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# INFRASTRUCTURE ADVISORY BOARD

Paul Flower, Chair  
Elisa Speranza

Neil Abramson, Secretary  
Lewis Stirling

Bill Hammack  
Casey Tingle

Karen Raymond

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**Thursday, October 1, 2020 | 2:00 pm**

Via videoconference at: <https://zoom.us/j/95736827470>

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

Meeting ID: **957 3682 7470**

***Pursuant to proclamations by Mayor LaToya Cantrell (Proclamation 2020-02449) and Governor John Bel Edwards (Proclamation Nos. 25 JBE 2020, 30 JBE 2020, 33 JBE 2020 and extended through the end of the COVID-19 pandemic by Emergency Proclamation 110 JBE 2020), the Infrastructure Advisory Board hereby certifies that it must conduct its October 1, 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](mailto: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. Fair Share Agreement Update – City of New Orleans
- B. Sewerage & Water Board Update
  1. Revenues and Expenditures to Date
  2. Project Spending Plan

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 Quarterly Report **\*\*Action Item\*\***

IX. Other Business

X. Adjournment



# Infrastructure Advisory Board Meeting

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**City of New Orleans**

October 1, 2020

# Fund Collections to Date: *All Revenue*

*As of 10/01/20*

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- **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 working on disbursement.
      - **Amendment 10** – (Obligated)
        - Anti-icing System & Software - \$1,741,920
      - **Amendment 11** – (Approved)
        - Frequency Converter - \$12,258,080 & Emissions Package - \$2,000,000
  - **Recurring Funds** - \$8,301,249 Total Collected for 1% Lost Penny
    - 1% Lost Penny in IMF Fund as reported by Comptroller (\$6,225,937 Disbursed to SWBNO – 75% ).

# Estimate vs. Actuals: *Work in Progress*

As of 10/01/20

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	
<b>ONE-TIME FUNDING:</b>		\$ -		<b>Total: \$35,648,650</b>
DDD Millage	\$ 2,500,000	\$ -		
Local Privilege	\$ 5,300,000			
1% Lost Penny	\$ 12,000,000	\$ 8,301,249	\$6,225,937 transferred to SWBNO – 09/16/20 – 75% Split.	July 19 – July 2020
STR Equalization	\$ 7,800,000	\$ -		
<b>RECURRING FUNDING:</b>				<b>Total: \$8,301,249</b>
Capital Outlay	\$ 7,300,000	\$ -	P5 - \$46.7M	Other Funding
GO ZONE Deferral	\$ 3,500,000	\$ -		Other Funding
Hotel PILOT	\$ 2,000,000	\$ -		Other Funding
<b>Total:</b>	<b>\$ 92,350,000</b>	<b>\$ 43,949,899</b>		

# Fair Share Agreement

*Outstanding/New events*

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- Capital Outlay logistics flow. Awaiting the State (FP&C).
- Hotel occupancy rates and convention cancellations
- Prolonged effects of COVID-19. Economic impacts
- Original financial estimation changes. Ex. STR Equalization and Local Privilege.
- Continued evolution of Fair Share Agreement – Structural and other possible changes to produce revenue generation.
- Implementation of new revenue tax revenue stream (STR Equalization).

# CEA Status: Work in Progress

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- **Infrastructure Maintenance Fund CEA**
  - Complete
- **STR Equalization CEA (CEA with NOCO)**
  - Complete
- **CEA Amendment – Public Safety**
  - Complete
- **CEA Amendment – Traffic Configuration**
  - Complete
- **DDD CEA**
  - *Awaiting City Council approval/Negotiations are complete*
- **Electrical Substation (Power Plant) CEA – SWBNO**
  - *Signed; Awaiting final BRASS Approval. (Entergy)*
- **Local Privilege CEA**
  - To be discussed
- **Race Street Transfer**
  - Complete
- **Euterpe Street CEA**
  - *Awaiting MCC approval*

# Original Estimates Revision

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

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- **Department of Revenue access to RCS website financial data** – Back online. Department of Accounting has reconciled through August 2020. (1% Lost Penny) - **\$124,241.16** for August.
- **STR Equalization** – Tax collection form 8010STR-R/C has been completed and will be utilized for collections to be realized beginning 10/20/20. Reporting will be take place on the 10<sup>th</sup> of every month going forward
- **STR Equalization** – Collections began **09/01/20** with similar distribution format as 1% Lost Penny.
- **Local Privilege** – Re-estimation of 25% of the original funding amount.
- **Costing in terms of transition timeline** – Originally, transition was to occur 01/01/20. Re-estimations are complete. Example is the completion of the re-estimate of STR Equalization.
- **DDD CEA** – Agreement reached. Timeline and logistics will be discussed.

