

**QUARTERLY REPORT OF THE  
INFRASTRUCTURE ADVISORY BOARD**

**Second Quarter 2022**

In accordance with its obligations under Executive Order LC 19-02 issued by Mayor LaToya Cantrell on August 6, 2019, and the Cooperative Endeavor Agreement between the City of New Orleans (“City”) and the Sewerage and Water Board of New Orleans (“SWBNO”) dated July 7, 2020, the Infrastructure Advisory Board (“IAB”) respectfully submits this report of actions undertaken during the first quarter of 2022 and recommendations offered for the second and third quarters of 2022.

**I. IAB Meetings and Activities**

The IAB met twice during the first quarter of 2022, convening on March 10 and April 4, via in-person and videoconference. The complete meeting packet for the March 10 meeting is attached as Exhibit A, and full recordings of both meetings are available at:

<https://www.swbno.org/BoardMeetings/MeetingVideo?link=https%3A%2F%2Fwww2.swbno.org%2Fmedia%2FInfrastructure+031022.mp4&name=Infrastructure+Advisory+Board+Meeting&date=3%2F10%2F2022+2%3A00%3A00+PM>

and

<https://www.swbno.org/BoardMeetings/MeetingVideo?link=https%3A%2F%2Fwww2.swbno.org%2Fmedia%2FInfrastructure+040422.mp4&name=Infrastructure+Advisory+Board+-+Special+Session&date=4%2F4%2F2022+9%3A00%3A00+AM>

**II. Status of One-Time Funds**

The status of the Fair Share Agreement one-time funds is delineated in the City’s presentation in connection with the July 14, 2022 IAB meeting attached to this report as Exhibit “B”.

**III. Status of Recurring Revenue Under the Fair Share Agreement**

The status of each revenue stream of the Fair Share Agreement is delineated in the attached Exhibit “B”.

**IV. IAB Project Recommendations for Use of Recurring Fair Share Agreement Funds**

Since its inception, the IAB has worked closely with SWBNO to identify the highest and best uses for recurring Fair Share Agreement funds, attempting to strike a balance between support for acute short-term needs and projects that will contribute to the longer-term sustainability of the system. The projects approved for funding utilizing Fair Share Agreement revenues are set forth in the document attached as Exhibit “C” and below:

A. *Automated Metering Infrastructure (AMI)* – The IAB recommended utilizing up to \$1,500,000 from the IMF to support AMI implementation, including the short-term engagement of supplemental meter readers, to provide more consistent, timely, and accurate customer billing. Phase 1 of the AMI project was meant to include a survey of the entire existing water meter infrastructure and determination of the proper scope of the eventual AMI solution. Due to limited IMF proceeds, SWBNO downsized the scope of Phase 1, moving some aspects to Phase 2, to make the project more affordable in the near term. The rescoping is a result of SWBNO’s efforts to identify which aspects of Phase 1 will generate the greatest benefits. SWBNO does not expect the rescoping to affect full AMI implementation, which is anticipated to cost approximately \$40 million.

The rescoped meter survey is complete, as is a business process analysis of all related SWBNO functions. The vendor implementation RFP was released in December 2021, and seven vendors responded. The SWBNO selection committee met in April and awarded the contract to Aquametric. SWBNO’s Board approved the award in May, and final contract negotiations are underway. Barring unforeseen delays, the first meters should be installed in Q1 of 2023.

B. *Master Plan* – The IAB recommended utilizing up to \$500,000 from the IMF to support development of a Master Plan. The Master Plan constitutes the blueprint for SWBNO’s long-term, comprehensive, integrated, sustainable vision for managing the City’s water, sewer, and major drainage systems for years to come.

After a competitive proposal process, a contract for a Utility Strategic Plan—a critical step in the development of a comprehensive Master Plan—was awarded to a team led by Raftelis Financial Consultants, Inc. and approved by SWBNO Board of Directors on May 19, 2021. IAB Member Elisa Speranza served as a volunteer member of the evaluation committee.

