



St. Bernard Parish Council

8201 West Judge Perez Drive Chalmette, Louisiana, 70043
(504) 278-4228 Fax (504) 278-4209
www.sbpq.net

#14
Tabled

Guy McInnis
*Councilman
at Large*

George Cavignac
*Councilman
at Large*

Ray Lauga, Jr.
*Councilman
District A*

Nathan Gorbaty
*Councilman
District B*

Richard "Richie" Lewis
*Councilman
District C*

Casey W. Hunnicutt
*Councilman
District D*

**Manuel "Monty"
Montelongo III**
*Councilman
District E*

Roxanne Adams
Clerk of Council

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE COUNCIL OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT A REGULAR MEETING HELD IN THE COUNCIL CHAMBERS OF THE ST. BERNARD PARISH GOVERNMENT COMPLEX, 8201 WEST JUDGE PEREZ DRIVE, CHALMETTE, LOUISIANA ON TUESDAY, MARCH 3, 2015 AT SEVEN O'CLOCK P.M.

On motion of Mr. Lauga, seconded by Mr. Montelongo, it was moved to **table** the following resolution until the Water/Sewer Committee receives more details:

RESOLUTION SBPC #1304-03-15

A RESOLUTION AUTHORIZING THE PARISH PRESIDENT TO SIGN AND EXECUTE UTILIWORKS WATER SYSTEM AUTOMATION EVALUATION PROPOSAL FOR THE SMART WATER PROGRAM.

WHEREAS, UtiliWorks will gather data for input into financial mode; and,

WHEREAS, UtiliWorks will evaluate projected capital costs and economic values for various smart water programs; and,

WHEREAS, UtiliWorks will define business model assumptions and develop a custom business model; and,

WHEREAS, UtiliWorks will identify value-adding smart water programs and update rates with business case results.

WHEREAS, upon completion of these tasks UtiliWorks will provide St. Bernard Parish with a report on business case findings, a PowerPoint presentation highlighting business case findings and a listing of model assumptions.

NOW THEREFORE BE IT RESOLVED, that the St. Bernard Parish Council, the Governing Authority, does hereby authorize the Parish President to sign and execute UtiliWorks Water System Automation Evaluation proposal for the Smart Water Program as attached as Exhibit "A".



St. Bernard Parish Council

8201 West Judge Perez Drive Chalmette, Louisiana, 70043
(504) 278-4228 Fax (504) 278-4209
www.sbpq.net

Guy McInnis
*Councilman
at Large*

Page -2-
March 3, 2015
Extract #14, continued

George Cavnignac
*Councilman
at Large*

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

Ray Lauga, Jr.
*Councilman
District A*

YEAS: Lauga, Gorbaty, Lewis, Hunnicutt, Montelongo, McInnis

Nathan Gorbaty
*Councilman
District B*

NAYS: None

Richard "Richie" Lewis
*Councilman
District C*

ABSENT: None

The Council Chair, Mr. Cavnignac, cast his vote as YEA.

Casey W. Hunnicutt
*Councilman
District D*

And the motion was declared **adopted** on the 3rd day of March, 2015.

Manuel "Monty" Montelongo III
*Councilman
District E*

Roxanne Adams
Clerk of Council

CERTIFICATE

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of a motion adopted at a Regular Meeting of the Council of the Parish of St. Bernard, held at Chalmette, Louisiana, on Tuesday, March 3, 2015.

Witness my hand and the seal of the Parish of St. Bernard on this 3rd day of March, 2015.

ROXANNE ADAMS
CLERK OF COUNCIL

Task Order Approval Worksheet St. Bernard Parish



Task Number	Submitted Date	
2.0	December 16, 2014	
Work Package Name	Work Package Description	WBS Reference
Water System Automation Business Case	Evaluate Business Case for Smart Water Programs	2.0
Task Cost	Start Date	Expected Close Date
\$15,000.00	January 5, 2015	January 30, 2015

Package Includes:

Utiliworks Services Owner Requirements Service Fee Applied

Subcontract Material Purchase Special Conditions

Resources Assigned	Interdependencies	
	<i>Before</i>	<i>After</i>
DS - David Shpigler <input checked="" type="checkbox"/>		
JG - Joseph Gaspard <input checked="" type="checkbox"/>		
NN - Nicole Naasan <input checked="" type="checkbox"/>		
AT - Agnes Tu <input checked="" type="checkbox"/>		
Other Resources as Needed <input checked="" type="checkbox"/>		

Task Scope Summary:

UtiliWorks will provide the following services associated with Task Order 2.0 – Smart Water Business Case.

Task Name
• Gather Data from Client for Input into Financial Model
• Evaluate Projected Capital Costs
• Evaluate Economic Values for Various Smart Water Programs
• Define Business Model Assumptions
• Develop Custom Business Model
• Identify Value-Adding Smart Water Programs
• Update Rates with Business Case Results

Each of the above tasks is described in more detail in the attached Statement of Work.

