

SEWERAGE & WATER BOARD OF NEW ORLEANS
COMMITTEE ON INFRASTRUCTURE
WEDNESDAY, JANUARY 7, 2015
9:00 AM

8800 S. CARROLLTON AVE., CARROLLTON WATER PLANT
ENGINEERING BLDG., 2ND FLOOR – TRAINING ROOM
COMMITTEE MEMBERS

Mrs. Kerri Kane, Chair • Mr. Alan Arnold • Dr. Tamika Duplessis • Mr. Joseph Peychaud • Ms. Kimberly Thomas

FINAL AGENDA

ACTION ITEMS

1. Approval of Previous Report

PRESENTATION ITEMS

2. Authorization to Enter into a Memorandum of Understanding with the Governor's Office of Homeland Security and Emergency Preparedness for Hurricane Isaac (R-001-2015)
3. Topics for Future Discussions
4. Response to Questions

INFORMATION ITEMS

5. 2015 Committee/Board Meeting Schedule
6. Any Other Matters

REFERENCE MATERIALS (In Binders)

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



"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 70165 • 504-529-2837 OR 52W-ATER
www.swbno.org

Wednesday, December 3, 2014

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

Mesdames and Messieurs:

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

Presentation Items:

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

2. Water Hammer Hazard Mitigation Project

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

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

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

3. Capital Improvement Plan 2015-2024

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

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

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

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

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

4. Committee Responsibilities By-Laws Change

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

INFORMATION ITEMS – RECEIVED

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

Reference Material (In Binders)

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

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

ABSENT: Ms. Kimberly Thomas

OTHER COMMITTEE/
BOARD MEMBERS PRESENT: NONE

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

Very truly yours,

Mrs. Kerri Kane
Chairperson

KK/kal

**AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE
GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS
FOR HURRICANE ISAAC**

WHEREAS, the Sewerage and Water Board of New Orleans (Board) is eligible to receive FEMA funding under the Public Assistance and and/or Hazard Mitigation programs for Hurricane Isaac (DR-LA-4080); and

WHEREAS, the Governor's Office of Homeland Security and Emergency Preparedness, on behalf of the State of Louisiana, is receiving funding under the FEMA Public Assistance and/or Hazard Mitigation programs as authorized under the Stafford Act and has the fiduciary responsibility to ensure those funds are spent on eligible Board, facilities and activities and are properly reimbursed to the Board.

NOW THEREFORE BE IT RESOLVED that the Executive Director is hereby authorized to execute on behalf of the Sewerage and Water Board of New Orleans, the Memorandum of Understanding with the Governor's Office of Homeland Security and Emergency Preparedness for Public Assistance and/or Hazard Mitigation programs for Hurricane Isaac (DR-LA-4080).

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 January 21, 2015.

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

Memorandum of Understanding (MOU) Instructions

1. The MOU consists of a 5 page document and 4 Exhibits (A-D), for a total of 13 pages. All documents must be completed and returned to GOHSEP with the appropriate signatures.
2. The MOU and Exhibit A should be filled out electronically. Exhibit C should be completed manually after the MOU is printed.
3. To complete the MOU and Exhibit A, use either the tab key or the arrow keys to move through the pages field by field. All fields in red must be completed prior to submission.
4. Once all required information has been entered into the red fields of the MOU and Exhibit A, print the entire document including all pages of the MOU as well as Exhibits A-D. Exhibit C can now be completed.
5. The last page of the MOU document, Exhibits A and C require the signature of the Chief Elected/Appointed Official or the Chief Executive Officer as well as a date of signature. The MOU also requires the signature of a witness.
6. Once the documents are complete, they must be sent to GOHSEP using the following method:
 - a. Hardcopy submission through email, facsimile or mail:
 - i. Fax the completed MOU and its Exhibits with a cover sheet to (225) 267-2832 attention of Ms. Lynne Browning or;
 - ii. Mail the completed MOU and its Exhibits to:

Ms. Lynne Browning
Disaster Recovery Division
1500 Main Street
Baton Rouge, Louisiana 70802
Lynne.Browning@la.gov

Should you need assistance in completing the MOU, please contact your Disaster Recovery Specialist (DRS) or State Applicant Liaison (SAL).