Raftelis led an intensive and comprehensive process over the past six months that included SWBNO leadership, workforce, Board members, partner agencies and stakeholders. The strategic plan, which covers priorities, strategies and tasks for implementation over the next five years, was adopted by SWBNO’s Board of Directors in February. SWBNO leadership is sharing the plan with stakeholders and the community over the next several months. Implementation of strategic plan tasks began in earnest in Q2, including identification and tracking of goal-related performance metrics. A public-facing dashboard reflecting progress toward goals will be unveiled in Q3 of this year.

C. *Water Treatment Plant – Sycamore Filter Gallery* – The design work for this project is 90% complete, and SWBNO expected to issue an RFP for the work in July 2021. While this project remains a high priority, release of the RFP was delayed due to Hurricane Ida and competing critical needs. The RFP was actually released in late 2021, and a notice to proceed on the project is expected in the near future. This project is part of a larger effort to upgrade many aspects of the Carrollton and Algiers water treatment plants, for which SWBNO will seek federal funding from the Infrastructure Investment and Jobs Act.

D. *SELA Algiers Drainage Project* – The IAB recommended utilizing \$1,030,625 from the IMF to support the Algiers drainage project. As previously reported, SWBNO is participating in a federally funded SELA construction project improving Algiers drainage canals and increasing stormwater storage during rain events. As part of the agreement with the U.S. Army Corps of Engineers, SWBNO paid 5% of the project costs up-front, amounting to \$1,030,625; this unlocked approximately \$25 million in additional funding from the federal government. As the Corps continues to receive federal funding for this project, SWBNO is obligated to pay the matching 5% up-front cost. The IAB approved an additional \$2,486,836 for that payment in the second quarter of 2021.

E. *Stormwater Fee Study* – The IAB recommends utilizing up to \$250,000 from the IMF to support a Stormwater Fee Study. A stormwater fee study would include a full analysis of the rate structure, assessment methodology, affordability, equity, incentives, and timing of a potential stormwater management fee. This study will allow for the design of an equitable, sufficient, and reliable recurring revenue source to support New Orleans’ drainage infrastructure and the implementation of best management practices, including green infrastructure. At the behest and recommendation of the IAB and SWBNO, a group of dedicated business, civic, and community organizations have begun to work collaboratively on a plan to bring the stormwater management fee to fruition.

F. *Turbine 7 (T7) Solution* – As part of an ongoing effort to address chronic shortfalls of availability of power generation to support SWBNO operations, the IAB recommends utilizing up to \$4,000,000 from the IMF to support a procurement of a new turbine dubbed “T7.”

T7, along with T6, will become the sources of backup power generation for the utility once the Entergy substation is constructed. In the meantime, T7 will replace the outdated steam turbine generators (T1 and T3) that are no longer reliable. Equipment, site preparation work, and installation of T7 is expected to cost approximately \$18 million to \$20 million. Funding for this project has been approved, and the

environmental permitting process is complete. The RFP for equipment and installation was released in December, and the selected vendor was approved by SWBNO's Board this spring. Design and integration work is underway.

**Anticipated IAB Actions in the Coming Quarter**

The IAB will continue to closely monitor Fair Share Agreement collections as well as the progress of recommended projects between meetings.

**Attachments**

Exhibit A – IAB Meeting Agenda and Minutes

Exhibit B – City of New Orleans Presentation to IAB

Exhibit C – Report of Revenue and Expenditures made pursuant to the CEA (R-079-2020) – Infrastructure Maintenance Fund

**MINUTES OF THE REGULAR MEETING OF THE  
INFRASTRUCTURE ADVISORY BOARD  
MARCH 10, 2022**

The regular meeting of the Infrastructure Advisory Board (IAB) was held on March 10, 2022 at Woodward Design+Build – 2<sup>nd</sup> Floor, 1000 South Norman C. Francis Parkway, New Orleans, Louisiana.

The following IAB members were present:

1. Paul Flower, Chair
2. Karen Raymond
3. Elisa Speranza
4. Chuck Morse

## **REGULAR ORDER OF BUSINESS**

The Chair called the meeting to order at 2:00 p.m.

