and Water Board of New Orleans voted during its February 19, 2014, meeting to seek your guidance on this issue.

Discussion; Section 4071(A)(5)

As you know quite well, Section 1121(A)(2) provides in pertinent part, that “[n]o former **member** of a board or commission shall, for a period of two years following the termination of his public service on such board or commission, contract with, be employed in any capacity by, or be appointed to any position by that board or commission.” (Emphasis added.)

Section 1121(A)(2) of the Code is relevant because from July 2011 through the November 2013 meeting of the Sewerage and Water Board of New Orleans, Mr. Grant was verbally designated by the Mayor as a part of the duties of his unclassified staff position to fill a unique role created by R.S. 33:4701(A)(5), by comparison with other board member representatives in Louisiana law.

We believe for the reasons outlined below, Mr. Grant’s role never rose to the level of “member” as intended under Section 1121(A)(2) as the authorization of representation in Section 4071(A)(5) only allowed for a role as a limited representative. The Mayor was and is the statutorily named member and **the Mayor never ceased being the member in any sense**. In this case, the designation of a representative by the Mayor as authorized by state law and local Home Rule Charter was **far more limited** than in customary legislative board member authorizations to designate someone in place of the member. [in this case the representative did not become a “designee member”]

Under the New Orleans Home Rule Charter, Section 5:301, the Mayor of the City of New Orleans is a member of the Sewerage and Water Board of New Orleans. During the 2013 Regular Session of the Louisiana Legislature, various provisions in R.S. 33:4071, et seq., were amended and reenacted. (See Acts 2013, No. 345, properly advertised as a local bill as required by the Louisiana Constitution of 1974 and R.S. 33:4071, et seq., recently amended and approved by the voters on October 19, 2013, and effective on January 1, 2014.)

In this special local law in Section 4071, the board of the Sewerage and Water Board of New Orleans has a total of 11 members, including the Mayor. All of the other 10 members are appointed by the Mayor. (Please See Endnoteⁱ)

The Mayor also serves as ex officio president of the board; but a **president pro tempore** is elected by board members from among its membership to act in the absence of the president (Mayor). (See Section 4073 below, last amended in 1974.) Mr. Grant never acted as president or president *pro tempore*.

Section 4071(A)(5) [also, contained in the Home Rule Charter changes and Act 345, but not substantively changed by Act 345] provides that:

“[i]f the **mayor is unable to attend a meeting** of the sewerage and water board, he may be **represented at any such meeting** by a person designated by the mayor who shall be **an unclassified member of the mayor's administration**. Any such person shall have all rights and powers granted to the mayor with regard to any such meeting and shall have the **right to vote for or in the stead of the absent mayor**. In addition, any such person shall be counted for purposes of a quorum.” (Emphasis added.)

Section 4071(A)(5) is a unique and very limited provision which **only authorizes the Mayor to have a representative attend meetings in his stead and not hand off the role as member**. Mr. Grant was assigned the Mayor, when absent, by attending meetings of the board to vote “in his stead” to carry out the Mayor’s policies (and not his independent judgment) when the official schedule of the Mayor prevented him from attending. Mr. Grant never took an oath of office in this capacity. During the period Mr. Grant attended meetings to represent the Mayor, there were 31 board meetings (6 in 2011, 12 in 2012, and 13 in 2013, including a special meeting). The Mayor attended 4 and Mr. Grant attended 27. When the Mayor attended a meeting, Mr. Grant had no function with the board.

We are not familiar with any other such limited special authorization in Louisiana law for a representative to attend a meeting for and in the absence of an elected official. This provision came about due to a need for the Mayor to have a presence and communicate even when he could not attend. It functions as a means for the Mayor to directly communicate with the Sewerage and Water Board of New Orleans at meetings when the Mayor cannot be present much as a legal proxy which would otherwise be prohibited by the Louisiana Open Meetings Law.

