
INFRASTRUCTURE ADVISORY BOARD

Paul Flower, Chair
Elisa Speranza

Neil Abramson, Secretary
Lewis Stirling

Bill Hammack
Casey Tingle

Karen Raymond

Thursday, August 6, 2020 | 2:00 pm

Via videoconference at: <https://bcno-org.zoom.us/j/91164334193>

Via teleconference at: **(346) 248-7799**

Meeting ID: **911 6433 4193**

Pursuant to proclamation 30 JBE 2020 issued by Governor John Bel Edwards on March 16, 2020, the Infrastructure Advisory Board hereby certifies that it must conduct its August 6, 2020 meeting via telephone/video conference or would otherwise be unable to operate due to quorum requirements.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Presentation of Agenda

Agenda items will be read including the matter to be discussed and the potential action to be taken. Public comments can be emailed rgroom@iabno.org or via telephone (504) 826-1116 prior to the meeting until 30 minutes after the presentation of the agenda is complete.

- IV. Presentations:
 - A. Status of Fair Share Agreement: Revenues Collected and Cooperative Endeavor Agreements
 - B. Sewerage & Water Board Projects and Priorities
 - 1. Automated Metering Infrastructure
 - a. Progress on Phase 1
 - b. Surge Hiring of Meter Readers
 - 2. Master Plan
 - 3. Underground Drainage Canal Inspections
 - 4. Sycamore Filter Gallery
 - 5. Turbine Cross-Connection
 - 6. SELA Algiers Drainage Project
 - 7. T7 Solution
 - 8. Stormwater Fee Study

- V. Public Comment
 - Public comments received until 30 minutes after the presentation of agenda will be read into the record.*
- VI. Approval of Agenda ****Action Item****
- VII. Approval of Minutes ****Action Item****
- VIII. Approval of Meeting Schedule ****Action Item****
- IX. Approval of Quarterly Report ****Action Item****
- X. Project Recommendations (4 votes required to carry – IAB Rule 9) ****Action Item****
 - A. Advanced Metering Infrastructure - \$1,500,000
 - B. Master Plan - \$500,000
 - C. Water Treatment Plant Improvements: Sycamore Filter Gallery - \$3,000,000
 - D. SELA – Algiers Drainage Project - \$1,030,625
 - E. Stormwater Management Fee Study - \$250,000
 - F. T7 Solution - \$4,000,000
- XI. Other Business
- XII. Adjournment

**MINUTES OF THE REGULAR MEETING OF
THE INFRASTRUCTURE ADVISORY BOARD
June 4, 2020**

The regular meeting of the Infrastructure Advisory Board (IAB) was held on Thursday, June 4, 2020, via video and teleconference due to health and safety concerns and in compliance with the Governor's Proclamation 33 JBE 2020.

The following members were present:

1. Paul Flower, Chair
2. Neil Abramson, Secretary
3. Bill Hammack
4. Karen Raymond
5. Elisa Speranza
6. Lewis Stirling
7. Casey Tingle

REGULAR ORDER OF BUSINESS

The Chair called the meeting to order at 2 p.m.

Public Comment

The Chair presented the draft agenda and opened a 30-minute period for public comment by email or by telephone. No public comment was received.

Presentations

Chris Saucier, City of New Orleans, updated the IAB on Fair Share Agreement funding. As of June 4, 2020, \$35.6 million in one-time funding had been transferred to the Sewerage & Water Board (S&WB). Of the outstanding \$16 million in one-time funds from the Hazard Mitigation Grant Program, \$1,741,920 for weatherization and software for Turbine 6 has been approved and is awaiting disbursement, and requests for \$12,258,080 for frequency converters and \$2,000,000 for an emissions package have been submitted and are awaiting approval. All recurring revenues thus far have come from the 1% hotel occupancy tax, which has generated \$7.9 million during its first eight months of collections. Recurring revenues remain in the Infrastructure Maintenance Fund (IMF), awaiting City Council approval of a cooperative endeavor agreement between the city and S&WB governing the distribution of IMF proceeds. The Governor's Office of Homeland Security and Emergency Preparedness has given final approve for \$7.3 million for site preparation work for a contemplated power substation. The Downtown Development District and the City remain in protracted negotiations regarding a cooperative endeavor agreement for the provision of \$2.5 million per year for infrastructure projects.

Walt Leger of New Orleans & Co. presented on the impacts of the pandemic on the tourism, hospitality, and convention economy of New Orleans. The economic impacts are severe and are likely to last well into 2021, drastically reducing sales tax collections by the City and tourism-related taxes that comprise the majority of recurring revenue under the Fair Share Agreement.