### Presentations

Eric Smith, city of New Orleans, provided an update on Fair Share Agreement revenues. As of February 15, 2022, the City transferred \$35.6M in one-time funds to the Sewerage & Water Board of New Orleans (SWBNO), which represents no change since the December 2021 IAB meeting. Smith explained City revenue is similar to pre-Covid-19 numbers, representing a recovery from both Covid-19 and Hurricane Ida. In January 2022, the City collected \$1.8M compared to \$452,109 in January of 2021; these numbers met 2019 projections. Notable Fair Share Agreement undertakings include: (1) city of New Orleans Department of Finance began integration of new software for Short Term Rental Equalization and Local Privilege tax (STR) enforcement; and (2) the city of New Orleans Department of Public Works (DPW) continued expansion of its Maintenance Division. Smith also provided an update on the Downtown Development District's installation of permeable pavement in seven (7) City corridors, explaining the RFP is expected to issue no later than March 31, 2022; DPW expects to complete the preliminary survey and design by August 1, 2022, with the bid and award occurring in September and construction beginning November 2022. Smith also provided an update on capital outlay sequencing spending by SWBNO.

Christy Harowski, chief of staff, SWBNO, reported a total revenue of \$16M collected through February 2022. Expenditures related to Meter Reading Initiatives, SELA Algiers Drainage Project, SWBNO Strategic Plan development, Turbine 7 design, and Smart Metering Program

(AMI) total approximately \$6.3M, with increased spending on Turbine 7 design and AMI. Ghassan Korban, executive director, SWBNO, requested approval to use Fair Share Agreement revenues to update SWBNO inventory and begin working on lead service line replacement projects to maximize the expected infusion of federal infrastructure-related funds. Harowski shared updates on priority projects: (1) the survey for AMI is complete and a RFP has issued and received seven vendor responses, the selection committee is expected to select a vendor later this month; (2) the permitting process and specs for Turbine 7 are complete and SWBNO issued a RFP for the work and has already received responses which are awaiting approval; (3) the Asset Management Program is moving forward and SWBNO anticipates spending on implementing the system in Q3/Q4 of 2022; (4) Turbine 6 had a spending adjustment, saving \$2M which SWBNO plans to transfer to the West Power Complex; and (5) SWBNO Board of Directors adopted the SWBNO Strategic Plan in February 2022. Tyler Antrup, director of planning and strategy, SWBNO, provided an overview of the SWBNO Strategic Plan. Ron Spooner, interim general superintendent, SWBNO, detailed the need for \$4M of funding for a high-priority operations project “construction of a new Bulk Chemical Feed and Storage facility”.

#### Public Comment

There was no public comment.

#### Quorum

There were not enough IAB members present to constitute a quorum and thus there was no approval of minutes, agenda, or of the Fourth Quarter 2021 Quarterly Report.

There being no further business, the meeting was adjourned 2:43 p.m.

**MINUTES OF THE SPECIAL SESSION OF THE  
INFRASTRUCTURE ADVISORY BOARD  
APRIL 4, 2022**

A Special Session of the Infrastructure Advisory Board was conducted virtually, via Microsoft Teams, on April 4, 2022 at 9:00 a.m.

The following IAB members were present:

1. Paul Flower, Chair
2. Bill Hammack
2. Karen Raymond
3. Elisa Speranza
4. Chuck Morse

**REGULAR ORDER OF BUSINESS**

The Chair called the meeting to order at 9:00 a.m.

Agenda

The March 10, 2022 IAB meeting agenda was unanimously approved.

Minutes

The minutes of the December 2, 2021 IAB meeting were presented, and no corrections were offered. The minutes were unanimously approved.

Quarterly Report

The IAB considered and unanimously approved its Fourth Quarter 2021 Quarterly Report.

Public Comment

There was no public comment.

There being no further business, the meeting was adjourned at 9:05 a.m.



# Infrastructure Advisory Board Meeting

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City of New Orleans  
March 3, 2022



# Fair Share Agreement

*All Funds (as of 2/15/2022)*

## **One-Time Funds** - \$35,648,650 transferred to SWBNO

- MCC Funds – (\$28M Disbursed).
- FEMA Revolver – (\$7.5M Disbursed).
- HMGP – 3 Phases (In process) - \$16M  
SWBNO is in process on reimbursement.

