

SEWERAGE & WATER BOARD OF NEW ORLEANS

FINANCE COMMITTEE MEETING

TUESDAY, NOVEMBER 4, 2014

8:00 AM

COMMITTEE MEMBERS

Mr. Mark Moody, Chair • Mrs. Robin Barnes • Mr. Scott Jacobs • Mrs. Kerri Kane
• Mr. Wm. Raymond Manning

FINAL AGENDA

ACTION ITEMS

1. Approval of Previous Report
2. General Superintendent's Recommendations
3. Change Orders
4. Amendment to Agreement with MWH Americas, Inc. for the Water Line Replacement Program - (R-233-2014)
5. Award of Contract to Provide Scheduler for Capital Program Management (R-235-2014)
6. Award of Agreement to Provide Engineering Services for the Structural Repair to DPS 17/Station "D" – (R-236-2014)

PRESENTATION ITEMS

7. Financial Results through September 2014
8. Committee Responsibilities
9. 2015 Operating Budget

INFORMATION ITEMS

10. Employee Health Care Communications
11. Change Order Analysis
12. FEMA Project Worksheet Status
13. Topics for Future Discussions
14. 2014 Committee/Board Meeting Schedule
15. Response to Questions
16. Any Other Matters

REFERENCE MATERIALS (In Binders)

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

RATIFICATION OF CHANGE ORDER NO. 3 FOR CONTRACT 4188 – EMERGENCY REPAIRS TO THE FLORIDA CANAL

WHEREAS, the Sewerage and Water Board entered into Contract 4188 with Cajun Constructors, Inc. for the above mentioned contract in the amount of \$2,216,000.00, and

WHEREAS, in the course of this contract, it was required to adjust the walls of the new canal to match the existing canal, and

WHEREAS, it was required to extend the replacement of the damaged portion of the canal by an additional 12' due to unforeseen additional damages sustained in the failure, and

WHEREAS, the damages sustained in the canal failure moved additional timber piling and wooden planking from the original construction into conflict with the repairs to the damaged section. This contract was required to move the unforeseen timber from the conflict with the new section of canal.

WHEREAS, this change order, in the amount of \$211,093.00 is an additional 9.5% above the original contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 3 for Contract 4188 be ratified by the Sewerage and Water Board

I, Cedric S. Grant, 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 November 19, 2014

CEDRIC S. GRANT
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

Date: October 28, 2014

From: Reid L. Dennis, P.E.
Network Engineering Department

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

Re: Contract Number 4188– Emergency Repairs to Florida Canal


CHANGE ORDER NO. 3

This change order includes modification to the new canal walls in order for them to match the existing canal walls. The emergency nature of the repair required reliance on the initial design drawings instead of field measurements. This change order also includes replacement of an additional 12 feet of damaged canal. The emergency nature of the repair required an estimate for the length of the repair. As the repair proceeded, it was determined that an additional 12 feet was required. This change order also includes the additional removal of insitu timber piles and planking. The damages sustained by the canal failure moved the piling and this portion was in conflict with the new box.

Original Contract Bid Price:	\$2,216,000.00
Contract DBE Participation	0%
Current DBE Participation	0%
Previous Change Orders Approved: 8	\$0.00
This Change Order Amount:	\$211,093.00
Total Change Orders (% of Original Contract)	9.5%
Total Dollar Change Order Amount:	\$211,093.00

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

I concur:


Joseph R. Becker
General Superintendent

Cc: Reid Dennis, FEMA Program Management Supervisor
Ron Spooner, Chief of Engineering
Bob Moeinian, Chief of Operations
Madeline Goddard, Deputy General Superintendent
Tiffany Carter, EDB Director
Jason Higginbotham, Director of Emergency Management
Nolan Lambert, Special Counsel
Dexter Joseph, Budget
Rosita Thomas, Finance



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

Date: October 29, 2014

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

To: Cedric S. Grant
Executive Director

Re: Contract Number 4188 – Emergency Repairs to the Florida Ave Canal

Enclosed please find a recommendation from Mubashir Maqbool of the Network Engineering Department, for approval of Change Order No. 3 for the above Contract. This Change Order is in the amount of \$211,093.00.

This additional work entails the raising the new canal walls by 7" to match the existing conditions, extending the canal repair by an additional 12 feet and removing displaced timber piles and planking that conflicted with the new canal box installation. There was no DBE participation required on this emergency contract.

The total change order for this amount is the \$211,093.00 which represents 9.5 % above the original bid amount of Contract.

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

Joseph R. Becker, P.E.
General Superintendent

cc: Madeline Goddard, Deputy General Superintendent
Ron Spooner, Chief of Engineering
Jason Higginbotham,
Tiffany Carter, EDB Director
Anita Simmons
Rosita Thomas
Mubashir Maqbool

**RATIFICATION OF CHANGE ORDER NO. 9 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 this contract, it was required to install additional fencing and gates at the north wall, to modify the north roller gate attachment to plant wall and to install an electronic winch at the north roller gate, all at an additional cost of \$23,305.00. This cost will be eligible for FEMA reimbursement, and

WHEREAS, in the course of these modifications, it was required to issue a general condition costs change order related to a 53 day contract time extension due to unforeseeable conflicts, at an additional cost of \$48,000.00. This cost will be eligible for FEMA reimbursement, and

WHEREAS, in the course of these modifications, Credits were issued for not installing the 6 inch wetlands pipe and for removal of repairs to cracks in the building walls at the Oxygen Reactor Building, all at a credit of \$37,299.00. 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 \$3,294,666.15. This Change Order, in the amount of \$34,006.00, brings the accumulated total to \$3,328,672.15, which is 13.6% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 9 for Contract 3661 be ratified by the Sewerage and Water Board

I, Cedric S. Grant, 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 November 19, 2014

CEDRIC S. GRANT
EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

Date: October 29, 2014

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

To: Cedric S. Grant
Executive Director

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

Enclosed please find a recommendation from Reid L. Dennis of the Network Engineering Department, for approval of Change Order No. 9 for the above Contract. This Change Order is in the amount of \$34,006.00 and funds for this Change Order will be eligible for reimbursement through FEMA.

