



# St. Bernard Parish Council

8201 West Judge Perez Drive Chalmette, Louisiana, 70043  
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www.sbp.net

**#12**

**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, JULY 7, 2015 AT SEVEN O'CLOCK P.M.

On motion of Mr. Lauga, seconded by Mr. Lewis, it was moved to **adopt** the following resolution:

## **RESOLUTION SBPC #1350-07-15**

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*

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Extract #12 continued  
July 7, 2015

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

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

**NAYS:** None

**ABSENT:** Gorbaty

The Chairman, Mr. Cavnac, cast his vote as **YEA**.

And the motion was declared **adopted** on the 7<sup>th</sup> day of July, 2015.

## 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, July 7, 2015.

Witness my hand and the seal  
of the Parish of St. Bernard on  
this 7<sup>th</sup> day of July, 2015.

ROXANNE ADAMS  
CLERK OF COUNCIL



**Task Order Approval Worksheet  
St. Bernard Parish**



<b>Task Number</b>	<b>Submitted Date</b>	
2.0	December 16, 2014	
<b>Work Package Name</b>	<b>Work Package Description</b>	<b>WBS Reference</b>
Water System Automation Business Case	Evaluate Business Case for Smart Water Programs	2.0
<b>Task Cost</b>	<b>Start Date</b>	<b>Expected Close Date</b>
\$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:**

<b>Task Milestone</b>	<b>Expected Start</b>	<b>Expected Finish</b>	<b>Expected Billing</b>
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:

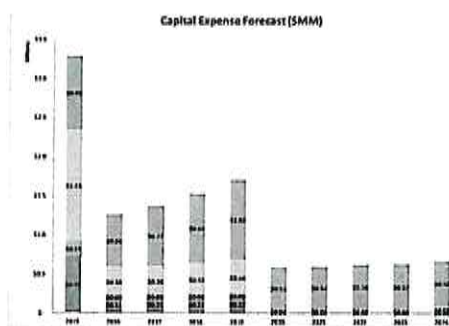
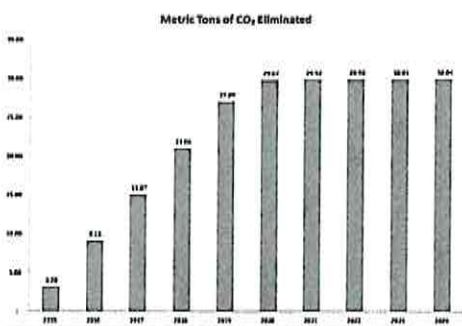
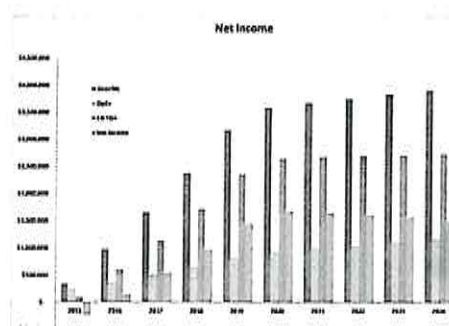
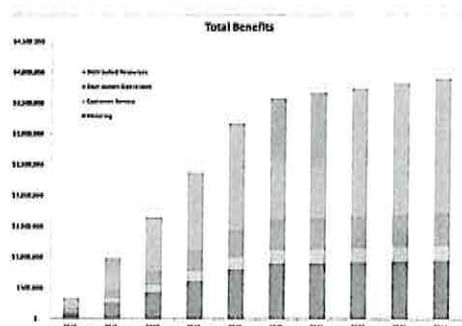
**System Automation Business Model**