## **Recurring Revenue** - \$22,197,954 through November 2021

- Lost Penny - \$15,182,489 (August 2019-November 2021)
  - 75% Share to SWBNO - \$11,386,866
  - 25% Share to DPW - \$3,795,622
- STR Equalization - \$5,312,874 (October 2020-November 2021)
  - 75% Share to SWBNO - \$3,984,656
  - 25% Share to DPW - \$1,328,218
- STR Occupancy - \$1,702,590 (March 2021-November 2021) to NOCO

<b>HMGP 1603-0039 Power Plant Retrofit Project \$16m Fair Share</b>	
<b>Project</b>	<b>Contract Amount</b>
Anti-Icing System and Software	\$1,741,920
Static Frequency Changer	\$12,258,080
Emissions Package	\$2,000,000
	<b>\$16,000,000</b>

# Fair Share Agreement

*2020 - 2022 Recurring Revenue Breakdown (as of 2/15/2022)*

	2020 Total	2021					2021 Total	2022					2022 Total
		SWB Lost Penny	SWB STR Equalization	DPW Lost Penny	DPW STR Equalization	NOCO STR Occupancy		SWB Lost Penny	SWB STR Equalization	DPW Lost Penny	DPW STR Equalization	NOCO STR Occupancy	
Jan	1,486,294	146,557	192,525	48,852	64,175	-	452,109	634,143	558,389	211,381	186,129	243,209	1,833,251
Feb	1,077,744	128,909	338,755	42,969	112,918	-	623,551						
Mar	1,003,376	157,809	331,256	52,603	110,418	454,197	1,106,283						
Apr	366,814	272,291	559,649	90,763	186,549	243,758	1,353,010						
May	302,088	324,270	543,228	108,090	181,076	236,606	1,393,270						
Jun	107,636	591,472	268,022	197,157	89,340	116,738	1,262,729						
Jul	89,956	425,648	612,350	141,882	204,116	266,712	1,650,708						
Aug	165,654	482,730	593,496	160,910	197,832	258,500	1,693,468						
Sept	151,422	308,495	59,260	102,831	19,753	25,811	516,150						
Oct	257,901	581,374	230,209	193,791	76,736	100,268	1,182,378						
Nov	378,478	830,770	75,640	276,923	25,213	32,945	1,241,492						
Dec	501,028	663,861	603,145	221,287	201,048	262,703	1,993,460						
<b>Total</b>	<b>\$5,888,391</b>	<b>\$4,915,190</b>	<b>\$4,005,443</b>	<b>\$2,019,921</b>	<b>\$1,530,834</b>	<b>\$1,998,238</b>	<b>\$14,468,628</b>	<b>\$634,143</b>	<b>\$558,389</b>	<b>\$211,381</b>	<b>\$186,129</b>	<b>\$243,209</b>	<b>\$1,833,251</b>