This additional work entails the installation of fencing and gates at the north roller gate, modifications of the north roller gate, install electric winch for the north roller gate, a 53 day contract time extension for unforeseeable delays. In addition, there are credits for removing the installation of a 6" wetlands discharge pipe, and another for removing from this contract the repairs to the oxygen reactor building. This work will require the above mentioned 53 days being added to the contract. The required DBE participation on the Contract is 35% and the Contractor is forecasted to meet a 36% DBE participation.

The previous change orders for this contract were in the amount of \$3,294,666.15. This change order brings the accumulated total to \$3,328,672.15 which is 13.6% above the original bid amount of Contract.

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

Joseph R. Becker, P.E.
General Superintendent

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



SEWERAGE AND WATER BOARD OF NEW ORLEANS

Inter-Office Memorandum

Date: October 28, 2014

From: Reid L. Dennis, P.E.
Network Engineering Department

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

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


CHANGE ORDER NO. 9

Install fencing and gates at the north roller gate, modifications of the north roller gate, install electric winch for the north roller gate, a 53 day contract time extension, credits for not installing the 6 inch wetlands pipe, and for removal of crack repairs to Oxygen Reactor Building. This additional work will require an additional 53 days being added to the contract.

Original Contract Bid Price:	\$24,391,466.00
Contract DBE Participation	35%
Current DBE Participation	36%
Previous Change Orders Approved: 8	\$3,294,666.15
This Change Order Amount:	\$34,006.00
Total Change Orders (% of Original Contract)	13.6%
Total Dollar Change Order Amount:	\$3,328,672.15

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

I concur:


Joseph R. Becker
General Superintendent

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

SCOPE OF CHANGES
Contract 3661
(Change Order NO. 9)

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item #	PCM #	Detailed Description	Units	Unit Price	Quantity	Amount	days	Comments
1	39	Install fencing and two 20' swing gates at north roller gate	1	\$ 3,518.00	1	\$ 3,518.00	0	Pending FEMA Review
2	40	Modify north roller gate, sill plate and retainer / standoff blocks	1	\$ 16,333.00	1	\$ 16,333.00	0	Pending FEMA Review
3	41	Contract time extension 53 calendar days	1	\$ 48,000.00	1	\$ 48,000.00	53	Pending FEMA Review
4	42	Electric winch for north roller gate	1	\$ 3,454.00	1	\$ 3,454.00	0	Pending FEMA Review
5	43	Credit - line item BB-1.5.5 of the schedule of values, deduct for 6" wetlands pipe	1	\$ (3,000.00)	1	\$ (3,000.00)	0	Pending FEMA Review
6	44	Credit for field change order #00015 of the schedule of values	1	\$ (34,299.00)	1	\$ (34,299.00)	0	Pending FEMA Review

CONTRACT
AMOUNT

Contract DBE%	35%
Current DBE%	36.0%

Original	\$ 24,391,466.00
Amount of previous Change Orders	\$ 3,294,666.15
Amount this Change Order	\$ 34,006.00
Change Orders to date	\$ 3,328,672.15

CONTRACT DAYS
(BASE)

BERM	520
Original Contract Days	380
Days Previously Added	53
Days this Change Order	433
Days Added to date	

REVISED CONTRACT AMOUNT **\$ 27,720,138.15**

REVISED CONTRACT DAYS

953

% OF ORIGINAL CONTRACT
AMOUNT

This Change Order	0.1%
Previous Change Order	13.5%
TOTAL TO DATE	13.6%

BERM	3/27/2012
Work Order Date	N/A
CD Date	N/A
FLOAT	N/A

FINAL COMPLETION DATE

BERM	8/29/2013
Original	11/5/2014
Revised Date w/ added days	
Forecasted Completion Milestone	1/16/2015

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

Proposed By:

Recommended By:

Reid Dennis
 S&WB Project Manager

James Santeufur
 Contractor Representative
 Cajun Constructors, Inc.

Approved By:

Melvin R. Spooner
 Chief of Engineering

Construction Management Change Order Detail
Contract 3661
(Change Order NO. 9)
Cajun Constructors, Inc.

Item #	PCM #	Description of Work	Reason For Work	FEMA Eligible	Effect on Critical Path
1	39	Install fencing and two 20' swing gates at north roller gate	The north roller gate will be open until it is required to be closed, these gates are required for the security of the EBWWTP.	Yes	None
2	40	Modify north roller gate, sill plate and retainer / standoff blocks	After the installation of the north roller gate it was discovered that the gate did not seat properly, modifications of the sill plate and the retainer / standoff blocks were required.	Yes	None
3	41	Contract time extension 53 calendar days	This is for unforeseen delays through the completion of floodwall pilings and base slabs at monoliths 119 - 121.	Yes	None
4	42	Electric winch for north roller gate	This winch is required for opening and closing the north roller gate.	Yes	None
5	43	Credit - line item BB-1.5.5 of the schedule of values, deduct for 6" wetlands pipe	Full credit issued for the 6" wetlands pipe.	Yes	None
6	44	Credit for field change order #00015 of the schedule of values	Full credit issued for field change order #00015	Yes	None



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: November 4, 2014

To: Cedric S. Grant, Executive Director
Joseph Becker, General Superintendent

From: Madeline Fong Goddard, Deputy General Superintendent

Re: Amendment to Agreement with MWH American, Inc. for the Water Line Replacement Program.

Attached you will find the proposed resolution which, if adopted by the Board, would authorize the execution of amendment to the MWH Americas, Inc. to identify FEMA eligible ADA curb ramps as related to the construction of FEMA eligible water line replacements contained in the 53 separate FEMA PWs issued to the Board, typically grouped by neighborhood with a total of approximately 558,000 linear feet of pipe to be replaced.