Deliverables

- Report on business case findings
- PowerPoint presentation highlighting business case findings
- Listing of model assumptions

Schedule of Values:

Task Milestone	Expected Start	Expected Finish	Expected Billing
Draft Business Case Report	January 2015	January 2015	\$7,500
Final Business Case Report	January 2015	January 2015	\$7,500

Travel billed at cost.

Delivered by _____
UtiliWorks Consulting LLC

Date _____

Approved by _____
St. Bernard Parish

Date _____

Task Order 2 – Smart Water Business Case

Statement of Work

Purpose

St. Bernard Parish has expressed an interest in receiving an evaluation of the technology options that may offer demonstrable financial benefits. A strategic plan is required to identify which smart water platforms may be worth pursuing, how existing systems and assets can best be utilized for the long term, and how to best develop a plan going forward. UtiliWorks will research and analyze St. Bernard's existing systems and potential for future smart water application to develop a robust business case. Included in the evaluation are AMI, leak detection, variable pumping schedules, and other programs of interest.

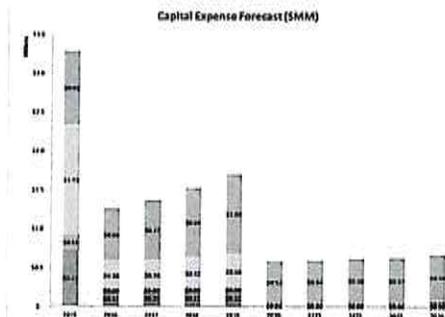
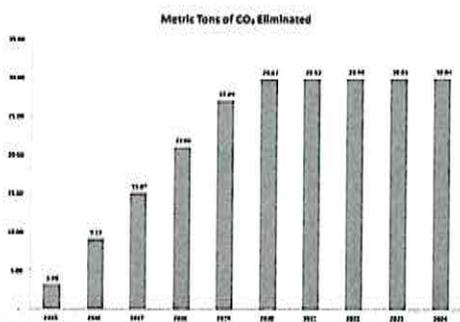
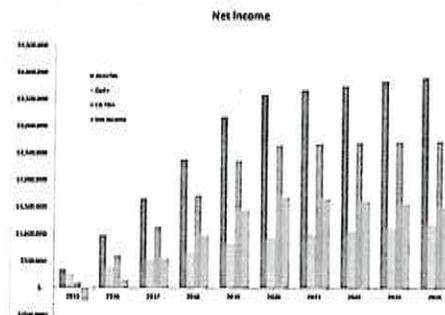
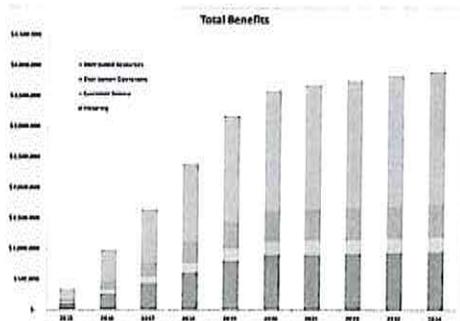
Assumptions

- Owner will assign Project Manager to participate in regularly scheduled status calls with the UWC Project Manager to review open issues and remove barriers to progress.
- Work will be performed by UWC resources either on-site or off-site in the completion of task order deliverables.

Scope of Work

UtiliWorks firmly believes that at the core of any strategic design, there should always be a robust financial analysis of the approaches and technology in consideration. UtiliWorks strongly advocates utilization of financial modeling tools that allow for the complete and detailed financial analysis of the strategies being evaluated. This is in comparison to operating at the "50,000 foot level" of strategy design. As such, we will develop a customized financial model on behalf of St. Bernard Parish that will allow UtiliWorks to illustrate the financial characteristics of the approaches being considered. Below is an example of recent work we have delivered for a client that will be comparable to the scope of work proposed in this task order:

System Automation Business Model										
Prepared for:					Prepared by:					
										
