

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

## **FINANCE AND ADMINISTRATION COMMITTEE MEETING**

**MONDAY, MAY 16, 2016**

**9:45 AM**

**6 2 5   S T .   J O S E P H   S T R E E T  
2 <sup>N D</sup>   F L O O R   B O A R D   R O O M**

Scott Jacobs, Chair • Joseph Peychaud, Vice Chair • Kimberly Thomas • Dr. Tamika Duplessis • Kerri Kane

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### **FINAL AGENDA**

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#### **ACTION ITEMS**

1. General Superintendent's Recommendations
2. Change Order(s)
3. Award of Contract to Volkert, Inc. (R-056-2016)
4. Award of Contract to N-Y Associates, Inc. (R-057-2016)
5. Commercial Insurance Policy for Automobile Fleet Liability (R-058-2016)
6. Award of Contract to Eustis Engineering, LLC to Provide Geotechnical Consultant Services Necessary for the Implementation of the SWBNO Green Infrastructure Plan (R-066-2016)
7. Authorization to Execute Letter of Undertaking for Fixed Cost Estimate Agreement with the Federal Emergency Management Agency (R-067-2016)
8. Resolution to Accept the Federally Funded Agreement between SWBNO and GOHSEP (R-068-2016)
9. Award to AECOM for Services Associated with Project Controls and Scheduling Services of Engineering Programs (R-072-2016)
10. Actuarial Valuation Report for Actuarial Valuation Report for Employees' Retirement System as of December 31, 2015 and Recommended Resolution for Employer Contribution Rate for 2016 (R-075-2016)
11. Recommendation for Ratification of Contract for Armed Security Services with Gallagher Security (R-076-2016)

#### **PRESENTATION ITEMS**

12. Financial Results through March 31, 2016

#### **INFORMATION ITEMS**

13. DBE Participation on Contracts
  - Bid Recommendations
  - Construction Review Committee
  - Staff Contract Review Committee
  - DBE Participation Report
14. Customer Service Results through April 2016
15. FEMA Project Worksheet Status
16. Review of Previous Report
17. Response to Questions
18. Any Other Matters

**GENERAL SUPERINTENDENT RECOMMENDATIONS  
FOR THE MAY 18, 2016 MEETING**

- A. BIDS.** A listing of the bids received during the month of May is included in the following report. A brief summary is attached for your review.

Item 1 - R-059-2016 - FURNISHING LABORATORY STEAM STERILIZER  
- REQ. NO. LB160014

Item 2 - R-060-2016 - FURNISHING SODIUM CHLORIDE - REQ. NO.  
HL160001

Item 3 - R-061-2016 - REBUILDING AND INSTALLING AUTOMATIC  
TRANSMISSIONS IN MEDIUM AND HEAVY DUTY  
TRUCKS - REQ. NO. YG160064

Item 4 - R-062-2016 - FURNISHING COMPLETE R.D. WOOD GATE  
VALVES, SIZES 4", 6" AND 8" - REQ. NO.  
YW160004

Item 5 - R-063-2016 - CONTRACT 30100 - ELECTRICAL  
MODIFICATIONS TO THE EFFLUENT PUMP  
STATION AT THE EAST BANK WASTEWATER  
TREATMENT PLANT

Item 6 - R-064-2016 - CONTRACT 6253 - INSPECTION OF  
GENERATOR 5

**B. CONTRACT FINAL ACCEPTANCE**

Item 7 - R-065-2016 - CONTRACT 4188 - EMERGENCY LETTER BIDS  
FOR RECONSTRUCTION OF THE FLORIDA  
AVENUE CANAL BETWEEN SPAIN AND  
MUSIC ST.

**GENERAL SUPERINTENDENT RECOMMENDATIONS  
REPORT OF FINAL ACCEPTANCE TO BE  
CONSIDERED BY THE FINANCE AND ADMINISTRATION COMMITTEE  
AND THE BOARD'S MEETING OF MAY 18, 2016**

During April 2016 bids were received and evaluated (as per attached tabulations) on various items as follows:

1. **FURNISHING LABORATORY STEAM STERILIZER - REQ. NO. LB160014**

One (1) bid was received on April 21, 2016 for furnishing this laboratory steam sterilizer. The bid of Sterlis Corporation was non-responsive to the specification because changes were made in their proposal. It is, therefore, recommended that this bid be rejected.

2. **FURNISHING SODIUM CHLORIDE - REQ. NO. HL160001**

One (1) bid was received on April 21, 2016 for furnishing sodium chloride. It is recommended that the bid of **Morton Salt** in the total net amount of **\$47,019.00**, be accepted based upon the technical review of the proposals.

There is no DBE participation.

Funds for this project are budgeted under Account code 3111 (Boiler Operations) and Object Code 4590 (Water Soft & Preserv).

3. **REBUILDING AND INSTALLING AUTOMATIC TRANSMISSIONS IN MEDIUM AND HEAVY DUTY TRUCKS - REQ. NO. YG160064**

Two (2) bids were received on April 21, 2016 for rebuilding and installing automatic transmissions in medium and heavy duty trucks. It is recommended that the low bid of **RTS Fleet Service, LLC** in the total amount of **\$40,890.00**, be accepted based upon the technical review of the proposals.

The two (2) bidders are as follows:

1) <b>RTS Fleet Services, LLC</b>	<b>\$40,890.00</b>
2) Crescent Ford Trucks	48,458.00

The estimated amount for this project is \$50,000.00.

There is no DBE participation.

Funds for this project are budgeted under Account code 0840 (Garage II) and Object Code 4590 (Motor Vehicles Repairs & Maint).

GENERAL SUPERINTENDENT RECOMMENDATIONS (CONT'D)

May 18, 2016

Page 2

4. FURNISHING COMPLETE R.D. WOOD GATE VALVES, SIZES 4", 6" AND 8" - REQ. NO. YW160004

Four (4) bids were received on April 21, 2016 for rebuilding complete R.D. wood gate valves. The low bidder, Precision Seals & Mfg., Inc. requested that their bid be withdrawn. Boland Marine & Industrial, LLC products contained lead. It is, therefore, recommended that all bids be rejected and this item be rebid.

The four (4) bidders are as follows:

1. Precision Seals & Mfg., Inc.	\$237,500.00
2. Boland Marine & Industrial, LLC	311,950.00
3. H.D. Supply Waterworks	352,000.00
4. Cimsco, Inc.	399,000.00

The estimated amount for this project is \$350,000.00.

There is no DBE participation.

Funds for this project are budgeted under Account code 0850 (Warehouse & Grounds) and Object Code 4410 (Bulk Material).

5. CONTRACT 30100 - ELECTRICAL MODIFICATIONS TO THE EFFLUENT PUMP STATION AT THE EAST BANK WASTEWATER TREATMENT PLANT

Two (2) bids were received on April 29, 2016 for performing work under Contract 30100. Both bids exceeded the estimated amount due to current market conditions and higher material costs. This project is imperative to the operation of the East Bank Wastewater Treatment Plant. It is recommended that the lowest base bid plus alternate by Gootie Construction, Inc. in the total net amount of \$4,419,000.00, be accepted based upon the technical review of the proposals.

The two (2) bidders are as follows:

1. Gootie Construction, Inc.	\$4,419,000.00
2. Jack's Electric Service, Inc.	5,237,000.00

The estimated amount for this project is \$3,500,000.00.

The DBE participation is 36.36%.

Funds for this project are budgeted under S&WB System Funds and FEMA Public Assistance Funds.

**GENERAL SUPERINTENDENT RECOMMENDATIONS (CONT'D)**

May 18, 2016

Page 3

**6. CONTRACT 6253 - INSPECTION OF GENERATOR 5**

Two (2) bids were received on April 21, 2016 for performing work under Contract 6253. The low bid of HPI, LLC, was non-responsive to the specification because the required Bid Security was not included with the bid in the form of a bid bond, certified check or cashier's check. It is, therefore, recommended that the low formal bid of **Industrial & Mechanical Contractors, Inc.** in the total amount of **\$491,203.00**, be accepted based upon the technical review of the proposals.

**The two (2) bidders are as follows:**

- |   |                   |
|---|-------------------|
| 1. HPI, LLC   | \$319,600.00      |
| 2. <b>Industrial &amp; Mechanical<br/>Contractors, Inc.</b> | <b>491,203.00</b> |

The estimated amount for this project is \$800,000.00

There is no DBE participation.

Funds for this project are budgeted under Account Code 06253.

7.

**REPORT OF FINAL ACCEPTANCE**

**PROPOSAL:**

Contract 4188 be considered for acceptance.

**EVALUATION:**

Contract 4188 - **Cajun Contractors, Inc.** - Emergency Letter Bids for Reconstruction of the Florida Avenue Canal Between Spain and Music St. Total Contract Bid \$2,216,000.00. Total Contract Expenditure \$2,568,654.00. Date Work Order Issued March 27, 2014. Date Work Accepted January 1, 2015. The DBE Participation Goal is 20%. The DBE participation achieved is 21.54%.

**RECOMMENDATION:**

The above contract is recommended for acceptance.

**FURNISHING LABORATORY STEAM STERILIZER - REQ. NO. LB160014**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that one (1) bid was received on April 21, 2016 after advertising according to the Public Bid Law, for furnishing this laboratory steam sterilizer. The bidder was non-responsive to the specification because changes were made in their proposal. It is recommended that this bid be rejected.

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016.

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

FURNISHING SODIUM CHLORIDE - REQ. NO. HL160001

---

**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that one (1) bid was received on April 21, 2016 after advertising according to the Public Bid Law, for furnishing sodium chloride. The bid was hereby accepted and contract awarded therefore to **Morton Salt** for the total amount of **\$47,019.00.**

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016.

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

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**REBUILDING AND INSTALLING AUTOMATIC TRANSMISSIONS IN MEDIUM AND  
HEAVY DUTY TRUCKS - REQ. NO. YG160064**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on April 21, 2016 after advertising according to the Public Bid Law, for rebuilding and installing automatic transmissions in medium and heavy duty trucks. The low bid was hereby accepted and contract awarded therefore to **RTS Fleet Service, LLC** for the total amount of **\$40,890.00.**

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016.

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

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FURNISHING COMPLETE R.D. WOOD GATE VALVES, SIZES 4", 6" AND 8" -  
REQ. NO. YW160004

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BE IT RESOLVED by the Sewerage and Water Board of New Orleans that four (4) bids were received on April 21, 2016 after advertising according to the Public Bid Law, for furnishing complete R.D. wood gate valves. The low bidder withdrew their bid. The second low bidder products contained lead. It is recommended that all bids be rejected and this item be rebid.

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016.

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

**CONTRACT 30100 - ELECTRICAL MODIFICATIONS TO THE EFFLUENT PUMP  
STATION AT THE EAST BANK WASTEWATER TREATMENT PLANT**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on April 29, 2016 after advertising according to the Public Bid Law, for performing work under Contract 30100. The lowest base bid plus alternate was hereby accepted and contract awarded therefore to **Gootee Construction, Inc.** for the total amount of **\$4,419,000.00.**

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016. .

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

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CONTRACT 6253 - INSPECTION OF GENERATOR 5

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on April 21, 2016 after advertising according to the Public Bid Law, for performing work under Contract 6253. The second low bid was hereby accepted and contract awarded therefore to **Industrial & Mechanical Contractors, Inc.** for the total amount of **\$491,203.00.**

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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 Meeting of the said Board, duly called and held, according to law, on May 18, 2016.

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

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**FINAL ACCEPTANCE AND CLOSE OUT TO CONTRACT 4188 - EMERGENCY  
LETTER BIDS FOR RECONSTRUCTION OF THE FLORIDA AVENUE CANAL  
BETWEEN SPAIN AND MUSIC ST.**

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**WHEREAS, Contract 4188** is ready for Final Acceptance by the  
Sewerage & Water Board of New Orleans; and

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

**NOW, THEREFORE, BE IT RESOLVED,** by the Sewerage and Water Board  
of New Orleans that the recommendation of the General  
Superintendent to authorize final acceptance and to close out  
Contract by **Cajun Contractors, Inc.** for **Contract 4188**, is hereby  
approved.

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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  
Meeting of the said Board, duly  
called and held, according to law,  
on May 18, 2016.

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

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**RATIFICATION OF CHANGE ORDER 4 FOR SERVICES ASSOCIATED WITH WETLAND ASSIMILATION PROJECT BETWEEN THE SEWERAGE AND WATER BOARD OF NEW ORLEANS AND WALDEMAR S. NELSON AND COMPANY**

**WHEREAS**, on July 20, 2007 the Board and Waldemar S. Nelson and Company entered into an agreement in the amount of \$1,762,293 for the Wetland Assimilation Project Pre – Design/Feasibility Study; and

**WHEREAS**, extensive delays in securing the required state permits requires an extension until December 31, 2016; and

**WHEREAS**, Waldemar S. Nelson has been directed to install a de-chlorination station, and provide multiple revisions to their preliminary engineering and construction cost estimates for an additional amount not to exceed \$47,830, while maintaining their current DBE participation of 8%.

**NOW, THEREFORE BE IT RESOLVED** that the term of the agreement is extended to December 31, 2016 and with the above changes in terms and conditions from the original Agreement is approved.

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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 May 18, 2016.

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



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** April 1, 2016

**From:** Melvin R. Spooner, P.E.  
Chief of Engineering

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

**Re:** **Central Wetlands Assimilation Projects**  
**Change Order No. 4**

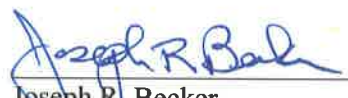
Enclosed please find a recommendation for approval of Change Order No. 4 for additional services associated with the contract for the above reference project.

This request is in the amount of \$47,830.00. The amendment is for additional services to install a de-chlorination station, and preform additional work on preliminary engineering and construction cost estimates to keep the project within the CIAP grant budget. The additional work, and delays with obtaining required state permits, require an additional 500 calendar days be added to the contract, moving the completion date to December 31, 2016.

Original Contract Amount:	\$1,762,293.00
DBE Participation:	8%
Previous Amendments Approved:	\$843,000.00
This Amendment Amount:	\$47,830.00
Total Cumulative Amendment % of Original Contract:	50.5%
Total Cumulative Dollar Amendment Amount:	\$47,830.00

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

I concur:

  
Joseph R. Becker  
General Superintendent

cc: Bruce Adams, Deputy General Superintendent  
Ron Spooner, Chief of Engineering  
Tiffany Carter, EDBE Director  
Nolan Lambert, Legal Department  
Dexter Joseph, Budget Director



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** April 1, 2016

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

**To:** Cedric S. Grant  
Executive Director

**Re:** Central Wetlands Assimilation Projects  
Change Order 4 for W.S. Nelson and Company

Please find a recommendation from our Chief of Engineering for approval of Change order 4, for the above project with W.S. Nelson and Company.

The Consultant is requesting funding based on past work performed on the Central Wetlands A-2 Project to install a de-chlorination station. The Consultant is also requesting funding for past work to provide multiple preliminary engineering and construction cost estimates to help the Board keep the project within the CIAP grant budget. This request is in the amount of \$47,830.00 and, combined with time extensions for delays in obtaining state permits, will require 500 calendar days to be added to the existing contract, with a revised completion date of December 31, 2016.

This cost will be covered by the CIAP grant. The required DBE participation goal on this contract is 8% percent and will remain unchanged through this approved request. Previous change orders to this contract totaled \$843,000.00. This change order request brings the cumulative total of amendments to \$890,830.00, which is 50.5% of the original amount of the Contract.

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

Joseph R. Becker, P.E.  
General Superintendent

**Cc:** Bruce Adams, Deputy General Superintendent  
Jason P. Higginbotham, Director of Emergency Management  
Reid L. Dennis, FEMA PAP Program Manager  
Tiffany Carter, EDB Director  
Ron Spooner, Chief of Engineering

**SCOPE OF CHANGES**  
**CONTRACT: Wetland Assimilation Project in CWU**  
**(Amendment NO. 4)**  
**ADDITIONAL ITEMS TO BE ADDED TO CONTRACT**

Detailed Description	Amount
Engineering Fee for A-2 Project in CWU	\$47,830
Original Contract Amount: Not specified in original contract but defined later by the grant documents and contract amendments to be \$1,762,293	
Amount of previous Contract Amendments (Amendments 2 and 3): \$843,000	
Additional Dollar Amount this Amendment: \$47,830	
Current contract amount less this Amendment: \$1,762,293	
Percent of Current Contract Amount this Amendment: 2.7%	
DBE Participation for this Contract: 8% (Low percentage due to large subcontracts with Tulane University and Comite Resources for scope items not available through DBE firms)	

**Comments:** Fee increase to cover changes including revision to tie-in location of transport pipeline to EBSTP effluent piping; multiple preliminary engineering and construction cost estimates on alternate assimilation projects within the CWU to refine project to within available CLAP grant funds; decision to install dechlorination technology for effluent; and requirement to prepare scoping document to define suggested split of responsibilities between SWBNO and their project partner, St. Bernard Parish Government.)

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:

W.S. Nelson & Co.  
 Firm

  
 Firm Representative

5 April 2016  
 Date

Recommended By:

  
 S&WB Project Manager

Approved By:   
 Chief of Engineering

4/13/16  
 Date

4/13/16  
 Date

**RATIFICATION OF CHANGE ORDER NO. 3 TO THE AGREEMENT BETWEEN THE SEWERAGE AND WATER BOARD OF NEW ORLEANS AND ROYAL ENGINEERS & CONSULTANTS, LLC FOR HURRICANE KATRINA RELATED WATER RESTORATION PROJECTS**

**WHEREAS**, on January 9, 2009 the Sewerage and Water Board of New Orleans (Board) awarded a contract in the amount of \$464,474.63 to Royal Engineers & Consultants, LLC to perform design services for Hurricane Katrina Related Water Restoration Project Repairs at the Central Yard (R-012-2009); and

**WHEREAS**, Board staff has directed Royal to combine the electrical design for contract 8132 and 8143, combine the Power Room electrical design into the design for Garage No. 2 electrical design and to extend the contract time period due to construction delays; and

**WHEREAS**, Royal Engineers & Consultants, LLC submitted a fee of \$114,120.26 for design engineering services to complete repairs to the Central Yard facilities bringing the cumulative total authorized contract amount for services to \$930,960.63.

**NOW, THEREFORE BE IT RESOLVED**, that the change order No. 3 for the above mentioned contract be ratified by the Sewerage and Water Board.

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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 May 18, 2016.

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



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 28, 2016

**From:** Melvin R. Spooner, P.E.  
Chief of Engineering

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

**Re:** **Hurricane Katrina Related Repairs for Water Restoration Project  
Change Order 3 for Royal Engineering and Consultants, LLC**


Enclosed please find a recommendation for approval of Change Order No. 3 for the above captioned contract.

This change order includes the addition of electrical design for contracts 8132 and 8143 for repair of our garage facilities, combines the Power Room electrical work into the repair of Garage No. 2 and provides for additional inspection services due to construction delays. All of the above work is added for the additional amount of \$114,120.26.

Original Contract Amount:	\$464,474.63
DBE Participation:	36%
Previous Amendments Approved:	\$352,365.74
This Amendment Amount:	\$114,120.26
Total Cumulative Amendment % of Original Contract:	100.4%
Total Cumulative Dollar Amendment Amount:	\$930,960.63

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

I concur:

  
Joseph R. Becker  
General Superintendent

Cc:

Jason P Higginbotham, EMS Director  
Rosita Thomas, Finance Director  
Vincent Fouchi, Chief of Operations  
Tiffany Carter, EDB Director  
Nolan Lambert, Special Counsel

Reid L. Dennis, P.E., FEMA Program Management Supv.  
Bruce Adams, Deputy General Superintendent  
Angela Roberts, Program Manager, CH2M HILL  
Dexter Joseph, Budget Director



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 28, 2016

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

**To:** Cedric S. Grant  
Executive Director

**Re:** **Change Order 3- Hurricane Katrina Related Repairs for Water Restoration Project  
Royal Engineers and Consultants, LLC**

Attached please find a letter from the Chief of Engineering, recommending approval of change order 3 for services performed by Royal Engineers and Consultants, LLC.

This request, in the amount of \$114,120.26, is for design services to complete repairs for Contracts at our Central Yard Facility. The required DBE participation goal on this contract is 36% percent and will remain unchanged through this approved request. Previous change orders to this contract totaled \$352,365.74. This change order brings the cumulative total to \$466,486.00, which is 100.4% of the original bid amount of the Contract.

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

Joseph R. Becker, P.E.  
General Superintendent

**Cc:** Bruce Adams, Deputy General Superintendent  
Jason P. Higginbotham, Director of Emergency Management  
Ron Spooner, Chief of Engineering  
Reid L. Dennis, FEMA Program Manager  
Tiffany Carter, EDB Director  
Angela Roberts, CH2M HILL

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**SCOPE OF CHANGE for CONTRACT AMENDMENT No. 3  
HURRICANE RELATED WATER RESTORATION PROGRAM  
CONTRACT 8129, 8132, 8133, 6254  
ROYAL ENGINEERING AND CONSULTANTS  
AES NO. 13b, 16 & 17**

**ADDITIONAL ITEMS TO BE ADDED TO CONTRACT**

AES #	CN	Detailed Description	Fee	Funding Source
13b	8132/8129	AES13a removed the electrical design from the SOW for CN8132 & 8143 during the 60% design phase. This was a mistake because the fee allowed in the Contract is based upon the awarded net construction cost (which did not include the electrical work). Therefore AES 13b will zero out AES 13a.	\$ 36,628.26	N/A
16	6254	Combine Power Room and electrical work in Garage No. 2 into one contract	\$ 71,110.00	FEMA
17	8133/8139	Additional Services during construction beyond the original end dates for CN8133 and CN8139	\$ 6,382.00	FEMA

**TOTAL \$ 114,120.26**

CONTRACT DBE %	
Contract DBE%	36%
Current DBE%	36%

% OF ORIGINAL CONTRACT AMOUNT	
This Contract Amendment	24.6%
Previous Contract Amendment	75.9%
<b>TOTAL TO DATE</b>	<b>100.4%</b>

CONTRACT AMOUNT	
Original Contract Amount	\$ 464,474.63
Amount of Previous Contract Amendment	\$ 352,365.74
Amount of this Contract Amendment	\$ 114,120.26
Contract Amendments to date	\$ 466,486.00

<b>REVISED CONTRACT AMOUNT</b>	<b>\$ 930,960.63</b>
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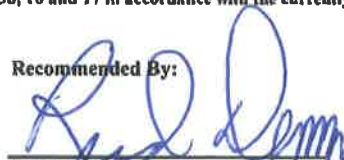
It is mutually agreed to perform and accept the above revisions for AES # 13b, 16 and 17 in accordance with the currently amended contract and the applicable specifications for the above price.

**Proposed By:**

  
Michael Pugh  
Royal Engineering and Consultants

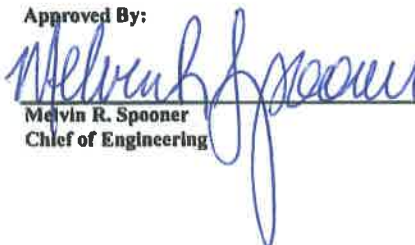
3/22/16  
Date

**Recommended By:**

  
Reid Dennis  
S&WB Project Manager

3/28/16  
Date

**Approved By:**

  
Melvin R. Spooner  
Chief of Engineering

4/1/16  
Date



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

---

**Date:** March 7, 2016

**To:** Cedric S. Grant, Executive Director

**From:** Bruce Adams, Deputy General Superintendent

**Re:** Amendment No. 1 to Agreement with Burk-Kleinpeter, Inc. for Design and Engineering Services for the Sewer Pump Station Catch-All Project

Attached you will find the proposed resolution, which, if adopted by the Board, would authorize the execution of an amendment to Burk-Kleinpeter, Inc (BKI).

The original award of contract in 2015 was to perform an assessment of the design and to provide a level of effort required to complete the drawings and specifications for bid.

The cost to perform the additional scope of work is \$258,226.00.

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

BA/cpb

**Cc:** C. Bergeron, M. Spooner

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**RATIFICATION OF CHANGE ORDER No. 1 TO THE AGREEMENT WITH BURK-KLEINPETER, INC.  
FOR SERVICES RELATED TO SEWER PUMP STATIONS CATCH-ALL PROJECT**

**WHEREAS**, by action of the Sewerage and Water Board of New Orleans (Board), through the adoption of Resolution R-078-2015, Burk-Kleinpeter, Inc. was awarded the agreement for Phase I assessment for the Sewer Pump stations Catch-All Project for \$21,207.60; and

**WHEREAS**, staff has requested that BKL utilize a minimum of 36% DBE participation and provide services to scope an estimated \$3.2 million in required repairs at sewage pumping stations throughout Orleans Parish.

**NOW, THEREFORE, BE IT RESOLVED**, the approval of change order No.1 shall be ratified by the Sewerage and Water Board.

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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 May 18, 2016.

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

**RATIFICATION OF CHANGE ORDER NO. 3 FOR CONTRACT 3696 –  
CLEANING AND CCTV OF SANITARY SEWER MAINS AT SCATTERED SITES  
THROUGHOUT ORLEANS PARISH**

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**WHEREAS**, the Sewerage and Water Board entered into Contract 3696 with Blue Flash Sewer Service, Inc. for cleaning and inspection services in the bid amount of \$1,483,250.00; and

**WHEREAS**, the majority of the in-house fleet of vactor trucks, used to clean sanitary sewers for emergency maintenance response and consent decree compliance, had been in the garage for maintenance for an extended period of time, and had resulted in a backlog of sewer main cleaning; and

**WHEREAS**, in an effort to ensure consent decree compliance, Blue Flash had been requested to provide additional sanitary services; and

**WHEREAS**, this change order, in the amount of \$50,000.00 brings the accumulated contract change order total to \$550,000.00, or 37% of the original contract value.

**NOW, THEREFORE BE IT RESOLVED**, the approval of Change Order No. 3 for Contract 3696 be ratified by the Sewerage and Water Board.

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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 May 18, 2016

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



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 19, 2016

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

**To:** Cedric Grant  
Executive Director

**Re:** Contract 3696 – Cleaning and CCTV Sanitary Sewer Mains at Scattered Sites  
Throughout Orleans Parish

Enclosed please find a recommendation from Steve Bass for approval of Change Order No. 03 for the above contract.

This change order is in the amount of \$50,000. This contract was utilized to clean sanitary sewer mains throughout Orleans Parish in order to meet compliance with the EPA Consent Decree Requirements. As a result the original contract budget for Contract 3696 was exceeded.

Appropriating these funds will enable Board staff to pay the retainage invoice and get a final acceptance on the contract. The new contract 30014 was awarded to CES – Compliance EnviroSystems at the July 2015 Board meeting and is now being utilized.

The DBE participation on this contract is 36% and this will continue through this approved change order.

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

A handwritten signature in blue ink that reads "Joseph Becker".

Joseph Becker, P.E.  
General Superintendent

cc: Steve Bass, Shannon Oldfield



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** March 19, 2016

**From:** Steve Bass, P.E.  
Chief of Networks

**To:** Joseph Becker  
General Superintendent

**Re:** Contract 3696 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites Throughout Orleans Parish

### CHANGE ORDER NO. 03

Description of Change Order: Add \$50,000.00 to contract budget. This contract was utilized to clean sanitary sewer mains throughout Orleans Parish in order to meet compliance with the EPA Consent Decree Requirements.

Original Contract Bid Price:	\$1,483,250.00
DBE Participation	36%
Previous Change Orders Approved: 2	

This change order amount:	\$50,000.00
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Total Change Orders (% of Original Contract)	37%
Total Dollar Change Order Amount:	\$550,000.00

The Chief of Networks Department has reviewed this proposal and is recommending it for approval.

cc: Shannon Oldfield

**SCOPE OF CHANGES**  
**CONTRACT 3696**  
**(PLAN CHANGE NO. 03)**

ADDITIONAL ITEMS TO BE ADDED TO CONTRACT

Item No. Detailed Description Change Order 03	Units	Unit Price	Quantity	Amount	Comments
Add \$50,000.00 to contract. Contract utilized to meet EPA Consent Decree Requirements.					
Original Contract Amount:			\$1,483,250.00		Original Contract Days: 730
Amount of previous Change Orders:			\$500,000.00		Contract Days Previously Added: 150
Additional Dollar Amount THIS CHANGE ORDER:			\$50,000.00		Contract Days THIS CHANGE ORDER: 0
REVISED contract amount:			\$2,033,250.00		Revised Contract Days: 880

Percent of Original contract Amount THIS CHANGE ORDER: 3%  
Percent of Original contract Amount PREVIOUS CUMULATIVE CHANGE ORDERS: 34%  
Percent of Original Contract Amount ALL CUMULATIVE CHANGE ORDERS: 37%

DBE Participation for this Contract: 36%

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:

Blue Had Sox Steve Kelly, Captain President 11/19/15  
Contractor Contractor Representative Date

Recommended By

Lawrence Parkhurst 11/19/15  
S&WB Project Manager Date

Approved By

[Signature] 11/24/15  
Chief of Networks Date

FOR: STEVE BASS

**RATIFICATION OF CHANGE ORDER NO.2 FOR CONTRACT 2110 - WATER MAIN  
LINE REPLACEMENTS AND EXTENSIONS AT SCATTERED LOCATIONS  
THROUGHOUT ORLEANS PARISH**

**WHEREAS**, the Sewerage and Water Board of New Orleans entered into Contract 2110 with Wallace C. Drennan Inc. for the amount of \$988,150.00; and

**WHEREAS**, the contractor provided additional waterline replacement activities under this Contract. These costs will be eligible for FEMA reimbursement; and

**WHEREAS**, the Contractor will be granted Zero (0) additional Contract days to complete the work; and

**WHEREAS**, this Change Order, in the amount of \$305,424.70, brings the accumulated change order total to \$815,598.34, or 82.54% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 2 for Contract 2110 is ratified by the Sewerage and Water Board of New Orleans.

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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 Meeting of the said  
Board, duly called and held, according to  
law, on May 18, 2016.

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



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** April 7, 2016

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

**To:** Cedric Grant  
Executive Director

**Re:** Contract 2110 – Water Main Line replacements and Extensions at Scattered Locations throughout Orleans Parish.

Enclosed please find a recommendation from Networks Department for approval of Change Order No. 02 for the above contract. This Change Order will not extend the Contract time.

This change order is in the amount of \$305,424.70 and funds for this change order are available through Capital Program 216 (100%). The DBE participation on this contract is 36%.

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

A handwritten signature in blue ink that reads "Joseph Becker".

Joseph Becker, P.E.  
General Superintendent



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

**Date:** April 6, 2016  
**From:** Steve Bass  
Chief of Networks  
**To:** Joseph Becker, P.E.  
General Superintendent  
**Re:** Contract 2110 - Water Main Line replacements and Extensions at Scattered Locations throughout Orleans Parish.

### CHANGE ORDER NO. 02

#### Description of Change Order:

*This Change Order was necessary due to an emergency waterline replacement of the 2000 block of N. Tonti Street between Annette Street and St. Anthony Street. The replacement was determined to be required during the construction efforts to replace the existing sewer main line that is parallel to the main water line. These efforts added \$67,020.00 to the original contract price. These costs are eligible for FEMA reimbursement. This Change Order provides for additional Howard Avenue waterline replacement costs associated with changing PVC to ductile iron, additional offsets, additional concrete yardage and high early concrete to facilitate Endymion Float movements. These costs added \$238,404.70 to the original contract price.*

Original Contract Bid Price:	\$988,150.00
DBE Participation	36%
Previous Change Orders Approved: Change Order No. 1	\$510,173.64
 This Change Order Amount: Change Order No. 2	 \$ 305,424.70
Total Change Orders (% of Original Contract)	82.54%
Total Dollar Change Order Amount:	\$1,803,784.34

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

I concur:

  
Name  
Chief of Networks

Date:

4/7/16

I concur

  
Joseph R. Becker  
General Superintendent

Date:

May 6, 2016

cc: Ron Spooner, Steve Bass, David Cappel, Donald Moses, Mark Bearchild

**SCOPE OF CHANGES**  
**CONTRACT 2110: Water Main Line Replacement & Extensions at Scattered Locations throughout Orleans Parish**  
**(PLAN CHANGE NO. 2)**

**ITEMS TO BE ADDED / DELETED TO CONTRACT**

ITEM NO.	DESCRIPTION	UNIT	UNIT PRICE	REVISED		ORIGINAL		DIFFERENCE	
				QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
1	F&I 8" PVC CL150	LF	\$125.00	340.00	\$42,500.00	0.00	\$0.00	340.00	\$42,500.00
2	F&I 12" PVC CL150 Water Main W/Hydrant Lead Fit & T-	LF	\$150.00	840.00	\$126,000.00	850.00	\$127,500.00	-10.00	-\$1500.00
4	F&I 8" Water Main Offset W/Fit	EACH	\$12,000.00	7.00	\$84,000.00	0.00	\$0.00	7.00	\$84,000.00
12	1" W/HC W/T-In At Meter And Main Open Cut	LF	\$4.00	130.00	\$520.00	0.00	\$0.00	130.00	\$520.00
20	Replace Broken Water Meter Box 5/8" To 1"	EACH	\$2,500.00	0.00	\$0.00	6.00	\$15,000.00	-6.00	-\$15000.00
23	Saw Cut; Remove; Restore Reinf Conc Rdwy 8"	SY	\$150.00	2869.67	\$430,450.50	1900.00	\$285,000.00	969.67	\$145,450.50
26	Saw Cut Replace D/W 6" Rein Conc	SY	\$175.00	0.00	\$0.00	50.00	\$8,750.00	-50.00	-\$8750.00
29	Saw Cut Replace S/W 4" Conc	SY	\$170.00	3.11	\$528.70	3.50	\$595.00	-0.39	-\$66.30
31	Saw Cut Replace S/W 4" Brick Finish	SY	\$150.00	23.67	\$3,550.50	25.00	\$3,750.00	-1.33	-\$199.50
32	Saw Cut Replace Curb & Gutter	LF	\$25.00	909.00	\$22,725.00	775.00	\$19,375.00	134.00	\$3,350.00
33	Reset Granite Curbs	LF	\$100.00	0.00	\$0.00	10.00	\$1,000.00	-10.00	-\$1000.00
35	HC Ramp Restoration	EACH	\$1,500.00	0.00	\$0.00	2.00	\$3,000.00	-2.00	-\$3000.00
X-6	12" Ductile Iron Pipe Additional Costs	LF	\$55.50	840.00	\$46,620.00	0.00	\$0.00	840.00	\$46,620.00
X-7	High Early Concrete Additional Costs	CY	\$25.00	500.00	\$12,500.00	0.00	\$0.00	500.00	\$12,500.00
ADDITIONAL CONTRACT DAYS		OVER RUN		TOTAL		TOTAL		TOTAL	
REQUESTED	0	\$305,424.70		\$789,394.70		\$463,970.00		\$305,424.70	



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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Date: April 27, 2016

From: Bruce H. Adams, Deputy General Superintendent

To: Cedric S. Grant, Executive Director

Subject: Consultant Services for the Demolition of the Two Abandoned Carrollton Water Plant Clarifiers Contract for Conceptual and Project Scoping, Design, and Construction Administration Services, Award to Volkert, Inc.

In anticipation of pending and future development of the Carrollton Water and Power Plant Complex, staff is recommending that the Sewerage and Water Board of New Orleans immediately proceed with the demolition of the major portion of the abandoned clarifiers along the west side of the water plant paralleling Monticello Avenue to prepare for redevelopment of that portion of the complex in support of any number of planned facility improvements, including but not limited to the construction of a new Entergy substation dedicated solely to the Carrollton Complex.

With the reorganization of the S&WB into a more vibrant organization focused on our customers' needs, the need to better prepare for the demands upon our critical facilities requires the proper planning for water treatment facility and power resiliency improvements. This project is to prepare this part of the complex for the demands expected upon the Board's facilities at the Carrollton Water and Power Plant Complex.

The S&WB staff solicited and, in October of 2014, the Board approved a list of consultants to provide engineering services on S&WB projects. From that list, staff recommends the approval of Volkert, Inc. for such services, as they are known to possess highly-experienced staff with credentials in heavy monolithic and segmental reinforced concrete structures, and they are highly-rated on the Board's current list of pre-qualified consultants. Volkert, Inc. has committed to meet our 35% goal for Disadvantaged Business Enterprises Program.

Bruce H. Adams, P.E.,  
Deputy General Superintendent – Engineering and Construction

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**AWARD OF CONTRACT TO PROVIDE ENGINEERING CONSULTANT SERVICES  
NECESSARY FOR THE DEMOLITION OF THE TWO ABANDONED CARROLLTON WATER  
PLANT CLARIFIERS**

**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 Volkert, Inc. based upon their extensive knowledge and experience in heavy monolithic and segmental reinforced concrete structures; and

**WHEREAS**, Volkert, Inc. shall provide engineering consultant services necessary for the demolition of the two abandoned Carrollton Water Plant Clarifiers; and

**WHEREAS**, Volkert, Inc. intends to meet the established DBE participation goal of 35%.

**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 Volkert, Inc.

---

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 May 18, 2016.