The City has entered into an arbitration agreement with FEMA and GOHSEP, dated April 25, 2014 for installation of curve ramps under the requirements set forth in the Americans with Disabilities Act (ADA) and Department of Justice Guidance at corners and median divided areas throughout the City and required to be installed by the City as a result of other damages to City streets, curbs and sidewalks from Hurricane Katrina. The scope of work, including site visits, project description and scope development, cost estimations and documentation, and level of effort has been requested by the City. The cost to perform the determination shall not exceed amount of \$459,442.80 and shall be funded by FEMA.

This matter should be placed on the agenda of the upcoming Finance Committee as an action item.

MADELINE FONG GODDARD, P.E.
DEPUTY GENERAL SUPERINTENDENT

AMENDMENT TO AGREEMENT WITH MWH AMERICAS, INC FOR THE WATER LINE REPLACEMENT PROGRAM

WHEREAS, by action of the Sewerage & Water Board of New Orleans (Board) through the adoption of Resolution R-001-2012, MWH Americas, Inc. (Consultant) was awarded the agreement to provide engineering and design services for the Water Line Replacement Program for Bywater, Florida Area, Florida Development, Marigny, St. Claude and St. Roch neighborhoods; and

WHEREAS, by action of the Board through the adoption of Resolution R-144-2012, the agreement was amended to provide for compensation of surveying work; and

WHEREAS, by action of the Board through the adoption of Resolution R-163-2014, the agreement was amended to include program/project management services, and that the fees for the new and original scope of work, including drain lines shall reflect the FEMA Project Worksheets; and

WHEREAS, the City of New Orleans has entered into an arbitration agreement with FEMA and GOHSEP, dated April 25, 2014 for installation of curve ramps under the requirements set forth in the Americans with Disabilities Act (ADA) and Department of Justice Guidance at corners and median divided areas throughout the City and required to be installed by the City as a result of other damages to City streets, curbs and sidewalks from Hurricane Katrina; and

WHEREAS, the City has requested the Board to identify FEMA eligible ADA curb ramps as related to the construction of FEMA eligible water line replacements contained in the 53 separate FEMA PWs issued to the Board, typically grouped by neighborhood with a total of approximately 558,000 linear feet of pipe to be replaced; and

WHEREAS, the Consultant has developed a scope of work to include site visits, project description and scope development, cost estimations and documentation, and a level of effort for each PW at a total not to exceed amount of \$459,442.80.

NOW THEREFORE, BE IT RESOLVED, that the agreement with MWH Americas, Inc. for the Water Line Replacement Program shall be amended to include identification of FEMA eligible ADA curb ramps as related to the construction of FEMA eligible water line replacements for a total not to exceed amount of \$459,442.80 and the President and/or President Pro-Tem shall be authorized to execute the amendment to this contract.

I, Cedric S. Grant, 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 November 19, 2014.

CEDRIC S. GRANT, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: October 27, 2014

To: Cedric S. Grant, Executive Director
Joseph Becker, General Superintendent

From: Madeline Fong Goddard, Deputy General Superintendent

Re: Award of Contract to Provide Scheduler for Capital Program Management

Attached you will find the proposed resolution which, if adopted by the Board, would authorize the execution of an agreement with Integrated Logistical Support, Inc. (ILSI Engineering) to provide a scheduler for capital program management.

ILSI Engineering was selected from a short list of qualified engineering and consulting firms approved by the Board on October 15, 2014 to provide design and engineering services for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities. The firm was selected for their ability to provide a scheduler, and was referenced in several submittal of qualifications.

Staff would like to enter into an agreement with ILSI Engineering to provide a scheduler to be embedded with the Board to develop master schedules and cash flows for all current and future projects contained in the water, sewerage and drainage capital programs for improved planning, interdepartmental coordination and project controls for a rate of \$105 per hour. Due to the size and expected scope of work this project does not allow any subcontracting opportunities, include SLDBE.

The project shall be funded by Board system funds. This matter should be placed on the agenda of the upcoming Finance Committee as an action item.

MADELINE FONG GODDARD, P.E.
DEPUTY GENERAL SUPERINTENDENT

AWARD OF CONTRACT TO PROVIDE SCHEDULER FOR CAPITAL PROGRAM MANAGEMENT

WHEREAS, at the October 15, 2014 Board Meeting, the Board approved a list of engineering and consulting firms for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities and directed staff to enter into negotiations for project(s) with the most qualified candidate based upon the firm's ability to perform the work for the project's size and complexity; and

WHEREAS, the staff has reviewed the list and recommended Integrated Logistical Support, Inc. (ILSI Engineering) to provide a scheduler to be embedded with the Board to develop master schedules and cash flows for all current and future projects contained in the water, sewerage and drainage capital programs for improved planning, interdepartmental coordination and project controls.

WHEREAS, ILSI Engineering will contract to provide a scheduler with experience in Primavera scheduling (cost and resource loaded schedules, bonding and cash flows), projects controls and cost estimating at a rate of \$105 per hour.

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement on behalf of the Sewerage and Water Board of New Orleans with ILSI Engineering to provide a scheduler for the capital program management.

I, Cedric S. Grant, 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 November 19, 2014.

CEDRIC S. GRANT, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: October 23, 2014

To: Cedric S. Grant, Executive Director
Joseph Becker, General Superintendent

From: Madeline Fong Goddard, Deputy General Superintendent

Re: Award of Contract to Provide Design and Engineering Services for the Structural Repairs and Improvements to DPS 17/Station D

Attached you will find the proposed resolution which, if adopted by the Board, would authorize the execution of an agreement with Stantec to provide engineering and design services for structural repairs and improvements to Drainage Pump Station (DPS)17/Sewer Pump Station D.

DPS 17 was constructed in 1898 to serve as a drainage pumping station and the Central Power Station. Over time the boilers and steam engines have been replaced to house specialized electrical equipment, such as frequency changers that allow for the conversion of 60 Hertz electrical current to 25 Hertz, and vice versa. In 1908, the facility was expanded to serve also as Sewer Pumping Station D. The purpose of the project is to repair structure damage to buildings caused by wind from hurricanes and resulting settlement of the substructure.

