



DATE: 9/20/2023

TIME: 9:00 a.m.

LOCATION: Executive Boardroom

COMMITTEE MEMBERS: Maurice Sholas, Chair | Tamika Duplessis, Vice Chair | Robin Barnes | Carol Markowitz |

# Audit Committee Meeting Agenda

## I. Roll Call

## II. Presentation Items

- A. P&N Annual Financial Statement Audit 2022 – Brandy Smith, Partner – EisnerAmper
- B. Audit Department Update – Ed Sutherland, Chief Audit Executive

## III. Action Items

- A. Resolution (R-121-2023) Internal Audit Charter
- B. Resolution (R-122-2023) Audit Committee Charter

## IV. Public Comment

## V. Adjournment



# **Annual Comprehensive Financial Report**

**For the years ended December 31, 2022 and 2021**

**SEWERAGE AND WATER BOARD  
OF NEW ORLEANS, LOUISIANA**





**COVER:** Together with Mayor LaToya Cantrell, Entergy New Orleans representatives, and New Orleans City Council members, the Sewerage and Water Board of New Orleans (SWBNO) broke ground on the new Power Complex substation on December 5, 2022. The substation is a crucial piece of the Power Complex that will modernize how SWBNO powers its drinking water, wastewater, and drainage systems.

To operate our systems, SWBNO relies on century-old pumps that require a special form of electricity Entergy New Orleans does not produce. Our utility currently uses in-house turbines to generate the electricity needed to power the pumps serving New Orleans.

The new substation will provide a more reliable, economical, and cleaner power source for everyday use by drawing power directly from Entergy's transmission grid. The Power Complex will also include static frequency changers to convert that modern electricity to the type of power our older pumps need.

**SEWERAGE AND WATER BOARD  
OF NEW ORLEANS, LA**

**Annual Comprehensive Financial Report  
For The Years Ended  
December 31, 2022 and 2021**

**Prepared By:  
Finance Department**



## Vision

To be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.

## Mission

Our team of experts serves the people of New Orleans and improves their quality of life by reliably and affordably providing safe drinking water; removing wastewater for safe return to the environment; and draining stormwater to protect our community.

## Core Values

We Are:

Customer  
Focused



Safety  
Minded

Accountable



Transparent  
& Honest

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

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Years ended December 31, 2022 and 2021

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# INTRODUCTORY SECTION



**Our Five-Year Strategic Plan acts as a blueprint for SWBNO's decision-making process so we can become the model utility New Orleans deserves.**

## **VISION:**

To be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.



**TO:** The Honorable LaToya Cantrell, President, and  
Members of the Sewerage and Water Board of New Orleans  
625 St. Joseph Street  
New Orleans, LA 70165

**DATE:** June 26, 2023

We respectfully submit the enclosed Annual Comprehensive Financial Report (ACFR) for the Sewerage and Water Board of New Orleans (SWBNO) for the years ended December 31, 2022 and 2021. This yearly report provides our Board of Directors, investors, customers, and the public at large with the utility's latest, most complete financial portrait.

We believe that the data, as presented, is accurate in all material respects. This report is designed to fairly present SWBNO's financial position and operation results for the SWBNO Enterprise and Pension Trust Funds. Necessary disclosures are included for the reader to understand SWBNO's financial activities.

SWBNO retained Postlethwaite & Netterville (P&N), a professional accounting corporation, to serve as its independent auditor. P&N has issued an unmodified opinion on SWBNO's financial statements for the years ended December 31, 2022 and 2021. The independent auditors' report is located at the front of the Financial Section in this report.

## THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The ACFR is organized into four sections:

**Introductory Section:** This section includes this letter of transmittal, as well as various governance, leadership, and organizational charts. This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) (see Financial Section) and should be read in conjunction with it.

**Financial Section:** This section includes the Independent Auditors' Report, the MD&A, basic financial statements, accompanying notes, and required supplementary information (RSI) and supplementary information (SI). The MD&A is required by the Governmental Accounting Standards Board (GASB) and provides an overview and analysis of the basic financial statements.





**Statistical Section:** This section presents graphs and details demonstrating financial trends as well as revenue and debt information as context for understanding SWBNO's overall financial health and operating capacity.

**Supplemental Section:** This section includes additional historical schedules.

The basic financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and audited by independent, certified public accountants retained by SWBNO.

Pursuant to LA Revised Statutes § 24:513 (A), SWBNO is required to have its financial position examined and audited each year by licensed, certified public accountants.

SWBNO's management is responsible for the reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. The internal control framework is designed to give reasonable assurance that the cost of internal controls should not exceed the benefits derived from the controls and that the financial statements are free from material misstatements. The internal control over financial reporting is a process designed by, or under the supervision of, SWBNO's Executive Director, Chief Financial Officer, and Finance Director and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting in accordance with GAAP.

## PROFILE OF SEWERAGE AND WATER BOARD OF NEW ORLEANS

SWBNO is a public utility that owns, maintains, and operates New Orleans' vast networks of water and sewer mains, drinking water and wastewater treatment plants, as well as the components of the city's drainage system that are 36" or greater in diameter (primarily drainage canals).

SWBNO meets the criteria for classification as a "stand-alone entity" as described in GASB Statement No. 61. The reporting entity includes the Enterprise Fund and the Pension Trust Fund. The Enterprise Fund comprises three (3) independent systems: Water, Sewerage, and Drainage.

SWBNO was founded in 1899 by state law and merged with the New Orleans Drainage Commission in 1903 to eventually assume its present-day mission: To serve the people of New Orleans and improve their quality of life by providing safe drinking water, removing wastewater for safe return to the environment, and draining stormwater to protect the community. Its team of experts does this reliably, continuously, and at a reasonable cost. SWBNO's vision is to earn and hold the trust and confidence of our customers and community for reliable and sustainable water services and to be a model utility in the water industry.



Today, SWBNO serves 364 square miles of the City of New Orleans and provides drainage services to approximately 2,550 acres of neighboring Jefferson Parish. Raw water is sourced from the Mississippi River for treatment. The utility operates a drainage system of approximately 280 miles of open and underground canals and 24 pumping stations that house 120 drainage pumps. The drainage and water systems are powered by a combination of modern, 60-Hertz electricity, and self-generated 25-Hertz power that dates to the early 20<sup>th</sup> century. SWBNO is under a federal Consent Decree to overhaul the New Orleans sewerage system. This effort is scheduled to be completed in 2025. An independent contractor manages sewer operations.

This utility operates independently of the city government under the oversight of its 11-member Board of Directors. Effective June 11, 2021, under state law, this governing body consists of:

- The Mayor of the City of New Orleans, serving as president
- A member of the City Council's Public Works, Sanitation and Environmental Committee or his/her designee
- Two members of the city's debt manager, the Board of Liquidation, City Debt
- Seven citizen members appointed by the mayor with the consent of the City Council

Citizen members must represent New Orleans' five City Council districts; two must be considered consumer advocates. The Board of Directors is responsible for, amongst other things, passing resolutions, adopting the budget, appointing committees, and hiring the Board's Executive Director and General Superintendent. The Executive Director is responsible for carrying out the policies and resolutions of the Board and overseeing day-to-day operations.

The water and sewerage systems, and the overall administration of SWBNO, are primarily funded through services rates, which the New Orleans City Council approves. Maintenance, operations, and improvements to the drainage system are primarily financed through three ad valorem taxes set at rates of three-(3) mill, six-(6) mill, and nine-(9) mill, which expire in 2046, 2027, and 2032, respectively. The SWBNO employs approximately 1,250 people and manages a \$223 million pension trust fund.

## ECONOMIC GROWTH AND OUTLOOK

As one of the last major ports before the Mississippi River empties into the Gulf of Mexico, New Orleans is a central hub for commerce and an economic engine for the broader Gulf Coast region. It is also a large nexus for rail and truck routes. The latest mid-year estimates (July 2021) revealed the City of New Orleans experienced a slight decrease in population to 376,971 (*U.S. Census Bureau, Population Division*).



New Orleans has a diverse economy, with the main sectors being energy, advanced manufacturing, international trade, healthcare, and tourism. It is the home to internationally known universities and hospitals. Some of the largest companies in New Orleans include Ochsner Health System, Tulane University, Woodward Design + Build, Entergy Corporation, Hancock Whitney Corporation, Boh Bros Construction, and Superior Energy Services, Inc.

The New Orleans metropolitan area unemployment rate (3.5%) was aligned to the State of Louisiana's rate (3.5%) as well as the national unemployment rate at the end of 2022, according to the US Bureau of Labor Statistics, due to the high volume of hospitality and tourism jobs which have returned following the pandemic.

The median household income in the City of New Orleans is \$45,594 compared to \$53,571 for the State of Louisiana and \$69,021 for the United States, with almost 24% of residents falling below the federal poverty line.

## MANAGEMENT INITIATIVES

After receiving Board of Director approval for our first-in-a-generation strategic plan at the beginning of the year, SWBNO turned its focus to implementation, forming six working groups, one dedicated to each of the strategic plan's focus areas, which met quarterly to discuss successes, challenges, and key performance indicators.

During 2022, SWBNO carried out a range of plan-aligned tactics within the timelines the working groups identified for them. Highlights include:

- ▶ Updated our purchasing policies
- ▶ Incorporated affordability outcomes into the development of our financial plan
- ▶ Increased options for customer self-service and expanded payment locations
- ▶ Overhauled our strategy for reading water meters; provided additional resources to support the meter reading team
- ▶ Reviewed our customer dispute process and participated in the development of new policies
- ▶ Completed an inventory of our software and systems, documented cybersecurity policies
- ▶ Completed an assessment of our asset management risks; established a working group on the subject
- ▶ Developed and implemented a new management structure for General Superintendent's Office, which oversees the engineering and operation of our drinking water, wastewater, and drainage systems



In late 2022, SWBNO and Entergy New Orleans celebrated the groundbreaking of the first phase of the SWBNO Power Complex, which includes a dedicated substation. The dedicated substation, along with static frequency changers and new combustion turbine generators, will replace the existing power generation equipment with a modernized system designed to power New Orleans' drainage and water pumps in a more reliable, resilient, and cost-effective way.

In conjunction with substation construction, SWBNO began work on our first major construction project for Phase 1 of the Power Complex, the utility rack connecting the east and west sides of the Carrollton Water Plant campus, in December. When Phase I is complete, the facility will draw power from the Entergy New Orleans grid and convert it to 25-hz power for our use. A new modern turbine generator will also provide additional power for backup as needed. The current project schedule anticipates completion of the substation and Phase I work by the spring of 2025. SWBNO awarded contracts for the purchase of transformers and other auxiliary equipment and advertised a large civil construction contract for foundations and other underground work at the end of 2022 in furtherance of this transformational project.

In 2022, SWBNO leadership continued to seek creative financing solutions for New Orleans' long-existing infrastructure challenges. Fair Share recurring monthly funds of \$34 million have been received from the 2019 agreement with the City of New Orleans, the State of Louisiana, and the hospitality industry which are enabling SWBNO to invest in newer infrastructure.

SWBNO closed on a Drainage Tax Bond in December 2022 which provides \$45 million of funding for the Power Complex project to be repaid by 2027 under a shorter-term bridge financing strategy to meet the important Phase I timeline.

SWBNO closed a major federal water infrastructure loan to fund the full rehabilitation of New Orleans' sewer system as part of our Consent Decree at the end of last year. Under the Water Infrastructure Financing and Innovation Act (WIFIA) program, the U.S. Environmental Protection Agency (EPA) chose SWBNO to apply for a low-interest, long-term loan planned to yield up to \$275 million. This loan will facilitate the 2025 federal Consent Decree deadline to restore the sewer system completely. The below-market interest rate and flexible repayment terms with our WIFIA loan will save the ratepayers significant interest costs over the repayment term, which runs through 2057. The EPA loan draws will commence upon utilization of Sewer bonds which service as local matching dollars required under the loan arrangement.



## FINANCIAL PLANNING

In 2022, we completed a comprehensive financial study to understand our water and sewer system revenue, the cost of providing those services to our customers, and the costs associated with capital projects to sustain and improve the service we provide.

The study found that the income our water and sewer rates generate covers our obligatory debt service and the cost of our day-to-day operations and maintenance. However, current revenue leaves nearly all our ten-year capital improvement projects unfunded which necessitates continually pursuing creative external funding opportunities. SWBNO has received funding commitments from City of New Orleans (\$52 million), Capital Outlay (\$79 million), HUD (\$16 million), and State revolving funds (\$41.5m) in addition to the earlier discussed EPA loan and Fair Share Funding. SWBNO also receives revenues from the three-(3) mill, six-(6) mill, and nine-(9) mill ad valorem taxes, which are restricted exclusively to the drainage system.

## GENERAL OPERATIONS

The change in net position for the year ended December 31, 2022, was an increase of approximately \$174 million, as opposed to an approximately \$135 million increase for the year ended December 31, 2021, primarily due to lower capital contributions in 2021. Total operating revenues were flat, increasing only by 0.5% to approximately \$274 million given similar consumption levels and flat service rates. Total non-operating revenue increased by 30.3% to approximately \$66.6 million due primarily to a one-time contribution from the City.

## BUDGETARY CONTROL

SWBNO maintains internal budgetary control by preparing and monitoring an annual operating and capital budget for the Water, Sewerage, and Drainage funds. The statement of revenues, expenses, and changes in net position; statement of net position; and statement of cash flows are prepared for each system. Also, monthly budget reports are provided to assist each department-level manager in fiscal decision-making.

The 2022 approved operating budget was \$320.9 million, which was 1% over the prior year. SWBNO has \$543 million in outstanding senior lien debt: \$45.0 million in Drainage Bonds, \$282 million in Sewer Revenue Bonds, and \$216 million in Water Revenue Bonds. SWBNO has been issued an “A” and an “A-” rating from Standard & Poor’s Ratings Services (S&P) for the sewer system and water system, respectively, and a “BBB+” for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are “AA-” and “A,” respectively.



## CAPITAL IMPROVEMENT PROGRAM

SWBNO's 10-year capital improvement program considers resources and expenses to repair, rehabilitate, and replace water, sewer, and drainage capital assets. The program allows the utility to compare the impact of future stability over the next ten years. This includes capital improvements to infrastructure for completing projects related to Hurricane Katrina repairs, ongoing rehabilitation, handling anticipated growth, maintaining compliance with regulatory requirements, technology changes, and bringing the system into the 21<sup>st</sup> century.

At the close of 2022, there were approximately 18 active contracts for capital projects in addition to a major joint project with the City - Joint Infrastructure Recovery Roads Program (JIRR). There are also active emergency contracts, which are those not anticipated in the capital improvement program, including:

**2021 – MV Bow Trident:** In March 2021, a vessel on the Mississippi River collided with elements of the SWBNO river intake system. Damage assessments were undertaken, and cost estimates to repair the facilities were completed in 2021, in conjunction with other repairs needed due to a previous incident in 2016. SWBNO's ability to pump river water for treatment as potable water was ultimately not impacted. Still, repairs to the facilities are needed and are anticipated to be advertised for construction in 2023.

**2022 – Turbine 6 Incident:** In March 2022, an electrical fire occurred at Turbine 6, whereby an investigation of the event was undertaken and determined that multiple electrical breakers and components were damaged and needed to be replaced. The repairs were completed by the end of April 2022.

**2022 – Drainage Pump Repairs:** At DPS 11, E pump went out of service in March 2022, and at DPS 6, H pump went out of service in May 2022. Due to the nature of these facilities to provide critical drainage pumping services, emergency contracts were undertaken for repairs of these pumps. The work on both pumps was substantially completed by the end of 2022.

**2022 – Feeder 404 Electrical Feeder:** In June and July 2022, SWBNO experienced a series of theft events of underground, 25-hz feeders. Over 4,000 feet of cable was stolen from sections of Feeder 404. Contracts were undertaken to purchase and replace the cable. Work was completed by the end of 2022.

As of December 31, 2022, SWBNO's budget for its ten-year capital improvements program totaled approximately \$2.55 billion and included \$629 million in budget authority (as amended) for the year ending December 31, 2022, for the following key capital improvement activities:

- New Power Complex at the Carrollton Water Plant
- Continue Joint Infrastructure Recovery Road in conjunction with the City of New Orleans Department of Public Works





- Comply with regulatory requirements under the Sewer Consent Decree
- Rehabilitate and upgrade facilities at the Carrollton Water Plant
- Participate in drainage system improvements in coordination with SELA Program
- Transformational Smart Metering Infrastructure project to eliminate manual meter reading

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures.

## **WATER SYSTEM MAJOR INITIATIVES**

Below is a list of the major water system initiatives completed in 2022 and those that are still in progress:

### **CARROLLTON WATER PURIFICATION PLANT**

- Design of valves, actuators, and controls at Sycamore Filter Gallery in progress. Construction began in 2022
- Design of new sludge line to the Mississippi River in progress
- Rehabilitation of Claiborne Pumping Station is in progress and scheduled for completion in Q2 2023.
- Rehabilitation of the Panola Pump Station and High Lift Stations also began in 2022 and will continue thru 2024
- Design of the repairs to the fender system at New River and Oak St. Raw Water Intake Structures in progress
- Design of a new facility for the consolidated bulk storage and feed of water purification chemicals at the Carrollton Water Plant complete.

### **ALGIERS WATER PURIFICATION PLANT**

- Design of water storage tank mixing in progress
- Improvements to the Algiers Water Plant in progress, including replacement of Clarifier 1; improvements to Clarifiers 2, 3, and 4; a new fluorosilicic acid storage and feed system; and SCADA system complete
- Staff design of filter media replacement and repair to valves and actuators in progress

### **WATER DISTRIBUTION SYSTEM**

- Ongoing coordination with the Department of Public Works to rehabilitate water mains in association with the Joint Infrastructure Recovery Roads Program (JIRR) and other roadway rehabilitation projects
- Ongoing management of 22 engineering consultants designing water main replacement projects for approximately 62 neighborhoods

### **WATER PUMPING AND POWER**

- Replacement of various 25-Hz power distribution cables in progress
- Design of new VFDs and motors for distribution pumps completed





## SEWER SYSTEM INITIATIVES

Below is a list of the major sewer system initiatives completed in 2022 and those that are still in progress:

### SEWERAGE PUMPING STATIONS

- SPS A construction of structural improvements completed.
- Planning for a replacement station at SPS 1 has begun with demolition of SWBNO-owned houses adjacent to the existing station completed.
- Planning for expansion of SPS 14 is continuing
- Procurement of replacement pumps and motors for multiple SPS is continuing
- Planning for the purchase of portable generators for deployment to the SPS is ongoing

### SEWER COLLECTION SYSTEM

- Ongoing coordination with the Department of Public Works to rehabilitate sewer mains in association with the Joint Infrastructure Recovery Roads Program (JIRR) and other roadway rehabilitation projects
- Construction within the South Shore Basin currently 100% complete
- Construction within the Mid-City Basin currently 95% complete
- Construction within the Carrollton Basin currently 50% complete

### WASTEWATER TREATMENT PLANTS

- EBWWTP – Installation of the sludge dryer- Complete. Testing and commissioning. In Progress.
- EBWWTP – Replacement and installation of Bar Screen #6. In Progress.
- EBWWTP – Replacement of grit screw #6. In Progress.
- EBWWTP – Schwing Pump Chute Fabrication and Install – In Progress.
- EBWWTP – Utility Water Pump and Strainer Rehabilitation – In Progress.
- EBWWTP – Liquid Oxygen Storage Tank – New Vaporizer Install – In Progress.
- EBWWTP – Replacement of River Sampling Station - Complete.
- EBWWTP – FBI Blower Replacement – Complete
- EBWWTP – WAS Pump Install – Complete
- EBWWTP – Clarifier #6 Return Activated Sludge Pipeline – Complete
- EBWWTP – Purchase and installation of RAS rotating assemblies. Complete.
- EBWWTP – FBI Incinerator Refractory and Shell rehab. Complete.
- EBWWTP – Clarifier #2 Baffle Plates. Complete.
- WBWWTP – Tractor Replacement – Complete.
- WBWWTP – Primary Clarifier #3 Liner Removal – Complete.
- WBWWTP – Grit Blower #2 Replacement – Complete.
- EBWWTP & WBWWTP – Phase One Capital Improvements Project – In Progress.



## DRAINAGE SYSTEM INITIATIVES

Below is a list of the major drainage system initiatives completed in 2022 and those that are still in progress:

### DRAINAGE PUMPING STATIONS

- Additional SCADA instrumentation purchase and installation in progress
- Design of Discharge Pump Station #13 in Algiers in progress (USACE project)
- Construction of anti-siphon mechanisms at Drainage Pumping Station 12 ongoing
- Repairs to DPS 16 #2 pump on-going
- Repairs to DPS 6 H pump and I pumps on-going
- Repairs to DPS 11 E pump on-going

### CANALS

- Construction of Florida Ave. Canal Phase IV in progress
- Construction of General DeGaulle Canal improvements from Shirley Dr. to Holiday Dr. in progress
- Design of Donner Canal from Algiers Outfall Canal to Pump Station #13 in progress
- Design of General DeGaulle Canal from Behrman Place to Algiers Outfall Canal in progress

## OTHER FINANCIAL INFORMATION AND SUBSEQUENT EVENTS

SWBNO is pursuing several priority projects in 2023:

### SMART METERING INFRASTRUCTURE

SWBNO kicked off the smart metering replacement project in January 2023, which will span approximately 36 months, to update all our meters to automated meter reading technology. Smart metering will benefit SWBNO and its ratepayers in numerous ways, including generating real-time, accurate billing information, reducing estimated readings and re-billing costs, reducing billing errors and disputes, preventing tampering and theft, and promoting energy conservation and customer savings with time-of-use consumption. Additional benefits of the program include customer-facing alerts for high usage and conservation efforts, acoustic leak detection, and district meter monitoring. The project will be funded in part with Fair Share dollars as well as additional savings realized from our 2021 Bond Refunding as well as Water and Sewer system funds.

### NEW FEDERAL REGULATIONS

SWBNO prides itself on meeting or exceeding state and federal drinking water quality standards. In March 2023, the U.S. Environmental Protection Agency released draft National Primary Drinking Water Regulations for six types of fluoroalkyl substances (PFAS). We are also approaching the October 2024 compliance date for the agency's December 2021 Lead and Copper Rule revisions. SWBNO will continue to prepare for timely compliance with both regulations, and we will expand our efforts to



educate customers about lead, copper, and PFAS, empowering them to protect themselves from other, non-water sources of exposure (i.e., paint and soil for lead; non-stick, non-stain, and water-resistant consumer products for PFAS).

## WATER TREATMENT SYSTEM EVALUATION

With a path forward to address the outstanding needs in our power system, SWBNO intends to shift focus on the next steps for major rehabilitation of our water treatment systems. Our primary drinking water treatment plant received its last major renovations in 1959, over 60 years ago. New, more efficient treatment technology has been widely adopted since then. Evolving federal drinking water quality regulations could eventually require treatment process changes. In 2023, we will begin a master planning effort focused on modernizing the Eastbank Water Treatment Plant. In conjunction, we will start identifying potential funding sources and developing a financing plan for the several-hundred-million-dollar project.

## ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of SWBNO, particularly the Finance and Accounting departments.

We also acknowledge all members of the Board of Directors for their unfailing support, leadership, and professionalism in managing SWBNO's finances. Of course, we extended our great appreciation to the President of the Board, Mayor Latoya Cantrell, Governor John Bel Edwards, and our hospitality partners, who played a vital role in obtaining much-needed funding for SWBNO as we look toward rebuilding a strong infrastructure for the citizens and visitors of New Orleans.

Because of the dedication of its employees, SWBNO received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its prior year ACFR which continues a longstanding tradition. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparing state and local government financial reports. To receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR that conforms to program standards. Such an ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for one (1) year only. We believe the current report meets the Certificate of Achievement Program requirements, and we will submit this ACFR to the GFOA.



SWBNO hereby submits its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022.

Respectfully submitted,

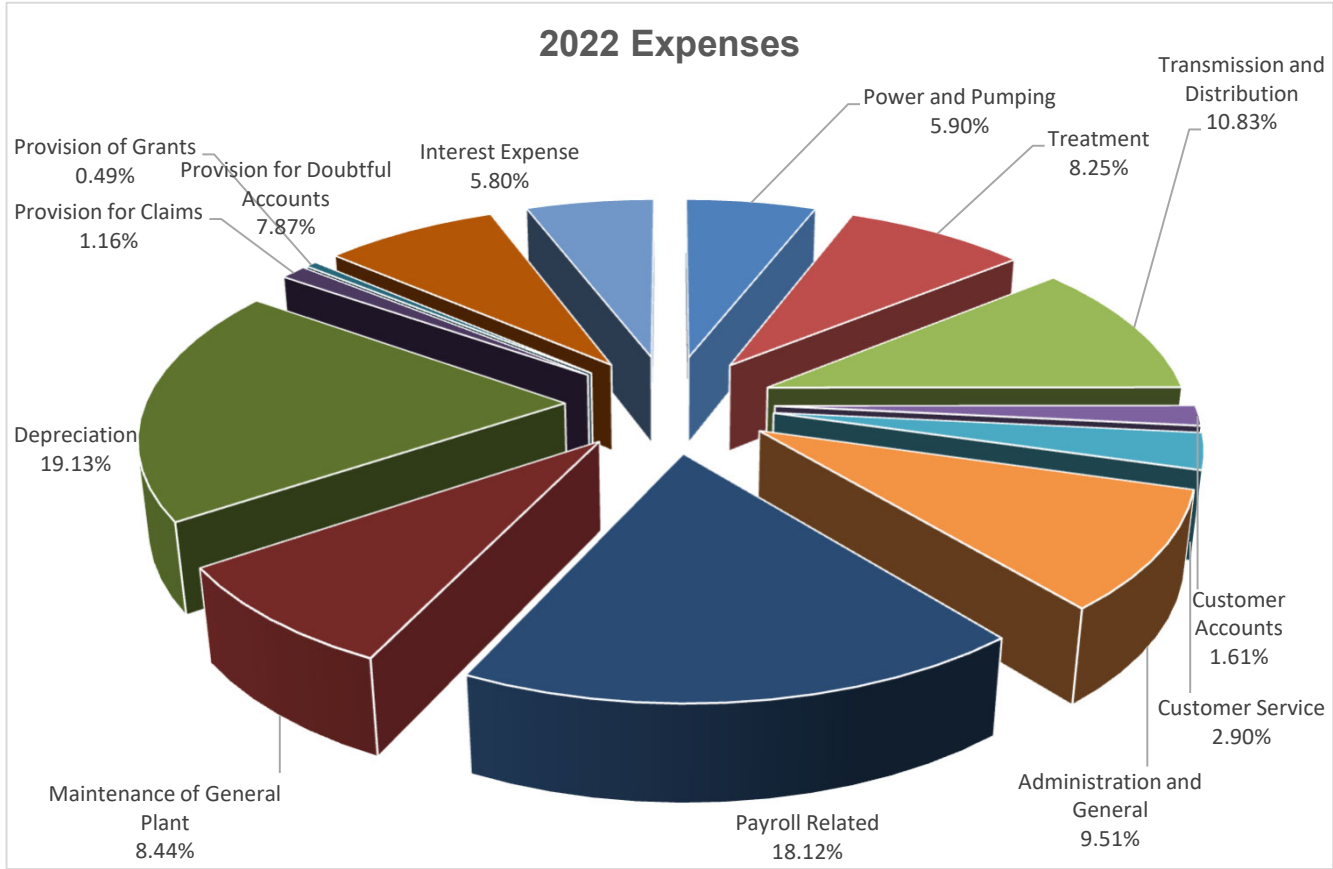
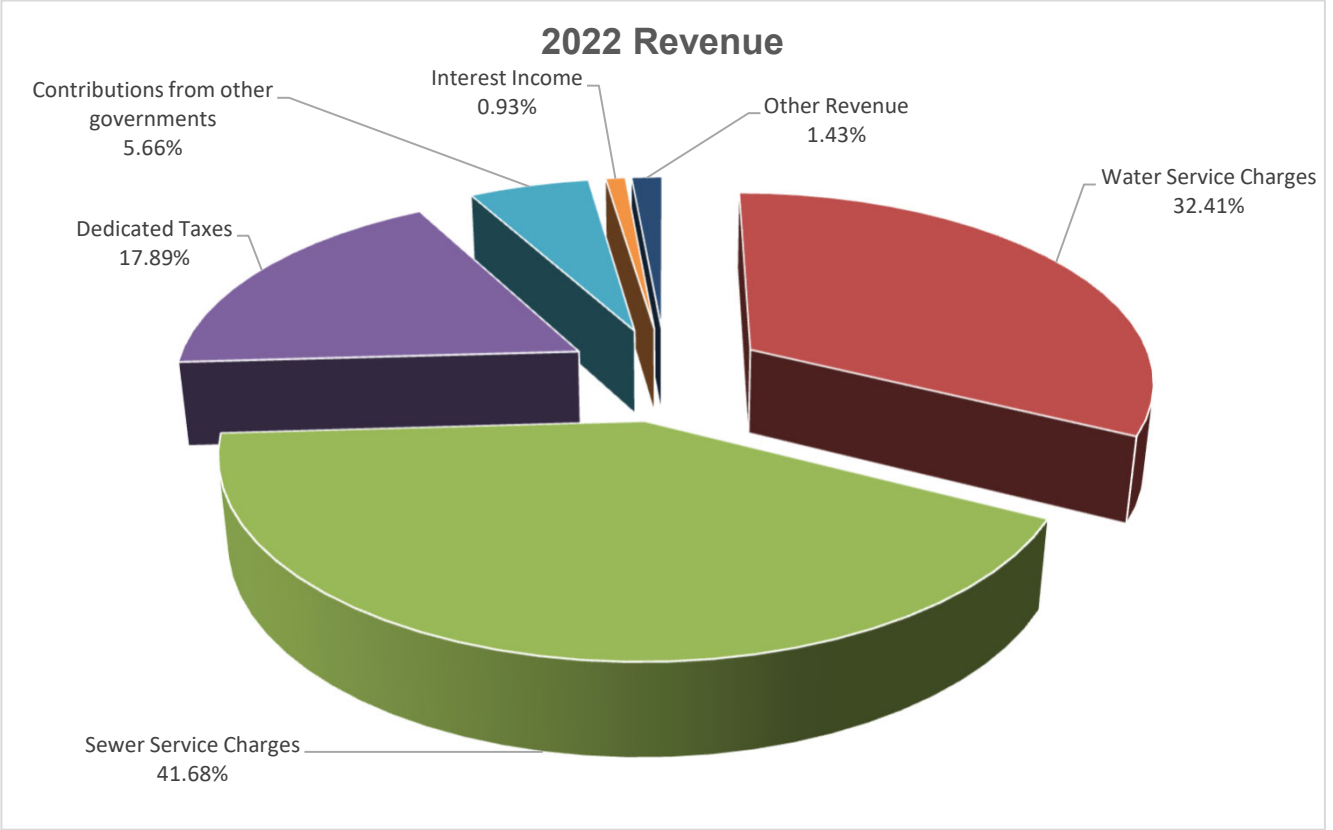
Ghassan Korban, Executive Director

E. Grey Lewis, Chief Financial Officer%

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**Board of Directors:** LaToya Cantrell – President, Tamika Duplessis – President Pro Tem, Freddie King – Councilmember, Joseph Peychaud, Robin Barnes, Carol Markowitz, Alejandra Guzman, Lynes Sloss, Maurice Sholas, Janet Howard, Nichelle Taylor

Sewerage and Water Board of New Orleans





Government Finance Officers Association

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Reporting

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**New Orleans Sewer & Water Board  
Louisiana**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



# Sewerage & Water Board of New Orleans

## 2022 BOARD OF DIRECTORS

### MAYOR LATOYA CANTREL

#### *President*

Mayor of the City of New Orleans, Ms. Cantrell serves as the President of the Board of Directors. Elected to the City Council in 2012, she began her term as President of the SWBNO Board once she was sworn in as the first female Mayor of New Orleans on May 7, 2018 -just in time to celebrate the City's tricentennial!



### TAMIKA DUPLESSIS, PH.D.

#### *President Pro-Tem*

Representing District E, Dr. Duplessis is the Executive Dean at Delgado Community College.



### FREDDIE KING, III

Representing District C, Mr. King serves on several city committees. King serves as Chair member for the Community Development Committee.



### ROBIN BARNES

Representing District B, Ms. Barnes retired in 2019 as the Executive Vice President and Chief Operating Officer of Greater New Orleans, Inc.



### ALEJANDRA GUZMAN

Representing as a Consumer / Community Advocate, Ms. Guzman has served as the Vice President of Performance Management and Strategy at the New Orleans Business Alliance since 2016.



### JANET HOWARD

Representing District B, Ms. Howard previously served as President and CEO of the Bureau of Governmental Research and is currently principal of Howard Policy Solutions LLC.



### CAROL MARKOWITZ

Representing the Board of Liquidation, Ms. Markowitz is the Chief Financial Officer and Chief Operating Officer at Loyola University.



### JOSEPH PEYCHAUD

Representing as a Consumer/Community Advocate, Mr. Peychaud is a lifelong resident of New Orleans and currently serves as Principal of the Waldorf School of New Orleans.



### LYNES R. "POCO" SLOSS

As a representative of the Board of Liquidation, Mr. Sloss is the President and CEO of Bellwether Technology Corporation and served on the New Orleans City Planning Commission for ten years.



### MAURICE G. SHOLAS, M.D., PH.D.

Representing District C, he is the principal for Sholas Medical Consulting, LLC.



### NICHELE TAYLOR

Representing District D, Ms. Taylor serves as the Program Director of Policy Development and Implementation at Greater New Orleans Housing Alliance. She also provides leadership and coordination skills as a board member for two local nonprofits.





**COMMITTEES OF THE  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

December 31, 2022

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**BOARD OF DIRECTORS**

MAYOR LATOYA CANTRELL, President

FREDDIE KING, III  
ROBIN BARNES  
Dr. TAMIKA DUPLESSIS – President Pro-Term  
ALEJANDRA GUZMAN  
JANET HOWARD

CAROL MARKOWITZ  
JOSEPH E. PEYCHAUD  
DR. MAURICE SHOLAS  
LYNES “POCO” SLOSS  
NICHELLE TAYLOR

**BOARD OF TRUSTEES**

MAYOR LATOYA CANTRELL, Chairperson

FREDDIE KING, III  
ROBIN BARNES  
DR. TAMIKA DUPLESSIS – President Pro-Term  
ALEJANDRA GUZMAN  
JANET HOWARD  
KENNETH DAVIS, SR.  
MUBASHIR MAQBOOL

CAROL MARKOWITZ  
JOSEPH E. PEYCHAUD  
DR. MAURICE SHOLAS  
LYNES “POCO” SLOSS  
NICHELLE TAYLOR  
REBECCA JOHNSEY  
HAROLD HELLER

**AUDIT COMMITTEE**

DR. TAMIKA DUPLESSIS – Chairperson

ROBIN BARNES  
ALEJANDRA GUZMAN

JOSEPH E. PEYCHAUD  
DR. MAURICE SHOLAS

**FINANCE AND ADMINISTRATION COMMITTEE**

LYNES “POCO” SLOSS – Chairperson

ALEJANDRA GUZMAN  
JANET HOWARD

CAROL MARKOWITZ  
JOSEPH E. PEYCHAUD

**GOVERNANCE COMMITTEE**

Chairperson TBD

FREDDIE KING, III  
ROBIN BARNES

JANET HOWARD  
LYNES “POCO” SLOSS

**PENSION COMMITTEE**

JOSEPH E. PEYCHAUD – Chairperson

KENNETH DAVIS, SR.  
ALEJANDRA GUZMAN  
HAROLD HELLER  
NICHELLE TAYLOR

REBECCA JOHNSEY  
MUBASHIR MAQBOOL  
DR. MAURICE SHOLAS

**STRATEGY COMMITTEE**

ROBIN BARNES – Chairperson

DR. TAMIKA DUPLESSIS  
JANET HOWARD

DR. MAURICE SHOLAS  
LYNES “POCO” SLOSS

**OPERATIONS COMMITTEE**

JANET HOWARD – Chairperson

FREDDIE KING, III  
DR. TAMIKA DUPLESSIS

JOSEPH E. PEYCHAUD

**RUDD & WISDOM, ACTUARY**

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## EXECUTIVE STAFF

December 31, 2022

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### **EXECUTIVE DIRECTOR**

Ghassan Korban

### **CHIEF OF STAFF**

Christy Harowski

### **GENERAL SUPERINTENDENT – CONSTRUCTION/OPERATIONS**

Ron Spooner (Interim)

### **CHIEF COMMUNICATIONS OFFICER**

Grace Birch

### **CHIEF FINANCIAL OFFICER**

E. Grey Lewis

### **CHIEF ADMINISTRATIVE OFFICER**

David Callahan

### **SPECIAL COUNSEL**

Yolanda Grinstead

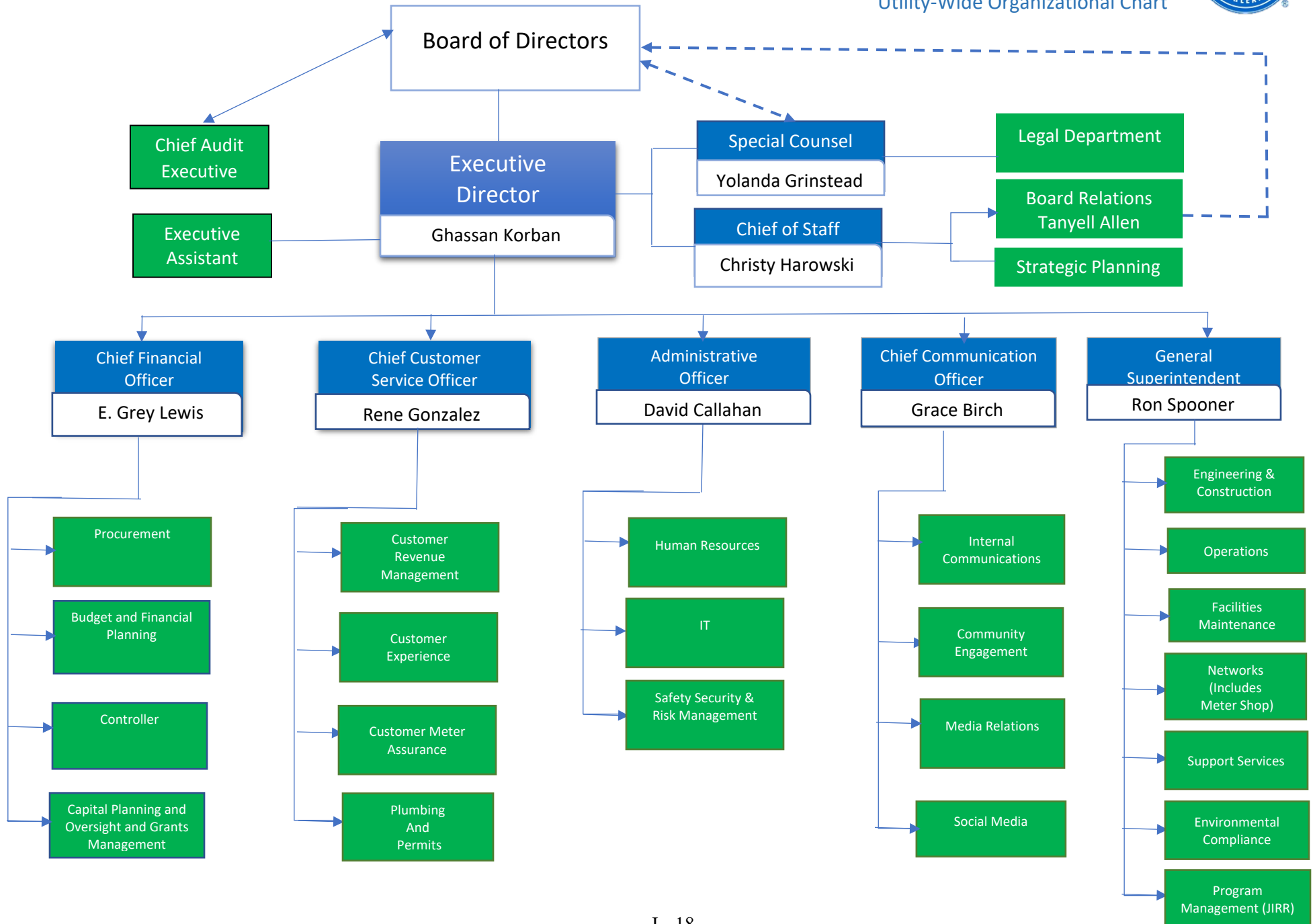
### **CHIEF CUSTOMER SERVICE OFFICER**

Rene Gonzalez

### **CHIEF AUDIT EXECUTIVE**

Vacant

SEWERAGE AND WATER BOARD  
OF NEW ORLEANS  
Utility-Wide Organizational Chart





# FINANCIAL SECTION



## FINANCIAL STABILITY

We are committed to practicing strong fiscal stewardship and ensuring timely revenue recovery while balancing affordability with investments necessary to deliver critical services.