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



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

---

Date: April 25, 2016

From: Bruce H. Adams, Deputy General Superintendent

To: Cedric S. Grant, Executive Director

Subject: Head House Building Evaluation, Design and Construction Support Services for Renovation into a Safe House, and Critical Services Facilities Center Award to N-Y Associates, Inc.

Due to the nature of the Sewerage and Water Board's mission, the Board is exposed to repeated extreme weather and other emergency events, often causing activation of the Emergency Operations Center and exposing the potential to house critical personnel at the Carrollton Water and Power Plant Complex. Hurricane Katrina exposed a need for facilities necessary to house and care for the essential personnel we require to remain at the Complex, possibly during extended periods. While the City of New Orleans and the Sewerage and Water Board have achieved many advances toward a greater resiliency in the years since Katrina, the critical services provided by the Board during similar events require emergency staff and staff critical to Board operations to remain at Carrollton potentially for long periods.

With the reorganization of the S&WB into a more vibrant organization focused on our customers' needs, the need to better prepare for the demands upon our critical facilities and operational staff during extreme weather events and other emergencies has caused the management to realize the need for developing a multi-functional facility, where an Emergency Operations Center, Safe House and Critical Services Facilities Center can be housed, all at the Carrollton Facility.

In the evaluation of the feasibility of such a facility at Carrollton, it has been determined that the original Head House offers features potentially conducive to the development of such a multi-purpose facility due to its placement in the center of the Carrollton facility, capacity, and heavy monolithic design and construction.

The S&WB staff solicited and, in October of 2014, the Board approved a list of vendors to provide engineering services on S&WB projects. From that list, staff recommends the approval of N-Y Associates, Inc. for such services, as they are known to possess highly-experienced staff with these credentials, and they are among the highest-rated consultants on the Board's current list of pre-qualified consultants. N-Y Associates, Inc. has committed to meet our 35% goal for Disadvantaged Business Enterprises Program.

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Bruce H. Adams, P.E,  
Deputy General Superintendent – Engineering and Construction

**AWARD OF CONTRACT TO PROVIDE ENGINEERING CONSULTANT SERVICES NECESSARY FOR THE HEAD HOUSE BUILDING EVALUATION, DESIGN, AND CONSTRUCTION SUPPORT SERVICES FOR RENOVATION INTO A SAFE HOUSE, EMERGENCY OPERATIONS CENTER, AND CRITICAL SERVICES FACILITIES CENTER AT THE CARROLLTON WATER PLANT**

**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 N-Y Associates, Inc. (N-Y) based upon their extensive knowledge and experience in safe house facilities and related emergency centers; and

**WHEREAS**, N-Y shall provide the building evaluation, design and construction support services necessary for the re-purposing of the existing head house; and

**WHEREAS**, N-Y intends to meet the established DBE participation goal of 35%.

**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 N-Y Associates, Inc.

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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 May 18, 2016.

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



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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**Date:** April 28, 2016  
**To:** Sharon Judkins, Deputy Director of Administration  
**From:** Steven Klepeis, Risk Manager  
**Re:** Renewal of Fleet Liability Insurance

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Our Fleet Liability Insurance must be renewed by June 20, 2016. Our broker, Eagan Insurance, contacted twenty-five companies, and twenty-three declined to compete. Our current Fleet Liability Insurance carries a \$1 million limit, excess of our \$350,000 self-insured retention (SIR,) plus Excess Liability with a \$5 million limit, excess of the primary \$1 million policy. Our total premium for this coverage was \$583,615.

This year we have taken a different approach. Our loss studies have shown that we have experienced only one claim in ten years which exceeded our \$350,000 SIR, and which fell in the risk layer between \$350,000 and \$1 million. This means that there is currently only a 10% chance that a claim will fall in that layer, and we have, therefore, explored quotes based upon increasing our SIR to \$1 million. In order to explore this formally, and to find out how much we would need to annually fund our SIR, we obtained a professional actuarial report, copies of which are available from me upon request. The report indicates that we can fund a \$1 million SIR confidently at \$660,000 or less. We also note that RTA made this change to a \$1 million SIR successfully several years ago.

On the attached quotation sheet, under "ACE PRIMARY Option 1," please refer to the last proposal at the bottom of that box. We can make the change to a \$1 million SIR and purchase the excess liability for a total premium of \$388,410, which will mean a savings of \$195,205 over last year's total premium. In addition, ACE will allow us to credit our legal defense costs to our SIR, a significant advantage not available to us with our incumbent, Genesis.

**We recommend the purchase of Fleet Liability Insurance with ACE as the primary \$1 million insurer, and with RSUI and Endurance sharing the remainder of the total \$5 million excess coverage, for the total premium of \$388,410, and for a savings of \$195,205 over the total premium of last year.**

Respectfully,  
Steven P Klepeis, ARM

## SWB 2016 FLEET LIABILITY RENEWAL QUOTES

Expiring 2015 Coverage			ACE PRIMARY Option 1				GENESIS PRIMARY Option 2			
Limit	Carrier	Premium	LIMIT	CARRIER	PREMIUM	% OF EXPIRING	LIMIT	CARRIER	PREMIUM	% OF EXPIRING
350K SIR			\$350K SIR				\$350K SIR			
1M CSL	Genesis	\$ 405,000	1M CSL	ACE	\$400,000.00	-1.23%	1M CSL	GENESIS	\$410,000.00	1.23%
1M	RSUI	\$ 99,865	1M	RSUI	\$93,008.00	-6.87%	1M	RSUI	\$99,002.00	-0.86%
4M	Endurance	\$ 78,750	4M	ENDURANCE	\$74,448.74	-5.46%	4M	ENDURANCE	\$79,423.88	0.86%
		<b>\$583,615</b>	TOTAL		<b>\$567,456.74</b>	-2.77%			<b>\$588,425.88</b>	0.82%
					\$ (16,158) Savings				\$ 4,811 Increase	
			ACE Alternative SIR Options				GENESIS Alternative SIR Options			
			\$500K SIR				\$500K SIR			
			1M CSL	ACE	\$345,000.00	-14.81%	1M CSL	GENESIS	\$350,000.00	-13.58%
			1M	RSUI	\$89,862.00	-10.02%	1M	RSUI	\$99,002.00	-0.86%
			4M	ENDURANCE	\$72,632.74	-7.77%	4M	ENDURANCE	\$79,423.88	0.86%
			TOTAL		<b>\$507,494.74</b>	-13.04%	Total		<b>\$528,425.88</b>	-9.46%
					\$ (76,120) Savings				\$ (55,189) Savings	
			\$1M SIR				\$1M SIR			
			1M CSL	ACE	\$250,000.00	-38.27%	1M CSL	GENESIS	\$250,000.00	-38.27%
			1M	RSUI	\$75,500.00	-24.40%	1M	RSUI	\$85,000.00	-14.89%
			3M	ENDURANCE	\$62,910.00	-20.11%	3M	ENDURANCE	\$79,423.88	0.86%
			TOTAL		<b>\$388,410.00</b>	-33.45%	Total		<b>\$414,423.88</b>	-28.99%
					\$ (195,205) Savings				\$ (169,191) Savings	

**COMMERCIAL INSURANCE POLICY FOR AUTOMOBILE FLEET LIABILITY**

WHEREAS, The Sewerage and Water Board of New Orleans desires to purchase Commercial Auto Fleet Liability Insurance to cover the period June 20, 2016 to June 20, 2017; and

WHEREAS, the Board has maintained Commercial Auto Fleet Liability Insurance policies since 1987; and

WHEREAS, the Board has realized an opportunity to increase its Fleet Liability self-insured retention to \$1 million and save \$195,205 in premium cost; and

WHEREAS, the Board has obtained a professional actuarial report with regard to their Fleet liability, which supports this change in the self-insured retention; and

WHEREAS, the Board requested its insurance broker, Eagan Insurance, to secure price quotations for such insurance; and

WHEREAS, Eagan Insurance has obtained an Auto Fleet Liability Insurance combined quote of \$388,410 from ACE Group, RSUI and Endurance insurance companies for the coverage limit of \$5 Million per occurrence, excess of our \$1 million self-insured retention, which represents a savings of \$195,205 over last year's premium.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director of the Sewerage and Water Board of New Orleans, is hereby authorized and directed to purchase Auto Fleet Liability insurance coverage from ACE Group, RSUI and Endurance through the Board's insurance broker, Eagan Insurance, for the total premium of \$388,410.

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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 Meeting of the said Board, duly called  
and held, according to law, on May 18, 2016.

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



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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Date: May 3, 2016

From: Bruce H. Adams, P.E., Deputy General Superintendent – Engineering and Construction

To: Cedric S. Grant, Executive Director

Subject: Consultant Services for Geotechnical Soil Taxonomic Descriptions and Characterization of Soil Chemical Properties as Applied to Stormwater Management and Green Infrastructure, Award to Eustis, Engineering, LLC.

In anticipation of pending and future implementation of the Sewerage & Water Board of New Orleans (SWBNO) Green Infrastructure Plan, staff is recommending that the SWBNO immediately proceed with Geotechnical Services to include soil sampling, analysis and mapping of sites across the City of New Orleans to prepare for installation of Green Infrastructure projects including but not limited to the construction of bioswales, rain gardens, bioretention cells, pervious pavement, planter boxes, etc. and to identify suitability of soil types for infiltration, detention, and filtration of stormwater runoff.

With the reorganization of the SWBNO into a more vibrant organization focused on our customers' needs, the need to better prepare for the demands upon our critical facilities requires the proper planning for drainage and stormwater infrastructure as we make sustainability and resiliency improvements. This project is to prepare the SWBNO for the demands expected upon the Board's drainage system.

The SWBNO staff solicited, and in November of 2014, the Board approved a list of consultants to provide geotechnical engineering services on SWBNO projects. From that list, staff recommends the approval of Eustis Engineering, LLC for such services, as they are known to possess highly-experienced staff with credentials in geotechnical exploration and soil analysis, and they are highly-rated on the Board's current list of pre-qualified consultants.

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Bruce H. Adams, P.E.,  
Deputy General Superintendent – Engineering and Construction

**AWARD OF CONTRACT TO PROVIDE GEOTECHNICAL CONSULTANT SERVICES  
NECESSARY FOR THE IMPLEMENTATION OF THE SWBNO GREEN INFRASTRUCTURE  
PLAN**

**WHEREAS**, at the November 19, 2014 Board Meeting, the Board approved a list of engineering and consulting firms for geotechnical services 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 Eustis Engineering, LLC based upon their extensive knowledge and experience in geotechnical exploration and soil analysis; and

**WHEREAS**, Eustis Engineering, LLC shall provide professional engineering services to include geotechnical soil taxonomic descriptions of soil chemical properties through sampling, analysis and mapping of sites across the City of New Orleans to prepare for installation of Green Infrastructure projects including but not limited to the construction of bioswales, rain gardens, bioretention cells, pervious pavement, planter boxes, etc. and to identify suitability of soil types for infiltration, detention, and filtration of stormwater runoff.

**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 Eustis Engineering, LLC.

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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 May 18, 2016.

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



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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**Date:** 5-3-16

**To:** Cedric S. Grant, Executive Director

**From:** Bruce Adams, Deputy General Superintendent

**Re:** **Letter of Undertaking Agreement between FEMA, GOHSEP, the City, and the Board.**

The Sewerage and Water Board of New Orleans ("Board") and the City of New Orleans ("City") entered into negotiations with the Federal Emergency Management Agency (FEMA) and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) regarding the final estimate of eligible costs for water, sewage, drainage, and road repairs associated with Hurricane Katrina. The Board reached a settlement with FEMA on December 7, 2015 in the amount of \$128,986,034.00 for infrastructure restoration and an additional \$3,869,581.00 for associated DAC costs. As a result, FEMA, GOHSEP, the City and the Board have been working together on the transfer of funds from current obligated PW for water and sewer lines where construction has not started into the agreed settlement. Moreover, FEMA has written the Board's final settlement project worksheet transferring \$167,085,571.31 from water and sewer line obligated project worksheets, of which \$31,492,218.16 is being transferred over to the City Final project worksheet settlement for permanent road paving and associated cost.

Therefore, attached for your review is a resolution accepting the Letter of Undertaking between FEMA, GOHSEP, the City, and the Board. The resolution and agreement will be forwarded to the Finance and Administration Committee and Board of Directors' May 2016 cycle of meetings for review and approval.

I concur with the above memo.

Bruce Adams, Deputy General Superintendent

**AUTHORIZATION TO EXECUTE LETTER OF UNDERTAKING FOR FIXED COST ESTIMATE AGREEMENT WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY**

**WHEREAS**, the Sewerage and Water Board of New Orleans ("Board") and the City of New Orleans ("City") entered into negotiations with the Federal Emergency Management Agency (FEMA) and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) regarding the final estimate of eligible costs for water, sewage, drainage, and road repairs associated with Hurricane Katrina; and

**WHEREAS**, in accordance with the full and final settlement agreement, FEMA approved the Joint Infrastructure Recovery Road Program (JIRR) to allow the Board and City flexibility to maximize disaster recovery funds in the repair of road infrastructure; and

**WHEREAS**, FEMA previously awarded the Board \$167,085,571.31 in disaster funds for water and sewer line obligated project worksheets, of which \$31,492,218.16 will be transferred to the City for permanent road restoration; and

**WHEREAS**, FEMA issued its final determination and agreed to a full and final settlement agreement with the Board for an additional \$128,986,034.00 in disaster funds plus another \$3,869,581.00 in associated direct administrative costs; and

**WHEREAS**, the Board desires to execute a Letter of Undertaking for Fixed Cost Estimate Agreement with FEMA and GOHSEP and will execute infrastructure restoration under the settlement through the JIRR in the amount of \$128,986,034.00, plus an additional \$3,869,581.00 in associated direct administrative costs; in addition, \$167,085,571.31 is being transferred from water and sewer line obligated project worksheets of which \$135,593,353.16 is transferring to the Board JIRR Settlement and \$31,492,218.16 is being transferred over to the City for permanent road restoration and associated cost to maximize recovery efforts.

**NOW THEREFORE, BE IT RESOLVED** that the President or President Pro-Tem is hereby authorized to execute on behalf of the Sewerage and Water Board of New Orleans the Letter of Undertaking for Fixed Cost Estimate Agreement with the Federal Emergency Management Agency, and the Governor's Office of Homeland Security and Emergency Preparedness.

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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 May 18, 2016.

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

U.S. Department of Homeland Security  
FEMA Region VI  
FRC 800 North Loop 228  
Denton, TX 76209-3698



**FEMA**

## **LETTER OF UNDERTAKING FOR FIXED COST ESTIMATE AGREEMENT**

May 27, 2016

James B. Waskom, Director  
GOHSEP, State of Louisiana  
1500 Main Street  
Baton Rouge, LA 70802

Cedric S. Grant, Executive Director  
Sewerage and Water Board of New Orleans  
625 Saint Joseph Street, Room 237  
New Orleans, LA 70165

Re: Sewerage and Water Board of New Orleans - Joint Infrastructure Recovery Request (JIRR)  
Consolidated Subaward

Dear Director Wascom and Executive Director Grant:

This letter confirms the understanding that was reached on December 18, 2015, between the Federal Emergency Management Agency (FEMA), the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) (the "Recipient"<sup>1</sup>), and the Sewerage and Water Board of New Orleans (the "Subrecipient"), regarding the restoration of the water distribution lines, sanitary sewer collection lines, and Americans with Disabilities Act (ADA) compliant curb ramps. The facilities sustained flooding damages from Hurricane Katrina. This project is to be funded under the Public Assistance Grant Program authorized for the major disaster declaration FEMA-1603-DR-LA declared on August 29, 2005.

Please sign a confirmation of the essential elements of the undertaking below no later than two (2) weeks from the date of this letter. Once I receive your signed confirmation, FEMA will work with the Recipient and the Subrecipient to develop and execute a Public Assistance alternative

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<sup>1</sup> The terms "recipient," "subrecipient," "award," and "subaward" are used in place of the terminology of the "grantee," "subgrantee," "grant," and "subgrant," respectively. This language has been changed in order to comport with the definitions provided in 2 CFR Part 200.

procedure pilot project for permanent work and supporting Project Worksheets (“PW”) in accordance with 42 U.S.C. § 5189f and the terms of this letter of undertaking.

**Essential Elements of Alternative Procedures Pilot Project for Restoration of Water Distribution Lines, Sanitary Sewer Collection Lines, and ADA-Compliant Curb Ramps under FEMA-1603-DR-LA**

1. FEMA agrees that due to damage sustained as a result of the declared event, the following elements of the damaged facilities are eligible for restoration pursuant to Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, codified in 42 U.S.C. § 5172. Further, FEMA, the Recipient, and the Subrecipient (collectively, the “Parties”) agree upon the detailed description of damage caused as a direct result of the declared event, including associated dimensions, and an eligible scope of work that will be captured in the PW that FEMA will generate for the facilities. A summary of the agreed upon damages for the applicable facilities is below:

<b><i>Facilities Element by Neighborhood</i></b>	<b><i>Linear Miles of Right-of-Way Damage</i></b> (Including: road pavement, curb and gutter, drive aprons, sidewalk, storm water drainage lines, water distribution lines, sanitary sewer collection lines)
1) Lake Shore – Lake Vista	16
2) St. Claude	57
3) Holy Cross	11
4) French Quarter – Iberville	5
5) Tremé-Lafitte	11
6) Central Business District	3
7) Lower Garden District	5
8) Seventh Ward	12
9) Lakewood	5
10) Navarre	6
11) Read East – Venetian Isle	16
12) Touro	7
13) Marlyville – Fountainbleu	16
14) St. Anthony	18
15) West Lake Forest	4
16) City Park	4
17) Littlewoods	25
18) Broadmoor	15
19) St. Bernard	4
20) Lower Ninth Ward	36
21) Lake Terrace – Lake Oaks	6
22) Milan	6
23) Filmore	19
24) West End	11
25) Dillard	9
26) Bayou St. John	12
27) Desire	14
28) Irish Channel	8

29) Gentilly Woods	9
30) Freret	6
31) West Riverside	12
32) St. Roch	15
33) Audubon-University	12
34) Uptown	11
35) Dixon	6
36) Village D'Lest	9
37) Back Pearl	11
38) Central City	25
39) Pines Village	10
40) Lakeview	31
41) East Riverside	4
42) B.W. Cooper	6
43) Tulane-Gravier	10
44) Viavant	6
45) Mid City	29
46) Fairgrounds	13
47) Garden District	4
48) Gentilly Terrace	14
49) Hollygrove	16
50) Gert Town	5
51) Read Blvd West	12
52) East Carrollton	11
53) Leonidas-West Carrollton	16
54) Milneburg	13
55) Plum Orchard	12
56) Pontchartrain Park	9

- a. The Parties agree this subaward contains funding for Americans with Disabilities Act (ADA) compliant curb ramps throughout New Orleans. The Parties agree when the Subrecipient's scope of work enters a roadway intersection and triggers the implementation of ADA compliant curb ramps, these ADA compliant curb ramps must be executed in accordance with the "Department of Justice/Department of Transportation Joint Technical Assistance on the Title II of the American with Disabilities Act Requirements to Provide Curb Ramps when Streets, Roads or Highways are Altered through Resurfacing" dated July 8, 2013.
2. The Parties agree that the Subrecipient will accept a fixed amount Public Assistance subaward for the agreed-upon disaster damage and eligible scope of work for the ~~disaster-damaged facilities under the alternative procedures authorized under Section 428~~ of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5189f, and implemented as a pilot program. The Parties further agree that the terms of this project will be subject to Section 428 of the Stafford Act, the *Public Assistance Alternative Procedures Pilot Program Guide for Permanent Work* (Version 3) dated

March 29, 2016, and, except where specifically modified pursuant to Section 428 of the Stafford Act, all other laws, regulations, policies, and guidance applicable to FEMA's Public Assistance Program.

3. In accordance with 42 U.S.C. § 5189f (e), FEMA, working collaboratively with representatives from the Recipient and the Subrecipient, has validated and accepted the total fixed cost estimate for eligible work to restore the damaged facilities in the amount of **\$264,579,387.15**. This cost estimate includes architectural and engineering design and supplemental services, project management, and any costs resulting from environmental and historic preservation (EHP) compliance reviews.
  - a. Direct administrative cost (DAC)/closeout incentive (COI) is authorized separate and apart from the fixed cost estimate subaward. The authority to provide funding for DAC/COI under FEMA-1603-DR-LA is authorized under Title VI, Chapter 2, Section 638(F) of the Public Law 109-295 (Post-Katrina Emergency Management Reform Act [PKEMRA] of 2006) and under sections 406 and 407 of the Stafford Act.
  - b. FEMA will obligate a separate, capped DAC/COI subaward for DAC/COI tasks specifically associated with the additional eligible funding cited in FEMA's December 7, 2015 letter. The Subrecipient may be reimbursed for DAC/COI based on actual incurred costs up to **\$3,869,581.00**, which is three (3) percent of the additional funding cited in FEMA's letter dated December 7, 2015. Likewise, any DAC/COI costs already incurred or to be incurred in the future for other scope of work being consolidated into this Sandy Recovery Improvement Act (SRIA) Project Worksheet (PW) will continue to be reimbursable through the Subrecipient's roll-up DAC/COI PW 20808. DAC/COI will be reimbursed for eligible scope of work and costs that are adequately documented, reasonable, and attributed to a specific project worksheet as described in a June 12, 2012 letter to GOHSEP from FEMA's Assistant Administrator Recovery Directorate, Deborah Ingram; and a September 8, 2009 Direct and Indirect Administrative Task List attached to a memorandum to Regional Administrators from Elizabeth Zimmerman, FEMA's Assistant Administrator Disaster Recovery Directorate.
4. In agreeing to the fixed amount Public Assistance subaward:
  - a. Fixed Amount Subaward. The Parties agree that the subaward will be capped at the amount of **\$264,579,387.15** for the restoration of the damaged facilities, and acknowledge that it reflects 100% of the agreed-upon total project costs. The Parties further agree that a separate subaward will be capped at the amount of **\$3,869,581.00** to cover DAC/COI associated with this project. The total agreed-upon fixed amount of **\$268,448,968.15** includes the 100% federal cost-share and the 0% nonfederal cost-share. The Recipient and the Subrecipient acknowledge that, in accordance with section 428 of the Stafford Act, 42 U.S.C. §5189f, the Subrecipient accepts this fixed amount subawards for permanent work with full knowledge and understanding that it will not receive any additional Public Assistance funding if the actual cost to

restore the facility based on the eligible scope of work exceeds the agreed-upon fixed amount.

- b. Changes to the Approved Scope of Work. FEMA acknowledges that the Subrecipient may exercise flexibility in completing work associated with the fixed amount subaward.
  - i. The Parties acknowledge that the Subrecipient must notify FEMA and the Recipient prior to initiating a change to the scope of work, even changes that substantially conform to pre-disaster design, function.
  - ii. For scope of work changes that involve historic properties listed on or eligible for listing on the National Register of Historic Places and/or result in changes that do not substantially conform to the pre-disaster design, function, and/or location, FEMA will conduct an EHP compliance review required under 44 C.F.R. Part 10.
  - iii. If the Subrecipient wants to complete a scope of work that does not restore the facility or its function, it must submit a request for an alternate project to FEMA prior to the start of construction, in accordance with 44 C.F.R. §206.203(d)(2) and applicable PA policy. The parties acknowledge that FEMA must review and approve alternate projects in accordance with PA program requirements, including without limitation, EHP compliance.
- c. Period of Performance for Complex Projects. In accordance with 42 U.S.C. § 5189f (f), FEMA has the authority to carry out alternative procedures as a pilot program. FEMA acknowledges that due to the magnitude and complexity of the work, the Subrecipient will require an extension to the period of performance set forth in 44 C.F.R. § 206.204(c). Accordingly, FEMA will establish a period of performance of 7 years from the date the PW is issued. If the Subrecipient requires any further extension(s) of the period of performance, then it shall submit its request for an extension to the Assistant Administrator for Recovery at FEMA Headquarters. The Recipient and Subrecipient acknowledge that failure to comply with the terms of period of performance set forth in this letter may cause the approved funding in the fixed amount subaward referenced in this letter of undertaking to be deemed ineligible and may result in de-obligation of those funds.
- d. Insurance. Pursuant to Section 312 of the Stafford Act and 44 C.F.R. Part 206, Subpart I, the Subrecipient may not receive disaster assistance for losses covered by insurance.

FEMA, the Recipient, and the Subrecipient acknowledge and agree that Section 312 of the Stafford Act and 44 C.F.R. Part 206, Subpart I, are not applicable to these facilities.

- iv. Further, the Parties acknowledge and agree that Section 406(d) of the Stafford Act and 44 C.F.R. §§ 206.250(d) and 206.252(a), are not applicable to these facilities.
- v. Finally, the Parties acknowledge and agree that Section 311(b) of the Stafford Act and 44 C.F.R. § 206.252(d), are not applicable to these facilities.

5. For all eligible work:

- a. In accordance with 42 U.S.C. § 5189f (f), FEMA will carry out the proposed alternative procedure project for the Subrecipient as part of a pilot program.
- b. The Recipient and Subrecipient agree to waive any and all rights to bring appeals pursuant to 44 CFR §206.206 or arbitration pursuant to 44 CFR §206.209 against FEMA for additional costs related to the fixed estimate subaward articulated in section 4(a) above.
- c. The Office of Inspector General has the ability to audit any Subrecipient and/or subaward, and FEMA may conduct compliance reviews to ensure that the Subrecipient complied with this document's guidelines and other applicable requirements. Any corrective actions (including de-obligations) that FEMA takes as a result of these audits or compliance reviews may be appealed in accordance with 44 C.F.R. § 206.206 or arbitrated in accordance with 44 C.F.R. § 206.209.
- d. Upon receiving the Recipient's and the Subrecipient's signed confirmation of the essential elements of this understanding, FEMA will generate a DAC/COI PW of **\$3,869,581.00**, and a PW resulting in a fixed Public Assistance subaward for the agreed upon total of **\$264,579,387.15**, which will include, the flexibility authorized by 42 U.S.C. § 5189f (e)(1) and further outlined in the PA Alternative Procedures Pilot Program Guide, and be based upon the terms and conditions contained of this letter.

Sincerely,

George A. Robinson  
Regional Administrator  
FEMA, Region VI

By signing below, the parties confirm their understanding of and their agreement to the essential elements of this undertaking as set forth above:

**Governor's Office of Homeland Security and Emergency Preparedness:**

\_\_\_\_\_  
James B. Waskom, Director

Governor's Office of Homeland Security and Emergency Preparedness

\_\_\_\_\_  
Date

**Sewerage and Water Board of New Orleans:**

\_\_\_\_\_  
Cedric S. Grant, Executive Director

Sewerage and Water Board of New Orleans

\_\_\_\_\_  
Date

DRAFT



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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**Date:** 5-3-16

**To:** Cedric S. Grant, Executive Director

**From:** Bruce Adams, Deputy General Superintendent

**Re:** Hazard Mitigation Grant Program for Underpass Pumping Stations

Sewerage and Water Board of New Orleans (SWBNO) has been awarded funds through the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) for the installation of permanent generators for the below Underpass Pumping Stations.

**Project Sites**

Canal Boulevard Pump Station  
Franklin Avenue Pump Station  
New Carrollton Pump Station  
Paris Avenue Pump Station  
Press Drive Pump Station

Total grant amount is \$1,318,210.00 with a 75% (\$988,659.00) of federal shares and 25% (\$329,552.00) of SWBNO shares.

Attached for your review is a resolution accepting the federally funded agreement between SWBNO and GOHSEP. The resolution and agreement will be forwarded to the Finance and Administration Committee and Board of Directors' May cycle of meetings for review and approval.

I concur with the above memo.

Bruce Adams, Deputy General Superintendent

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**APPROVAL OF FEDERALLY FUNDED AGREEMENT FLOOD MITIGATION AGREEMENT (FMA) BETWEEN THE SEWERAGE AND WATER BOARD OF NEW ORLEANS (SWBNO) AND THE GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS FOR THE INSTALLATION OF PERMANENT GENERATORS AT FIVE UNDERPASS STATIONS UNDER THE HAZARD MITIGATION GRANT PROGRAM.**

**WHEREAS**, the Sewerage & Water Board of New Orleans (SWBNO) desires to utilize funds under HMGP# 1792-022-0002 for the installation of permanent generators at five underpass pumping stations (Canal, Franklin, New Carrollton, Paris, and Press); and

**WHEREAS**, SWBNO has applied for and been awarded funds for the installation of permanent generators totaling \$1,318,210.00. The cost share of the project is 75% Federal in the amount of \$988,659.00 and 25% SWBNO in the amount of \$329,552.00.

**NOW, THEREFORE, BE IT RESOLVED** that the SWBNO hereby authorizes acceptance of the Federally Funded Agreement with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP).

**BE IT FURTHER RESOLVED** that the President and/or President Pro-Tem are hereby authorized to enter into the FMA between the SWBNO and GOHSEP.

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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 May 18, 2016.

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

**Governor's Office of Homeland Security  
and Emergency Preparedness  
State of Louisiana**

**JOHN BEL EDWARDS**  
GOVERNOR



**JAMES B. WASKOM**  
DIRECTOR

March 31, 2016

Mr. Cedric S. Grant  
Executive Director  
Sewerage & Water Board of New Orleans  
625 St. Joseph Street, Room 233  
New Orleans, Louisiana 70165

ATTN: Jason Higginbotham

RE: Amendment 1 – Approval and Funding – Permanent Generator  
GOHSEP Statewide Generator 5% Initiative  
HMGP #1792-022-0002, FEMA-1792-DR-LA, Project #0015

Dear Mr. Menard:

On behalf of Governor John Bel Edwards, I am pleased to inform you that your request for five permanent generators for the SWBNO Pump Stations under the Hazard Mitigation Grant Program was approved by FEMA on March 30, 2016 (see enclosure) for the above referenced project. The approved funding for eligible project activities is as follows:

Item	Total Approved Funding
Federal Share (75%)	\$ 988,658.00
Non-Federal Share (25%)	\$ 329,552.00
TOTAL PROJECT AWARD	\$1,318,210.00

Ms. Cedric S. Grant  
Page 2  
March 31, 2016

A Sub-grantee Agreement briefing is required for this grant award. The following information will be explained to you and members of your staff:

- Project Performance Period of March 30, 2016 to March 30, 2017
- Reporting requirements
- Procurement process
- Process for requesting reimbursement of funds
- Sub-grantee Agreement review

Harry St. Pierre, your State Applicant Liaison for this project, will be contacting you to schedule this briefing. If you have any questions, please contact Harry at 225-267-2819 or [harry.st.pierre@la.gov](mailto:harry.st.pierre@la.gov).

Sincerely,



Casey Tingle  
Assistant Deputy Director  
Hazard Mitigation

CT:hs

Enc. FEMA Approval Letter Dated March 30, 2016  
Record of Environmental Consideration (REC)  
Sub-Grantee Agreement  
Approved Budget



**FEMA**

March 30, 2016

James Waskom, Director  
Governor's Office of Homeland Security  
and Emergency Preparedness  
7667 Independence Blvd.  
Baton Rouge, LA 70806

RE: FEMA-LA-DR-1792-HMGP, Project #15  
GOHSEP Statewide Generator 5% Initiative

Dear Mr. Waskom:

We are pleased to announce the approval of funds for the GOHSEP Statewide Generator, five percent Initiative project. Federal funding for this project, in the amount of **\$3,755,342**, is available through the Hazard Mitigation Grant Program (HMGP) under FEMA-1792-DR-LA. The following locations are included in the project application:

- Plaquemines Parish (1)
- St. John Parish (3)
- Vermillion Parish (9)
- Orleans Parish Sewerage and Water Board (5)

The actions identified in the project application have been Categorically Excluded (CATEX) from the need to prepare an Environmental Impact Statement in accordance with 44 CFR 10.8(d)(2)(xv). No extraordinary circumstances were identified.

The following financial reports are enclosed for your files:

Obligation Report  
Funding Estimate Financial Activity Report

These reports should be utilized in the review of funds for the approved project. The Obligation Report contains information pertaining to the total funded amount and project amount. Once drawn down by the grantee, the funds must be distributed in this manner.

As you are aware, quarterly progress reports for the HMGP are required in accordance with 44 CFR 206.438(c). Please include this project amendment in future reporting.

Director James Waskom  
March 30, 2016  
Page 2

If you have any questions regarding the information, please contact Peggy Johnson, HMA Specialist, at (940) 383-7332 or [peggy.johnson@fema.dhs.gov](mailto:peggy.johnson@fema.dhs.gov).

Sincerely,

  
Sandra Keefe  
Mitigation Division Director

Enclosures

cc: Jeffrey Giering, State Hazard Mitigation Officer



**FEMA**

February 19, 2016

MEMORANDUM FOR: Melissa Wise, Hazard Mitigation Assistance Branch Chief  
FROM: Linda Ryder, Environmental Historic Preservation Specialist  
SUBJECT: HMGP DR-1792-LA, Project #15 Emergency Generators

The purpose of this memorandum is to notify you that the Hazard Mitigation Grant Program (HMGP) project for the installation of emergency generators at 18 sites has been cleared with conditions under the National Environmental Policy Act (NEPA). The Code of Federal Regulations, 44 CFR Part 10, requires that the Federal Emergency Management Agency (FEMA) take into account environmental considerations when authorizing or approving major actions.

This project has been determined to be categorically excluded in accordance with 44 CFR Part 10.8(d)(2)(xv) under Categorical Exclusion from the need to prepare either an Environmental Impact Statement or Environmental Assessment. No extraordinary circumstances in accordance with 44 CFR 10.8(d)(3) have been identified regarding this action. The applicant must ensure it complies with all conditions set forth in the attached Record of Environmental Consideration (REC). Failure to comply with these conditions may jeopardize federal assistance including funding.

Please note that this transmittal is a notification that this project has been cleared under NEPA only. **This is not a notice of final approval or eligibility.** Any change beyond the approved scope of work for this project will require additional environmental review by FEMA.

cc: Peggy Johnson, Hazard Mitigation Specialist

Enclosures: Record of Environmental Consideration (REC), 8-Step Document

# Record of Environmental Consideration

See 44 Code of Federal Regulation Part 10.

**Project Name/Number:** HMGP 1786-15 5% Generators

**Project Location:** Plaquemines, Orleans, St. John, Vermilion Parishes. (See spreadsheet attached)

**Project Description:** The Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) encourages applicants throughout the state to identify key facilities that are required to be functional during emergencies and apply to FEMA for assistance to install generators at these locations. This project is to install new permanent generators and ancillary equipment (e.g. transfer switches, concrete slabs, and conduit) at the 18 facilities throughout Plaquemines, Orleans, St. John, Vermilion Parishes. These measures help ensure the continued operations of critical facilities during future storm-events.

## Documentation Requirements

- ☐ No Documentation Required (Review Concluded)
- ☐ (**Short version**) All consultation and agreements implemented to comply with the National Historic Preservation Act, Endangered Species Act, and Executive Orders 11988, 11990 and 12898 are completed and no other laws apply. (Review Concluded)
- ☒ (**Long version**) All applicable laws and executive orders were reviewed. Additional information for compliance is attached to this REC.

## National Environmental Policy Act (NEPA) Determination

- ☐ Statutorily excluded from NEPA review. (Review Concluded)
- ☐ Programmatic Categorical Exclusion - (Reference PCE in comments) (Review Concluded)
- ☒ Categorical Exclusion - Category (xv)
- ☒ No Extraordinary Circumstances exist.
- Are project conditions required? ☒ Yes (see section V) ☐ No (Review Concluded)
- ☐ Extraordinary Circumstances exist (See Section IV).
- ☐ Extraordinary Circumstances mitigated. (See Section IV comments)
- Are project conditions required? ☐ Yes (see section V) ☐ No (Review Concluded)
- ☐ Environmental Assessment
- ☐ Supplemental Environmental Assessment (Reference EA or PEA in comments)
- ☐ Environmental Impact Statement

*Comments:* This project has been determined to be Categorically Excluded from the need to prepare either an Environmental Impact Statement or Environmental Assessment in accordance with 44 CFR Part 10.8(d)(2)(xv, "Repair, reconstruction, restoration, elevation, retrofitting, upgrading to current codes and standards, or replacement of any facility in a manner that substantially conforms to the preexisting design, function, and location"). Particular attention should be given to the project conditions before and during project implementation. Failure to comply with these conditions may jeopardize federal assistance including funding.

--

## Reviewer and Approvals

☐ Project is Non-Compliant (See attached documentation justifying selection).

FEMA Environmental Reviewer.

Name: Linda Ryder, EHP Specialist

Signature \_\_\_\_\_ Date \_\_\_\_\_

FEMA Regional Environmental Officer or delegated approving official.