Memorandum of Understanding (MOU)

MEMORANDUM OF UNDERSTANDING
BY and BETWEEN
GOVERNOR'S OFFICE OF HOMELAND SECURITY AND
EMERGENCY PREPAREDNESS
AND
(Entity name)

This Memorandum of Understanding (Agreement), made and entered into on the (Date) day of (Month) 20(Year) between the Governor's Office of Homeland Security and Emergency Preparedness, hereinafter referred to as the "GOHSEP," and (Name of Subgrantee and Address) hereinafter referred to as the Subgrantee relating to the grants received by the (Entity name) under the FEMA Public Assistance and/or Hazard Mitigation programs.

WHEREAS, GOHSEP, on behalf of the State of Louisiana, is the Grantee receiving funding under the FEMA Public Assistance and/or Hazard Mitigation programs as authorized under the Stafford Act and has the fiduciary responsibility to ensure those funds are spent on eligible Subgrantee, facilities and activities and are properly reimbursed to the Subgrantee.

WHEREAS, under current information provided, FEMA has determined that the Subgrantee is eligible to receive FEMA funding under the Public Assistance and/or Hazard Mitigation programs.

NOW, THEREFORE, in consideration thereof, the parties hereby agree as follows:

Responsibilities of the Subgrantee

The (Entity name) agrees to obtain a working knowledge of the Stafford Act and all applicable FEMA regulations as provided in 44 CFR and FEMA policy that govern the Public Assistance Program and/or Hazard Mitigation programs and shall adhere to the application of the Stafford Act and those applicable regulations and policies and OMB Circulars A-87, A-102, A-110 and A-133 as a condition for the acceptance of and expenditure of said FEMA funding.

As a further condition for the acceptance of and expenditure of FEMA funding, the (Entity name) hereby agrees to follow all guidelines, regulations and directives as dictated by GOHSEP, to include but not limited to the following:

- Use louisianapa.com and/or louisianahm.com, as applicable, to access forms and submit Reimbursement Request Forms (RRF) and supporting documentation in accordance with the guidelines, regulations and directives dictated by GOHSEP.
- Comply with the National Historic Preservation Act, the National Environmental Policy Act and the 2011 Statewide Programmatic Agreement between the Federal Emergency Management Agency (FEMA), the Louisiana State Historic Preservation Officer (SHPO), the Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), Federally-Recognized Tribal Nations, and the Advisory Council on Historic Preservation (ACHP).
- Comply with Act 12 of the First Extraordinary Session, 2005, Act 458 of the Regular Session, 2006 and Louisiana Revised Statute 40:1730.28.
- Subgrantee shall assure that all project documents be made available to GOHSEP, FEMA, DHS-OIG or to any other state or federal agency as determined by GOHSEP to include but not limited to: insurance policies, insurance proceeds received as a result of the disaster, and all other documentation substantiating eligible costs.
- All records, reports, documents and other material delivered or transmitted to GOHSEP by the Subgrantee shall remain the property of GOHSEP
- Subgrantee shall obtain and maintain such types and extent of insurance as are reasonably available, adequate, and necessary to protect against future loss to the facility from similar hazards. The flood insurance must, at a minimum, equal the eligible disaster assistance (44 CFR 206.252). Non-flood insurance must, at a minimum, equal the eligible damage incurred to the facility as a result of the major disaster (44 CFR 206.253). In the instances when the Subgrantee is unable to meet the obtain

Memorandum of Understanding (MOU)

and maintain requirements, the Subgrantee may request that the State Insurance Commissioner review the reasonableness of the insurance required. The State Insurance Commissioner may then issue an Insurance Commissioner's Certification (ICC) certifying a lower amount that is reasonably available, thereby lessening the insurance coverage required by the Subgrantee.

- While Subgrantee is responsible for compliance with all federal and state laws, regulations and policies, Subgrantee will pay particular attention to those regulations and policies whose non-compliance may make Subgrantee eligible for corrective action under the GOHSEP Compliance Assurance Program (CAP). Those policies are listed in Exhibit B attached to and made part of this MOU.
- The Subgrantee agrees to monitor LouisianaPA.com and LouisianaHM.com
- The undersigned, as the appointed agent of the Subgrantee hereby declares that the individual(s) named herein as the Subgrantee's agent(s) are knowledgeable of the requirements outlined herein.

The (Entity name) hereby acknowledges that failure to adhere to all applicable state and federal law, regulations, policies and directives may result in suspension and/or termination of funding/reimbursements and/or all or part of the de-obligation of previously received funding.