The attendance of Mr. Grant at meetings of the Sewerage and Water Board of New Orleans to represent the Mayor almost always followed **briefings** with the Mayor to ensure that Mr. Grant had clear direction on matters coming before that board in the absence of the Mayor personally. Through many other meetings and conversations and such briefings, the Mayor himself at all times remained engaged in the vital issues before the Sewerage and Water Board of New Orleans

Discussion; Customary Designee Language

The customary statutory language used by the Louisiana Legislature is a far broader delegation of authority and generally allows for the designation of someone to attend meetings of a board **usually for an indefinite period exercising judgment far more independently; i.e. usually the designating official would not be expected to attend or be engaged in the business of that board.**

In the very same Section 4071, we find the standard statutory authorization for a member designee. Section 4071(A)(2) provides for the **Sewerage and Water Board Selection Committee** whose duty is to identify and make nominations to the Mayor to fill vacancies for 8 of the 11 member positions on the Sewerage and Water Board of New Orleans itself. In every case, each of the 10 listed members is authorized to select a **"designee" without limitation** (for the presidents of Dillard University, Loyola University, Tulane University, Xavier University the chancellors of Delgado Community College, UNO and Southern University, the chair of the board of the New Orleans Chamber of Commerce, the president of the board of the New Orleans Regional Black Chamber of Commerce and the chair of the board of the Urban League of Greater New Orleans). **Again, there is no limitation as to authority or duration of designation.**

Another example of this standard member designee legislative language is that of the **nominating committee** for would be members to the Louisiana **Board of Ethics**. (R.S. 42:1132(B)(2)(a)(i); providing in pertinent part that "[t]he presidents, **or their designees**, ... [of various colleges] ... shall constitute the nominating committee.")

In the August 12, 2005, **Ponder Advisory Opinion** (2005-492), the Louisiana Board of Ethics decided that a former designee for an ex-officio member of the Louisiana School Employee's Retirement System was prohibited from employment as general counsel for that system for 2 years following service on the board pursuant to Section 1121(A)(2). The applicable "designee" authorization statute in the Ponder matter is R.S. 11:1062(A) which provides in pertinent part:

§1162. Members of board of trustees; appointment or election; terms of office; vacancies; compensation

A. The board shall consist of the following trustees:

- (1) President of the Louisiana School Bus Operators' Association, ex officio.
- (2) Chairman of the Retirement Committee of the House of Representatives, ex officio, **or his designee**.
- (3) Chairman of the Retirement Committee of the Senate, ex officio, or his designee.
- (4) The secretary of state, ex officio, **or his designee**.

(5) The state treasurer, ex officio, **or his designee**. Notwithstanding the provisions of R.S. 49:307.1, the treasurer may name any person as his **designee to this board**.

(6) The commissioner of administration, ex officio, **or his designee**.

(Emphasis added.)

Thus, in the Ponder matter, the delegation or “designee” authorization was the standard broad and unlimited language usually used by the legislature; where it would appear the “designee” more or less becomes the member - unlike the very limited authorization in 4071(A)(5) in this request where the actual member never ceases to be the member and the representative does not function as the member.

Conclusion

Mr. Grant was neither an elected member nor an appointed member of the Sewerage and Water Board of New Orleans.² And, for all of the above reasons, we believe he should not be considered a “member” or “designee member” of the Sewerage and Water Board of New Orleans under R.S. 42:1121(A)(2) due to his past limited representation of the Mayor at board meetings. He only was a limited representative for a member who remained fully engaged and who fully directed all actions and functions as the member.³

The importance of the services provided by the Sewerage and Water Board of New Orleans (e.g. drinking water, drainage and sewerage systems) to the people of New Orleans cannot be over emphasized. This is even more true given the many on-going recovery projects. In many ways, the success of a Mayor and his administration is greatly affected and judged by the success of the public services provided by the Sewerage and Water Board of New Orleans. The Mayor is at all times thoroughly involved and directs policy development and implementation as to all such issues. The Mayor’s role of member and president of that board is not a function the Mayor can or would delegate.