Name: Linda Ryder EHP Specialist

Signature \_\_\_\_\_ Date \_\_\_\_\_

## I. Compliance Review for Environmental Laws (other than NEPA)

### A. National Historic Preservation Act

- ☐ Not type of activity with potential to affect historic properties. **(Review Concluded)**  
☒ Applicable executed Programmatic Agreement dated January 31, 2011. Otherwise, conduct standard Section 106 review.  
☒ Activity meets Programmatic Allowance #, Appendix C: Item I-A, and Item V-G  
Are project conditions required? ☐ Yes (see section V) ☒ No **(Review Concluded)**

### HISTORIC BUILDINGS AND STRUCTURES

- ☐ No historic properties that are listed or 45/50 years or older in project area. **(Review Concluded)**  
☒ Building or structure listed or 45/50 years or older in project area and activity not exempt from review.  
☒ Determination of No Historic Properties Affected (FEMA finding/SHPO/THPO concurrence on file)  
Are project conditions required? ☐ Yes (see section V) ☒ No **(Review Concluded)**  
☒ Determination of Historic Properties Affected (FEMA finding/SHPO/THPO concurrence on file)  
☐ Property a National Historic Landmark and National Park Service was provided early notification during the consultation process. If not, explain in comments  
☒ No Adverse Effect Determination (FEMA finding/SHPO/THPO concurrence on file).  
Are project conditions required? ☐ Yes (see section V) ☒ No **(Review Concluded)**  
☐ Adverse Effect Determination (FEMA finding/SHPO/THPO concurrence on file)  
☐ Resolution of Adverse Effect completed. (MOA on file)  
Are project conditions required ☐ Yes (see section V) ☐ No **(Review Concluded)**

### ARCHEOLOGICAL RESOURCES

- ☒ Project affects only previously disturbed ground. **(Review Concluded)**  
☐ Project affects undisturbed ground.  
☐ Project area has no potential for presence of archeological resources  
☐ Determination of no historic properties affected (FEMA finding/SHPO/THPO concurrence or consultation on file). **(Review Concluded)**  
☐ Project area has potential for presence of archeological resources

- ☐ Determination of no historic properties affected (FEMA finding/SHPO/THPO concurrence on file)

Are project conditions required ☐ Yes (see section V) ☐ No **(Review**

**Concluded)**

- ☐ Determination of historic properties affected

☐ NR eligible resources not present (FEMA finding/SHPO/THPO concurrence on file).

Are project conditions required ☐ Yes (see section V) ☐ No **(Review**

**Concluded)**

- ☐ NR eligible resources present in project area. (FEMA finding/ SHPO/THPO concurrence on file)

☐ No Adverse Effect Determination. (FEMA finding/ SHPO/THPO concurrence on file)

Are project conditions required? ☐ Yes (see section V) ☐ No

**(Review Concluded)**

☐ Adverse Effect Determination. (FEMA finding/ SHPO/THPO concurrence on file)

☐ Resolution of Adverse Effect completed. (MOA on file)

Are project conditions required? ☐ Yes (see section V) ☐ No

**(Review Concluded)**

*Comments:* The scope of work for thirteen (13) of the project sites have been reviewed and meets the criteria in Appendix C - Programmatic Allowances, Item V; Section G of FEMA's Programmatic Agreement (PA) dated August 17, 2009 and amended July 22, 2011 (LA HMGP PA). In accordance with this PA, FEMA is not required to determine the National Register eligibility of properties where work performed meets the Appendix C criteria. FEMA has determined that there will be no effect to historic properties for two (2) of the project sites. FEMA has determined that there will be No Adverse Effect to historic properties for three (3) of the project sites.

*Correspondence/Consultation/References:* SHPO concurrence, dated February 17, 2016, and LA HMGP PA

## B. Endangered Species Act

☐ No listed species and/or designated critical habitat present in areas affected directly or indirectly by the Federal action. **(Review Concluded)**

☒ Listed species and/or designated critical habitat present in the areas affected directly or indirectly by the Federal action.

☒ No effect to species or designated critical habitat.

Are project conditions required? ☐ Yes (see section V) ☐ No **(Review Concluded)**

☐ May affect, but not likely to adversely affect species or designated critical habitat (FEMA determination/USFWS/NMFS concurrence on file)

Are project conditions required? ☐ Yes (see section V) ☐ No **(Review Concluded)**

☐ Likely to adversely affect species or designated critical habitat

☐ Formal consultation concluded. (Biological Assessment and Biological Opinion on file)

Are project conditions required? ☐ YES (see section V) ☐ NO **(Review**

**Concluded)**

*Comments:* FEMA has made the determination that no threatened or endangered species will be affected by this project.

*Correspondence/Consultation/References:* <http://www.fws.gov/southeast/> and <http://criticalhabitat.fws.gov/crithab/>, accessed on January 5, 2016

### C. Coastal Barrier Resources Act

- ☒ Project is not on or connected to CBRA Unit or Otherwise Protected Area (**Review Concluded**).  
☐ Project is on or connected to CBRA Unit or Otherwise Protected Area. (FEMA determination/USFWS consultation on file)  
☐ Proposed action an exception under Section 3505.a.6 (**Review Concluded**)  
☐ Proposed action not excepted under Section 3505.a.6.  
Are project conditions required? ☐ YES (see section V) ☐ NO (**Review Concluded**)

*Comments:*

*Correspondence/Consultation/References:* Louisiana Coastal Barrier Resource System Maps accessed January 5, 2016

### D. Clean Water Act

- ☒ Project would not affect any waters of the U.S. (**Review Concluded**)  
☐ Project may affect waters, including wetlands, of the U.S.  
☐ Project exempted as in kind replacement or other exemption. (**Review Concluded**)  
☐ Project may require Section 404/401/or Section 9/10 (Rivers and Harbors Act) permit, including qualification under Nationwide Permits.  
Are project conditions required? ☐ YES (see section V) ☐ NO (**Review Concluded**)

*Comments:*

*Correspondence/Consultation/References:*

### E. Coastal Zone Management Act

- ☐ Project is not located in a coastal zone area and does not affect a coastal zone area (**Review concluded**)  
☒ Project is located in a coastal zone area and/or affects the coastal zone  
☒ State administering agency does not require consistency review. (**Review Concluded**)  
☐ State administering agency requires consistency review.  
Are project conditions required? ☐ YES (see section V) ☐ NO (**Review Concluded**)

*Comments:* In a letter dated September 28, 2012, the Louisiana Office of Coastal Management determined that the granting of financial assistance is fully consistent with the Louisiana Coastal Resources Program.

*Correspondence/Consultation/References:* Louisiana CZMA maps

### F. Fish and Wildlife Coordination Act

- ☒ Project does not affect, control, or modify a waterway/body of water. (**Review Concluded**)  
☐ Project affects, controls or modifies a waterway/body of water.  
☐ Coordination with USFWS conducted  
☐ No Recommendations offered by USFWS. (**Review Concluded**)  
☐ Recommendations provided by USFWS.  
Are project conditions required? ☐ YES (see section V) ☐ NO (**Review Concluded**)

*Comments:*

*Correspondence/Consultation/References:*

### G. Clean Air Act

- ☒ Project will not result in permanent air emissions. **(Review Concluded)**  
☐ Project is located in an attainment area. **(Review Concluded)**  
☐ Project is located in a non-attainment area.  
☐ Coordination required with applicable state administering agency..  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

*Comments:* None

*Correspondence/Consultation/References:*

### H. Farmland Protection Policy Act

- ☒ Project does not affect designated prime or unique farmland. **(Review Concluded)**  
☐ Project causes unnecessary or irreversible conversion of designated prime or unique farmland.  
☐ Coordination with Natural Resource Conservation Commission required.  
☐ Farmland Conversion Impact Rating, Form AD-1006, completed.  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

*Comments:*

*Correspondence/Consultation/References:*

### I. Migratory Bird Treaty Act

- ☐ Project not located within a flyway zone. **(Review Concluded)**  
☒ Project located within a flyway zone.  
☒ Project does not have potential to take migratory birds.  
Are project conditions required? ☐ Yes (see section V) ☒ No **(Review Concluded)**  
☐ Project has potential to take migratory birds.  
☐ Contact made with USFWS  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

*Comments:*

*Correspondence/Consultation/References:* Migratory Bird Central Flyway Map -  
[http://www.centralflyway.org/Show\\_Flyway\\_Maps.html](http://www.centralflyway.org/Show_Flyway_Maps.html) accessed January 5, 2016

### J. Magnuson-Stevens Fishery Conservation and Management Act

- ☒ Project not located in or near Essential Fish Habitat. **(Review Concluded)**  
☐ Project located in or near Essential Fish Habitat.  
☐ Project does not adversely affect Essential Fish Habitat.  
Are project conditions required? ☐ Yes (see section V) ☐ No **(Review Concluded)**  
☐ Project adversely affects Essential Fish Habitat (FEMA determination/USFWS/NMFS concurrence on file)  
☐ NOAA Fisheries provided no recommendation(s)  
Are project conditions required? ☐ Yes (see section V) ☐ No **(Review Concluded)**  
☐ NOAA Fisheries provided recommendation(s)

- ☐ Written reply to NOAA Fisheries recommendations **completed**.  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

Comments:

Correspondence/Consultation/References:

### K. Wild and Scenic Rivers Act

- ☒ Project is not along and does not affect Wild or Scenic River (WSR) - **(Review Concluded)**  
☐ Project is along or affects WSR  
☐ Project adversely affects WSR as determined by NPS/USFS. **FEMA cannot fund the action.** (NPS/USFS/USFWS/BLM consultation on file) **(Review Concluded)**  
☐ Project does not adversely affect WSR. (NPS/USFS/USFWS/BLM consultation on file)  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

Comments:

Correspondence/Consultation/References: Wild and Scenic Rivers website,  
<http://www.rivers.gov/wildriverslist.html> accessed January 5, 2015

### L. Other Relevant Laws and Environmental Regulations

## II. Compliance Review for Executive Orders

### A. E.O. 11988 - Floodplains

- ☐ No Effect on Floodplains/Flood levels and project outside Floodplain - **(Review Concluded)**  
☒ Located in Floodplain or Effects on Floodplains/Flood levels  
☐ No adverse effect on floodplain and not adversely affected by the floodplain.  
Are project conditions required? ☐ Yes (see section V) ☐ No **(Review Concluded)**  
☐ Beneficial Effect on Floodplain Occupancy/Values **(Review Concluded)**.  
☒ Possible adverse effects associated with investment in floodplain, occupancy or modification of floodplain environment  
☒ 8 Step Process Complete - documentation on file  
Are project conditions required? ☒ YES (see section V) ☐ NO **(Review Concluded)**

Comments: see attached spreadsheet.

Correspondence/Consultation/References: <http://lamp.lsuagcenter.com> accessed January 15, 2016

### B. E.O. 11990 - Wetlands

- ☒ No Effects on Wetland(s) and project located outside Wetland(s) - **(Review Concluded)**  
☐ Located in Wetland or effects Wetland(s)  
☐ Beneficial Effect on Wetland - **(Review Concluded)**  
☐ Possible adverse effect associated with constructing in or near wetland  
☐ Review completed as part of floodplain review  
☐ 8 Step Process Complete - documentation on file  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

Comments: None

Correspondence/Consultation/References: USFWS Wetland Mapper,  
<http://wetlandsfws.er.usgs.gov/NWI/index.html> accessed January 5, 2016

### C. E.O. 12898 - Environmental Justice for Low Income and Minority Populations

- ☐ No Low income or minority population in, near or affected by the project - **(Review Concluded)**  
☒ Low income or minority population in or near project area  
☒ No disproportionately high and adverse impact on low income or minority population-  
**(Review Concluded)**  
☐ Disproportionately high or adverse effects on low income or minority population  
Are project conditions required? ☐ YES (see section V) ☐ NO **(Review Concluded)**

Comments:

Correspondence/Consultation/References:

### III. Other Environmental Issues

Identify other potential environmental concerns in the comment box not clearly falling under a law or executive order (see environmental concerns scoping checklist for guidance).

Comments:

Correspondence/Consultation/References:

### IV. Extraordinary Circumstances

Based on the review of compliance with other environmental laws and Executive Orders, and in consideration of other environmental factors, review the project for extraordinary circumstances.

\* A "Yes" under any circumstance may require an Environmental Assessment (EA) with the exception of (ii) which should be applied in conjunction with controversy on an environmental issue. If the circumstance can be mitigated, please explain in comments. If no, leave blank.

#### Yes

- ☐ (i) Greater scope or size than normally experienced for a particular category of action  
☐ (ii) Actions with a high level of public controversy  
☐ (iii) Potential for degradation, even though slight, of already existing poor environmental conditions;  
☐ (iv) Employment of unproven technology with potential adverse effects or actions involving unique or unknown environmental risks;  
☐ (v) Presence of endangered or threatened species or their critical habitat, or archaeological, cultural, historical or other protected resources;  
☐ (vi) Presence of hazardous or toxic substances at levels which exceed Federal, state or local regulations or standards requiring action or attention;  
☐ (vii) Actions with the potential to affect special status areas adversely or other critical resources such as wetlands, coastal zones, wildlife refuge and wilderness areas, wild and scenic rivers, sole or principal drinking water aquifers;  
☐ (viii) Potential for adverse effects on health or safety; and

- ☐ (ix) Potential to violate a federal, state, local or tribal law or requirement imposed for the protection of the environment.
- ☐ (x) Potential for significant cumulative impact when the proposed action is combined with other past, present and reasonably foreseeable future actions, even though the impacts of the proposed action may not be significant by themselves.

Comments: None

### V. Environmental Review Project Conditions

General comments: None

#### Project Conditions:

1. In the event that archeological deposits, including any Native American pottery, stone tools, bones, or human remains, are uncovered, the project shall be halted and the applicant shall stop all work immediately in the vicinity of the discovery and take reasonable measures to avoid or minimize harm to the finds. All archeological findings will be secured and access to the sensitive area restricted. The applicant will inform FEMA immediately and FEMA will consult with the State Historic Preservation Office (SHPO) or Tribal Historic Preservation Office (THPO) and Tribes and work in sensitive areas cannot resume until consultation is completed and appropriate measures have been taken to ensure that the project is in compliance with the National Historic Preservation Act (NHPA).
2. Unusable equipment, debris and material shall be disposed of in an approved manner and location. In the event significant items (or evidence thereof) are discovered during implementation of the project, applicant shall handle, manage, and dispose of petroleum products, hazardous materials and toxic waste in accordance to the requirements and to the satisfaction of the governing local, state and federal agencies.
3. Applicant must obtain any required floodplain permit from the local floodplain administrator before work begins.
4. A critical action, as defined in 44 CFR Part 9, is an action for which even a slight chance of flooding is too great. As outlined in 44 CFR Part 9.11, any proposed elements susceptible to flood damage and tied to a critical action must be either elevated or flood-proofed in a manner that protects those elements from the 0.2%- annual chance(i.e. 500-year) flood event. Additionally, the work at these sites meets the above-referenced definition of a critical action. Consequently, all work at these sites must be protected from the 0.2% chance (i.e. 500-year) flood.
5. If any asbestos containing materials, lead based paint and/or other hazardous materials are found during remediation or repair activities, the applicant must comply with all federal, state and local abatement and disposal requirements under the National Emissions Standards for Hazardous Air Pollutants (NESHAP).
5. The applicant is required to obtain and comply with all local, state and federal permits, approvals and requirements prior to initiating work on this project.

6. Changes, additions, and/or supplements to the approved listed properties and the scope of work which alter the existing use and function of the structure, including additional work not funded by FEMA but performed substantially at the same time, will require re-submission of the application prior to construction to FEMA for re-evaluation under the National Environmental Policy Act.

Monitoring Requirements: None

	Parish	Building	Address	Lat/long	FIRM	Zone	Wetlands
1	Plaquemines	Plaquemines Parish Government Complex Administration Building	333 F. Edward Hebert Blvd., Belle Chasse, LA	29.87858, -89.978990 corrected lat/long 29.8946, -89.9794	22075C0038E	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
2	Orleans	SWB Canal Blvd	5500 Canal Blvd, New Orleans, LA 70124	29.991921, -90.10512	22071C0226F	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
3	Orleans	SWB Franklin Ave	3100 Franklin Ave., New Orleans, LA 70122	29.990924, -90.049131	22071C0231F	AE EL3	no
4	Orleans	SWB New Carrollton	Carrollton Ave. and I-10 Exit, New Orleans, LA 70118	29.967079, -90.107952	22071C0228F	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
5	Orleans	SWB Paris Avenue	3200 Paris Ave., New Orleans, LA 70122	29.990409, -90.072439	22071C0227F	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
6	Orleans	SWB Press Drive	Press Dr and Leon C. Simon Ave., New Orleans LA 70126	30.027896, -90.045731	22071C0118F	ANNUAL CHANCE FLOOD HAZARD	no
7	St. John	Big Belle Terre - L-2109	105 Fairway Drive, LaPlace, LA 70068	30.0858, -90.4989	22095C0230D	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
8	St. John	Ned Duhe - G427	176 Museum Street, Garyville, LA 70051	30.0588, -90.6197	22095C0215D	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
9	St. John	Captian Bourgeois - East G-227	Behind 440 Maple Loop, LaPlace, LA 70068	30.0638, -90.4918	22095C0230D	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
10	Vermilion	Delcambre Sewer Treatment Plant	521 S. Central, Delcambre, LA 70528	29.941614, -91.993453	22023C0475H	AE EL 8	no
11	Vermilion	Gueydan City Hall	600 Main Street, Gueydan, LA 70542	30.025108, -92.507247 corrected lat/long 30.0257, -92.5078	22113C0125F	X PROTECTED BY LEVEE	no
12	Vermilion	Bailey Street Pump Station	204 N. Bailey Street, Abbeville, LA 70510	29.974778, -92.127722	22113C0335F	0.2 PCT ANNUAL CHANCE FLOOD HAZARD	no
13	Vermilion	Delcambre Influent Pump Station	306 Wilfred Landry, Delcambre, LA 70528	29.943906, -91.986744 29.985150, -92.135639 corrected lat/long 29.9765, -92.1377	22045C0180E	AE EL11	no
14	Vermilion	Waterloo Pump Station	201 Waterloo Street, Abbeville, LA 70510	29.9765, -92.1377	22113C0335F	AE	no
15	Vermilion	Kaplan Influent Pump Station	601 E. Mire Street, Kaplan, LA 70548	29.993664, -92.281053	22113C0310F	ANNUAL CHANCE FLOOD HAZARD	no
16	Vermilion	Myrtle Street Pump Station	305 N. Myrtle Street, Erath, LA 70533	29.962600, -92.044100	22113C0360F	AE EL 10	no
17	Vermilion	Maunce City Hall/Police Station	405 Lastie Ave., Maunce, La 70555	30.104739, -92.125808	22113C0200F	X	no

18	Vermillion	Gueydan Old Library	604 McMurtry, Gueydan, LA 70542	30.024900, -92.507500	22113C0125F	X PROTECTED BY LEVEE	no
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**EXECUTIVE ORDER 11988/11990**  
**FLOODPLAIN MANAGEMENT/WETLANDS – CHECKLIST (44 CFR Part 9)**

**APPLICANT:** Plaquemines, Orleans, St. John, Vermilion Parishes

**COUNTY/STATE:** Louisiana

**COORDINATES:** See spreadsheet attached

**PROPOSED ACTION:** The Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) encourages applicants throughout the state to identify key facilities that are required to be functional during emergencies and apply to FEMA for assistance to install generators at these locations. This project is to install new permanent generators and ancillary equipment (e.g. transfer switches, concrete slabs, and conduit) at the 18 facilities throughout Plaquemines, Orleans, St. John, and Vermilion Parishes. These measures help ensure the continued operations of critical facilities during future storm-events.

**APPLICABILITY:** Actions which have the potential to affect floodplains/wetlands or their occupants, or which are subject to potential harm by location in floodplains/wetlands.

☐ YES ☒ NO

The proposed action could potentially adversely affect the floodplain/wetlands.

Remarks:

☒ YES ☐ NO

The proposed action could potentially be adversely affected by the floodplain/wetlands.

Remarks:

**ACTION:**



**Review against 500 Year floodplain (for Critical Action)**



**Review against 100 Year floodplain**

**STEP NO. 1**      **Determine whether the proposed action is located in the 100-year floodplain/wetland (500-year floodplain for critical actions); (44 CFR §9.7)**  
**See attached spreadsheet for floodplain information**

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**STEP NO. 2**      **Notify the public at the earliest possible time of the intent to carry out an action in a floodplain/wetland, and involve the affected and interested public in the decision-making process; (44 CFR §9.8)**

☒      Notice was provided as part of a disaster cumulative notice:

    Newspaper: \_\_\_\_\_

    Date:    10/272008-11/2/2008 \_\_\_\_\_

☐      Project Specific Notice (e.g. EA, newspaper, public meeting, etc):

    Type of Public Notice: \_\_\_\_\_

    Date: \_\_\_\_\_

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**STEP NO. 3**      **Identify and evaluate practicable alternatives to locating the proposed action in a floodplain/wetland (including alternatives sites, actions and the "no action" option). (44 CFR §9.9)**

**Alternative Options**

☐ YES ☒ NO

Is there a practicable alternative site location outside of the floodplain/wetland?

Site location: see attached spreadsheet

☐ YES ☒ NO

Is there a practicable alternative action outside of the floodplain/wetland that will not affect the floodplain/wetland?

Alternative action: \_\_\_\_\_

☐ YES ☒ NO

Is the NO Action alternative the most practicable alternative?

**If a practicable alternative exists outside the floodplain/wetland, FEMA must locate the action at the alternative site.**

---

**STEP NO. 4**      **Identify the potential direct and indirect impacts associated with the occupancy or modification of floodplains/wetlands and the potential**

**direct and indirect support of floodplain/wetlands development that could result from the proposed action; (44 CFR §9.10)**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Is the proposed action in compliance with the NFIP?  |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Does the proposed action increase the risk of flood loss?  |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Will the proposed action result in an increased base discharge or increase the flood hazard potential to other properties or structures?   |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Does the proposed action minimize the impact of floods on human health, safety and welfare?  |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Will the proposed action induce future growth and development, which will potentially adversely affect the floodplain/wetland?             |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Does the proposed action involve dredging and/or filling of a floodplain/wetlands?   |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Will the proposed action result in the discharge of pollutants into the floodplain/wetlands?   |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Does the proposed action avoid long and short-term adverse impacts associated with the occupancy and modification of floodplains/wetlands? |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Will the proposed action result in any indirect impacts that will affect the natural values and functions of floodplains/wetlands?         |
| <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Will the proposed action forego an opportunity to restore the natural and beneficial values served by floodplains/wetlands?                |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Does the proposed action restore and/or preserve the natural and beneficial values served by floodplains/wetlands?                         |
| <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Will the proposed action result in an increase to the useful life of a structure or facility?  |

REMARKS:

STEP NO. 5

**Minimize the potential adverse impacts and support to or within floodplains/wetlands to be identified under Step 4, restore and**

**preserve the natural and beneficial values served by  
floodplains/wetlands; (44 CFR §9.11)**

☒ YES ☐ NO

Were flood hazard reduction techniques applied to the proposed action to minimize the flood impacts if site location is in the 100- or 500-Year floodplain/wetlands?

☒ YES ☐ NO

Were avoidance and minimization measures applied to the proposed action to minimize the short and long term impacts on the 100-Year floodplain/wetlands?

If no, identify measures required as a condition of the grant:

☒ YES ☐ NO

Were measures implemented to restore and preserve the natural and beneficial values of the floodplain/wetlands.

If no, identify measures required as a condition of the grant:

☐ YES ☒ NO

Is new construction or substantial improvement in a floodway, and new construction in a coastal high hazard area proposed? If Yes:

☐ YES ☒ NO Is the activity considered as functionally dependent use or a structure or facility which facilitates an open space use?

**STEP NO. 6**

**Reevaluate the proposed action to determine first, if it is still practicable in light of its exposure to flood hazards, the extent to which it will aggravate the hazards to others, and its potential to disrupt floodplain/wetlands values and second, if alternatives preliminarily rejected at Step 3 are practicable in light of the information gained in Steps 4 and 5. (44 CFR §9.9)**

☒ YES ☐ NO

The action is still practicable at a floodplain/wetland site in light of the exposure to flood risk and ensuing disruption of natural values;

☒ YES ☐ NO

The floodplain/wetlands site is the only practicable alternative.

☐ YES ☒ NO

There is no potential for limiting the action to increase the practicability of previously rejected non-floodplain/wetlands sites and alternative actions.

☒ YES ☐ NO

Minimization of harm to or within the floodplain/wetlands can be achieved using all practicable means.

☒ YES ☐ NO

The action in a floodplain/wetland clearly outweighs the requirement of E.O. 11988/11990.

**FEMA shall not act in a floodplain/wetland unless it is the only practicable location.**

---

**STEP NO. 7**

**Prepare and provide the public with a finding and public explanation of any final decision that the floodplain/wetland is the only practicable alternative; and (44 CFR §9.12)**



Check if the Initial Public Notice serves as the Final Public Notice. No condition required.



Check if the condition was added to the REC indicating that "Per 44 CFR Part 9.12(e), the Applicant is responsible for issuing a Public Notice 15 days prior to the start of construction of any final decision where the proposed floodplain or wetland project is the only practicable alternative."

---

**STEP NO. 8**

**Review the implementation and post - implementation phases of the proposed action to ensure that the requirements stated in Section 9.11 are fully implemented. Oversight responsibility shall be integrated into existing processes. (44 CFR §9.11)**

☒ YES ☐ NO

Was Grant conditioned on review of implementation and post-implementation phases to insure compliance of EO 11988?

**Failure to comply with conditions enumerated in the Record of Environmental Consideration may jeopardize federal funding.**

A Federally Funded Agreement  
Between the  
Governor's Office of Homeland Security and Emergency Preparedness  
And the  
Sewerage & Water Board of New Orleans

1.1 Introduction

1.2 The Federal Emergency Management Agency (hereinafter referred to as "Grantor") has made federal funds available to the State of Louisiana under the Hazard Mitigation Grant Program (HMGP), CFDA 97.039.

1.3 This Agreement addresses the use of those funds and is between the Governor's Office for Homeland Security and Emergency Preparedness (hereinafter referred to as "Grantee") and the Sewerage & Water Board of New Orleans (hereinafter referred to as "Sub-Grantee").

2.1 Applicable Laws, Regulations and Policies

2.2 Federal

Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288,  
as amended by 42 U.S.C. 5121-5207

31 United States Code Section 1352

Title 44 Code of Federal Regulations Parts 13 (specifically part 13.36), 14 and 206

OMB Circular A-102 (Standard Form 424B (Rev. 7-97))

OMB Circular 110

2.3 State

The Louisiana Homeland Security and Emergency Assistance and Disaster Acts, LRS Title 29, Chapter 6

Louisiana Revised Statute 33:4773(D)

Louisiana Revised Statute 22:1407

The State Uniform Construction Code, LA R.S. 40:1730.21-1730.39

Louisiana Revised Statute 40:1730.28

Louisiana Public Bid Law, LA R.S.

38:2211, et seq.

Louisiana Procurement Code, LRS Title 39, Chapter 17

Louisiana Hazard Mitigation Strategy (4 volumes)

3.1 Concept of Agreement

3.2 In order to implement the installation of five (5) permanent generators, the Grantor has provided funds to the Sub grantee through the Grantee's Hazard Mitigation Grant Program using a portion of the 5% initiative funds. The Sub grantee shall perform the necessary tasks, meet the required milestones and stay within the budgetary parameters outlined in the application for this project (HMPG 1792-022-0002).

3.3 The application of the Sub grantee is incorporated into this Agreement as if copied here in its entirety.

3.4 Additional responsibilities of the Grantee and Sub grantee are as follows:

3.4.1 All applicable state and federal laws, regulations and policies shall be adhered during

the execution of this project and more specifically:

3.4.2 Any changes to scope or budget shall comply with 44 CFR Part 13.

3.4.3 Sub grantee will comply with the limitation on the use of appropriated funds to influence certain Federal contracting and financial transactions as stated in 31 United States Code Section 1352.

3.4.4 Sub grantee will comply with all Assurances for Non-Construction Programs as outlined in Standard Form 424B (Rev. 7-97) as prescribed by OMB Circular A-102.

3.4.5 The Sub grantee will fully cooperate at all times with the Grantee as the project manager and the party accountable for all the funds of this project.

3.4.6 The Sub grantee agrees to meet all program and administrative requirements as dictated by the state and federal laws, regulations and policies referred to herein and by any other requirements deemed necessary by the Grantee to carry out the intent of this Agreement, which may not be specifically referred to in this document.

#### 4.1 Summary of Statement of Work

4.2 Pursuant to Hazard Mitigation Grant Program Project #HMGP 1792-022-0002, the Sub grantee shall perform the following tasks:

4.2.1 To implement the installation of five (5) permanent generators

#### 5.1 Summary of Budget

##### 5.2 Costs per task

5.1.1 For tasks 4.1.1 the total cost is: \$1,318,210.00

5.2 Total Costs \$1,318,210.00

##### 5.3 Funding Sources

5.3.1 Federal share (75%) \$ 988,658.00

5.3.2 Non-Federal share (25%) \$ 329,552.00

#### 6.1 Liability of Parties

6.2 This Agreement is intended for the benefit of the Grantor, Grantee and Sub grantee and does not confer any rights upon any other third parties.

6.3 All rights by and between the Grantor, Grantee and Sub grantee are limited to the actions outlined in the applicable state and federal laws, regulations and policies.

6.4 Sub grantee hereby holds harmless the Grantee from any actions or claims brought on behalf of any third parties who performs work and/or provides services on this project on behalf of the Sub grantee.

#### 7.0 Legal Authorization

The Sub grantee hereby certifies that it possesses the legal authority to enter into this Agreement and that it is authorized to receive the federal funds outlined herein.

#### 8.1 Notice and Contact

8.2 All notices between the Grantor and Sub grantor provided for pursuant to this Agreement shall be in writing, and sent first class, certified mail, return receipt requested.

8.3 The name and address of the Grantee's contract manager for this Agreement is:

**Mr. Casey Tingle**  
**Assistant Deputy Director, Hazard Mitigation**  
**Governor's Office of Homeland Security and Emergency Preparedness**  
**7667 Independence Boulevard**  
**Baton Rouge, Louisiana 70806**

The name and address of the designated agent responsible for the administration of this Agreement on behalf of the Sub grantee is:

**Mailing and Overnight Address**  
**Mr. Cedric S. Grant**  
**Executive Director**  
**Sewerage & Water Board of New Orleans**  
**625 St. Joseph Street, Room 233**  
**New Orleans, LA 70165**

8.4 In the event that the mailing address of the Grantee or Sub grantee changes during the terms of this Agreement, or that there is a change in the designated points of contact, the party with the address change or change of contact shall immediately notify the other party of the change.

On behalf of their respective agencies, the Grantee and the Sub grantee have each executed this Agreement.

BY: \_\_\_\_\_  
James B. Waskom  
Director  
GOVERNOR'S OFFICE OF HOMELAND  
SECURITY AND EMERGENCY PREPAREDNESS

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
Cedric S. Grant, Executive Director  
SEWERAGE & WATER BOARD OF NEW  
ORLEANS

DATE: \_\_\_\_\_

**Sewerage & Water Board New Orleans  
1792-022-0002 (FEMA 1792-0015)**

Items	Cost Per Site	Qty	Total Project
400 kw Lot price, Wires, Fuel Tank, Transfer Switch	\$99,355.00	5	\$496,775.00
Platform	\$12,917.00	5	\$64,585.00
Construction	\$102,585.00	5	\$512,925.00
Design	\$22,852.00	5	\$114,260.00
Project Management/w construction Management	\$25,933.00	5	\$129,665.00
	<b>Total</b>		<b>\$1,318,210.00</b>

**AWARD TO AECOM FOR SERVICES ASSOCIATED WITH PROJECT CONTROLS AND SCHEDULING SERVICES OF ENGINEERING PROGRAMS**

**WHEREAS**, Sewerage & Water Board (S&WB) staff is currently managing a number of large, concurrent construction programs, each requiring significant in house effort to manage. These programs have separate schedules and unique monitoring requirements depending upon the funding sources; and

**WHEREAS**, in an effort to ensure that each of these programs is coordinated to minimize negative impacts to all other activities, and continually meet our current operating requirements, staff has identified a need for external Project Controls and Scheduling Services. These services will be used to provide reviews of program schedules and their current time and funding estimates; and

**WHEREAS**, this selected vendor will compare these schedules in an effort to identify potential conflicts. As part of this effort, the selected vendor will also review current project controls to determine the accuracy of information provided by program contractors, consultants, and vendors; and

**WHEREAS**, the S&WB staff solicited and, in October of 2014, the Board approved a list of vendors to provide engineering services on S&WB projects. From that list, staff recommends the approval of AECOM for such services, as they are known to possess highly-experienced staff with these credentials, and they are among the highest-rated consultants on the Board's current list of pre-qualified consultants. AECOM has committed to meet our 35% goal for Disadvantaged Business Enterprises Program.

**NOW, THEREFORE, BE IT RESOLVED** that staff is authorized to negotiate a fee and schedule with AECOM to complete that the term of the agreement is extended to December 31, 2016 and with the above changes in terms and conditions from the original Agreement is approved.

---

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 May 18, 2016.

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



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## Inter-Office Memorandum

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**Date:** March 31, 2016

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

**To:** Cedric S. Grant  
Executive Director

**Re:** Project Controls and Scheduling Services  
Award to AECOM for Engineering Services

SWB staff is currently managing a number of large, concurrent construction programs, each requiring significant in house effort to manage. These programs have separate schedules and unique monitoring requirements depending upon the funding sources. In an effort to ensure that each of these programs is coordinated to minimize negative impacts to all other activities, and continually meet our current operating requirements, staff has identified a need for external Project Controls and Scheduling Services. These services will be used to provide reviews of program schedules and their current time and funding estimates. This selected vendor will compare these schedules in an effort to identify potential conflicts. As part of this effort, the selected vendor will also review current project controls to determine the accuracy of information provided by program contractors, consultants, and vendors.

The SWB staff solicited and, in October of 2014, the Board approved a list of vendors to provide engineering services on SWB projects. From that list, staff recommends the approval of AECOM for such services, as they are known to possess highly-experienced staff with these credentials, and they are among the highest-rated consultants on the Board's current list of pre-qualified consultants. AECOM has committed to meet our 35% goal for Disadvantaged Business Enterprises Program.

Joseph Becker, P.E.  
General Superintendent



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

May 18, 2016

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

Dear Directors:

Subject: Actuarial Valuation Report for Employees' Retirement System as of December 31, 2015  
And Recommended Resolution for Employer Contribution Rate for 2016.

Please find attached the Actuarial Valuation Report for Employees' Retirement System for the year ending December 31, 2015.

The valuation report shows that the Funded Ratio has increased from 78.4% to 80.7% and the Employer 30 Year Amortization Minimum Contribution has decreased from 22.573% to 20.690%. However, staff recommends that the contribution rate not be reduced below the current employer contribution rate of 22.573%.

Based upon that recommendation, please find attached the recommended resolution to maintain the employer contribution rate for 2016 at 22.573%.

Robert K. Miller  
Deputy Director / Chief Financial Officer

**SEWERAGE AND WATER BOARD'S 2016 CONTRIBUTION TO THE EMPLOYEES'  
RETIREMENT SYSTEM OF SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**WHEREAS**, the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Plan") is an actuarially funded qualified government defined benefit plan under the Internal Revenue Code; and

**WHEREAS**, an annual actuarial valuation report of the Plan was presented as of December 31, 2015; and

**WHEREAS**, the aforementioned actuarial report reflects an actuarial valuation using the Entry Age Normal Cost Method; and

**WHEREAS**, the adopted "minimum contribution" for a plan year equals the normal cost plus the amount necessary to amortize the Unfunded Actuarial Liability; and

**WHEREAS**, the normal cost for plan year beginning January 1, 2016 is \$3,651,873; and

**WHEREAS**, the net annual charge required for amortization of the Unfunded Actuarial Liability over a thirty year period beginning January 1, 2016 is \$4,998,824; and

**WHEREAS**, the total plan contribution as of January 1, 2016 is \$8,650,697 (\$3,651,873 plus \$4,998,824), which percentage contribution 25.690% of the annual participant active payroll of \$33,672,902; and

**WHEREAS**, the annual employee plan contribution as of January 1, 2016 is \$1,683,645, which percentage contribution for the purpose of computing the employer contribution is 5.000% of the active payroll; and

**WHEREAS**, the minimum employer contribution as of January 1, 2016 is \$6,967,052 which percentage contribution is 20.690% of the active payroll; and

**WHEREAS**, the actuarial report includes the required "amortization" contribution for the Plan to amortize the Unfunded Actuarial Liability of \$63,996,458 over the thirty (30) year amortization period, effective on each valuation date at 7% percent annual interest; and

**WHEREAS**, Sewerage and Water Board is not currently seeking to reduce its contribution rate below the current employer contribution rate of 22.573%; and

**WHEREAS**, the current employer contribution of active payroll of 22.573% for the 2016 plan year over a thirty year period, is hereby recommended to continue for 2016.

**NOW, THEREFORE, BE IT RESOLVED** by Sewerage and Water Board of New Orleans that the Employer Contribution of the active payroll shall remain at 22.573% for the Plan Year beginning January 1, 2016.