Responsibilities of GOHSEP

- GOHSEP agrees to maintain LouisianaPA.com and LouisianaHM.com
- GOHSEP shall, through Subgrantee's assigned Disaster Recovery Specialist, review Subgrantee's Request for Reimbursement, assist Subgrantee in correcting any deficiencies, and disburse reimbursement requests to the Subgrantee as timely as possible
- GOHSEP shall communicate to the Subgrantee in a timely manner, any changes in law, regulations, policy or procedure which affect the Subgrantee's grant requirements through LouisianaPA.com and LouisianaHM.com, or appropriate alternate methods of communication.
- GOHSEP shall provide technical assistance, advice on best practices and other education outreach programs to assist the Subgrantee in the formulation and management of its FEMA grants (see Disclaimer paragraph herein below).

Term of Agreement

This MOU shall remain in full force and effect as long as the Subgrantee has outstanding FEMA grants that have not been closed out and/or the Subgrantee receives future FEMA funding. Subgrantee agrees to comply with all amendments to this Memorandum effective immediately upon the posting of amendments to LouisianaPA and/or LouisianaHM, or through alternate appropriate methods of communication. This memorandum may be amended in the future to reflect any changes in Regulations, Policies or Procedures.

Results of De-Obligation

The Subgrantee acknowledges that all final actions by FEMA to de-obligate funding are the financial responsibility of the Subgrantee and said amounts de-obligated shall be remitted to GOHSEP by the Subgrantee immediately upon demand or in accordance with GOHSEP policy.

Limitation of Liability

Subgrantee acknowledges that this MOU is intended for the benefit of the Grantee and the Subgrantee and does not confer any rights upon any third parties. Furthermore, Subgrantee hereby agrees to hold harmless and reimburse Grantee from any actions or claims brought on behalf of any third parties to whom services or materials are provided or who provides services or materials under any project funded by the FEMA Public Assistance and/or Hazard Mitigation programs.

Disclaimer

In its capacity as the Grantee and state fiduciary of Federal Emergency Management Agency (FEMA), and other federal grant funds, the Governor's Office of Homeland Security and Emergency Preparedness

Memorandum of Understanding (MOU)

(GOHSEP) provides technical assistance and education outreach programs to current and potential Subgrantees (collectively referred to as "Subgrantees") of the FEMA Public Assistance and/or Hazard Mitigation programs.

Technical assistance includes the application of specific knowledge to a specific situation in order to address a specific need and as such is not a legal opinion or an endorsement of the Subgrantee's grants management practice. Education outreach programs include general programmatic grants management guidance for a Subgrantee to use in administering its own grants management program. GOHSEP does not render legal opinions to Subgrantees, but rather provides information intended to assist a Subgrantee prudently manage its own grants management program by employing effective methods, sound practices and, in some cases, recognized "Best Practices" to manage FEMA grants.

Technical assistance and other grants management information provided by GOHSEP and adopted by the Subgrantee, does not serve as GOHSEP's endorsement of the Subgrantee's grants management practice and does not relieve the Subgrantee of the responsibility of assuring that its grants management practice is in compliance with applicable laws, regulations and policies as required by the FEMA Public Assistance and/or Hazard Mitigation programs.

The Subgrantee, by its decision to participate in the FEMA Public Assistance and/or Hazard Mitigation programs, bears the ultimate responsibility for ensuring compliance with all applicable state and federal laws, regulations and policies, and bears the ultimate consequences of any adverse decisions rendered by GOHSEP, FEMA, or any other state and federal agencies with audit, regulatory, or enforcement authority. Throughout the grants management process, GOHSEP, as the state fiduciary of this federal funding, reserves the right to demand that the Subgrantee comply with all applicable state and federal laws, regulations and policies, terminate reimbursements and take any and all other actions it deems appropriate to protect those funds for which it is responsible.

Discrimination Clause

The Subgrantee agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and the Americans with Disabilities Act of 1990.

The Subgrantee agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by the Subgrantee or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

Memorandum of Understanding (MOU)

Notices

All notices and other communications pertaining to this Agreement shall be in electronic format and/or writing and shall be transmitted either by fax, e-mail, personal hand-delivery (and receipted for) or deposited in the United States Mail, as certified mail, return receipt requested and postage prepaid, to the other party, addressed as follows:

State Coordinating Officer
Governor's Office of Homeland Security and
Emergency Preparedness
1500 Main Street
Baton Rouge, Louisiana 70802

(Entity name)

(Mailing address or municipal address)

(City, State, Zip Code)

IN WITNESS WHEREOF, the parties have executed this Agreement on the day, month and year first written above.