Monika Gerhardt of the Mayor's Office presented S&WB-related legislation from the 2020 legislative session. Two parts of the City's state legislative agenda relevant to S&WB – SB313 and SB390 – passed; while, a third bill, SB265, was never heard in committee. SB313 authorizes S&WB to negotiate a settlement with the Orleans Parish School Board for the payment of unpaid and overdue water bills. SB390 makes governance changes to remove the requirement that one S&WB director be a retired engineer, modifies S&WB procurement requirements to more closely align with state law, and clarifies that property owners bear the financial responsibility for new water and sewer connections.

Ghassan Korban, Executive Director, S&WB, discussed S&WB's priority projects:

- *Automated Metering Infrastructure (AMI)* – S&WB rebid the AMI request for proposals (RFP) following a bid protest. S&WB expects to conclude the RFP selection process and begin work on the AMI project by the end of June. The cost of the first phase of the AMI project is approximately \$2 million and will focus on assessing current metering connections and developing a plan to deploy AMI throughout New Orleans.
- *Rate Study* – After putting the Rate Study project on hold during the pandemic shutdown, work has recently restarted. The Rate Study will provide S&WB with the data necessary to request approval of updated water and sewerage rates from the City Council by October or November.

- *Master Plan* – Although S&WB considers the Master Plan essential, work was put on hold due to cash constraints related to lower billing collections. S&WB would like to utilize some amount of Fair Share revenues to support the Master Plan project going forward.
- *Canal Inspections* – Prior to the pandemic, S&WB planned to utilize \$1 million of recurring Fair Share revenues to institute a plan to inspect all canals on a five-year cycle. Diminished Fair Share revenues have caused S&WB to reevaluate this initiative and to consider moving canal inspection duties, which are typically performed by outside contractors, to in-house personnel.
- *Sycamore Filter Gallery* – The Sycamore Filter Gallery project is currently on hold due to the cost of the project and the inability to phase it into smaller sub-projects in an effective manner.
- *Turbine Cross-Connection* – Eliminating the turbine cross-connection and rerouting drinking away from the turbines is expected to cost approximately \$10 million. Due to capital constraints, the project is currently on hold.
- *Reliable Power Generation* – With the loss of Turbine 5 (T5), S&WB has lost 20MW of backup power generation capability and has very little redundancy. S&WB is taking steps to “harden” the existing power system by investing in Turbine 6. Negotiations continue between the Mayor’s Office, the City Council, and Entergy for a future power substation.
- *SELA Algiers Project* – S&WB seeks to invest in a new SELA project in Algiers to improve drainage on the West Bank. As part of the program, S&WB must contribute approximately \$1.2 million in order to access another \$25 million provided by the federal government. The IAB is supportive of this project.

Because recurring revenues under the Fair Share Agreement will not reach original estimates of \$25 million for 2020, S&WB will revise its list of priority projects to be funded by Fair Share revenues and present the list to the IAB prior to its next meeting.

Agenda

The agenda was unanimously approved.

Minutes

The minutes of the April 9, 2020 regular meeting were presented, and no corrections were offered. The minutes were unanimously approved.

There being no further business, the meeting was adjourned at 3:45 p.m.

MEETING SCHEDULE

Meetings of the Infrastructure Advisory Board will be held at 2:00 p.m. on the following dates:

Thursday, October 1, 2020

Thursday, December 3, 2020

Thursday, February 4, 2021

Thursday, April 1, 2021

Thursday, June 3, 2021

Thursday, August 5, 2021



Infrastructure Advisory Board Meeting

City of New Orleans
August 6, 2020

Fund Collections to Date: *All Revenue*

As of 08/06/2020

-
- **One-Time Funds** - \$35,648,650 transferred to SWBNO Includes:
 - MCC Funds
 - FEMA Revolver
 - HMGP – 3 Phases (In process) - \$16M
 - Amendment 10 – (Obligated) - \$1,741,920 (No Disbursement)
 - Anti-icing System & Software
 - Amendment 11 – (Approved) Submitted to GOHSEP/FEMA (\$12,258,080 & \$2M)
 - Frequency Converter & Emissions Package
 - **Recurring Funds** - \$8.2M -1% Lost Penny in IMF Fund as reported by Comptroller
 - IMF CEA – Executed

Estimate vs. Actuals: *Work in Progress*

As of 06/04/20

Designation	Target	Actual		
HMGP	\$ 16,500,000	\$ -		
MCC/FG Safety CEA	\$ 2,000,000	\$ 2,000,000	SWBNO	
MCC/Convention Center Blvd	\$ 6,000,000	\$ 6,000,000	SWBNO	
MCC Cash Reserves	\$ 20,000,000	\$ 20,000,000	SWBNO	
FEMA Revolver Forgiveness	\$ 7,450,000	\$ 7,648,650	SWBNO	
DDD Millage	\$ 2,500,000	\$ -		
Local Privilege	\$ 5,300,000	\$ -		
1% Lost Penny	\$ 12,000,000	\$ 6,158,469.47	IMF/August 2020	July 19 – June 2020
STR Equalization	\$ 7,800,000	\$ -		
Capital Outlay	\$ 7,300,000	\$ -	P5 - \$46.7M	
GO ZONE Deferral	\$ 3,500,000	\$ -		
Hotel Pilot	\$ 2,000,000	\$ -		
NOTCF Local Privilege	\$ 700,000	\$ -	Pending Transition	
NOTCF STR Equalization	\$ 2,700,000	\$ -	Pending Transition	
Total:	\$ 95,750,000	\$ 41,807,119.47		