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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 May 18, 2016.

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

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

160 Pleasant Ridge Drive  
Belle Chasse, LA 70037-4502  
Tel. 504.392.8853 ■ Facsimile 504.392.4430

April 25, 2016

Mr. Cedric S. Grant  
Executive Director  
Sewerage and Water Board of New Orleans  
625 St. Joseph Street  
New Orleans, LA 70165

Re: January 1, 2016 Actuarial Valuation

Dear Mr. Grant:

Enclosed is the actuarial valuation report of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of December 31, 2015.

This actuarial valuation has been performed on a basis consistent with that which was performed as of December 31, 2014.

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

Summarized below are the principal results of the actuarial valuation.

### Summary of Valuation Results

	<u>12/31/2014</u>	<u>12/31/2015</u>
1. Number of Active Participants	916	971
2. Total Active Annual Payroll	\$ 31,378,001	\$ 33,672,902
3. Plan 10 Year "Amortization" Contribution as a Percentage of Active Payroll	40.604%	37.073%
4. Expected Employee Contribution as a Percentage of Active Payroll (See p. 12 of report)	5.000%	5.000%
5. Employer 10 Year "Amortization" Contribution as a Percentage of Active Payroll	35.604%	32.073%

Mr. Cedric S. Grant  
April 25, 2016  
Page 2

	<u>12/31/2014</u>	<u>12/31/2015</u>
6. Plan 30 Year Amortization (Minimum) Contribution as a Percentage of Active Payroll	27.573%	25.690%
7. Expected Employee Contribution as a Percentage of Active Payroll (See p. 12 of report)	5.000%	5.000%
8. Employer 30 Year Amortization (Minimum) Contribution as a Percentage of Active Payroll	22.573%	20.690%
9. Market Value of Plan Assets	\$ 236,556,671	\$ 222,427,527
10. Actuarial Value of Plan Assets (Adjusted Market Value Basis)	\$ 223,689,847	\$ 233,572,291
11. Valuation Unfunded Actuarial Liability	\$ 68,269,305	\$ 63,996,458
12. Ratio of UAL to Valuation Payroll	217.6%	190.1%
13. Funded Ratio	78.4%	80.7%

There were not any changes to the actuarial assumptions or method since the immediately preceding valuation. The plan amendments adopted on November 19, 2014 involving definition of "average compensation" and employee contributions were first included in last year's valuation and have also, of course, been included in the valuation (see page 12, Exhibit I of the report).

Yours truly,



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

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

MAC:wp  
Enclosures

**ACTUARIAL VALUATION REPORT**

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

**Annual Actuarial Valuation  
as of January 1, 2016**

**CONEFRY & COMPANY, LLC**

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**ACTUARIAL AND EMPLOYEE BENEFIT CONSULTING  
NEW ORLEANS, LOUISIANA**

## INTRODUCTION

We present in this report the results of our actuarial valuation of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2016. The plan is an actuarially funded qualified governmental defined benefit pension under the Internal Revenue Code, and we have performed this actuarial valuation using conventional and generally accepted actuarial methods, assumptions, and principles applicable to qualified defined benefit pension plans. We have performed the actuarial valuation using the Entry Age Normal Cost Method. A full description of the funding method is contained in Section II of the report.

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

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

SUMMARY

I. **FINANCIAL AND ACTUARIAL STATUS**  
As of January 1, 2016

Market Value of Assets	\$ 222,427,527	Page 1
Actuarial Value of Assets	\$ 233,572,291	Page 2

II. **EMPLOYER AND EMPLOYEE CONTRIBUTIONS**  
For the Plan Year Beginning January 1, 2016

Total "Amortization" Contribution (As % of Payroll)	\$ 12,483,638 (37.073%)	Page 8
Expected Total Employee Contributions (As % of Payroll)	\$ 1,683,645 (5.000%)	Page 8
Employer "Amortization" Contribution (As % of Payroll)	\$ 10,799,993 (32.073%)	Page 8
Total "Minimum" Contribution (As % of Payroll)	\$ 8,650,697 (25.690%)	Page 9
Expected Total Employee Contributions (As % of Payroll)	\$ 1,683,645 (5.000%)	Page 9
Employer "Minimum" Contribution (As % of Payroll)	\$ 6,967,052 (20.690%)	Page 9
Net Actuarial Experience		Page 10

APPENDIX

Summary of Plan Provisions	Exhibit I - P. 12
Statement of Actuarial Basis for Funding Purposes	Exhibit II - P. 20
Statement of Accounting Information for Financial Statements	Exhibit III - P. 24
Active and Inactive Participant Profiles	Exhibit IV - P. 25
Market Value and Actuarial Value Investment Performance	Exhibit V - P. 32

CERTIFICATION

Page 36

I. FINANCIAL AND ACTUARIAL STATUS as of January 1, 2016

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

ASSETS

The following table showing the composition of the assets as of December 31, 2015 is based on information supplied by the administrative office and the auditors of the System.

Table 1

Statement of Assets  
as of December 31, 2015

<u>Assets</u>	<u>Market Value</u>
Cash	\$ 317,096
Investments	<u>221,077,262</u>
Total Invested Assets	221,394,358
Plus accounts receivable	+1,033,169
Less accounts payable	<u>0</u>
Total Assets	\$ 222,427,527 *

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

## ACTUARIAL VALUE OF ASSETS

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

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

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

Table 2  
Actuarial Value of Assets  
As of December 31, 2015

Plan Year Ending	Beginning Market Value	Net External Cash Flow For Year	Market Value Inv. Income For Year	Ending Market Value	Market Value Performance For Year	Adj. Market Value Component
2009	166,418,096	-7,306,708	31,912,755	191,024,143	19.6067%	221,263,144
2010	191,024,143	-8,223,289	22,439,431	205,240,285	12.0053%	234,377,968
2011	205,240,285	-8,114,890	8,968,361	206,093,756	4.4578%	227,667,686
2012	206,093,756	-8,472,301	23,082,600	220,704,055	11.4351%	238,628,823
2013	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	247,853,817
2014	234,358,049	-9,143,898	11,342,520	236,556,671	4.9361%	242,787,071
2015	236,556,671	-9,985,003	-4,144,141	222,427,527	-1.7891%	222,427,527

Years Included: 7    -60,783,331    116,792,762

Average Adj. MV: \$233,572,291

II.

EMPLOYER AND EMPLOYEE CONTRIBUTIONS  
for the Plan Year Beginning January 1, 2016

DESCRIPTION OF ACTUARIAL COST METHOD

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

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

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

Table 3  
Entry Age Normal Cost for Plan Year  
Beginning January 1, 2016

(1)	Actuarial Present Value at Entry Age of Expected Benefits to Plan Participants	\$ 15,198,565
(2)	Actuarial Present Value at Entry Age of Future Payroll of Active Participants	144,576,197
(3)	Normal Cost as a Percentage of Payroll: (1) divided by (2)	10.512%
(4)	Current Payroll of Active Participants *	33,672,902
(5)	Normal Cost: (3) x (4) (Assumed payable January 1, 2016)	\$ 3,539,695
(6)	Normal Cost, adjusted for monthly payments	\$ 3,651,873

\* There are 971 active participants: 513-fully vested; 0-partially vested; 458-not vested.

Table 4  
Unfunded Actuarial Liability  
as of January 1, 2016

(1)	Actuarial Present Value of Expected Benefits to Active Plan Participants		
(a)	Basic and Supplemental Retirement Benefit	\$ 96,071,392	
(b)	Death and Survivor Benefit	7,615,180	
(c)	Disability Benefit (Inc. suppl & surv.)	6,863,544	
(d)	Vesting Benefit	6,859,908	
(e)	Refund of Employee Contributions	<u>1,654,937</u>	
	Total Active		\$ 119,064,961
(2)	Actuarial Present Value of Expected Benefits to Inactive Plan Participants		
(a)	Regular Retirees	\$ 121,622,019	
(b)	Disability Retirement	7,831,111	
(c)	Survivors	6,506,225	
(d)	Terminated Vested	1,426,894	
(e)	D.R.O.P. Retirees (Future Benefits)	48,344,469	
(f)	D.R.O.P. Retirees (Account Balances)	<u>11,310,510</u>	
	Total Inactive		\$ 197,041,228
(3)	Total Actuarial Present Value of Expected Benefits to All Plan Participants (1) + (2)		316,106,189
(4)	Actuarial Present Value of Future Payroll of Active Participants		176,345,510
(5)	Normal Cost as a Percentage of Payroll: (From Table 3)		10.512%
(6)	Actuarial Present Value of Future Normal Cost Contributions: (4) x (5)		18,537,440
(7)	Actuarial Value of Assets (from Table 2)		233,572,291
(8)	Unfunded Actuarial Liability: (3) - (6) - (7)		63,996,458

TOTAL CONTRIBUTION FOR PLAN YEAR BEGINNING January 1, 2016

CONTRIBUTION TO AMORTIZE UNFUNDED ACTUARIAL LIABILITY

The adopted "amortization" contribution for a plan year equals the normal cost plus the level dollar amount necessary to amortize the Unfunded Actuarial Liability over ten (10) years. The annual amount required to amortize the Unfunded Actuarial Liability of \$63,996,458 over 10 years at 7% annual interest (assuming monthly payments) is \$8,831,765.

Table 5

Total Required "Amortization" Contribution for the  
Plan Year Beginning January 1, 2016

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,651,873	
(2)	Net Annual charge Required for Amortization of Unfunded Actuarial Liability Over 10 year period beginning January 1, 2016 (See Above; Assumed payable monthly)	8,831,765	
(3)	Total Plan Contribution as of January 1, 2016: (1) + (2)	\$ 12,483,638 (37.073%)	*
(4)	Annual Employee Plan Contributions as of January 1, 2016 (See note below)	\$ 1,683,645 ( 5.000%)	*
(5)	Employer Contribution as of January 1, 2016: (3) - (4) (Assumed payable monthly)	\$ 10,799,993 (32.073%)	*

\* Expressed as a percentage of annual participant payroll of \$33,672,902.

Note: Current actual employee contribution is 6% of payroll effective January 1, 2015. By Board Resolution R-248-2014, as long as the Retirement System is not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

### "MINIMUM" CONTRIBUTION

GASB Statements 25 and 27 require that the Unfunded Actuarial Liability be amortized over a period not longer than 30 years. The minimum contribution for a plan year equals the normal cost plus the amount necessary to amortize the Unfunded Actuarial Liability over the thirty (30) year period which begins on the valuation date. Using a level dollar, open period amortization method, the annual amount required to amortize the Unfunded Actuarial Liability of \$63,996,458 over the 30 year period beginning January 1, 2016 at 7% annual interest (assuming monthly payments) is \$4,998,824.

Table 6  
Total Required "Minimum" Contribution for the  
Plan Year Beginning January 1, 2016

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,651,873	
(2)	Net Annual Charge Required for Amortization of Unfunded Actuarial Liability Over 30 year period beginning January 1, 2016 (see above) (Assumed payable monthly)	4,998,824	
(3)	Total Plan Contribution as of January 1, 2016: (1) + (2)	\$ 8,650,697 (25.690%)	*
(4)	Annual Employee Plan Contributions as of January 1, 2016 (See note below)	\$ 1,683,645 ( 5.000%)	*
(5)	Employer Contribution as of January 1, 2016: (3) - (4) (Assumed payable monthly)	\$ 6,967,052 (20.690%)	*

\* Expressed as a percentage of annual participant payroll of \$33,672,902.

Note: Current actual employee contribution is 6% of payroll effective January 1, 2015. By Board Resolution R-248-2014, as long as the Retirement System is not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

NET ACTUARIAL EXPERIENCE  
for the Plan Year Beginning January 1, 2015

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

The Total "Amortization" Contribution as a percentage of payroll decreased from 40.604% for the plan year beginning January 1, 2015 to 37.073% for the plan year beginning January 1, 2016. The Total "Minimum" Contribution as a percentage of payroll decreased from 27.573% for the plan year beginning January 1, 2015 to 25.690% for the plan year beginning January 1, 2016. These decreases of 3.531% and 1.883% of payroll, respectively, are indicative of an overall actuarial gain for the most recent plan year. This gain represents the net decrease in the total plan contribution as the combined result of actuarial experience and the change in total plan contribution attributable to plan amendments, as shown in the following table.

Table 7  
Effect on Total "Amortization" and "Minimum"  
Contributions by Component  
for the Plan Year Ending December 31, 2015

<u>Component</u>	<u>"Amortization"</u> <u>Gain (-) or Loss (+)</u>	<u>"Minimum"</u> <u>Gain (-) or Loss (+)</u>
Interest	-2.386%	-1.351%
Salary Scale	+0.269%	+0.177%
New retirements	+0.340%	+0.192%
Net from All Other Sources	<u>-0.569%</u>	<u>-0.097%</u>
Net change from actuarial experience	-2.346%	-1.079%
Net change from Plan Amendments	<u>-1.185%</u>	<u>-0.804%</u>
Overall Total Gain(-)/Loss(+)	<u>-3.531%</u>	<u>-1.883%</u>

**A P P E N D I X**

EXHIBIT I

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

SUMMARY OF PLAN PROVISIONS

EFFECTIVE DATE:

Authorized by Act Number 551, effective January 1, 1957; Last Restatement for Plan Qualification, January 27, 2011; Latest Restatement, April 17, 2013; last amendment date as of the date of performance of this valuation, November 19, 2014.

MEMBERSHIP:

Employees who become members as a condition of employment.

CREDITABLE SERVICE:

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

EARNABLE COMPENSATION:

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

AVERAGE COMPENSATION:

Average annual earned compensation of a member for highest thirty-six successive months of service as a member, minus \$1,200. For employees hired after December 31, 1995, the \$1,200 reduction was not applicable. Effective June 19, 2002, the \$1,200 reduction was eliminated for all employees. Periods without compensation are not used in determining the average compensation. For employees not yet eligible to retire as of December 31, 2014, the thirty-six month period was changed to forty-eight months effective January 1, 2017 and sixty months effective January 1, 2018.

EMPLOYEE CONTRIBUTIONS:

4% of earnable compensation through December 31, 2012; effective January 1, 2013, 5% of earnable compensation; effective January 1, 2015, 6% of earnable compensation. By Board Resolution R-248-2014, as long as the Retirement System is not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

EXHIBIT I (Continued)

EMPLOYER CONTRIBUTIONS:

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

RETIREMENT BENEFITS:

Eligibility:

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

Benefits:

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

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

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

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

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

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

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

EXHIBIT I (Continued)

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

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

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

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

DISABILITY BENEFITS:

Eligibility:

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

Benefits:

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

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

3) Benefit offset by Workmen's Compensation benefits.

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

DEATH BENEFITS:

Eligibility:

Death of member in active service.

Benefits:

Employee's accumulated contributions paid to beneficiary.

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

EXHIBIT I (Continued)

- 2) If member dies in active service with less than three years Creditable Service, a Lump Sum Benefit equal to the Member's accumulated contributions is payable to the designated beneficiary or estate.
- 3) If, at date of death, member was eligible for retirement and leaves Surviving Spouse, Surviving Spouse shall be eligible for a Joint and 100% benefit or a lump sum refund of Employee's contributions.
- 4) If, at date of death, member was ineligible for retirement, but had at least 10 or more years of creditable service, then surviving spouse shall receive benefit equal to 80% of the former member's accrued benefit at death, payable at the later of the member's death or spouse's attainment of age 62.
- 5) If, at date of death, member was receiving a disability benefit and dies, his spouse shall receive 80% of the former member's disability retirement allowance payable at the later of the retiree's death or spouse's attainment of age 62. Eligible children shall receive 65% of the disability benefit payable until they reach age 18, age 25 if the child attends school full time or is mentally or physically disabled or until the spouse attains age 62.
- 6) The spouse's benefit shall be subject to the COLA after attaining age 65 as for a regular retiree.

SEPARATION BENEFITS:

- 1) A member that withdraws from service before age 60 with 10 years of Creditable Service may allow his accumulated contributions to remain on deposit until he is eligible to receive a separation retirement allowance. Effective June 19, 2002, only 5 years of Creditable Service is required.
- 2) Upon withdrawal without 10 years Creditable Service (or, after June 19, 2002, 5 years) Employee is entitled to a refund of his accumulated contributions or may allow contributions to remain on deposit for maximum of five years. In case of employee's death, accumulated contribution are paid to designated beneficiary.

Note:

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

EXHIBIT I (Continued)

OPTIONAL FORMS OF BENEFIT:

- 1) A member shall receive a retirement allowance payable for life. If he dies before receiving, in annuity payments, the value of his annuity at the time of his retirement, the balance is payable to his beneficiary.
- 2) A reduced benefit payable for the life of the member and continued to beneficiary after member's death. A specific percentage is chosen by the member at the time of retirement. Such percentage shall be an integral multiple of 5%, to a maximum of 100%.
- 3) A reduced benefit payable for the life of the member and 100% of that amount is paid to the spouse after member's death.

RECIPROCITY:

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

DROP ACCOUNT:

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

- 1) A member can only participant once, and only up to three years. Effective June 19, 2002, the allowable period was increased to 5 years.
- 2) When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

EXHIBIT I (Continued)

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

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

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

EXHIBIT I (Continued)

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

September 23, 1993:

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

January 8, 1994:

Allows for purchase of credit for prior military service.

December 13, 1995:

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

January 1, 1996:

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

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

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

January 1, 1997:

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

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

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

June 21, 2000:

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

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

EXHIBIT I (Continued)

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

June 21, 2000:

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

January 1, 2001:

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

February 25, 2001:

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

June 19, 2002:

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

January 31, 2011:

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

January 1, 2013:

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

November 19, 2014:

Employee contribution formula amended from 5% to 6% of earnable compensation effective January 1, 2015 (but see explanation on page 12). Period used in determining average compensation changed for employees not yet eligible to retire as of December 31, 2014, was changed to forty-eight months effective January 1, 2017 and sixty months effective January 1, 2018.

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

Actuarial Funding Method:

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

Actuarial Assumptions

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

## STATEMENT OF ACTUARIAL BASIS FOR FUNDING PURPOSES

### Actuarial Assumptions (Continued)

**Retirement:**

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

**Disability Incidence:**

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

**Survivor Benefits:**

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

**Other assumptions:**

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM  
JANUARY 1, 2016 ACTUARIAL VALUATION  
ASSUMED RATES OF MORTALITY, WITHDRAWAL AND DISABILITY INCIDENCE BY AGE AND GENDER

AGE	MORTALITY		WITHDRAWAL	DISABILITY INCIDENCE
	MALE	FEMALE		
15	.000433	.000193	.368600	.001100
16	.000444	.000205	.368600	.001100
17	.000457	.000218	.368600	.001100
18	.000471	.000231	.358700	.001100
19	.000486	.000245	.346600	.001100
20	.000503	.000260	.332900	.001100
21	.000522	.000275	.317800	.001100
22	.000544	.000292	.301800	.001100
23	.000566	.000309	.285100	.001100
24	.000591	.000327	.268000	.001100
25	.000619	.000347	.250700	.001100
26	.000650	.000368	.233600	.001100
27	.000684	.000390	.216700	.001100
28	.000722	.000414	.200200	.001100
29	.000763	.000440	.184300	.001100
30	.000809	.000469	.169100	.001100
31	.000860	.000499	.154700	.001100
32	.000916	.000533	.141200	.001100
33	.000978	.000569	.128500	.001100
34	.001046	.000608	.116800	.001100
35	.001122	.000651	.106100	.001300
36	.001204	.000698	.096300	.001500
37	.001295	.000750	.087600	.001800
38	.001397	.000807	.079800	.002100
39	.001509	.000869	.072800	.002400
40	.001633	.000938	.066800	.003000
41	.001789	.001013	.061600	.003600
42	.002000	.001094	.057200	.004200
43	.002260	.001186	.053500	.004800
44	.002569	.001286	.050400	.005500
45	.002922	.001397	.047800	.006400
46	.003318	.001519	.045800	.007400
47	.003754	.001654	.044200	.008200
48	.004228	.001802	.042900	.009000
49	.004740	.001967	.041900	.009700
50	.005285	.002151	.041200	.011100
51	.005867	.002324	.040500	.012600
52	.006480	.002520	.040000	.014000
53	.007127	.002738	.040000	.015800
54	.007806	.002982	.040000	.017600
55	.008519	.003256	.040000	.019000
56	.009262	.003574	.040000	.020000
57	.010039	.003948	.040000	.021500
58	.010889	.004388	.040000	.025000
59	.011924	.004901	.040000	.029500
60	.013119	.005489	.040000	.034500
61	.014440	.006156	.040000	.039000
62	.015863	.006898	.040000	.051000
63	.017413	.007712	.040000	.051000
64	.019185	.008608	.040000	.051000
65	.021260	.009563	.040000	.051000

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM  
JANUARY 1, 2016 ACTUARIAL VALUATION  
ASSUMED RATES OF MORTALITY, WITHDRAWAL AND DISABILITY INCIDENCE BY AGE AND GENDER

AGE	MORTALITY		WITHDRAWAL	DISABILITY INCIDENCE
	MALE	FEMALE		
66	.023643	.010565	.040000	.051000
67	.026316	.011621	.040000	.051000
68	.029188	.012877	.040000	.051000
69	.032435	.014461	.040000	.051000
70	.036106	.016477	.040000	.051000
71	.040008	.019000	0.000000	.051000
72	.043827	.021911	0.000000	.051000
73	.047489	.025112	0.000000	.051000
74	.051221	.028632	0.000000	.051000
75	.055293	.032385	0.000000	.051000
76	.060068	.036408	0.000000	.051000
77	.065924	.040769	0.000000	.051000
78	.072595	.045472	0.000000	.051000
79	.079692	.050616	0.000000	.051000
80	.087431	.056085	0.000000	.051000
81	.095445	.061853	0.000000	.051000
82	.103691	.067936	0.000000	.051000
83	.112303	.074351	0.000000	.051000
84	.121116	.081501	0.000000	.051000
85	.130102	.089179	0.000000	.051000
86	.139315	.097468	0.000000	.051000
87	.148714	.106452	0.000000	.051000
88	.158486	.116226	0.000000	.051000
89	.168709	.126893	0.000000	.051000
90	.179452	.138577	0.000000	.051000
91	.190489	.151192	0.000000	.051000
92	.201681	.165077	0.000000	.051000
93	.212986	.180401	0.000000	.051000
94	.226535	.197349	0.000000	.051000
95	.241164	.216129	0.000000	.051000
96	.256204	.236970	0.000000	.051000
97	.272480	.258059	0.000000	.051000
98	.290163	.280237	0.000000	.051000
99	.309125	.304679	0.000000	.051000
100	.329825	.331630	0.000000	.051000

### EXHIBIT III

#### December 31, 2015 DISCLOSURE INFORMATION ON FUNDING PROGRESS

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

The Projected Benefit Obligation (PBO) as of December 31, 2015 is based on all of the assumptions outlined in Exhibit II including future salary growth. The Unfunded Accrued Liability (UAL) is that used in funding the plan and is developed in Table 4.

#### SCHEDULE OF FUNDING PROGRESS

	<u>12/31/2014</u>	<u>12/31/2015</u>
Interest Assumption	7.00%	7.00%

#### RATIO OF UAL TO VALUATION PAYROLL:

[1] Unfunded Accrued Liability (UAL)	\$ 68,269,305	\$ 63,996,458
[2] Valuation Annual Payroll	31,378,001	33,672,902
[3] Ratio: [1] divided by [2]	217.6%	190.1%

#### FUNDED RATIO:

[1] Projected Benefit Obligation (PBO)		
Inactive Plan Participants	\$ 192,417,999	\$ 197,041,228
Active Plan Participants	<u>92,829,683</u>	<u>92,267,868</u>
Total PBO	\$ 285,247,682	\$ 289,309,096
[2] Actuarial Value of Assets	226,423,894	233,572,291
[3] Funded Ratio: [2] divided by [1]	78.4%	80.7%*

\* By comparison, the average in Louisiana for the four "State" systems was 59.1% and for the four "State" and ten "Statewide" systems combined was 63.2% based on the June 30, 2013 actuarial valuation report issued by the Louisiana Legislative Auditor's Office, the most recent report available.

**EXHIBIT IV**

**ACTIVE AND INACTIVE PARTICIPANT PROFILES**

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2016 ACTIVE PARTICIPANT AGE VS SERVICE GRID  
JANUARY 1, 2016 ACTUARIAL VALUATION

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

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	TOTAL ANNUAL SALARIES	AVERAGE SALARY
20-24	53	1	0	0	0	0	0	0	0	54	1,293,636.97	23,956.24
25-29	114	22	1	0	0	0	0	0	0	137	4,009,788.64	29,268.53
30-34	76	33	8	0	0	0	0	0	0	117	3,552,202.05	30,360.70
35-39	54	16	15	3	2	0	0	0	0	90	2,770,213.54	30,780.15
40-44	41	27	9	9	13	1	0	0	0	100	3,277,761.08	32,777.61
45-49	33	19	14	14	28	11	1	0	0	120	4,317,898.22	35,982.49
50-54	42	20	8	11	20	24	30	0	0	155	6,268,961.75	40,444.91
55-59	32	23	11	7	19	22	9	3	0	126	4,771,061.76	37,865.57
60-64	20	10	5	4	7	6	2	0	0	54	2,366,846.59	43,830.49
65-69	5	3	1	3	2	0	0	0	1	15	822,701.54	54,846.77
70-74	0	0	3	0	0	0	0	0	0	3	221,832.27	73,944.09
	470	174	75	51	91	64	42	3	1	971	33,672,904.41	34,678.58

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2016 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2016 ACTUARIAL VALUATION

AGE	REGULAR RETIREES										TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+				
50-54	2	1	0	0	0	0	0	0	0	3	102,083.16	34,027.72	
55-59	16	29	1	0	0	0	0	0	0	46	1,393,087.92	30,284.52	
60-64	22	87	28	0	0	0	0	0	0	137	3,612,516.12	26,368.73	
65-69	14	75	46	17	0	1	0	0	0	153	3,949,663.44	25,814.79	
70-74	1	29	45	21	2	1	0	0	1	100	2,322,109.44	23,221.09	
75-79	1	2	12	27	11	2	0	0	0	55	1,066,802.88	19,396.42	
80-84	0	0	1	22	11	5	0	0	0	39	616,411.20	15,805.42	
85-89	0	1	1	3	4	16	2	0	0	27	426,330.00	15,790.00	
90+	0	0	0	0	0	2	5	1	0	8	123,471.96	15,434.00	
56	224	134	90	28	27	7	1	1	568	13,612,476.12	23,965.63		

AGE	YEARS SINCE RETIREMENT										DISABLED RETIREES				TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+								
40-44	0	1	0	0	0	0	0	0	0	0	1	21,581.52	21,581.52	21,581.52			
45-49	1	2	0	0	0	0	0	0	0	0	3	58,004.88	19,334.96	19,334.96			
50-54	1	5	0	0	0	0	0	0	0	0	6	124,521.48	20,753.58	20,753.58			
55-59	1	5	3	2	0	0	0	0	0	0	11	164,911.08	14,991.92	14,991.92			
60-64	0	6	5	6	1	1	0	0	0	0	19	210,002.16	11,052.75	11,052.75			
65-69	0	1	4	3	2	0	0	0	0	0	10	123,747.84	12,374.78	12,374.78			
70-74	0	0	2	1	2	0	0	0	0	0	5	38,761.56	7,752.31	7,752.31			
3	20	14	12	5	1	0	0	0	0	0	55	741,530.52	13,482.37	13,482.37			

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2016 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2016 ACTUARIAL VALUATION

AGE	----- SURVIVORS -----										TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL		
0-19	1	0	0	1	0	0	0	0	0	2	16,377.84	8,188.92
45-49	2	0	0	0	0	0	0	0	0	2	6,506.40	3,253.20
50-54	2	1	0	0	0	0	0	0	0	3	15,806.04	5,268.68
55-59	6	6	1	0	0	0	0	0	0	13	119,979.60	9,229.20
60-64	7	6	1	0	0	0	0	0	0	14	92,134.32	6,581.02
65-69	5	4	4	1	1	0	0	0	0	15	116,424.00	7,761.60
70-74	3	4	1	2	0	1	0	0	0	11	122,243.40	11,113.04
75-79	1	4	5	0	0	1	0	0	0	11	64,245.48	5,840.50
80-84	4	1	1	0	0	1	0	0	0	7	39,456.96	5,636.71
85-89	2	2	0	0	1	2	0	0	0	7	81,349.80	11,621.40
90+	0	3	4	0	0	0	0	1	1	9	69,079.80	7,675.53
	33	31	17	4	2	5	0	1	1	94	743,603.64	7,910.68

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
01/1/2016 INACTIVE PARTICIPANT PROFILE  
JANUARY 1, 2016 ACTUARIAL VALUATION

AGE	YEARS SINCE RETIREMENT							DROP RETIREES		TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+			
50-54	19	0	0	0	0	0	0	0	0	19	705,108.72	37,110.99
55-59	44	0	0	0	0	0	0	0	0	44	1,883,615.52	42,809.44
60-64	50	0	0	0	0	0	0	0	0	50	1,597,057.56	31,941.15
65-69	11	0	0	0	0	0	0	0	0	11	322,405.92	29,309.63
	124	0	0	0	0	0	0	0	0	124	4,508,187.72	36,356.35

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM  
12/31/2015 TERMINATED VESTED EMPLOYEES WITH DEFERRED BENEFITS

NAME	EMPLOYEE ID NUMBER	S E X	DATE OF BIRTH	DATE OF TERMINATION	(BASIC) INIT. MO. BENEFIT	(BASIC) CURR. MO. BENEFIT	SUPPL. MONTHLY BENEFIT	ACCUMULATED EMPLOYEE CONTRIBS.
718	M	M	11/05/59	3/24/2001	1,812.12	1,812.14	36.96	31,447.13
719	M	M	8/19/71	5/04/2006	0.00	435.87	0.00	7,004.63
720	M	M	4/14/58	1/11/1994	250.44	250.44	26.25	7,540.24
721	F	F	8/12/53	4/13/1995	1,174.56	1,174.56	39.37	21,694.69
722	M	M	6/23/54	3/28/2006	0.00	916.65	0.00	16,296.90
723	M	M	2/24/67	11/08/2004	0.00	1,110.29	0.00	21,156.73
724	M	M	3/29/62	8/08/2007	0.00	2,133.13	0.00	23,833.94
725	M	M	8/29/62	1/13/1999	337.93	337.93	21.25	7,605.62
726	M	M	12/01/53	11/05/2005	0.00	1,055.82	0.00	16,631.41
727	M	M	2/25/58	1/13/2007	0.00	1,306.16	0.00	25,960.64
728	M	M	2/06/61	3/16/2011	0.00	0.00	0.00	10,376.09
729	F	F	10/17/76	5/29/2009	0.00	301.10	0.00	4,196.67
730	M	M	11/30/55	4/11/2007	0.00	507.35	0.00	7,034.37
731	F	F	6/25/61	7/08/1995	555.81	555.81	22.50	14,099.34
732	F	F	11/22/58	10/24/1999	930.15	930.15	28.75	16,496.91
733	M	M	1/13/69	4/21/2006	0.00	1,550.40	0.00	24,767.31
734	M	M	7/27/61	6/21/1996	1,099.34	1,099.34	23.75	19,182.41
735	M	M	11/22/53	12/04/2000	1,086.60	1,086.61	31.81	32,383.78
736	M	M	11/14/69	7/10/2012	0.00	1,155.34	0.00	16,568.28
737	M	M	9/24/60	9/07/2000	688.67	688.68	40.37	14,593.58
738	M	M	12/17/62	3/31/2006	0.00	1,324.56	0.00	21,895.91
TOTAL COUNT:					7,935.62	19,732.33	271.01	360,766.58

TOTALS:

21

EXHIBIT V

MARKET VALUE AND ACTUARIAL VALUE ASSET INVESTMENT PERFORMANCE

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

PLAN YEAR ENDING	BEGINNING MARKET VALUE	EMPLOYER CONTRIBUTIONS FOR YEAR	EMPLOYEE CONTRIBUTIONS FOR YEAR	TRANSFERS IN FOR YEAR	TOTAL BENEFIT PAYMENTS FOR YEAR	TRANSFERS OUT FOR YEAR	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INV. PERFORMANCE FOR YEAR
12/31/91	56,348,353	4,524,382	1,001,436		4,460,555	0	1,065,263	11,331,152	68,744,768	19.9208%
12/31/92	68,699,004	4,980,959	1,113,066		4,988,329	0	1,105,696	5,789,535	75,594,235	8.3601%
12/31/93	75,594,235	4,873,366	1,092,713		4,678,593	0	1,287,486	8,471,584	85,353,305	11.1120%
12/31/94	85,353,305	5,102,920	1,298,780		5,220,801	0	1,180,899	-2,682,882	83,851,322	-3.1217%
12/31/95	83,851,322	5,188,055	1,395,149		5,733,411	0	849,793	22,390,520	107,091,635	26.5680%
12/31/96	107,091,635	5,678,507	1,463,218		5,704,458	0	1,437,267	12,894,655	121,423,557	11.9605%
12/31/97	121,423,557	5,933,289	1,202,021		6,410,573	0	724,737	21,841,187	143,989,481	17.9341%
12/31/98	143,989,481	5,448,823	1,138,063		6,573,992	0	12,894	13,756,662	157,759,037	9.5535%
12/31/99	157,759,037	5,151,389	1,028,094		6,928,999	0	-749,516	16,013,013	173,022,534	10.1745%
12/31/00	173,022,534	5,444,048	1,053,495		7,317,215	0	-819,672	5,658,247	177,861,109	3.2780%
12/31/01	177,861,109	5,417,854	1,040,680		7,632,745	0	-1,174,211	-1,677,973	175,008,925	-9.465%
12/31/02	175,008,925	2,931,065	1,089,543		7,625,705	0	-3,605,097	-15,455,327	155,948,501	-8.9231%
12/31/03	155,948,501	3,391,535	1,097,183		9,184,249	0	-4,695,531	36,142,887	187,395,857	23.5304%
12/31/04	187,395,857	3,721,034	1,120,776		8,884,614	0	-4,042,804	19,502,120	202,855,173	10.5204%
12/31/05	202,855,173	3,716,381	1,176,637	714,343	10,177,467	0	-4,570,106	7,713,678	205,998,745	3.8459%
12/31/06	205,998,745	3,343,713	982,418	2,357,005	12,231,855	0	-5,548,719	28,734,146	229,184,172	14.1391%
12/31/07	229,184,172	3,885,124	1,014,461	1,854,239	12,812,727	0	-6,058,903	8,667,155	231,792,424	3.8324%
12/31/08	231,792,424	4,915,512	1,143,858	958,605	13,269,799	0	-6,251,824	-59,122,504	166,418,096	-25.8553%
12/31/09	166,418,096	5,247,031	1,161,744	516,393	14,231,876	0	-7,306,708	31,912,755	191,024,143	19.6067%
12/31/10	191,024,143	5,146,081	1,190,714	849,540	15,409,624	0	-8,223,289	22,439,431	205,240,285	12.0053%
12/31/11	205,240,285	5,436,700	1,161,996	1,233,504	15,947,090	0	-8,114,890	8,968,361	206,093,756	4.4578%
12/31/12	206,093,756	6,114,997	1,128,257	1,690,683	17,406,238	0	-8,472,301	23,082,600	220,704,055	11.4351%
12/31/13	220,704,055	5,946,614	1,465,774	1,065,165	18,002,573	0	-9,525,020	23,179,014	234,358,049	10.7339%
12/31/14	234,358,049	6,055,890	1,535,723	2,001,222	18,748,955	0	-9,156,120	11,354,742	236,556,671	4.9416%
12/31/15	236,556,671	6,506,652	1,905,689	1,847,259	20,244,603	0	-9,985,003	-4,144,141	222,427,527	-1.7896%
Number of Years Included: 25									256,760,617	