Business Case Results										
Metering										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Metering	\$ 90,285	\$ 200,384	\$ 433,480	\$ 615,606	\$ 801,142	\$ 894,778	\$ 907,998	\$ 921,417	\$ 935,036	\$ 948,861
Customer Service	\$ 22,211	\$ 64,022	\$ 107,020	\$ 151,229	\$ 196,076	\$ 219,551	\$ 232,080	\$ 235,856	\$ 239,078	\$ 232,348
Distribution Operations	\$ 47,830	\$ 136,832	\$ 230,037	\$ 328,800	\$ 433,000	\$ 487,241	\$ 498,034	\$ 508,611	\$ 519,564	\$ 530,893
Distributed Resources	\$ 174,172	\$ 515,936	\$ 872,106	\$ 1,286,332	\$ 1,790,264	\$ 1,989,230	\$ 2,049,934	\$ 2,102,434	\$ 2,155,318	\$ 2,201,550
Total Benefits	\$ 333,998	\$ 977,174	\$ 1,651,643	\$ 2,381,966	\$ 3,180,684	\$ 3,590,600	\$ 3,678,045	\$ 3,758,318	\$ 3,838,997	\$ 3,913,652
OpEx										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Metering	\$ 57,341	\$ 82,177	\$ 101,104	\$ 124,776	\$ 146,943	\$ 158,839	\$ 161,829	\$ 162,802	\$ 164,317	\$ 165,854
Customer Service	\$ 16,958	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
Distribution Operations	\$ 112,575	\$ 158,650	\$ 197,283	\$ 238,131	\$ 280,350	\$ 306,533	\$ 310,907	\$ 315,400	\$ 320,150	\$ 325,217
Distributed Resources	\$ 50,109	\$ 123,822	\$ 194,689	\$ 276,910	\$ 371,597	\$ 452,017	\$ 505,407	\$ 560,400	\$ 617,377	\$ 675,014
Total OpEx	\$ 245,984	\$ 383,149	\$ 513,666	\$ 658,319	\$ 817,900	\$ 936,889	\$ 996,183	\$ 1,057,192	\$ 1,120,344	\$ 1,184,584
CapEx										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Metering	\$ 772,152	\$ 207,620	\$ 212,941	\$ 218,036	\$ 224,922	\$ 14,616	\$ 34,814	\$ 15,048	\$ 15,264	\$ 15,478
Customer Service	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operations	\$ 1,425,020	\$ 380,020	\$ 380,020	\$ 418,020	\$ 456,020	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Distributed Resources	\$ 919,905	\$ 699,505	\$ 774,300	\$ 887,820	\$ 1,022,540	\$ 526,809	\$ 542,734	\$ 564,996	\$ 570,417	\$ 582,858
Total CapEx	\$ 3,287,057	\$ 1,347,165	\$ 1,367,261	\$ 1,524,861	\$ 1,703,462	\$ 579,425	\$ 595,548	\$ 618,044	\$ 633,681	\$ 674,389
Pro Forma Financials										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Benefits	\$ 333,998	\$ 977,174	\$ 1,651,643	\$ 2,381,966	\$ 3,180,684	\$ 3,590,600	\$ 3,678,045	\$ 3,758,318	\$ 3,838,997	\$ 3,913,652
OpEx	\$ 245,984	\$ 383,149	\$ 513,666	\$ 658,319	\$ 817,900	\$ 936,889	\$ 996,183	\$ 1,057,192	\$ 1,120,344	\$ 1,184,584
EBITDA	\$ 88,015	\$ 594,025	\$ 1,137,977	\$ 1,723,727	\$ 2,363,304	\$ 2,653,911	\$ 2,681,462	\$ 2,701,125	\$ 2,718,653	\$ 2,729,028
Depreciation	\$ 328,706	\$ 453,422	\$ 590,146	\$ 742,632	\$ 912,978	\$ 970,921	\$ 1,030,476	\$ 1,092,280	\$ 1,154,648	\$ 1,222,087
Net Income	\$ (240,691)	\$ 140,603	\$ 547,831	\$ 981,104	\$ 1,450,415	\$ 1,682,990	\$ 1,651,087	\$ 1,608,845	\$ 1,564,009	\$ 1,506,941
CapEx	\$ 3,287,057	\$ 1,347,165	\$ 1,367,261	\$ 1,524,861	\$ 1,703,462	\$ 579,425	\$ 595,548	\$ 618,044	\$ 633,681	\$ 674,389
Cash Flow	\$ (3,199,042)	\$ (653,140)	\$ (229,261)	\$ 196,876	\$ 699,932	\$ 2,074,486	\$ 2,086,914	\$ 2,083,082	\$ 2,094,971	\$ 2,054,082
Cum Cash Flow	\$ (3,199,042)	\$ (3,852,181)	\$ (4,081,443)	\$ (3,882,567)	\$ (3,222,634)	\$ (1,148,151)	\$ 938,763	\$ 3,023,845	\$ 5,118,816	\$ 7,171,898
Financial Metrics										
NPV	\$ 12,654,095									
IRR	31.4%									
Peak Funding	\$ (4,081,443)									
Ten-Year CapEx	\$ 12,220,868									



Our overall scope of work in this phase will include:

- Gather data to define the business requirements for the implementation of a potential system deployment for a variety of targeted system automation programs
- Identify capital expenses that are anticipated
- Evaluate economic values in addition to technical considerations
- Define assumptions for putting together the financial projection
- Apply previous experience, research and industry benchmarks to determine the financial and operational model that will support the financial analysis
- Identify those programs that promise to add value to St. Bernard system operation
- Use business case results to illustrate potential impact to St. Bernard water rates

Deliverables

- Report on business case findings
- PowerPoint presentation highlighting business case findings
- Listing of model assumptions