NOTMC/NOCO Transition: *In Process*

- Possible redirection of 25% NOCO split – TBD

- Once decided:
 - Local Privilege Redirection (IMF CEA) – 100% - Office of Cultural Economy – “Culture Bearer.”
 - STR Equalization – 75% IMF / 25% NOCO (IMF CEA)
 - Then: 75% SWBNO / 25% DPW (IMF CEA)
 - Levy goes before City Council – August 6, 2020

Fair Share Agreement

Outstanding Issues

- Hotel occupancy rates and convention cancellations
- Prolonged effects of COVID-19. Economic impacts
- Changes related to SWBNO financial leadership
- Original financial estimation changes
- Continued evolution of Fair Share Agreement
- DDD CEA negotiations continued

CEA Status': Work in Progress

- **Infrastructure Maintenance Fund CEA**
 - CNO IMF CEA - Executed. (1% Lost Penny/Local Privilege/STR Equalization)
- **STR Equalization CEA (CEA with NOCO)**
 - Pending internal discussions on use of funds. Believe this is sometimes also referred to as the NOCO 25% CEA. (Note: Austin Wilty is the City's attorney for this contract)
- **CEA Amendment – Public Safety**
 - Complete
- **CEA Amendment – Traffic Configuration**
 - Complete
- **DDD CEA** – Continued negotiations
- **Electrical Substation (Power Plant) CEA – SWBNO**
 - Signed; Awaiting final BRASS Approval
- **Local Privilege CEA – IMF-CEA**
 - Dependent on NOCO-NOTMC transition
- **NOCO-NOTMC Transition**
 - My understanding is NOBC Counsel is working on this agreement
- **Race Street Transfer**
 - Complete
- **Euterpe Street CEA – FUNDS ALREADY DISTRIBUTED**
 - Draft pending internal City review, then will need to go to Convention Center

Original Estimates Revision

Recurring Revenue - *Cyber access (Department of Revenue), CEA status, Commencement of collections, COVID 19 delays.*

- **Department of Revenue access to RCS website financial data** – Back online. Department of Accounting has reconciled through June 2020. (1% Lost Penny)
- **STR Equalization** – As determined by City Council (Pending – date collections will begin). Originally, it was estimated that collections would begin on January 1, 2020. (Possibly August 2020). *Awaiting a decision from Department of Permits.*
- **STR Equalization** – Department of Permits and determination of the participants that will be removed from the platform (Eligibility). Open discussion about percentage of loss experience and timing (Q1 – Q3).
- **Local Privilege** – IMF CEA pending and decision regarding fund retention as it relates to previous obligations (Essence, Superbowl, Rockin New Year's Eve, et al)
- **Costing in terms of transition timeline** – Originally, transition was to occur 01/01/20. Re-estimations are pending.
- **DDD CEA** – Negotiations pending. LAW finalizing proposed revisions for internal review.

Fair Share Agreement

Major Items over the next 30 days.

- Additional month of Revenue tracking for 1% Lost Penny. (July)
- Possible re-evaluation of original Revenue estimates.
- DDD conclusion of CEA for agreement.
- IAB Board member meeting.
- Office of Cultural Economy status report.
- Local Privilege resolution and Redirection update.
- Possible STR Equalization platform update. (Permit holders).
- Draw for P1 of Capital Outlay.

REVISED Infrastructure Maintenance Fund Projects Matrix (Recurring Revenue)