² An example in which the Louisiana Board of Ethics found that although a public servant was an appointed member for an important state board, the facts justified a finding that he was not prohibited by R.S. 42:1121(A)(2) from employment with the organization managed by the board within two years of termination of membership. (Sumner, 2012-1042, June 22, 2012)

³ An example in which the Louisiana Board of Ethics found that although a public servant attended meetings of various boards for an *ex officio* member, the facts justified a finding that he was not considered a member of those boards and subject to the restrictions in R.S. 42:1121(A). (Harrell, 2003-969, December 12, 2003)

We respectfully request that the Louisiana Board of Ethics provide the Mayor of the City of New Orleans and the Sewerage and Water Board of New Orleans with an Advisory Opinion advising that the proposed staff transfer within City government is not prohibited by Section 1121(A)(2).

Although we are confident and optimistic that our reading of the law will be accepted by the Board of Ethics, should that not prove to be the case, we would expect to consider other possible arrangements to allow the Sewerage and Water Board of New Orleans to receive the services of Mr. Grant while at the same time he would continue in a position with the City.

And of course, we stand ready to provide any additional information which may be needed by the Board of its Staff.

Thank you for your consideration of this request.

Sincerely,

For the City of New Orleans:

For the Sewerage and Water Board
of New Orleans:

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ⁱ Title 33, PART III. CITY OF NEW ORLEANS, SEWERAGE & WATER BOARD

(Emphasis added.)

§4071. Creation and organization of sewerage and water board

[NOTE: §4071 as amended by Acts 2013, No. 345, §1, eff. on the first day of Jan. following voter approval of an amendment to the New Orleans home rule charter providing relative to the composition of the board. (Approved by Orleans voters on 10/19/2013; 67.97% Yes)]

A.(1) The public water system, the public sewerage system, and the public drainage system of the city of New Orleans shall be constructed, controlled, maintained, and operated by a **sewerage and water board to be composed as follows:**

(a) **The mayor.**

(b) **Two** syndicate members of the board of liquidation, city debt, to be **appointed by the mayor** on the recommendation of the board of liquidation, city debt.

(c) **Eight** citizens, to be **appointed by the mayor**, with the advice and consent of the city council from a list of nominees submitted by the Sewerage and Water Board Selection Committee.

(d) The members appointed pursuant to Subparagraphs (b) and (c) of this Paragraph shall include one citizen from each of the five councilmanic districts within the city of New Orleans. In addition, two of the appointments shall be consumer advocates with community advocacy or consumer protection experience or experience in a related field.

(2)(a) For purposes of this Section, the **Sewerage and Water Board Selection Committee**, hereinafter referred to as the "selection committee", is hereby created to be comprised as follows:

(i) The president of Dillard University **or his designee.**

(ii) The president of Loyola University **or his designee.**

(iii) The president of Tulane University **or his designee.**

(iv) The president of Xavier University **or his designee.**

(v) The chancellor of Delgado Community College **or his designee.**

(vi) The chancellor of University of New Orleans **or his designee.**

(vii) The chancellor of Southern University at New Orleans **or his designee.**

(viii) The chair of the board of directors of the New Orleans Chamber of Commerce **or his designee.**

(ix) The president of the board of directors of the New Orleans Regional Black Chamber of Commerce **or his designee.**

(x) The chair of the board of directors of the Urban League of Greater New Orleans **or his designee.**

(Emphasis added.)

(b) Notice of a vacancy on the sewerage and water board shall be published in the official journal for Orleans Parish by the sewerage and water board and shall be communicated through any other publication, website, or electronic medium maintained by the New Orleans Sewerage and Water Board or the city of New Orleans for the purpose of achieving public awareness of the vacancy. Such notice shall advise potential candidates of the residency requirements, professional qualifications, and application deadlines. Such notices shall be published no less than two times within a thirty day period after a vacancy has been declared by the sewerage and water board. Any interested person who meets the qualifications provided for in this Section shall submit an application to the sewerage and water board confirming their eligibility, professional qualifications, and experience. The sewerage and water board shall transmit all applications received to the selection committee within seven days after the deadline for submission of applications.