## **INDEPENDENT AUDITORS' REPORT**

Members of the Board of Directors  
Sewerage and Water Board of New Orleans

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Sewerage and Water Board of New Orleans (the "Board"), comprised of its enterprise fund and its fiduciary fund, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and the fiduciary fund of the Board, as of December 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and

*Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-4 through II-13 and the schedules presented on pages II-63 through II-65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. Schedules 1 through 7 on pages II-66 to II-73 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules 1 through 7 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report.

The other information comprises the Introductory section on pages I-1 to I-17, Statistical section on pages III-0 to III-23, and Supplemental section, pages IV-1 to IV-32, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 26, 2023



# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

The following Management Discussion and Analysis provides an overview of the financial performance of the Sewerage & Water Board of New Orleans (the Board) for the fiscal years that ended December 31, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. The Board's financial statements follow this section.

### FINANCIAL HIGHLIGHTS

#### Enterprise Fund

The major highlights in the Board's enterprise fund were as follows:

#### 2022

- The SWBNO's total assets and deferred outflows totaled \$4.28 billion in 2022 compared to \$4.04 billion in 2021, an increase of 5.9%, while net position totaled \$2.9 billion in 2022 compared to \$2.7 billion in 2021, an increase of 6.4%.
- Operating revenues decreased by approximately \$1.4 million from 2021 to 2022, to a total of approximately \$274.0 million for the year ended December 31, 2022.
- Total operating expenses increased in 2022 by \$17.2 million, or 5.6% compared to 2021.
- For the year ended December 31, 2022, the Board had total outstanding senior lien municipal debt of \$543.2 million, which includes \$45.0 million in Drainage bonds, \$282.1 million in Sewer Revenue Bonds, and \$216.1 million in Water Revenue Bonds.
- The Board's net additions to construction in progress approximated \$101.3 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Army Corps of Engineers, resulted in additions of approximately \$51.3 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$62.1 million and Hazard Mitigation grants totaled approximately \$11.3 million.

#### 2021

- The SWBNO's total assets and deferred outflows totaled \$4.04 billion in 2021 compared to \$3.9 billion in 2020, an increase of 4.4%, while net position totaled \$2.7 billion in 2021 compared to \$2.6 billion in 2020, an increase of 5.2%.
- Operating revenues increased by approximately \$6.7 million from 2020 to 2021, to a total of approximately \$275.3 million for the year ended December 31, 2021.
- Total operating expenses increased in 2021 by \$16.8 million, or 5.8% compared to 2020.
- For the year ended December 31, 2021, the Board had total outstanding senior lien municipal debt of \$516.9 million, which includes \$2.0 million in Drainage bonds, \$292.1 million in Sewer Revenue Bonds, and \$222.8 million in Water Revenue Bonds.
- The Board's net additions to construction in progress approximated \$136.9 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Army Corps of Engineers, resulted in additions of approximately \$16.2 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$72.1 million and Hazard Mitigation grants totaled approximately \$14.3 million.

# **SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021**

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of five parts: management's discussion and analysis (this section), the financial statements, the notes to the financial statements, required supplementary information, and other supplementary information.

#### **Government-wide Financial Statements – Enterprise Fund**

The Board's principal activities of providing water, sewerage, and drainage services are accounted for in a single proprietary fund – the enterprise fund. Enterprise funds are used to report business activities. Since the enterprise fund is the Board's single activity, its financial statements are presented as the Board's government-wide financial statements.

The financial statements provide both long-term and short-term information about the Board's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of property, plant, and equipment is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the Board are included in the Statements of Net Position.

The Statement of Net Position presents financial information on all of the Board's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

### **FINANCIAL ANALYSIS OF THE BOARD**

#### **ENTERPRISE FUND**

##### **2022 Net Position**

The Board's total assets and deferred outflows at December 31, 2022 were approximately \$4.3 billion, a 5.9% increase from December 31, 2021 (see Table A-1).

# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

Table A-1				
Sewerage & Water Board of New Orleans				
Net Position				
	2022	2021	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 220,575,829	\$ 213,110,163	\$ 7,465,666	3.5%
Restricted assets	186,976,047	140,683,315	46,292,732	32.9%
Property, plant, and equipment - net	3,774,815,772	3,596,394,508	178,421,264	5.0%
Other assets	14,026,436	13,940,444	85,992	0.6%
<b>Total assets</b>	<b>4,196,394,084</b>	<b>3,964,128,430</b>	<b>232,265,654</b>	<b>5.9%</b>
Deferred outflows of resources	83,284,957	75,600,403	7,684,554	10.2%
<b>Total deferred outflows of resources</b>	<b>83,284,957</b>	<b>75,600,403</b>	<b>7,684,554</b>	<b>10.2%</b>
<b>Total assets and deferred outflows</b>	<b>\$ 4,279,679,041</b>	<b>\$ 4,039,728,833</b>	<b>\$ 239,950,208</b>	<b>5.9%</b>
Current liabilities	\$ 182,670,254	\$ 170,625,896	\$ 12,044,358	7.1%
Long-term liabilities	1,168,919,178	1,125,397,594	43,521,584	3.9%
<b>Total liabilities</b>	<b>1,351,589,432</b>	<b>1,296,023,490</b>	<b>55,565,942</b>	<b>4.3%</b>
Deferred inflows of resources	46,602,841	36,407,062	10,195,779	28.0%
<b>Total deferred inflows of resources</b>	<b>46,602,841</b>	<b>36,407,062</b>	<b>10,195,779</b>	<b>28.0%</b>
Net position:				
Net investment in capital assets	3,177,717,657	2,957,963,700	219,753,957	7.4%
Restricted	23,232,994	24,212,130	(979,136)	-4.0%
Unrestricted	(319,463,883)	(274,877,549)	(44,586,334)	16.2%
<b>Total net position</b>	<b>2,881,486,768</b>	<b>2,707,298,281</b>	<b>174,188,487</b>	<b>6.4%</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 4,279,679,041</b>	<b>\$ 4,039,728,833</b>	<b>\$ 239,950,208</b>	<b>5.9%</b>

The increase in total assets and deferred outflows of \$240.0 million resulted primarily due to a net increase in net property, plant, and equipment of \$178.4 million. Additionally, restricted assets increased by \$46.3 million in 2022 mainly due to a new Drainage Tax Bond issuance of \$45 million in December 2022.

Current liabilities increased by \$12.0 million primarily due to an increase in accounts payable of \$4.1 million and an increase in retainers and estimates payables of \$3.0 million due to timing of payments to vendors. Long-term liabilities increased by \$43.5 million primarily due to an increase of \$57.6 million related to net pension liability, an increase of \$20.7 million related to bonds payable, offset by a decrease of \$43.0 million in total OPEB liability, net of current maturities. Deferred outflows of resources and deferred inflows of resources increased by \$7.7 million and \$10.2 million, respectively, due to changes in the actuary's assumptions on investment returns and demographic factors related to the pension and OPEB liabilities.

# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

### 2021 Net Position

The Board's total assets and deferred outflows at December 31, 2021 were approximately \$4.0 billion, a 4.4% increase from December 31, 2020 (see Table A-2).

Table A-2				
Sewerage & Water Board of New Orleans				
Net Position				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 213,110,163	\$ 170,112,872	\$ 42,997,291	25.3%
Restricted assets	140,683,315	149,357,298	(8,673,983)	-5.8%
Property, plant, and equipment - net	3,596,394,508	3,473,319,986	123,074,522	3.5%
Other assets	13,940,444	13,283,529	656,915	4.9%
<b>Total assets</b>	<b>3,964,128,430</b>	<b>3,806,073,685</b>	<b>158,054,745</b>	<b>4.2%</b>
Deferred outflows of resources	75,600,403	64,869,698	10,730,705	16.5%
<b>Total deferred outflows of resources</b>	<b>75,600,403</b>	<b>64,869,698</b>	<b>10,730,705</b>	<b>16.5%</b>
<b>Total assets and deferred outflows</b>	<b>\$ 4,039,728,833</b>	<b>\$ 3,870,943,383</b>	<b>\$ 168,785,450</b>	<b>4.4%</b>
Current liabilities	\$ 170,625,896	\$ 148,597,924	\$ 22,027,972	14.8%
Long-term liabilities	1,125,397,594	1,125,165,612	231,982	0.0%
<b>Total liabilities</b>	<b>1,296,023,490</b>	<b>1,273,763,536</b>	<b>22,259,954</b>	<b>1.7%</b>
Deferred inflows of resources	36,407,062	24,572,402	11,834,660	48.2%
<b>Total deferred inflows of resources</b>	<b>36,407,062</b>	<b>24,572,402</b>	<b>11,834,660</b>	<b>48.2%</b>
Net position:				
Net investment in capital assets	2,957,963,700	2,856,741,717	101,221,983	3.5%
Restricted	24,212,130	44,544,164	(20,332,034)	-45.6%
Unrestricted	(274,877,549)	(328,678,436)	53,800,887	-16.4%
<b>Total net position</b>	<b>2,707,298,281</b>	<b>2,572,607,445</b>	<b>134,690,836</b>	<b>5.2%</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 4,039,728,833</b>	<b>\$ 3,870,943,383</b>	<b>\$ 168,785,450</b>	<b>4.4%</b>

The increase in total assets and deferred outflows of \$168.8 million resulted primarily due to a net increase in net property, plant, and equipment of \$123.1 million. Additionally, current unrestricted assets increased by \$43.0 million in 2021 mainly due to an increase in cash and cash equivalents of \$10.3 million, an increase in outstanding customer receivable balance, net of related allowance of \$8.0 million and an increase in grants receivable of \$24.4 million offset by decreases in taxes and miscellaneous receivables.

Current liabilities increased by \$22.0 million primarily due to an increase in accounts payable of \$13.3 million, an increase in retainers and estimates payables of \$3.3 million due to timing of payments to vendors and an increase in current portion of bonds payable of \$5.7 million.

# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

### 2022 Changes in Net Position

The change in net position for the year ended December 31, 2022 was an increase of approximately \$174.2 million, as opposed to approximately \$134.7 million for the year ended December 31, 2021. The Board's total operating revenues decreased by 0.5% to approximately \$274.0 million. Total non-operating revenue (expenses) increased by 30.3% to approximately \$66.6 million primarily due to contributions from other governments increasing by \$13.5 million and additional interest income in 2022. Capital contributions from federal grants and construction of Board property was approximately \$155.5 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$62.1 million and \$11.3 million, respectively, and approximately \$38.8 million of capital contributions from the Army Corps of Engineers. The changes in net position are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2022	2021	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 117,382,185	\$ 118,236,180	\$ (853,995)	-0.7%
Sewerage service charges	150,932,239	150,364,182	568,057	0.4%
Plumbing inspection and license fees	487,140	461,410	25,730	5.6%
Other revenue	5,188,335	6,280,427	(1,092,092)	-17.4%
<b>Total operating revenues</b>	<b>273,989,899</b>	<b>275,342,199</b>	<b>(1,352,300)</b>	<b>-0.5%</b>
Operating expenses (Table A-4)	321,936,241	304,732,630	17,203,611	5.6%
Operating loss	(47,946,342)	(29,390,431)	(18,555,911)	-63.1%
Non-operating revenues (expenses):				
Property taxes	64,202,066	63,405,365	796,701	1.3%
Other taxes	589,220	297,387	291,833	98.1%
Contributions from other governments	20,507,688	6,996,364	13,511,324	193.1%
Federal noncapital grants	28,650	15,843	12,807	80.8%
Interest income	3,353,769	1,423,215	1,930,554	135.6%
Interest expense	(19,938,792)	(13,892,169)	(6,046,623)	43.5%
Bond issuance costs	(456,865)	(6,328,655)	5,871,790	-92.8%
Recovery (provision) for grants	(1,675,728)	(779,631)	(896,097)	114.9%
<b>Total non-operating revenues (expenses)</b>	<b>66,610,008</b>	<b>51,137,719</b>	<b>15,472,289</b>	<b>30.3%</b>
Income before capital contributions	18,663,666	21,747,288	(3,083,622)	-14.2%
Capital contributions	155,524,821	112,943,548	42,581,273	37.7%
<b>Change in net position</b>	<b>174,188,487</b>	<b>134,690,836</b>	<b>39,497,651</b>	<b>29.3%</b>
Net position, beginning of year	2,707,298,281	2,572,607,445	134,690,836	5.2%
Net position, end of year	\$ 2,881,486,768	\$ 2,707,298,281	\$ 174,188,487	6.4%

# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

Table A-4				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2022	2021	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 20,266,743	\$ 22,965,240	\$ (2,698,497)	-11.8%
Treatment	28,340,517	26,668,794	1,671,723	6.3%
Transmission and distribution	37,195,201	35,662,527	1,532,674	4.3%
Customer accounts	5,524,061	4,992,999	531,062	10.6%
Customer service	9,975,986	10,350,482	(374,496)	-3.6%
Administration and general	32,655,899	27,751,610	4,904,289	17.7%
Payroll related	62,238,943	53,155,580	9,083,363	17.1%
Maintenance of general plant	28,996,010	27,528,429	1,467,581	5.3%
Depreciation	65,724,568	64,250,898	1,473,670	2.3%
Provision for doubtful accounts	27,024,356	28,278,609	(1,254,253)	-4.4%
(Recovery) provision for claims	3,993,957	3,127,462	866,495	27.7%
<b>Total operating expenses</b>	<b>\$ 321,936,241</b>	<b>\$ 304,732,630</b>	<b>\$ 17,203,611</b>	<b>5.6%</b>

Total operating expenses increased by approximately \$17.2 million or 5.6% compared to 2021. Administration and general costs increased by \$4.9 million due to salary increases including a 5% across the utility cost of living payment made in 2022 to all employees. Power and pumping decreased \$2.7 million with increases in natural gas costs being offset by lower overall costs relative to 2021 due to the lack of major hurricane activity in 2022. Additionally, payroll related fringe benefits increased \$9.1 million due to increases in the costs of pension and other post-employment benefits. Transmission and distribution costs increased \$1.5 million from salary increases while Treatment costs increased \$1.7 million due to increases in the commodity costs of chemicals used in the water purification processes as well as the general salary increases.

### 2021 Changes in Net Position

The change in net position for the year ended December 31, 2021 was an increase of approximately \$134.7 million, as opposed to approximately \$216.3 million for the year ended December 31, 2020. The Board's total operating revenues increased by 2.5% to approximately \$275.3 million due to increased consumption and billed usage. Total non-operating revenue (expenses) decreased by 21.7% to approximately \$51.1 million primarily due to bond issuance costs associated with 2021 bond refunding of \$6.3 million and higher interest costs upon adoption of a new accounting standard in 2021 whereby eligible interest expenses are no longer capitalized. Capital contributions from federal grants and construction of Board property was approximately \$112.9 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$72.1 million and \$14.3 million, respectively, and approximately \$12.7 million of capital contributions from the Army Corps of Engineers. The changes in net position are detailed in Table A-5; operating expenses are detailed in Table A-6.

# SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021

Table A-5				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 118,236,180	\$ 116,603,501	\$ 1,632,679	1.4%
Sewerage service charges	150,364,182	146,261,741	4,102,441	2.8%
Plumbing inspection and license fees	461,410	462,987	(1,577)	-0.3%
Other revenue	6,280,427	5,318,766	961,661	18.1%
<b>Total operating revenues</b>	<b>275,342,199</b>	<b>268,646,995</b>	<b>6,695,204</b>	<b>2.5%</b>
Operating expenses (Table A-6)	304,732,630	287,908,080	16,824,550	5.8%
Operating loss	(29,390,431)	(19,261,085)	(10,129,346)	-52.6%
Non-operating revenues (expenses):				
Property taxes	63,405,365	64,424,226	(1,018,861)	-1.6%
Other taxes	297,387	595,099	(297,712)	-50.0%
Contributions from other governments	6,996,364	6,657,172	339,192	5.1%
Federal noncapital grants	15,843	60,082	(44,239)	-73.6%
Interest income	1,423,215	527,381	895,834	169.9%
Interest expense	(13,892,169)	(276,737)	(13,615,432)	4920.0%
Bond issuance costs	(6,328,655)	(886,582)	(5,442,073)	613.8%
Recovery (provision) for grants	(779,631)	(5,812,199)	5,032,568	-86.6%
<b>Total non-operating revenues (expenses)</b>	<b>51,137,719</b>	<b>65,288,442</b>	<b>(14,150,723)</b>	<b>-21.7%</b>
Income before capital contributions	21,747,288	46,027,357	(24,280,069)	-52.8%
Capital contributions	112,943,548	170,312,036	(57,368,488)	-33.7%
<b>Change in net position</b>	<b>134,690,836</b>	<b>216,339,393</b>	<b>(81,648,557)</b>	<b>-37.7%</b>
Net position, beginning of year	2,572,607,445	2,356,268,052	216,339,393	9.2%
Net position, end of year	\$ 2,707,298,281	\$ 2,572,607,445	\$ 134,690,836	5.2%

Table A-6				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 22,965,240	\$ 20,302,317	\$ 2,662,923	13.1%
Treatment	26,668,794	21,680,572	4,988,222	23.0%
Transmission and distribution	35,662,527	34,160,672	1,501,855	4.4%
Customer accounts	4,992,999	4,656,250	336,749	7.2%
Customer service	10,350,482	8,343,631	2,006,851	24.1%
Administration and general	27,751,610	29,522,990	(1,771,380)	-6.0%
Payroll related	53,155,580	57,836,511	(4,680,931)	-8.1%
Maintenance of general plant	27,528,429	26,343,420	1,185,009	4.5%
Depreciation	64,250,898	55,037,867	9,213,031	16.7%
Provision for doubtful accounts	28,278,609	26,960,777	1,317,832	4.9%
(Recovery) provision for claims	3,127,462	3,063,073	64,389	2.1%
<b>Total operating expenses</b>	<b>\$ 304,732,630</b>	<b>\$ 287,908,080</b>	<b>\$ 16,824,550</b>	<b>5.8%</b>



## **SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021**

Total operating expenses increased by approximately \$16.8 million or 5.8% compared to 2020. Depreciation expenses increased by \$9.2 million, or 16.7% based on new assets placed in service and changes in the estimated depreciation costs in the current year. Treatment increased by 5.0 million, or 23.0% due to increases in chemical costs. In addition, power and pumping increased by \$2.7 million, or 13.1%, due to increases in natural gas and electricity costs as well as disruption caused by Hurricane Ida. Customer Service expenses increased by \$2.0 million, or 24.1% from an expansion of customer service efforts and build out of the department led by a new Chief of Customer Service.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **2022 Capital Assets**

As of December 31, 2022, the Board had invested approximately \$5.04 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2022 totaled approximately \$3.77 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$78.4 million, or 5.0%, over December 31, 2021. See Note 4 for detailed capital assets activity during 2022.

##### **2021 Capital Assets**

As of December 31, 2021, the Board had invested approximately \$4.80 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2021 totaled approximately \$3.80 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$123.1 million, or 3.5%, over December 31, 2020. See Note 4 for detailed capital assets activity during 2021.

##### **2022 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds.

In 2022, the Board issued \$45,000,000 of Drainage System Limited Tax Bonds for the purpose of providing short-term financing to construct a portion of the power complex at the Carrollton water plant.

In 2022, the Louisiana Department of Environmental Quality has committed to loan the Board \$11.1 million to fund certain sewer main replacements and repairs. The loan is to be advanced in incremental amounts as project costs are incurred. Semi-annual interest and administrative fee payments began in 2022. Annual principal payments are due beginning in 2023 and continuing through 2043. At December 31, 2022, the outstanding balance is \$0.1 million (Series 2022).

See Note 6 for detailed long term debt activity during 2022.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2022, the accumulated amount due to the U.S. Government totaled approximately \$217.2 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest for completed project started in 2021. Total principal payment for the project is estimated to be approximately \$217.2 million through 2050. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

## **SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021**

SWBNO has been issued an “A” and an “A-” rating from Standard & Poor’s Ratings Services (S&P) for the sewer system and water system bonds, respectively, and a “BBB+” for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are “AA-” and “A,” respectively.

#### **2021 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds.

In 2021, the Board issued \$194,300,000 of Taxable Water Revenue Refunding Bonds, Series 2021 for the purpose of partially advance refunding the Series 2014 and Series 2015 Water Revenue and Refunding Bonds. The bond proceeds and investments, less issuance and insurance costs, were used to refund \$79,425,000 of the Series 2014 bonds and \$82,015,000 of the Series 2015 bonds, for a total of \$161,440,000. By refunding these bonds, the Board estimated \$22,811,372 in future savings related to future interest and principal payments.

On November 10, 2021, the Board closed on a \$275,000,000 revenue debt issue through the Water Infrastructure Financing and Innovation Act (WIFIA) with the U.S. Environment Agency (EPA), a direct borrowing, to fund over 160 projects to modernize aging and storm damaged sewer pipelines throughout the city as part of comprehensive Sewer System Evaluation and Rehabilitation Program.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2021, the accumulated amount due to the U.S. Government totaled approximately \$206.7 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest for completed project started in 2021. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

SWBNO has been issued an “A” and an “A-” rating from Standard & Poor’s Ratings Services (S&P) for the sewer system and water system bonds, respectively, and a “BBB+” for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are “AA-” and “A,” respectively.

#### **ECONOMIC FACTORS AND RATES**

The Board, the City Council, and the Board of Liquidation, City Debt last approved a rate increase of ten percent for the Water and Sewer Departments effective January 1, 2013 and annually thereafter through 2020. The Board is currently undergoing a rate and affordability study to recommend potential future rate increases as well as working with state and local partners to receive federal funds intended to provide relief to low-income households unable to pay water bills due to the global pandemic as part of the Low-Income Household Water Assistance Program. After a series of shut-off moratoriums both prior to the pandemic and during recovery, the Board has maintained a more consistent period of normal customer collection activities including suspension of services resulting in an overall improvement in collections and continues to work to maximize revenue recovery from all existing rates while studying the potential future-rate increases.

## **SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2022 AND 2021**

The total number of open customer accounts decreased slightly based on the modest if any growth expected in the customer base. The total open accounts in 2022 were 138,438, a decrease of 1,250 from 2021 open customer accounts of 139,688.

#### **CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at (504) 585-2356.

## **BASIC FINANCIAL STATEMENTS**

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents	\$ 125,185,462	\$ 97,436,881
Investments	1,571	286,334
Accounts receivable:		
Customers, net of allowance	24,384,213	49,969,928
Taxes	3,619,797	3,104,961
Grants	58,778,765	53,149,882
Miscellaneous	1,608,728	2,481,393
Inventory of supplies	6,055,051	5,965,985
Prepaid expenses	942,242	714,799
Total unrestricted and undesignated	<u>220,575,829</u>	<u>213,110,163</u>
Total current assets	<u>220,575,829</u>	<u>213,110,163</u>
Noncurrent assets:		
Restricted cash, cash equivalents, and investments:		
Cash and cash equivalents restricted for capital projects	157,140,188	109,841,619
Investments restricted for capital projects	2,641,723	2,641,723
Cash and cash equivalents restricted for debt service	24,794,136	25,799,973
Cash and cash equivalents restricted health insurance	2,400,000	2,400,000
Total restricted cash, cash equivalents, and investments	<u>186,976,047</u>	<u>140,683,315</u>
Property, plant and equipment	5,037,331,917	4,801,260,440
Less: accumulated depreciation	<u>1,262,516,145</u>	<u>1,204,865,932</u>
Property, plant and equipment, net	<u>3,774,815,772</u>	<u>3,596,394,508</u>
Other assets:		
Customer deposits - cash	10,725,121	10,639,129
Customer deposits - investments	3,250,000	3,250,000
Deposits	<u>51,315</u>	<u>51,315</u>
Total other assets	<u>14,026,436</u>	<u>13,940,444</u>
Total noncurrent assets	<u>3,975,818,255</u>	<u>3,751,018,267</u>
Total assets	<u>4,196,394,084</u>	<u>3,964,128,430</u>
Deferred outflows of resources:		
Deferred amounts related to net pension liability	36,502,152	7,792,527
Deferred amounts related to total OPEB liability	14,143,532	33,681,384
Deferred amounts related to bond refunding	<u>32,639,273</u>	<u>34,126,492</u>
Total deferred outflows of resources	<u>83,284,957</u>	<u>75,600,403</u>
Total assets and deferred outflows of resources	<u>\$ 4,279,679,041</u>	<u>\$ 4,039,728,833</u>

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF NET POSITION**  
**ENTERPRISE FUND**  
**December 31, 2022 and 2021**  
**(Continued)**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>2022</u>	<u>2021</u>
Current liabilities (payable from current unrestricted assets):		
Accounts payable	\$ 112,187,867	\$ 108,127,604
Due to City of New Orleans	4,735,586	2,885,762
Retainers and estimates payable	12,543,398	9,528,911
Due to pension trust fund	366,809	332,013
Accrued salaries	2,309,268	1,943,833
Claims payable	4,445,678	4,340,341
Total OPEB liability, due within one year	7,788,765	7,455,588
Southeast Louisiana Project liability	3,334,582	1,900,202
Debt Service Assistance Fund loan payable	3,037,178	2,902,502
Advances from federal government	-	4,731,373
Other liabilities	2,752,884	1,743,174
Total current liabilities (payable from current unrestricted assets):	<u>153,502,015</u>	<u>145,891,303</u>
Current liabilities (payable from current restricted assets):		
Accrued interest	1,651,239	1,591,593
Bonds payable	27,517,000	23,143,000
Total current liabilities (payable from current restricted assets):	<u>29,168,239</u>	<u>24,734,593</u>
Total current liabilities	<u>182,670,254</u>	<u>170,625,896</u>
Long-term liabilities:		
Claims payable, net of current portion	43,650,652	42,773,093
Accrued vacation and sick pay	11,803,881	10,621,943
Net pension liability	133,615,722	76,003,536
Total OPEB liability, net of current portion	188,423,873	231,405,068
Bonds payable, net of current maturities	532,229,921	511,552,210
Southeast Louisiana Project liability, net of current portion	213,894,398	204,789,827
Debt Service Assistance Fund loan payable, net of current maturities	31,325,610	34,362,788
Customer deposits	13,975,121	13,889,129
Total long-term liabilities	<u>1,168,919,178</u>	<u>1,125,397,594</u>
Total liabilities	<u>1,351,589,432</u>	<u>1,296,023,490</u>
Deferred inflows of resources:		
Deferred amounts related to net pension liability	2,594,556	26,331,804
Deferred amounts related to total OPEB liability	44,008,285	10,075,258
Total deferred inflows of resources	<u>46,602,841</u>	<u>36,407,062</u>
Net position:		
Net investment in capital assets	3,177,717,657	2,957,963,700
Restricted for debt service	23,232,994	24,212,130
Unrestricted (deficit)	(319,463,883)	(274,877,549)
Total net position	<u>2,881,486,768</u>	<u>2,707,298,281</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 4,279,679,041</u>	<u>\$ 4,039,728,833</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Operating revenues:		
Sales of water and delinquent fees	\$ 117,382,185	\$ 118,236,180
Sewerage service charges	150,932,239	150,364,182
Plumbing inspection and license fees	487,140	461,410
Other revenue	5,188,335	6,280,427
Total operating revenues	273,989,899	275,342,199
Operating expenses:		
Power and pumping	20,266,743	22,965,240
Treatment	28,340,517	26,668,794
Transmission and distribution	37,195,201	35,662,527
Customer accounts	5,524,061	4,992,999
Customer service	9,975,986	10,350,482
Administration and general	32,655,899	27,751,610
Payroll related expenses	62,238,943	53,155,580
Maintenance of general plant	28,996,010	27,528,429
Depreciation	65,724,568	64,250,898
Provision for doubtful accounts	27,024,356	28,278,609
Provision for claims	3,993,957	3,127,462
Total operating expenses	321,936,241	304,732,630
Operating loss	(47,946,342)	(29,390,431)
Non-operating revenues (expenses):		
Three-mill tax	18,042,189	17,545,136
Six-mill tax	18,328,446	18,345,424
Nine-mill tax	27,831,035	27,514,521
Two-mill tax	396	284
Other taxes	589,220	297,387
Contributions from other governments	20,507,688	6,996,364
Federal noncapital grants	28,650	15,843
Interest income	3,353,769	1,423,215
Bond issuance costs	(456,865)	(6,328,655)
Interest expense	(19,938,792)	(13,892,169)
(Provision) recovery for grants	(1,675,728)	(779,631)
Total non-operating revenues (expenses)	66,610,008	51,137,719
Income before capital contributions	18,663,666	21,747,288
Capital contributions	155,524,821	112,943,548
Change in net position	174,188,487	134,690,836
Net position, beginning of year	2,707,298,281	2,572,607,445
Net position, end of year	\$ 2,881,486,768	\$ 2,707,298,281

See accompanying notes to financial statements.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received from customers	\$ 267,625,651	\$ 232,853,768
Cash received for sanitation charges for the City of New Orleans	39,531,607	33,962,361
Cash payments for sanitation charges to the City of New Orleans	(38,345,659)	(32,943,490)
Cash payments to suppliers for goods and services	(106,399,964)	(109,770,252)
Cash payments to employees for services	(98,858,258)	(93,017,181)
Other revenue	6,548,140	6,753,044
	<u>70,101,517</u>	<u>37,838,250</u>
Net cash provided by operating activities		
Cash flows from noncapital financing activities		
Proceeds from property taxes	64,276,450	63,742,251
Contributions from other governments	20,507,688	6,996,364
Proceeds from federal grants	28,650	15,843
	<u>84,812,788</u>	<u>70,754,458</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(193,394,595)	(153,056,410)
Principal payments and refundings on bonds payable	(22,955,000)	(382,515,202)
Proceeds from bonds payable	49,200,507	376,359,525
Payments for bond issuance costs	(456,865)	(6,328,655)
Principal payments on Debt Service Assistance Fund loan	(2,902,502)	(2,773,797)
Interest paid on bonds payable	(17,382,217)	(14,399,669)
Capital contributed by developers and federal grants	104,658,936	74,992,933
	<u>(83,231,736)</u>	<u>(107,721,275)</u>
Net cash used in capital and related financing activities		
Cash flows from investing activities		
Investment income	2,444,736	1,419,476
	<u>2,444,736</u>	<u>1,419,476</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	74,127,305	2,290,909
Cash and cash equivalents at the beginning of the year	246,117,602	243,826,693
Cash and cash equivalents at the end of the year	<u>\$ 320,244,907</u>	<u>\$ 246,117,602</u>
Reconciliation of cash, cash equivalents, and restricted cash (Note 2)		
Current assets - cash and cash equivalents	\$ 125,185,462	\$ 97,436,881
Cash and cash equivalents restricted for capital projects	157,140,188	109,841,619
Cash and cash equivalents restricted for debt service	24,794,136	25,799,973
Cash and cash equivalents restricted health insurance	2,400,000	2,400,000
Customer deposits - cash	10,725,121	10,639,129
	<u>\$ 320,244,907</u>	<u>\$ 246,117,602</u>
Total cash		

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2022 and 2021**  
**(Continued)**

	<u>2022</u>	<u>2021</u>
Reconciliation of operating loss to net cash provided by operating activities is as follows:		
Operating loss	\$ (47,946,342)	\$ (29,390,431)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	65,724,568	64,250,898
Provision for claims	3,993,957	3,127,462
Provision for doubtful accounts	27,024,356	28,278,609
Change in operating assets and liabilities:		
Increase in customer receivables	(1,438,641)	(36,243,391)
Increase in inventory	(89,066)	(446,500)
Decrease in prepaid expenses and other receivables	645,222	154,495
(Increase) decrease in deferred outflows of resources related to net pension liability and total OPEB liability	(9,171,773)	21,057,299
Increase (decrease) in net pension obligation	57,612,186	(21,511,569)
Increase (decrease) in accounts payable	5,692,365	(8,158,092)
Increase in accrued salaries, due to pension and accrued vacation and sick pay	1,582,169	564,314
Increase in customer deposits	85,992	656,915
(Decrease) increase in total OPEB liability	(42,648,018)	6,424,950
Decrease in other liabilities	(1,161,237)	(2,761,369)
Increase in deferred inflows of resources related to net pension liability and total OPEB liability	10,195,779	11,834,600
Net cash provided by operating activities	<u>\$ 70,101,517</u>	<u>\$ 37,838,250</u>
Schedule of non-cash capital and related financing activities		
Contributions of capital assets	<u>\$ 38,829,901</u>	<u>\$ 12,702,697</u>
Additions of property, plant and equipment in accounts payable	<u>\$ 47,966,873</u>	<u>\$ 46,334,771</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets:		
Cash	\$ 3,835,405	\$ 2,393,781
Receivables:		
Investment income	19,805	19,805
Employee contributions receivable	96,342	97,817
Due from other fund	366,809	332,013
Investments:		
Money market	17,443,193	646,036
LAMP	7,273,191	9,055,895
Debt securities	58,746,580	79,070,763
Equities	<u>135,578,895</u>	<u>182,864,067</u>
Total assets	<u>223,360,220</u>	<u>274,480,177</u>
Net position - restricted for pension benefits	<u><u>\$ 223,360,220</u></u>	<u><u>\$ 274,480,177</u></u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**STATEMENTS OF CHANGES IN FIDUCIARY PLAN NET POSITION**  
**PENSION TRUST FUND**

**For the years ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Additions:		
Contributions:		
Employee contributions	\$ 2,992,176	\$ 3,008,648
Employer contributions	10,914,917	9,861,935
City annuity and other transfers in	1,223,087	457,390
	<u>15,130,180</u>	<u>13,327,973</u>
Investment income (loss):		
Interest income	164,265	6,424
Dividend income	1,285,933	1,225,104
Net (depreciation) appreciation	(39,371,317)	36,600,897
	<u>(37,921,119)</u>	<u>37,832,425</u>
Less: investment expenses	<u>767,401</u>	<u>960,332</u>
Net investment (loss) income	<u>(38,688,520)</u>	<u>36,872,093</u>
Total additions (reductions)	<u>(23,558,340)</u>	<u>50,200,066</u>
Deductions:		
Benefits	(26,676,195)	(23,511,087)
Employee refunds	(885,422)	(609,826)
	<u>(27,561,617)</u>	<u>(24,120,913)</u>
Change in net position	(51,119,957)	26,079,153
Net position restricted for pension benefits at beginning of year	<u>274,480,177</u>	<u>248,401,025</u>
Net position restricted for pension benefits at end of year	<u>\$ 223,360,220</u>	<u>\$ 274,480,177</u>

See accompanying notes to financial statements.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

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### 1. Summary of Significant Accounting Policies

#### A. History and Organization

The major operation of the Sewerage and Water Board of New Orleans (the Board) is providing water, sewerage, and drainage services for the City of New Orleans (the City). The Sewerage and Water Board of New Orleans was created by Act 6 of the Louisiana Legislature of 1899 as a special board independent of the City's government to construct, maintain, and operate a water treatment and distribution system and a public sanitary sewerage system for the City. In 1903, the Legislature gave the Board control of and responsibility for the City's major drainage system and relieved the City of the duty of providing in its annual operating budget or otherwise for the maintenance and operations of the water, sewerage, and drainage systems.

In accordance with the Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The rates are based on the actual water consumed and on the costs of maintenance and operation of the water and sewerage systems, including the costs of improvements and replacements. The collection of water and sewerage revenues are to be used by the Board for the maintenance and operation of the systems, the cost of improvements, betterments, and replacements and to provide for the payment of interest and principal on the bonds payable.

The Board has also been given the authority to levy and collect various tax millages, which are used for the operation and maintenance of the drainage operations. All excess revenues collected are made available for capital development of the system. The proceeds of the rate collections and tax millage are invested in such investments as authorized by the LRS. These investments are reflected in the combined statements of net position, as "restricted assets," as they are restricted to the purposes as described above.

The Sewerage and Water Board of New Orleans' eleven-member Board of Directors consists of the Mayor, the member of the Public Works, Sanitation, and Environment Committee of the New Orleans City Council or designee, two representatives of the Board of Liquidation, and seven citizen members, of which five represent council districts and two consumer advocates.

The Board's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to utilities and to governmental units as set forth through the Governmental Accounting Standards Board. The following is a summary of the more significant policies.

#### B. Reporting Entity

In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the Board includes an enterprise fund and a pension trust fund for financial reporting purposes. The Board is considered a reporting entity based on the following criteria:

- 1) Responsibility for surpluses/deficits. The Board is solely responsible for its surpluses/deficits. In accordance with LRS, no other governmental unit is responsible for the Board's deficits or has a claim to its surpluses. The Board's operations are self-sustaining; revenues are generated through charges to customers and dedicated property taxes. Other than grants, no funding is received from the State of Louisiana or the City of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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1. Summary of Significant Accounting Policies (continued)

B. Reporting Entity (continued)

- 2) Budget Approval. The Board is solely responsible for reviewing, approving, and revising its budget.
- 3) Responsibility for Debt. The LRS authorize the Board to issue bonds; such bonds must bear on their face a statement that they do not constitute a debt of the City. The Board is solely responsible for payments to bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the Board.
- 4) Designation of Management. The Board controls the hiring of management and employees.
- 5) Special Financial Relationship. The Board has no special financial relationships with any other governmental unit.
- 6) Statutory Authority. The Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to the state statutes can change or abolish the Board's authority.