Stantec was selected from a short list of qualified engineering and consulting firms approved by the Board on October 15, 2014 to provide design and engineering services for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities. The firm was selected for their strong structural background and their understanding of drainage pump station/sewer pump station operations.

Staff would like to enter into an agreement with Stantec for the following scope of services: provide a preliminary design report, design, final construction documents and specifications, bidding support, shop drawing review, and construction services, for an amount not to exceed of \$194,758 and comply with the DBE participation goal to meet or exceed the established DBE participation goal of 35% with GAEA and Infinity.

The project shall be funded by FEMA and Board system funds. This matter should be placed on the agenda of the upcoming Finance Committee as an action item.

MADELINE FONG GODDARD, P.E.
DEPUTY GENERAL SUPERINTENDENT

c: Ron Spooner, William Keck

**AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR
STRUCTURAL REPAIRS AND IMPROVEMENTS TO DPS 17/STATION D**

WHEREAS, at the October 15, 2014 Board Meeting, the Board approved a list of engineering and consulting firms for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities and directed staff to enter into negotiations for project(s) with the most qualified candidate based upon the firm's ability to perform the work for the project's size and complexity; and

WHEREAS, the staff has reviewed the list and recommended Stantec to provide design and engineering services for structural repairs and improvements to Drainage Pump Station 17/Sewer Pump Station D;

WHEREAS, Stantec will contract for a scope of services to provide a preliminary design report, design, final construction documents and specifications, bidding support, shop drawing review, and construction services for an amount not to exceed of \$194,758 and comply with the DBE participation goal to meet or exceed the established DBE participation goal of 35% with GAEA and Infinity.

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement on behalf of the Sewerage and Water Board of New Orleans with Stantec to provide design and engineering services for DPS 17/Station D Structural Repairs and Improvements.

I, Cedric S. Grant, 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 November 19, 2014.

CEDRIC S. GRANT, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



SEWERAGE AND WATER BOARD OF NEW ORLEANS

November 4, 2014

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

Dear Directors:

Subject: Recommended Changes to Bylaws Article VI Section 6 Finance Committee

The rules associated with Committees of the Board of Directors of Sewerage and Water Board of New Orleans are defined in Article VI of the Bylaws. Sections 1 through 4 and 12 through 18 are common to all Committees. Section 6 defines the role of the Finance Committee.

There are key issues that may be added in order to clarify that defined role: financial reporting, financing strategies; alternative financing mechanisms; credit ratings; internal control assisment; and audit compliance.

I recommend that the bylaws related to the Finance Committee be modified to specifically address these responsibilities as shown on the attached proposed update to Article VI Section 6.

Cedric S. Grant
Executive Director

BYLAWS OF SEWERAGE & WATER BOARD OF NEW ORLEANS

ARTICLE VI – COMMITTEES

FINANCE COMMITTEE

Section 6:

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

The following matters are illustrative of those brought before the Finance Committee for consideration: financial reporting; Operating Budget; financing strategies; alternative financing mechanisms; Capital and Operating Budget recommendation and review; banking; bond issues; review and recommendation for award of all contracts; and all bid appeals; internal controls assessment; internal and external audit reports compliance; or and other matters of a financial nature.

BYLAWS OF SEWERAGE & WATER BOARD OF NEW ORLEANS

ARTICLE VI – COMMITTEES

ALL COMMITTEES

Section 1:

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

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

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

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

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

Section 2:

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

Section 3:

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

Section 4:

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

Section 12:

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

Section 13:

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

Section 14:

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

Section 15:

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

Section 16:

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

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

Section 17:

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

Section 18:

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



SEWERAGE AND WATER BOARD OF NEW ORLEANS

November 4, 2014

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

Dear Directors:

Subject: 2015 Operating Budget

Sewerage and Water Board is required by bond covenants to have an approved annual budget by January 1 each year. If a budget is not prior to January 1, then the previously approved annual budget becomes the new annual budget. The development of the proposed 2015 Operating Budget is approaching completion and will be submitted shortly for consideration in advance of the December 2014 meeting.

The key financial management objectives of the budgeting process are to (a) operate and maintain the systems to achieve the operating requirements of each system; (b) maintain adequate debt service coverage; (c) maintain adequate cash reserves; (d) issue enough debt to fully fund the capital program; (e) construct the funded capital projects; and (f) ensure effective program of internal control of financial resources. The operating budget is composed of (a) operating revenues; (b) operating expenses; (c) non-operating revenues; and (d) non-operating expenses:

- Operating revenues are composed of revenues from sale of water and sewer service plus other charges such as late payment penalties and turn-off fees. The water and sewer revenues are based upon application of the approved rates against the estimated consumption and estimated collection effectiveness.
- Operating expenses are composed of operations and maintenance expenses plus other non-cash expenses such as depreciation, allowance for doubtful accounts, and post-retirement medical expenses.
- Non-operating revenues are composed of tax revenues, FEMA reimbursements, and interest income. The amounts of tax revenue for the drainage system are set by property tax millages approved by voters.
- Non-operating expenses composed of interest expense net of capitalized interest. Nearly all interest expense is allocated to capital improvement projects.

Attached are current copies of the financial plans for the water, sewer, and drainage systems which will be used as the basis for finalizing the proposed 2015 operating budget.