(c) The selection committee shall meet no less than fifteen days and no more than thirty days after close of the application deadline to consider each name submitted for nomination. Selection committee members may also submit names of persons who also meet the qualification requirements provided in this Section. The selection committee shall verify that each nominee meets such qualification requirements. After a thorough review of each application, the selection committee shall by majority vote submit to the mayor three names for each vacancy on the sewerage and water board.

(d) Within sixty days of receipt of the list of nominees, the mayor shall select one of the three nominees for submission to the city council for approval.

(e) The city council shall have thirty days from receipt of submission of the nomination by the mayor to disapprove the nominee. If the city council does not disapprove the nominee within such time, it shall be deemed that the city council consents to the appointment.

(f) If the city council disapproves the nominee from the mayor, the selection committee shall convene in no less than thirty days and no more than sixty days after disapproval to resubmit three nominees to the mayor.

(g) If for any reason the mayor fails to submit a nomination to the city council within sixty days of receipt of the list of nominees by the selection committee, the selection committee shall submit such list of nominees directly to the city council for selection and approval.

(3) Each nominee shall have experience in either architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, community or consumer advocacy, or other pertinent disciplines.

(4)(a) For members appointed pursuant to Subparagraphs (A)(1)(b) and (c) of this Section, the terms of office shall be four years after initial terms as provided in Subparagraph (b) of this Paragraph. A member shall serve no more than two consecutive terms of office.

(b) Two members shall serve an initial term of one year; two members shall serve an initial term of two years; two members shall serve an initial term of three years; and two members shall serve an initial term of four years, as determined by lot at the first meeting of the board.

(5) If the mayor is unable to attend a meeting of the sewerage and water board, he may be represented at any such meeting by a person designated by the mayor who shall be an unclassified member of the mayor's administration. Any such person shall have all rights and powers granted to the mayor with regard to any such meeting and shall have the right to vote for or in the stead of the absent mayor. In addition, any such person shall be counted for purposes of a quorum. (Emphasis added.)

(6) The appointments to the board shall reflect the racial and gender diversity of the population of the city of New Orleans to the extent practicable.

B.(1) Each of the citizen members shall be a registered voter in Orleans Parish and shall have been a domiciliary of Orleans Parish for two years previous to his appointment.

(2) In the event any appointed member is elected to any office or removes his domicile from Orleans Parish, his membership on the board shall be ipso facto vacated, and his successor shall be immediately appointed.

C. All vacancies occurring in the membership of the board under appointment by the mayor shall be filled in the manner prescribed by this Section for the original appointment.

(2), (3) Repealed by Acts 2013, No. 345, §2.

D. No person who is a stockholder or bondholder in any sewerage or waterworks company or who holds any public office yielding emoluments to the holder other than those specified in this Part shall be eligible for appointment to the board.

E. A quorum of the board shall adopt rules fixing its own meetings and procedures. Any amendments or changes to such rules shall be adopted only after approved by a quorum of the board.

Amended by Acts 1950, No. 352, §1; Acts 1954, No. 361, §1; Acts 1968, No. 329, §1; Acts 1974, No. 311, §1; Acts 1984, No. 488, §1, eff. July 6, 1984; Acts 2010, No. 694, §1; Acts 2011, No. 101, §1, eff. June 20, 2011; Acts 2013, No. 345, §§1, 2. NOTE: See Acts 2013, No. 345, §§3, 4 related to effectiveness and board members.

§4073. Officers of sewerage and water board; compensation of members

The mayor shall be ex officio president of the board. The board shall elect an executive director, whose salary and bond shall be fixed by the board. The executive director shall hold office at the pleasure of the board. The election or removal of the executive director, the amount of his salary, and the acceptance of his bond shall be determined by a majority vote of the entire board at one of its regular monthly meetings. The duties of the executive director shall be fixed by the board. No member of the board shall receive any salary or compensation for his services, except actual expenses incurred in travelling by authority of, or for the benefit of the board.

The board shall have power to elect one of its members president pro tempore who shall act in the absence or disability of the president. (Emphasis added.)

Amended by Acts 1974, No. 308, §1.