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

YEAR ENDING	ENDING MARKET VALUE	MARKET VALUE INV. PERF. FOR YEAR	MARKET VALUE MEAN FUND	ACTUARIAL VALUE MEAN FUND	ENDING ACTUARIAL VALUE OF ASSETS	ACTUARIAL ASSETS INV. PERF. FOR YR
12/31/1991	68,744,768	19.9208%	56,880,985	58,063,594	64,921,832	10.8943%
12/31/1992	75,594,235	8.3601%	69,251,852	65,474,680	72,541,969	9.9496%
12/31/1993	85,353,305	11.1120%	76,237,978	73,185,712	81,932,422	11.0718%
12/31/1994	83,851,322	-3.1217%	85,943,755	82,522,872	87,957,901	5.8708%
12/31/1995	107,091,635	26.5680%	84,276,219	88,382,798	100,059,569	12.7308%
12/31/1996	121,423,557	11.9605%	107,810,269	100,778,203	114,805,212	13.2056%
12/31/1997	143,989,481	17.9341%	121,785,926	115,167,581	120,911,255	4.6726%
12/31/1998	157,759,037	9.5535%	143,995,928	120,917,702	134,901,231	11.5592%
12/31/1999	173,022,534	10.1745%	157,384,279	134,526,473	149,976,441	11.7633%
12/31/2000	177,861,109	3.2780%	172,612,698	149,566,605	164,845,672	10.4896%
12/31/2001	175,008,925	-9.465%	177,274,004	164,258,567	180,737,128	10.3895%
12/31/2002	155,948,501	-8.9231%	173,206,377	178,934,580	187,892,718	6.0138%
12/31/2003	187,395,857	23.5304%	153,600,736	185,544,953	196,697,432	7.2760%
12/31/2004	202,855,173	10.5204%	185,374,455	194,676,030	204,706,452	6.1907%
12/31/2005	205,998,745	3.8459%	200,570,120	202,421,399	209,829,340	4.7885%
12/31/2006	229,184,172	14.1391%	203,224,386	207,054,981	217,143,723	6.2124%
12/31/2007	231,792,424	3.8324%	226,154,721	214,114,272	223,583,589	5.8374%
12/31/2008	166,418,096	-25.8553%	228,666,512	220,457,677	222,598,640	2.3891%
12/31/2009	191,024,143	19.6067%	162,764,742	218,945,286	228,999,660	6.2608%
12/31/2010	205,240,285	12.0053%	186,912,499	224,888,016	230,298,898	4.2343%
12/31/2011	206,093,756	4.4578%	201,182,840	226,241,453	229,137,699	3.0736%
12/31/2012	220,704,055	11.4351%	201,857,606	224,901,549	229,633,410	3.9875%
12/31/2013	234,358,049	10.7339%	215,941,545	224,870,900	226,423,894	2.8055%
12/31/2014	236,556,671	4.9416%	229,779,989	221,845,834	223,689,647	2.8947%
12/31/2015	222,427,527	-1.7896%	231,564,170	218,697,146	233,572,291	9.0845%

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

PLAN YEAR ENDING	BEGINNING MARKET VALUE	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INVESTMENT PERFORMANCE			ACTUARIAL ASSET VALUE INVESTMENT PERFORMANCE			YEAR
					FOR YEAR	CUMULATIVE	AVERAGE	FOR YEAR	CUMULATIVE	AVERAGE	
12/31/91	56,348,353	1,065,263	11,331,152	68,744,768	19.9208%	19.92%	19.92%	10.89%	10.89%	10.89%	1
12/31/92	68,699,004	1,105,696	5,789,535	75,594,235	8.3601%	29.95%	13.99%	9.95%	21.93%	10.42%	2
12/31/93	75,594,235	1,287,486	8,471,584	85,353,305	11.1202%	44.39%	13.03%	11.07%	35.43%	10.64%	3
12/31/94	85,353,305	1,180,899	-2,682,882	83,851,322	-3.1217%	39.88%	8.75%	5.87%	43.38%	9.43%	4
12/31/95	83,851,322	849,793	22,390,520	107,091,635	26.5680%	77.04%	12.10%	12.73%	61.63%	10.08%	5
12/31/96	107,091,635	1,437,267	12,894,655	121,423,557	11.9605%	98.22%	12.08%	13.21%	82.98%	10.59%	6
12/31/97	121,423,557	724,737	21,841,187	143,989,481	17.9341%	133.77%	12.90%	4.67%	91.52%	9.73%	7
12/31/98	143,989,481	12,894	13,756,662	157,759,037	9.5535%	156.10%	12.47%	11.56%	113.66%	9.96%	8
12/31/99	157,759,037	-749,516	16,013,013	173,022,534	10.1745%	182.15%	12.22%	11.76%	138.80%	10.15%	9
12/31/00	173,022,534	-819,672	5,658,247	177,861,109	3.2780%	191.40%	11.29%	10.49%	163.85%	10.19%	10
12/31/01	177,861,109	-1,174,211	-1,677,973	175,008,925	-94.65%	188.65%	10.12%	10.39%	191.26%	10.21%	11
12/31/02	175,008,925	-3,605,097	-15,455,327	155,948,501	-8.9231%	162.89%	8.39%	6.01%	208.77%	9.85%	12
12/31/03	155,948,501	-4,695,531	36,142,887	187,395,857	23.5304%	224.75%	9.48%	7.28%	231.24%	9.65%	13
12/31/04	187,395,857	-4,042,804	19,502,120	202,855,173	10.5204%	258.91%	9.56%	6.19%	251.75%	9.40%	14
12/31/05	202,855,173	-4,570,106	7,713,678	205,998,745	3.8459%	272.72%	9.17%	4.79%	268.59%	9.09%	15
12/31/06	205,998,745	-5,548,719	28,734,146	229,184,172	14.1391%	325.42%	9.47%	6.21%	291.49%	8.90%	16
12/31/07	229,184,172	-6,058,903	8,667,155	231,792,424	3.8324%	341.72%	9.13%	5.84%	314.34%	8.72%	17
12/31/08	231,792,424	-6,251,824	-59,122,504	166,418,096	-25.8553%	227.51%	6.81%	2.39%	324.24%	8.36%	18
12/31/09	166,418,096	-7,306,708	31,912,755	191,024,143	19.6067%	291.72%	7.45%	6.26%	350.80%	8.25%	19
12/31/10	191,024,143	-8,223,289	22,439,431	205,240,285	12.0053%	338.75%	7.67%	4.23%	369.89%	8.04%	20
12/31/11	205,240,285	-8,114,890	8,968,361	206,093,756	4.4578%	358.31%	7.52%	3.07%	384.33%	7.80%	21
12/31/12	206,093,756	-8,472,301	23,082,600	220,704,055	11.4351%	410.72%	7.69%	3.99%	403.64%	7.63%	22
12/31/13	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	465.54%	7.82%	2.81%	417.79%	7.41%	23
12/31/14	234,358,049	-9,156,120	11,354,742	236,556,671	4.9416%	493.49%	7.70%	2.89%	432.78%	7.22%	24
12/31/15	236,556,671	-9,985,003	-4,144,141	222,427,527	-1.7896%	482.87%	7.31%	9.08%	481.18%	7.29%	25

Number of Years Included: 25

CERTIFICATION

The foregoing report presents fairly the actuarial position of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2016 in accordance with generally accepted actuarial principles applied on a basis consistent with the preceding valuation, except where noted. In our opinion, the assumptions used in preparing the liabilities and estimated costs are reasonably related to the experience of the plan and to reasonable expectations and represent our best estimate of anticipated experience under the plan.

CONEFRY & COMPANY, L.L.C.



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Michael A. Conefry, FCA, ASA, MAAA, MSPA  
Enrollment Number 14-1235

New Orleans, Louisiana  
April, 2016  
V201512



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

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**Date:** May 6, 2016  
**From:** Harold D. Marchand, Deputy Special Counsel  
**To:** Sharon Judkins, Deputy Director/Administration  
**Re:** Recommendation for Ratification of Contract for Armed Security Services with Gallagher Security

Please place this matter on the agenda of the Finance and Administration Committee meeting as an action item for the following reasons.

On February 3, 2016, a Request for Proposal was issued for armed security guard services. A Selection Committee chose Professional Security Corporation to provide armed security services to the Sewerage and Water Board of New Orleans.

Crescent Guardian, the previous armed security services provider, gave a notice to terminate its armed security services effective April 30, 2016. Professional Security Corporation was not anticipated to start the contract by the date Crescent Guardian was to terminate its services. Measures had to be immediately taken to insure security for all Board facilities on a 24 hour basis.

Therefore, it was necessary to hire a firm under the threshold amount for public procurement. Gallagher Security had experience working for the Board. The ten day contract period was necessary for the transitional period.

Attached hereto is a proposed resolution to authorize the President or President Pro Tem to execute the ratified agreement with Gallagher Security.

Should you have any questions regarding this matter, please advise.

  
DEPUTY SPECIAL COUNSEL

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cc: Nolan Lambert, Special Counsel  
Kathleen Lafrance, Director's Office  
Anita Simmons, Director's Office

**RECOMMENDATION FOR RATIFICATION OF CONTRACT FOR ARMED SECURITY SERVICES  
WITH GALLAGHER SECURITY**

**WHEREAS**, on February 3, 2016, a Request for Proposal was issued for armed security guard services; and

**WHEREAS**, a Selection Committee chose Professional Security Corporation to provide armed security services to the Sewerage and Water Board of New Orleans; and

**WHEREAS**, Crescent Guardian gave a notice to terminate its armed security services effective April 30, 2016; and

**WHEREAS**, Professional Security Corporation was not anticipated to start the contract by the date Crescent Guardian was to terminate its services; and

**WHEREAS**, measures had to be immediately taken to insure security for all Sewerage and Water Board of New Orleans facilities on a 24 hour basis; and

**WHEREAS**, it was necessary to hire a firm under the threshold amount for public procurement; and

**WHEREAS**, Gallagher Security had experience working for the Sewerage and Water Board of New Orleans; and

**WHEREAS**, the ten day contract period was necessary for the transitional period.

**NOW, THEREFORE, BE IT RESOLVED** that the Sewerage and Water Board of New Orleans hereby ratifies the contract with Gallagher Security to provide armed security services for the Sewerage and Water Board of New Orleans; further, that the President or President Pro Tem is hereby authorized to execute the ratified agreement.

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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 May 18, 2016.

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

# Sewerage and Water Board of New Orleans

## Summary of Financial Results

### Through March 31, 2016

Prior Year Variances	Water	Sewer	Drainage
Revenues	1,284,472	1,372,798	4,332
Operating Expenses	3,856,704	1,900,984	2,423,770
Non-Operating Revenues and Expenses	422,608	94,709	(32,429,829)
Income before Capital Contributions	(2,149,624)	(433,477)	(34,849,267)

Budget Variances	Water	Sewer	Drainage
Revenues	(1,622,683)	(1,947,867)	8,391
Operating Expenses	(5,369,568)	(4,967,506)	(4,340,968)
Non-Operating Revenues and Expenses	322,658	(353)	(8,977,813)
Income before Capital Contributions	4,069,543	3,019,286	(4,628,454)

Days of Cash	Water	Sewer	Drainage
	243.4	469.8	299.4

Projected Debt Service Coverage Times	Water	Sewer	Drainage
	2.97	2.50	Not Applicable



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

May 18, 2016

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

### **Re: Financial Results through March 2016**

Attached are the *Statement of Revenues, Expenses, and Changes in Net Position* with budget and prior year comparisons for the water, sewer, drainage and total systems through March 2016. The Variance Indicators for Financial Results through March 2016 is also attached. The *Statement of Net Assets* and the *Statement of Cash Flows* will be provided after the completion of the 2015 audit. Following is a summary of key items affecting the financial results for the month:

- Revenues have increased from last year but do not yet fully reflect the effect of the rate increase that went into effect on January 1. A portion of that will be resolved through a correction as described in the next paragraph. The remaining effect is tied to the timing of when accounts are billed and read and when accounts are estimated. There are 97 billing groups in a billing cycle and each billing group is billed every 21 business days, regardless of whether it falls in the same month or not. As a result, a billing group may be billed twice in a month that has more than 21 business days and not at all in a month that has less than 21 billing days. The total number of bills mailed each month is composed of estimated bills and actual read bills. If readings for a billing group cannot be obtained and validated during a month, the bills are estimated for that month.

For example, from January 2015 to January 2016, there was an increase of 11,354 bills that were mailed from 126,601 to 137,955, resulting in a 9% increase in bills mailed. In 2015, the amount of actual bills read was 120,472 and in 2016 there were 110,715 bills that were actually read, causing a decrease of 9,757 or 8%. January 2015's amount of estimated bills mailed was 6,129 whereas January 2016's amount was 27,240, which was a difference of 21,111 or 344% increase. In January 2015 and January 2016, there were five groups that were not billed for both of those months. In summary, revenues can vary from month to month based upon the number of business days in a month and the number of accounts that were estimated during that month.

- The financial statements for next month will be revised to reflect a correction of a large meter reading and billing error that occurred in late December that was reversed in early January that had previously overstated December 2015 revenues and understated January 2016 revenues. Management had previously stated that erratic movements in billed consumption and revenue were due to longer bill cycles in December, estimates that occurred in January, and shorter bill cycles in February. While those explanations remain correct, further investigation determined that the large meter reading and billing error caused the preponderance of the data movement.



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

- Expenses have increased sharply compared to last year reflecting new initiatives underway. However, expenses in most areas remain below budget. The total number of employees has increased by 27 or 2.3% from one year ago to 1,116 in March 2016. Due to the timing of when Fridays fall during the year, there has been one extra pay period in 2016 for weekly and biweekly payrolls in 2016. Total labor costs are up 2.5% in 2016.
- Management is reviewing the expenditures by department compared to budgeted levels. Significant progress has already been accomplished to revise the budget to reflect organizational changes that occurred after the budget was adopted. Management anticipates implementing a new methodology for allocating revenues and expenses by month to reflect historical patterns. The current methodology is to allocate one-twelfth of the annual budget to each month which tends to show adverse results for both revenues and expenditures during the early months of each year.
- Drainage tax revenues are arriving later compared to last year. However, management anticipates those revenue shortfalls will be resolved in the near future.
- Sewer system cash levels have increased sharply during the month to reflect reimbursement of system funds from bond proceeds for previous capital expenditures.

### Operating Revenues:

**Water System Fund** (pages 7 and 8, line 5) for March of \$7,024,224 is \$372,202 or 5.0% less than budgeted and \$585,039 or 9.1% more than March 2015. March YTD operating revenues of \$20,566,595 is \$1,622,683 or 7.3% less than budgeted and \$1,284,472 or 6.7% more than March YTD 2015.

**Sewer System Fund** (pages 13 and 14, line 5) for March of \$8,702,313 is \$110,015 or 1.2% less than budgeted and \$1,083,966 or 14.2% more than March 2015. March YTD operating revenues of \$24,489,117 is \$1,947,867 or 7.4% less than budgeted and \$1,372,798 or 5.9% more than March YTD 2015.

**Drainage System Fund** (pages 19 and 20, line 5) for March of \$2,830 is \$2,830 or 100.0% more than budgeted and \$1,918 or 210.3% more than for March 2015. March YTD operating revenue of \$8,391 is \$8,391 or 100.0% more than budgeted and \$4,332 or 106.7% more than for March YTD 2015.

**Total System Funds** (pages 1 and 2, line 5) for March of \$15,729,367 are \$479,387 or 3.0% less than budgeted and \$1,670,923 or 11.9% more than March 2015. March YTD operating revenues of \$45,064,103 is \$3,562,159 or 7.3% less than budgeted and \$2,661,603 or 6.3% more than March YTD 2015.

### Operating Expenses:

**Water System Fund** (pages 7 and 8, line 18) for March of \$6,768,350 is \$1,349,796 or 16.6 % less than budgeted and \$1,602,863 or 31.0% more than March 2015. March YTD operating expenses of \$18,984,871 is \$5,369,568 or 22.0% less than budgeted and \$3,856,704 or 25.5% more than March YTD 2015.



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

**Sewer System Fund** (pages 13 and 14, line 18) for March of \$5,262,434 is \$1,276,330 or 19.5% less than budgeted and \$687,914 or 15.0% more than March 2015. March YTD operating expenses of \$14,648,786 are \$4,967,506 or 25.3% less than budgeted and \$1,900,984 or 14.9% more than March YTD 2015.

**Drainage System Fund** (pages 19 and 20, line 18) for March of \$3,690,388 is \$1,383,213 or 27.3% less than budgeted and \$753,875 or 25.7% more than March 2015. March YTD operating expenses of \$10,879,835 is \$4,340,968 or 28.5% less than budgeted and \$2,423,770 or 28.7% more than March YTD 2015.

**Total System Funds** (pages 1 and 2, line 18) for March of \$15,721,172 are \$4,009,339 or 20.3% less than budgeted and \$3,044,652 or 24.0% more than March 2015. March YTD operating expenses of \$44,513,492 are \$14,678,041 or 24.8% less than budgeted and \$8,181,457 or 22.5% more than March YTD 2015.

### Net Non-Operating Revenues:

**Water System Fund** (pages 7 and 8, line 28) for March of \$5,008 is \$28,367 or 85.0% less than budgeted and \$4,938 or 7054.7% more than March 2015. March YTD net non-operating revenues of \$422,783 are \$322,658 or 322.3% more than budgeted and \$422,608 or 241490.5% more than March YTD 2015.

**Sewer System Fund** (pages 13 and 14, line 28) for March of \$5,581 is \$32,924 or 85.5% less than budgeted and \$5,581 or 100.0% more than March 2015. March YTD net non-operating revenues of \$115,162 are \$353 or .3% less than budgeted and \$94,709 or 463.1% more than March YTD 2015.

**Drainage System Fund** (pages 19 and 20, line 28) for March of \$3,268,537 is \$3,182,322 or 3691.2% more than budgeted and \$18,256,078 or 84.8% less than March 2015. March YTD net non-operating revenues of \$5,443,100 are \$8,977,813 or 62.3% less than budgeted and \$32,429,829 or 85.6% less than March YTD 2015.

**Total System Funds** (pages 1 and 2, line 28) for March of \$3,279,126 is \$3,121,032 or 1974.2% more than budgeted and \$18,245,559 or 84.8% less than March 2015. March YTD net non-operating revenues of \$5,981,045 are \$8,655,508 or 59.1% less than budgeted and \$31,912,512 or 84.2% less than March YTD 2015.

### Income Before Contributions in Aid of Construction:

**Water System Fund** (pages 7 and 8, line 29) for March of \$260,882 is \$949,228 or 137.9% more than budgeted and \$1,012,886 or 79.5% less than March 2015. March YTD income before capital contributions of \$2,004,507 is \$4,069,542 or 197.1% more than budgeted and \$2,149,623 or 51.7% less than March YTD 2015.

**Sewer System Fund** (pages 13 and 14, line 29) for March of \$3,445,461 is \$1,133,391 or 49.0% more than budgeted and \$401,634 or 13.2% more than March 2015. March YTD income before capital contributions of \$9,955,493 is \$3,019,285 or 43.5% more than budgeted and \$433,477 or 4.2% less than March YTD 2015.



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

**Drainage System Fund** (pages 19 and 20, line 29) for March of -\$419,022 is \$4,568,365 or 91.6% more than budgeted and \$19,008,036 or 102.3% less than March 2015. March YTD income before capital contributions of -\$5,428,344 is \$4,628,454 or 578.6% less than budgeted and \$34,849,267 or 118.5% less than March YTD 2015.

**Total System Funds** (pages 1 and 2, line 29) for March of \$3,287,322 is \$6,650,984 or 197.7% more than budgeted and \$19,619,287 or 85.6% less than March 2015. March YTD income before capital contributions of \$6,531,656 is \$2,460,374 or 60.4% more than budgeted and \$37,432,366 or 85.1% less than March YTD 2015.

The balances of funds from the Series 2014 bond proceeds available for capital construction as of March 31, 2016 are:

	Water	Sewer	Total
<b>Original Balance</b>	\$15,383,893.84	\$9,178,938.83	\$24,562,832.67
<b>Less Disbursements</b>	(500,000.00)	(7,336,119.70)	(7,836,119.70)
<b>Plus Reimbursements</b>	-	-	-
<b>Plus Income</b>	12,272.81	1,859.46	14,132.27
<b>Ending Balance</b>	\$14,896,166.65	\$1,844,678.59	\$16,740,845.24

The balances of funds from the Series 2015 bond proceeds available for capital construction as of January 31, 2016 are:

	Water	Sewer	Total
<b>Original Balance</b>	\$106,350,321.63	\$95,914,544.94	\$202,264,866.57
<b>Less Disbursements</b>	-	(21,500,000.00)	(21,500,000.00)
<b>Plus Reimbursements</b>	-	-	-
<b>Plus Income</b>	67,558.61	39,120.51	106,679.12
<b>Ending Balance</b>	\$106,417,880.24	\$74,453,665.45	\$180,871,545.69

The days-of-cash at March 31, 2016 were 243.3 for the water system, 469.8 for the sewer system, and 299.4 for the drainage system. The sewer system funds increased significantly in March due to reimbursement from bond proceeds of capital expenditures previously requisitioned from system funds.

The projected coverage for the year ending December 31, 2016, based upon financial results through March 31, 2016, is 2.97 times for the water system and 2.50 times for the sewer system. This is well ahead of the budgeted targets for both systems.



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

**Certification.** In connection with the accompanying monthly financial report of the Sewerage and Water Board of New Orleans for the period ended March 31, 2016, I hereby certify that, to my knowledge, the information contained in the report fairly presents, in all material respects, the financial condition and results of the Board.

A handwritten signature in blue ink, appearing to read "Robert K. Miller".

Robert K. Miller  
Deputy Director / Chief Financial Officer

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ALL SYSTEM FUNDS**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH PRIOR YEAR COMPARISONS**  
March 2016

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	6,735,949	6,107,495	628,454	10.3%	19,634,476	18,489,209	1,145,267	6.2%
2 Sewerage service charges and del fees	8,631,646	7,588,697	1,042,949	13.7%	24,269,435	22,984,922	1,284,513	5.6%
3 Plumbing inspection and license fees	99,980	57,680	42,300	73.3%	190,610	151,488	39,122	25.8%
4 Other revenues	261,792	304,572	(42,780)	-14.0%	969,582	776,881	192,700	24.8%
5 Total operating revenues	15,729,367	14,058,444	1,670,923	11.9%	45,064,103	42,402,500	2,661,603	6.3%
<b>Operating Expenses:</b>								
6 Power and pumping	635,035	576,136	58,899	10.2%	1,702,147	3,055,860	(1,353,713)	-44.3%
7 Treatment	1,382,901	1,313,386	69,515	5.3%	3,433,995	4,169,947	(735,952)	-17.6%
8 Transmission and distribution	2,086,007	1,538,613	547,394	35.6%	5,018,279	4,046,547	971,732	24.0%
9 Customer accounts	407,061	287,849	119,212	41.4%	941,377	804,664	136,713	17.0%
10 Customer service	261,760	306,911	(45,151)	-14.7%	795,294	898,869	(103,575)	-11.5%
11 Administration and general	1,759,178	1,589,230	169,948	10.7%	5,035,359	4,914,249	121,110	2.5%
12 Payroll related	3,656,180	2,156,344	1,499,836	69.6%	10,113,111	3,870,718	6,242,393	161.3%
13 Maintenance of general plant	831,813	1,058,892	(227,079)	-21.4%	2,941,188	3,177,724	(236,536)	-7.4%
14 Depreciation	4,429,177	3,540,765	888,412	25.1%	13,788,819	10,622,297	3,166,522	29.8%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	184,570	185,763	(1,193)	-0.6%	555,376	557,287	(1,911)	-0.3%
17 Provision for claims	87,490	122,631	(35,141)	-28.7%	188,547	213,873	(25,326)	-11.8%
18 Total operating expenses	15,721,172	12,676,520	3,044,652	24.0%	44,513,492	36,332,035	8,181,457	22.5%
19 Operating income (loss)	8,195	1,381,924	(1,373,729)	-99.4%	550,611	6,070,465	(5,519,854)	-90.9%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	266	-	266	0.0%	6,604	366,819	(360,215)	-98.2%
21 Three-mill tax	926,486	6,105,007	(5,178,521)	-84.8%	1,539,329	10,745,122	(9,205,793)	-85.7%
22 Six-mill tax	936,420	6,170,390	(5,233,970)	-84.8%	1,555,905	11,041,235	(9,485,330)	-85.9%
23 Nine-mill tax	1,403,660	9,249,218	(7,845,558)	-84.8%	2,332,176	15,719,753	(13,387,577)	-85.2%
24 Interest income	12,294	-	12,294	0.0%	288,310	20,558	267,752	1302.4%
25 Other income	-	-	-	0.0%	258,721	-	258,721	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	70	(70)	-100.0%	-	70	(70)	-100.0%
28 Total non-operating revenues	3,279,126	21,524,685	(18,245,559)	-84.8%	5,981,045	37,893,557	(31,912,512)	-84.2%
29 Income before capital contributions	3,287,322	22,906,609	(19,619,287)	-85.6%	6,531,656	43,964,022	(37,432,366)	-85.1%
30 Capital contributions	-	72,417	(72,417)	-100.0%	226,602	1,998,554	(1,771,952)	-88.7%
31 Change in net position	3,287,322	22,979,026	(19,691,704)	-85.7%	6,758,258	45,962,576	(39,204,318)	-85.3%
32 Net position, beginning of year	-	-	-	-	2,033,069,995	1,968,799,361	64,270,634	3.3%
33 Net position, end of year	-	-	-	-	2,039,828,253	2,014,761,937	25,066,316	1.2%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ALL SYSTEM FUNDS**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH BUDGET COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	6,735,949	7,108,525	(372,576)	-5.2%	19,634,476	21,325,576	(1,691,099)	-7.9%
2 Sewerage service charges and del fees	8,631,646	8,735,378	(103,732)	-1.2%	24,269,435	26,206,134	(1,936,699)	-7.4%
3 Plumbing inspection and license fees	99,980	52,151	47,829	91.7%	190,610	156,453	34,158	21.8%
4 Other revenues	261,792	312,700	(50,908)	-16.3%	969,582	938,101	31,481	3.4%
5 Total operating revenues	15,729,367	16,208,754	(479,387)	-3.0%	45,064,103	48,626,262	(3,562,159)	-7.3%
<b>Operating Expenses:</b>								
6 Power and pumping	635,035	1,208,768	(573,733)	-47.5%	1,702,147	3,626,304	(1,924,157)	-53.1%
7 Treatment	1,382,901	1,755,226	(372,325)	-21.2%	3,433,995	5,265,677	(1,831,682)	-34.8%
8 Transmission and distribution	2,086,007	3,063,413	(977,406)	-31.9%	5,018,279	9,190,240	(4,171,961)	-45.4%
9 Customer accounts	407,061	348,462	58,599	16.8%	941,377	1,045,387	(104,010)	-9.9%
10 Customer service	261,760	450,959	(189,199)	-42.0%	795,294	1,352,878	(557,584)	-41.2%
11 Administration and general	1,759,178	3,338,198	(1,579,020)	-47.3%	5,035,359	10,014,594	(4,979,235)	-49.7%
12 Payroll related	3,656,180	2,359,419	1,296,761	55.0%	10,113,111	7,078,256	3,034,855	42.9%
13 Maintenance of general plant	831,813	2,623,397	(1,791,584)	-68.3%	2,941,188	7,870,191	(4,929,003)	-62.6%
14 Depreciation	4,429,177	4,359,411	69,766	1.6%	13,788,819	13,078,233	710,586	5.4%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	184,570	-	184,570	0.0%	555,376	-	555,376	0.0%
17 Provision for claims	87,490	223,258	(135,768)	-60.8%	188,547	669,775	(481,228)	-71.8%
18 Total operating expenses	15,721,172	19,730,511	(4,009,339)	-20.3%	44,513,492	59,191,533	(14,678,041)	-24.8%
19 Operating income (loss)	8,195	(3,521,757)	3,529,952	-100.2%	550,611	(10,565,271)	11,115,882	-105.2%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	266	-	266	0.0%	6,604	2,386	4,218	176.8%
21 Three-mill tax	926,486	-	926,486	0.0%	1,539,329	4,016,133	(2,476,804)	-61.7%
22 Six-mill tax	936,420	-	936,420	0.0%	1,555,905	4,059,224	(2,503,319)	-61.7%
23 Nine-mill tax	1,403,660	-	1,403,660	0.0%	2,332,176	6,084,527	(3,752,351)	-61.7%
24 Interest income	12,294	5,650	6,644	117.6%	288,310	16,951	271,360	1600.9%
25 Other income	-	152,444	(152,444)	-100.0%	258,721	457,333	(198,612)	-43.4%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	3,279,126	158,095	3,121,032	1974.2%	5,981,045	14,636,553	(8,655,508)	-59.1%
29 Income before capital contributions	3,287,322	(3,363,662)	6,650,984	-197.7%	6,531,656	4,071,282	2,460,374	60.4%
30 Capital contributions	-	-	-	0.0%	226,602	-	226,602	0.0%
31 Change in net position	3,287,322	(3,363,662)	6,650,984	-197.7%	6,758,258	4,071,282	2,686,976	66.0%
32 Net position, beginning of year					2,033,069,995	1,968,799,361	64,270,634	3.3%
33 Net position, end of year					2,039,828,253	1,967,999,471	71,828,782	3.6%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**WATER SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH PRIOR YEAR COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Prior Year	MTD Variance	%	YTD Actual	YTD Prior Year	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	6,735,949	6,107,495	628,454	10.3%	19,634,476	18,489,209	1,145,267	6.2%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	49,990	28,840	21,150	73.3%	95,305	75,744	19,561	25.8%
4 Other revenues	238,285	302,850	(64,565)	-21.3%	836,814	717,169	119,644	16.7%
5 Total operating revenues	7,024,224	6,439,185	585,039	9.1%	20,566,595	19,282,122	1,284,472	6.7%
<b>Operating Expenses:</b>								
6 Power and pumping	96,341	99,585	(3,244)	-3.3%	307,052	1,166,353	(859,301)	-73.7%
7 Treatment	501,974	442,662	59,312	13.4%	1,639,973	1,539,273	100,700	6.5%
8 Transmission and distribution	1,429,243	861,957	567,286	65.8%	3,058,339	2,267,381	790,958	34.9%
9 Customer accounts	201,586	143,652	57,934	40.3%	468,356	401,527	66,829	16.6%
10 Customer service	129,146	146,676	(17,530)	-12.0%	386,989	429,057	(42,068)	-9.8%
11 Administration and general	672,046	600,534	71,512	11.9%	1,866,081	1,826,722	39,359	2.2%
12 Payroll related	1,577,176	1,005,974	571,202	56.8%	4,359,043	1,805,540	2,553,503	141.4%
13 Maintenance of general plant	378,573	487,632	(109,059)	-22.4%	1,403,724	1,572,829	(169,105)	-10.8%
14 Depreciation	1,645,564	1,246,023	399,541	32.1%	5,119,688	3,738,070	1,381,618	37.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	95,834	103,201	(7,367)	-7.1%	287,502	309,602	(22,100)	-7.1%
17 Provision for claims	40,867	27,591	13,276	48.1%	88,124	71,813	16,311	22.7%
18 Total operating expenses	6,768,350	5,165,487	1,602,863	31.0%	18,984,871	15,128,167	3,856,704	25.5%
19 Operating income (loss)	255,874	1,273,698	(1,017,824)	-79.9%	1,581,724	4,153,955	(2,572,231)	-61.9%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	5,008	-	5,008	0.0%	164,063	105	163,958	156150.1%
25 Other Income	-	-	-	0.0%	258,721	-	258,721	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	70	(70)	-100.0%	-	70	(70)	-100.0%
28 Total non-operating revenues	5,008	70	4,938	7054.7%	422,783	175	422,608	241490.5%
29 Income before capital contributions	260,882	1,273,768	(1,012,886)	-79.5%	2,004,507	4,154,130	(2,149,623)	-51.7%
30 Capital contributions	-	33,034	(33,034)	-100.0%	212,444	161,763	50,681	31.3%
31 Change in net position	260,882	1,306,802	(1,045,920)	-80.0%	2,216,951	4,315,893	(2,098,942)	-48.6%
32 Net position, beginning of year					321,394,805	317,835,814	3,558,991	1.1%
33 Net position, end of year					323,611,756	322,151,707	1,460,049	0.5%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**WATER SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH BUDGET COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	6,735,949	7,108,525	(372,576)	-5.2%	19,634,476	21,325,576	(1,691,099)	-7.9%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	49,990	24,977	25,013	100.1%	95,305	74,932	20,373	27.2%
4 Other revenues	238,285	262,923	(24,638)	-9.4%	836,814	788,770	48,043	6.1%
5 Total operating revenues	7,024,224	7,396,426	(372,202)	-5.0%	20,566,595	22,189,278	(1,622,683)	-7.3%
<b>Operating Expenses:</b>								
6 Power and pumping	96,341	255,222	(158,881)	-62.3%	307,052	765,666	(458,614)	-59.9%
7 Treatment	501,974	781,813	(279,839)	-35.8%	1,639,973	2,345,438	(705,465)	-30.1%
8 Transmission and distribution	1,429,243	1,620,582	(191,339)	-11.8%	3,058,339	4,861,747	(1,803,408)	-37.1%
9 Customer accounts	201,586	173,983	27,603	15.9%	468,356	521,948	(53,592)	-10.3%
10 Customer service	129,146	218,593	(89,447)	-40.9%	386,989	655,780	(268,791)	-41.0%
11 Administration and general	672,046	1,158,967	(486,921)	-42.0%	1,866,081	3,476,902	(1,610,821)	-46.3%
12 Payroll related	1,577,176	1,097,607	479,569	43.7%	4,359,043	3,292,821	1,066,222	32.4%
13 Maintenance of general plant	378,573	1,097,443	(718,870)	-65.5%	1,403,724	3,292,329	(1,888,605)	-57.4%
14 Depreciation	1,645,564	1,621,250	24,314	1.5%	5,119,688	4,863,750	255,938	5.3%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	95,834	-	95,834	0.0%	287,502	-	287,502	0.0%
17 Provision for claims	40,867	92,686	(51,819)	-55.9%	88,124	278,058	(189,934)	-68.3%
18 Total operating expenses	6,768,350	8,118,146	(1,349,796)	-16.6%	18,984,871	24,354,439	(5,369,568)	-22.0%
19 Operating income (loss)	255,874	(721,720)	977,594	-135.5%	1,581,724	(2,165,161)	3,746,884	-173.1%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	5,008	-	5,008	0.0%	164,063	-	164,063	0.0%
25 Other Income	-	33,375	(33,375)	-100.0%	258,721	100,125	158,595	158.4%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	5,008	33,375	(28,367)	-85.0%	422,783	100,125	322,658	322.3%
29 Income before capital contributions	260,882	(688,345)	949,228	-137.9%	2,004,507	(2,065,035)	4,069,542	-197.1%
30 Capital contributions	-	-	-	0.0%	212,444	-	212,444	0.0%
31 Change in net position	260,882	(688,345)	949,228	-137.9%	2,216,951	-	-	-
32 Net position, beginning of year	-	-	-	-	321,394,805	317,835,814	3,558,991	1.1%
33 Net position, end of year	-	-	-	-	323,611,756	317,835,814	5,775,942	1.8%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SEWER SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH PRIOR YEAR COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	8,631,646	7,588,697	1,042,949	13.7%	24,269,435	22,984,922	1,284,513	5.6%
3 Plumbing inspection and license fees	49,990	28,840	21,150	73.3%	95,305	75,744	19,561	25.8%
4 Other revenues	20,677	810	19,867	2452.7%	124,377	55,653	68,724	123.5%
5 Total operating revenues	8,702,313	7,618,347	1,083,966	14.2%	24,489,117	23,116,319	1,372,798	5.9%
<b>Operating Expenses:</b>								
6 Power and pumping	79,056	86,765	(7,709)	-8.9%	230,588	398,809	(168,221)	-42.2%
7 Treatment	878,311	867,893	10,418	1.2%	1,775,086	2,618,972	(843,886)	-32.2%
8 Transmission and distribution	597,095	611,274	(14,179)	-2.3%	1,777,837	1,592,784	185,053	11.6%
9 Customer accounts	201,586	143,651	57,935	40.3%	468,355	401,526	66,829	16.6%
10 Customer service	130,569	148,281	(17,712)	-11.9%	391,057	433,732	(42,675)	-9.8%
11 Administration and general	601,693	543,637	58,056	10.7%	1,749,145	1,718,110	31,035	1.8%
12 Payroll related	1,155,628	692,555	463,073	66.9%	3,233,591	1,286,932	1,946,659	151.3%
13 Maintenance of general plant	154,662	212,550	(57,888)	-27.2%	517,500	569,142	(51,642)	-9.1%
14 Depreciation	1,349,070	1,136,146	212,924	18.7%	4,183,356	3,408,439	774,917	22.7%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	88,736	82,562	6,174	7.5%	266,208	247,685	18,523	7.5%
17 Provision for claims	26,028	49,206	(23,178)	-47.1%	56,063	71,671	(15,608)	-21.8%
18 Total operating expenses	5,262,434	4,574,520	687,914	15.0%	14,648,786	12,747,802	1,900,984	14.9%
19 Operating income (loss)	3,439,879	3,043,827	396,052	13.0%	9,840,331	10,368,517	(528,186)	-5.1%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	5,581	-	5,581	0.0%	115,162	20,453	94,709	463.1%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	5,581	-	5,581	0.0%	115,162	20,453	94,709	463.1%
29 Income before capital contributions	3,445,461	3,043,827	401,634	13.2%	9,955,493	10,388,970	(433,477)	-4.2%
30 Capital contributions	-	39,383	(39,383)	-100.0%	-	1,833,947	(1,833,947)	-100.0%
31 Change in net position	3,445,461	3,083,210	362,251	11.7%	9,955,493	12,222,917	(2,267,424)	-18.6%
32 Net position, beginning of year					780,771,672	732,566,915	48,204,757	6.6%
33 Net position, end of year					790,727,165	744,789,832	45,937,333	6.2%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SEWER SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH BUDGET COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Budget	Variance		Actual	Budget	Variance	
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	8,631,646	8,735,378	(103,732)	-1.2%	24,269,435	26,206,134	(1,936,699)	-7.4%
3 Plumbing inspection and license fees	49,990	27,173	22,817	84.0%	93,305	81,520	13,785	16.9%
4 Other revenues	20,677	49,777	(29,100)	-58.5%	124,377	149,330	(24,953)	-16.7%
5 Total operating revenues	8,702,313	8,812,328	(110,015)	-1.2%	24,489,117	26,436,984	(1,947,867)	-7.4%
<b>Operating Expenses:</b>								
6 Power and pumping	79,056	256,934	(177,878)	-69.2%	230,588	770,802	(540,214)	-70.1%
7 Treatment	878,311	961,709	(83,398)	-8.7%	1,775,086	2,885,127	(1,110,041)	-38.5%
8 Transmission and distribution	597,095	1,340,891	(743,796)	-55.5%	1,777,837	4,022,673	(2,244,836)	-55.8%
9 Customer accounts	201,586	173,983	27,603	15.9%	468,355	521,948	(53,593)	-10.3%
10 Customer service	130,569	221,148	(90,579)	-41.0%	391,057	663,445	(272,388)	-41.1%
11 Administration and general	601,693	1,230,654	(628,961)	-51.1%	1,749,145	3,691,961	(1,942,816)	-52.6%
12 Payroll related	1,155,628	718,156	437,472	60.9%	3,233,591	2,154,469	1,079,122	50.1%
13 Maintenance of general plant	154,662	240,934	(86,272)	-35.8%	517,500	722,802	(205,302)	-28.4%
14 Depreciation	1,349,070	1,333,810	15,260	1.1%	4,183,356	4,001,430	181,926	4.5%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	88,736	-	88,736	0.0%	266,208	-	266,208	0.0%
17 Provision for claims	26,028	60,545	(34,517)	-57.0%	56,063	181,636	(125,573)	-69.1%
18 Total operating expenses	5,262,434	6,538,764	(1,276,330)	-19.5%	14,648,786	19,616,292	(4,967,506)	-25.3%
19 Operating income (loss)	3,439,879	2,273,564	1,166,315	51.3%	9,840,331	6,820,693	3,019,639	44.3%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	5,581	-	5,581	0.0%	115,162	-	115,162	0.0%
25 Other Income	-	38,505	(38,505)	-100.0%	-	115,515	(115,515)	-100.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	5,581	38,505	(32,924)	-85.5%	115,162	115,515	(353)	-0.3%
29 Income before capital contributions	3,445,461	2,312,069	1,133,391	49.0%	9,955,493	6,936,208	3,019,285	43.5%
30 Capital contributions	-	-	-	0.0%	-	-	-	0.0%
31 Change in net position	3,445,461	2,312,069	1,133,391	49.0%	9,955,493	-	-	-
32 Net position, beginning of year	-	-	-	-	780,771,672	732,566,915	48,204,757	6.6%
33 Net position, end of year	-	-	-	-	790,727,165	732,566,915	58,160,250	7.9%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**DRAINAGE SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH PRIOR YEAR COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	2,830	912	1,918	210.3%	8,391	4,059	4,332	106.7%
5 Total operating revenues	2,830	912	1,918	210.3%	8,391	4,059	4,332	106.7%
<b>Operating Expenses:</b>								
6 Power and pumping	459,638	389,786	69,852	17.9%	1,164,507	1,490,697	(326,190)	-21.9%
7 Treatment	2,616	2,831	(215)	-7.6%	18,936	11,702	7,234	61.8%
8 Transmission and distribution	59,669	65,382	(5,713)	-8.7%	182,103	186,382	(4,279)	-2.3%
9 Customer accounts	3,889	546	3,343	612.3%	4,666	1,611	3,055	189.6%
10 Customer service	2,045	11,954	(9,909)	-82.9%	17,248	36,080	(18,832)	-52.2%
11 Administration and general	485,439	445,059	40,380	9.1%	1,420,133	1,369,417	50,716	3.7%
12 Payroll related	923,376	457,815	465,561	101.7%	2,520,477	778,246	1,742,231	223.9%
13 Maintenance of general plant	298,578	358,710	(60,132)	-16.8%	1,019,964	1,035,753	(15,789)	-1.5%
14 Depreciation	1,434,543	1,158,596	275,947	23.8%	4,485,775	3,475,788	1,009,987	29.1%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	0	-	-	0.0%	1,666	-	1,666	0.0%
17 Provision for claims	20,595	45,834	(25,239)	-55.1%	44,360	70,389	(26,029)	-37.0%
18 Total operating expenses	3,690,388	2,936,513	753,875	25.7%	10,879,835	8,456,065	2,423,770	28.7%
19 Operating income (loss)	(3,687,558)	(2,935,601)	(751,957)	25.6%	(10,871,444)	(8,452,006)	(2,419,438)	28.6%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	266	-	266	0.0%	6,604	366,819	(360,215)	-98.2%
21 Three-mill tax	926,486	6,105,007	(5,178,521)	-84.8%	1,539,329	10,745,122	(9,205,793)	-85.7%
22 Six-mill tax	936,420	6,170,390	(5,233,970)	-84.8%	1,555,905	11,041,235	(9,485,330)	-85.9%
23 Nine-mill tax	1,403,660	9,249,218	(7,845,558)	-84.8%	2,332,176	15,719,753	(13,387,577)	-85.2%
24 Interest income	1,705	-	1,705	0.0%	9,086	-	9,086	0.0%
25 Other Income	0	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	3,268,537	21,524,615	(18,256,078)	-84.8%	5,443,100	37,872,929	(32,429,829)	-85.6%
29 Income before capital contributions	(419,022)	18,589,014	(19,008,036)	-102.3%	(5,428,344)	29,420,923	(34,849,267)	-118.5%
30 Capital contributions	-	-	-	0.0%	14,158	2,844	11,314	397.8%
31 Change in net position	(419,022)	18,589,014	(19,008,036)	-102.3%	(5,414,186)	29,423,767	(34,837,953)	-118.4%
32 Net position, beginning of year					930,903,518	918,396,632	12,506,886	1.4%
33 Net position, end of year					925,489,332	947,820,399	(22,331,067)	-2.4%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**DRAINAGE SYSTEM FUND**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION**  
**WITH BUDGET COMPARISONS**  
**March 2016**