Robert K. Miller
Deputy Director

Sewerage and Water Board of New Orleans
Proposed Sewerage Revenue Bonds, Series 2014
Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Revenues						
Operating Revenues						
Sewer Sales (1)	\$ 86,027,705	\$ 94,592,623	\$ 105,071,594	\$ 116,711,425	\$ 129,640,717	\$ 144,002,316
Phumbing inspection & license fees	321,517	321,517	321,517	321,517	321,517	321,517
Subtotal: Sewer Sales and Fees	\$ 86,349,222	\$ 94,914,140	\$ 105,393,111	\$ 117,032,942	\$ 129,962,234	\$ 144,323,833
Other Revenues	\$ 288,943	\$ 288,943	\$ 288,943	\$ 288,943	\$ 288,943	\$ 288,943
Additional Revenue (2)	2,113,049	2,256,906	2,418,794	2,595,980	2,789,980	3,002,460
Total Operating Revenues	\$ 88,751,215	\$ 97,459,989	\$ 108,100,848	\$ 119,917,865	\$ 133,041,157	\$ 147,615,236
Non-Operating Revenue	\$ 350,944	\$ 350,944	\$ 350,944	\$ 350,944	\$ 350,944	\$ 350,944
FEMA O&M Expense Reimbursements (3)	13,938,000	7,858,000	-	-	-	-
Total Non-operating Revenues	\$ 14,288,944	\$ 8,208,944	\$ 350,944	\$ 350,944	\$ 350,944	\$ 350,944
Total Revenues	\$ 103,040,159	\$ 105,668,933	\$ 108,451,792	\$ 120,268,809	\$ 133,392,101	\$ 147,966,180
Expenses						
Operating Expenses						
O&M Expenditures (4)	\$ 52,410,016	\$ 55,868,190	\$ 59,363,854	\$ 63,314,448	\$ 67,391,087	\$ 71,597,928
Depreciation & Amortization (5)	13,946,876	13,946,876	13,946,876	13,946,876	13,946,876	13,946,876
Provision for Bad Debt (6)	(39,993)	(39,993)	(39,993)	(39,993)	(39,993)	(39,993)
Total Operating Expenses	\$ 66,316,899	\$ 69,775,074	\$ 73,270,737	\$ 77,221,331	\$ 81,297,970	\$ 85,504,811
Net Revenues	\$ 36,723,259	\$ 35,893,859	\$ 35,181,055	\$ 43,047,478	\$ 52,094,131	\$ 62,461,369
Less: Transfers to Rate Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Transfers from Rate Stabilization	-	-	-	-	-	-
Plus: Depreciation & Amortization	13,946,876	13,946,876	13,946,876	13,946,876	13,946,876	13,946,876
Plus: Provision for Bad Debt	(39,993)	(39,993)	(39,993)	(39,993)	(39,993)	(39,993)
Rate Covenant Net Revenues	\$ 50,630,143	\$ 49,800,743	\$ 49,087,938	\$ 56,954,361	\$ 66,001,014	\$ 76,368,252
Senior Debt Service - 2014 Issue						
Series 2011 (7)	\$ 474,469	\$ 494,624	\$ 494,663	\$ 493,668	\$ 494,635	\$ 494,560
Existing Debt paid in 2014 (8)	16,017,026	-	-	-	-	-
Proposed Series 2014 (9)	1,980,541	15,897,950	18,042,388	19,309,825	17,642,450	16,217,450
Total Senior Debt Service	\$ 18,472,037	\$ 16,392,574	\$ 18,537,050	\$ 19,803,493	\$ 18,137,085	\$ 16,712,010
Senior Debt Service Coverage - 2014 Issue	2.74	3.04	2.65	2.88	3.64	4.57
Senior Debt Service - Programmatic						
Historical/2011 & 2014 Debt Service (10)	18,472,037	16,392,574	18,537,050	19,803,493	18,137,085	16,712,010
Projected Future Bonds (11)	-	-	-	2,628,418	6,571,044	8,936,620
Total Senior Debt Service	\$ 18,472,037	\$ 16,392,574	\$ 18,537,050	\$ 22,431,911	\$ 24,708,130	\$ 25,648,630
Senior Debt Service Coverage - Programmatic (12)	2.74	3.04	2.65	2.54	2.67	2.98
Total Debt Service Requirements	\$ 18,492,115	\$ 16,392,574	\$ 18,537,050	\$ 22,431,911	\$ 24,708,130	\$ 25,648,630
Total Debt Service Coverage (13)	2.74	3.04	2.65	2.54	2.67	2.98
Rate Covenant Net Revenues	\$ 50,630,143	\$ 49,800,743	\$ 49,087,938	\$ 56,954,361	\$ 66,001,014	\$ 76,368,252
Less: Transfers from Rate Stabilization	-	-	-	-	-	-
Less: Grants	(13,938,000)	(7,858,000)	-	-	-	-
Adjusted Rate Covenant Net Revenues	\$ 36,692,143	\$ 41,942,743	\$ 49,087,938	\$ 56,954,361	\$ 66,001,014	\$ 76,368,252
Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (14)	1.98	2.56	2.65	2.54	2.67	2.98
Revenue after Debt Service	\$ 32,138,028	\$ 33,408,169	\$ 30,550,888	\$ 34,522,451	\$ 41,292,885	\$ 50,719,622
Less: GO Zone Repayment	\$ 6,233,582	\$ 6,233,582	\$ 6,233,582	\$ 6,233,582	\$ 6,233,582	\$ 6,233,582
Less: Revenue Funded Capital	19,000,000	18,000,000	8,000,000	15,000,000	25,000,000	30,000,000
Less: Repayments	2,765,950	2,911,000	2,911,000	486,000	-	-
Total Income/(Deficit)	\$ 4,138,496	\$ 6,263,587	\$ 13,406,306	\$ 12,802,869	\$ 10,059,303	\$ 14,486,040
Ending Balance of Available Funds	\$ 26,555,878	\$ 32,819,464	\$ 46,225,770	\$ 59,028,639	\$ 69,087,941	\$ 83,573,981
Days of Cash on Hand	185	214	284	340	374	426

Sewerage and Water Board of New Orleans
Proposed Water Revenue Bonds, Series 2014
Forecast Statement of Revenues, Expenses, Debt, and Debt Service Coverage