# Fair Share Agreement

*Major Items over the next 30 days.*

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- Additional month of Revenue tracking for 1% Lost Penny. (August) - **\$124,241.16**
- Office of Cultural Economy status report. Decrease in debt obligation forecast. Beginning of a new CEA in process between NOTCF and CNO to handle distribution and clearly outline tasks for each entity per Lisa Alexis of The Office of Cultural Economy.
- Local Privilege – Final estimation numbers have been agreed upon.
- Possible STR Equalization platform update. (Permit holders).
- Continued collaboration with all departments regarding new developments and implementation of any updated information.



# Capital Outlay

*Update on sequence of events*

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- The City is awaiting the State (FP&C) to take action on the Request for Concurrence to the SWBNO proposed contract with Cycle Construction. (Pending response).
- The Request was sent and confirmed received on September 23, 2020 by the (FP&C).
- The State will now sign off on the Concurrence Request and the SWBNO can ratify the contract and issue a Notice to Proceed when they are ready.

# DDD – Negotiations are complete

## *Fair share Revenue Stream*

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- The DDD CEA was filed at the September 17<sup>th</sup> City Council meeting
- The filing should appear on the **October 1<sup>st</sup>** City Council Agenda
- There may be a motion for a Committee meeting to discuss before formal approval. (Per Councilman Banks request).
- If all concerns are addressed, the City Council should vote at the Mid-November Regular Council Meeting.

Report of Revenue and Expenditures made pursuant to the CEA (R-079-2020)  
 Infrastructure Maintenance Fund  
 As of 9/30/2020

REVENUES

9/16/2020 Infrastructure Maintenance Fund Receipt from City 6,225,936.67

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**TOTAL REVENUES 6,225,936.67**

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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

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**TOTAL EXPENDITURES 1,030,625.00**

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**Net Available 2020 Infrastructure Maintenance Fund Revenues for Approved Projects 5,195,311.67**

Sewerage and Water Board  
Infrastructure Maintenance Fund "Fair Share" Cashflow  
9/24/2020

	Approved Amounts	2020			2021			
		Pre Q3	Q3	Q4	Q1	Q2	Q3	Q4
Beginning Balance		2,748,931.78	8,974,868.45	8,068,484.61	7,318,484.61	4,818,484.61	2,068,484.61	(831,515.39)
Deposit		6,225,936.67	124,241.16					
Draw/Encumbered		-	(1,030,625.00)	(750,000.00)	(2,500,000.00)	(2,750,000.00)	(2,900,000.00)	(2,250,000.00)
Available Balance		8,974,868.45	8,068,484.61	7,318,484.61	4,818,484.61	2,068,484.61	(831,515.39)	(3,081,515.39)
<b>PROJECTS</b>								
SELA Payments	1,000,000		1,030,625.00				1,650,000.00	
Advanced Metering Infrastructure (AMI)	1,500,000			250,000.00	375,000.00	375,000.00	375,000.00	125,000.00
Master Plan	500,000				125,000.00	125,000.00	125,000.00	125,000.00
Underground Drainage Canal Inspection Program	-							
Water Treatment Plan Improvements: Sycamore Filter	3,000,000				1,500,000.00	1,500,000.00		
Cross Connection Phase 2 Remediation								
T7 Solution	4,000,000			500,000.00	500,000.00	500,000.00	500,000.00	2,000,000.00
Stormwater Fee Study	500,000					250,000.00	250,000.00	
	-							
<b>Total</b>	<b>10,500,000</b>	<b>-</b>	<b>1,030,625</b>	<b>750,000</b>	<b>2,500,000</b>	<b>2,750,000</b>	<b>2,900,000</b>	<b>2,250,000</b>

**MINUTES OF THE REGULAR MEETING OF  
THE INFRASTRUCTURE ADVISORY BOARD  
August 6, 2020**

The regular meeting of the Infrastructure Advisory Board (IAB) was held on Thursday, August 6, 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

**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 August 6, 2020, \$35.6 million in one-time funding had been transferred to the Sewerage & Water Board (S&WB); the outstanding \$16 million of Hazard Mitigation Grant Program funding was approved and was awaiting disbursement. All recurring revenues collected thus far have come from the 1% "Lost Penny" Hotel Tax, which generated \$8.3 million during its first twelve months of collection. The Mayor signed the Infrastructure Maintenance Fund (IMF) cooperative endeavor agreement on July 7, 2020, clearing the way for IMF proceeds to be distributed 75/25 between S&WB and the City, respectively. With the City Council's approval of a short-term rental tax levy ordinance on August 6, 2020, collections of the 6.75% short-term rental equalization tax can commence on September 1, 2020. The Downtown Development District and the City continue to negotiate towards a cooperative endeavor agreement for the provision of \$2.5 million per year for drainage infrastructure projects.