The Board is a component unit of the City of New Orleans as defined by Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34 and GASB Codification Section 2100*. As a result of a Louisiana Supreme Court decision on March 21, 1994, the Board was declared to be an autonomous or self-governing legal entity, legally independent of the City, State, and other governments, created and organized pursuant to Louisiana Revised Statutes 33:4071 as a board, separate and independent of the governing authorities of the City and vested with autonomous or self-governing authority. No other government can mandate actions of the Board nor impose specific financial burdens, except the approval of the City Council and the Board of Liquidation in the case of bond issues and certain rate increases. As such, the City considers the Board to be a component unit of the City and includes the Board, as a discreetly presented component unit, in the City's annual financial statements. However, the Board is fiscally independent to operate under its bond covenant and the provisions of LRS provisions.

C. Basis of Financial Statement Presentation

The Board's basic financial statements consist of the proprietary fund (the enterprise fund) and the fiduciary fund (the pension trust fund).

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statement Presentation (continued)

The operations of the Board are accounted for in the following fund types:

Proprietary Fund Type

The proprietary fund is used to account for the Board's ongoing operations and activities, which are similar to those often found in the private sector. The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into the net investment in capital assets, restricted for debt service, and unrestricted. The Board's restricted assets are expendable for their purposes. The Board utilizes available unrestricted assets before utilizing restricted assets. The operating statements present increases (revenues) and decreases (expenses) in net position. The Board maintains one proprietary fund type – the enterprise fund. The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance.

Operating revenues include all charges for services; other revenues include plumbing permitting fees and other miscellaneous charges. Operating expenses include the costs associated with providing water, sewerage, and drainage services. Interest income, interest expense, grants from other governments, and tax revenues are presented as non-operating items.

Fiduciary Fund Type

The fiduciary fund is used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Board maintains one fiduciary fund type - the pension trust fund. The pension trust fund uses the flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included in the statement of plan net assets. The pension trust fund is used to account for the activity of the Board's employee retirement plan, which is a blended component unit of the Board as defined by Section 2100 of the GASB Codification.



SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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1. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

The enterprise fund and the pension trust fund prepare their financial statements on the accrual basis of accounting. Unbilled utility service charges are not recorded as management considers the effect of not recording such unbilled receivables as not material. Property taxes are recorded as revenue in the year for which they are levied. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the pension plan are recognized when due and the employer has made a commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

E. Investments

Investments are recorded at fair value, except for short-term investments (maturity of one year or less), which are recorded at amortized cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last recorded sales price at current exchange rates. Investments that do not have an established market are recorded at estimated fair value. Investment income and expenses, including changes in the fair value of the investments, are recognized in the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Changes in Fiduciary Net Position.

F. Inventory of Supplies

Inventory of supplies is valued at cost. Cost is determined by the weighted average cost method.

G. Vacation and Sick Pay

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Annual leave is accrued at the rate of .6923 of a workday for each bi-weekly accrual period for all employees on the payroll as of December 31, 1978. Employees hired after that date earn leave at a rate of .5 of a workday per bi-weekly pay period.

All employees on the payroll as of December 31, 1978 receive three additional days each year; all employees hired after that date receive three additional days each year for five through nine calendar years of continuous service; six additional days each year for ten through fourteen years; nine additional days each year for fifteen through nineteen years; and, twelve days for twenty or more years of continuous service. Civil Service's policy permits employees a limited amount of earned but unused annual leave which will be paid to employees upon separation from the Board. The amount shall not exceed ninety days for employees hired before January 1, 1979, and forty-five days for employees hired after December 31, 1978.

Sick leave is accumulated on a bi-weekly basis by all employees hired prior to December 31, 1978 at an accrual rate of .923 of a workday. For employees hired subsequent to December 31, 1978, the accrual rate is .5 of a workday for each bi-weekly period, plus a two additional days each year for employees with six through fifteen calendar years of continuous service, and seven additional days each year for employees with sixteen or more calendar years of continuous service.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### G. Vacation and Sick Pay (continued)

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2022 and 2021 is \$14,210,039 and \$15,441,334, respectively. The amount included in the statements of net position as of December 31, 2022 and 2021 is \$11,803,881 and \$10,621,943, respectively, which represents the annual leave and the converted sick leave for cash since virtually all employees convert their sick leave to cash. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense and are classified as a long-term liability. The following table summarizes changes in the Board's vacation and sick pay liability.

Year	Beginning of Year Liability	Current Year Earned and Changes in Estimate	Payments	End of Year Liability
2022	\$ 10,621,943	\$ 7,777,257	\$ (6,595,319)	\$ 11,803,881
2021	\$ 9,904,897	\$ 3,095,892	\$ (2,378,846)	\$ 10,621,943

#### H. Property, Plant, and Equipment

Property, plant, and equipment are carried at historical cost. The Board capitalizes moveable equipment with a value of \$10,000 or greater and stationary, network, real estate, and other equipment with a value of \$5,000 or greater. The cost of additions includes contracted work, direct labor, materials, and allocable cost. Donated capital assets are recorded at their acquisition value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue for the period. The cost of maintenance and repairs is charged to operations as incurred, and significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments.

#### I. Self-Insurance/Risk Management

The Board is self-insured for general liability, workers' compensation, unemployment compensation, and hospitalization benefits and claims. The accrued liability for the various types of claims represents an estimate by management of the eventual loss on the claims arising prior to year-end, including claims incurred and not yet recorded including estimates of both future payments of losses and related claims adjustment and expense. Estimated expenses and recoveries are based on a case-by-case review.

#### J. Bond Issuance Costs and Refinancing Gains (Losses)

Costs related to issuing bonds are expensed when incurred. Premiums and discounts associated with bond issues are amortized over the interest yield method.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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1. Summary of Significant Accounting Policies (continued)

K. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources until that time. The deferred charge on refunding recorded on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows and outflows have been recognized for the net difference between the projected and actual investment earnings for the pension plan, this amount is deferred and amortized over a period of five years. In addition, deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience and changes in actuarial assumptions related to the defined benefit pension plan and the other post-employment benefit plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. See Note 7 and Note 8 for additional information on deferred inflows and outflows related to the pension plan and the other post-employment benefits plan, respectively.

L. Pension

The Board may fund all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

M. Drainage System

The Drainage System was established as a department of the enterprise fund to account for the revenues from three-mill, six-mill, and nine-mill ad valorem taxes designated exclusively for drainage services. There exists a potential for additional financing by additional user service charges. Expenditures from the system are for the debt service of nine-mill tax bonds and drainage related operation, maintenance, and construction.

N. Capital Contributions

Contributions from developers and others, and receipts of Federal, State, and City grants for acquisition of property, plant, and equipment are recorded as capital contributions in the Statements of Revenues, Expenses, and Changes in Net Position.

O. Net Position Flow Assumption

The Board may fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. The Board's policy is to consider restricted net position to have been depleted before unrestricted-net position is applied.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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1. Summary of Significant Accounting Policies (continued)

P. Net Position

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of debt is included in the same component of net position as the unspent proceeds.

Restricted – This net position component reports externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

Q. Cash Flows

For purposes of the statements of cash flows, only cash on hand and on deposit at financial institutions are considered to be cash equivalents. Certificates of deposits, treasury bills, and other securities are considered investments.

R. Operating and Nonoperating Revenues

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with principal ongoing operations. The principal operating revenues of the Board are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are recorded as nonoperating revenues and expenses.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the recorded amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**2. Cash, Cash Equivalents, and Investments**

The Board's investments, cash, and cash equivalents (including customer deposits) consist primarily of investments in direct obligations of the United States or agencies thereof and deposits with financial institutions.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2022 the Board's interest-bearing deposits with banks consisted of cash and money market funds totaling \$324,040,331 and investments of \$2,643,294. At December 31, 2021, the Board's interest-bearing deposits with banks consisted of cash and money market funds totaling \$251,756,812 and investments of \$2,928,057. The Board's cash bank balances and all certificates of deposit for 2022 and 2021 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

The following are the components of the Board's cash, cash equivalents, and investments as of December 31 for the Enterprise and Pension Trust Funds:

<b>Statement of Net Position - Enterprise Funds</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 125,185,462	\$ 97,436,881
Investments	1,571	286,334
Restricted cash and cash equivalents	184,334,324	138,041,592
Restricted investments	2,641,723	2,641,723
Customer deposits - cash	10,725,121	10,639,129
Customer deposits - investments	3,250,000	3,250,000
<b>Total cash, cash equivalents, and investments - Enterprise Funds</b>	<b>326,138,201</b>	<b>252,295,659</b>
<b>Statement of Net Position - Pension Trust Fund</b>	<b>2022</b>	<b>2021</b>
Cash	3,835,405	2,393,781
Money Market	17,443,193	646,036
LAMP	7,273,191	9,055,895
Debt Securities	58,746,580	79,070,763
Equities	135,578,895	182,864,067
<b>Total cash, cash equivalents, and investments - Pension Trust Fund</b>	<b>222,877,264</b>	<b>274,030,542</b>
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 549,015,465</b>	<b>\$ 526,326,201</b>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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2. Cash, Cash Equivalents, and Investments (continued)

A. Fair Value Measurement

To the extent available, the Board's investments are recorded at fair value. GASB Statement No. 72 – *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Board has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Deposits and investments - Statutes authorize the Board to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the Louisiana Asset Management Pool (LAMP). In addition, the pension trust fund is authorized to invest in corporate bonds rated BBB or better by Standard & Poor's Corporation or Baa or better by Moody's Investors Service and equity securities.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 2. Cash and Investments (continued)

#### A. Fair Value Measurement (continued)

Cash equivalents such as money market funds, LAMP, and certificate of deposit are measured at net asset value (NAV). These cash equivalents have not been classified in the fair value hierarchy table.

A summary of the Board's investments, including the Pension Trust Fund, along with the fair value hierarchy levels of each type of investment as of December 31, 2022 and 2021 are as follows:

2022				
	Total	Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investment by fair value level:				
Equities	\$ 135,578,895	\$ 135,578,895	\$ -	\$ -
Debt securities	58,746,580	-	58,746,580	-
Total investments at fair value level	<u>\$ 194,325,475</u>	<u>\$ 135,578,895</u>	<u>\$ 58,746,580</u>	<u>\$ -</u>
Investments measured at NAV or amortized cost:				
Money market funds	\$ 17,443,193			
LAMP	13,164,914			
Certificate of deposit	1,571			
	<u>\$ 30,609,678</u>			
Total investments	<u>\$ 224,935,153</u>			
2021				
	Total	Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investment by fair value level:				
Equities	\$ 182,864,067	\$ 182,864,047	\$ -	\$ -
Debt securities	79,070,763	-	79,070,763	-
Total investments at fair value level	<u>\$ 261,934,830</u>	<u>\$ 182,864,047</u>	<u>\$ 79,070,763</u>	<u>\$ -</u>
Investments measured at NAV or amortized cost:				
Money market funds	\$ 646,036			
LAMP	14,947,618			
Certificate of deposit	286,334			
	<u>\$ 15,879,988</u>			
Total investments	<u>\$ 277,814,818</u>			

The investments measured at NAV have no unfunded commitments; redemption frequency is daily; and the redemption period notice is same day.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**2. Cash and Investments (continued)**

**A. Fair Value Measurement (continued)**

A reconciliation of the enterprise and pension funds to the total investments and cash and cash equivalents at December 31, 2022 and 2021 is as follows:

	<b>2022</b>		
	<b>Enterprise</b>	<b>Pension</b>	<b>Total</b>
Cash and cash equivalents	\$ 320,244,907	\$ 3,835,405	\$ 324,080,312
Money market	-	17,443,193	17,443,193
LAMP	5,891,723	7,273,191	13,164,914
Certificate of deposit	1,571	-	1,571
Debt securities	-	58,746,580	58,746,580
Equity securities	-	135,578,895	135,578,895
Total cash and investments	<u>\$ 326,138,201</u>	<u>\$ 222,877,264</u>	<u>\$ 549,015,465</u>

	<b>2021</b>		
	<b>Enterprise</b>	<b>Pension</b>	<b>Total</b>
Cash and cash equivalents	\$ 246,117,602	\$ 2,393,781	\$ 248,511,383
Money market	-	646,036	646,036
LAMP	5,891,723	9,055,895	14,947,618
Certificate of deposit	286,334	-	286,334
Debt securities	-	79,070,763	79,070,763
Equity securities	-	182,864,067	182,864,067
Total cash and investments	<u>\$ 252,295,659</u>	<u>\$ 274,030,542</u>	<u>\$ 526,326,201</u>

Pension trust fund investments are held in trust and governed pursuant to an indenture between the trustee financial institution and the Board.

**B. Louisiana Asset Management Pool (LAMP)**

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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2. Cash and Investments (continued)

B. Louisiana Asset Management Pool (LAMP) (continued)

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 58 as of December 31, 2022.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

C. Credit and Interest Risk

Credit Risk - State law limits investments in securities issued, or backed by United States Treasury obligations, and U.S. Government instrumentalities, which are federally sponsored. The Board's investment policy does not further limit its investment choices. LAMP is rated AAA by Standard & Poor's. The Pension Trust Fund's investment policy requires that fixed income investments be investment grade (BBB or higher as rated by Standard & Poor's or Baa or higher as rated by Moody's). Bonds rated below BBB/Baa are not to exceed 15% of the portfolio, and non-rated bonds are not to exceed 1% of the portfolio.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Board has a formal investment policy that states that the investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated and that maturities of investments are to be structured concurrent with cash needs to meet anticipated demand.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 2. Cash and Investments (continued)

#### C. Credit and Interest Risk (continued)

Foreign Currency Risk – The Pension Trust Fund’s exposure to foreign currency risk derives from its positions in foreign currency-denominated fixed-income investments. The Pension Trust Fund's investment policy permits it to invest up to 5 percent of total investments in foreign currency-denominated fixed-income investments. The investments in foreign currency-denominated corporate bonds were rated by Standard & Poor's.

Following are the credit risk ratings of the Pension Trust Fund’s investments in debt securities as of December 31, 2022:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ -	\$ 16,011,645	\$ 14,365,196	\$ 30,376,841	51.71%
AA+	-	-	-	113,068	113,068	0.19%
AA	112,209	150,440	-	195,452	458,101	0.78%
AA-	1,002,345	47,617	-	299,407	1,349,369	2.30%
A+	1,629,624	68,276	-	164,054	1,861,954	3.17%
A	1,715,678	13,732	-	239,882	1,969,292	3.35%
A-	1,823,334	-	-	362,116	2,185,450	3.72%
BBB+	3,683,729	28,252	-	292,075	4,004,056	6.82%
BBB	3,248,268	134,804	-	871,842	4,254,914	7.24%
BBB-	4,889,625	15,139	-	486,701	5,391,465	9.18%
BB+	1,283,108	33,435	-	63,380	1,379,923	2.35%
BB	962,654	117,948	-	210,554	1,291,156	2.20%
BB-	679,035	30,574	-	57,740	767,349	1.31%
B+	480,069	48,602	-	60,526	589,197	1.00%
B	544,326	67,361	-	43,148	654,835	1.11%
B-	270,764	67,852	-	77,190	415,806	0.71%
CCC+	126,889	37,332	-	17,655	181,876	0.31%
CCC	117,929	2,678	-	55,725	176,332	0.30%
CC	-	12,698	-	9,162	21,860	0.04%
C	5,560	-	-	4,956	10,516	0.02%
Not Rated	297,569	17,223	-	978,428	1,293,220	2.20%
Total	<u>\$ 22,872,715</u>	<u>\$ 893,963</u>	<u>\$ 16,011,645</u>	<u>\$ 18,968,257</u>	<u>\$ 58,746,580</u>	<u>100.00%</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**2. Cash and Investments (continued)**

**C. Credit and Interest Risk (continued)**

Following are the credit risk ratings of the Pension Trust Fund's investments in debt securities as of December 31, 2021:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ -	\$ 25,419,870	\$ 18,635,245	\$ 44,055,115	55.72%
AA+	-	-	-	-	-	0.00%
AA	151,639	155,657	-	124,440	431,736	0.55%
AA-	965,831	336,310	-	382,798	1,684,939	2.13%
A+	1,782,472	207,754	-	197,508	2,187,734	2.77%
A	2,258,198	9,427	-	415,167	2,682,792	3.39%
A-	2,522,791	26,477	-	354,558	2,903,826	3.67%
BBB+	5,995,804	51,949	-	162,631	6,210,384	7.85%
BBB	3,383,116	1,168,074	-	617,137	5,168,327	6.54%
BBB-	5,758,228	17,483	-	591,823	6,367,534	8.05%
BB+	1,804,140	62,755	-	21,677	1,888,572	2.39%
BB	939,520	38,919	-	132,231	1,110,670	1.40%
BB-	983,306	173,513	-	94,345	1,251,164	1.58%
B+	585,734	97,235	-	34,358	717,327	0.91%
B	895,641	90,387	-	61,537	1,047,565	1.32%
B-	317,016	67,183	-	108,992	493,191	0.62%
CCC+	350,416	61,252	-	-	411,668	0.52%
CCC	100,187	7,199	-	27,938	135,324	0.17%
CC	4,704	-	-	10,545	15,249	0.02%
C	7,199	-	-	4,753	11,952	0.02%
Not Rated	258,708	36,986	-	-	295,694	0.37%
Total	\$ 29,064,650	\$ 2,608,560	\$ 25,419,870	\$ 21,977,683	\$ 79,070,763	100.00%

**D. Concentration of Credit Risk**

Per GASB Statement 40, *Deposit and Investment Risk Disclosures*, concentration of credit risk is defined as the risk of loss attributed the magnitude of government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the fair value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. The Board has no investment in a single issuer that represent more than 5% of the investment portfolio. In addition, the Board's investments consist of investments in mutual funds, external investment pools, and other pooled investments.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 2. Cash and Investments (continued)

#### E. Pension Trust Fund Investments

As of December 31, 2022, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 1,399,512	\$ 11,203,273	\$ 7,727,220	\$ 2,443,701	\$ 99,009	\$ 22,872,715
Foreign Government Bonds	81,770	180,207	320,419	311,567	-	893,963
Government Bonds and U.S. Treasury Notes	-	5,017,166	5,355,665	5,638,814	-	16,011,645
Other	4,824,404	4,897,368	9,246,485	-	-	18,968,257
Total	<u>\$ 6,305,686</u>	<u>\$ 21,298,014</u>	<u>\$ 22,649,789</u>	<u>\$ 8,394,082</u>	<u>\$ 99,009</u>	<u>\$ 58,746,580</u>

As of December 31, 2021, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 1,747,891	\$ 14,102,032	\$ 9,116,794	\$ 3,965,455	\$ 132,478	\$ 29,064,650
Foreign Government Bonds	42,675	680,321	950,301	935,263	-	2,608,560
Government Bonds and U.S. Treasury Notes	-	10,992,271	7,540,851	6,879,895	6,853	25,419,870
Other	7,326,996	9,479,362	5,076,557	-	94,768	21,977,683
Total	<u>\$ 9,117,562</u>	<u>\$ 35,253,986</u>	<u>\$ 22,684,503</u>	<u>\$ 11,780,613</u>	<u>\$ 234,099</u>	<u>\$ 79,070,763</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**3. Customer Receivables**

Customer receivables as of December 31 consist of the following:

<b>2022</b>			
	Customer Receivables	Allowance for Doubtful Accounts	Net Customer Receivables
Water	\$ 60,833,157	\$ 46,921,594	\$ 13,911,563
Sewer	69,968,017	59,495,367	10,472,650
	<u>\$ 130,801,174</u>	<u>\$ 106,416,961</u>	<u>\$ 24,384,213</u>

<b>2021</b>			
	Customer Receivables	Allowance for Doubtful Accounts	Net Customer Receivables
Water	\$ 70,319,757	\$ 45,634,567	\$ 24,685,190
Sewer	81,487,494	56,202,756	25,284,738
	<u>\$ 151,807,251</u>	<u>\$ 101,837,323</u>	<u>\$ 49,969,928</u>

**4. Property, Plant, and Equipment**

The useful lives of property, plant, and equipment consisted of the following:

Power and pumping stations – buildings and machinery	40 to 57 years
Distribution systems	75 years
Sewerage collection, treatment plant, general plant, and building	12 to 75 years
Canals and subsurface drains	75 to 100 years
Power transmissions, Connections, and meters	50 years
Treatment Plans, General Plant, and buildings	12 to 50 years

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 4. Property, Plant, and Equipment (continued)

Property, plant, and equipment consisted of the following as of December 31:

	2022			
	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
<b>Cost</b>				
Real estate rights, non depreciable	\$ 10,618,190	\$ -	\$ -	\$ 10,618,190
Power and pumping stations - buildings and machinery	864,884,688	3,928,919	(5,100,177)	863,713,430
Distribution systems	441,547,784	78,468,094	(27,727,891)	492,287,987
Sewerage collection, treatment plant, general plant, and building	1,393,383,059	82,852,449	(61,081,359)	1,415,154,149
Canals and subsurface drainage	1,262,729,592	81,532,641	(35,229,700)	1,309,032,533
Power transmissions, Connections and meters	142,714,248	137,235	16,995,065	159,846,548
Total property, plant, and equipment in service	4,115,877,561	246,919,338	(112,144,062)	4,250,652,837
Construction in progress	685,382,879	348,215,539	(246,919,338)	786,679,080
Total property, plant, and equipment	4,801,260,440	595,134,877	(359,063,400)	5,037,331,917
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings and machinery	409,062,408	18,365,466	-	427,427,874
Distribution systems	66,268,476	6,547,430	(3,923,405)	68,892,501
Sewerage collection, treatment plant, general plant, and building	511,103,411	24,499,490	(4,142,622)	531,460,279
Canals and subsurface drainage	150,131,459	13,118,799	-	163,250,258
Power transmissions, Connections and meters	68,300,178	3,193,383	(8,328)	71,485,233
Total accumulated depreciation	1,204,865,932	65,724,568	(8,074,355)	1,262,516,145
Net property, plant, and equipment	\$ 3,596,394,508	\$ 529,410,309	\$ (350,989,045)	\$ 3,774,815,772

	2021			
	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
<b>Cost</b>				
Real estate rights, non depreciable	\$ 10,618,190	\$ -	\$ -	\$ 10,618,190
Power and pumping stations - buildings and machinery	856,567,179	5,503,775	2,813,734	864,884,688
Distribution systems	408,237,429	83,026,157	(49,715,802)	441,547,784
Sewerage collection, treatment plant, general plant, and building	1,370,729,435	54,541,337	(31,887,713)	1,393,383,059
Canals and subsurface drainage	1,274,670,649	34,999,624	(46,940,681)	1,262,729,592
Power transmissions, Connections and meters	151,550,366	590,367	(9,426,485)	142,714,248
Total property, plant, and equipment in service	4,072,373,248	178,661,260	(135,156,947)	4,115,877,561
Construction in progress	548,465,861	315,578,278	(178,661,260)	685,382,879
Total property, plant, and equipment	4,620,839,109	494,239,538	(313,818,207)	4,801,260,440
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings and machinery	390,689,968	18,372,440	-	409,062,408
Distribution systems	64,547,198	5,872,586	(4,151,308)	66,268,476
Sewerage collection, treatment plant, general plant, and building	489,328,085	24,502,393	(2,727,067)	511,103,411
Canals and subsurface drainage	137,478,718	12,652,741	-	150,131,459
Power transmissions, Connections and meters	65,475,154	2,850,738	(25,714)	68,300,178
Total accumulated depreciation	1,147,519,123	64,250,898	(6,904,089)	1,204,865,932
Net property, plant, and equipment	\$ 3,473,319,986	\$ 429,988,640	\$ (306,914,118)	\$ 3,596,394,508

### 5. Due to City of New Orleans

The Board bills and collects sanitation charges on behalf of the City. The Board is not liable for any uncollected sanitation charges. Additionally, amounts included in accounts payable due to the City for works performed by the Department of Public Works on behalf of the Board, were \$21,355,133 and \$14,845,132 at December 31, 2022 and 2021, respectively.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 6. Long-Term Obligations

#### A. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Claims and judgments (Note 9)	\$ 47,113,434	\$ 17,470,716	\$ 16,487,820	\$ 48,096,330	\$ 4,445,678
Accrued annual and sick leave (Note 1)	10,621,943	7,777,257	6,595,319	11,803,881	-
Sewerage and water system bonds	514,910,075	4,200,507	20,955,000	498,155,582	19,207,000
Drainage system tax bonds	2,000,000	45,000,000	2,000,000	45,000,000	8,310,000
Premium on bonds payable	17,785,135	-	1,193,796	16,591,339	-
Debt service assistance loan	37,265,290	-	2,902,502	34,362,788	3,037,178
Southeast Louisiana Project	206,690,029	13,873,533	3,334,582	217,228,980	3,334,582
	<u>\$ 836,385,906</u>	<u>\$ 88,322,013</u>	<u>\$ 53,469,019</u>	<u>\$ 871,238,900</u>	<u>\$ 38,334,438</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Claims and judgments (Note 9)	\$ 47,606,094	\$ 13,895,884	\$ 14,388,544	\$ 47,113,434	\$ 4,340,341
Accrued annual and sick leave (Note 1)	9,904,897	3,095,892	2,378,846	10,621,943	-
Sewerage and water system bonds	458,333,551	376,359,525	319,783,001	514,910,075	21,143,000
Drainage system tax bonds	3,955,000	-	1,955,000	2,000,000	2,000,000
Premium on bonds payable	46,774,333	-	28,989,198	17,785,135	-
Debt service assistance loan	40,039,087	-	2,773,797	37,265,290	2,902,502
Southeast Louisiana Project	209,815,520	-	3,125,491	206,690,029	1,900,202
	<u>\$ 816,428,482</u>	<u>\$ 393,351,301</u>	<u>\$ 373,393,877</u>	<u>\$ 836,385,906</u>	<u>\$ 32,286,045</u>



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**6. Long-Term Obligations (continued)**

**B. Bonds Payable**

Bonds payable consisted of the following as of December 31:

	<b>Principal Balances</b>	
	<b>2022</b>	<b>2021</b>
2.00% to 4.00% drainage system limited tax bonds, series 2014 (initial average interest cost 1.88%); due in annual principal installments ranging from \$535,000 to \$2,000,000; final payment due December 1, 2022.	\$ -	\$ 2,000,000
4.02% drainage system limited tax bonds, series 2022; due in annual principal installments ranging from \$8,310,000 to \$9,720,000; final payment due December 1, 2027.	45,000,000	-
2.00% to 5.00% sewerage service revenue bonds, series 2014 (initial average interest cost 3.86%); due in annual principal installments ranging from \$1,970,000 to \$12,970,000; final payment due June 1, 2025.	9,650,000	17,095,000
5.00% sewerage service revenue bonds, series 2015 (initial average interest cost 4.39%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due June 1, 2027.	10,710,000	12,710,000
5.00% sewerage service revenue bonds, series 2020B; due in annual principal installments ranging from \$2,000,000 to \$2,660,000; final payment due June 1, 2050.	64,750,000	64,750,000
2.57% sewerage revenue refunding bonds, series 2021; due in annual principal installments ranging from \$2,335,000 to \$11,510,000; final payment due June 1, 2045.	175,860,000	178,195,000
5.00% water revenue bonds, series 2014 (initial average interest cost 4.43%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2026.	9,620,000	12,845,000
4.98% water revenue bonds, series 2015 (initial average interest cost 4.38%); due in annual principal installments ranging from \$700,000 to \$2,750,000; final payment due December 1, 2028.	14,645,000	15,615,000
2.62% water revenue refunding bonds, series 2021; due in annual principal installments ranging from \$2,500,000 to \$12,740,000; final payment due December 31, 2045.	191,800,000	194,300,000

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**6. Long-Term Obligations (continued)**

**B. Bonds Payable (continued)**

	<b>Principal Balances</b>	
	<b>2022</b>	<b>2021</b>
<b>Direct Placements:</b>		
0.45% sewerage service revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032.	4,711,000	5,158,000
0.95% sewerage service revenue bonds, series 2019; due in annual principal installments ranging from 4.56% to 100% of outstanding principal balance; final payment due June 1, 2040.	6,732,688	3,055,227
0.95% sewerage service revenue bonds, series 2022; due in annual principal installments ranging from 4.56% to 100% of outstanding principal balance; final payment due June 1, 2043.	138,715	-
1.50% sewerage service revenue bonds, series 2020A; due in annual principal installments ranging from \$1,765,000 to \$3,195,000; final payment due June 1, 2025.	8,485,000	10,250,000
1.85% sewerage service revenue bond (WIFIA loan); due in annual principal installments beginning December 1, 2031 with final payment due December 1, 2057.	1,053,179	936,848
	<u>543,155,582</u>	<u>516,910,075</u>
Plus: bond premiums	16,591,339	17,785,135
Total	<u>559,746,921</u>	<u>534,695,210</u>
Less: current maturities	<u>(27,517,000)</u>	<u>(23,143,000)</u>
Bond payable, long-term	<u><u>\$ 532,229,921</u></u>	<u><u>\$ 511,552,210</u></u>

The changes in long-term debt were as follows:

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 516,910,075	\$ 462,288,550
Principal issued	49,200,507	376,359,525
Payments	<u>(22,955,000)</u>	<u>(321,738,000)</u>
Balance, end of year	<u><u>\$ 543,155,582</u></u>	<u><u>\$ 516,910,075</u></u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**6. Long-Term Obligations (continued)**

**B. Bonds Payable (continued)**

The annual requirements to amortize bonds payable as of December 31, 2022, are as follows:

Total	Revenue Bonds		Direct Placement Revenue Bonds		Tax Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 15,165,000	\$ 13,772,898	\$ 4,042,000	\$ 181,321	\$ 8,310,000	\$ 1,778,850	\$ 27,517,000	\$ 15,733,069
2024	15,245,000	13,238,152	4,254,715	130,880	8,640,000	1,474,938	28,139,715	14,843,970
2025	13,845,000	12,728,861	3,090,000	151,461	8,985,000	1,127,610	25,920,000	14,007,932
2026	16,300,000	12,226,277	938,000	126,407	9,345,000	766,413	26,583,000	13,119,097
2027	17,315,000	11,669,330	947,000	117,476	9,720,000	390,744	27,982,000	12,177,550
2028-2032	91,405,000	51,765,454	5,926,179	430,859	-	-	97,331,179	52,196,313
2033-2037	102,640,000	40,018,864	1,922,688	134,065	-	-	104,562,688	40,152,929
2038-2042	114,920,000	24,692,517	-	-	-	-	114,920,000	24,692,517
2043-2047	82,445,000	6,669,146	-	-	-	-	82,445,000	6,669,146
2048-2050	7,755,000	464,100	-	-	-	-	7,755,000	464,100
	<u>\$ 477,035,000</u>	<u>\$ 187,245,599</u>	<u>\$ 21,120,582</u>	<u>\$ 1,272,469</u>	<u>\$ 45,000,000</u>	<u>\$ 5,538,555</u>	<u>\$ 543,155,582</u>	<u>\$ 194,056,623</u>

The indentures under which these bonds were issued provide for the establishment of restricted funds for debt service as follows:

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund and on hand were \$11,720,678 and \$13,009,742 at December 31, 2022 and 2021, respectively.
2. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund and on hand were \$13,073,458 and \$12,790,233 at December 31, 2022 and 2021, respectively.

Operating revenues, net of operating expenses, are pledged as security for all revenue bond issues.

Events of default for the bond agreements include the failure to pay the principal and interest payments timely and failure of the Board to observe and perform any of its other covenants, conditions, or agreements under the bond agreements. Resolution may be obtained for a period of 60 days after written notice either from the paying agent or the Board of Liquidation or holders of not less than 25% in aggregate principal amount of bonds then outstanding (unless the paying agent, the Board of Liquidation or the holders agree in writing to an extension of such time prior to its expiration) specifying such failure and requesting that it be remedied.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

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**6. Long-Term Obligations (continued)**

**B. Bonds Payable (continued)**

Upon the occurrence and continuation of an Event of Default, either the Board of Liquidation (by notice in writing by the Board) or holders of not less than 25% in aggregate principal amount of bonds then outstanding (by notice in writing to the Board and the Board of Liquidation) may declare the entire unpaid principal of the Bonds due and payable. Upon any such declaration the Board shall pay the entire unpaid principal of premium, if any, and accrued interest on the Bonds, but only from net revenues and other monies herein specifically pledged for payments.

**C. Louisiana Department of Environmental Quality**

In 2011, the City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan was advanced in incremental amounts as project costs were incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011.

In 2019, the City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$10,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is being advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bonds, Series 2019.

In 2022, the City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$11,110,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is being advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bonds, Series 2022.

**D. Series 2021 Revenue Refunding Bonds**

In 2021, the Board issued \$178,195,000 of Taxable Sewerage Service Revenue Refunding Bonds, Series 2021 for the purpose of partially advance refunding the Series 2014 and Series 2015 Sewerage Service Revenue and Refunding Bonds. The bond proceeds and investments, less issuance and insurance costs, were used to refund \$70,610,000 of the Series 2014 bonds and \$87,290,000 of the Series 2015 bonds, for a total of \$157,900,000. By refunding these bonds, the Board estimated \$23,762,182 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,430,995.

The costs of issuance and bond insurance of the Series 2021 Sewerage Bonds totaled \$2,533,449, and the deferred loss on refunding was \$14,572,181. The outstanding balance of the defeased bonds at December 31, 2022 is \$146,850,000.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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6. Long-Term Obligations (continued)

D. Series 2021 Revenue Refunding Bonds (continued)

In 2021, the Board issued \$194,300,000 of Taxable Water Revenue Refunding Bonds, Series 2021 for the purpose of partially advance refunding the Series 2014 and Series 2015 Water Revenue and Refunding Bonds. The bond proceeds and investments, less issuance and insurance costs, were used to refund \$79,425,000 of the Series 2014 bonds and \$82,015,000 of the Series 2015 bonds, for a total of \$161,440,000. By refunding these bonds, the Board estimated \$22,811,372 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,122,740. The costs of issuance and bond insurance of the Series 2021 Sewerage Bonds totaled \$2,836,057, and the deferred loss on refunding was \$20,535,572. The outstanding balance of the defeased bonds at December 31, 2022 and 2021 is \$157,435,000.

E. Series 2022 Drainage System Limited Tax Bonds

In 2022, the Board issued \$45,000,000 of Drainage System Limited Tax Bonds for the purpose of providing short-term financing to construct a portion of the power complex at the Carrollton water plant.

F. WIFIA Loan

On November 10, 2021, the Board closed on a \$275,000,000 revenue debt issue through the Water Infrastructure Financing and Innovation Act (WIFIA) with the U.S. Environment Agency (EPA), a direct borrowing, to fund over 160 projects to modernize aging and storm damaged sewer pipelines throughout the city as part of comprehensive Sewer System Evaluation and Rehabilitation Program. The WIFIA Bond will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date of 35 years following the substantial completion date of the Project. No interest accrues until the Board makes its first drawdown of funds from the WIFIA Bond. The Board has pledged the net revenues of the sewer system as security for the WIFIA Bond for the duration of the bond on parity to its revenue bonds. The Board has also agreed to comply with various covenants, including a rate covenant similar to that of its revenue bonds.

G. Debt Service Assistance Loan

In July 2006, the Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$77,465,247 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan were made as debt service payments became due. No principal or interest was payable during the initial five-year period of the loan. After the expiration of the initial five-year period, the loan shall bear interest at a fixed rate of 4.64 percent. Principal payments on the bonds began in July 2012. In July 2019, the Cooperative Endeavor Agreement was amended by the State and the Board to allow annual payments to be made through 2031. In addition, the outstanding loan balances for the Drainage and Water funds of the Board were assumed/transferred to the Sewerage fund.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**6. Long-Term Obligations (continued)**

**H. Debt Service Assistance Loan (continued)**

Upon the amendment, interest is payable semi-annually on January 15 and July 15 beginning July 2020. The loan will mature in January 2031. The loan may be prepaid without penalty or premium.

As of December 31, 2022, debt service requirements relating to the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,037,178	\$ 604,161	\$ 3,641,339
2024	3,178,103	463,236	3,641,339
2025	6,651,134	473,659	7,124,793
2026	6,959,746	322,932	7,282,678
2027	3,231,640	739,318	3,970,958
2028-2031	11,304,987	2,587,614	13,892,601
	<u>\$ 34,362,788</u>	<u>\$ 5,190,920</u>	<u>\$ 39,553,708</u>

**I. Southeast Louisiana Project**

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements (SELA PPA and SELA DPA) with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the Project). The purpose of the Project is to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana. The agreements set forth the obligations of the federal government and non-federal sponsors, including the Board, regarding the construction and the operation, maintenance, repair, rehabilitation, and replacement of the Project. For the SELA DPA projects, the federal government is responsible for 65% of the project costs and the non-federal sponsors are responsible for the remaining 35% less credits for work-in-kind contributions and other allowances. For the other SELA projects the federal government is responsible for 100% or 75% of the project costs and the remaining cost is the responsibility of the non-federal sponsor. Project costs are included in the capital assets of the Board.

Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs. The amount due, including estimated accrued interest, as of December 31, 2022 and 2021 is \$217,228,980 and \$206,690,029, respectively.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**6. Long-Term Obligations (continued)**

**H. Southeast Louisiana Project (continued)**

The Project consists of 16 contracts, grouped in 5 basins. Project completion date, payment start date, as well as interest rate for each basin are as follows:

<u>Basin</u>	<u>Completion Date</u>	<u>Payment Start Date</u>	<u>Interest Rate</u>
OP-2	2028 (Est.)	2028 (Est.)	3.75% (Est.)
OP-3	2020	2021	3.75%
OP-4	2020	2021	3.75%
OP-5	2020	2021	3.75%
OP-6	2020	2021	3.75%

The final amount due for OP-2 will be determined by the Department of Army upon project completion.

As of December 31, 2022, projected debt service requirements relating to the total amount due are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,971,460	\$ 3,555,100	\$ 5,526,560
2024	2,045,390	3,481,170	5,526,560
2025	2,122,092	3,404,468	5,526,560
2026	2,201,670	3,324,890	5,526,560
2027	2,284,233	3,242,327	5,526,560
2028-2032	10,026,247	12,079,993	22,106,240
2033-2037	14,798,426	12,834,374	27,632,800
2038-2042	17,789,185	9,843,615	27,632,800
2043-2047	21,384,375	6,248,425	27,632,800
2048-2050	20,179,592	1,926,647	22,106,239
	<u>\$ 94,802,670</u>	<u>\$ 59,941,009</u>	<u>\$ 154,743,679</u>
	122,426,310	OP-2 Basin not yet completed	
	<u>\$ 217,228,980</u>	Southeast Louisiana Project Liability	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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7. Defined Benefit Pension Plan

A. Plan Descriptions

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2022 and 2021 was \$62,430,620 and \$57,531,267, respectively; such amounts exclude overtime and standby payroll. As of the most recent valuation date (December 31, 2022), the PTF membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	900
Inactive employees entitled to but not yet receiving benefits	311
Active Employees	1,113
Total	<u>2,324</u>

*Benefits Provided*

The benefit provisions were established by action of the Board in 1956 in accordance with Louisiana statutes. The Board retains exclusive control over the plan through the Pension Committee of the Board. Effective January 1, 1996, the plan became qualified under Internal Revenue Code Section 401(a) and thus is tax exempt.