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Revenues						
Operating Revenues						
Water Sales and Delinquent Fees (1)	\$ 70,541,914	\$ 77,565,067	\$ 86,157,725	\$ 95,702,278	\$ 106,304,177	\$ 118,080,553
Plumbing and Inspection Fees	321,517	321,517	321,517	321,517	321,517	321,517
Subtotal: Water Sales and Fees	\$ 70,863,431	\$ 77,886,584	\$ 86,479,242	\$ 96,023,795	\$ 106,625,694	\$ 118,402,070
Other Revenues (2)	\$ 3,232,503	\$ 3,232,503	\$ 3,232,503	\$ 3,232,503	\$ 3,232,503	\$ 3,232,503
Additional Revenue (3)	1,585,419	1,743,651	1,926,377	2,128,303	2,351,450	2,598,054
Total Operating Revenues	\$ 75,681,353	\$ 82,862,738	\$ 91,638,123	\$ 101,384,601	\$ 112,209,646	\$ 124,232,628
Non-Operating Revenues	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501
Total Non-operating Revenues	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501	\$ 280,501
Total Revenues	\$ 75,961,854	\$ 83,143,239	\$ 91,918,624	\$ 101,665,102	\$ 112,490,147	\$ 124,513,129
Expenses						
Operating Expenses						
O&M Expenditures (4)	\$ 68,888,066	\$ 71,680,615	\$ 74,911,802	\$ 78,241,157	\$ 81,708,983	\$ 85,243,635
Depreciation & Amortization (5)	13,835,473	13,835,473	13,835,473	13,835,473	13,835,473	13,835,473
Provision for Bad Debt (6)	1,158,261	1,158,261	1,158,261	1,158,261	1,158,261	1,158,261
Total Operating Expenses	\$ 83,881,801	\$ 86,674,350	\$ 89,905,537	\$ 93,234,892	\$ 96,702,717	\$ 100,237,370
Net Revenues	\$ (7,919,946)	\$ (3,531,111)	\$ 2,013,086	\$ 8,430,210	\$ 15,787,430	\$ 24,275,759
Less: Transfers to Rate Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Transfers from Rate Stabilization	13,835,473	13,835,473	13,835,473	13,835,473	13,835,473	13,835,473
Plus: Depreciation & Amortization	1,158,261	1,158,261	1,158,261	1,158,261	1,158,261	1,158,261
Plus: Provision for Bad Debt						
Rate Covenant Net Revenues	\$ 7,073,788	\$ 11,462,624	\$ 17,006,821	\$ 23,423,945	\$ 30,781,165	\$ 39,269,494
Senior Debt Service - 2014 Issue						
Existing Debt paid in 2014 (7)	\$ 687,021					
Proposed Series 2014 (8)	2,142,392	\$ 3,500,000	\$ 5,501,250	\$ 7,700,000	\$ 7,693,000	\$ 7,700,000
Total Senior Debt Service	\$ 2,829,414	\$ 3,500,000	\$ 5,501,250	\$ 7,700,000	\$ 7,693,000	\$ 7,700,000
Senior Debt Service Coverage - 2014 Issue	2.50	3.28	3.09	3.04	4.00	5.10
Senior Debt Service - Programmatic						
Historical/2014 Debt Service	\$ 2,829,414	\$ 3,500,000	\$ 5,501,250	\$ 7,700,000	\$ 7,693,000	\$ 7,700,000
Projected Future Bonds (9)				4,380,696	8,761,392	13,404,930
Total Senior Debt Service	\$ 2,829,414	\$ 3,500,000	\$ 5,501,250	\$ 12,080,696	\$ 16,454,392	\$ 21,104,930
Senior Debt Service Coverage - Programmatic (10)	2.50	3.28	3.09	1.94	1.87	1.86
Total Debt Service Requirements	\$ 2,829,414	\$ 3,500,000	\$ 5,501,250	\$ 12,080,696	\$ 16,454,392	\$ 21,104,930
Total Debt Service Coverage (11)	2.50	3.28	3.09	1.94	1.87	1.86
Rate Covenant Net Revenues	\$ 7,073,788	\$ 11,462,624	\$ 17,006,821	\$ 23,423,945	\$ 30,781,165	\$ 39,269,494
Less: Transfers from Rate Stabilization						
Less: Grants						
Adjusted Rate Covenant Net Revenues	\$ 7,073,788	\$ 11,462,624	\$ 17,006,821	\$ 23,423,945	\$ 30,781,165	\$ 39,269,494
Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (12)	2.50	3.28	3.09	1.94	1.87	1.86
Revenue after Debt Service	\$ 4,244,375	\$ 7,962,624	\$ 11,505,571	\$ 11,343,248	\$ 14,326,772	\$ 18,164,563
Less: GO Zone Repayment	\$ 640,836	\$ 640,836	\$ 640,836	\$ 640,836	\$ 640,836	\$ 640,836
Less: Revenue Funded Capital	-	3,000,000	3,000,000	4,000,000	5,000,000	8,000,000
Less: Repayments	3,891,044	3,891,044	2,186,000	436,000	436,000	-
Total Income/(Deficit)	(287,505)	430,744	5,678,736	6,266,413	8,249,937	9,523,728
Ending Balance of Available Funds	\$ 40,026,658	\$ 40,457,403	\$ 46,136,138	\$ 52,402,551	\$ 60,652,488	\$ 70,176,216
Days of Cash on Hand	212	206	225	244	271	300



Sewerage and Water Board of New Orleans
Proposed Drainage Revenue Bonds, Series 2014
Forecast Statement of Revenues, Expenses, Debt, and Debt Service Coverage