Title	Description	Schedule	Benefits	2020 Amount	2020 REVISED AMOUNT
Advanced Metering Infrastructure (AMI)	To modernize and automate the SWBNO's water meter system	Phase 1— Survey/Project management Selection (2020) Phase 2— AMI Selection RFP (2021) Phase 3 – Project Implementation (2021-2023)	<ul style="list-style-type: none"> • Consistent, timely, and accurate customer billing • Real-time tracking of water usage and revenue • Improved water system management, including leak detection • Customer education • Optimized system operation 	\$2,000,000	<p align="right">\$1,500,000</p> <p align="center">Phase 1 – Additional \$3.5M by July 2021 Phase 2 – No Cost Phase 3 - \$40M</p>
Master Plan	To implement SWBNO's first comprehensive, integrated, sustainable plan to managing the city's water, sewer, power, and major drainage systems	Phase 1— Pre-Planning: RFI's and Workshops (2020) Phase 2—Vision & Strategy: Community Outreach and Strategic Plan (2020 – 2021) Phase 3 – Systems Planning: Water, Wastewater & Drainage Master Plan development (2021 – 2022)	<ul style="list-style-type: none"> • Platform for sustainable and resilient utility management • Better-informed decisions on investment in system improvements • Public involvement and buy-in 	\$1,500,000	<p align="right">\$500,000</p> <p align="center">Phase 2 – \$2M Phase 3 – \$2.5M</p>
Underground Drainage Canal Inspection Program	To inspect all underground drainage canals on a 5-year maintenance schedule, with the purpose of proactively identifying	5-year plan, beginning in 2020	<ul style="list-style-type: none"> • Establish a baseline for underground canal conditions • Remove obstructions to promote better drainage • Reduce property and environmental damage due to flooding • Establish a 5-year routine maintenance schedule 	TBD	<p align="right">\$0 – determining in-house capacity to perform</p> <p align="center">Each year thereafter: TBD</p>

REVISED Infrastructure Maintenance Fund Projects Matrix (Recurring Revenue)

	and addressing blockages or issues				
Water Treatment Plant Improvements: Sycamore Filter Gallery	Repairs to structural, piping, and filter equipment of a critical component of the drinking water plant	Phases 3 & 4 of 5 total phases (2020)	<ul style="list-style-type: none"> Addressing a backlog of capital maintenance by replacing 10 of 24 total filters Better public health protection More effective and efficient operations; technology improvements through SCADA Employee safety concerns 	5,000,000 Phase 3 5,000,000 Phase 4 (2020-2021)	<p>\$3,000,000</p> <p>Critical repairs with no alternative funding source</p>
Cross-Connection Phase 2 Remediation	Correction of a longstanding situation where cooling water is returned to the potable water system	Immediately	<ul style="list-style-type: none"> Enhancing public health protection State regulatory compliance Best alternative to total T4 overhaul 	1,500,000	<p>TBD – Reducing reliance on T4 by implementing T7 solution</p>
New Priorities					
SELA – Algiers Drainage Project	New federal funding and construction on Algiers drainage canals, similar to uptown projects – SWBNO required to pay 5% up-front cost	Payment due August 1; planning and work by Corps underway	<ul style="list-style-type: none"> Provides improved drainage to Algiers and surrounding areas by increasing water storage area Ongoing partnership with Corps and federal stakeholders New project 	N/A	<p>\$1,030,625</p>
T7 Solution	Purchase of a new 60Hz generator to replace T5 and work in conjunction with a new frequency changers to replace 20MW of power for our drainage system	Immediate – working on frequency changer design and implementation now; purchase of generator asap to have on site and functional by August 2021	<ul style="list-style-type: none"> Most reliable and resilient solution for replacing power lost when T5 became unavailable 60Hz equipment consistent with system modernization and power master plan Funding already available for frequency changer 	N/A	<p>\$4,000,000</p> <p>Total cost = \$17M; seeking additional funding sources and may use Fair Share funds in 2021 to supplement</p>
Stormwater Fee Study	We are seeking a detailed stormwater fee study – including	Immediate – currently considering proposals	<ul style="list-style-type: none"> Provides a full analysis on stormwater fee possibilities, including affordability, rate structure, incentives, timing 	N/A	<p>\$250,000</p>

REVISED Infrastructure Maintenance Fund Projects Matrix (Recurring Revenue)

	analysis and fee proposal – in additional to our rate study. This would begin the discussion on development of a stormwater management fee and program.		<ul style="list-style-type: none"> First step toward developing a recurring, reliable revenue source for drainage projects to supplement existing millage 		
				TOTAL:	\$10.25M*

*Conservative estimate for Fair Share funding in 2020, based on collections to date and COVID impact. IMF currently holding \$8.2M.

Report of Revenue and Expenditures made pursuant to the CEA (R-079-2020)
Infrastructure Maintenance Fund
Period Ending 7/31/2020

REVENUES

7/24/2020 Due to SWB from Infrastucrure Maintenance Fund 1,030,625.00

TOTAL REVENUES **1,030,625.00**

EXPENDITURES

7/24/2020 5% cash payment required to match current year federal funding for the SELA Program, due 8/1/2020

Pursuant to the third project participation agreement between the USACE and the local sponsor. The initial Project Cooperation Agreement (PCA) was between the USACE and S&WB in 1997 and covered projects that were constructed prior to Hurricane Katrina. This agreement called for 75% federal/25% local funding, with the S&WB responsible for providing the local funding. The local funding may be provided as work in kind or cash payments, but a minimum of 5% of the project cost must be in cash

1,030,625.00

TOTAL EXPENDITURES **1,030,625.00**