WITNESSES:

GOHSEP Witness

Kevin Davis, Director

(Subgrantee Witness)

(Chief Elected/Appointed Official or the Chief Executive Officer)
(Title)

Memorandum of Understanding (MOU)

EXHIBIT A

Designation of Subgrantee's Agent(s)

Provide the information below for up to 4 individuals that will be designated as agents.

Agent's Name: (Agent's Name)
Position: (Position)

Agent's Name: (Agent's Name)
Position: (Position)

Agent's Name: (Agent's Name)
Position: (Position)

Agent's Name: (Agent's Name)
Position: (Position)

I, (Chief Elected/Appointed Official or the Chief Executive Officer), as Chief Elected or Appointed Official of the Subgrantee am authorized to execute and file an Application for Public Assistance on behalf of the Subgrantee for the purpose of obtaining certain State and Federal financial assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288 as amended). The above named agent(s) is/are authorized to represent and act on behalf of the Subgrantee in all dealings with the State of Louisiana on all matters pertaining to the management of grants and disaster assistance received from FEMA as required by this MOU.

Signature of Chief Elected or Appointed Official

DATE

EXHIBIT B: POLICIES ELIGIBLE FOR CORRECTIVE ACTION

The policies below are examples of the policies eligible for corrective action by GOHSEP. They are NOT inclusive of all actions which may be subject to corrective action.

Policy	Summary of Policy
Advances	Expenses related to PWs must be within the scope of the PW and must fully satisfy the advance paid within 90 days of the advance transaction (GOHSEP policy)
Express Pay	RRFs must exceed \$2500 per submission; Subgrantee has 60 days from submission to submit all supporting documentation (GOHSEP policy)
Compliance	Subgrantees who receive grant funds >\$500,000 are required to comply with OMB Circular A-133 and proactively work with GOHSEP to correct any deficiencies.
Document Retention	Subgrantee must maintain original documentation throughout the life of the PW and retain the documentation for a minimum period of three years after closeout (44 CFR 13.42)
Unused Funds	Subgrantee is responsible for identifying, in a timely manner, all funds not used after the completion of a project and upon identification to immediately return those funds to GOHSEP (44 CFR 206.205 and GOHSEP policy)
Return of De-Obligated Funds and Interest	Subgrantee is required to return all de-obligated funds to GOHSEP within 60 calendar days of notice as well as remit any interest accrued on grant funds (44 CFR 13.21(h) and GOHSEP policy)
Fraud, Waste or Abuse	Initial findings by GOHSEP indicating fraud, waste or abuse may have immediate impact on funding and be reported.
Quarterly Reporting	All completed and accurate quarterly reports are due within 15 days after the end of the quarter (44 CFR 206.204 (f) and GOHSEP policy)
Procurement	All procurement must be in compliance with state and federal law and regulations to include taking affirmative steps to assure that minority firms, women's business enterprises and labor surplus area firms are used when possible (44 CFR 13.36)
Project Timelines	All projects are required to be completed within the milestones stated in the regulations. It is the responsibility of the Subgrantee to file a timely request for extension if so required (44 CFR 206.204 (c) and GOHSEP policy)
Special Provisions	Subgrantees are required to comply with NEPA and NHPA.
Insurance	Subgrantees shall comply with the obtain and maintain insurance requirements or obtain a waiver from the Louisiana Insurance Commissioner (44 CFR 206.250-206.253)
Debarred and Suspended Contractors	Subgrantees shall not make any awards to debarred, suspended or otherwise ineligible contractors (44 CFR 13.36 (b) (8) and www.epls.gov)

Exhibit C

Form W-9 (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
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Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number <div style="text-align: center;">OR</div> Employer identification number	
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Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the Instructions on page 4.

Sign Here
 Signature of U.S. person ▶

Date ▶

General Instructions
 Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
 A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Exhibit C

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Exhibit C

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

Exhibit C

3. Real estate transactions. You must sign the certification. You may cross out Item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ³
5. Sole proprietorship or disregarded entity owned by an individual	The owner ⁴
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-368-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Exhibit D

OMB Approval No. 0348-0042

ASSURANCES — CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibit discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Exhibit D

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a 7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. §§ 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333) regarding labor standards for federally assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and preservation of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
19. Will comply with all applicable requirements of all other Federal laws, Executive Orders, regulations and policies governing this program.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

January 7, 2015

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

Dear Directors:

Subject: Questions Raised by Board Member Alan Arnold

Attached are questions raised by Mr. Alan Arnold for consideration by the Infrastructure Committee. Included are also management responses to these questions. Staff will be prepared to discuss these questions at the January 2015 committee meeting.