The plan provides for retirement benefits as well as death and disability benefits. All benefits vest after five years of service. Employees who retire at or after age 65 with five or more years of credited service are entitled to an annual retirement benefit, payable biweekly for life, in an amount equal to two and one-half percent of their average compensation for each year of credited service not to exceed twenty five years, increasing by four percent per year for service years in excess of twenty five years, but in no event the annual retirement benefit should exceed one hundred percent (100%) of employee's average compensation. Average compensation is the average annual earned compensation for the period of 36 successive months of service during which the employee's compensation was the highest. Employees with thirty years or more of credited service may retire without a reduction in benefits. Employees may retire prior to age 62 without 30 years of service with a reduction in benefits of three percent for each year of age below the age of 62. If an employee leaves covered employment or dies before three years of credited service, the accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.



SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

7. Defined Benefit Pension Plan (continued)

A. Plan Descriptions (continued)

The retirement allowance for retirees over age 65 is subject to a cost of living adjustment each January 1, provided that the member retired on or after January 1, 1984. The adjustment is based on the increase in the Consumer Price Index for all urban wage earners published by the U.S. Department of Labor but is limited to an annual maximum of two percent on the first \$10,000 of initial retirement benefits.

Effective September 23, 1993, employers may transfer credit between the Board's plan and the City of New Orleans' retirement system with full credit for vested service. The Board and its employees are obligated under plan provisions to make all required contributions to the plan. The required contributions are actuarially determined. Level percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method.

*Deferred Retirement Option Program (DROP)*

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2022 and 2021, 73 and 78 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$7,273,191 and \$9,055,895 as of December 31, 2022 and 2021, respectively.

B. Funding Policy

The actuary determined contribution requirement for the Board was 22.773% and 21.717% for 2022 and 2021. The contribution requirement for employees for the years ended December 31, 2022 and 2021 was 6.0%. The actual Board's and employees' contributions for the years ended December 31 were as follows:

	<u>2022</u>	<u>2021</u>
Employer	\$ 10,914,917	\$ 9,861,935
Employee including City annuity transfers	3,486,071	3,008,648
Total contributions	<u>\$ 14,400,988</u>	<u>\$ 12,870,583</u>

C. Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2022 and 2021. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date based on an actuarial valuation.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**7. Defined Benefit Pension Plan (continued)**

**D. Actuarial Assumptions**

	<b>2022</b>	<b>2021</b>
Investment rate of return	7.00%	7.00%
Inflation	2.50%	2.50%
Salary increases including inflation	4% to 6.25%	4% to 6.25%

For 2022 and 2021, mortality rates were based on the PubG-2010 mortality tables, with male rates multiplied by 122% and female rates multiplied by 119%. Mortality was projected generationally using Scale MP-2019, with male projection factors multiplied by 86% and female projection factors multiplied by 79%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2022 and 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Real Rate of Return</b>
US Large Cap Equities	6.50%
US Mid Cap Equities	7.00%
US Small Cap Equities	7.25%
International Equities	4.50%
Broad Fixed Income	3.50%
Private Equity	7.75%
Global Infrastructure	4.00%
Real Estate	4.75%
Cash and Cash Equivalents	0.50%

*Discount Rate*

The discount rate used to measure the total pension liability was 7% for the 2022 and 2021 plan years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**7. Defined Benefit Pension Plan (continued)**

**E. Actuarial Assumptions (continued)**

*Investment Rate of Return*

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended December 31, 2022 and 2021, the annual money-weighted rates of (loss) return on pension plan investments, net of pension plan investment expenses, were (14.41)% and 14.96%, respectively.

*Sensitivity of the Net Pension Liability to Change in the Discount Rate*

The following presents the net pension liability of the Board as of December 31, 2022 and 2021, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
<u>December 31, 2022</u>			
Total pension liability	\$ 394,367,966	\$ 356,975,942	\$ 325,372,712
Fiduciary net position	223,360,220	223,360,220	223,360,220
Net pension liability	171,007,746	133,615,722	102,012,492
 <u>December 31, 2021</u>			
Total pension liability	\$ 386,388,775	\$ 350,483,713	\$ 320,063,620
Fiduciary net position	274,480,177	274,480,177	274,480,177
Net pension liability	111,908,598	76,003,536	45,583,443

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**7. Defined Benefit Pension Plan (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at			
December 31, 2021	\$ 350,483,713	\$ 274,480,177	\$ 76,003,536
Changes for the year:			
Service cost	5,311,264	-	5,311,264
Interest	23,940,992	-	23,940,992
Difference between expected and actual experience	4,072,398	-	4,072,398
Contributions – employer	-	10,914,917	(10,914,917)
Contributions – employee	-	3,486,071	(3,486,071)
Net investment income (loss)	-	(38,688,520)	38,688,520
Benefit payments, including refunds of employee contributions	(27,561,617)	(27,561,617)	-
Other	729,192	729,192	-
Net changes	<u>6,492,229</u>	<u>(51,119,957)</u>	<u>57,612,186</u>
Balances at			
December 31, 2022	<u>\$ 356,975,942</u>	<u>\$ 223,360,220</u>	<u>\$ 133,615,722</u>

The PTF Fiduciary Net Position as a percentage of Total Pension Liability was 63% and 78% as of December 31, 2022 and 2021, respectively.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**7. Defined Benefit Pension Plan (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at			
December 31, 2020	\$ 345,916,129	\$ 248,401,024	\$ 97,515,105
Changes for the year:			
Service cost	5,396,702	-	5,396,702
Interest	23,747,666	-	23,747,666
Difference between expected and actual experience	(942,832)	-	(942,832)
Changes of assumptions	-	-	-
Contributions – employer	-	9,861,935	(9,861,935)
Contributions – employee	-	3,008,648	(3,008,648)
Contributions – fines	-	-	-
Net investment income	-	36,872,093	(36,872,093)
Benefit payments, including refunds of employee contributions	(24,120,913)	(24,120,913)	-
Other	486,961	457,390	29,571
Net changes	4,567,584	26,079,153	(21,511,569)
Balances at			
December 31, 2021	\$ 350,483,713	\$ 274,480,177	76,003,536

For the years ended December 31, 2022 and 2021, the Board recognized a pension expense of \$16,066,907 and \$8,319,177, respectively, in payroll related expense on the Statements of Revenues, Expenses, and Changes in Net Position.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**7. Defined Benefit Pension Plan (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

On December 31, 2022 and 2021, the Board recorded Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2022</u>		
Differences between expected and actual experience	\$ 6,403,560	\$ 2,594,555
Changes of assumptions	1,628,643	-
Net difference between projected and actual earnings on pension plan investments	28,469,948	-
Total	<u>\$ 36,502,151</u>	<u>\$ 2,594,555</u>
<u>December 31, 2021</u>		
Differences between expected and actual experience	\$ 4,535,243	\$ 4,953,403
Changes of assumptions	3,257,284	-
Net difference between projected and actual earnings on pension plan investments	-	21,378,401
Total	<u>\$ 7,792,527</u>	<u>\$ 26,331,804</u>

Amounts recorded as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Amount
2023	\$ 4,309,874
2024	8,483,528
2025	9,620,787
2026	11,493,407
	<u>\$ 33,907,596</u>

**G. The Board's Pension Plan Fiduciary Net Position**

A separate report on the pension trust fund is not issued.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

8. Other Post-Employment Benefits

*Plan Description* – The Board’s post-employment benefit plan is a single-employer defined benefit plan. The Board’s post-employment medical benefits for retirees are provided through a self-insured medical plan and are made available to employees upon actual retirement.

*Participation* – All active Employees as defined in the Rules and Regulations of the Employees’ Retirement System of the Board, which is generally an employee who regularly works more than 17.5 hours per week, are eligible to participate in the plan.

*Employees covered by benefit terms* – As of the most recent valuation date (December 31, 2022), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	665
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,186
	<u>1,851</u>

*Total OPEB Liability*

The Board’s total OPEB liability of \$196,212,638 and \$238,860,656 was measured as of December 31, 2022 and 2021, respectively, and was determined by an actuarial valuation as of December 31 of each year.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00% to 6.25% including inflation
Healthcare cost trend rates	7.50% for FY24 decreasing 0.60% per year to an ultimate rate of 4.50% for FY29 and later years (2022) / 7.50% for FY23 decreasing 0.60% per year to an ultimate rate of 4.50% for FY28 and later years (2021)
Mortality	PubG-2010 mortality table multiplied by 122% for males and 119% for females, projected generationally using Scale MP-2019 mortality improvement rates multiplied by 86% for males and 79% for females
Participation	100%

The discount rate used to measure the total OPEB liability as of December 31, 2022 and 2021 was 3.72% and 2.06%, respectively.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 8. Other Post-Employment Benefits (continued)

#### *Total OPEB Liability (continued)*

The source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

#### *Changes in the Total OPEB Liability 2022:*

Balance at December 31, 2021	\$ 238,860,656
Changes for the year:	
Service cost	9,916,363
Interest	5,044,582
Changes of benefit terms	-
Differences between expected and actual experience	(2,024,789)
Changes of assumptions or other inputs	(47,795,411)
Benefits payments (employer)	(7,788,763)
Other	-
Net changes	<u>(42,648,018)</u>
Balance at December 31, 2022	<u>\$ 196,212,638</u>

#### *Changes in the Total OPEB Liability 2021:*

Balance at December 31, 2020	\$ 232,435,706
Changes for the year:	
Service cost	9,660,422
Interest	5,053,409
Changes of benefit terms	-
Differences between expected and actual experience	(8,027,532)
Changes of assumptions or other inputs	7,194,238
Benefits payments (employer)	(7,455,587)
Other	-
Net changes	<u>6,424,950</u>
Balance at December 31, 2021	<u>\$ 238,860,656</u>



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**8. Other Post-Employment Benefits (continued)**

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at December 31, 2022 and 2021:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
<u>December 31, 2022</u>			
Total OPEB liability	\$ 227,448,506	\$ 196,212,638	\$ 171,190,347
	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
<u>December 31, 2021</u>			
Total OPEB liability	\$ 282,812,547	\$ 238,860,656	\$ 204,369,555

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates at December 31, 2022 and 2021:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>December 31, 2022</u>			
Total OPEB liability	\$ 170,118,470	\$ 196,212,638	\$ 228,989,632
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>December 31, 2021</u>			
Total OPEB liability	\$ 202,864,992	\$ 238,860,656	\$ 285,147,484

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 8. Other Post-Employment Benefits (continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the years ended December 31, 2022 and 2021, the Board recognized OPEB expense of \$18,673,485 and \$26,865,546, respectively. At December 31, 2022 and 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

#### December 31, 2022

Changes of assumptions or other inputs	\$ 14,143,532	\$ 35,846,558
Differences between expected and actual experience	-	8,161,727
Total	<u>\$ 14,143,532</u>	<u>\$ 44,008,285</u>

#### December 31, 2021

Changes of assumptions or other inputs	\$ 33,681,384	\$ -
Differences between expected and actual experience	-	10,075,258
Total	<u>\$ 33,681,384</u>	<u>\$ 10,075,258</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	\$ (4,621,331)
2024	(12,621,708)
2025	(12,621,714)

### 9. Commitments

#### A. Capital Improvements

At December 31, 2022, the Board's budget for its ten-year capital improvements program totaled approximately \$2.5 billion, which includes \$441 million in capital expenditures for the year ending December 31, 2023 and provides for the following activities:

- Continue transformative power complex construction at the Carrollton water plant;
- Continue Joint Infrastructure Recovery Road in conjunction with City of New Orleans Department of Public Works;
- Comply with regulatory requirements under the Sewer Consent Decree;
- Complete rehabilitation of Claiborne and Panola pumping stations of Water Hammer project;
- Participate in drainage system improvements in coordination with SELA Program;
- Initiate Automated Meter Infrastructure project.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
(Continued)

9. Commitments

A. Capital Improvements (continued)

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2022, the Board has \$157,140,188 of cash and cash equivalents restricted for future capital projects.

B. Self-insurance

The Board is self-insured for general liability, workers' compensation, and hospitalization benefits and claims. Settled claims have not exceeded excess coverage in any of the past three fiscal years. Hospitalization benefits are charged to payroll related expense.

General liability claims are segregated internally depending on the scope and type of claim and are handled either by the Office of the Special Counsel or Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The claims expense (recovery) provision for 2022 and 2021 amounted to \$1,840,165 and (\$313,231), respectively.

Worker's compensation expense provision for 2022 and 2021 amounted to \$3,205,093 and \$4,099,695, respectively.

The medical claims for the Board's self-insured health plan are administered by a third-party administrator. The Board's expense provision in excess of employee contributions for 2022 and 2021 was \$12,425,458 and \$10,109,420, respectively, and is included in payroll related expenses.

Changes in the claims payable amount are as follows (health payments are reflected net of contributions):

	2022	2021
Beginning of Year	\$ 47,113,434	\$ 47,606,094
Current Year Claims and Estimate Change	17,470,716	13,895,884
Claim Payments	(16,487,820)	(14,388,544)
End of Year	<u>\$ 48,096,330</u>	<u>\$ 47,113,434</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**9. Commitments (continued)**

**B. Self-insurance (continued)**

The composition of claims payable is as follows:

	<u>2022</u>	<u>2021</u>
Short-term:		
Workers' compensation	\$ 1,670,678	\$ 1,940,341
Health insurance	<u>2,775,000</u>	<u>2,400,000</u>
Total short-term	<u>4,445,678</u>	<u>4,340,341</u>
Long-term:		
Workers' compensation	110,336	437,826
General liability	<u>43,540,316</u>	<u>42,335,267</u>
Total long-term	<u>43,650,652</u>	<u>42,773,093</u>
Total	<u>\$ 48,096,330</u>	<u>\$ 47,113,434</u>

**C. Regulatory Matters**

The Sewer System Evaluation and Rehabilitation Program (SSERP) was initially estimated to cost the Board \$408.2 million by the original Consent Decree with an end date of 2015. However, the Board has negotiated, and continues to negotiate with U.S. Environmental Protection Agency (EPA), extensions beyond the original Consent Decree deadline. Consequently, the original Consent Decree has been modified to currently provide an end date of October 2025.

The Board participates in a number of federal programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2022 might be impaired.

In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Board.

**10. Deferred Compensation Plan**

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the employees, therefore the assets of the plan are not included in these financial statements.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

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### 11. Budgets

Operating and capital expenditure budgets are adopted by the Board on a basis consistent with accounting principles generally accepted in the United States. While not legally required, this budgetary information is employed as a management control device during the year. Comparison between actual and budgeted expenses is not a required presentation for an Enterprise Fund.

### 12. Property Taxes

Property taxes are levied by the City. Taxes on real and personal property attach as an enforceable lien on the property as of January 1. Taxes are levied on January 1, payable on January 1, and delinquent on February 15 for 2023.

The assessed value of the property is determined by an elected Assessor. The assessed value for 2022 and 2021 was \$4,244,925,520 and \$4,269,786,671, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2022 and 2021 was \$16.23 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction, and extension of the drainage system (except for subsurface systems).

### 13. Tax Abatement Agreement

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the “State Board”), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Restoration Tax Abatement Program (“RTAP”).

Under the RTAP, as authorized by Article 7, Section 21(H) of the Louisiana Constitution and Louisiana Revised Statutes 47:4311, companies that expand, restore, improve, or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority for a property tax exemption. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

The City Council of the City of New Orleans approved tax abatement projects of which \$1,138,168 and \$499,962 was for the Board for the years ended December 31, 2022 and 2021, respectively.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**14. Segment Information**

The Board issued revenue bonds to finance its water and sewerage departments which operate the Board's water and sewerage treatment plants and distribution and collection systems. These bonds are accounted for in separate water and sewer funds, as investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

Summary financial information for these departments as of and for the years ended December 31 is as follows:

	<b>Condensed Statements of Net Position</b>			
	<b>Water</b>		<b>Sewer</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Assets:				
Current unrestricted assets	\$ 92,681,947	\$ 91,765,704	\$ 79,295,507	\$ 88,738,570
Restricted assets	28,073,078	25,857,890	97,863,225	113,811,746
Other assets	13,998,071	13,912,079	17,965	17,965
Property, plant and equipment	844,881,304	777,073,438	1,192,613,253	1,151,507,012
Total assets	979,634,400	908,609,111	1,369,789,950	1,354,075,293
Deferred outflows of resources:	35,774,622	33,538,786	30,628,440	28,206,398
Total assets and deferred outflows	<u>\$ 1,015,409,022</u>	<u>\$ 942,147,897</u>	<u>\$ 1,400,418,390</u>	<u>\$ 1,382,281,691</u>
Liabilities:				
Current	\$ 76,404,381	\$ 70,815,276	\$ 45,939,642	\$ 49,907,466
Current liabilities payable from restricted assets	7,386,749	7,198,476	13,352,542	15,532,367
Noncurrent liabilities	340,650,928	343,118,171	432,859,741	439,399,482
Total liabilities	<u>424,442,058</u>	<u>421,131,923</u>	<u>492,151,925</u>	<u>504,839,315</u>
Deferred inflows of resources:	<u>15,534,280</u>	<u>12,135,687</u>	<u>15,534,281</u>	<u>12,135,687</u>
Net position:				
Net investment in capital assets	664,001,089	568,281,240	990,904,470	939,821,295
Restricted	8,982,884	8,944,676	15,782,401	16,855,297
Unrestricted (deficit)	<u>(97,551,289)</u>	<u>(68,345,629)</u>	<u>(113,954,687)</u>	<u>(91,369,903)</u>
Total net position	<u>575,432,684</u>	<u>508,880,287</u>	<u>892,732,184</u>	<u>865,306,689</u>
Total liabilities, deferred inflows, and net position	<u>\$ 1,015,409,022</u>	<u>\$ 942,147,897</u>	<u>\$ 1,400,418,390</u>	<u>\$ 1,382,281,691</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 14. Segment Information (continued)

	Condensed Statements of Revenues, Expenses, and Changes in Net Position			
	Water		Sewer	
	2022	2021	2022	2021
Service charges, pledged against bonds	\$ 119,977,455	\$ 120,090,444	\$ 152,291,934	\$ 151,864,835
Depreciation expense	(14,909,194)	(14,122,699)	(29,012,017)	(28,627,724)
Other operating expenses	(103,383,011)	(93,110,350)	(105,633,826)	(104,688,346)
Operating income (loss)	1,685,250	12,857,395	17,646,091	18,548,765
Nonoperating revenues (expenses):				
Contributions from other governments	9,491,730	2,848,138	-	-
Investment earnings	590,846	189,874	2,236,457	1,191,487
Other	(720,806)	(1,764,556)	4,632,151	(5,009,327)
Interest expense	(6,808,558)	(5,360,760)	(9,341,948)	(8,417,206)
Total nonoperating revenues (expenses)	2,553,212	(4,087,304)	(2,473,340)	(12,235,046)
Capital contributions	62,313,935	79,002,535	12,252,744	11,295,816
Change in net position	66,552,397	87,772,626	27,425,495	17,609,535
Beginning net position	508,880,287	421,107,661	865,306,689	847,697,154
Ending net position	\$ 575,432,684	\$ 508,880,287	\$ 892,732,184	\$ 865,306,689

	Condensed Statements of Cash Flows			
	Water		Sewer	
	2022	2021	2022	2021
Net cash provided by (used in):				
Operating activities	\$ 29,258,272	\$ 22,395,399	\$ 76,080,643	\$ 58,201,775
Noncapital financing activities	9,779,157	2,987,867	5,380,267	170,843
Capital and related financing activities	(21,820,777)	(33,424,094)	(89,274,193)	(53,057,290)
Investing activities	443,570	189,874	1,474,700	130,320
Net increase (decrease)	17,660,222	(7,850,954)	(6,338,583)	5,445,648
Cash and cash equivalents:				
Beginning of year	50,934,787	58,785,741	164,614,096	159,168,448
End of year	\$ 68,595,009	\$ 50,934,787	\$ 158,275,513	\$ 164,614,096

### 15. Recent Accounting Pronouncements

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This standard did not have a significant impact on the Board's financial statements and related notes.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

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**16. Revenue Bonds Debt Service Coverage (Unaudited)**

Each of the General Bond Resolutions governing the Series 2014, 2015, 2020, and 2021 Bonds have certain covenant requirements regarding net revenue available for debt service. The Board is in compliance with these particular covenants for the year ended December 31, 2022, as provided for in the respective General Bond Resolutions. The net revenue available for debt service in the Board's debt service coverage calculations is presented in Section III, Statistical Information (Unaudited).



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**Required Supplementary Information Under GASB Statement No. 67, 68, and 71**  
**For the years ended December 31, 2022 and 2021**

**SCHEDULE OF NET PENSION LIABILITY**

Actuarial Valuation Date December 31	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Payroll
2022	\$ 356,975,942	\$ 223,360,220	\$ 133,615,722	62.57%	\$ 62,430,620	214.02%
2021	350,483,713	274,480,177	76,003,536	78.31%	57,531,267	132.11%
2020	345,916,129	248,401,024	97,515,105	71.81%	54,856,389	177.76%
2019	344,719,120	239,677,702	105,041,418	69.53%	53,213,682	197.40%
2018	339,153,248	215,279,783	123,873,465	63.48%	50,679,697	244.42%
2017	318,218,035	235,284,317	82,933,718	73.94%	41,822,648	198.30%
2016	305,105,919	224,356,261	80,749,658	73.53%	35,363,156	228.34%
2015	299,395,091	222,427,527	76,967,564	74.29%	33,672,902	228.57%
2014	296,244,723	236,556,671	59,688,052	79.85%	31,378,001	190.22%
2013	290,919,481	234,358,565	56,560,916	80.56%	29,706,715	190.40%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll Contribution	Contributions as a % of Covered Payroll
2022	\$ 10,578,958	\$ 10,914,917	\$ (335,959)	\$ 57,531,267	18.97%
2021	10,614,595	9,861,935	752,660	54,856,389	17.98%
2020	10,263,698	10,392,532	(128,834)	53,213,682	19.53%
2019	10,156,701	10,466,009	(309,308)	50,679,697	20.65%
2018	8,435,598	8,419,441	16,157	41,822,648	20.13%
2017	10,545,867	7,239,467	3,306,400	35,363,156	20.47%
2016	11,024,398	6,407,201	4,617,197	33,672,902	19.03%
2015	10,799,993	6,506,652	4,293,341	31,378,001	20.74%
2014	11,171,823	6,055,890	5,115,933	29,706,715	20.39%
2013	11,086,546	5,946,614	5,139,932	29,706,715	20.02%

**Note to schedule:**

Valuation Date: January 1, 2022

Actuarially determined contribution rates are calculated as of January 1, 2021, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age
Amortization method	Level dollar, layeres closed periods
Remaining amortization period	Layered amortization with 29 years remaining on unfunded accrued liability at date of transition to funding method
Asset valuation method	7-year smoothed market
Inflation	2.5%
Salary increases	4.00% to 6.25%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Rates that vary by age and service
Mortality	Amount-weighted General Tables (i.e., PubG-2010 multiplied by 122% for males and 119% for females projected generationally using Scale MP-2019 mortality improvement rates with the male projection factors multiplied by 86% and female projection factors multiplied by 79%

**SCHEDULE OF INVESTMENT RETURNS**

Year Ended	Net Money-Weighted Rate of Return
2022	-14.41%
2021	14.96%
2020	9.67%
2019	15.97%
2018	-3.31%
2017	10.52%
2016	5.42%
2015	-1.79%
2014	4.94%

**Note to schedule:**

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**Required Supplementary Information Under GASB Statement No. 67, 68, and 71**  
**For the years ended December 31, 2022 and 2021**  
**(continued)**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 5,311,264	\$ 5,396,701	\$ 5,149,327	\$ 4,812,453	\$ 4,354,989	\$ 3,797,316	\$ 3,030,912	\$ 2,788,621	\$ 3,417,599
Interest on total pension liability	23,940,992	23,747,666	23,570,547	23,277,459	21,763,800	21,357,414	20,957,657	20,737,131	20,364,364
Effect of plan changes	-	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	4,072,398	(942,832)	(8,492,559)	-	(5,689,086)	9,734,775	834,712	(1,978,038)	(1,721,210)
Effect of assumption changes or inputs	-	-	6,514,569	-	23,596,233	-	-	-	-
Benefit payments	(27,561,617)	(24,120,913)	(26,292,694)	(22,861,142)	(23,323,178)	(21,777,389)	(19,112,455)	(18,397,344)	(16,735,511)
Other	729,192	486,962	747,818	337,103	232,455	-	-	-	-
<b>Net change in total pension liability</b>	<b>6,492,229</b>	<b>4,567,584</b>	<b>1,197,008</b>	<b>5,565,873</b>	<b>20,935,213</b>	<b>13,112,116</b>	<b>5,710,826</b>	<b>3,150,370</b>	<b>5,325,242</b>
<b>Total pension liability, beginning</b>	<b>350,483,713</b>	<b>345,916,129</b>	<b>344,719,121</b>	<b>339,153,248</b>	<b>318,218,035</b>	<b>305,105,919</b>	<b>299,395,093</b>	<b>296,244,723</b>	<b>290,919,481</b>
<b>Total pension liability, ending (a)</b>	<b>356,975,942</b>	<b>350,483,713</b>	<b>345,916,129</b>	<b>344,719,121</b>	<b>339,153,248</b>	<b>318,218,035</b>	<b>305,105,919</b>	<b>299,395,093</b>	<b>296,244,723</b>
<b>Plan Fiduciary Net Position</b>									
Employer contributions	10,914,917	9,861,935	10,392,532	10,466,009	8,419,441	7,239,467	6,407,201	6,506,652	6,055,890
Employee contributions	3,486,071	2,979,077	3,015,231	2,793,158	2,535,027	2,139,705	2,063,122	1,847,259	1,535,723
Investment income (loss), net of investment expenses	(38,688,520)	36,872,091	20,860,435	33,662,791	(7,868,279)	23,326,273	12,570,866	(4,085,711)	11,342,004
Benefit payments	(27,561,617)	(24,120,913)	(26,292,694)	(22,861,142)	(23,323,178)	(21,777,389)	(19,112,455)	(18,397,344)	(16,735,511)
Administrative expenses	-	-	-	-	-	-	-	-	-
Other	729,192	486,963	747,818	337,103	232,455	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(51,119,957)</b>	<b>26,079,153</b>	<b>8,723,322</b>	<b>24,397,919</b>	<b>(20,004,534)</b>	<b>10,928,056</b>	<b>1,928,734</b>	<b>(14,129,144)</b>	<b>2,198,106</b>
<b>Plan fiduciary net position, beginning</b>	<b>274,480,177</b>	<b>248,401,024</b>	<b>239,677,702</b>	<b>215,279,783</b>	<b>235,284,317</b>	<b>224,356,261</b>	<b>222,427,527</b>	<b>236,556,671</b>	<b>234,358,565</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 223,360,220</b>	<b>\$ 274,480,177</b>	<b>\$ 248,401,024</b>	<b>\$ 239,677,702</b>	<b>\$ 215,279,783</b>	<b>\$ 235,284,317</b>	<b>\$ 224,356,261</b>	<b>\$ 222,427,527</b>	<b>\$ 236,556,671</b>
<b>Board's net pension liability, ending = (a) - (b)</b>	<b>\$ 133,615,722</b>	<b>\$ 76,003,536</b>	<b>\$ 97,515,105</b>	<b>\$ 105,041,419</b>	<b>\$ 123,873,465</b>	<b>\$ 82,933,718</b>	<b>\$ 80,749,658</b>	<b>\$ 76,967,566</b>	<b>\$ 59,688,052</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>62.57%</b>	<b>78.31%</b>	<b>71.81%</b>	<b>69.53%</b>	<b>63.48%</b>	<b>73.94%</b>	<b>73.53%</b>	<b>74.29%</b>	<b>79.85%</b>
<b>Covered payroll</b>	<b>\$ 62,430,620</b>	<b>\$ 57,531,267</b>	<b>\$ 54,856,389</b>	<b>\$ 53,213,682</b>	<b>\$ 50,679,697</b>	<b>\$ 41,822,648</b>	<b>\$ 35,363,156</b>	<b>\$ 33,672,902</b>	<b>\$ 31,378,001</b>
<b>Board's net pension liability as a % of covered payroll</b>	<b>214.02%</b>	<b>132.11%</b>	<b>177.76%</b>	<b>197.40%</b>	<b>244.42%</b>	<b>198.30%</b>	<b>228.34%</b>	<b>228.57%</b>	<b>190.22%</b>

**Notes to Schedules:**

1. This schedule is prepared using the optional format of combining the required schedules in Paragraph Nos. 46.a. and 46.b. of GASB No. 68. Until a full 10-year trend is compiled, governments should present information for those years for which information is available. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. History prior to 2014 is not shown in this report but is maintained by the employer.
2. Information is presented using a December 31, 2022 measurement date as permitted under Paragraph No. 20 of GASB No. 68.
3. City annuity and other transfers in; prior to 2018, these amounts were combined with "Benefit payments, including refunds of employee contributions".
- 4 Total compensation (not just pensionable compensation, if different) based on census used in the valuation per Q/A No. 106 of the *Guide to Implementation of GASB Statement 68*.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**Required Supplementary Information Under GASB Statement No. 75**  
**For the years ended December 31, 2022 and 2021**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Financial Statement Reporting Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Measurement Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	\$ 9,916,363	\$ 9,660,422	\$ 6,342,348	\$ 4,509,679	\$ 5,134,251
Interest	5,044,582	5,053,409	5,433,031	6,533,926	5,926,129
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,024,789)	(8,027,532)	(7,306,463)	-	-
Changes of assumptions or other inputs	(47,795,411)	7,194,238	39,307,974	33,088,043	(16,063,510)
Benefit payments (employer)	(7,788,763)	(7,455,587)	(6,569,278)	(7,515,819)	(7,043,121)
Net change in total OPEB liability	(42,648,018)	6,424,950	37,207,612	36,615,829	(12,046,251)
Total OPEB liability - beginning	238,860,656	232,435,706	195,228,094	158,612,265	170,658,516
Total OPEB liability - ending	<u>\$ 196,212,638</u>	<u>\$ 238,860,656</u>	<u>\$ 232,435,706</u>	<u>\$ 195,228,094</u>	<u>\$ 158,612,265</u>
Covered payroll	<u>\$ 62,430,620</u>	<u>\$ 57,531,267</u>	<u>\$ 54,856,389</u>	<u>\$ 53,213,682</u>	<u>\$ 50,679,697</u>
Total OPEB liability as a percentage of covered payroll	314.29%	415.18%	423.72%	366.88%	312.97%

**Notes to Schedule:**

1. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
2. Information is presented using measurement date which is the same as the fiscal year end.
3. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.
4. *Benefit Changes:* None.
5. *Changes in assumptions or other inputs for FY2022:* Assumed Expenses, Assumed Per Capita Health Benefit Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate was updated to 3.72% for the end of FY2022.
6. *Changes in assumptions or other inputs for FY2021:* Assumed Expenses, Assumed Per Capita Health Benefit Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate was updated to 2.06% for the end of FY2021.
7. *Changes in assumptions or other inputs for FY2020:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, certain demographic and economic assumptions (i.e., rates of retirement, disability, termination and mortality, DROP participation, credited service for unused leave, assumed age difference for future retiree spouses and assumed salary increases) have been updated to reflect assumptions adopted by the Board of Trustees since the last valuation date. Lastly, the discount rate was updated to 2.12% for the end of FY2020.
8. *Changes in assumptions or other inputs for FY2019:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate was updated to 2.74% for the end of FY2019.
9. *Changes in assumptions or other inputs for FY2018:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate is as follows:
 

End of year 2018	4.10%
Beginning of year 2018	3.44%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF NET POSITION BY DEPARTMENT**  
**ENTERPRISE FUND**  
**As of December 31, 2022 and 2021**

	<b>Water System</b>		<b>Sewerage System</b>		<b>Drainage System</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS AND DEFERED OUTFLOWS OF RESOURCES</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 32,381,533	\$ 17,022,491	\$ 60,469,288	\$ 50,859,350	\$ 32,334,641	\$ 29,555,040	\$ 125,185,462	\$ 97,436,881
Investments	-	-	1,571	286,334	-	-	1,571	286,334
Accounts receivable:								
Customers, net of allowance	13,911,563	24,685,190	10,472,650	25,284,738	-	-	24,384,213	49,969,928
Taxes	-	-	-	-	3,619,797	3,104,961	3,619,797	3,104,961
Grants	36,347,124	48,349,319	8,313,547	2,572,371	14,118,094	2,228,192	58,778,765	53,149,882
Miscellaneous	(75,217)	619,306	235,301	423,934	1,448,644	1,438,153	1,608,728	2,481,393
Due from (to) other internal departments	6,895,931	(1,836,141)	(2,452,374)	7,070,321	(4,443,557)	(5,234,180)	-	-
Inventory of supplies	2,787,538	2,583,029	1,976,630	2,053,593	1,290,883	1,329,363	6,055,051	5,965,985
Prepaid expenses	433,475	342,510	278,894	187,929	229,873	184,360	942,242	714,799
Total unrestricted and undesignated	<u>92,681,947</u>	<u>91,765,704</u>	<u>79,295,507</u>	<u>88,738,570</u>	<u>48,598,375</u>	<u>32,605,889</u>	<u>220,575,829</u>	<u>213,110,163</u>
Total current assets	<u>92,681,947</u>	<u>91,765,704</u>	<u>79,295,507</u>	<u>88,738,570</u>	<u>48,598,375</u>	<u>32,605,889</u>	<u>220,575,829</u>	<u>213,110,163</u>
<b>Noncurrent assets:</b>								
Restricted cash, cash equivalents, and investments								
Cash and cash equivalents restricted for capital projects	15,662,158	13,485,178	81,214,769	96,090,394	60,263,261	266,047	157,140,188	109,841,619
Investments restricted for capital projects	2,584,723	2,584,723	57,000	57,000	-	-	2,641,723	2,641,723
Health insurance reserve	843,313	843,313	809,055	809,055	747,632	747,632	2,400,000	2,400,000
Debt service	8,982,884	8,944,676	15,782,401	16,855,297	28,851	-	24,794,136	25,799,973
Total restricted cash, cash equivalents, and investments	<u>28,073,078</u>	<u>25,857,890</u>	<u>97,863,225</u>	<u>113,811,746</u>	<u>61,039,744</u>	<u>1,013,679</u>	<u>186,976,047</u>	<u>140,683,315</u>
Property, plant and equipment	1,243,503,406	1,164,841,875	1,597,150,682	1,530,759,859	2,196,677,829	2,105,658,706	5,037,331,917	4,801,260,440
Less: accumulated depreciation	<u>398,622,102</u>	<u>387,768,437</u>	<u>404,537,429</u>	<u>379,252,847</u>	<u>459,356,614</u>	<u>437,844,648</u>	<u>1,262,516,145</u>	<u>1,204,865,932</u>
Property, plant, and equipment, net	<u>844,881,304</u>	<u>777,073,438</u>	<u>1,192,613,253</u>	<u>1,151,507,012</u>	<u>1,737,321,215</u>	<u>1,667,814,058</u>	<u>3,774,815,772</u>	<u>3,596,394,508</u>
Other assets								
Customer deposits - cash	10,725,121	10,639,129	-	-	-	-	10,725,121	10,639,129
Customer deposits - investments	3,250,000	3,250,000	-	-	-	-	3,250,000	3,250,000
Deposits	<u>22,950</u>	<u>22,950</u>	<u>17,965</u>	<u>17,965</u>	<u>10,400</u>	<u>10,400</u>	<u>51,315</u>	<u>51,315</u>
Total other assets	<u>13,998,071</u>	<u>13,912,079</u>	<u>17,965</u>	<u>17,965</u>	<u>10,400</u>	<u>10,400</u>	<u>14,026,436</u>	<u>13,940,444</u>
Total noncurrent assets	<u>886,952,453</u>	<u>816,843,407</u>	<u>1,290,494,443</u>	<u>1,265,336,723</u>	<u>1,798,371,359</u>	<u>1,668,838,137</u>	<u>3,975,818,255</u>	<u>3,751,018,267</u>
Total assets	<u>979,634,400</u>	<u>908,609,111</u>	<u>1,369,789,950</u>	<u>1,354,075,293</u>	<u>1,846,969,734</u>	<u>1,701,444,026</u>	<u>4,196,394,084</u>	<u>3,964,128,430</u>
<b>Deferred outflows of resources:</b>								
Deferred amounts related to net pension liability	12,167,384	2,597,509	12,167,384	2,597,509	12,167,384	2,597,509	36,502,152	7,792,527
Deferred amounts related to total OPEB liability	4,714,511	11,227,128	4,714,510	11,227,127	4,714,511	11,227,129	14,143,532	33,681,384
Deferred amounts related to bonds refunding	<u>18,892,727</u>	<u>19,714,149</u>	<u>13,746,546</u>	<u>14,381,762</u>	<u>-</u>	<u>30,581</u>	<u>32,639,273</u>	<u>34,126,492</u>
Total deferred outflows of resources	<u>35,774,622</u>	<u>33,538,786</u>	<u>30,628,440</u>	<u>28,206,398</u>	<u>16,881,895</u>	<u>13,855,219</u>	<u>83,284,957</u>	<u>75,600,403</u>
Total assets and deferred outflows of resources	<u>\$ 1,015,409,022</u>	<u>\$ 942,147,897</u>	<u>\$ 1,400,418,390</u>	<u>\$ 1,382,281,691</u>	<u>\$ 1,863,851,629</u>	<u>\$ 1,715,299,245</u>	<u>\$ 4,279,679,041</u>	<u>\$ 4,039,728,833</u>

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF NET POSITION BY DEPARTMENT, CONTINUED**  
**ENTERPRISE FUND**  
**As of December 31, 2022 and 2021**