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	2,830	-	2,830	0.0%	8,391	-	8,391	0.0%
5 Total operating revenues	2,830	-	2,830	0.0%	8,391	-	8,391	0.0%
<b>Operating Expenses:</b>								
6 Power and pumping	459,638	696,612	(236,974)	-34.0%	1,164,507	2,089,836	(925,329)	-44.3%
7 Treatment	2,616	11,704	(9,088)	-77.6%	18,936	35,112	(16,176)	-46.1%
8 Transmission and distribution	59,669	101,940	(42,271)	-41.5%	182,103	305,820	(123,717)	-40.5%
9 Customer accounts	3,889	497	3,392	682.2%	4,666	1,492	3,175	212.8%
10 Customer service	2,045	11,218	(9,173)	-81.8%	17,248	33,653	(16,405)	-48.7%
11 Administration and general	485,439	948,577	(463,138)	-48.8%	1,420,133	2,845,732	(1,425,599)	-50.1%
12 Payroll related	923,376	543,655	379,721	69.8%	2,520,477	1,630,966	889,511	54.5%
13 Maintenance of general plant	298,578	1,285,020	(986,442)	-76.8%	1,019,964	3,855,059	(2,835,095)	-73.5%
14 Depreciation	1,434,543	1,404,351	30,192	2.1%	4,485,775	4,213,053	272,722	6.5%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	-	-	-	0.0%	1,666	-	1,666	0.0%
17 Provision for claims	20,595	70,027	(49,432)	-70.6%	44,360	210,081	(165,721)	-78.9%
18 Total operating expenses	3,690,388	5,073,601	(1,383,213)	-27.3%	10,879,835	15,220,803	(4,340,968)	-28.5%
19 Operating income (loss)	(3,687,558)	(5,073,601)	1,386,043	-27.3%	(10,871,444)	(15,220,803)	4,349,359	-28.6%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	266	-	266	0.0%	6,604	2,386	4,218	176.8%
21 Three-mill tax	926,486	-	926,486	0.0%	1,539,329	4,016,133	(2,476,804)	-61.7%
22 Six-mill tax	936,420	-	936,420	0.0%	1,555,905	4,059,224	(2,503,319)	-61.7%
23 Nine-mill tax	1,403,660	-	1,403,660	0.0%	2,332,176	6,084,527	(3,752,351)	-61.7%
24 Interest income	1,705	5,650	(3,946)	-69.8%	9,086	16,951	(7,865)	-46.4%
25 Other income	-	80,564	(80,564)	-100.0%	-	241,693	(241,693)	-100.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	3,268,537	86,214	3,182,322	3691.2%	5,443,100	14,420,913	(8,977,813)	-62.3%
29 Income before capital contributions	(419,022)	(4,987,387)	4,568,365	-91.6%	(5,428,344)	(799,890)	(4,628,454)	578.6%
30 Capital contributions	-	-	-	0.0%	14,158	-	14,158	0.0%
31 Change in net position	(419,022)	(4,987,387)	4,568,365	-91.6%	(5,414,186)	(799,890)	(4,614,296)	576.9%
32 Net position, beginning of year					930,903,518	918,396,632	12,506,886	1.4%
33 Net position, end of year					925,489,332	917,596,742	7,892,590	0.9%



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

---

**Date:** May 4, 2016

**To:** Deputy Judkins, Administration  
Deputy Miller, Chief Finance Officer  
Deputy Rivers, Logistics

**cc:** Kathleen LaFrance, Board Relations

**From:** Tiffany Carter

**Re:** EDBP Contract/Certification Summary – April 2016

Analyses were conducted for State and Local DBE participation on the following contract(s):

*Construction Contract(s)*

The EDBP Department has reviewed the following contract:

Contract # 30100: Electrical Modifications to Effluent Pump Station at the East Bank WWTP  
(Contract Review Committee approved fifteen percent (15%) SLDBE participation).

The bid totals are as follows:

Gootee Construction, Inc.	\$ 4,810,000.00
Jack's Electric Service, Inc.	\$ 5,118,000.00

The bid of the apparent lowest bidder, Gootee Construction, Inc. submitted the following subcontractor:

***C. Watson Group, LLC. (eligible certified SLDBE) to provide electrical supplies.***  
***\$1,500,000.00 – 31.18%***

Based upon analysis of SLDBE participation, the Economically Disadvantaged Business Program recommends that the SLDBE participation submitted by Gootee Construction, Inc. and Jack's Electric Service, Inc. be accepted.

The Construction Review Committee Meeting was held on April 13, 2016 and the following Open Market Contracts were reviewed:

1. Contract #1392	Improvements to the Michoud Water Tower
Estimated Cost:	\$3,200,000.00
Suggested Goal:	15%

2. Contract #1394	Painting and Repairs of 2 Four Million Gallon Water Storage Tanks at the Algiers Water Purification Plant
Estimated Cost:	\$250,000.00
Suggested Goal:	35%

**The Staff Contract Review Committee Meeting was held on April 13, 2016 and the following Open Market Contracts were reviewed:**

1. Furnishing Limestone (Suggested goal 30%)
2. Furnishing 4" & 5" Fire Hydrant Parts (Suggested goal 0%)
3. Furnishing R.D. Wood Gate Valve Parts (Suggested goal 0%)

*Contract renewals*

1. Furnishing Safety Supplies (30%)
2. Furnishing Hand Tools, Hardware Supplies, Paint and Paint Supplies (30%)
3. Furnishing Hoses and Accessories (0%)

**Renewal of Construction Contracts with SLDBE Participation**

No contracts reviewed

**Final acceptance of Construction Contracts with SLDBE Participation**

No contracts reviewed

**Sewerage & Water Board of New Orleans contracts with State and Local DBE Participation Summary for January – March 2016**



## SEWERAGE AND WATER BOARD

### Inter-Office Memorandum

---

**Date:** May 4, 2016

**To:** Willie Mingo, Director, Procurement

**From:** Tiffany Carter, Director, EDBP

**Re:** **Analysis - Contract #30100- Electrical Modifications to Effluent Pump Station at the East Bank WWTP**

The Compliance Team reviewed two (2) submissions for Contract #30100 on April 29, 2016. A summary of the bidder(s) are as follows:

Gootee Construction, Inc.	\$ 4,810,000.00
Jack's Electric Service, Inc.	\$ 5,118,000.00

Fifteen percent (15%) SLDBE participation was requested on this contract.

The bid of the apparent lowest bidder, Gootee Construction, Inc., submitted the following subcontractor:

**C. Watson Group, LLC.** (eligible certified SLDBE) to provide electrical supplies.  
\$1,500,000.00 – 31.18%

**Total SLDBE Participation: \$1,500,000.00 – 31.18%**

Correspondence from the SLDBE on their own letterhead reaffirming negotiated terms was provided.

The bid of the apparent second lowest bidder, Jack's Electric Service, Inc., submitted the following subcontractor:

**B. Powered Electric, LLC.** (eligible certified SLDBE) to provide electrical work, deliver and install variable frequency drivers.  
\$800,000.00 – 15.6%

**Total SLDBE Participation: \$800,000.00 – 15.6%**

Correspondence from the SLDBE on their own letterhead reaffirming negotiated terms was provided.

Based upon analysis of SLDBE participation, the Economically Disadvantaged Business Program recommends that the SLDBE participation submitted by **Gootee Construction, Inc. and Jack's Electric Service, Inc. be accepted.**

## **Staff Contract Review Committee Recommendations**

Wednesday, April 13, 2016

Sewerage and Water Board of New Orleans  
Economically Disadvantaged Business Program

### **Open Market Contracts**

**Open Market, 30% SLDBE Participation, one (1) year, with a one (1) year renewal option**

**1. Furnishing Limestone**

Budget Amount:

\$ 400,000.00

Area of Participation:

Supply and delivery of products

**One Time Purchase Only, 0% SLDBE Participation, no renewal options**

**2. Furnishing 4" & 5" Fire Hydrant Parts**

Budget Amount:

\$ 1,000,000.00

Percentage Goal Justification:

Does not lend itself to SLDBE participation because the product cannot be subdivided into any line items per commercially useful function and is shipped directly from the manufacturer.

**3. Furnishing R.D. Wood Gate Valve Parts**

Budget Amount:

\$ 600,000.00

Percentage Goal Justification:

Does not lend itself to SLDBE participation because the product cannot be subdivided into any line items per commercially useful function and is shipped directly from the manufacturer.

### **Renewal Contracts**

Pursuant to the Operations Committee request for SLDBE compliance on contracts involving renewals, please find subject information.

**First and Final Renewal, 30% SLDBE Participation**

**4. Furnishing Safety Supplies**

Renewal Cost:

\$ 138,766.05

Prime Contractor:

Southeast Safety & Supply

SLDBE Subcontractor:

Assorted Products

The SLDBE participation goal is 30.00%. The SLDBE participation achieved is 32.7%.

- 5. Furnishing Hand Tools, Hardware Supplies, Paint and Paint Supplies**  
Renewal Cost: \$ 360,281.60  
Prime Contractor: Assorted Products  
SLDBE Subcontractor: West Bank Paper and Janitorial  
Supply, Inc.

The SLDBE participation goal is 30.00%. The SLDBE participation achieved is 35.51%.

**First and Final Renewal, 0% SLDBE Participation**

- 6. Furnishing Hoses and Accessories**  
Renewal Cost: \$ 168,813.91  
Percentage Goal Justification: Does not lend itself to SLDBE participation because the product cannot be subdivided into any line items per commercially useful function and is shipped directly from the manufacturer.

**Sewerage and Water Board of New Orleans  
Customer Service Report  
Indicators of Metric Results  
April 2016**

	Goal	Goal Met		Within Control Limits		Trend
<b>Billing Accuracy / Reasonable</b>						
	Meters Read	Green		Green		Green
	Estimated Bills	Yellow		Green		Green
	High Bill Complaints	Green		Green		Green
	Adjusted Bills	Green		Green		Green
<b>Problem Resolution</b>						
	Customer Contacts	Yellow		Green		Yellow
	Call Wait Time	Green		Green		Green
	Abandoned Calls	Green		Green		Green
	Emergency Abandoned Calls	Yellow		Green		Green
	Low Water Pressure	Yellow		Green		Yellow
	Water System Leaks	Yellow		Green		Yellow
	Sewer System Leaks	Green		Green		Green
<b>Collections Effectiveness</b>						
	Accounts Off for Non-Payment	White		Green		Yellow
	Receivables 30 to 120 Days Old	White		Green		Green
	Receivables 120 Days and Older	White		Green		Green

Green = Favorable Variance

Yellow = Minimal Variance / No Action Recommended

Red = Unfavorable Variance / Action Recommended

# Sewerage and Water Board of New Orleans

## Meters Read as a Percentage of Total Meters

**Constituency:**  
Customer Ratepayers

**Objective: Provide**  
Accurate Bills

**Goal: Read 98% or**  
more of meters each  
month

**Currently Meeting**  
Goal: **Yes**

**Process Operating**  
**Within Control Limits:**  
**Yes**

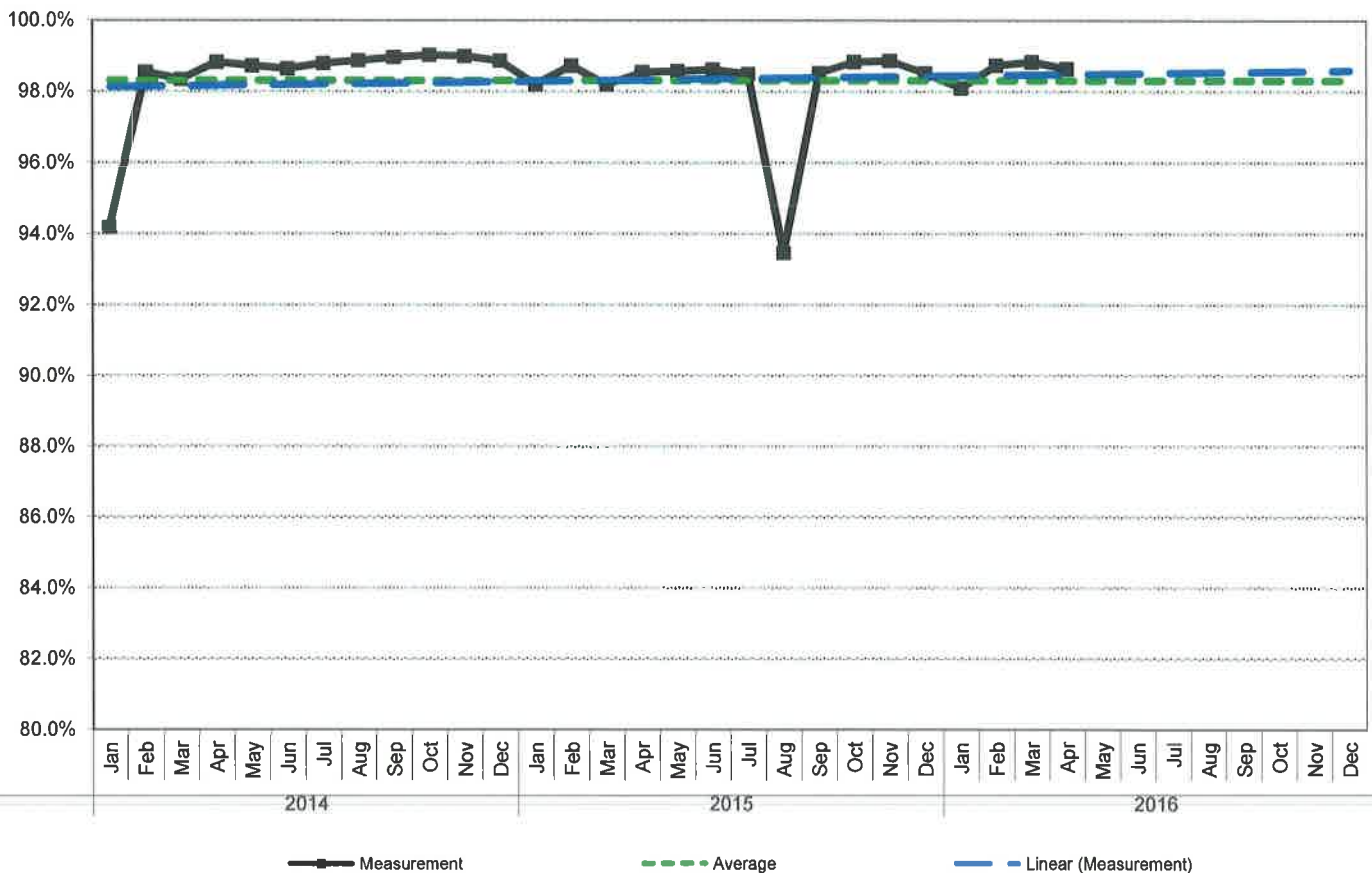
**Trend: Level**

### Analysis

The purpose of the customer billing and collection processes is to collect revenues from customer accounts that are billed according to the service rules and are based upon accurate metered consumption. Obtaining an accurate reading is the first step in that process. Staff has maintained a reading rate near or above the goal since April 2010 except for two months affected by Hurricane Isaac in 2012 and a winter freeze in January 2014.

### Plans for Improvement

Staff is working to reduce the number of estimated and erroneous readings. Also, the Automated Meter Reading pilot project is also intended to reduce the number of estimated and erroneous readings, as well as to reduce the cost of obtaining a validated reading.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2014</b>	94.2%	98.5%	98.3%	98.8%	98.7%	98.6%	98.8%	98.9%	99.0%	99.0%	99.0%	98.9%
<b>2015</b>	98.2%	98.7%	98.2%	98.5%	98.6%	98.6%	98.5%	93.5%	98.5%	98.8%	98.9%	98.5%
<b>2016</b>	98.1%	98.7%	98.8%	98.6%								

# Sewerage and Water Board of New Orleans Bills Estimated as a Percentage of Total Bills

**EUM Attribute:**  
**Customer Satisfaction**

**Description:** Provides reliable, responsive, and affordable services in line with explicit, customer-accepted service levels. Receives timely customer feedback to maintain responsiveness to customer needs and emergencies.

**Constituency:**  
**Customer Ratepayers**

**Objective:** Provide Accurate Bills

**Goal:** Bill Accounts With Less Than 2% Estimated

**Currently Meeting Goal:** Close

**Process Operating Within Control Limits:**  
**Yes**

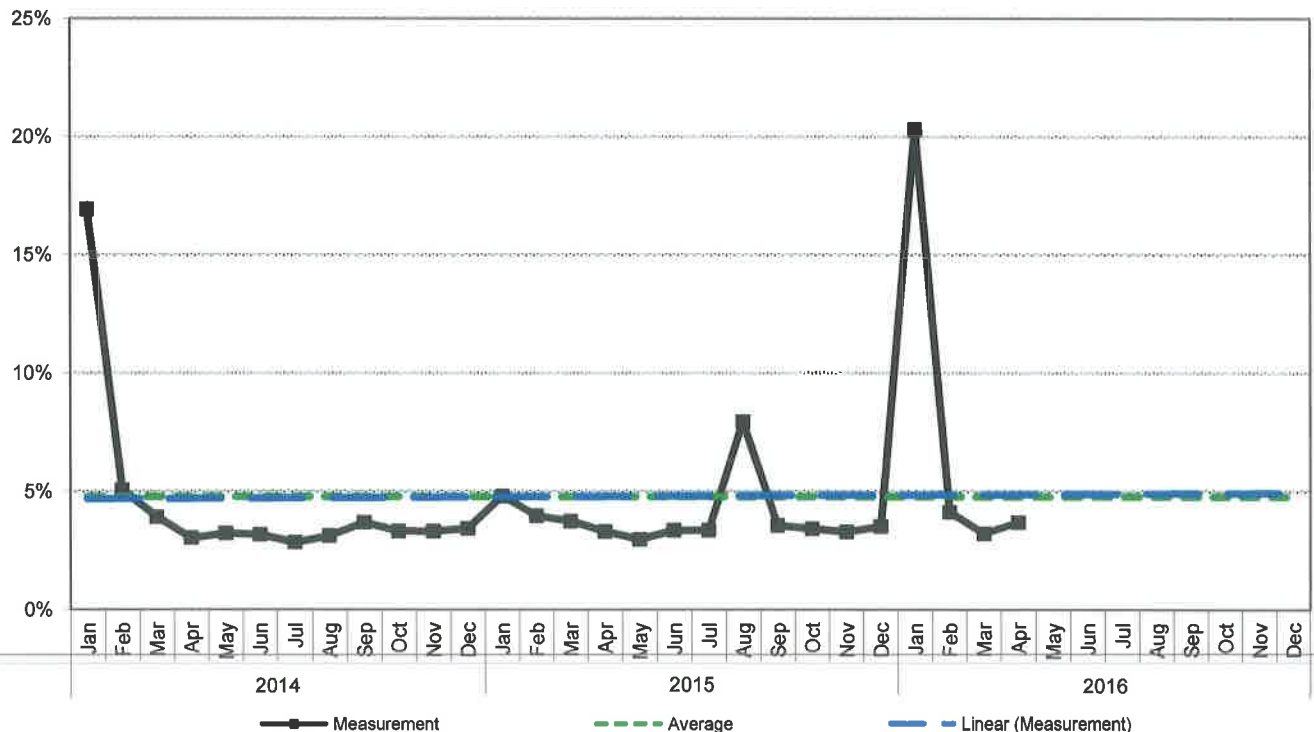
**Trend:** Level

## Analysis

A bill is estimated if the meter is not read by the designated billing date. Bills are also estimated when a meter is read and the reliability of the reading is doubtful and the account is placed on an exception report. If the reading is not verified by the billing date, the bill will be estimated. Spikes in estimated bills usually occur when the Meter Reading department is unable to read a large section of meters during extreme weather.

## Plans for Improvement

Current plans are focused on obtaining readings for accounts each month and verifying the reliability of each reading. Future plans will focus on advanced metering infrastructure that allows for readings to be obtained automatically several times daily.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	16.9%	5.1%	3.9%	3.0%	3.2%	3.2%	2.8%	3.1%	3.7%	3.3%	3.3%	3.4%
2015	4.8%	4.0%	3.7%	3.3%	3.0%	3.4%	3.4%	7.9%	3.6%	3.4%	3.3%	3.5%
2016	20.3%	4.1%	3.2%	3.7%								

# Sewerage and Water Board of New Orleans

## Investigations from High Bill Complaints as a Percentage of Total Bills

**Constituency:**  
Customer Ratepayers

**Objective:** Provide  
Accurate Bills

**Goal:** Reduce  
percentage over time

**Currently Meeting**  
**Goal:** Yes

**Process Operating**  
**Within Control Limits:**  
Yes

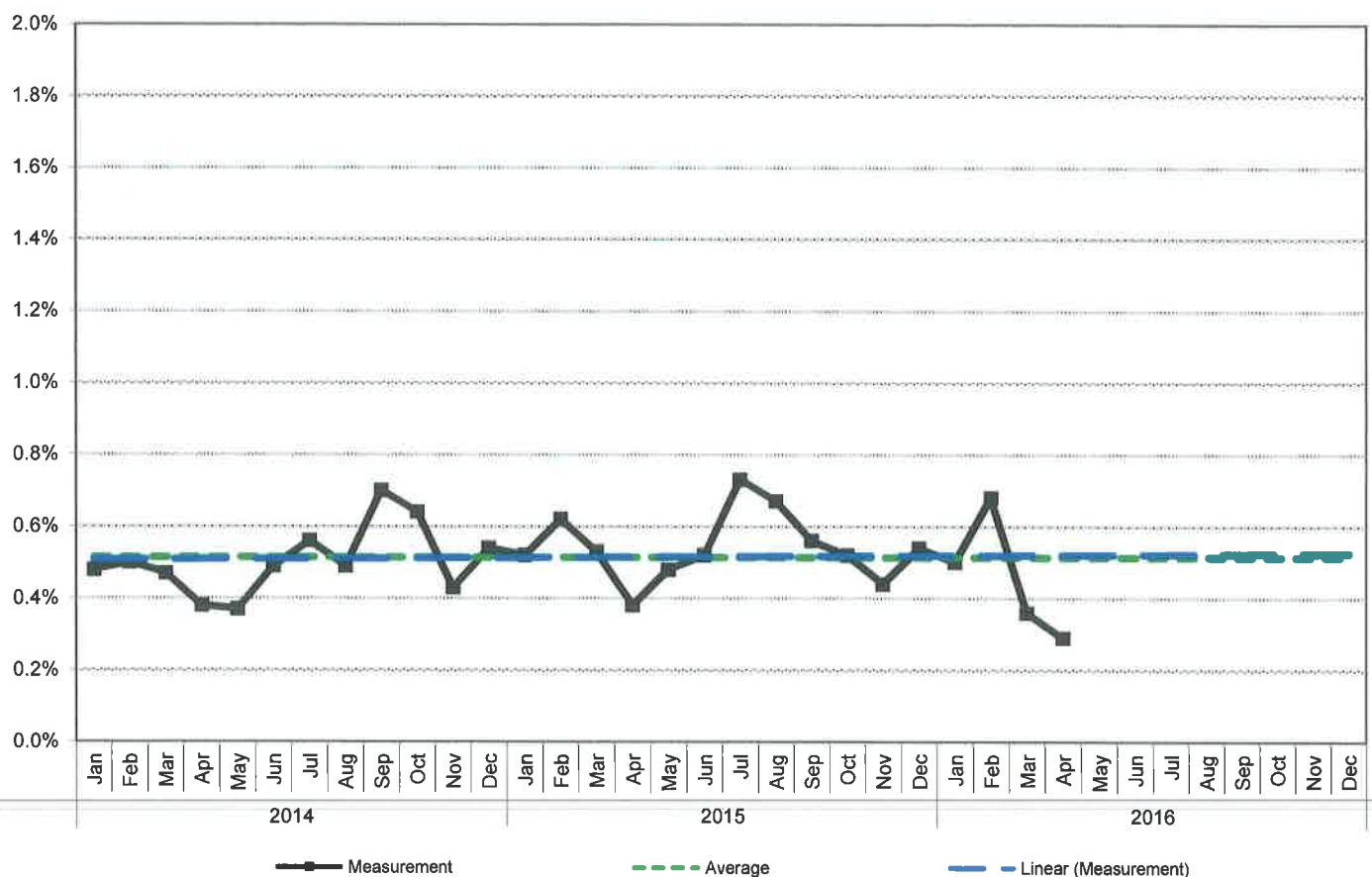
**Trend:** Level

### Analysis

Customers request an investigation about their usage when the bill is higher than normal amounts. The higher billed amount may be due to: a leak; one or more estimated readings followed by an actual reading; an erroneous meter reading; or increased water, sewer, or sanitation rates. Before an adjustment can be made, an inspection of the meter and service line must be performed.

### Plans for Improvement

Staff is working to reduce the number of estimated and erroneous readings. Also, the Automated Meter Reading pilot project is also intended to reduce the number of estimated and erroneous readings, as well as to reduce the cost of obtaining a validated reading.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.6%	0.5%	0.7%	0.6%	0.4%	0.5%
2015	0.5%	0.6%	0.5%	0.4%	0.5%	0.5%	0.7%	0.7%	0.6%	0.5%	0.4%	0.5%
2016	0.5%	0.7%	0.4%	0.3%								

# Sewerage and Water Board of New Orleans

## Bills Adjusted as a Percentage of Total Bills Computed

**Constituency:**  
Customer Ratepayers

**Objective: Provide**  
Accurate Bills

**Goal: Reduce**  
percentage over  
time

**Currently Meeting**  
Goal: Close

**Process Operating**  
Within Control Limits:  
Yes

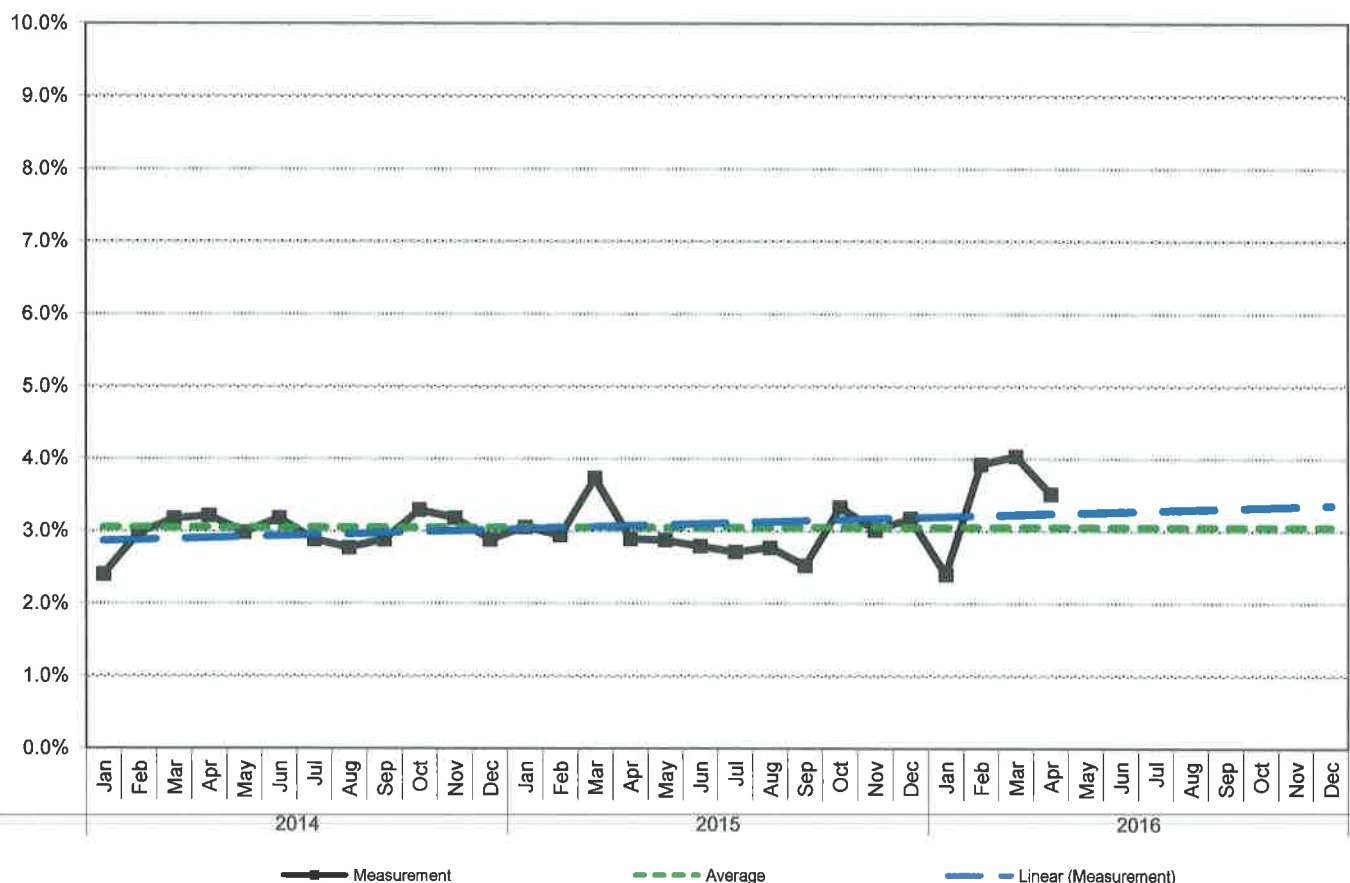
**Trend: Level**

### Analysis

Customers request adjustments to their bill due to higher than normal amounts. The higher billed amount may be due to: a leak; one or more estimated readings followed by an actual reading; an erroneous meter reading; or increased water, sewer, or sanitation rates. Before an adjustment can be made, an inspection of the meter and service line must be performed.

### Plans for Improvement

Staff is working to reduce the number of estimated and erroneous readings. Also, the Automated Meter Reading pilot project is also intended to reduce the number of estimated and erroneous readings, as well as to reduce the cost of obtaining a validated reading.