Ghassan Korban, Executive Director, S&WB, updated the IAB on the needs of the utility as well as ongoing challenges. Upon a favorable finding in the automated metering infrastructure (AMI) bid dispute, S&WB is prepared to move forward with its selected vendor for Phase 1 of the AMI project. Work continues on the Master Plan, which will establish long-range priorities and objectives for the utility. S&WB has elevated to a top priority performing critical repairs to structural, piping, and filter equipment at the Sycamore Filter Gallery at the Water Treatment Plant. S&WB has provided initial payment for a new federally funded SELA construction project to improve drainage in Algiers and surrounding areas by upgrading underground drainage canals. Due to efforts by the Mayor's Office and the Governor's Office, up to \$12.5 million of Community Development Block Grant (CDBG) funding will be available to support the procurement of a Turbine 7 power solution. Finally, S&WB is supportive of a stormwater fee study as an important first step towards securing a long-term recurring source of revenue for the drainage system.

Agenda

The agenda was unanimously approved.

Minutes

The minutes of the June 4, 2020 regular meeting were presented, and no corrections were offered. The minutes were unanimously approved.

Meeting Schedule

The IAB considered and unanimously approved a meeting schedule for the subsequent year of meetings. The meeting schedule is attached to these minutes as Exhibit A.

Quarterly Report

The IAB considered and unanimously approved its quarterly report for the second quarter of 2020.

Project Recommendations

In accordance with its obligations under Executive Order LC 19-02 issued by Mayor LaToya Cantrell on August 6, 2019, the IAB unanimously recommended IMF revenues be utilized to fund a slate of projects developed in collaboration with S&WB. The projects and recommended IMF expenditures are listed below; the full project matrix with project descriptions is attached to these minutes as Exhibit B.

- Advanced Metering Infrastructure - \$1,500,000
- Master Plan Development - \$500,000
- Water Treatment Plant Improvements, Sycamore Filter Gallery - \$3,000,000
- SELA Algiers Drainage Project - \$1,030,625
- Stormwater Management Fee Study - \$250,000
- Turbine 7 Power Solution - \$4,000,000

There being no further business, the meeting was adjourned at 3:20 p.m.

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## MEETING SCHEDULE

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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

**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"> <li>Consistent, timely, and accurate customer billing</li> <li>Real-time tracking of water usage and revenue</li> <li>Improved water system management, including leak detection</li> <li>Customer education</li> <li>Optimized system operation</li> </ul>	\$2,000,000	<p style="text-align: right;"><b>\$1,500,000</b></p> <p>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"> <li>Platform for sustainable and resilient utility management</li> <li>Better-informed decisions on investment in system improvements</li> <li>Public involvement and buy-in</li> </ul>	\$1,500,000	<p style="text-align: right;"><b>\$500,000</b></p> <p>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"> <li>Establish a baseline for underground canal conditions</li> <li>Remove obstructions to promote better drainage</li> <li>Reduce property and environmental damage due to flooding</li> <li>Establish a 5-year routine maintenance schedule</li> </ul>	TBD	<p style="text-align: right;"><b>\$0 – determining in-house capacity to perform</b></p> <p>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"> <li>Addressing a backlog of capital maintenance by replacing 10 of 24 total filters</li> <li>Better public health protection</li> <li>More effective and efficient operations; technology improvements through SCADA</li> <li>Employee safety concerns</li> </ul>	5,000,000 Phase 3 5,000,000 Phase 4 (2020-2021)	<p><b>\$3,000,000</b></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"> <li>Enhancing public health protection</li> <li>State regulatory compliance</li> <li>Best alternative to total T4 overhaul</li> </ul>	1,500,000	<p>TBD – Reducing reliance on T4 by implementing T7 solution</p>
<b>New Priorities</b>					
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"> <li>Provides improved drainage to Algiers and surrounding areas by increasing water storage area</li> <li>Ongoing partnership with Corps and federal stakeholders</li> <li>New project</li> </ul>	N/A	<p><b>\$1,030,625</b></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"> <li>Most reliable and resilient solution for replacing power lost when T5 became unavailable</li> <li>60Hz equipment consistent with system modernization and power master plan</li> <li>Funding already available for frequency changer</li> </ul>	N/A	<p><b>\$4,000,000</b></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"> <li>Provides a full analysis on stormwater fee possibilities, including affordability, rate structure, incentives, timing</li> </ul>	N/A	<p><b>\$250,000</b></p>

**REVISED Infrastructure Maintenance Fund Projects Matrix (Recurring Revenue)**

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

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