	<b>Water System</b>		<b>Sewerage System</b>		<b>Drainage System</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION</b>								
Current liabilities (payable from current assets):								
Accounts payable	\$ 56,559,959	\$ 53,740,456	\$ 35,140,233	\$ 37,383,433	\$ 20,487,675	\$ 17,003,715	\$ 112,187,867	\$ 108,127,604
Due to City of New Orleans	4,735,586	2,885,762	-	-	-	-	4,735,586	2,885,762
Retainers and estimates payable	8,260,130	5,794,966	2,073,073	2,299,476	2,210,195	1,434,469	12,543,398	9,528,911
Due to other fund	172,482	162,687	86,464	76,363	107,863	92,963	366,809	332,013
Accrued salaries	346,340	222,780	924,808	882,293	1,038,120	838,760	2,309,268	1,943,833
Claims payable	1,557,739	1,490,093	1,523,481	1,455,836	1,364,458	1,394,412	4,445,678	4,340,341
Total OPEB liability, due within one year	2,596,255	2,485,196	2,596,255	2,485,196	2,596,255	2,485,196	7,788,765	7,455,588
Southeast Louisiana Project liability, current portion	-	-	-	-	3,334,582	1,900,202	3,334,582	1,900,202
Debt Service Assistance Fund loan payable	-	-	3,037,178	2,902,502	-	-	3,037,178	2,902,502
Advances from federal government	-	2,755,068	-	1,976,305	-	-	-	4,731,373
Other liabilities	2,175,890	1,278,268	558,150	446,062	18,844	18,844	2,752,884	1,743,174
Total Current liabilities (payable from current assets):	<u>76,404,381</u>	<u>70,815,276</u>	<u>45,939,642</u>	<u>49,907,466</u>	<u>31,157,992</u>	<u>25,168,561</u>	<u>153,502,015</u>	<u>145,891,303</u>
Current liabilities (payable from restricted assets):								
Accrued interest	486,749	503,476	1,045,542	1,084,367	118,948	3,750	1,651,239	1,591,593
Bonds payable	6,900,000	6,695,000	12,307,000	14,448,000	8,310,000	2,000,000	27,517,000	23,143,000
Total current liabilities (payable from restricted assets):	<u>7,386,749</u>	<u>7,198,476</u>	<u>13,352,542</u>	<u>15,532,367</u>	<u>8,428,948</u>	<u>2,003,750</u>	<u>29,168,239</u>	<u>24,734,593</u>
Total current liabilities	<u>83,791,130</u>	<u>78,013,752</u>	<u>59,292,184</u>	<u>65,439,833</u>	<u>39,586,940</u>	<u>27,172,311</u>	<u>182,670,254</u>	<u>170,625,896</u>
Long-term liabilities:								
Claims payable, net of current portion	3,888,797	4,221,184	4,588,703	5,106,112	35,173,152	33,445,797	43,650,652	42,773,093
Accrued vacation and sick pay	4,320,655	4,371,224	5,178,799	4,075,937	2,304,427	2,174,782	11,803,881	10,621,943
Net pension liability	44,538,574	25,334,512	44,538,574	25,334,512	44,538,574	25,334,512	133,615,722	76,003,536
Total OPEB liability, net of current portion	62,807,958	77,135,023	62,807,957	77,135,022	62,807,958	77,135,023	188,423,873	231,405,068
Bonds payable, net of current maturities	211,119,823	218,167,099	284,420,098	293,385,111	36,690,000	-	532,229,921	511,552,210
Southeast Louisiana Project liability, net of current portion	-	-	-	-	213,894,398	204,789,827	213,894,398	204,789,827
Debt Service Assistance Fund loan payable, net of current maturities	-	-	31,325,610	34,362,788	-	-	31,325,610	34,362,788
Customer deposits	13,975,121	13,889,129	-	-	-	-	13,975,121	13,889,129
Total long-term liabilities	<u>340,650,928</u>	<u>343,118,171</u>	<u>432,859,741</u>	<u>439,399,482</u>	<u>395,408,509</u>	<u>342,879,941</u>	<u>1,168,919,178</u>	<u>1,125,397,594</u>
Total liabilities	<u>424,442,058</u>	<u>421,131,923</u>	<u>492,151,925</u>	<u>504,839,315</u>	<u>434,995,449</u>	<u>370,052,252</u>	<u>1,351,589,432</u>	<u>1,296,023,490</u>
Deferred inflows of resources:								
Deferred amounts related to net pension liability	864,852	8,777,268	864,852	8,777,268	864,852	8,777,268	2,594,556	26,331,804
Deferred amounts related to total OPEB liability	14,669,428	3,358,419	14,669,429	3,358,419	14,669,428	3,358,420	44,008,285	10,075,258
Total deferred inflows of resources	<u>15,534,280</u>	<u>12,135,687</u>	<u>15,534,281</u>	<u>12,135,687</u>	<u>15,534,280</u>	<u>12,135,688</u>	<u>46,602,841</u>	<u>36,407,062</u>
Net position:								
Net investment in capital assets	655,740,959	562,486,274	988,831,397	937,521,819	1,533,145,301	1,457,955,607	3,177,717,657	2,957,963,700
Restricted for debt service	8,496,135	8,441,200	14,736,859	15,770,930	-	-	23,232,994	24,212,130
Unrestricted (deficit)	<u>(88,804,410)</u>	<u>(62,047,187)</u>	<u>(110,836,072)</u>	<u>(87,986,060)</u>	<u>(119,823,401)</u>	<u>(124,844,302)</u>	<u>(319,463,883)</u>	<u>(274,877,549)</u>
Total net position	<u>575,432,684</u>	<u>508,880,287</u>	<u>892,732,184</u>	<u>865,306,689</u>	<u>1,413,321,900</u>	<u>1,333,111,305</u>	<u>2,881,486,768</u>	<u>2,707,298,281</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,015,409,022</u>	<u>\$ 942,147,897</u>	<u>\$ 1,400,418,390</u>	<u>\$ 1,382,281,691</u>	<u>\$ 1,863,851,629</u>	<u>\$ 1,715,299,245</u>	<u>\$ 4,279,679,041</u>	<u>\$ 4,039,728,833</u>

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DEPARTMENT**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2022 and 2021**

	<b>Water System</b>		<b>Sewerage System</b>		<b>Drainage System</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Operating revenues:								
Sales of water and delinquent fees	\$ 117,382,185	\$ 118,236,180	\$ -	\$ -	\$ -	\$ -	\$ 117,382,185	\$ 118,236,180
Sewerage service charges	-	-	150,932,239	150,364,182	-	-	150,932,239	150,364,182
Plumbing inspection and license fees	243,815	230,788	243,325	230,622	-	-	487,140	461,410
Other revenues	2,351,455	1,623,476	1,116,370	1,270,031	1,720,510	3,386,920	5,188,335	6,280,427
Total operating revenues	119,977,455	120,090,444	152,291,934	151,864,835	1,720,510	3,386,920	273,989,899	275,342,199
Operating Expenses:								
Power and pumping	3,166,050	2,866,665	6,661,355	6,552,230	10,439,338	13,546,345	20,266,743	22,965,240
Treatment	13,393,447	9,213,790	14,947,070	17,455,004	-	-	28,340,517	26,668,794
Transmission and distribution	13,129,981	14,124,827	18,456,206	16,820,357	5,609,014	4,717,343	37,195,201	35,662,527
Customer accounts	2,747,688	2,490,302	2,747,684	2,490,299	28,689	12,398	5,524,061	4,992,999
Customer service	4,957,796	5,140,923	4,957,793	5,140,920	60,397	68,639	9,975,986	10,350,482
Administration and general	11,198,084	9,488,031	14,405,582	12,367,756	7,052,233	5,895,823	32,655,899	27,751,610
Payroll related expenses	22,687,903	19,872,164	23,472,968	19,873,342	16,078,072	13,410,074	62,238,943	53,155,580
Maintenance of general plant	19,084,067	15,809,507	4,284,991	6,815,426	5,626,952	4,903,496	28,996,010	27,528,429
Depreciation	14,909,194	14,122,699	29,012,017	28,627,724	21,803,357	21,500,475	65,724,568	64,250,898
Provision for doubtful accounts	12,101,055	12,485,584	14,923,301	15,788,546	-	4,479	27,024,356	28,278,609
Provision for claims	916,940	1,618,557	776,876	1,384,466	2,300,141	124,439	3,993,957	3,127,462
Total operating expenses	118,292,205	107,233,049	134,645,843	133,316,070	68,998,193	64,183,511	321,936,241	304,732,630
Operating income (loss)	1,685,250	12,857,395	17,646,091	18,548,765	(67,277,683)	(60,796,591)	(47,946,342)	(29,390,431)
Non-operating revenues (expenses):								
Three-mill tax	-	-	-	-	18,042,189	17,545,136	18,042,189	17,545,136
Six-mill tax	-	-	-	-	18,328,446	18,345,424	18,328,446	18,345,424
Nine-mill tax	-	-	-	-	27,831,035	27,514,521	27,831,035	27,514,521
Two-mill tax	-	-	-	-	396	284	396	284
Other taxes	262,203	132,337	327,017	165,050	-	-	589,220	297,387
Contributions from other governments	9,491,730	2,848,138	5,051,695	-	5,964,263	4,148,226	20,507,688	6,996,364
Federal noncapital grants	25,224	7,392	1,555	5,793	1,871	2,658	28,650	15,843
Interest income	590,846	189,874	2,236,457	1,191,487	526,466	41,854	3,353,769	1,423,215
Bond issuance costs	-	(2,836,057)	(246,640)	(3,492,598)	(210,225)	-	(456,865)	(6,328,655)
Interest expense	(6,808,558)	(5,360,760)	(9,341,948)	(8,417,206)	(3,788,286)	(114,203)	(19,938,792)	(13,892,169)
Provision for grants	(1,008,233)	931,772	(501,476)	(1,687,572)	(166,019)	(23,831)	(1,675,728)	(779,631)
Total non-operating revenues (expenses)	2,553,212	(4,087,304)	(2,473,340)	(12,235,046)	66,530,136	67,460,069	66,610,008	51,137,719
Income (expenses) before capital contributions	4,238,462	8,770,091	15,172,751	6,313,719	(747,547)	6,663,478	18,663,666	21,747,288
Capital contributions	62,313,935	79,002,535	12,252,744	11,295,816	80,958,142	22,645,197	155,524,821	112,943,548
Change in net position	66,552,397	87,772,626	27,425,495	17,609,535	80,210,595	29,308,675	174,188,487	134,690,836
Net position, beginning of year	508,880,287	421,107,661	865,306,689	847,697,154	1,333,111,305	1,303,802,630	2,707,298,281	2,572,607,445
Net position, end of year	\$ 575,432,684	\$ 508,880,287	\$ 892,732,184	\$ 865,306,689	\$ 1,413,321,900	\$ 1,333,111,305	\$ 2,881,486,768	\$ 2,707,298,281

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT**  
**As of December 31, 2022 and 2021**

	<b>2022</b>			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,001,791	\$ 1,784,210	\$ 5,832,189	\$ 10,618,190
Power and pumping stations - buildings and machinery	292,426,432	154,947,122	416,339,876	863,713,430
Distribution systems	492,287,987	-	-	492,287,987
Sewerage collection, treatment plant, general plant, and buildings	134,316,615	1,201,430,403	79,407,131	1,415,154,149
Canals and subsurface drainage	-	-	1,309,032,533	1,309,032,533
Power transmissions, Connections and meters	77,640,180	68,964,365	13,242,003	159,846,548
 Total property, plant and equipment in service	 999,673,005	 1,427,126,100	 1,823,853,732	 4,250,652,837
Construction in progress	243,830,401	170,024,582	372,824,097	786,679,080
Total property, plant and equipment	1,243,503,406	1,597,150,682	2,196,677,829	5,037,331,917
Accumulated depreciation	398,622,102	404,537,429	459,356,614	1,262,516,145
Net property, plant and equipment	<u>\$ 844,881,304</u>	<u>\$ 1,192,613,253</u>	<u>\$ 1,737,321,215</u>	<u>\$ 3,774,815,772</u>
	<b>2021</b>			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,001,791	\$ 1,784,210	\$ 5,832,189	\$ 10,618,190
Power and pumping stations - buildings and machinery	292,171,871	154,813,673	417,899,144	864,884,688
Distribution systems	441,547,784	-	-	441,547,784
Sewerage collection, treatment plant, general plant, and buildings	135,175,554	1,176,684,514	81,522,991	1,393,383,059
Canals and subsurface drainage	-	-	1,262,729,592	1,262,729,592
Power transmissions, Connections and meters	76,887,584	52,590,387	13,236,277	142,714,248
 Total property, plant and equipment in service	 948,784,584	 1,385,872,784	 1,781,220,193	 4,115,877,561
Construction in progress	216,057,291	144,887,075	324,438,513	685,382,879
Total property, plant and equipment	1,164,841,875	1,530,759,859	2,105,658,706	4,801,260,440
Accumulated depreciation	387,768,437	379,252,847	437,844,648	1,204,865,932
Net property, plant and equipment	<u>\$ 777,073,438</u>	<u>\$ 1,151,507,012</u>	<u>\$ 1,667,814,058</u>	<u>\$ 3,596,394,508</u>

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF BONDS PAYABLE**  
**For the year ended December 31, 2022**

	<b>Annual Interest Rates</b>	<b>Interest Payment Dates</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Outstanding as of 12/31/2021</b>	<b>New Debt in 2022</b>	<b>Payments/ Retirements in 2022</b>	<b>Outstanding as of 12/31/2022</b>
Drainage System Bonds, 2014 (9-Mills)	4.53%	(6/1;12/1)	11/20/2014	12/1/2022	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Drainage System Bonds, 2022 (9-Mills)	4.02%	(6/1;12/1)	12/7/2022	12/1/2027	-	45,000,000	-	45,000,000
					2,000,000	45,000,000	2,000,000	45,000,000
Sewer Revenue Bonds, 2011	0.95%	(5/1; 11/1)	12/1/2011	12/1/1932	5,158,000	-	447,000	4,711,000
Sewer Revenue Bonds, 2014	4.87%	(6/1;12/1)	12/1/2014	6/1/1944	17,095,000	-	7,445,000	9,650,000
Sewer Revenue Bonds, 2015	5.00%	(6/1;12/1)	12/17/2015	12/1/1945	12,710,000	-	2,000,000	10,710,000
Sewer Revenue Bonds, 2019	0.95%	(6/1;12/1)	11/20/2019	6/1/2040	3,055,227	3,945,461	268,000	6,732,688
Sewer Revenue Bonds, 2020A	1.50%	(12/1;06/1)	6/10/2020	6/1/2025	10,250,000	-	1,765,000	8,485,000
Sewer Revenue Bonds, 2020B	2.87%	(12/1;06/1)	12/8/2020	12/31/2080	64,750,000	-	-	64,750,000
Taxable Sewer Revenue Refunding Bonds, Series 2021	2.67%	(6/1;12/1)	3/3/2021	6/1/2045	178,195,000	-	2,335,000	175,860,000
Sewer Revenue Taxable Bond Series 2021 (WIFIA Projects)	1.85%	(6/1;12/1)	11/10/2021	6/1/2057	936,848	116,331	-	1,053,179
Sewer Revenue Bonds, 2022	0.95%	(6/1;12/1)	6/22/2022	6/1/1943	-	138,715	-	138,715
					292,150,075	4,200,507	14,260,000	282,090,582
Water Revenue Bonds, 2014	5.00%	(6/1;12/1)	12/1/2014	6/1/1944	12,845,000	-	3,225,000	9,620,000
Water Revenue Bonds, 2015	4.98%	(6/1;12/1)	12/17/2015	2/1/2030	15,615,000	-	970,000	14,645,000
Taxable Water Revenue Refunding Bonds, Series 2021	272.00%	(6/1;12/1)	3/3/2021	6/1/2045	194,300,000	-	2,500,000	191,800,000
					222,760,000	-	6,695,000	216,065,000
TOTAL					\$ 516,910,075	\$ 49,200,507	\$ 22,955,000	\$ 543,155,582

See accompanying independent auditors' report.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**DEBT SERVICE AND DEBT SERVICE RESERVE**  
**REQUIRED BY BOND RESOLUTION**  
**For the year ended December 31, 2022**

	Debt Service Account				Debt Service Reserve Accounts		
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 3,345,674	\$ 9,664,066	\$ -	\$ 13,009,740	\$ 5,599,000	\$ 7,191,233	\$ 12,790,233
Cash receipts:							
Bond proceeds and accrued interest	-	254,619	210,225	464,844	-	283,225	283,225
Transfers from operating cash and debt service reserve	12,774,924	25,123,520	2,022,500	39,920,944	-	-	-
Total receipts	12,774,924	25,378,139	2,232,725	40,385,788	-	283,225	283,225
Cash disbursements:							
Principal and interest payments, cost of issuance and transfers	12,736,714	26,734,262	2,203,874	41,674,850	-	-	-
Total cash disbursements	12,736,714	26,734,262	2,203,874	41,674,850	-	-	-
Cash and investments at end of year	<u>\$ 3,383,884</u>	<u>\$ 8,307,943</u>	<u>\$ 28,851</u>	<u>\$ 11,720,678</u>	<u>\$ 5,599,000</u>	<u>\$ 7,474,458</u>	<u>\$ 13,073,458</u>

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT**  
**For the year ended December 31, 2022**

	<b>Beginning of Year</b>	<b>Current Year Claims and Estimate Change</b>	<b>Payments</b>	<b>End of Year</b>
<b><u>WATER</u></b>				
Short-term:				
Workers' compensation	\$ 646,780	\$ 1,367,974	\$ 1,495,528	\$ 519,226
Health insurance	843,313	5,398,712	5,203,512	1,038,513
Total short-term	1,490,093	6,766,686	6,699,040	1,557,739
Long-term:				
Workers' compensation	145,943	(50,355)	-	95,588
General liability	4,075,241	(282,032)	-	3,793,209
Total long-term	4,221,184	(332,387)	-	3,888,797
Total	\$ 5,711,277	\$ 6,434,299	\$ 6,699,040	\$ 5,446,536
<b><u>SEWERAGE</u></b>				
Short-term:				
Workers' compensation	\$ 646,781	\$ 1,367,972	\$ 1,495,527	\$ 519,226
Health insurance	809,055	5,452,318	5,257,118	1,004,255
Total short-term	1,455,836	6,820,290	6,752,645	1,523,481
Long-term:				
Workers' compensation	145,941	(50,353)	-	95,588
General liability	4,960,171	(421,996)	45,060	4,493,115
Total long-term	5,106,112	(472,349)	45,060	4,588,703
Total	\$ 6,561,948	\$ 6,347,941	\$ 6,797,705	\$ 6,112,184
<b><u>DRAINAGE</u></b>				
Short-term:				
Workers' compensation	\$ 646,780	\$ 620,209	\$ 747,763	\$ 519,226
Health insurance	747,632	1,574,428	1,476,828	845,232
Total short-term	1,394,412	2,194,637	2,224,591	1,364,458
Long-term:				
Workers' compensation	145,942	(50,354)	-	95,588
General liability	33,299,855	1,789,658	11,949	35,077,564
Total long-term	33,445,797	1,739,304	11,949	35,173,152
Total	\$ 34,840,209	\$ 3,933,941	\$ 2,236,540	\$ 36,537,610
<b><u>TOTAL</u></b>				
Short-term:				
Workers' compensation	\$ 1,940,341	\$ 3,356,155	\$ 3,738,818	\$ 1,557,678
Health insurance	2,400,000	12,425,458	11,937,458	2,888,000
Total short-term	4,340,341	15,781,613	15,676,276	4,445,678
Long-term:				
Workers' compensation	437,826	(151,062)	-	286,764
General liability	42,335,267	1,085,630	57,009	43,363,888
Total long-term	42,773,093	934,568	57,009	43,650,652
Total	\$ 47,113,434	\$ 16,716,181	\$ 15,733,285	\$ 48,096,330

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO THE EXECUTIVE DIRECTOR**  
**For the year ended December 31, 2022**

**Ghassan Korban, Executive Director**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 338,365
Benefits-hospitalization	8,907
Benefits-life insurance	59
Benefits-retirement	67,205
Reimbursements	150
Conference travel	9,859
<b>Total</b>	<u><u>\$ 424,545</u></u>

See accompanying independent auditors' report.



# SUPPLEMENTAL SECTION



## INFRASTRUCTURE RESILIENCY & RELIABILITY

We seek to improve the efficiency and resilience of current and future infrastructure by leveraging partnerships and innovative approaches to funding and sustainable design.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Unaudited - accrual basis of accounting)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities										
Net investment in capital assets	\$ 3,177,717,657	\$ 2,957,963,700	\$ 2,856,741,717	\$ 2,631,802,752	\$ 2,543,371,049	\$ 2,405,073,361	\$ 2,251,197,095	\$ 2,009,322,572	\$ 2,013,060,377	\$ 1,919,436,757
Restricted for debt service	23,232,994	24,212,130	44,544,164	43,839,618	46,042,585	46,606,340	47,217,981	46,199,659	30,846,959	33,405,265
Unrestricted	<u>(319,463,883)</u>	<u>(274,877,549)</u>	<u>(328,678,436)</u>	<u>(319,374,318)</u>	<u>(344,611,643)</u>	<u>(282,688,257)</u>	<u>(69,993,128)</u>	<u>27,166,084</u>	<u>(114,602,287)</u>	<u>(175,395,265)</u>
Total business-type activities net position	<u>\$ 2,881,486,768</u>	<u>\$ 2,707,298,281</u>	<u>\$ 2,572,607,445</u>	<u>\$ 2,356,268,052</u>	<u>\$ 2,244,801,991</u>	<u>\$ 2,168,991,444</u>	<u>\$ 2,228,421,948</u>	<u>\$ 2,082,688,315</u>	<u>\$ 1,929,305,049</u>	<u>\$ 1,777,446,757</u>

Source: Audited Annual Comprehensive Financial Report

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**CHANGES IN NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Unaudited - accrual basis of accounting)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues:										
Sales of water and delinquent fees	\$ 117,382,185	\$ 118,236,180	\$ 116,603,501	\$ 113,339,213	\$ 90,287,081	\$ 90,464,810	\$ 83,158,940	\$ 78,007,937	\$ 70,818,255	\$ 64,398,609
Sewerage service charges	150,932,239	150,364,182	146,261,741	143,686,137	114,614,157	111,063,719	104,795,184	95,636,966	86,553,262	78,535,785
Plumbing inspection and license fees	487,140	461,410	462,987	582,056	648,332	588,330	638,502	610,768	678,352	643,036
Other revenue	5,188,335	6,280,427	5,318,766	5,351,115	5,687,203	3,451,274	4,078,380	8,290,157	5,024,480	5,119,368
Total operating revenues	273,989,899	275,342,199	268,646,995	262,958,521	211,236,773	205,568,133	192,671,006	182,545,828	163,074,349	148,696,798
Operating Expenses:										
Power and pumping	20,266,743	22,965,240	20,302,317	20,013,016	31,874,462	36,549,229	13,499,216	13,139,255	13,227,389	12,572,620
Treatment	28,340,517	26,668,794	21,680,572	19,688,222	22,958,975	25,651,907	20,300,344	18,740,637	19,527,000	18,143,049
Transmission and distribution	37,195,201	35,662,527	34,160,672	38,176,467	46,530,018	36,409,559	37,174,706	35,878,137	27,186,606	23,323,900
Customer accounts	5,524,061	4,992,999	4,656,250	5,431,786	5,243,276	4,460,155	4,151,027	3,807,405	3,514,360	3,425,934
Customer service	9,975,986	10,350,482	8,343,631	5,304,138	4,476,414	4,217,543	4,271,555	3,973,344	3,717,925	3,464,197
Administration and general	32,655,899	27,751,610	29,522,990	29,023,557	28,253,318	24,343,704	18,506,107	16,848,253	16,976,430	17,333,945
Payroll related	62,238,943	53,155,580	57,836,511	53,838,316	49,416,581	38,126,322	43,990,879	36,349,834	32,488,264	34,928,822
Maintenance of general plant	28,996,010	27,528,429	26,343,420	27,142,840	28,813,485	26,100,182	23,979,309	27,148,505	28,178,593	27,647,127
Depreciation	65,724,568	64,250,898	55,037,867	64,156,230	63,501,190	59,450,076	52,060,674	51,661,651	50,157,869	43,648,267
Provision for doubtful accounts	27,024,356	28,278,609	26,960,777	33,306,195	20,942,217	14,326,711	3,413,404	2,466,117	1,940,782	2,052,096
Provision (recovery) for claims	3,993,957	3,127,462	3,063,073	2,069,360	(7,202,684)	45,272,821	6,450,805	2,435,209	2,444,878	1,801,114
Total operating expenses	321,936,241	304,732,630	287,908,080	298,150,127	294,807,252	314,908,209	227,798,026	212,448,347	199,360,096	188,341,071
Operating loss	(47,946,342)	(29,390,431)	(19,261,085)	(35,191,606)	(83,570,479)	(109,340,076)	(35,127,020)	(29,902,519)	(36,285,747)	(39,644,273)
Non-operating revenues (expenses):										
Three-mill tax	18,042,189	17,545,136	17,906,032	15,300,420	15,504,589	15,309,309	16,043,825	14,139,193	13,481,526	13,175,711
Six-mill tax	18,328,446	18,345,424	18,614,966	16,241,889	15,576,221	16,229,098	16,215,799	14,290,667	13,626,539	13,317,505
Nine-mill tax	27,831,035	27,514,521	27,902,527	24,345,982	23,570,261	23,881,671	23,762,398	21,421,102	20,425,388	19,962,114
Two-mill tax	396	284	701	35	553	2,735	7,526	4,960	1,193	-
Other taxes	589,220	297,387	595,099	594,985	594,532	593,424	564,050	581,395	572,083	494,106
Contributions from other local governments	20,507,688	6,996,364	6,657,172	35,839,141	-	-	-	-	-	-
Federal noncapital grants	28,650	15,843	60,082	48,716	78,814	845	24,738	2,405	1,502	2,054,492
Interest income	3,353,769	1,423,215	527,381	1,610,012	3,788,898	4,273,821	4,667,470	2,511,032	811,263	353,630
Bond issuance costs	(456,865)	(6,328,655)	(886,582)	(127,550)	-	-	-	(1,510,657)	(2,649,339)	-
Interest expense	(19,938,792)	(13,892,169)	(276,737)	(228,235)	(3,204,239)	(3,537,336)	(32,471)	(53,518)	-	(371,349)
Recovery (provision) for grants	(1,675,728)	(779,631)	(5,812,199)	(7,230,828)	3,183,641	(8,906,949)	-	-	-	-
Total non-operating revenues (expenses)	66,610,008	51,137,719	65,288,442	86,394,567	59,093,270	47,846,618	61,253,335	51,386,579	46,270,155	48,986,209
Income (loss) before capital contributions	18,663,666	21,747,288	46,027,357	51,202,961	(24,477,209)	(61,493,458)	26,126,315	21,484,060	9,984,408	9,341,936
Capital contributions	155,524,821	112,943,548	170,312,036	60,263,100	100,287,756	96,336,075	119,607,318	131,899,206	141,873,884	114,317,636
Change in net position	174,188,487	134,690,836	216,339,393	111,466,061	75,810,547	34,842,617	145,733,633	153,383,266	151,858,292	123,659,572
Net position:										
Beginning of year	2,707,298,281	2,572,607,445	2,356,268,052	2,244,801,991	2,168,991,444	2,228,421,948	2,082,688,315	1,929,305,049	1,747,385,389	1,662,411,674
Change in accounting principle	-	-	-	-	-	(94,273,121)	-	-	-	(38,685,857)
Beginning of year, as restated	2,707,298,281	2,572,607,445	2,356,268,052	2,244,801,991	2,168,991,444	2,134,148,827	2,082,688,315	1,929,305,049	1,747,385,389	1,623,725,817
End of year	\$ 2,881,486,768	\$ 2,707,298,281	\$ 2,572,607,445	\$ 2,356,268,052	\$ 2,244,801,991	\$ 2,168,991,444	\$ 2,228,421,948	\$ 2,082,688,315	\$ 1,899,243,681	\$ 1,747,385,389

Source: Audited Annual Comprehensive Financial Report - Information available for ten years

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**REVENUE AND EXPENSES BY SOURCE**  
**ENTERPRISE FUND**  
**Last Ten Years**  
**(Unaudited)**

Revenues	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for service	\$ 143,577,430	\$ 158,049,869	\$ 174,255,671	\$ 188,592,626	\$ 202,116,859	\$ 205,549,570	\$ 257,607,406	\$ 263,328,229	\$ 269,061,772	\$ 268,801,564
Dedicated taxes	46,455,330	47,533,453	49,850,962	56,022,022	55,420,078	54,651,071	55,888,291	64,423,525	63,702,752	64,790,890
Two-mill tax	-	1,193	4,960	7,526	2,735	553	35	701	284	396
Interest on investments	353,630	811,263	2,511,046	4,667,470	4,273,821	3,788,898	1,610,012	527,381	1,423,215	3,353,769
Contributions from local governments	-	-	-	-	-	-	35,839,141	6,657,172	6,996,364	20,507,688
Other taxes and revenue	37,729,334	5,598,065	7,363,300	4,667,168	4,045,543	6,360,549	5,994,814	5,087,365	6,296,270	5,216,985
	<u>\$ 228,115,724</u>	<u>\$ 211,993,843</u>	<u>\$ 233,985,939</u>	<u>\$ 253,956,812</u>	<u>\$ 265,859,036</u>	<u>\$ 270,350,641</u>	<u>\$ 356,939,699</u>	<u>\$ 340,024,373</u>	<u>\$ 347,480,657</u>	<u>\$ 362,671,292</u>
Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Personnel services	\$ 75,998,997	\$ 76,009,536	\$ 81,094,850	\$ 88,422,754	\$ 85,643,784	\$ 107,582,424	\$ 112,931,852	\$ 116,727,875	\$ 111,455,664	\$ 116,428,601
Services and utilities	44,686,711	46,739,864	46,321,849	48,095,715	56,047,431	51,770,073	49,172,289	54,333,467	63,288,890	71,728,674
Materials and supplies	20,153,886	22,067,167	28,468,671	29,354,674	54,170,680	58,214,032	36,514,199	32,671,603	40,659,762	37,036,085
Depreciation and amortization	43,648,267	50,157,869	51,661,651	52,060,674	59,450,076	63,501,190	64,156,230	55,037,867	64,250,898	65,724,568
Provision for doubtful accounts	2,052,096	1,940,782	2,466,131	3,413,404	14,326,711	20,942,217	33,306,195	26,960,777	28,278,609	27,024,356
Provision for claims	1,801,114	2,444,878	2,435,209	6,450,805	45,272,821	(7,202,684)	2,069,360	3,063,073	3,127,462	3,993,957
Provision for grants	-	-	-	-	8,906,949	(3,183,641)	7,230,828	5,812,199	779,631	1,675,728
Bond issuance costs	-	2,649,339	1,510,657	-	-	-	127,550	886,582	3,492,598	456,865
Interest	371,349	-	53,518	32,471	3,537,336	3,204,239	228,235	(609,845)	10,399,571	19,938,792
	<u>\$ 188,712,420</u>	<u>\$ 202,009,435</u>	<u>\$ 214,012,536</u>	<u>\$ 227,830,497</u>	<u>\$ 327,355,788</u>	<u>\$ 294,827,850</u>	<u>\$ 305,736,738</u>	<u>\$ 294,883,598</u>	<u>\$ 325,733,085</u>	<u>\$ 344,007,626</u>

Source: Sewerage and Water Board of New Orleans.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(Unaudited - amounts in thousands)**

Fiscal Year (+)	Net Assessed Value		Total Net Assessed Value	Total Estimated Actual Value	Ratio of Total Net Assessed to Total Estimated Actual Value
	Real Estate	Personal Property			
2013	\$ 2,920,015	\$ 413,120	\$ 3,333,135	\$ 21,974,841	15.2%
2014	3,065,164	405,514	3,470,678	21,974,841	15.8%
2015	3,202,063	431,355	3,633,418	21,974,841	16.5%
2016	3,376,001	456,454	3,832,455	30,873,272	12.4%
2017	3,481,746	471,986	3,953,732	35,475,355	11.1%
2018	3,592,392	497,655	3,789,022	35,475,355	10.7%
2019	3,647,819	527,777	4,175,596	41,168,223	10.1%
2020	4,187,933	543,771	4,731,704	41,168,223	11.5%
2021	4,044,353	543,126	4,587,479	46,581,140	9.8%
2022	4,021,789	541,744	4,563,533	45,674,993	10.0%

**Source:**

(+) Louisiana Tax Commission Annual Reports, City of New Orleans



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Number of Mills  
(Per \$1,000 of assessed value)

Fiscal Year	City of New Orleans	Orleans Levee District Eastbank	Algiers Levee District	Sewerage & Water Board of New Orleans	Orleans Parish School Board	Audubon Park & Zoo	(+) Total
2013	72.05	11.67	12.36	16.43**	44.81	3.31	144.20
2014	72.05	11.67	12.76	16.43**	45.31	3.31	145.10
2015	71.95	11.67	12.56	16.43**	45.31	3.31	144.80
2016	74.45	12.28	6.21	16.43**	45.31	3.31	141.56
2017	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2018	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2019	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2020	70.71	11.18	12.26	16.23**	45.31	1.95	141.41
2021	69.28	11.18	12.26	16.23**	45.31	1.95	139.98
2022	66.04	11.18	12.26	16.23**	45.31	1.95	136.74

Source: City of New Orleans

(+) Total excludes Sewerage and Water Board of New Orleans

\*\*3 mills adopted in 1967 expires in 2046

\*\*6 mills adopted in 1978 expires in 2027

\*\*9 mills adopted in 1982 expires in 2032

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**TEN LARGEST TAXPAYERS**  
**December 31, 2022 and Ten Years Ago**  
**(Amount in thousands)**  
**(Unaudited)**

Name of Taxpayer	Type of Business	2022 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	\$ 114,003	2.7%
Capital One Bank	Financial Institution	50,391	1.2%
Harrah's Entertainment	Hospitality & Gaming	26,894	0.6%
Folgers Coffee	Coffee Roasting Plant	22,927	0.5%
Marriott Hotel	Hotel	22,407	0.5%
Hancock Whitney Bank	Financial Institution	22,379	0.5%
International Rivercenter	Shopping Mall; Hotel	18,900	0.5%
J P Morgan Chase Bank	Financial Institution	18,179	0.4%
AT&T	Telecommunications	16,796	0.4%
First Horizon Bank	Financial Institution	15,465	0.4%
		<u>\$ 328,341</u>	<u>7.7%</u>

Name of Taxpayer	Type of Business	2012 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	92,526	3.4%
AT&T	Telecommunications	52,626	1.8%
Capital One Bank	Financial Institution	39,217	1.3%
Harrah's Entertainment	Hospitality & Gaming	34,590	1.2%
Marriott Hotel	Hotel	23,085	0.8%
JP Morgan Chase Bank	Financial Institution	22,490	0.8%
International Rivercenter	Shopping Mall; Hotel	17,466	0.6%
Whitney	Financial Institution	17,300	0.6%
C S & M Association Associates	Commercial Real Estate	14,760	0.5%
Hertz Properties	Rental Car	11,711	0.4%
		<u>\$ 325,771</u>	<u>11.4%</u>
<b>Taxpayers Total</b>		<u>\$ 2,857,640</u>	

**Source:** City of New Orleans Department of Finance Bureau of the Treasury

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**PROPERTY TAX**  
**LEVIES AND COLLECTIONS BY THE CITY OF NEW ORLEANS**  
**Last Ten Fiscal Years**  
**(Unaudited - Amounts in Thousands)**

Fiscal Year	Total Levied (1)	Collected within		Collections in	Total Collections to Date (1)	
		Fiscal year of the Levy (1)		Subsequent		
		Amount	Percent	Years (1)	Amount	Percentage of Levy
				Amount	Amount	
Real Estate Taxes:						
2013	382,902	363,026	94.81%	8,642	374,260	97.74%
2014	393,304	375,815	95.55%	-	375,815	95.55%
2015	422,306	397,843	94.21%	11,168	409,011	96.85%
2016	457,800	442,153	96.58%	13,137	455,290	99.45%
2017	480,924	458,767	95.39%	7,711	466,478	97.00%
2018	497,718	469,414	94.31%	6,567	475,981	95.63%
2019	496,197	456,347	91.97%	9,588	465,935	93.90%
2020	551,514	527,205	95.59%	15,709	542,914	98.44%
2021	543,383	520,864	95.86%	13,910	534,774	98.42%
2022	520,272	498,056	95.73%	-	520,272	100.00%
Personal Property Taxes						
2013	87,058	84,410	96.96%	365	84,775	97.38%
2014	84,620	81,926	96.82%	-	81,926	96.82%
2015	86,961	81,773	94.03%	1,002	82,775	95.19%
2016	92,428	88,797	96.07%	744	89,541	96.88%
2017	96,441	92,123	95.52%	827	92,950	96.38%
2018	101,280	100,453	99.18%	499	100,952	99.68%
2019	103,260	94,891	91.89%	1,081	95,972	92.94%
2020	100,865	91,272	90.49%	3,484	94,756	93.94%
2021	92,191	80,441	87.25%	2,671	83,112	90.15%
2022	96,762	85,992	88.87%	-	96,762	100.00%

**Source:** City of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**WATER AND SEWER RATES**

**December 31, 2022**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Year	Water					Sewer	
	Rate per 1,000 Gallons					Monthly Base Rate	Rate per 1,000 Gallons
	Monthly Base Rate	First 3000 3,000 Gallons	Next 17,000 Gallons	Next 980,000 Gallons	All Gallons Over 1,000,000		
2013	\$ 4.46	\$ 2.96	\$ 5.06	\$ 3.98	\$ 3.34	\$ 12.76	\$ 4.44
2014	\$ 4.91	\$ 3.26	\$ 5.57	\$ 4.38	\$ 3.67	\$ 14.04	\$ 4.88
2015	\$ 5.40	\$ 3.59	\$ 6.13	\$ 4.82	\$ 4.04	\$ 15.44	\$ 5.37
2016	\$ 5.94	\$ 3.95	\$ 6.74	\$ 5.30	\$ 4.44	\$ 16.98	\$ 5.91
2017	\$ 6.53	\$ 4.35	\$ 7.41	\$ 5.83	\$ 4.88	\$ 18.68	\$ 6.50
2018	\$ 7.18	\$ 4.79	\$ 8.15	\$ 6.41	\$ 5.37	\$ 20.55	\$ 7.15
2019	\$ 7.90	\$ 5.27	\$ 8.97	\$ 7.05	\$ 5.91	\$ 22.61	\$ 7.87
2020	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66
2021	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66
2022	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66

Note: Rates are based on 5/8" meter, which is the standard household meter size

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Personal Income (1) (in thousands)	Population (2)	Revenue Bonds	Special Tax Bonds	LDHH Bonds	Federal Loan	Debt Service Assistance Fund Loan	Southeast Louisiana Project Loan (3)	Total Debt	Percentage of Personal Income	Debt per Capita
2013	\$ 15,888,893	378,715	\$ 172,192,129	\$ 16,205,000	\$ 3,865	\$ -	\$ 69,917,529	\$ -	\$ 258,318,523	1.63%	682
2014	16,437,492	378,715	292,068,863	14,870,042	3,865	-	41,317,444	-	348,260,214	2.12%	920
2015	18,032,254	389,617	504,808,633	12,750,000	-	-	61,653,139	-	579,211,772	3.21%	1,487
2016	14,094,612	391,495	488,835,158	11,100,000	-	-	57,230,725	-	557,165,883	3.95%	1,423
2017	14,094,612	393,292	488,835,158	9,410,000	-	-	52,604,006	-	550,849,164	3.91%	1,401
2018	14,094,612	393,292	451,932,050	7,665,000	-	-	47,756,909	-	507,353,959	3.60%	1,290
2019	14,094,612	390,144	399,257,550	5,850,000	-	-	42,695,640	-	447,803,190	3.18%	1,148
2020	14,094,612	383,282	505,107,884	3,955,000	-	-	40,039,087	-	549,101,971	3.90%	1,433
2021	12,351,078	376,971	531,758,364	2,000,000	-	936,848	37,265,290	206,690,029	778,650,531	6.30%	2,066
2022	12,584,777	369,749	513,693,742	45,000,000	-	1,053,179	34,362,788	217,228,980	811,338,689	6.45%	2,194