Cedric S. Grant
Executive Director

Presented for your careful consideration by Board Member Alan Arnold*(Management responses shown in bold below. October 2014)*

ANALYSIS OF NET ASSETS ON BALANCE SHEET			
	Yr 2004	Yr 2009	Yr 2013
Depr (\$ in thousands)	1,826,416	2,248,235	2,891,420
Net (\$ in thousands)	(546,973)	(643,843)	(783,552)
Unrestricted Cash Available (\$ in thousands)	3,043	21,159	30,326
Free Cash Flow (exc grants) (\$ in thousands)	58,991	26,051	52,972
% rate of return on assets (\$ in thousands)	4.6	1.6	2.5
Long Term Debt (\$ in thousands)	270,900	228,878	170,255
% of Assets (\$ in thousands)	21.1	14.3	8.1

Of the \$828,395 increase since 2004, how much was contributed capital from Fed, State or other sources?

Essentially all capital improvements made between 2005 and 2013 were funded by contributed capital from federal and state programs.

Of the work completed, how much was repair of damage from the storm at market rate and how much was new construction?

Essentially all capital improvements made between 2005 and 2013 were for construction related to damage following Hurricane Katrina.

The 5 year Capital Budget in 2004 was 1.9 billion. Of the items listed in that budget, which ones have actually been constructed?

Management has not analyzed the 2004-2008 Capital Improvement Plan to determine which projects have been constructed as that plan was made irrelevant by the damage following Hurricane Katrina. Instead, a new capital improvement plan was developed based upon the new needs that existed as a result of the storm.

Isn't a budget supposed to reflect capital needs THAT WILL BE MET in each year or is it just a Capital Needs Statement?

Prior to 2014, management used the Capital Improvement Plan to identify capital needs and the preferred schedule for constructability, noting that funding was not available at that time to fully execute the plan. Beginning in 2014, the Capital Improvement Plan was developed to provide for full funding within the constraints of the program of water and sewer rates adopted for 2013-2020.

Is it the intention of this Board to budget capital needs each year based on greatest need and ability to pay?

It is management's intent to recommend a capital budget each year based upon priority, constructability, and funding availability.

Of the other expenses, Maintenance of General Plant needs an explanation.

It has increased from \$10,764,000 in 2004 to \$27,647,127 in 2013. Is that a number that is expected to grow at least at the inflation rate or has much of that been catch up and covered by FEMA reimbursement and will begin a reversal to the mean?

Maintenance of General Plant has increased due to: repair of storm-related damage of existing infrastructure; ongoing age-related maintenance of existing infrastructure; increased costs following Hurricane Katrina; temporary facilities to be maintained such as temporary sewer bypass pump stations; and new facilities to be maintained such as backup power generators and drainage and sewer pump stations. While storm-related damage of existing infrastructure will eventually be completed; the remaining maintenance will continue on an on-going basis.

As for engineering questions I am clearly unqualified but I have one question that has a large financial component. That pertains to the use of the Carrollton power plant vs. purchased power from Entergy. I recognize that Board's plant is vital to the continuous operation of the system during times of weather and emergency incidents that can interrupt power from Entergy. It costs \$.33 per KW hr just to purchase the fuel to run the Board's power plant to generate power. It costs \$.10 per KW hr to purchase power from Entergy. That equates to \$57,039 for 590,955 hrs for Entergy vs \$128,481 for 336,350 hrs for fuel for the power plant.

I have had discussions with engineers that I respect that claim that mix could be more heavily weighted to Entergy without jeopardizing the integrity of the main function to provide back up for the continuous operation of the system during weather conditions or other emergencies that could negatively impact the system. To accomplish the goal of a fair, intelligent analysis of this possibility, outside experts would need to be brought to the table to interact with our engineering staff. It seems logical if this was possible our staff would be making proposals to study the issue. It is reasonable to assume that they have done their analysis and have made the decision it is not viable. With great to all involved, differences of opinion on issues like this occur all of the time in many industries. However in many cases after rethinking the issue from a different perspective with help from talented professionals, often positions can change and great rewards can be forthcoming. We are dealing with a large financial reward if that could happen in this issue confronting the S&WB. What have we got to lose by trying?

The reliability of the public power system must be evaluated in conjunction with the needs for uninterrupted power by the Sewerage and Water Board system. While alternatives are evaluated for consideration, cost savings cannot be realistically and meaningfully achieved by trading reliable service for occasional system disruptions and boil water notices.