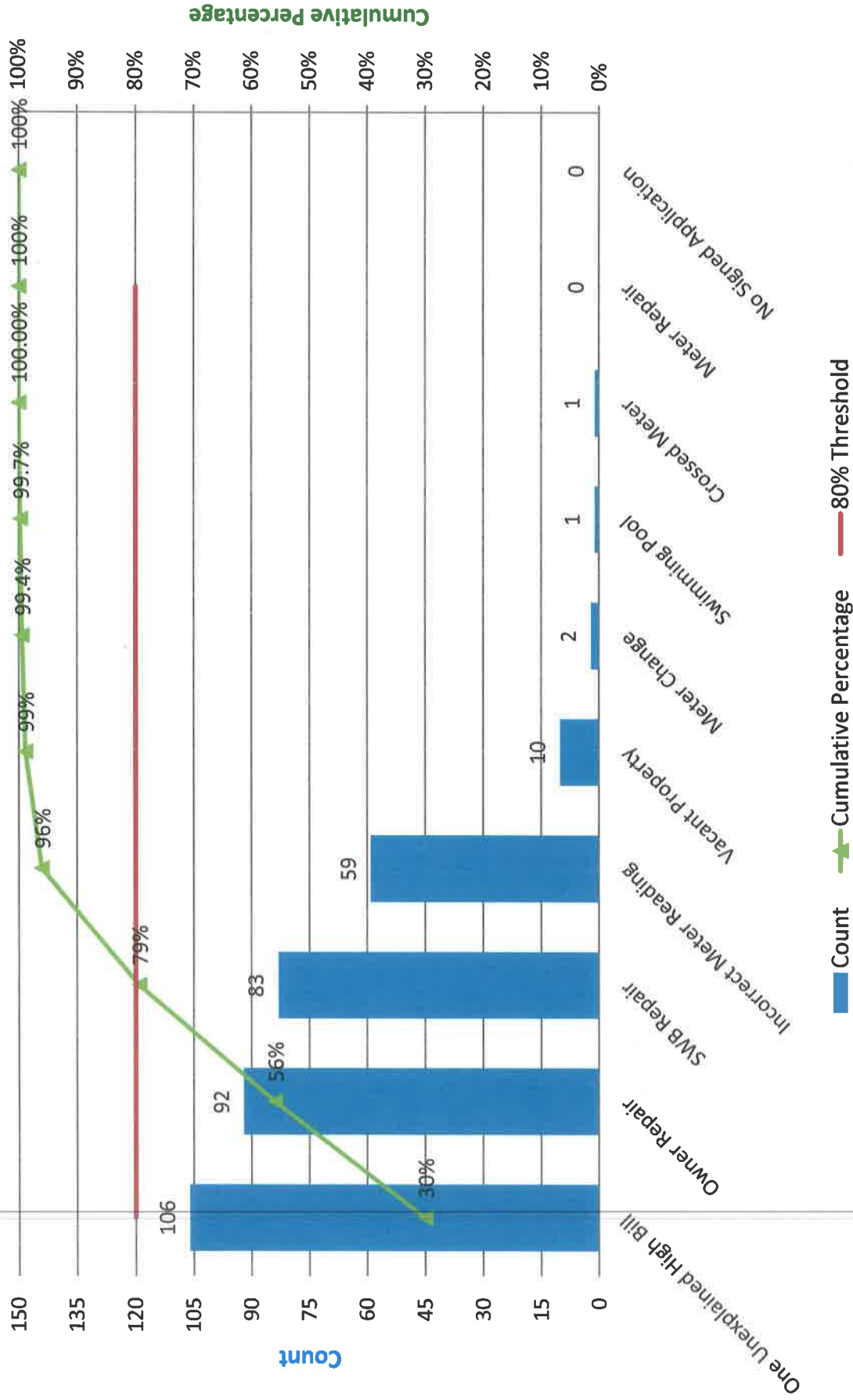
**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	2.4%	3.0%	3.2%	3.2%	3.0%	3.2%	2.9%	2.8%	2.9%	3.3%	3.2%	2.9%
2015	3.1%	2.9%	3.7%	2.9%	2.9%	2.8%	2.7%	2.8%	2.5%	3.3%	3.0%	3.2%
2016	2.4%	3.9%	4.0%	3.5%								

# Sewerage and Water Board of New Orleans

## Chart of Reasons for Adjustments

March 2016



# Sewerage and Water Board of New Orleans

## Total Inbound Customer Contacts

**Constituency:**  
Customer  
Ratepayers

**Currently Meeting**  
**Goal: Close**

**Objective: Provide Timely**  
**Information and Respond**  
**Promptly to Requests**

**Process Operating**  
**Within Control**  
**Limits: Yes**

**Goal: Reduce**  
**Triggers of Customer**  
**Calls**

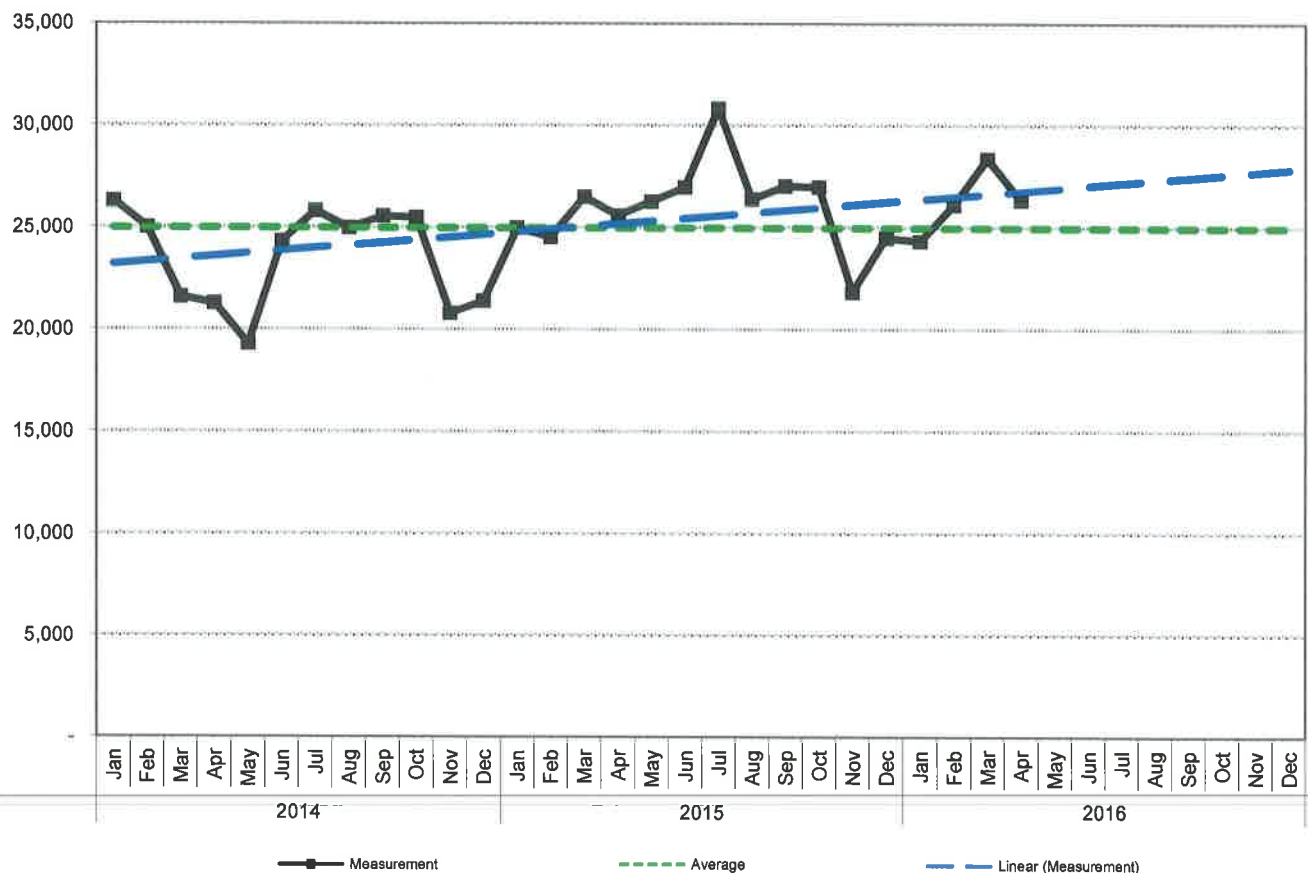
**Trend: Increasing**

### Analysis

Customers contact the Sewerage and Water Board to start or end service; to request information about their bill; to report concerns about their water service, sewer connection, street flooding, or solid waste sanitation service; and other matters. The Call Center for emergency repairs is operated continuously, while the Call Center for billing and non-emergency issues is operated from 7 AM to 7 PM. Call volumes can vary significantly month to month.

### Plans for Improvement

Staff is analyzing the events that trigger calls in order to determine methods to reduce the volume. Short term plans for improvement will focus on creating more efficient "scripts" for handling routine call matters. Longer term plans will focus on reducing the overall call volumes with interactive voice response capabilities.



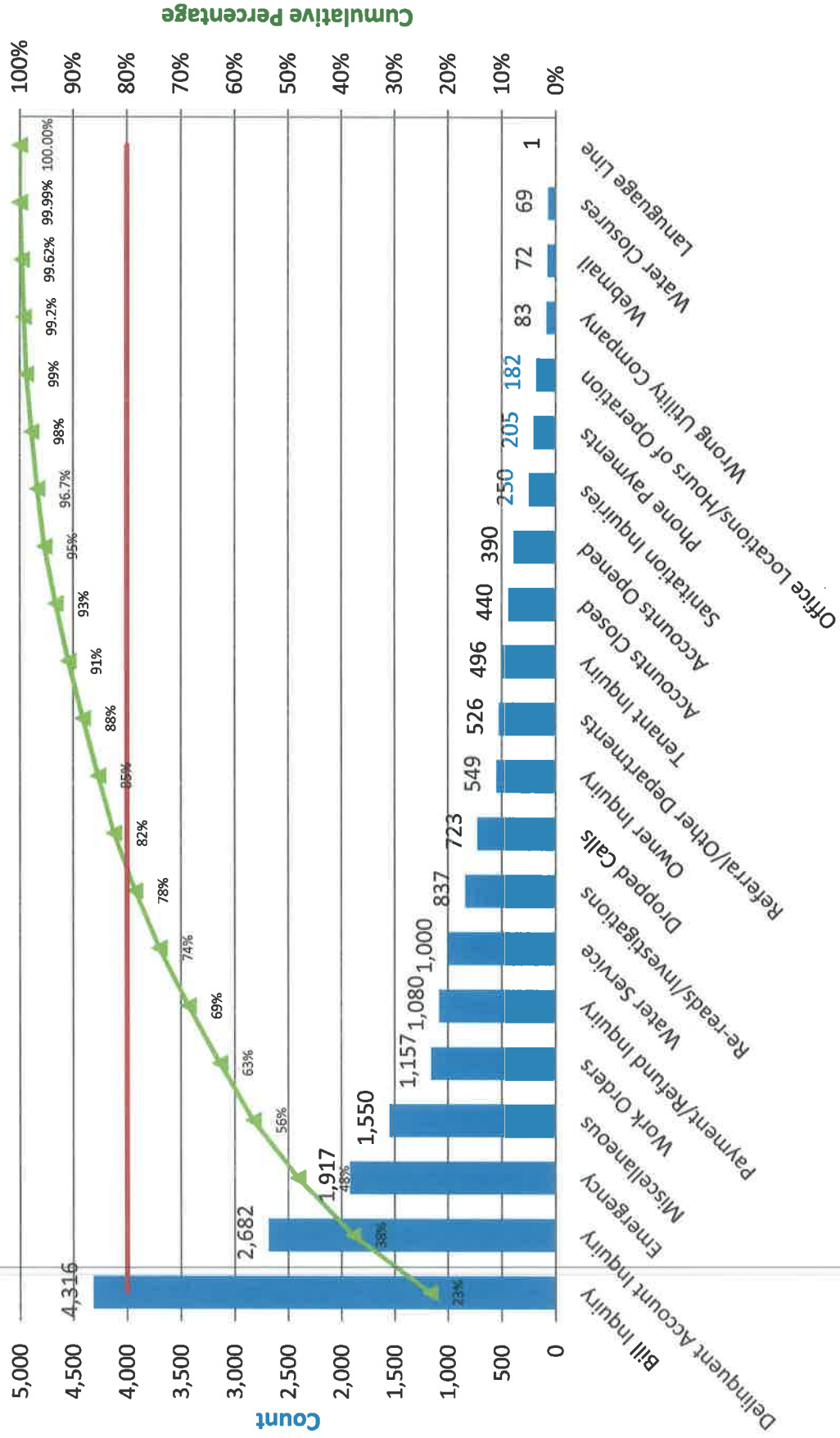
**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	26,282	24,992	21,579	21,262	19,276	24,315	25,800	24,967	25,532	25,467	20,775	21,366
2015	24,967	24,496	26,486	25,565	26,261	26,963	30,836	26,368	27,019	26,973	21,816	24,469
2016	24,311	26,089	28,365	26,333								

# Sewerage and Water Board of New Orleans

## Chart of Types of Customer Calls

March 2016



Count Cumulative Percentage 80% Threshold

# Sewerage and Water Board of New Orleans

## Average Call Wait Time

**Constituency:**  
Customer Ratepayers

**Objective: Provide**  
Accurate Bills

**Goal: Reduce over**  
time

**Currently Meeting**  
Goal: **Yes**

**Process Operating**  
**Within Control Limits:**  
**Yes**

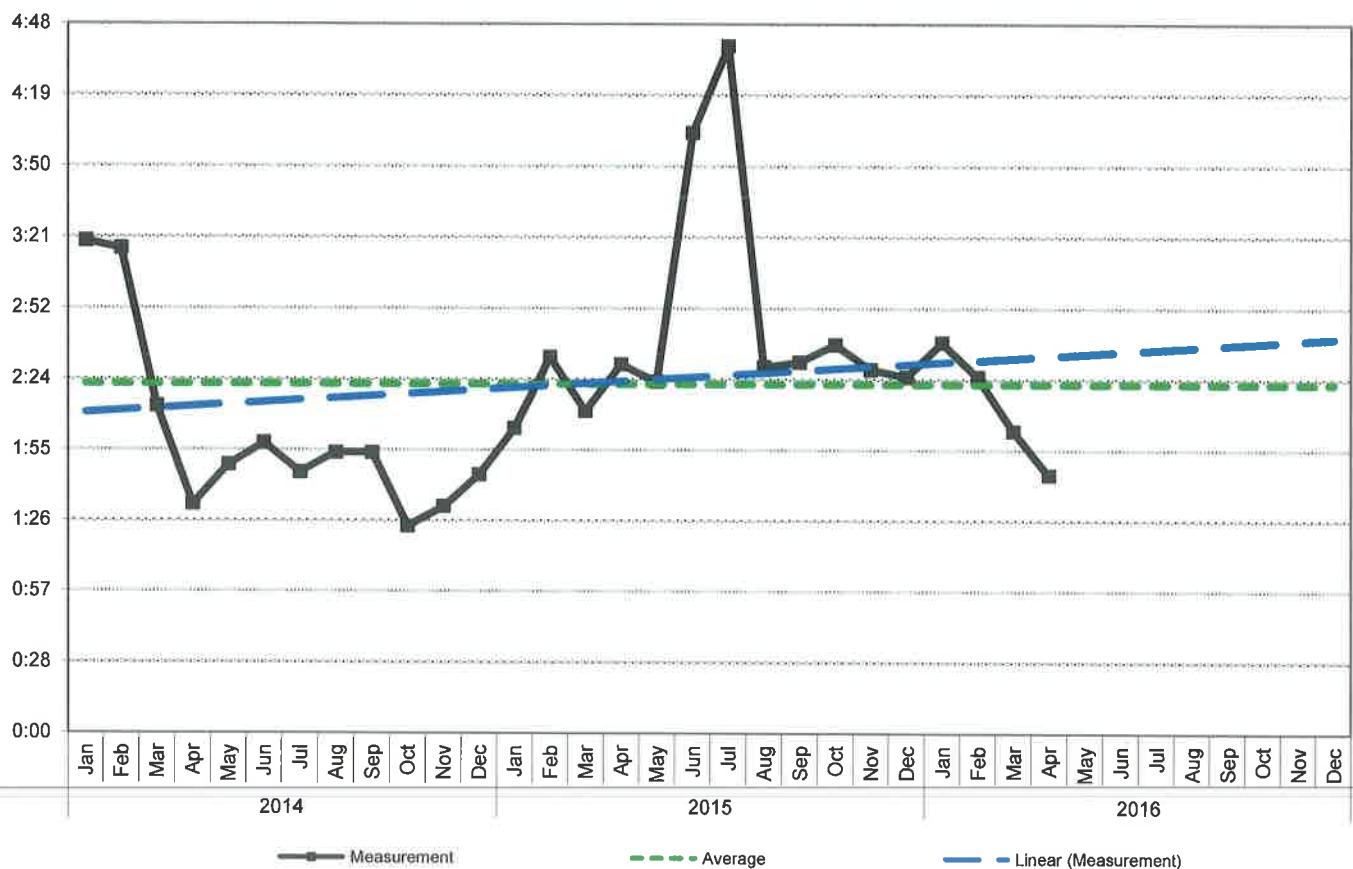
**Trend: Level**

### Analysis

Customers contact the Sewerage and Water Board to start or end service; to request information about their bill; to report concerns about their water service, sewer connection, street flooding, or solid waste sanitation service; and other matters. The Call Center for emergency repairs is operated continuously, while the Call Center for billing and non-emergency issues is operated from 7 AM to 7 PM. Call volumes can vary significantly month to month.

### Plans for Improvement

Staff is analyzing the events that trigger calls in order to determine methods to reduce the volume. Short term plans for improvement will focus on creating more efficient "scripts" for handling routine call matters. Longer term plans will focus on reducing the overall call volumes with interactive voice response capabilities.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	3:20	3:17	2:13	1:33	1:49	1:58	1:46	1:54	1:54	1:24	1:32	1:45
2015	2:04	2:33	2:11	2:30	2:23	4:04	4:39	2:29	2:31	2:38	2:28	2:25
2016	2:39	2:25	2:03	1:45								

# Sewerage and Water Board of New Orleans Calls Abandoned by Customers as a Percentage of Total

**Constituency:**  
Customer Ratepayers

**Objective:** Provide Timely  
Information and Respond  
Promptly to Requests

**Goal:** Respond to calls  
with less than 10%  
abandoned

**Currently Meeting  
Goal:** Close

**Process Operating  
Within Control Limits:**  
Yes

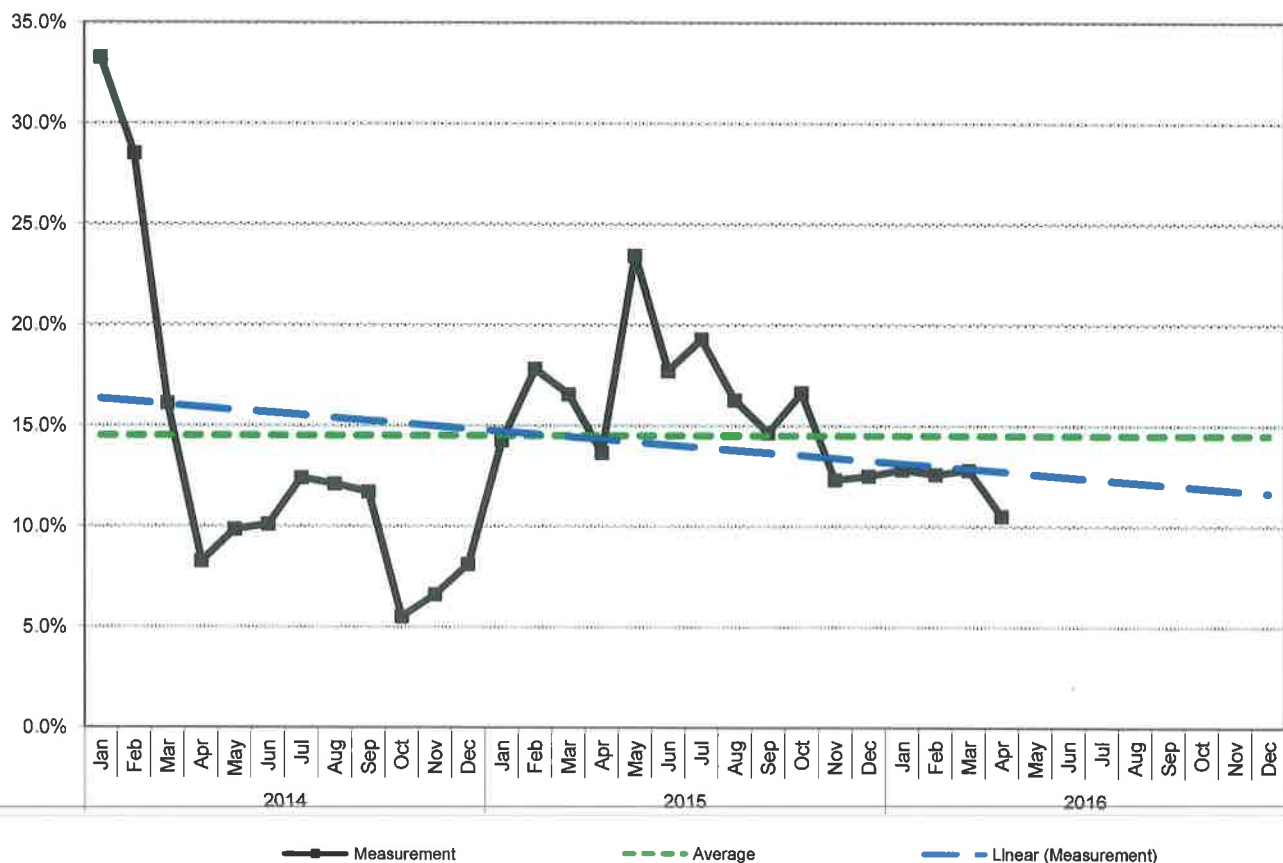
**Trend:** Favorable

## Analysis

Customers abandon their calls after waiting for an amount of time considered inconvenient, which varies from customer to customer. Some portion of the volume of abandoned calls is from customers calling and hanging up on multiple occasions.

## Plans for Improvement

In order to resolve the significant increase in abandoned calls, additional employees have been hired and are being trained. Call rollover time has been reduced from 3 minutes to 20 seconds. Medium term plans for improvement will focus on creating more efficient "scripts" for handling routine call matters. Longer term plans will focus on reducing the overall call volumes with interactive voice response capabilities.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	33.3%	28.5%	16.1%	8.3%	9.8%	10.1%	12.4%	12.1%	11.7%	5.5%	6.6%	8.1%
2015	14.3%	17.8%	16.6%	13.7%	23.4%	17.7%	19.3%	16.3%	14.7%	16.6%	12.3%	12.5%
2016	12.8%	12.6%	12.8%	10.5%								

# Sewerage and Water Board of New Orleans

## Emergency Calls Abandoned by Customers as a Percentage of Total Emergency Calls

**Constituency:**  
Customer Ratepayers

**Objective:** Provide Timely  
Information and Respond  
Promptly to Requests

**Goal:** Respond to calls  
with less than 10%  
abandoned

**Currently Meeting**  
**Goal: Close**

**Process Operating**  
**Within Control Limits:**  
**Yes**

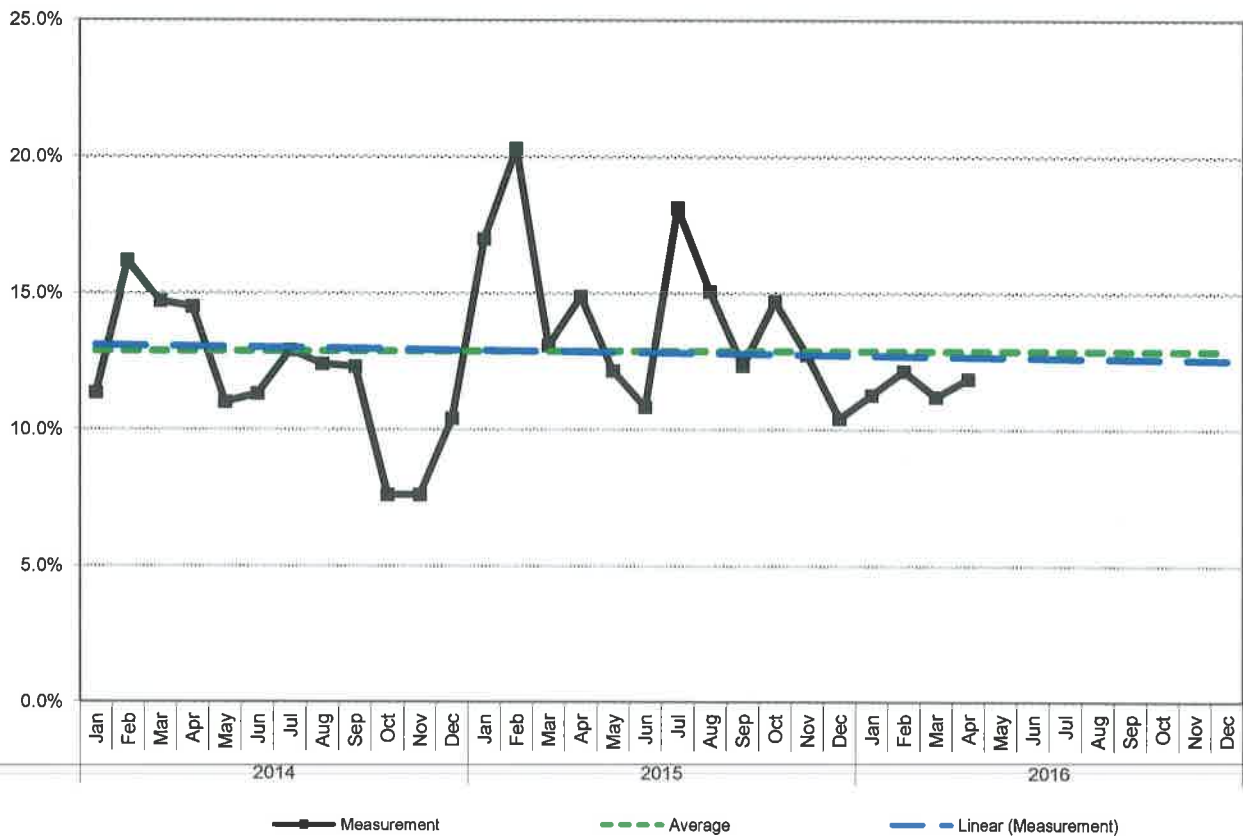
**Trend: Level**

### Analysis

Customers abandon their calls after waiting for an amount of time considered inconvenient, which varies from customer to customer. Some portion of the volume of abandoned calls is from customers calling and hanging up on multiple occasions. Staff is addressing this issue as a top priority. The telephone system was recently upgraded.

### Plans for Improvement

In order to resolve the significant increase in abandoned calls, additional employees have been hired and are being trained. Call rollover time has been reduced from 3 minutes to 20 seconds. Scripts were created for more efficient handling of routine call matters. Longer term plans will focus on reducing the overall call volumes with interactive voice response capabilities.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	11.3%	16.2%	14.7%	14.5%	11.0%	11.3%	12.9%	12.4%	12.3%	7.6%	7.6%	10.4%
2015	17.0%	20.3%	13.1%	14.9%	12.2%	10.8%	18.1%	15.1%	12.3%	14.7%	12.7%	10.4%
2016	11.3%	12.1%	11.2%	11.9%								

# Sewerage and Water Board of New Orleans

## Total Service Requests about Low Water Pressure

**Constituency:**  
Customer  
Ratepayers

**Currently Meeting**  
**Goal: Close**

**Objective: Provide Timely**  
**Information and Respond**  
**Promptly to Requests**

**Process Operating**  
**Within Control**  
**Limits: Yes**

**Goal: Reduce**  
**Number of Service**  
**Requests**

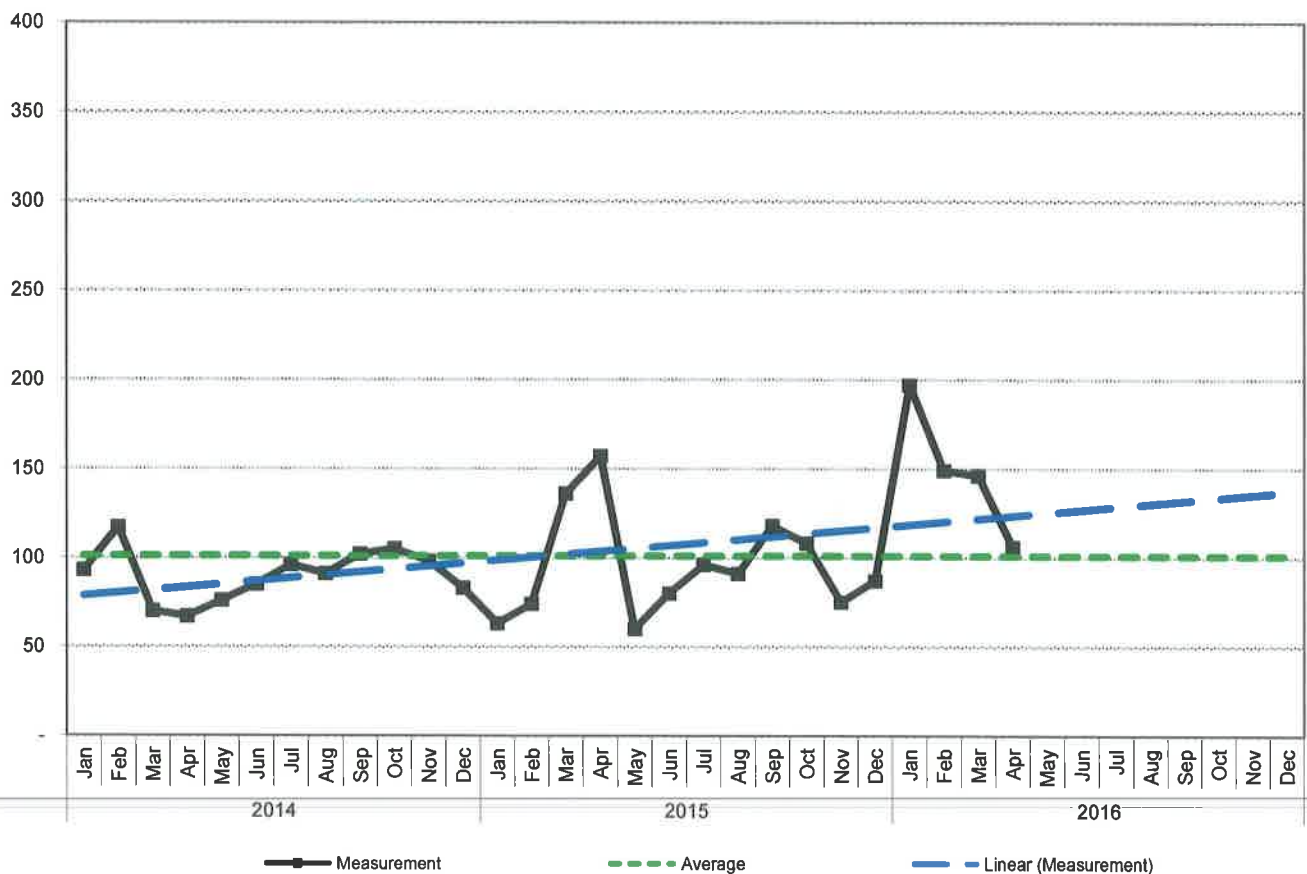
**Trend: Increasing**

### Analysis

Customers contact the Sewerage and Water Board to request resolution to low water pressure. System pressure can be impaired by power failures at the treatment plants, by water main breaks, and by certain types of repair activities.

### Plans for Improvement

Staff continues to make repairs to the water system to reduce the number of occasions of low pressure.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	93	117	70	67	76	85	96	91	102	105	98	83
2015	63	74	136	157	60	80	96	91	118	105	98	83
2016	197	149	146	106								

# Sewerage and Water Board of New Orleans

## Total Service Requests for Water System Leaks

**Constituency:**  
Customer  
Ratepayers

**Currently Meeting  
Goal: Close**

**Objective: Provide Timely  
Information and Respond  
Promptly to Requests**

**Process Operating  
Within Control  
Limits: Yes**

**Goal: Reduce  
Number of Service  
Requests**

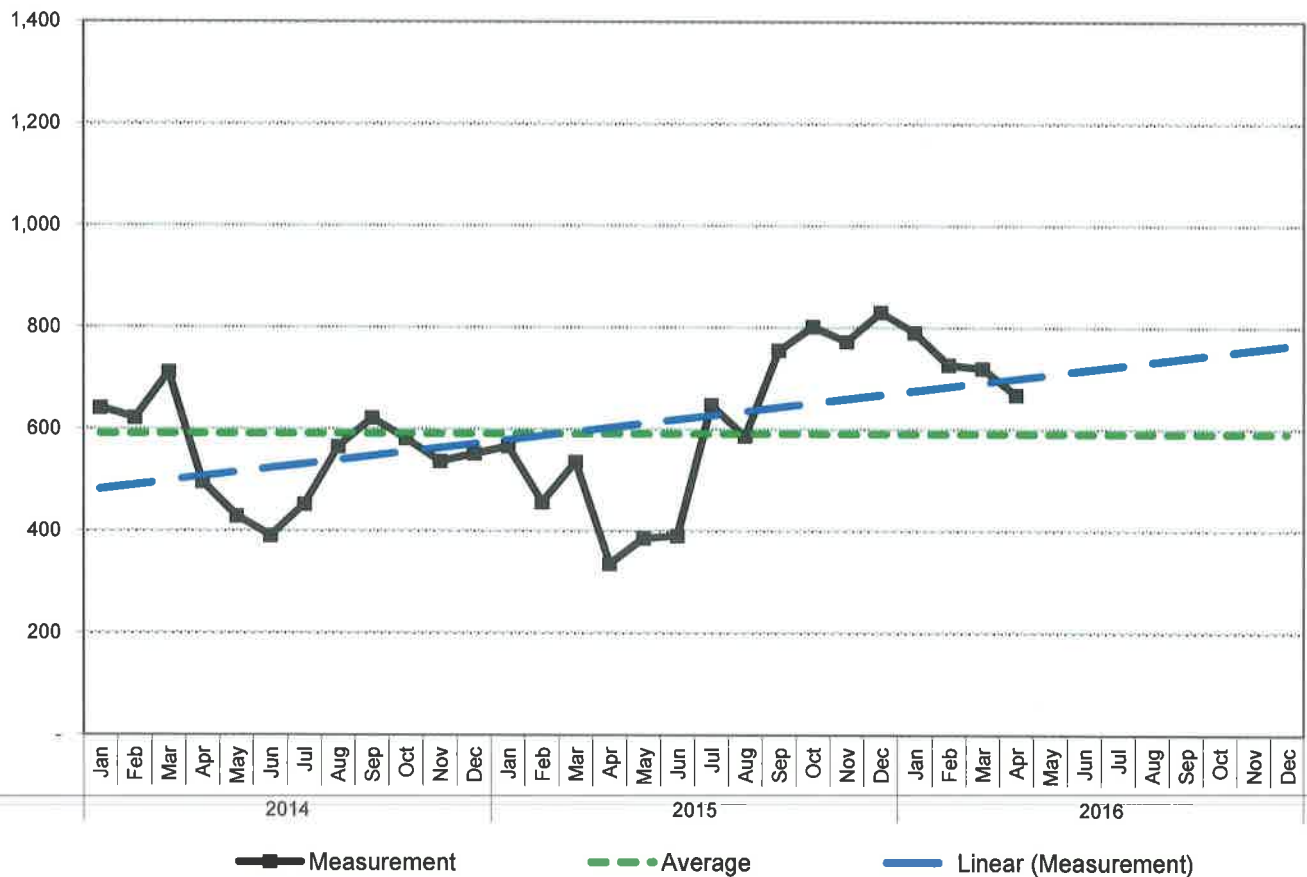
**Trend: Increasing**

### Analysis

Customers contact the Sewerage and Water Board to request repairs to leaking mains, services and fire hydrants.