- (1) Source: Bureau of Economic Analysis  
(2) Source: [www.census.gov/popest](http://www.census.gov/popest)  
(3) Loan balances prior to 2021 are not presented

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**December 31, 2022**  
**(Unaudited)**

	Net Outstanding Debt	Percentage Overlapping	Overlapping Debt
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	\$ 44,971,149	100%	\$ 44,971,149
Overlapping debt:			
City of New Orleans	615,960,000	100%	615,960,000
Audubon Park Commission	42,155,000	100%	42,155,000
Total overlapping debt	658,115,000	100%	658,115,000
Total direct and overlapping debt	\$ 703,086,149	100%	\$ 703,086,149

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**REVENUE BONDS DEBT SERVICE COVERAGE**  
**WATER REVENUE BONDS**  
**Last Eight Fiscal Years**  
**(Unaudited)**

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 82,957,551	\$ 71,168,572	\$ 11,788,979	\$ -	\$ 3,500,000	\$ 3,500,000	3.37
2016	88,366,278	75,002,591	13,363,687	325,000	7,646,525	7,971,525	1.68
2017	94,657,534	77,838,026	16,819,508	2,540,000	10,100,550	12,640,550	1.33
2018	103,514,199	80,839,797	22,674,402	3,360,000	9,973,550	13,333,550	1.70
2019	124,155,676	82,505,413	41,650,263	3,575,000	9,819,550	13,394,550	3.11
2020	127,013,325	89,325,205	37,688,120	3,825,000	9,648,550	13,473,550	2.80
2021	123,268,185	87,175,236	36,092,949	-	4,856,418	4,856,418	7.43
2022	(1) 130,347,458	98,053,619	32,293,839	6,695,000	6,041,714	12,736,714	2.54

(1) See Note 16 to the financial statements

(2) Total operating expenses less depreciation, change in total OPEB liability, net pension liability and related amortization of deferred inflows and outflows of resources

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**REVENUE BONDS DEBT SERVICE COVERAGE**  
**SEWER REVENUE BONDS**  
**Last Eight Fiscal Years**  
**(Unaudited)**

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 98,166,699	\$ 50,196,372	\$ 47,970,327	\$ 11,644,000	\$ 4,750,603	\$ 16,394,603	2.93
2016	108,241,219	57,142,277	51,098,942	12,852,000	10,463,838	23,315,838	2.19
2017	114,321,824	64,686,408	49,635,416	13,397,000	11,409,488	24,806,488	2.00
2018	118,029,837	81,270,957	36,758,880	12,356,000	10,783,057	23,139,057	1.59
2019	155,359,848	78,709,343	76,650,505	11,510,000	10,203,963	21,713,963	3.53
2020	147,917,823	87,958,052	59,959,771	12,099,000	9,705,711	21,804,711	2.75
2021	153,227,165	98,753,233	54,473,932	443,000	7,762,137	8,205,137	6.64
2022	(1) 159,908,658	100,304,434	59,604,224	14,448,000	8,589,073	23,037,073	2.59

(1) See Note 16 to the financial statements

(2) Total operating expenses less depreciation, change in total OPEB liability, net pension liability and related amortization of deferred inflows and outflows of resources

Source: Sewerage and Water Board of New Orleans



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**WATER SYSTEM UNRESTRICTED CASH AND CASH EQUIVALENTS**  
**DAYS OF OPERATING AND MAINTENANCE EXPENSE AT YEAR END**  
**Last Eight Fiscal Years**  
**(unaudited)**

<b><u>Fiscal Year</u></b>	<b><u>Cash Balance</u></b>	<b><u>One Day O&amp;M</u></b>	<b><u>Measurement</u></b>
2015	\$ 39,253,304	\$ 194,982	187
2016	38,383,800	205,487	187
2017	29,823,726	213,255	140
2018	38,771,396	221,479	175
2019	33,211,223	226,042	147
2020	33,988,702	244,727	139
2021	30,934,570	238,836	130
2022	46,379,604	268,640	173

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SEWER SYSTEM UNRESTRICTED CASH AND CASH EQUIVALENTS**  
**DAYS OF OPERATING AND MAINTENANCE EXPENSE AT YEAR END**  
**Last Eight Fiscal Years**  
**(unaudited)**

<b><u>Fiscal Year</u></b>	<b><u>Cash Balance</u></b>	<b><u>One Day O&amp;M</u></b>	<b><u>Measurement</u></b>
2015	\$ 62,584,566	\$ 156,554	400
2016	62,584,566	156,554	400
2017	52,923,266	177,223	299
2018	30,935,972	222,660	139
2019	32,694,605	215,642	152
2020	45,823,728	240,981	190
2021	51,163,649	270,557	189
2022	60,487,253	274,807	220

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**DEMOGRAPHIC STATISTICS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2013	378,715	\$ 15,888,893	\$ 41,955	4.20%
2014	378,715	16,437,492	43,403	7.50%
2015	389,617	18,032,254	46,282	6.00%
2016	391,495	14,094,612	36,792	5.40%
2017	393,292	14,094,612	35,838	5.41%
2018	393,292	14,094,612	35,838	3.09%
2019	390,144	14,094,612	36,127	4.50%
2020	390,144	14,094,612	36,127	8.70%
2021	383,575	14,191,488	54,435	6.20%
2022	369,749	12,584,777	34,036	3.20%

(1) [www.census.gov/popest](http://www.census.gov/popest)

(2) Estimates- Bureau of Economic Analysis

(3) U.S. Bureau of Labor Statistics. Unemployment rate for the New Orleans-Metairie-Kenner, LA metropolitan area

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**NEW ORLEANS AREA PRINCIPAL EMPLOYERS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<b>Rank / Number of Employees</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Acme Truck Line Inc.		10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100				
Archdiocese of New Orleans										5 / 5,000
Catholic Charities Archdiocese of New Orleans							7 / 5,000	8 / 5,000		
Dynamics Industries										9 / 3,000
Entergy							3 / 13,504	3 / 13,504	1 / 13,504	3 / 13,504
Harrah's New Orleans Casino	7 / 2,700									
Hilton Hotel & Resorts		4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	2 / 16,380	2 / 16,380		
HRI Properties										10 / 3,000
Ingalls Shipbuilding		3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000				
Louisiana Children's Medical Center		7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	4 / 6,100	6 / 6,100	4 / 6,100	
LSU Health Sciences Center New Orleans	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	8 / 4,570		7 / 4,750	6 / 4,750
LSU Public Hospital		5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000				
Morgan & Company										1/60,348
NASA Michoud	9 / 2,000									
New Orleans Police Department Employees Credit Union									10 / 3,000	
North Oaks Health System	7 / 2,700									
Northrup Grumman Avondale	3 / 6,000									
Ochsner Medical Institutions / Health System	1 / 9,100	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 19,000	1 / 30,000		2 / 32,000
OPSB Charters										4 / 7,500
Republic National Distributing								10 / 3,464	9 / 3,464	
St. Christopher the Martyr Catholic Church									6 / 5,000	
Stewart Enterprises							9 / 4,250	7 / 5,400	5 / 5,400	
Tidewater							6 / 5,510	4 / 6,550	2 / 6,550	
Tulane University	4 / 5,000	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	5 / 6,030	5 / 6,250	3 / 6,250	7 / 3,500
University of New Orleans	6 / 3,114	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100				
US Post Office	5 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000				
Weiser Security Services							10 / 3,500	9 / 3,500	8 / 3,500	8 / 3,500
West Jefferson Medical Center	10 / 1,904									

Source: Zippia, the Career Expert. (www.zippia.com). Employers with principal offices located in the New Orleans metropolitan area

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**CAPITAL EXPENDITURES BY DEPARTMENT**  
**ENTERPRISE FUND**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Year</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>	<b>Total</b>
2013	\$ 37,552,122	\$ 63,172,589	\$ 79,811,759	\$ 180,536,470
2014	46,604,884	58,870,182	152,172,018	257,647,084
2015	42,638,486	56,387,080	152,172,018	251,197,584
2016	46,106,462	48,975,578	167,051,515	262,133,555
2017	89,887,813	85,066,607	151,533,673	326,488,093
2018	72,486,981	66,802,398	108,035,976	247,325,355
2019	51,750,024	35,889,255	84,555,316	172,194,595
2020	58,425,367	43,321,073	103,848,810	205,595,250
2021	83,990,523	55,055,776	41,375,032	180,421,331
2022	78,661,531	66,390,823	91,019,123	236,071,477

<sup>1</sup> Includes contributed assets

Source: Sewerage and Water Board of New Orleans

**SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**DECEMBER 31, 2022**  
**(Unaudited)**

		Water Revenue Bonds			
		Series 2014	Series 2015	Series 2021	Total
2023	Principal	\$ 2,230,000	\$ 2,155,000	\$ 2,515,000	\$ 6,900,000
	Interest	481,000	732,250	4,627,739	5,840,989
2024	Principal	2,345,000	2,260,000	2,525,000	7,130,000
	Interest	369,500	624,500	4,616,045	5,610,045
2025	Principal	2,460,000	2,375,000	2,540,000	7,375,000
	Interest	252,250	511,500	4,599,910	5,363,660
2026	Principal	2,585,000	2,490,000	2,565,000	7,640,000
	Interest	129,250	392,750	4,578,117	5,100,117
2027	Principal	-	2,615,000	5,300,000	7,915,000
	Interest	-	268,250	4,552,261	4,820,511
2028	Principal	-	2,750,000	5,370,000	8,120,000
	Interest	-	137,500	4,485,534	4,623,034
2029	Principal	-	-	8,330,000	8,330,000
	Interest	-	-	4,407,186	4,407,186
2030	Principal	-	-	8,475,000	8,475,000
	Interest	-	-	4,266,332	4,266,332
2031	Principal	-	-	8,630,000	8,630,000
	Interest	-	-	4,110,301	4,110,301
2032	Principal	-	-	8,800,000	8,800,000
	Interest	-	-	3,942,793	3,942,793
2033	Principal	-	-	8,980,000	8,980,000
	Interest	-	-	3,763,185	3,763,185
2034	Principal	-	-	9,170,000	9,170,000
	Interest	-	-	3,570,923	3,570,923
2035	Principal	-	-	9,375,000	9,375,000
	Interest	-	-	3,365,423	3,365,423
2036	Principal	-	-	9,590,000	9,590,000
	Interest	-	-	3,150,642	3,150,642
2037	Principal	-	-	9,810,000	9,810,000
	Interest	-	-	2,926,140	2,926,140
2038	Principal	-	-	10,095,000	10,095,000
	Interest	-	-	2,642,729	2,642,729
2039	Principal	-	-	10,380,000	10,380,000
	Interest	-	-	2,351,085	2,351,085
2040	Principal	-	-	10,675,000	10,675,000
	Interest	-	-	2,051,207	2,051,207
2041	Principal	-	-	10,990,000	10,990,000
	Interest	-	-	1,742,806	1,742,806
2042	Principal	-	-	11,305,000	11,305,000
	Interest	-	-	1,425,305	1,425,305
2043	Principal	-	-	11,645,000	11,645,000
	Interest	-	-	1,087,398	1,087,398
2044	Principal	-	-	11,995,000	11,995,000
	Interest	-	-	739,329	739,329
2045	Principal	-	-	12,740,000	12,740,000
	Interest	-	-	380,799	380,799
Total Principal		9,620,000	14,645,000	191,800,000	216,065,000
Total Interest		1,232,000	2,666,750	73,383,189	77,281,939
Total Future Debt Payments		<u>\$ 10,852,000</u>	<u>\$ 17,311,750</u>	<u>\$ 265,183,189</u>	<u>\$ 293,346,939</u>

Source: Sewerage and Water Board of New Orleans

**SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**DECEMBER 31, 2022**  
**(Unaudited)**

		Sewer Revenue Bonds									
		Series 2011	Series 2014	Series 2015	Series 2019	Series 2020A	Series 2020B	Series 2021	Series 2022	WIFIA	Total
2023	Principal	\$ 451,000	\$ 3,920,000	\$ 2,000,000	\$ 461,000	\$ 3,130,000	\$ -	\$ 2,345,000	\$ -	\$ -	\$ 12,307,000
	Interest	44,755	384,500	485,500	88,478	103,800	2,949,900	4,112,008	-	17,438	8,186,379
2024	Principal	456,000	3,760,000	2,000,000	465,000	3,195,000	-	2,355,000	138,715	-	12,369,715
	Interest	40,470	192,500	385,500	84,080	56,363	2,949,900	4,100,207	1,318	19,483	7,829,821
2025	Principal	460,000	1,970,000	2,125,000	470,000	2,160,000	-	2,375,000	-	-	9,560,000
	Interest	36,138	49,250	282,375	79,639	16,200	2,949,900	4,083,677	-	19,483	7,516,662
2026	Principal	464,000	-	2,235,000	474,000	-	2,000,000	4,425,000	-	-	9,598,000
	Interest	31,768	-	173,375	75,155	-	2,899,900	4,052,886	-	19,483	7,252,567
2027	Principal	469,000	-	2,350,000	478,000	-	2,580,000	4,470,000	-	-	10,347,000
	Interest	27,360	-	58,750	70,633	-	2,785,400	4,004,669	-	19,483	6,966,295
2028	Principal	473,000	-	-	483,000	-	2,590,000	6,955,000	-	-	10,501,000
	Interest	22,905	-	-	66,068	-	2,656,150	3,928,650	-	19,483	6,693,256
2029	Principal	478,000	-	-	488,000	-	2,600,000	7,065,000	-	-	10,631,000
	Interest	18,411	-	-	61,456	-	2,526,400	3,821,683	-	19,483	6,447,433
2030	Principal	482,000	-	-	492,000	-	2,610,000	7,185,000	-	-	10,769,000
	Interest	13,870	-	-	56,801	-	2,396,150	3,699,373	-	19,483	6,185,677
2031	Principal	487,000	-	-	497,000	-	2,620,000	7,325,000	-	1,053,179	11,982,179
	Interest	9,291	-	-	52,103	-	2,265,400	3,565,774	-	19,483	5,912,051
2032	Principal	491,000	-	-	502,000	-	2,635,000	7,465,000	-	-	11,093,000
	Interest	4,665	-	-	47,358	-	2,134,025	3,422,202	-	-	5,608,250
2033	Principal	-	-	-	506,000	-	2,645,000	8,120,000	-	-	11,271,000
	Interest	-	-	-	42,570	-	2,002,025	3,262,993	-	-	5,307,588
2034	Principal	-	-	-	511,000	-	2,660,000	8,290,000	-	-	11,461,000
	Interest	-	-	-	37,739	-	1,869,400	3,087,282	-	-	4,994,421
2035	Principal	-	-	-	516,000	-	2,660,000	8,480,000	-	-	11,656,000
	Interest	-	-	-	32,861	-	1,749,700	2,901,446	-	-	4,684,007
2036	Principal	-	-	-	389,688	-	2,650,000	8,675,000	-	-	11,714,688
	Interest	-	-	-	20,896	-	1,643,500	2,707,056	-	-	4,371,452
2037	Principal	-	-	-	-	-	2,635,000	8,900,000	-	-	11,535,000
	Interest	-	-	-	-	-	1,537,800	2,481,348	-	-	4,019,148
2038	Principal	-	-	-	-	-	2,620,000	9,150,000	-	-	11,770,000
	Interest	-	-	-	-	-	1,432,700	2,225,128	-	-	3,657,828
2039	Principal	-	-	-	-	-	2,605,000	9,415,000	-	-	12,020,000
	Interest	-	-	-	-	-	1,328,200	1,961,598	-	-	3,289,798
2040	Principal	-	-	-	-	-	2,590,000	9,685,000	-	-	12,275,000
	Interest	-	-	-	-	-	1,224,300	1,690,474	-	-	2,914,774
2041	Principal	-	-	-	-	-	2,585,000	9,965,000	-	-	12,550,000
	Interest	-	-	-	-	-	1,107,875	1,411,542	-	-	2,519,417
2042	Principal	-	-	-	-	-	2,600,000	10,260,000	-	-	12,860,000
	Interest	-	-	-	-	-	978,250	1,119,318	-	-	2,097,568
2043	Principal	-	-	-	-	-	2,610,000	10,565,000	-	-	13,175,000
	Interest	-	-	-	-	-	848,000	813,295	-	-	1,661,295
2044	Principal	-	-	-	-	-	2,620,000	10,880,000	-	-	13,500,000
	Interest	-	-	-	-	-	717,250	498,161	-	-	1,215,411
2045	Principal	-	-	-	-	-	2,635,000	11,510,000	-	-	14,145,000
	Interest	-	-	-	-	-	585,875	169,139	-	-	755,014
2046	Principal	-	-	-	-	-	2,630,000	-	-	-	2,630,000
	Interest	-	-	-	-	-	467,400	-	-	-	467,400
2047	Principal	-	-	-	-	-	2,615,000	-	-	-	2,615,000
	Interest	-	-	-	-	-	362,500	-	-	-	362,500
2048	Principal	-	-	-	-	-	2,600,000	-	-	-	2,600,000
	Interest	-	-	-	-	-	258,200	-	-	-	258,200
2049	Principal	-	-	-	-	-	2,585,000	-	-	-	2,585,000
	Interest	-	-	-	-	-	154,500	-	-	-	154,500
2050	Principal	-	-	-	-	-	2,570,000	-	-	-	2,570,000
	Interest	-	-	-	-	-	51,400	-	-	-	51,400
Total Principal		4,711,000	9,650,000	10,710,000	6,732,688	8,485,000	64,750,000	175,860,000	138,715	1,053,179	282,090,582
Total Interest		249,633	626,250	1,385,500	815,837	176,363	44,832,000	63,119,909	1,318	173,302	111,380,112
Total Future Debt Payments		\$ 4,960,633	\$ 10,276,250	\$ 12,095,500	\$ 7,548,525	\$ 8,661,363	\$ 109,582,000	\$ 238,979,909	\$ 140,033	\$ 1,226,481	\$ 393,470,694

Source: Sewerage and Water Board of New Orleans

**SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**DECEMBER 31, 2022**  
**(Unaudited)**

		<b>Drainage Special Tax Bonds</b>	
		<b>Series</b>	
		<b>2022</b>	<b>Total</b>
2023	Principal	\$ 8,310,000	\$ 8,310,000
	Interest	1,778,850	1,778,850
2024	Principal	8,640,000	8,640,000
	Interest	1,474,938	1,474,938
2025	Principal	8,985,000	8,985,000
	Interest	1,127,610	1,127,610
2026	Principal	9,345,000	9,345,000
	Interest	766,413	766,413
2027	Principal	9,720,000	9,720,000
	Interest	390,744	390,744
Total Principal		45,000,000	45,000,000
Total Interest		5,538,555	5,538,555
Total Future Debt Payments		<u>\$ 50,538,555</u>	<u>\$ 50,538,555</u>

Source: Sewerage and Water Board of New Orleans



**SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**DECEMBER 31, 2022**  
**(Unaudited)**

		All Departments			
		Water	Sewer	Drainage	Total
2023	Principal	\$ 6,900,000	\$ 12,307,000	\$ 8,310,000	\$ 27,517,000
	Interest	5,840,989	8,186,379	1,778,850	15,806,218
2024	Principal	7,130,000	12,369,715	8,640,000	28,139,715
	Interest	5,610,045	7,829,821	1,474,938	14,914,804
2025	Principal	7,375,000	9,560,000	8,985,000	25,920,000
	Interest	5,363,660	7,516,662	1,127,610	14,007,932
2026	Principal	7,640,000	9,598,000	9,345,000	26,583,000
	Interest	5,100,117	7,252,567	766,413	13,119,097
2027	Principal	7,915,000	10,347,000	9,720,000	27,982,000
	Interest	4,820,511	6,966,295	390,744	12,177,550
2028	Principal	8,120,000	10,501,000	-	18,621,000
	Interest	4,623,034	6,693,256	-	11,316,290
2029	Principal	8,330,000	10,631,000	-	18,961,000
	Interest	4,407,186	6,447,433	-	10,854,619
2030	Principal	8,475,000	10,769,000	-	19,244,000
	Interest	4,266,332	6,185,677	-	10,452,009
2031	Principal	8,630,000	11,982,179	-	20,612,179
	Interest	4,110,301	5,912,051	-	10,022,352
2032	Principal	8,800,000	11,093,000	-	19,893,000
	Interest	3,942,793	5,608,250	-	9,551,043
2033	Principal	8,980,000	11,271,000	-	20,251,000
	Interest	3,763,185	5,307,588	-	9,070,773
2034	Principal	9,170,000	11,461,000	-	20,631,000
	Interest	3,570,923	4,994,421	-	8,565,344
2035	Principal	9,375,000	11,656,000	-	21,031,000
	Interest	3,365,423	4,684,007	-	8,049,430
2036	Principal	9,590,000	11,714,688	-	21,304,688
	Interest	3,150,642	4,371,452	-	7,522,094
2037	Principal	9,810,000	11,535,000	-	21,345,000
	Interest	2,926,140	4,019,148	-	6,945,288
2038	Principal	10,095,000	11,770,000	-	21,865,000
	Interest	2,642,729	3,657,828	-	6,300,557
2039	Principal	10,380,000	12,020,000	-	22,400,000
	Interest	2,351,085	3,289,798	-	5,640,883
2040	Principal	10,675,000	12,275,000	-	22,950,000
	Interest	2,051,207	2,914,774	-	4,965,981
2041	Principal	10,990,000	12,550,000	-	23,540,000
	Interest	1,742,806	2,519,417	-	4,262,223
2042	Principal	11,305,000	12,860,000	-	24,165,000
	Interest	1,425,305	2,097,568	-	3,522,873
2043	Principal	11,645,000	13,175,000	-	24,820,000
	Interest	1,087,398	1,661,295	-	2,748,693
2044	Principal	11,995,000	13,500,000	-	25,495,000
	Interest	739,329	1,215,411	-	1,954,740
2045	Principal	12,740,000	14,145,000	-	26,885,000
	Interest	380,799	755,014	-	1,135,813
2046	Principal	-	2,630,000	-	2,630,000
	Interest	-	467,400	-	467,400
2047	Principal	-	2,615,000	-	2,615,000
	Interest	-	362,500	-	362,500
2048	Principal	-	2,600,000	-	2,600,000
	Interest	-	258,200	-	258,200
2049	Principal	-	2,585,000	-	2,585,000
	Interest	-	154,500	-	154,500
2050	Principal	-	2,570,000	-	2,570,000
	Interest	-	51,400	-	51,400
Total Principal		216,065,000	282,090,582	45,000,000	543,155,582
Total Interest		77,281,939	111,380,112	5,538,555	194,200,606
Total Future Debt Payments		\$ 293,346,939	\$ 393,470,694	\$ 50,538,555	\$ 737,356,188

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**ANNUAL REPORT 2022 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2022**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Water:</b>										
<b>Water Lines [miles]</b>	1,805	1,812	1,819	1,823	1,826	1,834	1,835	1,835	1,835	1,538
<b>Water Valves</b>	29,629	29,730	29,791	29,831	29,940	29,990	30,316	30,638	30,652	14,072
<b>Fire Hydrants</b>	23,099	23,117	23,130	23,146	23,214	23,264	23,264	23,624	23,624	15,342
<b>Sewer:</b>										
<b>Sewer Lines [miles]</b>	1,536	1,547	1,561	1,568	1,585	1,602	1,605	1,605	1,605	1,334
<b>Sewer Force Mains</b>										122
<b>Sewer Manholes</b>	22,987	23,042	23,051	23,115	23,158	23,208	23,229	23,229	23,234	29,018

Source: Sewerage and Water Board of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**NUMBER OF ACTIVE EMPLOYEES**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Year</b>	<b>Number of Active Employees</b>
<b>2022</b>	1224
<b>2021</b>	1185
<b>2020</b>	1256
<b>2019</b>	1483
<b>2018</b>	1210
<b>2017</b>	1083
<b>2016</b>	1108
<b>2015</b>	1183
<b>2014</b>	1060
<b>2013</b>	1025

Source: Sewerage and Water Board of New Orleans



# STATISTICAL SECTION



## WORKFORCE DEVELOPMENT AND ENRICHMENT

We support and develop a high-performing team that is skilled, committed, inspired, rewarded, engaged, and accountable.



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**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**ACTUAL CAPITAL EXPENDITURES**

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**WATER DEPARTMENT**

**C.P.#**      **WATERWORKS**

110	Normal Extension & Replacement	\$ (6,264,854)
122	Sycamore and Claiborne Filter Rehabilitation	833,460
156	Advanced Water Treatment (Carrollton)	369,354
157	Advanced Water Treatment (Algiers)	(333,234)
175	Water Hurricane Recovery Bonds	71,653,520
176	Additional JIRR Water Line Replacements	(654,336)
	TOTAL WATERWORKS	<u>65,603,910</u>

**C.P.#**      **WATER DISTRIBUTION**

239	Mains DPW Contracts	<u>5,779,968</u>
	TOTAL WATER DISTRIBUTION	<u>5,779,968</u>

**C.P.#**      **POWER PROJECTS AND GENERAL BUDGET**

600	Water Share of Power Projects	1,523,947
800	Water Share of General Budget Items	<u>9,058,308</u>
	TOTAL POWER PROJECTS AND GENERAL BUDGET	<u>10,582,255</u>
	TOTAL WATER DEPARTMENT	<u><u>\$ 81,966,133</u></u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**ACTUAL CAPITAL EXPENDITURES**

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**SEWERAGE DEPARTMENT**

<b><u>C.P.#</u></b>	<b><u>SEWERAGE SYSTEM</u></b>	
310	Ext & Replace - Gravity Mains EPA Consent Decree	\$ 11,736
317	Ext & Replace - Gravity Mains EPA Consent Decree	45,324,750
318	Rehabilitation Gravity Sewer System	5,185,825
326	Ext. Rep to plumbing Stations EPA Consent Decree	999,081
339	Main in Streets Dept. Contracts	1,368,887
348	Normal Extensions & Replacements	8,478,442
375	Sewerage Hurricane Recovery Bonds	695,274
	<b>TOTAL SEWERAGE SYSTEM</b>	<b>62,063,995</b>
<b><u>C.P.#</u></b>	<b><u>POWER PROJECTS AND GENERAL BUDGET</u></b>	
600	Sewerage Share of Power Projects	1,020,193
800	Sewerage Share of General Budget Items	11,748,549
	<b>TOTAL POWER PROJECTS AND GENERAL BUDGET</b>	<b>12,768,742</b>
	<b>TOTAL SEWERAGE DEPARTMENT</b>	<b>\$ 74,832,737</b>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**ACTUAL CAPITAL EXPENDITURES**

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**DRAINAGE DEPARTMENT**

**C.P.#**      **CANALS**

400	End of Year Accruals	\$ (1,720,925)
439	Major Drainage Participation in DPW Projects	5,130
471	SELA Program Management	4,123,454
486	Napoleon Avenue Canal Improvements (SELA)	(271,825)
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)	1,284,677
498	Dwyer Intake Canal(St. Charles Canal to Dwyer DPS)(SELA)	63,834
	<b>TOTAL CANALS</b>	<b>3,484,345</b>

**C.P.#**      **PUMPING STATIONS**

511	Normal Extension & Rep./Stations	660,982
	<b>TOTAL PUMPING STATIONS</b>	<b>660,982</b>

**C.P.#**      **POWER PROJECTS AND GENERAL BUDGET**

600	Drainage Share of Power Projects	26,298,128
800	Drainage Share of General Budget Items	8,252,966
	<b>TOTAL POWER PROJECTS AND GENERAL BUDGET</b>	<b>34,551,094</b>
	<b>TOTAL DRAINAGE DEPARTMENT</b>	<b>\$ 38,696,421</b>

NOTE: These figures do not include proration of interest expense.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**ACTUAL CAPITAL EXPENDITURES**

**POWER PROJECTS**

<b><u>C.P.#</u></b>	<b><u>POWER PROJECTS</u></b>	<b><u>Water</u></b>	<b><u>Sewerage</u></b>	<b><u>Drainage</u></b>	<b><u>Total</u></b>
610	Additions & Replacement to Undergoround Power Distribution Feeder	\$ (220,624)	\$ (220,624)	\$ (110,312)	\$ (551,560)
613	Modification of Steam System	27,837	3,977	47,721	79,535
676	Modification to Power Generating System (HMGP)	1,301,415	1,078,501	14,600,191	16,980,107
677	Power Program - Non FEMA	415,318	158,339	11,760,528	12,334,185
<b>TOTAL POWER PROJECTS</b>		<b><u>\$ 1,523,946</u></b>	<b><u>\$ 1,020,193</u></b>	<b><u>\$ 26,298,128</u></b>	<b><u>\$ 28,842,267</u></b>

NOTE: These figures do not include proration of interest expense.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2022

## ACTUAL CAPITAL EXPENDITURES

### GENERAL BUDGET ITEMS

<u>C.P.#</u>	<u>General Budget Items</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
808	Improvements to Customer Service Satellite	\$ 138,628	\$ 138,628	\$ 138,628	\$ 415,884
810	Major Equipment Purchases	461,975	461,975	461,975	1,385,925
812	Computer Systems Development	218,561	218,561	218,561	655,683
820	Overhead Charged to Capital	6,428,266	9,668,539	4,249,035	20,345,840
823	Purchase of Water Meters	296,289	296,289	-	592,578
824	Meter Boxes and Meter Parts	371,074	371,074	-	742,148
825	Automated Meter Infrastructure	140,849	140,849	-	281,698
826	Water Power Complex	-	-	2,609,723	2,609,723
843	Minor Equipment Purchases	452,634	452,634	452,634	1,357,902
862	Purchase of Fire Hydrants and Related Parts	550,032	-	-	550,032
879	Green Infrastructure	-	-	122,410	122,410
	<b>TOTAL GENERAL BUDGET ITEMS</b>	<u>\$ 9,058,308</u>	<u>\$ 11,748,549</u>	<u>\$ 8,252,966</u>	<u>\$ 29,059,823</u>

NOTE: These figures do not include proration of interest expense.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**PAY WATER CONSUMPTION (IN GALLONS) - 2022**

<b>Month</b>	<b>Consumption</b>
<b>January</b>	1,769,248,700
<b>February</b>	974,793,600
<b>March</b>	1,331,826,900
<b>April</b>	1,310,202,700
<b>May</b>	948,450,800
<b>June</b>	1,485,784,400
<b>July</b>	1,287,483,600
<b>August</b>	1,119,480,600
<b>September</b>	1,138,722,000
<b>October</b>	1,245,043,500
<b>November</b>	1,131,766,400
<b>December</b>	927,857,900
<b>Total Customer Water Metered</b>	14,670,661,100

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**MONTHLY WATER CHARGES COLLECTED - 2022**  
**December 31, 2022**

Months	Water Service Charges & Fees	Delinquent Fees	Total
January	\$ 10,030,642	\$ 123,954	\$ 10,154,596
February	9,010,179	124,021	9,134,200
March	11,033,013	168,215	11,201,228
April	8,904,664	156,019	9,060,683
May	9,143,090	209,699	9,352,789
June	7,665,678	116,926	7,782,604
July	10,194,477	118,566	10,313,043
August	10,782,706	100,095	10,882,801
September	8,997,151	67,648	9,064,799
October	9,649,167	87,059	9,736,226
November	8,761,910	63,188	8,825,098
December	8,408,576	132,672	8,541,248
	<u>\$ 112,581,253</u>	<u>\$ 1,468,062</u>	<u>\$ 114,049,315</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**MONTHLY SEWERAGE CHARGES COLLECTED - 2022**

Months	Sewerage Service Charges	Delinquent Fees	Total
January	\$ 11,359,081	\$ 154,895	\$ 11,513,976
February	10,496,610	153,922	10,650,532
March	12,392,564	200,962	12,593,526
April	12,852,977	195,162	13,048,139
May	12,787,904	253,205	13,041,109
June	12,615,528	153,482	12,769,010
July	14,525,234	151,221	14,676,455
August	15,095,390	142,537	15,237,927
September	12,557,996	84,340	12,642,336
October	12,773,112	117,692	12,890,804
November	14,536,343	83,582	14,619,925
December	12,269,756	176,846	12,446,602
	<u>\$ 154,262,495</u>	<u>\$ 1,867,846</u>	<u>\$ 156,130,341</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## TABLES OF WATER PURIFICATION OPERATIONS AND WATER AND SEWERAGE DISTRIBUTION SYSTEMS - 2022

**TABLE I**

### CARROLLTON TURBIDITIES

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Maximum	242	174	131	169	150	17	12	7.1	12	5.8	0.34	0.33	0.23	0.23	0.26
Minimum	8	12	13	8	6	0.7	0.8	0.7	0.9	.7	0.05	0.04	0.04	0.03	0.04
Average	62	55	38	47	41	2.5	2.5	2.2	2.5	2.4	0.13	0.13	0.12	0.09	0.10

**TABLE II**

### CARROLLTON ALKALINITIES

PARTS PER MILLION

	River					Effluent Settling Reservoirs					Filters				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Maximum	164	147	148	153	162	152	142	139	151	160	184	162	186	171	179
Minimum	65	81	84	85	82	57	68	70	72	70	86	100	95	95	100
Average	117	118	114	114	117	105	107	102	105	109	131	136	125	127	133

**TABLE II A**

### CARROLLTON HARDNESS

PARTS PER MILLION

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Maximum	68	72	54	51	84	75	87	78	71	72	229	198	193	188	201	235	224	210	210	218
Minimum	11	15	20	10	3	14	11	17	17	2	98	100	110	110	100	122	140	135	130	125
Average	37	37	34	29	28	45	46	41	38	36	154	155	148	144	145	176	182	168	165	169

**TABLE III**

### CARROLLTON BACTERIAL CHARACTERISTICS

TOTAL COLIFORM ANALYSIS

2021	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	2,200	30	40
Minimum (Colonies / 100 ml)	57	0	0
Average (colonies / 100 ml)	480	0	0
Number of Samples	214	365	1,937
Number of Samples Negative	0	359	1,918
Number of Samples Positive	214	6	27*

\* One of these 27 total coliform positive samples was *E. coli* positive, and none resulted in a violation of the Total Coliform Rule.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## TABLE IV-A

**PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE  
CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022\***

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO <sub>3</sub> )	Turbidity of Unit Effluent (NTU)
January	Max Min Avg	0.00										
February	Max Min Avg	0.00										
March	Max Min Avg	0.00										
April	Max Min Avg	0.00										
May	Max Min Avg	0.00										
June	Max Min Avg	0.00										
July	Max Min Avg	0.00										
August	Max Min Avg	0.00										
September	Max Min Avg	0.00										
October	Max Min Avg	0.00										
November	Max Min Avg	0.00										
December	Max Min Avg	0.00										
Annual	Total Max Min Avg	0.00 0.00 0.00 0.00										

\* No statistical data available; unit was not in operation in 2022

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE IV-B

### PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO <sub>3</sub> )	Turbidity of Unit Effluent (NTU)
January	Max		100.46		0.00		5.49		6.09	123	124	5.8
	Min	2,643.29	80.50		0.00	92,230	3.34	102,182	3.71	34	88	2.2
	Avg		85.27		0.00		4.18		4.63	75	109	3.9
February	Max		103.17		0.00		5.34		5.93	83	122	4.7
	Min	2,618.75	82.83		0.00	109,936	4.87	122,203	5.41	34	90	1.3
	Avg		93.53		0.00		5.03		5.60	53	106	3.0
March	Max		91.29		0.00		5.41		6.01	150	103	5.7
	Min	2,621.24	78.42		0.00	110,408	4.78	122,585	5.31	47	82	1.3
	Avg		84.56		0.00		5.05		5.61	82	89	3.0
April	Max		91.42		0.00		4.98		5.53	86	110	3.7
	Min	2,522.75	77.71	0	0.00	97,216	4.39	107,512	4.86	40	87	1.4
	Avg		84.09		0.00		4.62		5.11	63	98	2.4
May	Max		87.04		0.00		4.83		5.35	92	110	3.5
	Min	2,522.83	76.00	0	0.00	92,232	3.93	102,261	4.37	32	87	0.9
	Avg		81.38		0.00		4.38		4.86	50	98	2.2
June	Max		87.08		0.00		4.34		4.81	92	130	3.9
	Min	2,402.63	73.33	0	0.00	79,503	3.53	88,138	3.92	36	101	1.4
	Avg		80.09		0.00		3.98		4.41	53	113	2.4
July	Max		98.04		0.00		3.68		4.08	53	162	3.4
	Min	2,714.63	80.50	0	0.00	67,823	2.46	74,938	2.61	8	126	1.4
	Avg		87.57		0.00		3.01		3.33	22	141	2.3
August	Max		93.42		0.00		3.16		3.51	43	147	4.5
	Min	2,733.19	83.54	0	0.00	64,394	2.37	71,387	2.62	11	105	1.5
	Avg		88.17		0.00		2.82		3.13	26	122	2.4
September	Max		97.13		0.00		3.19		3.54	32	135	5.8
	Min	2,696.87	79.12	0	0.00	67,516	2.80	74,925	3.10	7	105	1.4
	Avg		89.90		0.00		3.00		3.33	11	125	2.2
October	Max		95.46		0.00		3.29		3.65	11	158	2.7
	Min	2,785.38	82.83	0	0.00	69,768	2.76	77,724	3.07	6	120	1.1
	Avg		89.85		0.00		3.00		3.35	8	139	1.8
November	Max		94.88		0.00		4.13		4.58	16	158	3.2
	Min	2,686.25	85.17	0	0.00	79,700	2.80	88,622	3.10	8	131	1.3
	Avg		89.54		0.00		3.56		3.95	12	142	2.0
December	Max		96.88		0.00		4.71		5.24	113	134	3.8
	Min	2,783.00	84.67	0	0.00	102,938	4.03	114,373	4.46	12	92	0.7
	Avg		89.77		0.00		4.43		4.93	39	115	2.0
Annual	Total	31,730.80		0		1,033,663		739,378				
	Max	2,785.38	103.17	0	0.00	110,408	5.49	105,244	6.09	150	162	5.8
	Min	2,402.63	73.33	0	0.00	64,394	2.37	10,544	2.61	6	82	0.7
	Avg	2,644.23	127.95	0	0.00	86,139	3.91	82,153	4.33	41	117	2.5

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE IV-C

### PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022\*

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO <sub>3</sub> )	Turbidity of Unit Effluent (NTU)
January	Max Min Avg	0.00										
February	Max Min Avg	0.00										
March	Max Min Avg	0.00										
April	Max Min Avg	0.00										
May	Max Min Avg	0.00										
June	Max Min Avg	0.00										
July	Max Min Avg	0.00										
August	Max Min Avg	0.00										
September	Max Min Avg	0.00										
October	Max Min Avg	0.00										
November	Max Min Avg	0.00										
December	Max Min Avg	0.00										
Annual	Total Max Min Avg	0.00 0.00 0.00 0.00										