Sewerage & Water Board of New Orleans Committee & Board of Director's Meeting Schedule

2015

THURSDAY	JANUARY 1, 2015	HOLIDAY	NEW YEAR'S DAY / OFFICE CLOSED
MONDAY	JANUARY 5, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JANUARY 6, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	JANUARY 7, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JANUARY 7, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	JANUARY 9, 2015	9:00 AM	EXECUTIVE COMMITTEE
MONDAY	JANUARY 19, 2015	HOLIDAY	MLK DAY / OFFICE CLOSED
WEDNESDAY	JANUARY 21, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	FEBRUARY 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	FEBRUARY 3, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	FEBRUARY 4, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	FEBRUARY 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	FEBRUARY 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
TUESDAY	FEBRUARY 17, 2015	HOLIDAY	MARDI GRAS / OFFICE CLOSED
WEDNESDAY	FEBRUARY 18, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	MARCH 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	MARCH 3, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	MARCH 4, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	MARCH 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	MARCH 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	MARCH 18, 2015	9:00 AM	BOARD OF DIRECTOR'S
WEDNESDAY	APRIL 1, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	APRIL 1, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	APRIL 3, 2015	HOLIDAY	GOOD FRIDAY / OFFICE CLOSED
MONDAY	APRIL 6, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	APRIL 7, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	APRIL 10, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	APRIL 15, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	MAY 4, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	MAY 5, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	MAY 6, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	MAY 6, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	MAY 8, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	MAY 20, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	MAY 25, 2015	HOLIDAY	MEMORIAL DAY / OFFICE CLOSED
MONDAY	JUNE 1, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JUNE 2, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	JUNE 3, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JUNE 3, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	JUNE 5, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JUNE 17, 2015	9:00 AM	BOARD OF DIRECTOR'S

Sewerage & Water Board of New Orleans

Committee & Board of Director's Meeting Schedule

2015

WEDNESDAY	JULY 1, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JULY 1, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	JULY 3, 2015	HOLIDAY	INDEPENDENCE DAY/OFFICE CLOSED
MONDAY	JULY 6, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JULY 7, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	JULY 10, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JULY 15, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	AUGUST 3, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	AUGUST 4, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	AUGUST 5, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	AUGUST 5, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	AUGUST 7, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	AUGUST 19, 2015	9:00 AM	BOARD OF DIRECTOR'S
TUESDAY	SEPTEMBER 1, 2015	8:00 AM	OPERATIONS/ FINANCE COMMITTEE
WEDNESDAY	SEPTEMBER 2, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	SEPTEMBER 2, 2015	10:30 AM	PENSION
FRIDAY	SEPTEMBER 4, 2015	9:00 AM	EXECUTIVE COMMITTEE
MONDAY	SEPTEMBER 7, 2015	HOLIDAY	LABOR DAY / OFFICE CLOSED
WEDNESDAY	SEPTEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	OCTOBER 5, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	OCTOBER 6, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	OCTOBER 7, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	OCTOBER 7, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	OCTOBER 9, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	OCTOBER 21, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	NOVEMBER 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	NOVEMBER 3, 2015	8:00 AM	FINANCE COMMITTEE
WEDNESDAY	NOVEMBER 4, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	NOVEMBER 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	NOVEMBER 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	NOVEMBER 18, 2015	9:00 AM	BOARD OF DIRECTOR'S
THURSDAY	NOVEMBER 26, 2015	HOLIDAY	THANKSGIVING / OFFICE CLOSED
FRIDAY	NOVEMBER 27, 2015	HOLIDAY	VETERANS DAY / OFFICE CLOSED
WEDNESDAY	DECEMBER 2, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	DECEMBER 2, 2015	10:30 AM	PENSION COMMITTEE
MONDAY	DECEMBER 7, 2015	8:00 AM	OPERATIONS COMMITTEE
TUESDAY	DECEMBER 8, 2015	8:00 AM	FINANCE COMMITTEE
FRIDAY	DECEMBER 11, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	DECEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
FRIDAY	DECEMBER 25, 2015	HOLIDAY	CHRISTMAS DAY / OFFICE CLOSED

NOTE: DUE TO THE LABOR DAY HOLIDAY IN SEPTEMBER, WE ARE ATTEMPTING TO HOLD THE OPERATIONS AND FINANCE COMMITTEES AS A JOINT MEETING.