	Fiscal Year						
	2014	2015	2016	2017	2018	2019	2020
Revenues							
Revenue Available for Debt Service							
9 Mill Tax Revenue	\$ 20,162,000	\$ 20,364,000	\$ 20,568,000	\$ 20,774,000	\$ 20,982,000	\$ 21,192,000	\$ 21,404,000
Subtotal: Revenue Available for Debt Service	\$ 20,162,000	\$ 20,364,000	\$ 20,568,000	\$ 20,774,000	\$ 20,982,000	\$ 21,192,000	\$ 21,404,000
Senior Debt Service - 2014 Issue							
Existing Debt paid in 2014	\$ 365,018						
Proposed Series 2014	623,378	2,211,500	2,222,000	2,228,250	2,235,250	2,232,750	2,241,000
Total Senior Debt Service	\$ 988,395	\$ 2,211,500	\$ 2,222,000	\$ 2,228,250	\$ 2,235,250	\$ 2,232,750	\$ 2,241,000
Debt Service Percentage of Available Revenue							
	4.90%	10.86%	10.80%	10.73%	10.65%	10.54%	10.47%
Other Revenue							
Remaining 9 Mill Tax Revenue	19,173,605	18,152,500	18,346,000	18,545,750	18,746,750	18,959,250	19,163,000
Other Tax Revenue	26,758,000	27,026,000	27,296,000	27,569,000	27,845,000	28,123,000	28,404,000
Other Revenue	1,111,000	1,122,000	1,133,000	1,144,000	1,155,000	1,167,000	1,179,000
Non-Operating Revenue	\$ 94,000	\$ 95,000	\$ 96,000	\$ 97,000	\$ 98,000	\$ 99,000	\$ 100,000
Repayments	1,424,244	1,424,244	-	-	-	-	-
Total Revenues Available for O&M Expenses	\$ 48,560,849	\$ 47,819,744	\$ 46,871,000	\$ 47,355,750	\$ 47,844,750	\$ 48,348,250	\$ 48,846,000
Expenses							
Operating Expenses							
O&M Expenditures - Existing	\$ 34,265,595	\$ 35,556,107	\$ 36,898,463	\$ 38,294,873	\$ 39,747,647	\$ 41,259,202	\$ 42,832,059
Total Direct Operating Expenses	\$ 34,265,595	\$ 35,556,107	\$ 36,898,463	\$ 38,294,873	\$ 39,747,647	\$ 41,259,202	\$ 42,832,059
Net Revenue	\$ 14,295,254	\$ 12,263,637	\$ 9,972,537	\$ 9,060,877	\$ 8,097,103	\$ 7,089,048	\$ 6,013,941
Other Non-Cash Expenses							
Depreciation & Amortization	13,715,637	13,715,637	13,715,637	13,715,637	13,715,637	13,715,637	13,715,637
Provision for Bad Debt	33,215	33,215	33,215	33,215	33,215	33,215	33,215
Total Other Operating Expenses	\$ 13,748,852	\$ 13,748,852	\$ 13,748,852	\$ 13,748,852	\$ 13,748,852	\$ 13,748,852	\$ 13,748,852
Net Income	\$ 546,402	\$ (1,485,215)	\$ (3,776,315)	\$ (4,687,975)	\$ (5,651,749)	\$ (6,659,804)	\$ (7,734,911)



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board of NEW ORLEANS

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

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70185 • 504-529-2837 OR 52W-ATER
www.swbno.org

November 4, 2014

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

Dear Directors:

Subject: Communications to Employees Regarding Change in Health Insurance Provider

Effective January 1, 2015, the Sewerage & Water Board will be providing health care for employees and retirees through the HealthSmart using the CIGNA national network. SWBNO procured this insurance company by requesting proposals for a similar breadth of health care providers and medical coverages with the intent to maintain the current levels for employee deductibles, co-pay amounts, and monthly premiums.

Sewerage and Water Board is making this change before the start date of the new coverage in order to ensure that employees have time to check on the availability of their doctors in the CIGNA network. If their doctor is not currently participating in the CIGNA network, then we will work to encourage their participation; however, that decision is the choice between doctors and CIGNA. Management will work diligently to ensure that any disruption this transition causes to employees is minimized.

There will be four sources of information for employees to find out more about the change in health insurance provider:

1. Read the attached documents about the new SWBNO Employee Health Care Plan that were attached to their paystubs on October 24, 2014.
2. Go to: www.hcpdirectory.cigna.com/web/public/providers to determine if their preferred primary care physicians, specialists, and hospitals participate in the CIGNA.
3. Review the open enrollment package that will be mailed to their residence on or about November 24, 2014.
4. Call the Personnel Office at (504) 585-2023 and speak to a staff person who will be able to assist with questions. This assistance will be available from 8 am to 4 pm during October 27 – 31, December 1 – 5, and December 8 – 12, 2014.

We look forward to a successful open enrollment period ending December 15, 2014.

Robert K. Miller
Deputy Director



Welcome To Smarter Healthcare

SEWERAGE & WATER BOARD OF NEW ORLEANS

Effective: January 1, 2015

*Effective January 1, 2015 Sewerage & Water Board of New Orleans will change its healthcare administrator to HealthSmart Benefit Solutions. To assist you in this transition, we want to answer some very important questions. This information will also be included on your ID card.**

CLAIMS & ELIGIBILITY QUESTIONS:

HealthSmart's Customer Service Representatives can be reached at **855.596.6738**, Monday through Friday from 8:00 a.m. to 5:00 p.m. (CT).

PPO INFORMATION:

To determine if your doctor or facility is in the GWH-Cigna Network, a list of providers in your area can be obtained by calling **855.209.2719** or online at



www.mycignaforhealth.com

PRESCRIPTION INFORMATION:

HealthSmart Rx will be your prescription drug vendor. You can contact customer service at **800.681.6912** or visit **www.healthsmart.com**.

PRE-CERTIFICATION QUESTIONS:

HealthSmart's in-house Utilization Review Team can be reached Monday through Friday at **877.202.6379, opt. 3** between the hours of 7:00 a.m. and 7:00 p.m. (CST). You must give at least 7 days notice prior to all hospital admissions.

ID Cards: HealthSmart provides two cards per family. Additional cards are available upon request.

HEALTHSMART BENEFIT SOLUTIONS, INC.