\* No statistical data available; unit was not in operation in 2022

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE IV-D

### PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO <sub>3</sub> )	Turbidity of Unit Effluent (NTU)
January	Max		67.96		0.00		4.92		5.47	123	124	4.5
	Min	1,830.33	52.63	0	0.00	62,532	3.39	69,542	3.76	34	88	1.9
	Avg		59.04		0.00		4.08		4.54	75	109	3.2
February	Max		75.67		0.00		5.08		5.65	83	122	5.2
	Min	1,762.71	47.13	0	0.00	66,712	4.32	74,228	4.86	34	90	1.4
	Avg		62.95		0.00		4.54		5.05	53	106	2.6
March	Max		68.08		0.00		4.98		5.53	150	103	5.2
	Min	1,857.10	52.21	0	0.00	70,828	3.45	78,718	3.75	47	82	1.9
	Avg		59.91		0.00		4.58		5.09	82	89	3.3
April	Max		62.04		0.00		5.34		6.05	86	110	3.7
	Min	1,673.79	48.75	0	0.00	58,445	3.75	64,941	4.16	40	87	1.6
	Avg		55.79		0.00		4.20		4.67	63	98	2.6
May	Max		60.29		0.00		4.53		5.01	92	110	2.6
	Min	1,719.75	50.75	0	0.00	55,199	3.35	61,281	3.73	32	87	1.4
	Avg		55.48		0.00		3.85		4.27	50	98	1.9
June	Max		60.75		0.00		3.92		4.35	92	130	2.4
	Min	1,708.96	51.04	0	0.00	49,015	3.04	54,308	3.37	36	101	1.4
	Avg		56.97		0.00		3.44		3.81	53	113	1.8
July	Max		62.75		0.00		3.06		3.39	53	162	2.7
	Min	1,849.67	57.54	0	0.00	38,783	1.98	42,850	2.20	8	126	1.1
	Avg		59.67		0.00		2.52		2.78	22	141	1.8
August	Max		67.21		0.00		2.61		2.90	43	147	3.4
	Min	1,957.96	57.00	0	0.00	37,220	1.95	41,334	2.17	11	105	1.5
	Avg		63.16		0.00		2.28		2.53	26	122	2.3
September	Max		67.21		0.00		2.92		3.25	3	135	2.8
	Min	1,868.54	55.13	0	0.00	39,623	2.42	44,019	2.69	7	105	1.5
	Avg		62.28		0.00		2.54		2.83	11	125	1.9
October	Max		69.96		0.00		2.67		2.97	11	158	2.5
	Min	2,000.38	58.13	0	0.00	41,918	2.32	46,575	2.59	6	120	1.3
	Avg		64.53		0.00		2.51		2.79	8	139	1.7
November	Max		68.21		0.00		4.44		4.95	16	158	2.9
	Min	1,915.50	51.46	0	0.00	53,204	2.49	59,208	2.78	8	131	1.4
	Avg		63.85		0.00		3.33		3.71	12	142	1.8
December	Max		71.79		0.00		4.90		5.47	113	134	5.7
	Min	1,956.83	56.88	0	0.00	73,380	3.84	81,800	4.27	12	92	1.1
	Avg		63.12		0.00		4.50		5.02	39	115	2.2
Annual	Total	22,101.52		0		646,860		718,804				
	Max	2,000.38	75.67	0	0.00	73,380	5.34	81,800	6.05	150	162	5.7
	Min	1,673.79	47.13	0	0.00	37,220	1.95	41,334	2.17	6	82	1.1
	Avg	1,841.79	60.55	0	0.00	53,905	3.51	59,900	3.90	41	117	2.3



# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-E

## MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Month		Volume of Water	Volume of Water	Total Pounds of Polymer	Total Pounds of Polymer	Total Pounds of	Fluoride (ppm)	Total Pounds of Pure Iron	Total Pounds of	Lime (ppm)	Total Pounds of	Chlorine (ppm)	Total Pounds of	Ammonia (ppm)	Total Pounds of	Poly-phosphate	Alkalinity of Filtered	Total M.G.	M.G.D.
January	Max.	4,473.63	162.00	0	154,761	15,883	0.47	171,723	496,285	14.52	164,538	4.64	39,874	1.12	25,955	0.73	142	4,236	152.08
	Min.		138.17				0.43			10.70		4.26		1.02		0.63	103		128.83
	Avg.		144.31				0.46			13.29		4.41		1.07		0.70	127		136.64
February	Max.		176.00				0.51			28.29		4.62		1.11		0.73	139		157.92
	Min.	4,381.46	133.83	0	176,648	15,319	0.42	196,431	492,956	9.21	159,891	4.29	38,563	1.02	25,553	0.68	108	4,072	131.58
	Avg.		156.48				0.45			13.58		4.38		1.06		0.70	120		145.43
March	Max.		157.14				0.49			16.69		4.53		1.11		0.72	119		148.08
	Min.	4,478.34	136.83	0	181,236	16,706	0.42	201,302	532,007	11.71	163,938	3.92	39,597	0.94	26,128	0.63	100	4,393	137.29
	Avg.		144.46				0.46			14.26		4.39		1.06		0.70	107		141.71
April	Max.		146.71				0.55			15.01		5.02		1.22		0.72	128		144.33
	Min.	4,196.54	131.46	0	155,661	17,059	0.46	172,453	444,874	10.45	161,810	4.29	39,138	1.04	24,589	0.68	103	4,097	127.88
	Avg.		139.88				0.50			12.71		4.63		1.12		0.70	114		136.56
May	Max.		141.75				0.54			30.86		5.46		1.27		0.75	134		143.50
	Min.	4,242.58	133.21	0	147,431	18,165	0.48	163,543	716,654	8.49	177,763	4.80	42,572	1.11	25,244	0.67	114	4,284	133.67
	Avg.		136.86				0.51			20.27		5.02		1.20		0.71	122		138.20
June	Max.		147.83				0.58			30.14		6.13		1.30		0.74	146		152.21
	Min.	4,111.58	132.08	0	128,518	17,437	0.46	142,447	906,093	22.98	189,290	4.94	39,942	1.09	24,144	0.61	117	4,096	127.58
	Avg.		137.05				0.51			26.41		5.51		1.17		0.70	128		136.54
July	Max.		157.71				0.57			32.57		6.45		1.36		0.71	177		157.00
	Min.	4,564.29	140.50	0	106,605	18,051	0.44	117,788	1,123,228	25.13	236,861	6.03	49,011	1.15	26,553	0.67	132	4,529	130.33
	Avg.		147.24				0.48			29.53		6.22		1.29		0.70	155		146.11
August	Max.		159.71				0.52			32.30		6.37		1.34		0.79	163		155.04
	Min.	4,691.15	143.04	0	101,614	18,600	0.44	112,721	1,155,592	25.64	244,254	5.98	51,454	1.26	28,053	0.67	114	4,495	137.50
	Avg.		151.33				0.50			29.55		6.24		1.32		0.72	140		145.01
September	Max.		160.46				0.49			32.11		6.51		1.37		0.81	153		152.25
	Min.	4,565.41	144.74	0	107,139	16,819	0.39	118,944	1,002,243	22.50	236,859	5.79	49,794	1.21	29,506	0.75	128	4,376	139.33
	Avg.		152.18				0.46			26.87		6.22		1.31		0.78	142		145.85
October	Max.		160.29				0.47			27.10		5.97		1.29		0.80	178		156.04
	Min.	4,785.75	147.92	0	111,686	17,390	0.43	124,299	1,018,701	23.02	229,735	5.51	48,847	1.18	30,497	0.64	138	4,645	144.63
	Avg.		154.38				0.45			25.53		5.76		1.22		0.76	155		149.85
November	Max.		161.58				0.47			27.72		5.54		1.27		0.80	179		159.04
	Min.	4,601.75	143.04	0	132,904	16,870	0.43	147,830	957,836	19.90	195,065	4.90	46,246	1.14	29,605	0.72	136	4,548	141.83
	Avg.		153.39				0.45			24.97		5.08		1.20		0.77	155		151.60
December	Max.		164.17				0.49			24.47		5.13		1.23		0.79	148		156.29
	Min.	4,739.83	146.17	0	176,318	17,366	0.42	196,173	891,642	19.83	197,716	4.82	47,343	1.16	30,256	0.68	105	4,590	138.17
	Avg.		152.90				0.45			22.58		5.00		1.20		0.77	129		148.05
Annual	Total	53,832.32		0	1,680,523	205,665		1,865,654	9,758,111		2,357,720		532,381		326,085			52,361.3	
	Max.	4,785.75	176.00	0	181,236	18,600	0.58	201,302	1,155,592	32.57	244,254	6.51	51,454	1.37	30,497	0.81	179	4,645.21	159.04
	Min.	4,111.58	131.46	0	101,614	15,319	0.39	112,721	444,874	8.49	159,891	3.92	38,563	0.94	24,144	0.61	100	4,072.13	127.58
	Avg.	4,486.03	147.49	0	140,044	17,139	0.46	155,471	813,176	21.73	196,477	5.25	44,365	1.19	27,174	0.73	133	4,363.44	143.46

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE V

**PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2022**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
Month		Low Lift Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polyelectrolyte Used During Month	Polyelectrolyte Parts Per Million	Total Pounds of Fluoride (100%) Used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	Total Pounds of Lime Used During Month	Lime Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Anhydrous Ammonia Parts Per Million	Total Pounds Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds Polyphosphate Used During Month	Polyphosphate Parts Per Million	NTU Turbidity of Clarifier Effluent	PPM Clear Well Alkalinity of Filter Effluent	High Lift Pumpage		
																				Total M.G.D.	M.G.D.	
January	Max	351.99	12.00	13,322	4.57	1,750	0.64	18,040	6.59	101,943	50.10	2,429	0.88	12,124	4.50	2,333	0.99	132.0	85	305.58	11.25	
	Min		10.00		4.51		0.56		4.99		23.68		0.73		3.82		0.66	0.5	51			9.01
	Avg		11.35		4.54		0.60		6.10		34.83		0.83		4.13		0.79	3.5	67			
February	Max	325.76	12.00	12,345	4.56	1,529	0.62	15,050	6.59	94,791	54.55	2,144	0.81	10,429	3.96	2,000	1.06	4.2	91	282.85	11.23	
	Min		10.00		4.51		0.52		5.25		22.59		0.78		3.72		0.66	0.3	47			8.96
	Avg		11.63		4.55		0.56		5.54		34.80		0.79		3.84		0.74	1.1	67			
March	Max	407.65	16.00	15,369	4.59	1,771	0.56	19,430	6.16	100,914	40.19	2,854	0.97	14,271	4.66	2,534	0.86	2.1	79	360.53	13.89	
	Min		10.25		4.14		0.46		5.50		22.00		0.80		3.81		0.61	0.3	47			10.06
	Avg		13.15		4.52		0.52		5.71		29.48		0.84		4.19		0.74	0.8	62			
April	Max	345.18	14.00	13,126	5.24	1,624	0.59	17,610	7.10	98,269	45.08	2,877	1.12	12,432	4.78	1,999	0.79	18.0	77	297.20	10.86	
	Min		10.00		4.35		0.54		5.33		25.44		0.86		3.94		0.57	0.3	50			8.72
	Avg		11.51		4.56		0.56		6.11		34.07		0.99		4.32		0.69	1.1	58			
May	Max	346.74	12.33	13,231	5.46	1,656	0.59	18,910	6.88	122,741	50.12	3,228	1.22	13,095	4.98	2,066	0.80	6.2	65	276.86	9.93	
	Min		10.00		4.49		0.53		6.09		31.78		1.03		4.10		0.65	0.2	42			8.12
	Avg		11.19		4.58		0.57		6.53		42.37		1.12		4.53		0.72	0.7	53			
June	Max	359.33	14.00	13,594	4.57	1,724	0.62	19,760	7.51	135,829	54.92	3,594	1.33	15,132	5.60	2,200	1.01	2.3	67	293.21	10.90	
	Min		10.00		4.51		0.53		5.65		29.98		0.98		4.60		0.57	0.3	45			8.45
	Avg		11.98		4.53		0.58		6.60		45.35		1.20		5.06		0.73	0.7	52			
July	Max	368.91	15.08	13,963	4.57	1,780	0.61	19,750	6.71	178,829	74.22	3,726	1.29	15,696	5.92	2,200	0.90	69.0	84	314.54	11.88	
	Min		10.00		4.50		0.54		5.96		31.33		1.01		4.27		0.56	0.3	48			9.31
	Avg		11.90		4.54		0.58		6.42		58.07		1.20		5.11		0.72	5.6	60			
August	Max	365.66	14.00	13,818	5.04	1,805	0.69	18,430	6.70	179,283	111.23	3,736	1.34	15,737	5.66	2,133	1.04	61.0	69	307.43	11.00	
	Min		10.00		4.29		0.52		5.75		35.06		1.03		4.50		0.57	0.9	40			9.08
	Avg		11.80		4.53		0.59		6.05		58.48		1.22		5.15		0.71	7.2	55			
September	Max	355.34	0.62	13,410	4.81	1,711	0.62	17,926	6.44	168,333	70.20	3,575	1.35	15,140	5.74	2,000	0.80	19.0	70	298.97	10.78	
	Min		0.53		4.49		0.53		6.03		44.92		1.04		4.12		0.57	1.4	44			8.86
	Avg		0.58		4.53		0.58		6.05		56.74		1.21		5.10		0.69	7.3	53			
October	Max	367.59	14.00	13,924	4.57	1,782	0.63	18,502	4.57	158,668	59.95	3,550	1.25	14,728	5.40	2,133	0.91	16.0	73	300.72	11.55	
	Min		10.00		4.50		0.57		4.50		40.05		1.05		4.29		0.62	3.4	44			8.45
	Avg		11.86		4.54		0.58		4.54		51.31		1.12		4.80		0.70	9.4	59			
November	Max	357.69	14.00	13,546	4.57	1,726	0.59	18,180	6.58	145,381	60.15	3,004	1.06	13,091	5.98	2,134	1.15	15.0	96	286.63	10.95	
	Min		10.33		4.52		0.57		6.03		32.03		0.92		4.02		0.57	2.3	57			8.55
	Avg		11.92		4.54		0.58		6.07		48.71		1.01		4.38		0.72	5.5	74			
December	Max	372.50	14.00	14,121	4.71	1,797	0.60	20,367	6.81	128,170	60.06	2,761	0.92	13,441	4.92	2,333	1.04	10.0	84	304.55	12.22	
	Min		10.00		4.42		0.56		5.97		14.96		0.87		4.09		0.66	2.3	55			7.95
	Avg		12.02		4.55		0.58		6.56		40.74		0.89		4.33		0.75	5.5	67			
Annual	Total	4,324.34		163,769		20,655		221,955		1,613,151		37,478		165,316		26,065				3,629.07		
	Max	407.65	16.00	15,369	5.46	1,805	0.69	20,367	7.51	179,283	111.23	3,736	1.35	15,737	5.98	2,534	1.15	132.0	96	360.53	13.89	
	Min	325.76	0.53	12,345	4.14	1,529	0.46	15,050	4.50	94,791	14.96	2,144	0.73	10,429	3.72	1,999	0.56	0.2	40	276.86	7.95	
	Avg	360.36	11.85	13,647	4.54	1,721	0.57	18,496	6.15	134,429	44.73	3,123	1.04	13,776	4.58	2,172	0.72	4.1	60	302.42	9.94	

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE VI-A

**MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2022**

1 Month	2	3 Total Million Gallons Water Filtered During Month		4 Total Number of Runs		5 Length of Runs in Hours		6 Million Gallons of Water Filtered Per Run		7 Million Gallons Per Day Per Filter		8 Total Amount in Million Gallons of Wash Water Used		9 Million Gallons of Wash Water Used Per Run		10 Percentage of Wash Water Used Per Run		11 Million Gallons Filtered Per Acre Per Day	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
January	Max					316	171	40.880	43.598							14.60	7.33		
	Min	1,679.306	1,983.860	72	70	119	64	2.960	9.166	3.253	5.106	31.125	49.700	0.432	0.672	1.05	1.54	99.037	84.729
	Avg					172	126	23.323	26.809							1.85	2.51		
February	Max					239	268	38.550	64.335							10.25	5.03		
	Min	1,817.036	2,699.741	75	68	17	66	2.837	14.313	3.365	5.235	21.807	50.400	0.290	0.720	0.75	1.12	102.456	86.870
	Avg					173	182	24.227	39.702							1.20	1.81		
March	Max					245	169	45.170	41.438							12.72	3.04		
	Min	1,884.520	2,422.580	79	76	127	101	2.960	22.446	3.366	5.075	29.740	51.800	0.376	0.682	0.83	1.65	102.477	84.215
	Avg					170	152	23.854	32.139							1.58	2.12		
April	Max					215	280	39.420	56.277							12.55	3.10		
	Min	1,659.873	2,454.240	76	66	119	122	2.477	21.836	3.211	5.613	23.630	44.800	0.310	0.679	0.79	1.20	97.756	63.434
	Avg					163	159	21.840	37.185							1.42	1.82		
May	Max					279	171	42.503	69.354							9.65	7.12		
	Min	1,705.173	2,494.837	92	78	23	93	2.995	16.974	3.309	4.985	26.576	54.600	0.288	0.700	0.68	4.19	100.755	82.721
	Avg					134	154	18.534	31.984							1.55	2.18		
June	Max					210	295	39.380	67.643							16.83	3.54		
	Min	1,915.010	2,274.272	84	72	45	127	2.600	19.800	3.363	4.955	36.750	50.400	0.437	0.700	1.11	1.03	102.398	82.223
	Avg					163	153	22.797	31.587							1.92	2.22		
July	Max					221	182	59.740	42.681							9.08	4.99		
	Min	1,916.009	2,661.857	77	80	79	124	6.130	13.625	3.536	5.359	23.726	54.400	0.308	0.680	0.52	1.59	107.655	88.927
	Avg					169	149	24.883	33.273							1.24	2.04		
August	Max					207	160	39.780	39.750							12.09	3.11		
	Min	1,970.682	2,494.561	87	80	106	116	2.480	33.598	3.371	3.347	26.091	56.400	0.299	0.705	0.75	1.77	102.631	35.540
	Avg					161	140	22.651	31.183							1.32	2.26		
September	Max					247	170	44.080	42.500							8.78	6.70		
	Min	1,758.000	2,560.565	74	76	95	46	3.420	10.446	3.365	5.391	22.218	53.200	0.300	0.700	0.68	1.65	102.430	89.458
	Avg					285	150	39.955	33.692							0.75	2.08		
October	Max					191	191	36.800	54.777							12.03	15.26		
	Min	1,576.942	2,882.482	74	80	87	19	2.480	4.750	3.125	5.727	22.086	58.000	0.298	0.725	0.81	1.32	95.148	95.034
	Avg					164	151	21.310	36.031							1.40	2.01		
November	Max					311	194	55.170	55.179							18.48	3.69		
	Min	1,884.987	2,250.396	78	74	95	90	1.980	18.950	3.363	4.902	28.544	51.800	0.365	0.700	0.66	1.27	102.383	247.168
	Avg					172	49	24.166	30.411							1.51	2.30		
December	Max					239	239	41.830	55.000							21.76	2.98		
	Min	1,810.335	2,710.594	80	70	79	115	1.980	25.117	3.325	5.466	34.477	52.400	0.430	0.749	1.03	1.36	101.236	633.092
	Avg					163	170	22.629	38.723							1.90	1.93		
Annual	Total	21,577.873	29,889.985	948	890							326.770	627.900						
	Max	1,970.682	2,882.482	92	80	407	295	59.740	69.354	3.536	5.727	36.750	58.000	0.437	0.749	21.76	15.26	107.655	633.092
	Min	1,576.942	1,983.860	72	66	17	19	1.980	4.750	3.125	3.347	21.807	44.800	0.288	0.672	0.52	1.03	95.148	35.540
	Avg	1,798.156	2,490.832	79	74	174	145	24.181	33.560	3.329	5.097	27.231	52.325	0.344	0.701	1.47	2.11	101.364	139.451

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE VI-B

**MONTHLY SUMMARY OF ALGIERS WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2022**

1	2	3	4	5	6	7	8	9	10
Month		Total Million Gallons Water Filtered During Month of Run	Total Number of Runs	Length of Runs in Hours	Million Gallons of Water Filtered Per Run	Million Gallons Per Day Per Filter	Total Amount in Million Gallons of Wash Water Used	Million Gallons of Wash Water Used Per Run	Percentage of Wash Water Used Per Run
January	Max	264.58	51	167	10.356	0.75	4.74	0.093	22.57
	Min			167	0.412				0.90
	Avg			167	5.188				1.79
February	Max	240.32	48	167	10.852	0.72	4.73	0.098	17.80
	Min			167	0.553				0.91
	Avg			167	5.007				1.97
March	Max	320.13	57	167	14.309	0.81	5.88	0.103	18.85
	Min			167	0.547				0.72
	Avg			167	5.616				1.84
April	Max	241.18	48	167	10.914	0.72	4.20	0.087	19.27
	Min			167	0.454				0.80
	Avg			167	5.025				1.74
May	Max	260.21	54	167	10.686	0.69	4.81	0.089	16.15
	Min			167	0.551				0.83
	Avg			167	4.819				1.85
June	Max	266.87	54	167	9.721	0.71	4.97	0.092	19.95
	Min			167	0.461				0.95
	Avg			167	4.942				1.86
July	Max	277.53	48	215	10.495	0.83	6.19	0.129	19.25
	Min			119	0.670				1.23
	Avg			167	5.782				2.23
August	Max	305.74	57	167	10.729	0.77	7.33	0.129	17.27
	Min			167	0.745				1.20
	Avg			167	5.364				2.40
September	Max	306.59	51	167	10.104	0.86	5.92	0.116	18.71
	Min			167	0.620				1.15
	Avg			167	6.012				1.93
October	Max	289.73	51	167	9.808	0.82	6.43	0.126	17.55
	Min			167	0.719				1.20
	Avg			167	5.681				2.22
November	Max	310.23	54	167	10.904	0.83	7.01	0.130	18.46
	Min			167	0.703				1.19
	Avg			167	5.745				2.26
December	Max	280.31	51	167	11.412	0.79	5.25	0.103	15.19
	Min			167	0.677				0.90
	Avg			167	5.496				1.87
Annual	Total	3363.42	624				67.44		
	Max	320.13	57	215	14.309	0.86	7.33	0.130	22.57
	Min	240.32	48	119	0.412	0.69	4.20	0.087	0.72
	Avg	280.29	52	167	5.390	0.08	5.62	0.11	7.14

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2022

TABLE VII

## FIVE YEAR ANALYSIS COMPOSITE DATA (2018 - 2022) FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	164	65	116	180	82	130
Total Hardness (ppm as CaCO <sub>3</sub> )	229	100	149	230	120	172
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	84	3	33	90	7	42
Calcium Hardness (ppm as CaCO <sub>3</sub> )	152	67	96	157	90	120
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	116	13	46	106	16	53
Nephelometric Turbidity (NTU)	242	6	49	0.25	0.02	0.10
pH	8.34	6.88	7.76	9.41	8.21	8.90
Chloride (ppm)	48	15	26	58	19	30
Fluoride (ppm)	0.34	0.10	0.18	0.95	0.49	0.69
Total Dissolved Solids (ppm)	298	2	103	330	154	252
Total Suspended Solids (ppm)	304	19	190	-----	-----	-----
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.6	0.0	0.1
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	4.8	0.0	3.2
Ammonia (ppm as N)	-----	-----	-----	0.37	0.02	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	1.3	1.0	1.6
Sulfate (ppm) *	-----	-----	-----	54	28	43
Conductivity (µS/cm)	685	286	420	692	310	471
Temperature (°F)	88	37	66	93	52	73
Aluminum (ppm) *	-----	-----	-----	0.08	0.00	0.03
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.2	0.0	0.0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.2	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.02	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.026	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.02	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	4.0	0.0	2.6
Sodium (ppm) *	-----	-----	-----	31.0	0.0	20.4
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	59.0	10.2	24.4
Total Organic Carbon (ppm) *	4.9	2.8	3.6	3.3	1.7	2.7
Total Trihalomethanes (ppb)	2.0	0.0	0.0	56.9	6.4	21.4
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	2.0	0.0	0.0	43.4	1.5	15.3
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	4.0	0.0	0.0
Bromodichloromethane (ppb)	0.6	0.0	0.0	13.7	0.4	5.1
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.8	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	7.4	0.0	0.0	1.1	0.0	0.0
Total Coliforms (CFUs/100 ml)	3500	57	572	200	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	1	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health or an LDH certified contract laboratory.

All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper results are from 2019 and 2022 Lead and Copper Rule compliance testing.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by LDH to be classified as an "LDH-OPH *Certified* Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by LDH for Total Coliform and E. coli testing.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE VIII

### 2022 CARROLLTON OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$ 1,134,708	\$ 21.08
Ferric Coagulant	1,710,954	31.78
Chlorine & Sodium Hypochlorite	2,776,723	51.58
Sodium Polyphosphate	715,715	13.30
Polyelectrolyte	983,355	18.27
Fluoride	265,536	4.93
Ammonia	418,352	7.77
Carbon	-	-
TOTAL CHEMICALS	8,005,343	148.71

### TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2022	53,832.32	\$ 13,660,829	\$253.77
2021	52,332.37	9,504,986	181.63
2020	49,591.12	9,738,428	196.37
2019	50,381.19	10,328,116	205.00
2018	51,211.51	9,850,754	192.35

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE IX

### 2022 ALGIERS OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$ 213,863.04	\$ 49.46
Ferric Coagulant	206,664.58	47.79
Sodium Hypochlorite	153,973.26	35.61
Sodium Polyphosphate	39,097.50	9.04
Polyelectrolyte	96,455.01	22.31
Fluoride (100%)	26,711.05	6.18
Ammonia	28,514.47	6.59
Carbon	-	-
TOTAL CHEMICALS	765,278.91	176.97

### TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2022	4,324.34	\$ 2,840,834	\$656.94
2021	4,021.71	2,498,764	577.84
2020	3,921.92	2,249,216	573.49
2019	3,834.71	2,221,587	579.34
2018	3,762.72	2,209,591	587.23

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2022

## TABLE X

### SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS DORR MONORAKE CONVENTIONAL SYSTEM 2022

Total Million Gallons Water Treated	31,730.80
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	8,867
Total Million Gallons Wet Sludge Withdrawn from Basins	674.83
Average Percent solids in Wet Sludge	0.31
Total Million Gallons Water Used in Withdrawing Sludge	673.95
Percent of Total Water Treated Used in Withdrawing Wet Sludge	2.13

## TABLE X-A

### SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS DORR MONORAKE CONVENTIONAL SYSTEM 2022

Total Million Gallons Water Treated	22,101.52
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	7,015
Total Million Gallons Wet Sludge Withdrawn from Basins	270.90
Average Percent solids in Wet Sludge	0.62
Total Million Gallons Water Used in Withdrawing Sludge	270.20
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.23



# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## TABLE XI

### 2022 ANALYSIS DATA FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	162	82	117	180	102	133
Total Hardness (ppm as CaCO <sub>3</sub> )	201	100	145	218	127	169
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	84	3	28	66	7	36
Calcium Hardness (ppm as CaCO <sub>3</sub> )	152	71	97	155	94	119
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	98	13	48	106	16	50
Nephelometric Turbidity (NTU)	150	6	41	0.19	0.04	0.09
pH	8.06	7.20	7.67	9.12	8.43	8.86
Chloride (ppm)	47	18	28	51	21	32
Fluoride (ppm)	0.27	0.11	0.17	0.82	0.50	0.66
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.2	0.1	0.1
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	4.8	0.6	3.2
Ammonia (ppm as N)	-----	-----	-----	0.28	0.02	0.13
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	1.1	1.1	1.1
Sulfate (ppm) *	-----	-----	-----	38	36	37
Conductivity (µS/cm)	572	286	401	614	324	454
Temperature (°F)	88	38	66	88	52	73
Aluminum (ppm) *	-----	-----	-----	0.08	0.00	0.05
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.000	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.0	0.0	0.0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.1	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.02	0.00	0.01
Lead (ppm) *	-----	-----	-----	0.02	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.022	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	0.00	0.0	1.7
Selenium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Sodium (ppm) *	-----	-----	-----	15.6	0.0	10.4
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	30.7	10.2	21.8
Total Organic Carbon (ppm) *	4.4	3.0	3.5	3.25	2.25	2.7
Total Trihalomethanes (ppb)	1.2	0.0	0.0	48.8	7.5	21.0
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	1.1	0.0	0.0	35.3	4.0	15.9
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.6	0.0	0.0	12.4	0.5	4.6
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Total Coliforms (CFUs/100 ml)	2200	57	480	40	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	1	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health or an LDH certified contract laboratory.

All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper results are from 2022 Lead and Copper Rule compliance testing.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by LDH to be classified as an "LDH-OPH *Certified* Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by LDH for Total Coliform and E. coli testing.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2022

## TABLE XII

### EXTRACTS FROM TABLES IV-E AND V

**20 Year Period, 2003 to 2022 Inclusive**  
**Maximum, Minimum, and Average Amount of**  
**Water Treated Per Day**  
**(M.G. per 24 Hours)**

YEAR	CARROLLTON			ALGIERS		
	MAX.	MIN.	AVG.	MAX.	MIN.	AVG.
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.17	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25
2011	150.83	127.17	139.37	16.83	10.00	11.73
2012	163.29	117.96	137.65	15.50	10.00	11.58
2013	141.83	120.00	131.08	15.25	10.00	11.27
2014	157.30	122.08	132.57	15.58	9.00	10.43
2015	144.71	118.33	130.47	13.92	8.83	10.09
2016	213.83	120.46	131.62	17.25	8.00	9.66
2017	149.19	125.13	138.94	14.00	8.00	10.29
2018	168.70	118.21	138.62	13.53	7.41	9.37
2019	162.83	97.08	136.95	13.65	5.83	9.19
2020	150.17	119.67	134.66	14.15	8.21	10.53
2021	154.33	120.13	140.14	14.73	8.20	10.46
2022	159.04	127.58	143.46	13.89	7.95	9.94

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2022

**TABLE XIII**

**Monthly Temperature (Degrees Farenheit) of the  
Mississippi River Water at the Carrollton Plant**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	47	42	43	47	47	41	46	48	46	49
February	47	40	45	46	49	45	45	47	43	44
March	49	46	45	54	55	55	50	54	51	50
April	57	59	61	62	63	58	59	62	62	61
May	66	69	70	70	69	71	69	67	69	71
June	76	79	79	79	77	82	78	77	74	80
July	81	83	84	86	83	86	82	84	83	85
August	83	84	85	85	85	86	85	85	86	85
September	83	83	83	84	80	83	84	81	82	81
October	76	72	74	75	77	73	75	71	76	74
November	62	59	65	66	61	56	54	61	60	63
December	48	49	54	53	52	47	48	50	54	51
Maximum	86	86	87	87	87	88	86	87	87	88
Minimum	45	37	39	42	44	40	44	45	37	38
Average	65	64	66	67	67	65	65	66	66	66
<div style="text-align: center;"> <u>Ten Year Period</u>   Maximum: 88  Minimum: 37  Average: 66 </div>										

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2022

**TABLE XIV**

**Monthly Temperature (Degrees Farenheit) of the  
Tap Water at the Carrollton Plant**

	2018	2019	2020	2021	2022
January	59	65	65	60	64
February	62	68	64	58	62
March	69	69	68	65	63
April	71	72	73	70	70
May	78	75	76	76	77
June	83	76	80	78	80
July	86	80	82	79	84
August	85	82	84	80	81
September	83	80	81	79	82
October	79	77	78	77	78
November	69	69	72	71	71
December	65	66	64	69	66
Maximum	89	85	93	87	88
Minimum	53	59	60	52	52
Average	74	73	74	72	73
<div> <div>Five Year Period</div> <div> <div>Maximum: 93</div> <div>Minimum: 52</div> <div>Average: 73</div> </div> </div>					

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2022

## New Orleans West Bank Sewerage Treatment Plant 2022 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022
<b>Plant Eff Flow (MGD)</b>													
Average	9.6	11.036	10.625	10.45	10.768	9.02	14.384	14.145	10.732	8.542	10.39	11.73	11
Maximum	16.2	24.100	24.900	19.7	20.5	11.5	25	25.200	25.30	11.4	20.20	21.20	25
<b>Plant INF Flow (MGD)</b>													
Average	6.923	8.579	7.823	7.667	8.306	6.562	11.753	11.892	8.307	5.952	7.826	9.38	8
Maximum	14.14	21.800	13.280	15.55	17.65	8.9	21.92	22.220	22.70	11.7	17.84	17.30	23
<b>INFLUENT BOD (mg/L)</b>													
Average	74.5	96.1	114.6	105.4	102.8	98	93	46.4	74.7	130.4	105.4	63.6	92
Maximum	124	152	160	138	138	185	320	81	113	230	170	157	320
<b>INFLUENT TSS (mg/L)</b>													
Average	195.4	249.1	241.6	125.3	101.5	94.5	129	47.6	78.9	161.7	52.7	49.5	127
Maximum	680	640	550	239	158	148	791	84	152	765	116	244	791
<b>INFLUENT BOD (lbs/day)</b>													
Average	4,338	6,416	7,243	6,901	6,900	5,232	7,639	4,287	4,728	6,466	6,278	4,582	5,917
Maximum	8,373	13,637	10,863	13,747	13,707	9,319	18,588	8,688	7,161	11,612	13,664	11,130	18,588
<b>INFLUENT TSS (lbs/day)</b>													
Average	13,618	19,715	16,268	8,723	6,989	5,054	10,612	4,441	5,082	7,870	3,129	3,585	8,757.1
Maximum	80,191	105,151	42,567	30,995	15,088	7,357	44,595	8,344	9,939	35,729	9,501	17,297	105,150.7
<b>EFFLUENT BOD (mg/L)</b>													
Average	18.9	14.2	9.3	6.6	8	6.9	5.3	8.5	11.5	20.2	20	18.2	12.3
Weekly Maximum	50	24	15	14	14	15	17	13	19	34	36	28	50.0
<b>EFFLUENT TSS (mg/L)</b>													
Average	22.6	22.2	13.6	12.5	15	7.1	11.2	13	11.14	10.3	12.9	18.7	14
Weekly Maximum	58	51	24	24	31	11	35	22	16	22	38	34	58
<b>EFFLUENT BOD (lbs/day)</b>													
Average	1,523	1,284	823	602	694	503	618	952	985	1,425	1,684	1,778	1,073
Weekly Maximum	3,545	3,620	2,077	1,344	1,511	1,004	2,439	1,854	1,842	2,354	4,270	3,205	4,270
<b>EFFLUENT TSS (lbs/day)</b>													
Average	1,870	2,153	1,221	1,143	1,340	543	1,384	1,568	999	744	1,125	1,918	1,333.98
Weekly Maximum	5,810	9,230	2,907	2,687	3,077	936	5,021	4,624	1,801	2,037	3,359	4,579	9,229.90
<b>EFFLUENT CL2 (mg/L)</b>													
Average	0.56	0.75	0.71	0.67	0.64	0.55	0.71	0.72	0.62	0.34	0.49	0.65	0.62
Maximum	1.16	0.96	1.11	1.31	1.12	1.03	1.08	1.2	0.95	0.62	0.98	1.23	1.31
<b>EFFLUENT COLIFORM (col/100-ml)</b>													
Average (Geo)	2.68	1.27	1.21	1.25	2.8	1.45	2.7	3.01	1.85	2.44	6.66	4.86	2.68
Weekly Maximum (Geo)	4.29	3.25	2.26	2.63	4.21	2.17	4.99	6.08	2.55	3.91	26.15	20.42	26.15
<b>EFFLUENT pH (su)</b>													
Minimum	7.44	7.51	7.67	7.6	7.43	7.29	7.43	7.35	7.38	7.3	7.33	7.38	7.29
Maximum	7.72	7.76	8.68	7.85	7.76	7.58	7.81	7.7	7.64	7.49	7.53	7.66	9
<b>DISPOSED SLUDGE (dry tons)</b>													
Average per day	2.74	3.87	4.54	9.39	18.20	6.59	4.55	4.82	4.78	2.23	0.00	2.91	5
Total	85.02	108.49	140.85	281.6	564.23	197.69	140.92	149.49	143.25	69.22	0.00	90.10	1,971
<b>ELECTRICITY (kwhr)</b>													
Average per day	5,184	8,594	8,401	8,691	8,681	8,910	10,718	9,401	8,978	7,822	8,681	7,377	8,453
Total (kwhr)	165,880	249,237	260,438	252,034	260,436	294,037	310,831	263,232	305,243	226,836	260,438	250,803	3,099,445
<b>RAINFALL (inches) West Bank</b>													
TOTAL	2.95	4.05	3.91	3.69	7.00	5.41	8.54	7.33	5.73	1.46	3.40	6.20	59.67