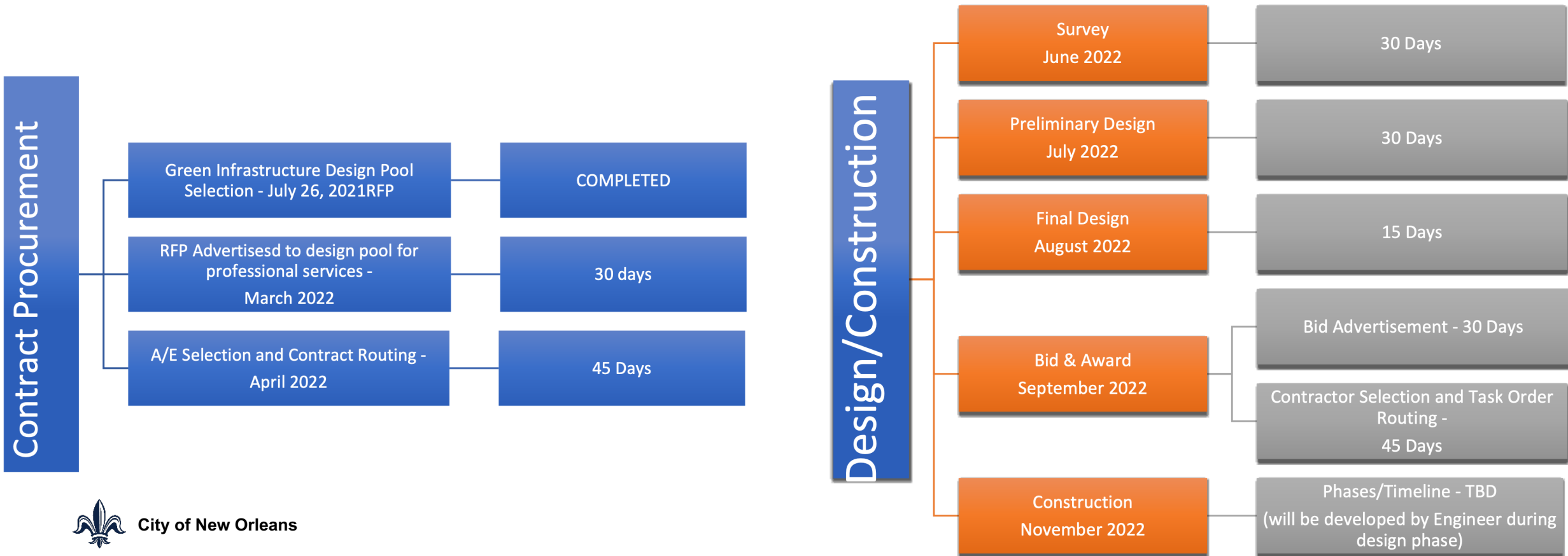
# Fair Share Agreement

## *Outstanding/New Events*

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- Hotel occupancy rates (Increase) new projections double the occupancy rate in 2022 from 2021. Per NOCO bookings report.
- Prolonged effects of COVID-19, Omicron Surge, and Hurricane Ida subsiding
- Finance Department 2022 funding to adopt and utilize new STR analysis software to assist in enforcement against illegal STRs and increase STR tax collections.
- Continue Expansion of DPW Maintenance Division for internal work force (drainage & asphalt crews, administrative personnel)

# DDD Infrastructure Update



# Capital Outlay

## *Update on sequence of events*

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### ■ SWBNO

- Continuing demolition phase of site preparation for Power Plant
- Facility Planning and Control has signed off on the Static Frequency Converter
- 2021 Bond Commission re-authorized \$20,000,000 in Priority 1 and \$34,000,000 in Priority 5, total \$54,000,000 for the SWBNO Power Plant Project

### ■ VA Building Rehabilitation

- City has received architecture and engineering proposals for design of life safety upgrades to the building as of 1/4/2022
- Anticipated start of design 3/1/2022
- 2021 Bond Commission re-authorized \$1,000,000 in Priority 1 and \$8,000,000 in Priority 5 funding for this project



# Projected Spending by Quarter

PROJECTS AND PROJECTED SPENDING BY QUARTER	RECOMMENDED AMOUNTS	2020		2021				2022				
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
		SELA – Algiers Drainage Project	1,000,000	1,030,625			2,486,836					
Smart Metering -- Advanced Metering Infrastructure (AMI)	1,500,000		-			252,017	250,000	375,000	375,000	250,000		
Olameter				494,853								
Total Meter related												
Master Plan/Strategic Plan	500,000					102,526	96,016			150,000	15,000	
Water Treatment Plan Improvements: Sycamore Filter Gallery	3,000,000								1,500,000	1,500,000		
T7 Solution	4,000,000					300,000	300,000					
Stormwater Fee Study	250,000											
Other Proposed	-											
Construction of a new Bulk Chemical Feed and Storage Facility	4,000,000									2,000,000	2,000,000	
Additional Smart Metering Phase 1	2,000,000											-
Asset management system	1,650,000							150,000	1,500,000			
Hurricane Ida Equipment Expenses*	3,400,000									3,400,000		
Lead Service Line Task Force Unit	TBD											
<b>Total Spending</b>	<b>10,250,000</b>	<b>1,030,625</b>	<b>-</b>	<b>494,853</b>	<b>2,486,836</b>	<b>654,543</b>	<b>646,016</b>	<b>525,000</b>	<b>3,375,000</b>	<b>7,300,000</b>	<b>2,015,000</b>	

\*Bridge loan for Hurricane Ida to be re-considered given year end position for Sewer System