WWW.HEALTHSMART.COM

Effective January 1, 2015, the Sewerage and Water Board of New Orleans (SWBNO) will be providing health care for employees and retirees through Health Smart using the CIGNA national network. The following table compares the current plan and the new plan.

H

1. Read the Questions and Answers about Employee Health Care Plan
2. Go to : www.hcpdirectory.cigna.com/web/public/providers
3. Carefully review the open enrollment package that will be mailed to your residence on or about November 24, 2014.
4. Call the Personnel Office at (504) 585-2023 and speak to a staff person who will be able to assist you with your questions. This assistance will be available from 8am-4pm during October 27 – 31, December 1 – 5, and December 8 - 12, 2014.

***Contact your current healthcare provider to verify their participation in CIGNA or go to the website: www.hcpdirectory.cigna.com/web/public/providers.**

**Questions (Q) and Answers (A) about Employee Health Care Plan Change at
Sewerage and Water Board
October 2014**

Q: Is the Health Care Insurance provider going to change?

A: Yes, on January 1, 2015. Health care Insurance will be provided through Health Smart using the CIGNA national network of health care providers.

Q: How will this be different than what we currently have from Blue Cross?

A: Sewerage and Water Board procured this insurance coverage by requesting proposals for the same breadth of health care providers, the same medical coverages, and the same employee monthly premiums, deductibles, and co-pay amounts. It is most likely that the only change you will notice is a different insurance company logo on your medical insurance card.

Q: Why are we changing Insurance companies?

A: Sewerage and Water Board is changing companies in order to provide improved preventative health care services to employees at a lower cost to ratepayers.

Q: Will I be able to keep my current doctors and hospital?

A: Yes, in nearly all cases. The CIGNA network is nearly identical to the Blue Cross network. However, it is important that you check to be sure that your doctors participate in the CIGNA network by going to <http://hcpdirectory.cigna.com/web/public/providers>.

Q: But I like Blue Cross. May I pay more to keep using them?

A: No, Sewerage and Water Board provides insurance through only one provider. Adding another insurance provider option would lower the number of employees that each insurance company would cover and would likely increase the cost of the insurance. And because the coverage from CIGNA is essentially identical to the coverage from Blue Cross, there would likely not be a meaningful difference from which to choose.

Q: Why are we doing this now?

A: Sewerage and Water Board is making this change more than two months ahead of the start date of the new coverage on January 1, 2015 in order to ensure that you have time to check on the availability of your doctors. If your doctor is not currently participating in the CIGNA network, then we will work to encourage their participation; however, that decision is the choice of the doctors and not the Sewerage and Water Board or CIGNA.

Q: What will be improved about the preventative health care services?

A: CIGNA provides voluntary programs for employees to have their health screened through private testing that can advise them of the early onset of certain conditions that require medical care. And by following your doctor's prescribed care regimen, the employee cost of that care is reduced or eliminated. Additional information on these new programs will be provided in 2015.

Q: If Sewerage and Water Board is saving money by changing health insurance providers, then why isn't my employee share that is deducted from my paycheck decreasing?

A: The lower cost of the insurance plan administration will likely be more than offset by the higher cost of the medical claims paid to your doctors, hospitals and pharmacists. Sewerage and Water Board is using the lower cost of administration to avoid passing the higher cost of medical claims along to employees.

Q: Does management realize how disruptive this might be to my family?

A: Yes, and management has worked diligently to ensure that this change minimized that disruption while making the decisions that are necessary to control costs to the ratepayers.

Q: When might this happen again?

A: Management intends to do a marketplace review of medical insurance providers each year.

Q: In summary, I will most likely be keeping my same doctors, hospital, monthly premiums, deductibles, and co-pay amounts – is that correct?

A: Yes, but it is important that you check to be sure that your doctors participate in the CIGNA network by going to <http://hcpdirectory.cigna.com/web/public/providers>.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

CHANGE ORDER ANALYSIS SUMMARY FOR FISCAL YEAR 2014

As of October 27, 2014

	<u>Total Active</u> <u>Contracts (\$)</u>	<u>Total Change</u> <u>Orders (\$)</u>	<u>Percentage</u> <u>Contract</u>
WATER			
Construction	\$ 261,211,848	\$ 4,446,789	1.7%
Design	\$ 22,453,793	\$ 19,392,711	86.4%
Total Water	\$ 283,665,641	\$ 23,839,500	8.4%
SEWERAGE			
Construction	\$ 182,211,890	\$ 4,753,078	2.6%
Design	\$ 14,327,111	\$ 7,530,817	52.6%
Total Sewerage	\$ 196,539,001	\$ 12,283,895	6.3%
DRAINAGE			
Construction	\$ 54,871,451	\$ 2,251,977	4.1%
Design	\$ 28,729,500	\$ 2,074,469	7.2%
Total Drainage	\$ 83,600,951	\$ 4,326,446	5.2%
Total Program	\$ 563,805,593	\$ 40,449,842	7.2%

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

2014 Calendar of Events

MONDAY	NOVEMBER 3, 2014	8:00 AM	OPERATIONS COMMITTEE
TUESDAY	NOVEMBER 4, 2014	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	NOVEMBER 5, 2014	8:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	NOVEMBER 5, 2014	9:30 AM	PENSION COMMITTEE
FRIDAY	NOVEMBER 7, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	NOVEMBER 19, 2014	9:00 AM	REGULAR BOARD
MONDAY	DECEMBER 1, 2014	8:00 AM	OPERATIONS COMMITTEE
TUESDAY	DECEMBER 2, 2014	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	DECEMBER 3, 2014	8:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	DECEMBER 3, 2014	10:30 AM	PENSION COMMITTEE
FRIDAY	DECEMBER 5, 2014	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	DECEMBER 17, 2014	9:00 AM	REGULAR BOARD

NOTE: RECOMMENDATIONS:

NOTE: NOVEMBER – THE PENSION COMMITTEE MEETING HAS BEEN MOVED BACK TO 9:30 AM THIS MONTH