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2022

## New Orleans East Bank Sewerage Treatment Plant 2022 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022
Plant Eff Flow (MGD)													
Average	79.877	90.157	93.941	102.59	106.761	91.520	128.974	127.368	101.647	82.503	107.927	116.852	103
Maximum	122.1	164.8	177.2	153.6	136.7	168.00	177.4	177.7	155.7	118.9	157.7	151.5	178
INFLUENT BOD (mg/L)													
Average	80.7	76.8	81	81.9	80.7	72.1	48.4	44	76	98.3	85.2	57	74
Maximum	155	116	101	114	159	106	92	98	116	128	152	111	159
INFLUENT TSS (mg/L)													
Average	132.6	124	121.7	123	123	101.4	87.7	93.5	120.3	119.3	109.8	102.1	113
Maximum	347	192	220	199	159	180	254	236	229	191	226	226	347
INFLUENT BOD (lbs/day)													
Average	53,587	57,885	56,667	64,993	69,724	56,427	47,596	41,231	59,735	71,741	62,253	48,000	57,487
Maximum	99,473	88,581	73,536	93,729	123,456	86,636	77,662	93,438	96,637	103,443	121,063	104,053	123,456
INFLUENT TSS (lbs/day)													
Average	88,741	94,602	85,252	98,738	107,214	78,959	87,035	87,276	95,001	87,020	90,868	88,879	90,799
Maximum	234,785	185,683	155,958	191,405	168,690	150,570	224,122	223,395	178,576	152,444	215,814	211,856	234,785
EFFLUENT BOD (mg/L)													
Average	7	11.6	14.6	11.7	12.9	9.8	7.1	8.2	15	15.5	14.6	11.4	11.6
Weekly Maximum	27	26	30	27	25	17	13	18	35	29	24	26	35.0
EFFLUENT TSS (mg/L)													
Average	11.1	15.3	16.8	13.7	15.1	10.9	12.5	18.8	14.4	11.3	10.9	10.4	13.4
Weekly Maximum	43	35	41	39	35	23	22	45	34	31	22	18	45.0
EFFLUENT BOD (lbs/day)													
Average	4,713	8,144	11,120	10,056	11,643	7,551	7,662	8,493	12,586	10,913	13,221	11,105	9,767
Weekly Maximum	18,082	16,480	22,493	24,339	27,362	15,933	14,302	17,631	26,709	23,364	27,620	27,495	27,620
EFFLUENT TSS (lbs/day)													
Average	7,802	11,344	12,945	12,127	13,599	8,415	13,532	19,597	12,395	7,766	9,884	10,242	11,637
Weekly Maximum	43,788	29,083	30,638	49,960	33,253	19,616	25,868	44,632	33,942	19,335	27,210	21,302	49,960
EFFLUENT CL2 (mg/L)													
Average	0.22	0.25	0.26	0.18	0.23	0.25	0.25	0.2	0.28	0.18	0.24	0.29	0.24
Maximum	0.43	0.46	0.44	0.53	0.49	0.52	0.42	0.41	0.39	0.36	0.43	0.46	0.53
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	4.63	16.27	6.45	9.17	17.99	68.84	46.83	33.71	13.53	28.96	14.61	14.4	22.95
Weekly Maximum (Geo)	8.68	61.93	12.15	28.18	29.32	118.63	71.98	50.4	22.7	43.91	29.01	20.43	118.63
EFFLUENT pH (su)													
Minimum	7.24	7.31	7.27	7.07	7.02	6.97	7.07	7.11	7.1	7.29	7.33	7.09	6.97
Maximum	7.52	7.62	7.69	7.29	7.32	7.67	7.48	7.33	7.31	7.95	8.13	7.29	8.13
DISPOSED SLUDGE (dry tons)													
Average per day	6.08	6.21	12.08	8.57	17.48	16.75	12.51	17.59	12.92	20.79	20.31	8.01	13.28
Total	188.62	174.01	374.44	257.06	541.88	502.50	387.82	545.42	387.51	644.35	609.30	248.40	4,861
ELECTRICITY (kwhr)													
Average per day	41,097	41,700	47,239	50,490	52,920	48,253	53,471	55,006	49,135	53,760	57,400	55,187	50,472
Total (kwhr)	1,274,000.00	1,167,600.00	1,464,400.00	1,565,200.00	1,587,600.00	1,447,600.00	1,657,600.00	1,705,200.00	1,523,200.00	1,612,800.00	1,722,000.00	1,710,800.00	18,438,000
RAINFALL (inches) East Bank													
TOTAL	5.18	3.39	4.36	4.49	9.23	4.02	5.95	7.40	2.46	0.85	7.09	8.02	62.44

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ANNUAL REPORT 2022 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2022**  
**SEWER TABULATION NUMBER 1**  
**SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2022**

\*Current year change activity not available

**SEWER LINES DISCARDED AND INSTALLED IN 2022**

<b>ORIGINAL CONSTRUCTION (FEET)</b>	<b>DESTROYED OR ABANDONED IN 2022 (FEET)</b>	<b>BUILT IN 2022 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2022 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2022 (MILES)</b>
<b>7,026,624.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7,041,073.0</b>	<b>1,333.5</b>

**SEWER FORCE MAINS DISCARDED AND INSTALLED IN CURRENT YEAR**

<b>ORIGINAL CONSTRUCTION (FEET)</b>	<b>DISCARDED / INSTALLED, NET IN 2022 (FEET)</b>	<b>BUILT IN 2022 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2022 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2022 (MILES)</b>
<b>642,048.0</b>	<b>0.0</b>	<b>0.0</b>	<b>642,048.0</b>	<b>121.6</b>

**SEWER MANHOLES REMOVED AND INSTALLED IN 2022**

<b>ORIGINAL CONSTRUCTION</b>	<b>REMOVED IN 2022</b>	<b>BUILT IN 2022</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2022</b>
<b>29,018</b>	<b>0</b>	<b>0</b>	<b>29,018</b>

**DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2022**

<b>ITEMS</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL FEET</b>	<b>TOTAL MILES</b>
6" PVC	0.0	0.0	0.0	0.00
8" PVC	0.0	0.0	0.0	0.00
12" PVC	0.0	0.0	0.0	0.00
15" PVC	0.0	0.0	0.0	0.00
<b>TOTAL SEWER LINES CONSTRUCTED IN 2022</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>SEWER MANHOLES CONSTRUCTED IN 2022</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL MANHOLES BUILT IN 2022</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA  
ANNUAL REPORT 2022 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2022  
SEWER TABULATION NUMBER 2  
COLLECTION SYSTEM - SEWER MAINS (GRAVITY AND FORCE)

	Pipe Diameter (in)																	Totals (ft)
	Vitrified Clay (VC)	Terra Cotta (TC)	BR	Cast Iron (CI)	Asbestos Cement (AC)	ABS	Concrete (CO)	Reinforced Concrete (RCP)	High Density Polyethylene (HDP)	PL	Plastic Truss (PT)	Polyvinyl Chloride (PVC)	CL	Steel (STL)	Ductile Iron (DI)	Unknown (UNK)		
Pipe Diameter (in)	84	590													172	762		
	72	970				824									38	1,832		
	69	1,281				870										2,151		
	66	1,166				941										2,107		
	63					287										287		
	62					3,089									478	3,567		
	60					755									48	803		
	57					1,723										1,723		
	54	2,214		693		3,240									61	6,208		
	52														111	111		
	51			230	30		627										887	
	50	459															459	
	48	7,882			10		3,142									884	11,918	
	45	2,497					348									396	3,241	
	42	2,833			208		719									182	3,942	
	39	1,414					402									56	1,872	
	36	6,426		425	250		95	416			252	885		327		902	9,978	
	33	485		3,671			1,129									221	5,506	
	30	13,341		2,785	3,501	78	4,160	681			1,053	47			118	1,238	27,002	
	27	28,215		1,682	3,336		5,187				1,840	1,253		712		3,544	45,769	
	24	41,133			1,282		8,703	2,911			128	1,405		1,071		8,440	65,073	
	21	66,326	236		1,538		4,298	1,452			1,721	2,291		1,021		5,236	84,119	
	20	466			5,243	252										335	6,296	
	18	98,562			2,488	857		25,132	1,989	578		6,043	11,673		325		11,027	158,674
	16	180		350	1,781	706		21				19				816	3,873	
	15	127,344			2,050	1,445	1,180	19,512	1,983	658	616	5,274	15,440	804	439	2,942	8,663	188,350
	14	315				1,082		44								237	1,678	
	12	147,860	2,160		5,998	2,618	1,613	27,469		674	344	19,347	16,174		676	233	18,570	243,736
	10	218,577	2,276		3,439	1,521	2,398	25,976		379	142	29,161	28,789	244			24,453	337,355
	8	4,476,538	40,401	1,667	34,995	9,426	24,333	231,797		8,048	6,568	334,218	366,765	3,865	2,488	5,432	198,336	5,744,877
	6	42,747	3,776		2,536	7		4,975				1,103	6,194				15,579	76,917
	TOTAL (FT)	5,289,821	48,849	10,810	69,378	17,992	29,524	375,465	9,432	10,337	7,670	400,140	450,935	4,913	7,059	8,725	300,023	7,041,073



SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA  
ANNUAL REPORT 2022 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2022  
WATER TABULATION NUMBER 1  
WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2022

**WATER LINES DISCARDED AND INSTALLED IN 2022**

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2022 (FEET)	BUILT IN 2022 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2022 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2022 (MILES)
8,078,400.0	43,349.0	0.0	8,121,749.0	1,538.2

**WATER MANHOLES REMOVED AND INSTALLED IN 2022**

ORIGINAL CONSTRUCTION	REMOVED IN 2022	BUILT IN 2022	REMAINING IN THE SYSTEM AS OF 12/31/2022
0	0	0	0

**WATER VALVES REMOVED AND INSTALLED IN 2022**

ORIGINAL CONSTRUCTION	REMOVED IN 2022	INSTALLED IN 2022	REMAINING IN THE SYSTEM AS OF 12/31/2022
14,072	0	0	14,072

**FIRE HYDRANTS REMOVED AND INSTALLED IN 2022**

ORIGINAL CONSTRUCTION	REMOVED IN 2022	INSTALLED IN 2022	REMAINING IN THE SYSTEM AS OF 12/31/2022
15,342	0	0	15,342

**DETAILS OF WATER LINES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED)**

DETAILS OF WATER LINES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED)				
ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
4" DUCTILE IRON	0.0	0.0	0.0	0.00
6" DUCTILE IRON	0.0	0.0	0.0	0.00
6" P.V.C	0.0	0.0	0.0	0.00
8" DUCTILE IRON	0.0	0.0	0.0	0.00
8" P.V.C	0.0	0.0	0.0	0.00
12" DUCTILE IRON	0.0	0.0	0.0	0.00
20" DUCTILE IRON	0.0	0.0	0.0	0.00
TOTAL WATER LINES CONSTRUCTED IN 2022	0.0	0.0	0.0	0.00
WATER VALVES INSTALLED IN 2022	BOARD FUNDED	BY OTHERS	TOTAL WATER VALVES INSTALLED IN 2022	
	0	0	0	
FIRE HYDRANTS INSTALLED IN 2022	BOARD FUNDED	BY OTHERS	TOTAL FIRE HYDRANTS INSTALLED IN 2022	
	0	0	0	

**WATER VALVES**

DIAMETER	2022
54"	8
50"	77
48"	48
42"	16
36"	88
30"	169
24"	48
20"	160
16"	254
15"	2
12"	1979
10"	32
8"	2156
6"	7043
4"	2,140

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**ANNUAL REPORT 2022 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2022**  
**WATER TABULATION NUMBER 2**  
**DISTRIBUTION SYSTEM - WATER MAINS**

		Cast Iron (CI)	Asbestos Cement (AC)	COPPER (C)	(PC)	Polyvinyl Chloride (PVC)	Steel (S)	Ductile Iron (DI)	Totals (ft)
<b>PIPE DIAMETER</b>	<b>54</b>					7,609			7,609
	<b>50</b>	22,607	14,053	17		55,303			91,980
	<b>48</b>	14,931	19,284	7,582		21,257			63,054
	<b>43</b>	12,453							12,453
	<b>42</b>	4,540	3,516	4,483		4,608	81		17,228
	<b>36</b>	5,203	19,819	4,464		29,885			59,371
	<b>30</b>	57,559	61,913	28,802	85	28,649	76		177,084
	<b>29</b>	45				23			68
	<b>24</b>	30,971	4,524		3,184				38,679
	<b>23</b>	25							25
	<b>20</b>	103,586	24,553	12,594	6,311	482	4,889		152,415
	<b>19</b>	24							24
	<b>18</b>	24							24
	<b>17</b>	23							23
	<b>16</b>	103,841	76,059	1,357	8,978		298		190,533
	<b>15</b>				444				444
	<b>14</b>	1,958							1,958
	<b>12</b>	691,043	478,465	91	112,361	55	1,928		1,283,943
	<b>11</b>	10							10
	<b>10</b>	9,336	13,972		286				23,594
	<b>8</b>	91,028	628,485		363,158	93	777		1,083,541
	<b>6</b>	2,319,562	1,348,100	22	136,838	302	773		3,805,597
	<b>4</b>	988,900	80,552		6,292	374			1,076,118
	<b>3</b>				334				334
	<b>2</b>	15,208	6,682		12,714				34,604
	<b>1</b>	165	159	110	602				1,036
	<b>TOTAL (FT)</b>	4,473,042	2,780,136	110	59,412	651,587	148,640	8,822	8,121,749

# SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

## Table of Rainfall in New Orleans - Last 10 Years

STATION'S TOTAL ANNUAL RAINFALL									
	2022	2021	2020	2019	2018	2017	2016	2015	2014
N.O. Water Plant	38.59	121.10	63.59	67.61	66.42	68.73	71.99	70.24	61.00
S&WB	59.75	75.31	71.59	55.22	80.15	84.31	71.33	76.58	53.55
Algiers	55.24	75.41	59.79	64.37	63.72	82.40	55.38	61.92	58.25
D.P.S. #1	60.20	83.80	60.99	71.09	60.61	70.67	62.48	50.62	53.61
D.P.S. #2	61.02	115.42	66.87	67.32	68.89	83.86	70.82	62.78	55.99
D.P.S. #3	57.31	122.99	62.36	63.47	67.54	85.81	77.67	61.53	51.09
D.P.S. #4	59.98	67.40	50.77	66.69	49.92	59.40	64.82	58.34	52.65
D.P.S. #5	59.41	70.84	68.83	65.98	52.73	66.26	56.56	56.48	55.80
D.P.S. #6	64.03	101.46	69.24	67.95	80.61	85.30	71.27	68.66	51.69
D.P.S. #7	63.32	94.01	63.13	65.58	70.25	93.89	71.52	67.77	51.59
D.P.S. #10	54.61	74.22	52.77	56.73	44.78	65.88	55.33	53.70	44.57
D.P.S. #11	54.34	94.55	65.64	59.54	64.80	70.30	58.21	59.12	58.18
D.P.S. #12	60.14	78.64	63.49	58.88	64.66	66.91	63.38	61.39	49.26
D.P.S. #13	46.02	114.45	66.06	62.70	70.14	69.78	67.78	59.28	54.74
D.P.S. #14	59.72	82.91	54.84	61.50	54.83	73.97	65.22	62.38	55.43
D.P.S. #15	61.01	84.46	51.21	39.05	40.04	57.41	41.70	44.94	39.71
D.P.S. #16	54.80	91.08	59.30	61.66	50.15	61.32	58.88	56.30	50.66
D.P.S. #17	66.21	91.49	65.28	58.77	63.52	78.00	61.47	64.23	57.27
D.P.S. #19	59.51	105.96	68.87	70.78	52.61	69.14	58.91	50.92	60.85
D.P.S. #20	51.04	83.61	61.13	55.94	51.12	54.54	50.99	54.40	56.57
ANNUAL AVG	57.31	91.46	62.29	62.04	60.87	72.39	62.79	60.08	53.62

### STATION MONTHLY TOTAL RAINFALL MAXIMUM AND MINIMUM

Max(in)	15.53	Min (in)	0.26
Month	July	Month	October
Station	DPS 19	Station	N.O. WATER PLANT

AVG. MONTHLY RAINFALL OF ALL STATIONS											
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
JANUARY	1.42	2.15	3.63	2.78	3.52	5.21	4.67	4.76	2.72	5.14	
FEBRUARY	3.72	4.95	4.56	4.73	2.74	1.70	2.48	1.653	6.54	6.82	
MARCH	3.86	9.72	0.72	1.65	3.83	4.46	6.87	4.2095	6.44	0.55	
APRIL	2.92	10.61	5.29	8.36	5.22	5.50	11.37	11.2908	2.19	12.51	
MAY	6.21	11.62	5.47	8.26	3.58	10.56	5.62	6.863	7.68	4.51	
JUNE	3.95	11.98	10.84	3.23	5.60	10.84	8.16	2.7538	6.41	4.55	
JULY	10.94	7.64	11.82	13.52	6.79	6.79	4.34	4.3243	6.49	4.43	
AUGUST	8.24	19.51	5.27	7.47	7.52	14.13	7.63	2.5915	4.74	4.58	
SEPTEMBER	2.93	8.00	2.50	0.62	5.80	1.47	3.58	4.152	4.2	5.44	
OCTOBER	1.17	2.21	3.45	7.67	6.28	7.16	0.02	5.20715	1.94	2.19	
NOVEMBER	5.60	2.02	4.88	1.00	5.85	0.22	3.92	5.517	1.47	2.81	
DECEMBER	6.36	1.05	3.86	2.75	4.67	4.98	4.70	6.75765	3.7	4.48	
ANNUAL AVG	4.78	7.62	5.19	5.17	5.12	6.08	5.28	5.01	4.54	4.83	

2022 MAX DAILY RAINFALL			
MONTH	Day	Max (in)	Station
JANUARY	2	4.20	S&WB
FEBRUARY	3	2.63	DPS 14
MARCH	11	2.43	DPS 6
APRIL	13	2.30	N.O. WATER PLANT
MAY	6	3.76	DPS 14
JUNE	10	5.40	DPS 16
JULY	20	3.57	DPS 3
AUGUST	8	3.23	DPS 17
SEPTEMBER	3	3.44	ALG. WATER PLANT
OCTOBER	16	1.45	ALG. WATER PLANT
NOVEMBER	24	2.27	DPS 14
DECEMBER	30	2.77	DPS 6

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**December 31, 2022**  
**COST OF OPERATIONS IDENTIFICATION PROGRAM BENCHMARKING 2022**

**ADMINISTRATIVE OFFICER:**

**HUMAN RESOURCES:**

Cost to Hire an Employee	\$	1,946.74
Employee Turnover Rate		6.26%

**RISK MANAGEMENT:**

**INSURANCE COST per EMPLOYEE:**

Workers' Compensation	\$	2,951,130
Auto Liability	\$	119,749
General Liability	\$	132,890

**GENERAL SUPERINTENDENT:**

**ENGINEERING:**

Total Capital Program Design and		
Construction Contracts Cost Growth		0.0%

**ENVIRONMENTAL:**

Cost of Typical Industry Sampling Event	\$	2,727.18
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**FACILITY MAINTENANCE DEPARTMENT**

Cost to set 5/8" water meter	\$	125.50
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**CHIEF CUSTOMER SERVICE OFFICER:**

**CUSTOMER REVENUE MANAGEMENT/CUSTOMER:**

**METER ASSURANCE/CUSTOMER EXPERIENCE:**

Cost to Read a Meter	\$	2.76
Cost to Render a Bill (Less Meter Reading)	\$	0.92
Cost to Manage a Customer by Phone	\$	4.31
Cost to Manage a Customer by Mail	\$	11.09
Cost to Manage a Walk-in Customer	\$	20.07
Cost to Process a Mail-in Payment	\$	1.58
Cost to Process a Walk-in Payment	\$	3.65

**CHIEF FINANCIAL OFFICER:**

**OFFICE OF CONTROLLER:**

Cost to Process a Miscellaneous Invoice	\$	318.82
Cost to Process a Vendor Invoice	\$	62.70

**OFFICE OF PROCUREMENT:**

Cost to Process Non-Competitive Purchase Order	\$	92.01
Cost to Process Formal Competitive Purchase Order	\$	376.55



# THANK YOU!



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We strive to continuously meet and exceed the needs of our customers and proactively communicate and engage stakeholders.



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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**  
**DECEMBER 31, 2022**

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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**  
**DECEMBER 31, 2022**

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**New Orleans, Louisiana**

Single Audit Reports

December 31, 2022

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of the Board  
Sewerage and Water Board of New Orleans:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the enterprise fund and fiduciary fund of the Sewerage and Water Board of New Orleans (the "Board"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated June 26, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 26, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Members of the Board  
Sewerage and Water Board of New Orleans:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Sewerage and Water Board of New Orleans' (the "Board") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended December 31, 2022. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the enterprise fund and fiduciary fund of the Board, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated June 26, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 26, 2023

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**New Orleans, Louisiana**

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title/Grant Name	Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Pass-through program from:			
Louisiana Office of Community Development			
Community Development Block Grants/State's Program			
and Non-Entitlement Grants in Hawaii	14.228	B-06-DG-22-0001	\$ 6,055,798
Total U.S. Department of Housing and Urban Development			<u>6,055,798</u>
<b>U.S. Environmental Protection Agency:</b>			
Direct:			
Water Infrastructure Finance and Innovation Act (WIFIA)	66.958	N/A	1,053,179
Pass-through program from:			
Louisiana Department of Environmental Quality			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clear Water			
State Revolving Funds	66.458	N/A	2,615,439
Total U.S. Environmental Protection Agency			<u>3,668,618</u>
<b>U.S. Department of Homeland Security:</b>			
Pass-through program from:			
State of Louisiana, Office of Homeland			
Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	1792-DR-LA, 1603-DR-LA- 0411, & various others	62,086,110
Hazard Mitigation Grant Program	97.039	1792-022-0002, 1603-071- 0039, & various others	11,260,679
Total U.S. Department of Homeland Security			<u>73,346,789</u>
Total Federal Awards Expended			<u><u>\$ 83,071,205</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**New Orleans, Louisiana**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Sewerage and Water Board of New Orleans (the "Board") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Board.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.

**(3) Relationship to Basic Financial Statements**

Federal awards are included in capital contributions on the statement of revenues, expenses, and changes in net position.

**(4) Bonds Payables from Federal Programs**

The Board entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board up to \$10,000,000 to fund the rehabilitation of existing sanitary sewers, replacement of sanitary sewer service connections, excavation mainline sewer point repairs, full length mainline replacements, and manhole rehabilitation. The loan proceeds are provided to the Board in incremental amounts as project costs are incurred. A portion of the loan proceeds are funded by the federal Clean Water State Revolving Fund (CWSRF) program. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bond, Series 2019. Annual principal payments are due beginning June 1, 2022 and continuing through June 1, 2040. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on June 1, 2020 and are due semi-annually thereafter. As of December 31, 2022, \$6,732,688 is included in bonds payable on the financial statements. Total 2022 drawdowns on the loan were \$3,945,461. Of this amount, \$2,615,439 was funded by the CWSRF program which is the amount included on the Schedule. This is not a federal loan or loan guarantee program, and as a result, the outstanding liability is not included on the Schedule.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**New Orleans, Louisiana**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

**(4) Bonds Payables from Federal Programs (continued)**

On November 10, 2021, the Board closed on a \$275,000,000 revenue debt issue through the Water Infrastructure Financing and Innovation Act (WIFIA) with the U.S. Environment Agency (EPA) to fund over 160 projects to modernize aging and storm damaged sewer pipelines throughout the City of New Orleans as part of a comprehensive Sewer System Evaluation and Rehabilitation Program. The WIFIA debt will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date of 35 years following the substantial completion date of the projects. The total 2022 WIFIA debt proceeds were \$116,331 and the total debt outstanding as of December 31, 2022 which is included in bonds payable on the financial statements is \$1,053,179.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**New Orleans, Louisiana**

Schedule of Findings and Questioned Costs

Year ended December 31, 2022

**(1) Summary of Independent Auditors' Results**

**Financial Statements**

- (a) The type of report issued on the basic financial statements: **Unmodified**
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **No**
- Significant deficiency(ies) identified: **No**
- (c) Noncompliance which is material to the basic financial statements: **No**

**Federal Awards**

- (d) Internal control over major federal programs:
- Material weakness(es) identified: **No**
- Significant deficiency(ies) identified: **None reported**
- (e) Type of auditor's report issued on compliance for major federal programs: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **No**
- (g) Identification of major federal programs:
- 14.228 – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
  - 66.458 - Clean Water State Revolving Fund Cluster
  - 97.039 – Hazard Mitigation Grant Program
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$2,492,136**
- (i) Auditee qualified as a low-risk auditee under the Uniform Guidance: **Yes**

**(2) Findings relating to the basic financial statements reported in accordance with Government Auditing Standards**

None

**(3) Findings and questioned costs related to federal awards**

None

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**SEWERAGE AND WATER BOARD OF NEW ORLEANS,**  
**LOUISIANA**

**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES on COMPLIANCE**  
**and CONTROL AREAS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable LaToya Cantrell, President, and Members of the Sewerage and Water Board of New Orleans, Louisiana, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Sewerage and Water Board of New Orleans (SWBNO)'s management is responsible for those C/C areas identified in the SAUPs.

SWBNO has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by SWBNO to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SWBNO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 26, 2023

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

***1) Written Policies and Procedures***

---

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*No exceptions noted.*

- ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

*No exceptions noted.*

- iii. ***Disbursements***, including processing, reviewing, and approving

*No exceptions noted.*

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*No exceptions noted.*

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

*No exceptions noted.*

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions noted.*

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*No exceptions noted.*

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*No exceptions noted.*

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No exceptions noted.*

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*No exceptions noted.*

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*The Entity has written policies for Sexual Harassment however the policy does not specifically address (3) annual reporting.*

**2) Board or Finance Committee**

---

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*No exceptions noted.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Not applicable as the Entity does not have a general fund.*

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Not applicable as the Entity did not have prior year audit findings.*

**3) Bank Reconciliations**

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*A listing of bank accounts was provided and included a total of 28 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending December 31, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No exceptions noted.*

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions noted.*

**4) Collections (excluding electronic funds transfers)**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites was provided and included a total of 3 deposit sites. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the 3 deposit sites and performed the procedures below.*

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 3 collection locations. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. Employees responsible for cash collections do not share cash drawers/registers;

*No exceptions noted.*

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

*No exceptions noted.*



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

*No exceptions noted.*

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

*No exceptions noted.*

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*No exceptions noted.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.*

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- v. Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

**5) *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*We note that the entity has 1 finance location that processes payments, and we therefore performed the procedures below for that location.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exceptions noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions noted.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*No exceptions noted.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exceptions noted.*

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions noted.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*No exceptions noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

**6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

*From the listing provided, we noted there was 1 card used in the fiscal period. We randomly selected one monthly statement for the 1 card selected and performed the procedures noted below.*

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

*No exceptions noted.*

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*We randomly selected 10 transactions for the 1 card selected in procedure 6B and viewed original itemized receipt noting receipt identifies precisely what was purchased, observed written documentation of the business/public purpose, and noted documentation of the individuals participating in meals (for meal charges only). No exceptions noted.*

**7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

---

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

*From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.*

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

*Of the 5 reimbursements selected for our procedures, 4 used a per diem. No exceptions noted.*

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

*No exceptions noted.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures”, procedure #1A(vii); and

*No exceptions noted.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

**8) Contracts**

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

*An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 contracts and performed the procedures below.*

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

*No exceptions noted.*

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

*No exceptions noted.*

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*We randomly selected 1 payment for the 5 contracts selected in procedure #8(A)(i-iii) and performed the specified procedures. No exceptions noted.*

**9) Payroll and Personnel**

---

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.*

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*No exceptions noted.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*No exceptions noted.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.*

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions noted.*

## **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions noted.*

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*The entity did not have any changes to the ethics policy, therefore, this step is not applicable.*

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

***11) Debt Service***

---

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Obtained a listing of new bonds/notes issued. No exceptions noted.*

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions noted.*

***12) Fraud Notice***

---

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*A listing of misappropriations of public funds and assets during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*The Entity had one instance of theft during the reporting period. The Entity reported these allegations to the New Orleans Police Department; however, they did not report these matters to the District Attorney's office or the Legislative Auditor.*

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions noted.*



**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

***13) Information Technology Disaster Recovery/Business Continuity***

---

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

*We performed the procedure and discussed the results with management.*

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

*We performed the procedure and discussed the results with management.*

***14) Prevention of Sexual Harassment***

---

A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*No exceptions noted.*

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Schedule A

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

*No exceptions noted.*

- ii. Number of sexual harassment complaints received by the agency;

*No exceptions noted.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*No exceptions noted.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*No exceptions noted.*

- v. Amount of time it took to resolve each complaint.

*No exceptions noted.*

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**  
**MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN**  
**DECEMBER 31, 2022**

Schedule B

- 1) Written Policies and Procedures - A. xii - Management is in agreement and will include additional information regarding how the annual reporting is to be conducted in the next written policy update.
- 12) Fraud Notice – A – Management will review procedures for communicating with the appropriate regulatory bodies if these types of matters arise.

To the Members of the Board of Directors of the  
Sewerage and Water Board of New Orleans:

We have audited the financial statements of the Sewerage and Water Board of New Orleans (the “Board”), for the year ended December 31, 2022 and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control and considered compliance to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation and consideration are solely to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board’s internal control, or on compliance.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of certain matters that are opportunities for strengthening internal controls or operating efficiency and compliance matters not material to the financial statements. Our comments and suggestions regarding these matters are set forth on the following page. This letter does not affect our reports dated June 26, 2023, on the financial statements of the Board and the Board’s internal control and compliance over financial reporting.

### **2022-1 Theft of Public Assets and Misappropriations**

- Condition:** Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. In 2022, the Board experienced theft of electrical cable with an approximate value of \$40,000 from the feeder network site. Management stated that the individuals who committed or who are believed to have committed the theft are unknown. The Board identified the theft due to the instant disruption in the feeder system. The theft was reported to the New Orleans Police Department and the investigation is open. The theft was not reported to the Legislative Auditor and the District Attorney as required by Louisiana Revised Statute 24:523.
- Recommendation:** The Board should continue to follow and enhance established policies and procedures for preventing, detecting and deterring fraud. The Board should establish policies and procedures to ensure that instances of fraud and misappropriation are reported to the Legislative Auditor and the District Attorney as required by Louisiana Revised Statute 24:523.
- Management's Response:** The Board has implemented operational steps in securing remotely located electrical feeder cable vaults with additional levels of security (specifically, jersey barriers on top of the vaults where practical and contract security random checks) to mitigate exposure to theft and will review procedures for communicating with the appropriate regulatory bodies if these types of matters arise.

We have already discussed these matters with the Board's management. Their views on these matters and plans for corrective action are identified herein. This letter does not affect our report dated June 26, 2023 on the financial statements of the Board, and furthermore, this letter is intended for use only by the Board's management and audit committee and is not intended to be used, and should not be used, by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 26, 2023



# ***Internal Audit Department Update***



# Internal Audit Department Update

## *Staffing:*

### Positions Filled

- Audit Senior — Hired; Started on 5/22
- Audit Supervisor — Hired; Started on 6/20



### Positions Open

- Internal Auditor (5 years of experience needed)
- Auditor Assistant (Open to new college grads)



### Additional Efforts

- External posts to LinkedIn, Indeed, and Handshake
- University Outreach





# Internal Audit Department Update

## *Audit Activity:*

### Overtime Pay

- Report issued 9/12
- Two Findings:
  - I. Recordation, Attestation, & Approval of OT Hours
  - II. Supporting Documentation

### Billing & Collections

- Detail Testing Ongoing
- Planning to present results at Q4 AC

—> *Risk Assessment to begin in 4<sup>th</sup> Quarter*





**RESOLUTION AUTHORIZING ADOPTION OF  
INTERNAL AUDIT DEPARTMENT CHARTER**

**WHEREAS**, the Audit Committee of the Sewerage and Water Board of New Orleans requested that the Internal Audit Department create a departmental Charter to guide its mission and operations in accordance with national standards for public internal auditors; and

**WHEREAS**, the Audit Committee has reviewed, discussed, and revised the Internal Audit Department's proposed Charter; and

**WHEREAS**, the Audit Committee finds that the proposed Charter sets forth a framework for successfully performing the functions of a public Internal Audit Department and, accordingly, recommends adoption of the proposed Internal Audit Department Charter; and

**NOW THEREFORE BE IT RESOLVED BY THE SEWERAGE AND WATER BOARD  
OF NEW ORLEANS:**

That the Internal Audit Department Charter be and hereby is adopted as presented at the September 20, 2023 meeting of the Audit Committee of the Sewerage and Water Board of New Orleans.

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a Resolution adopted at the Regular  
Monthly Meeting of said Board, duly called and held,  
according to law, on September 20, 2023.

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**GHASSAN KORBAN, EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

# **Sewerage & Water Board of New Orleans**



## ***Internal Audit Charter***

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## Purpose

The purpose of Internal Auditing is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the Sewerage & Water Board of New Orleans (SWBNO). The Internal Audit (IA) Department examines and evaluates the organization's activities and their systems of internal control to determine whether acceptable policies and procedures are followed; whether legislative requirements and established standards are met; whether resources are used efficiently and economically; whether planned missions are accomplished effectively; and whether the objectives of the organization are being achieved.

## Mission

The mission of the IA function is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The IA Department helps SWBNO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

## Standards of Practice

The IA function will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF)—including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This guidance constitutes the fundamental requirements for the professional practice of internal auditing and for evaluating the IA function's performance.

## Organization and Authority

The establishment of the IA function is carried out by the Audit Committee (AC) of the SWBNO Board of Directors as part of their oversight role. The Chief Audit Executive (CAE) will report functionally to the AC and administratively (i.e. day-to-day operations) to the Executive Director. The CAE will communicate and interact directly with the AC—including in executive sessions and between AC meetings as appropriate.

The AC will:

- Approve the IA Charter.

- Approve the risk-based IA plan.
- Approve the IA budget and resource plan.
- Receive communications from the CAE on the IA function's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The IA function is authorized full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information. The AC authorizes the IA function to allocate resources; set frequencies; select subjects; determine scopes of work; apply techniques required to accomplish audit objectives; and issue reports. All SWBNO employees are requested to assist the IA function in fulfilling its roles and responsibilities: The IA function will also have free and unrestricted access to the AC.

## Independence and Objectivity

The IA function will remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner—including matters of audit selection, scope, procedures, frequency, timing, and report content. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors will exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined or reviewed. Internal auditors will make balanced assessments of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The CAE will confirm to the AC, at least annually, the organizational independence of the IA function.

## Scope and Responsibility

The scope of internal auditing encompasses, but is not limited to, the examination of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of SWBNO's governance, risk management, and control processes. This includes:

- Evaluating risk exposure relating to the achievement of the SWBNO's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating whether established processes and systems enable compliance with the policies, plans, procedures, laws, and regulations that could significantly impact SWBNO.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals; and whether the operations or programs are being carried out as planned.
- Reporting periodically on the IA function's purpose, authority, responsibility, and performance relative to its plan.
- Reporting on the significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of—or requested by—the AC.

## Internal Audit Plan

At least annually, the CAE will submit to senior management and the Audit Committee an IA Plan for review and approval. The CAE will communicate to senior management and the AC the impact of resource limitations and significant interim changes to the IA Plan.

The IA Plan will be developed based upon a prioritization of the audit universe utilizing a risk-based methodology, incorporating the input of both senior management and the AC. The CAE will review and adjust the Plan as necessary, in response to changes in SWBNO's business, risks, operations, programs, systems, and/or controls. Any significant deviation from the approved IA Plan will be communicated to senior management and the AC through periodic activity reports.

## Nature of Assurance Services

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusion regarding an entity, operation, function, process, system, or other subject matters. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject

matter (i.e. the process owner); (2) the person or group making the assessment (i.e. the internal auditor); and (3) the person or group using the assessment (i.e. the user).

## **Nature of Consulting Services**

Consulting services are advisory in nature and are generally performed at the specific request of management. The nature and scope of the consulting engagement are subject to agreement with management. Consulting services generally involve two parties: (1) the person or group offering the advice (i.e. the internal auditor); and (2) the person or group seeking and receiving the advice (i.e. management). When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.

## **Reporting and Monitoring**

A written report or memorandum will be prepared and issued by the CAE following the conclusion of each IA engagement or review and will be distributed as appropriate. IA results will also be communicated to the AC. The IA report may include management's response and corrective or curative action taken (or planned to be taken) in regard to the specific findings and recommendations. The response from management of the audited area should include: (1) a timetable for anticipated completion of corrective or curative action; and/or (2) an explanation for any corrective action that will not be implemented.

The IA function will be responsible for appropriate follow-up on any findings and/or recommendations. All significant findings will remain in an open issues tracking system until cleared.

## **Quality Assurance and Improvement Program**

The IA function will maintain a quality assurance and improvement program that covers all aspects of the IA function. The program will include an evaluation of the IA function's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the IA function and identify opportunities for improvement.

The CAE will communicate to senior management and the AC on the IA function's quality assurance and improvement program—including results of any internal and/or external assessments conducted—at least every five years.

**Sewerage & Water Board of New Orleans  
Internal Audit Charter**

Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Chief Audit Executive

\_\_\_\_\_  
Chairperson of the Audit Committee

\_\_\_\_\_  
Executive Director



**RESOLUTION AUTHORIZING ADOPTION OF  
AUDIT COMMITTEE CHARTER**

**WHEREAS**, the Audit Committee of the Sewerage and Water Board of New Orleans reviewed its existing Charter for necessary updates and compliance with the most recent internal audit legislative and regulatory guidelines; and

**WHEREAS**, the Audit Committee recommends adoption of the updated Charter as presented at the Committee's September 20, 2023 meeting; and

**NOW THEREFORE BE IT RESOLVED BY THE SEWERAGE AND WATER BOARD  
OF NEW ORLEANS:**

That the Audit Committee Charter be and hereby is replaced with the updated Charter presented and approved at the September 20, 2023 meeting of the Audit Committee of the Sewerage and Water Board of New Orleans.

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a Resolution adopted at the Regular  
Monthly Meeting of said Board, duly called and held,  
according to law, on September 20, 2023.

**GHASSAN KORBAN, EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

# **Sewerage & Water Board of New Orleans**



## ***Internal Audit Charter***

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## Purpose

The purpose of Internal Auditing is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the Sewerage & Water Board of New Orleans (SWBNO). The Internal Audit (IA) Department examines and evaluates the organization's activities and their systems of internal control to determine whether acceptable policies and procedures are followed; whether legislative requirements and established standards are met; whether resources are used efficiently and economically; whether planned missions are accomplished effectively; and whether the objectives of the organization are being achieved.

## Mission

The mission of the IA function is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The IA Department helps SWBNO accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

## Standards of Practice

The IA function will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF)—including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This guidance constitutes the fundamental requirements for the professional practice of internal auditing and for evaluating the IA function's performance.

## Organization and Authority

The establishment of the IA function is carried out by the Audit Committee (AC) of the SWBNO Board of Directors as part of their oversight role. The Chief Audit Executive (CAE) will report functionally to the AC and administratively (i.e. day-to-day operations) to the Executive Director. The CAE will communicate and interact directly with the AC—including in executive sessions and between AC meetings as appropriate.

The AC will:

- Approve the IA Charter.

- Approve the risk-based IA plan.
- Approve the IA budget and resource plan.
- Receive communications from the CAE on the IA function's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The IA function is authorized full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information. The AC authorizes the IA function to allocate resources; set frequencies; select subjects; determine scopes of work; apply techniques required to accomplish audit objectives; and issue reports. All SWBNO employees are requested to assist the IA function in fulfilling its roles and responsibilities. The IA function will also have free and unrestricted access to the AC.

## Independence and Objectivity

The IA function will remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner—including matters of audit selection, scope, procedures, frequency, timing, and report content. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors will exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined or reviewed. Internal auditors will make balanced assessments of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The CAE will confirm to the AC, at least annually, the organizational independence of the IA function.

## Scope and Responsibility

The scope of internal auditing encompasses, but is not limited to, the examination of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of SWBNO's governance, risk management, and control processes. This includes:

- Evaluating risk exposure relating to the achievement of the SWBNO's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating whether established processes and systems enable compliance with the policies, plans, procedures, laws, and regulations that could significantly impact SWBNO.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals; and whether the operations or programs are being carried out as planned.
- Reporting periodically on the IA function's purpose, authority, responsibility, and performance relative to its plan.
- Reporting on the significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of—or requested by—the AC.

## Internal Audit Plan

At least annually, the CAE will submit to senior management and the Audit Committee an IA Plan for review and approval. The CAE will communicate to senior management and the AC the impact of resource limitations and significant interim changes to the IA Plan.

The IA Plan will be developed based upon a prioritization of the audit universe utilizing a risk-based methodology, incorporating the input of both senior management and the AC. The CAE will review and adjust the Plan as necessary, in response to changes in SWBNO's business, risks, operations, programs, systems, and/or controls. Any significant deviation from the approved IA Plan will be communicated to senior management and the AC through periodic activity reports.

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Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusion regarding an entity, operation, function, process, system, or other subject matters. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject

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Internal Audit Charter**

Approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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