Prepared for: \_\_\_\_\_ Prepared by: **UtiliWorks**

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**Business Case Results**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenue</b>										
Metering	\$ 90,285	\$ 200,354	\$ 415,480	\$ 615,696	\$ 801,142	\$ 894,778	\$ 907,998	\$ 921,417	\$ 935,036	\$ 948,861
Customer Service	\$ 22,211	\$ 44,022	\$ 107,020	\$ 151,229	\$ 196,076	\$ 212,551	\$ 222,080	\$ 225,856	\$ 229,078	\$ 232,348
Distribution Operations	\$ 47,330	\$ 136,832	\$ 280,037	\$ 328,800	\$ 432,022	\$ 487,241	\$ 498,034	\$ 508,611	\$ 519,564	\$ 530,893
Distributed Resources	\$ 174,172	\$ 515,936	\$ 879,105	\$ 1,244,332	\$ 1,750,264	\$ 1,989,230	\$ 2,049,234	\$ 2,102,434	\$ 2,155,318	\$ 2,201,520
<b>Total Benefits</b>	<b>\$ 333,998</b>	<b>\$ 977,174</b>	<b>\$ 1,651,643</b>	<b>\$ 2,382,056</b>	<b>\$ 3,180,684</b>	<b>\$ 3,599,800</b>	<b>\$ 3,678,645</b>	<b>\$ 3,758,318</b>	<b>\$ 3,838,997</b>	<b>\$ 3,913,652</b>
<b>OpEx</b>										
Metering	\$ 57,241	\$ 82,177	\$ 103,194	\$ 124,776	\$ 146,941	\$ 159,839	\$ 161,309	\$ 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	\$ 158,050	\$ 197,283	\$ 238,131	\$ 280,250	\$ 306,533	\$ 310,967	\$ 315,400	\$ 320,150	\$ 325,117
Distributed Resources	\$ 50,109	\$ 123,827	\$ 194,689	\$ 276,910	\$ 371,597	\$ 452,017	\$ 505,407	\$ 560,400	\$ 617,277	\$ 675,014
<b>Total OpEx</b>	<b>\$ 245,984</b>	<b>\$ 383,149</b>	<b>\$ 513,666</b>	<b>\$ 658,319</b>	<b>\$ 817,290</b>	<b>\$ 936,889</b>	<b>\$ 996,183</b>	<b>\$ 1,057,192</b>	<b>\$ 1,120,344</b>	<b>\$ 1,184,584</b>
<b>CapEx</b>										
Metering	\$ 777,152	\$ 207,600	\$ 312,941	\$ 219,036	\$ 224,922	\$ 14,616	\$ 14,814	\$ 15,048	\$ 15,264	\$ 15,498
Customer Service	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operations	\$ 1,415,000	\$ 280,000	\$ 280,000	\$ 418,000	\$ 456,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
Distributed Resources	\$ 905,905	\$ 495,905	\$ 774,300	\$ 887,825	\$ 1,022,540	\$ 570,809	\$ 643,734	\$ 664,996	\$ 720,417	\$ 862,888
<b>Total CapEx</b>	<b>\$ 3,283,057</b>	<b>\$ 1,947,165</b>	<b>\$ 1,367,241</b>	<b>\$ 1,514,861</b>	<b>\$ 1,703,462</b>	<b>\$ 379,425</b>	<b>\$ 399,548</b>	<b>\$ 618,044</b>	<b>\$ 633,681</b>	<b>\$ 674,386</b>
<b>Pro Forma Financials</b>										
Benefits	\$ 311,998	\$ 977,174	\$ 1,651,643	\$ 2,382,056	\$ 3,180,684	\$ 3,599,800	\$ 3,678,645	\$ 3,758,318	\$ 3,838,997	\$ 3,913,652
OpEx	\$ 245,984	\$ 383,149	\$ 513,666	\$ 658,319	\$ 817,290	\$ 936,889	\$ 996,183	\$ 1,057,192	\$ 1,120,344	\$ 1,184,584
EBITDA	\$ 68,015	\$ 594,025	\$ 1,137,977	\$ 1,723,737	\$ 2,363,394	\$ 2,663,911	\$ 2,682,462	\$ 2,701,125	\$ 2,718,653	\$ 2,729,068
Depreciation	\$ 328,705	\$ 451,422	\$ 595,146	\$ 742,632	\$ 912,978	\$ 970,921	\$ 1,030,476	\$ 1,092,280	\$ 1,154,648	\$ 1,222,087
Net Income	\$ (240,690)	\$ 142,603	\$ 542,831	\$ 981,104	\$ 1,450,416	\$ 1,692,990	\$ 1,651,986	\$ 1,608,845	\$ 1,564,005	\$ 1,506,981
CapEx	\$ 3,283,057	\$ 1,947,165	\$ 1,367,241	\$ 1,514,861	\$ 1,703,462	\$ 379,425	\$ 399,548	\$ 618,044	\$ 633,681	\$ 674,386
Cash Flow	\$ (1,989,042)	\$ (653,140)	\$ (239,263)	\$ 198,876	\$ 699,932	\$ 2,074,486	\$ 2,086,914	\$ 2,083,082	\$ 2,024,971	\$ 2,054,682
Cum Cash Flow	\$ (1,199,042)	\$ (1,852,181)	\$ (4,081,445)	\$ (3,882,569)	\$ (2,222,638)	\$ (1,148,151)	\$ 938,763	\$ 3,021,845	\$ 5,116,816	\$ 7,171,498
<b>Financial Metrics</b>										
NPV	\$ 12,054,095									
IRR	31.4%									
Peak Funding	\$ (4,081,445)									
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