### Plans for Improvement

Staff is working with FEMA to expand beyond point repairs to line replacements for water mains with high frequency of failure.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	641	621	711	495	428	390	451	565	621	581	536	551
2015	566	456	535	335	385	390	647	586	754	801	772	829
2016	790	726	719	667								

# Sewerage and Water Board of New Orleans

## Total Service Requests for Sewer System Leaks

**Constituency:**  
Customer  
Ratepayers

**Objective:** Provide Timely  
Information and Respond  
Promptly to Requests

**Goal:** Reduce  
Number of Service  
Requests

**Currently Meeting  
Goal:** Yes

**Process Operating  
Within Control  
Limits:** Close

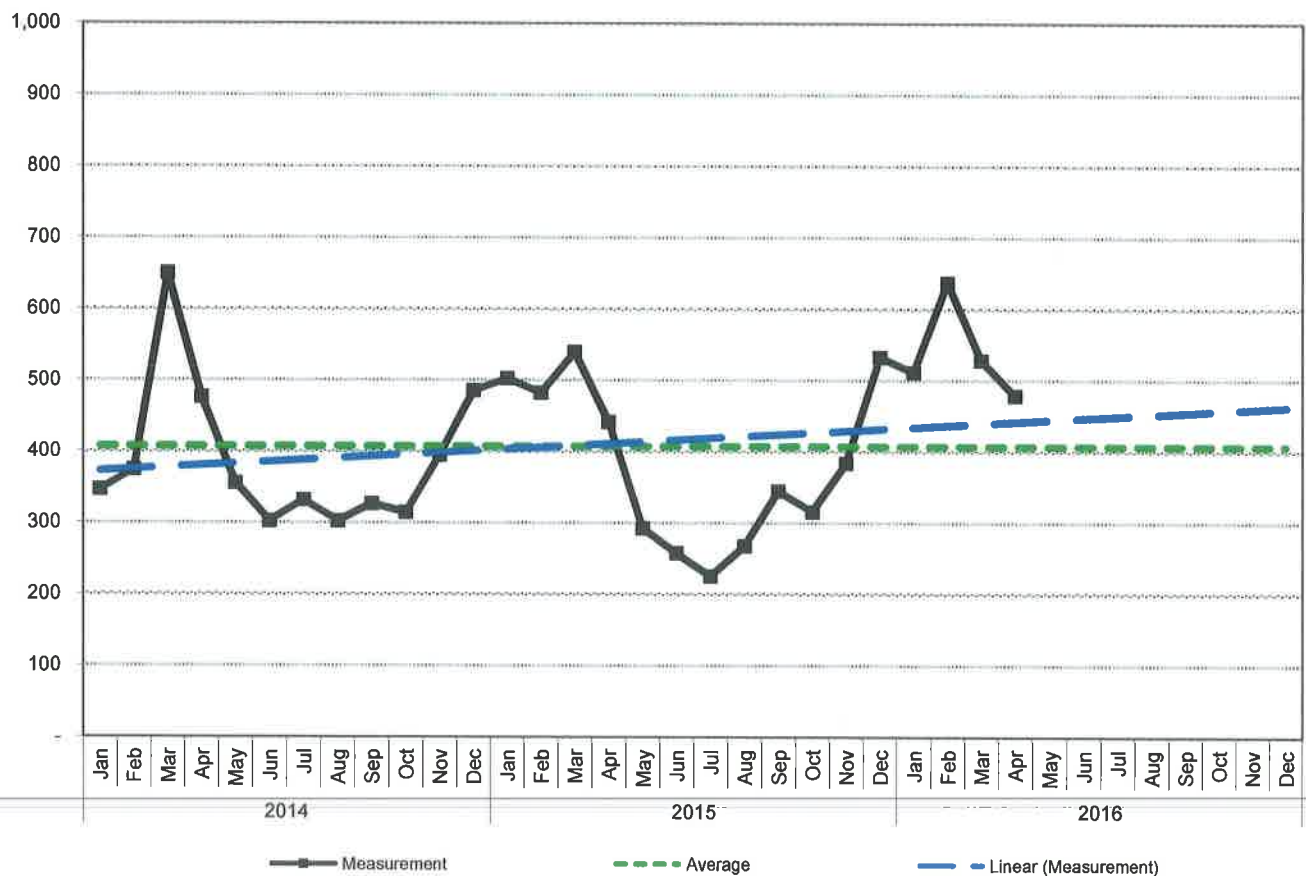
**Trend:** Level

### Analysis

Customers contact the Sewerage and Water Board to request repairs to leaking sewer collection mains and service lines.

### Plans for Improvement

Staff has recently expanded the use of Networks Department field staff focused on sewer system repairs.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	346	374	650	476	355	302	331	302	326	314	394	485
2015	502	482	539	441	292	257	225	267	344	315	383	532
2016	511	637	528	478								

# Sewerage and Water Board of New Orleans

## Total Accounts Turned Off for Non-Payment

**Constituency:**  
Customer  
Ratepayers

**Objective:** Ensure  
Collection of Payments for  
Services Provided

**Goal:** None  
Established

**Currently Meeting  
Goal:** Not Applicable

**Process Operating  
Within Control  
Limits:** Yes

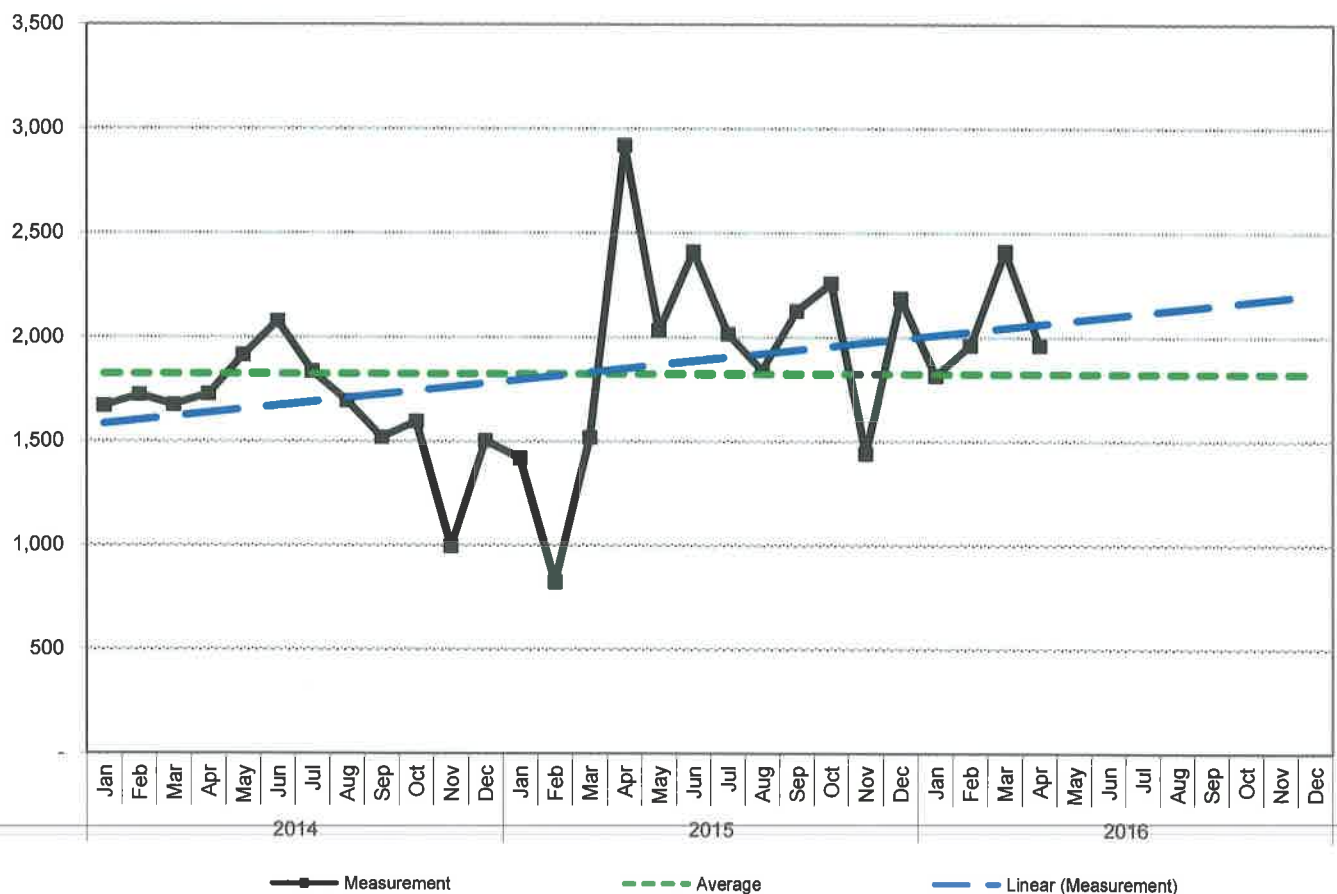
**Trend:** Increasing

### Analysis

Customers accounts are turned-off for non-payment for balances more than \$50 and over sixty days past due.

### Plans for Improvement

Staff is monitoring the number of accounts turned-off for non-payment to determine trend directions. No actions are contemplated at this time.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,670	1,723	1,675	1,727	1,915	2,077	1,836	1,694	1,518	1,594	993	1,502
2015	1,417	823	1,517	2,920	2,033	2,411	2,016	1,840	2,126	2,258	1,439	2,187
2016	1,816	1,962	2,412	1,960								

# Sewerage and Water Board of New Orleans

## Water and Sewer Receivables 30 to 120 Days Old

**EUM Attribute:**  
Financial Viability

**Description:** Establishes and maintains an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues

**Constituency:**  
Customer Ratepayers

**Objective:** Efficient use of resources in providing services

**Goal:** None established

**Currently Meeting Goal:** Not Applicable

**Process Operating Within Control Limits:** Yes

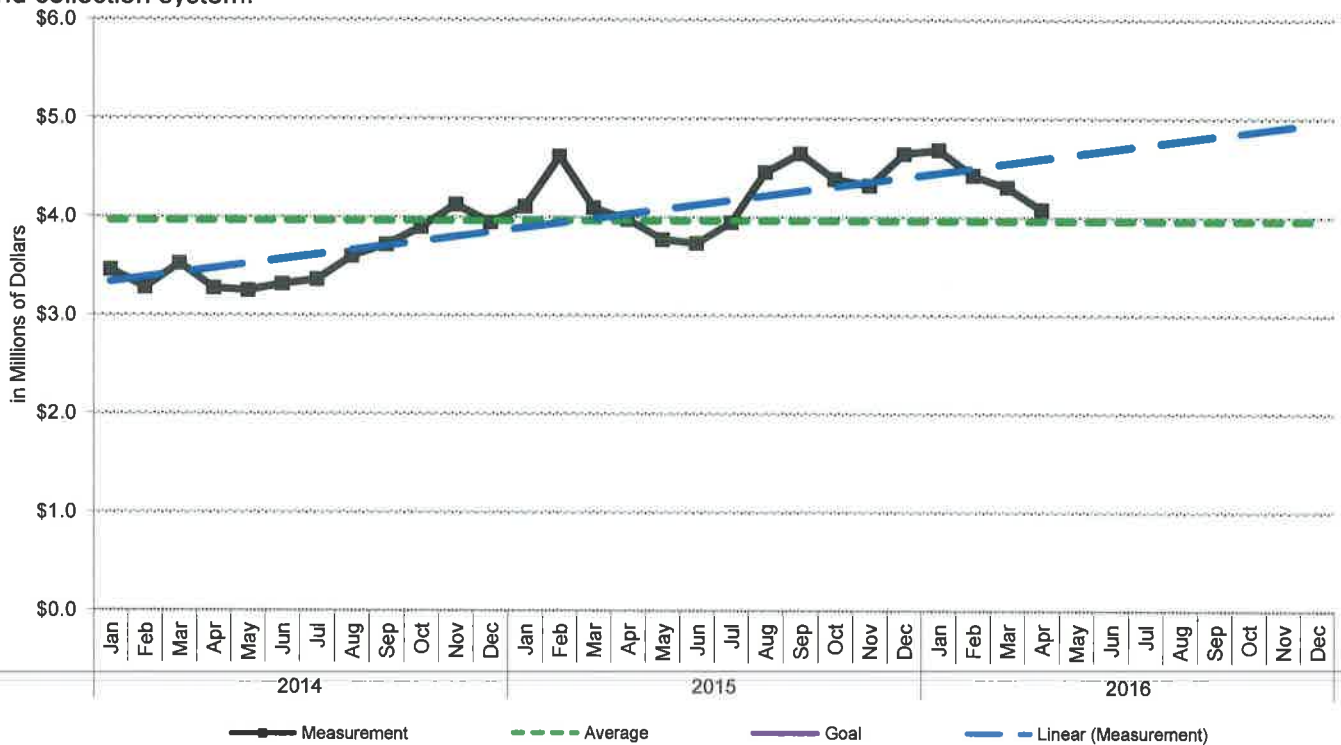
**Trend:** Level, when adjusted for rate increases.

### Analysis

Water and sewer accounts receivable that are 30 to 120 days old are handled by internal staff using service disconnection. When those accounts are turned-off and final bills sent, the remaining balances after 30 days are sent to a collection agency. The uncollectable balances for 2007 and 2008 were higher than normal due to accounts that remained open for vacated facilities and were written off in 2011 and 2012.

### Plans for Improvement

It appears that the higher post-Katrina accounts receivable balances have been resolved through standard collection practices and that annual collection rates now exceed 98% of annual billings. Staff intends to use standard process improvement methods to continue collection practices pending implementation of new billing and collection system.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	\$3.458	\$3.280	\$3.524	\$3.271	\$3.249	\$3.314	\$3.361	\$3.598	\$3.715	\$3.893	\$4.122	\$3.941
2015	\$4.104	\$4.612	\$4.091	\$3.971	\$3.769	\$3.732	\$3.941	\$4.451	\$4.643	\$4.383	\$4.319	\$4.640
2016	\$4.678	\$4.422	\$4.302	\$4.077								

# Sewerage and Water Board of New Orleans

## Water and Sewer Receivables 120 Days and Older

**EUM Attribute:**  
Financial Viability

**Description:** Establishes and maintains an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues

**Constituency:**  
Customer Ratepayers

**Objective:** Efficient use of resources in providing services

**Goal:** None established

**Currently Meeting Goal:** Not Applicable

**Process Operating Within Control Limits:** Yes

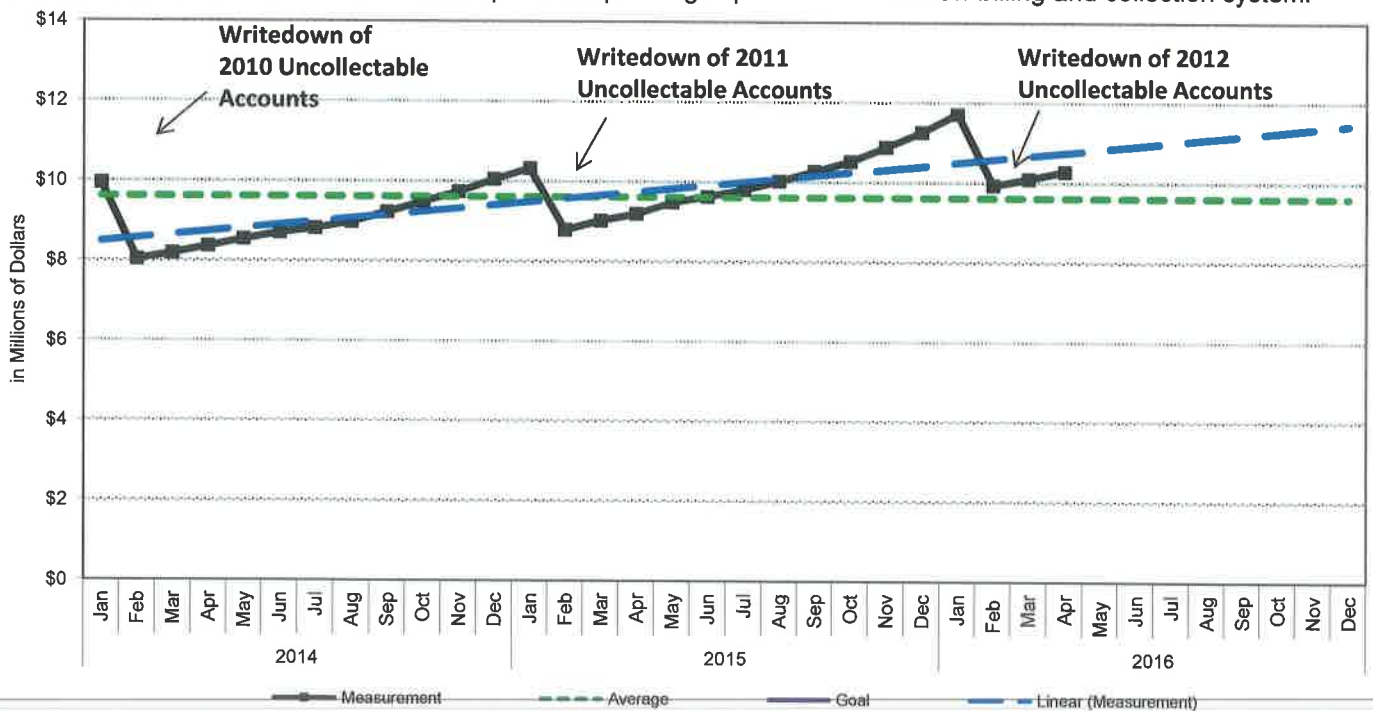
**Trend:** Level, when adjusted for rate increases.

### Analysis

Water and sewer accounts receivable that are 120 days and older are handled by a collection agency. When those accounts remain uncollected after three years, the balances are written off as part of an annual process.

### Plans for Improvement

It appears that the higher post-Katrina accounts receivable balances have been resolved through standard collection practices and that annual collection rates now exceed 98% of annual billings. Staff intends to use standard process improvement methods to continue collection practices pending implementation of new billing and collection system.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	\$ 9.95	\$ 8.03	\$ 8.18	\$ 8.36	\$ 8.54	\$ 8.69	\$ 8.81	\$ 8.98	\$ 9.22	\$ 9.48	\$ 9.73	\$ 10.05
2015	\$ 10.32	\$ 8.78	\$ 9.01	\$ 9.19	\$ 9.47	\$ 9.62	\$ 9.80	\$ 10.02	\$ 10.26	\$ 10.51	\$ 10.87	\$ 11.25
2016	\$ 11.71	\$ 9.92	\$ 10.09	\$ 10.27								

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

FEMA Project Update as of **5-4-16**

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

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

**Hurricane Katrina**

<b>Estimated Project Cost</b>	<b>\$ 949,439,240.41</b>
<b>Obligated Amount</b>	<b>\$ 683,142,051.69</b>
Not Eligible PW <sup>1</sup>	\$ 10,896,751.08
Not Eligible Loan PW <sup>2</sup>	\$ 71,526,568.73
Insurance Deduction <sup>3</sup>	\$ 2,747,339.04
Insurance Settlement <sup>4</sup>	\$ 2,303,000.00
Version Request <sup>5</sup>	\$ 50,863,152.67
Appeal Amount <sup>6</sup>	\$ 0
Close Out Reconciliation <sup>7</sup>	\$ 0
Submitted Project Cost	\$ 838,261,350.26
Awaiting Obligation <sup>8</sup>	\$ 140,017,150.51
Total Invoices in Progress at State	\$ 32,542,520.86
Total Paid by State (LAPA Data)	\$ 397,859,034.72
SPS HMGP Grant	\$ 20,082,538.00
Power Plant HMGP GRANT	\$ 141,175,000.00
Power Plant HMGP Amendment 1	\$ 9,620,389.00
Settlement Amount	\$ 128,986,034.00

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

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

<sup>3</sup> National Flood Insurance deductions.

<sup>4</sup> Insurance Settlement

<sup>5</sup> Amount that FEMA is reviewing documentation to adjust scope of work or cost adjustments

<sup>6</sup> Amount that is currently under appeal or arbitration.

<sup>7</sup> Amount that will be reconciled when Project Worksheet's are closed out.

<sup>8</sup> Amount pending obligation in FEMA Million Dollar Queue or Funding Review Queue.

## Hurricane Gustav

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

Original ESTIMATED PROJECT COST	\$ 750,945.28
PROJECT SUBMITTED AMOUNT	\$ 750,945.28
NFIP Reduction	\$ -
OBLIGATED Amount	\$ 544,884.26
Amount Paid by State	\$ 518,864.38

## Hurricane Isaac

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

Site	Estimated	Insurance Claim	FEMA Claim	PW Amount
CAT B Emergency Labor/Equipment	\$ 1,217,743.75	\$ -	\$ 1,398,010.67	\$ 1,398,010.67
East Bank Waste Water Treatment Plant	\$ 873,596.00	\$ 367,636.00	\$ 505,960.00	\$ 224,987.37
West Bank Waste Water Treatment Plant	\$ 118,755.00	\$ 38,887.00	\$ 79,868.00	\$ 28,053.10
East Bank Water Plant	\$ 184,556.00	\$ 36,850.00	\$ 174,706.00	\$ 74,678.91
West bank Water Plant	\$ 2,269.74	\$ -	\$ 2,269.74	\$ 2,269.74
Sewer Pumping Stations/DPS	\$ 94,063.80	\$ -	\$ 94,377.90	\$ 80,711.15
Central Yard Roof Repairs	\$ 6,053.60	\$ -	\$ 6,053.60	\$ 6,053.60
Central Yard Fence	\$ 18,836.61		\$ 18,836.61	\$ 18,836.61
<b>Total</b>	<b>\$ 2,515,874.50</b>	<b>\$ 443,373.00</b>	<b>\$ 2,280,082.52</b>	<b>\$ 1,833,601.15</b>



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board OF NEW ORLEANS**

**MITCHELL J. LANDRIEU, President**  
**SCOTT JACOBS, President Pro-Tem**

**625 ST. JOSEPH STREET**  
**NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER**  
**[www.swbno.org](http://www.swbno.org)**

April 18, 2016

The Finance and Administration Committee met on Monday, April 18, 2016 in the Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at approximately 2:18 PM.

## **Present:**

Scott Jacobs, Chair  
Joseph Peychaud, Vice-Chair  
Kerri Kane  
Dr. Tamika Duplessis  
Kimberly Thomas

## **Absent:**

None

## **Other Committee/Board Members Present:**

Alan Arnold  
Eric Blue  
Marion Bracy

## **ACTION ITEMS:**

### **Item 1 General Superintendent's Recommendations**

Dr. Tamika Duplessis moved to accept the General Superintendent's Recommendations regarding the eight (8) contracts listed below. The motion was seconded by Joseph Peychaud. The motion carried.

## **Bids:**

- R-048-2016 – Furnishing Fluorosilicic Acid – Req. Nos. AL160005 & CM160009
- R-049-2016 – Furnishing Sodium Chloride – Req. No. HL160001
- R-050-2016 – Contract #1364 – Water Hammer Hazard Mitigation Project – Elevated Storage Tanks
- R-051-2016 – Contract #3797 – BISI Sludge Dryer System Equipment Purchase for the East Bank Sewer Treatment Plant
- R-052-2016 – Contract #6254 – Katrina Related Repairs of Main Power Room & Garage 2 Electrical

**Contract Renewals:**

- R-053-2016 – Second and Final Renewal of Contract for Furnishing Air Conditioning and Heating Maintenance – Req. No. PM140008.
- R-054-2016 – Second of Four Year Renewals of Contract for Furnishing Positive Displacement Type Cold Water Meters for the Meter Shop at the Main Water Plant – Req. No. MH130008.

**Contract Final Acceptance:**

- R-055-2016 – Contract #3696 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites within Orleans Parish.

**Item 2      Fleet Physical Damage Insurance (R-045-2016)**

Kerri Kane moved to accept staff recommendation to purchase the renewal of fleet physical damage insurance through Lexington Insurance as described in Resolution (R-045-2016). The motion was seconded by Kimberly Thomas. The motion carried.

**Item 3      Renewal of Property Insurance (R-046-2016)**

Joseph Peychaud moved to accept staff recommendation to purchase commercial property insurance through Eagan Insurance as described in Resolution (R-046-2016). The motion was seconded by Kimberly Thomas. The motion carried.

**Item 4A      Bid Protest: RFP for Security Guard Service**

Kerri Kane moved to add the Crescent Guardian, Inc. protest letter regarding the RFP for security guard service to the agenda. The motion was seconded by Joseph Peychaud. The motion carried.

Valerie Rivers gave a brief overview of the Selection Evaluation Committee's procurement process. Thereafter, the Committee heard comments from the following speakers.

**In Opposition**

Daniel E. Davillier, Esq.  
Marion H. Pierre, Owner Crescent Guardian, Inc.  
Ed Robinson, Owner L & R Security Services, Inc.  
Roz Kay  
Lisa Deer

**In Support**

William Banks, Jr.  
William R. Banks Sr.  
Darrin Elliott, Sr., Owner Elliott Security Solutions, LLC

Kerri Kane moved to deny the protest regarding the RFP for security guard services. The motion was seconded by Dr. Tamika Duplessis. The motion carried.

**Item 4 RFP for Security Guard Service (R-047-2016)**

Kerri Kane moved to accept the Selection Evaluation Committee's recommendation to execute an agreement with Professional Security Corporation to provide security guard services at the Sewerage and Water Board facilities as described in Resolution (R-047-2016). The motion was seconded by Dr. Tamika Duplessis. The motion carried.

**PRESENTATION ITEMS:**

**Item 5 Financial Results through February 2016**

Robert Miller presented the financial results through February 2016.

Alan Arnold requested his questions regarding the financial results be added to today's Finance and Administration Committee report and that the answers to those questions be presented at the next Finance and Administration Committee meeting.

**INFORMATION ITEMS:**

Information item(s) were received.

**ADJOURNMENT:**

There being no further business to come before the Finance & Administration Committee, the meeting adjourned at approximately 3:36PM.

Also in attendance were Cedric S. Grant, Executive Director; Robert Miller, Deputy Director, CFO; Joseph Becker, General Superintendent; Bruce Adams, Deputy General Superintendent; Kimberly Johnson, Deputy Director, Continuous Improvement; Sharon Judkins, Deputy Director, Administration; Valerie Rivers, Deputy Director, Logistics; Nolan Lambert, Special Counsel; Harold Marchand, Deputy Special Counsel; Yolanda Grinstead, Legal Department; Robert Jackson, Community & Intergovernmental Relations; Jason Higginbotham, Emergency Management; Darrin Elliott, Elliott Security Solutions, LLC; Daniel Davillier, Esq.; Marian Pierre, Crescent Guardian, Inc.; Ed Robinson, L & R Security Services, Inc.; Roz Kay; Lisa Deer; William Banks; Brenda Williams, Tax Payer; Randy Smith, Royal; Paul T. West, Chester Engineers; T. Sanders, LAMP; Willie Mingo, Purchasing Department; Kathleen LaFrance, Board Relations & Records Management; Brenda Thornton, Communirep, Inc.

Respectfully submitted,

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Scott Jacobs, Chair



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

May 16, 2016

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

Dear Directors:

Subject: Management's Responses to Questions from Mr. Alan Arnold

At the April 2016 meeting of the Finance and Administration Committee, Mr. Alan Arnold submitted written questions and requested responses at the May 2016 meeting. Management's responses are noted below in **bold**.

### Questions on Metrics

The meters read metric states that in the Jan-March the number read was about 98%. The bills estimated metric has a large 20% variance in Jan. How can that be if 98% are listed as read for that mth? ***The percentage of meters read during that period was 98.1%, 98.7%, and 98.8%. In late December 2015, customer service offices were closed for two work days that had not been previously scheduled. Consequently, there were several billing districts where the meters had been read but the readings could not be used for billing because of lack of time to verify the validity of each reading. Therefore, the usage for those accounts was estimated representing 20.3% of accounts.***

There is a jump in investigations for high bills in Feb. Is that because 20% are listed as estimated for Jan? ***Yes. There is typically a jump in investigations from high bill complaints following account estimations.***

When you estimate how do you derive the amount that is billed? ***Each account that is estimated is billed for 3,000 gallons.***

Can it create a higher bill if it is based on an average of the proceeding mths? ***No, because the methodology in use since Hurricane Katrina is to not base estimated bills on the average of preceding months.***

My account was in that category for one mth. I went through the process as anyone would. I had a very large bill one month compared to my previous mths. No leaks were evident and when the inspector came out he stated that if the bill was estimated it obviously was in error because his reading was lower than the previous mths. Is there anyway an estimate is flagged if it is higher than the previous mths before it is submitted? My account was properly adjusted. I did not have to request a hearing. ***Your account had been erroneously overbilled due to an incorrect meter reading. The incorrect reading was investigated and corrected and your bill was adjusted. The erroneous reading was due to an error by a meter reader and was not due to a prior***

*estimate, as the bills for your address have been based upon actual readings each month during the past two years.*

The Total Accts Turned Off metric is showing an upward trend. *That is correct: the number of accounts turned off for non-payment during January 2014 through March 2016 has increased by about 19 accounts per month.*

The Jan-Mar 2014 av was 1689. It was 2063 for 2016. That is 22.1% increase or 11.05% per year. If that number is trending up, the value of receivables should also be rising and eventually the aged receivables will rise. *Management has noticed the increase in the number of accounts turned off for non-payment but does not believe that intervening actions are necessary or appropriate at this time.*

In 2014 the Jan-Mar receivables was \$3,410,000. In 2016 it was \$4,467,000. That is 23.4% or 11.7% per year. Would it not be helpful to begin identifying the characteristics of those accounts? Can it be broken down to single family, multi family and commercial accounts? I doubt that it includes any industrial accounts. *It was expected that the accounts receivable balances would increase each year by approximately ten percent, the amount of the annual increase in water and sewer rates. This increase is not considered significantly outside of expected values to the extent that would drive a change in the delinquent account collections process.*

Are we in the beginning of a collection problem? Where is the problem? If it is essentially the low income of the single-family market, shouldn't we begin identifying those types of accounts? Could this lead to an increase in analysis and support for that segment? *Management does not believe that we are in the beginning of a collection problem and does not recommend a change in the delinquent account collections process.*

In our accounting for the number of customer accounts the average for Jan-Mar 2014 was 1,576,602. For 2016 it was 1,598,053. That is a 1.4% increase or .7% per year. The growth projection is 2%. *The program of rate increases covers the period 2013-2020. During the 39 months that the rate increases have been in effect, the annual compound growth rate in the number of accounts has been 1.4%. While this is less than the targeted increase of 2%, it has been close enough to allow the Board to accomplish all of its financial goals to-date. Attached is the graph of total customer accounts for January 2013 through March 2016.*

This disparity could have a large effect on revenues over the remaining years of the 10% rate increase since it compounds at that rate per year. Shouldn't we consider modeling that in our long-term capital budget? *Management intends to include this lower growth factor in the next update of the long-range financial plan.*

It might suggest that we consider increasing our borrowing while rates are so low. There is plenty of time to work on this. However we ought to be building our own model so that we do not have to depend on Raftellis or its successor. *Management has already accelerated the amount of borrowing in December 2015 for the water and sewer system.*

The billed consumption of water is too erratic for the Nov-Mar period to get a real number. However the chart suggests that it is flat to trending down slightly. How could that number be so erratic? Is it a function of the estimates vs. the actual reading? *The graph for billed*

*consumption has been revised to reflect a correction of a large meter reading and billing error that occurred in late December that was reversed in early January that had previously overstated December 2015 revenues and understated January 2016 revenues. Management had previously stated that the erratic movements were due to longer bill cycles in December, estimates that occurred in January, and shorter bill cycles in February. While those explanations remain correct, further investigation determined that the large meter reading and billing error caused the preponderance of the data movement. Attached is the corrected graph for January 2013 through March 2016.*

## February Financials

Sale of water is up 4.2% vs a budget of 9.3, which is less than the 10% rate increase and organic growth less the DRAG. Are the numbers soft? Should we expect March to clean this up? Sewer Service Revenues are up 1.6% vs the 10.5 %budget which is less than the 10% rate increase and organic growth less the Drag. Does this also clean up in March? *Revenues have increased from last year but do not yet fully reflect the effect of the rate increase that went into effect on January 1. A portion of that will be resolved through a correction as described earlier. The remaining effect is tied to the timing of when accounts are billed and read and when accounts are estimated. There are 97 billing groups in a billing cycle and each billing group is billed every 21 business days, regardless of whether it falls in the same month or not. As a result, a billing group may be billed twice in a month that has more than 21 business days and not at all in a month that has less than 21 billing days. The total number of bills mailed each month is composed of estimated bills and actual read bills. If readings for a billing group cannot be obtained and validated during a month, the bills are estimated for that month.*

*For example, from January 2015 to January 2016, there was an increase of 11,354 bills that were mailed from 126,601 to 137,955, resulting in a 9% increase in bills mailed. In 2015, the amount of actual bills read was 120,472 and in 2016 there were 110,715 bills that were actually read, causing a decrease of 9,757 or 8%. January 2015's amount of estimated bills that were mailed were 6,129 whereas January 2016's amount was 27,240, which was a difference of 21,111 or 344% increase. In January 2015 and January 2016, there were five groups that were not billed for both of those months. In summary, revenues can vary from month to month based upon the number of business days in a month and the number of accounts that were estimated during that month.*

How could power & pumping be so erratic with the emphasis to the downside? Transmission & Distribution is up 15.9% YTD but down 49. &% Vs the budget. Continue to be way under the budget on plant maintenance. Explanation pls. Payroll Related is still a mystery. It is up 247% on YTD and 26.7% vs budget. Is it merely timing? The expense, particularly the first 3 line items, is dramatically down vs budget and YTD except Transmission & Distribution. Explanation pls. *Expenses have increased sharply compared to last year reflecting new initiatives underway. However, expenses in most areas remain below budget. The total number of employees has increased by 27 or 2.3% from one year ago to 1,116 in March 2016. Due to the timing of when Fridays fall during the year, there has been one extra pay period in 2016 for weekly and biweekly payrolls in 2016. Total labor costs are up 2.5% in 2016.*

*Management is reviewing the expenditures by department compared to budgeted levels. Significant progress has already been accomplished to revise the budget to reflect*

*organizational changes that occurred after the budget was adopted. Management anticipates implementing a new methodology for allocating revenues and expenses by month to reflect historical patterns. The current methodology is to allocate one-twelfth of the annual budget to each month which tends to show adverse results for both revenues and expenditures during the early months of each year.*

A handwritten signature in blue ink, appearing to read "Robert K. Miller", with a stylized, cursive script.

Robert K. Miller  
Deputy Director / Chief Financial Officer

# Sewerage and Water Board of New Orleans

## Total Number of Open Accounts

**EUM Attribute:**  
Financial Viability

**Description:** Establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues.

**Constituency:**  
Customer Ratepayers

**Objective:** Increase number of open accounts by two percent per year.

**Goal:** See goal line marked on graph.

**Currently Meeting Goal:** Close

**Process Operating Within Control Limits:**  
Yes

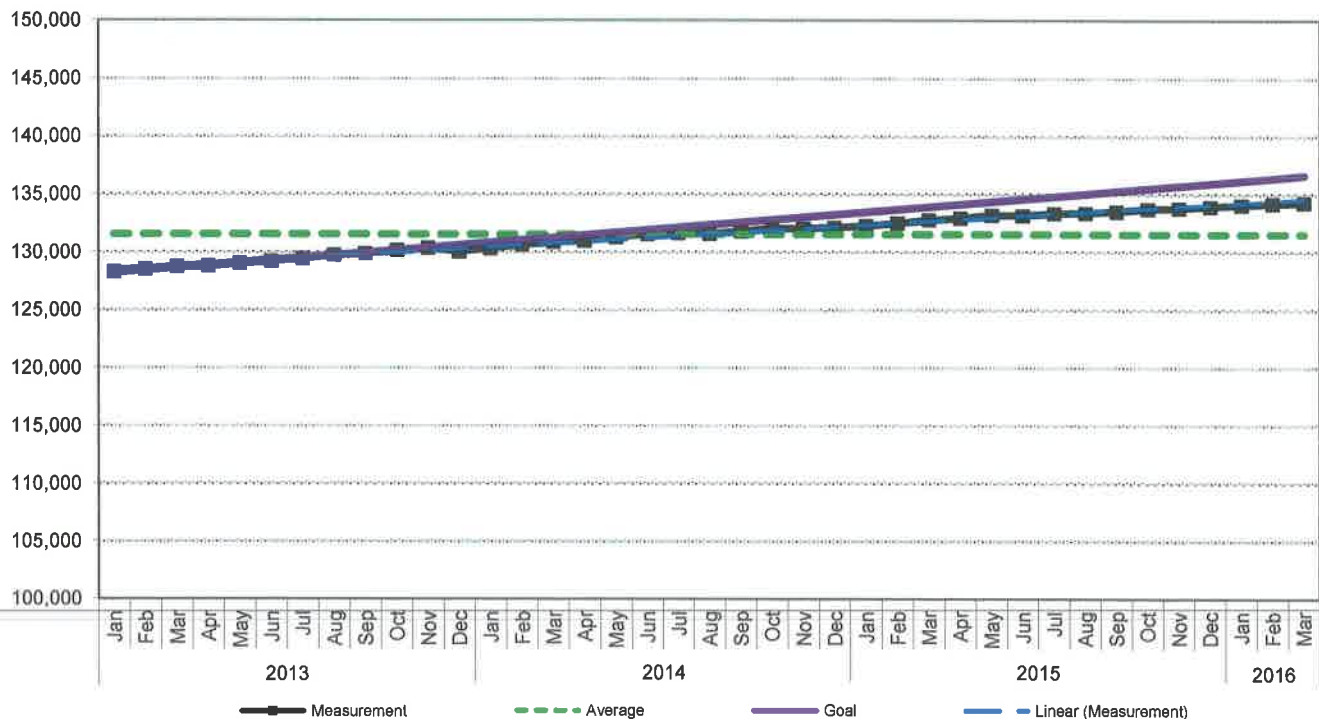
**Trend:** Slightly Favorable

### Analysis

The 2013-2020 Financial Plan assumed that the number of open accounts would increase by 2.0% annually from a baseline of 128,002 accounts at the end of 2012. Results through mid-year 2015 indicate that the actual number of open accounts has increased by 1.6%. Note that the y-axis intersects with the x-axis at 100,000 accounts.

### Plans for Improvement

No further action is contemplated at this time. Future calibrations of the financial plan may reflect a slightly lower growth rate assumption.



Data Table

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	128,266	128,515	128,718	128,777	128,969	129,192	129,419	129,719	129,845	130,139	130,326	130,007
<b>2014</b>	130,278	130,597	130,803	130,946	131,251	131,493	131,600	131,525	131,749	131,994	132,005	132,091
<b>2015</b>	132,237	132,459	132,735	132,896	133,157	133,104	133,316	133,330	133,463	133,680	133,752	133,904

