BOARD OF DIRECTORS' MEETING

SEWERAGE & WATER BOARD OF NEW ORLEANS

WEDNESDAY, JUNE 17, 2015 9:00 AM

625 ST. JOSEPH STREET 2 ND FLOOR BOARD ROOM

ORDER OF BUSINESS

- 1. READING OF THE BOARD MINUTES
- 2. HONORS AND AWARDS NONE
- 3. REPORT OF EXECUTIVE DIRECTOR
- 4. COMMITTEE REPORTS
 - A. Operations Committee Report
 - B. Finance Committee Report
 - C. Committee on Infrastructure Report
 - D. Pension Committee Report
 - E. Executive Committee Verbal Report
- 5. CORRESPONDING RESOLUTIONS
- 6. UNFINISHED BUSINESS
- 7. NEW BUSINESS
 - F. Preliminary Authorizing Resolutions for Water and Sewer Bond Issues R-118-2015 & R-119-2015
 - G. Proposes Changes to By-Laws regarding Board Committees
 - H. Declaration of Vacancy on the Sewerage & Water Board of New Orleans R-120-2015
- 8. EXECUTIVE SESSION
- 9. INFORMATION ITEMS
 - I. FEMA Status Report
 - J. Report of the General Superintendent
 - K. Report of the Special Counsel
 - L. 2015 Committee/Board Meeting Schedule
 - M. Financial Statements
- 10. COMMUNICATION
 - U.S. Army Corps of Engineers SELA Programs Claim Process
- 11. RESPONSE TO QUESTIONS
- 12. REFERENCE MATERIALS (In Binders)
 - N. Sewerage & Water Board By-Laws
 - O. 2015 Operating and Capital Budgets
 - P. 2011-2020 Strategic Plan
 - Q. Commitments to the City Council
 - R. Bond Ratings Information
- 13. ANY OTHER MATTERS
- 14. ADJOURNMENT

BOARD OF DIRECTOR'S MEETING

MAY 20, 2015

MEETING MINUTES

SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Board of Directors of Sewerage and Water Board met on Wednesday, May 20, 2015 at 9:00 AM in the Board Room at 625 St. Joseph Street. The Executive Director, Cedric S. Grant, called the roll and showed the following members present: Mr. Wm. Raymond Manning, Mr. Alan Arnold, Mr. Marion Bracy, Mr. Scott Jacobs, Mr. Mark M. Moody, Mr. Joseph Peychaud (Six).

The following members were absent: Ms. Suchitra Satpathi representing Mayor Landrieu, Mrs. Robin Barnes, Mrs. Kerri Kane, Dr. Tamika Duplessis, and Ms. Kimberly Thomas (Five).

Also present were: Brenda Thornton, Communirep, Inc.; Geneva Coleman, The Hawthorne Agency, Inc.; Terry Dupre, Meyer Engineers; Kurt M. Evans, Digital Engineering; John Holtgreve, Design Engineering, Inc.; Janell Kalifey, Janell Kalifey, LCSW, LLC; Amer Tufail, Greenpoint Engineering.

Staff present were: Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; Madeline Fong Goddard, Deputy Superintendent; Nolan Lambert, Special Counsel; Harold Marchand, Anthony Stewart, Legal Department; Willie Mingo, Purchasing Department; Robert Jackson, Community & Intergovernmental Relations Department; Jason Higginbotham, Emergency Management Department; Tiffany Carter, EDBP Department; Paula Arceneaux, Julia Thomas, Hazel Bell, Employee Incentive Committee (EIC); Jerrell Andrews, Terry Blue, Christopher Collier, Donnie Daniel, Louie Dawson, Jarred Diggs, Myron Ester, Jerome Fox, Eldridge Garner, Lyndon Guidry, Gregory Howard, Brian E. Kelley, Eugene Mallet, Sean Mason, Henry Norman, Wayne Points, and Jesse Williams, Grounds Maintenance Crew of the Division of Support Services.

APPROVAL OF PREVIOUS REPORT

Mr. Joseph Peychaud moved to accept the minutes of the Regular Board Meeting held on April 15, 2015. Mr. Marion Bracy seconded the motion. The motion carried.

HONORS AND AWARDS

(R-098-2015) – The Board recognized the Ground Maintenance Crew of the Division of Support Services Group for outstanding services. Mr. Jerrell Andrews, Mr. Terry Blue, Mr. Christopher Collier, Mr. Donnie Daniel, Mr. Louie Dawson, Mr. Jarred Diggs, Mr. Myron Ester, Mr. Jerome Fox, Mr. Eldridge Garner, Mr. Lyndon Guidry, Mr. Gregory Howard, Mr. Brian E. Kelley, Mr. Eugene Mallet, Mr. Sean Mason, Mr. Henry Norman, Mr. Wayne Points, and Mr. Jesse Williams went beyond and above their duties on April 1st and April 2nd to cut grass and trees in an area they were not responsible for cutting to assist the New Orleans Police Department in locating a weapon used in a murder investigation. The resolution was adopted by acclamation.

Board Member Honored

The President Pro Tem, Mr. Wm. Manning, recognized and thanked Mr. Mark M. Moody for his years of service, expertise and dedication to the Sewerage and Water Board of New Orleans. The Executive Director presented Mr. Moody with a plaque on behalf of Mayor Mitchell Landrieu in appreciation for his year of service on the Sewerage and Water Board.

Announcement of Resignation of Madeline Goddard, the Deputy Superintendent

Mr. Cedric S. Grant announced the resignation of Ms. Madeline Goddard, the Deputy Superintendent of the Sewerage and Water Board. Ms. Goddard has accepted a position with the Seattle Public Utilities. She has been vital in helping the Board initiate green infrastructure projects and the staff wishes her well in her future endeavors.

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director, Mr. Cedric S. Grant updated the Board on the following topics:

- Board Retreat Next Steps
- SELA Customer Claims Process
- Overtime Usage
- Comprehensive Zoning Ordiance Article 23 Stormwater Management
- Community Outreach Efforts

He discussed the Board's Retreat and the next steps re: governance and By Laws Changes. Those changes would be discussed at the June cycle of meetings.

SPEAKER CARDS

 Kay Charbonnet – Owner of Kay's on 5419 Magazine Street stated the business owners and residents of the upper Magazine community are upset with the Army Corps of Engineers and the Sewerage & Water Board of New Orleans regarding the daily interruptions; traffic stalls; debris; trash and overall disregard associated with

SPEAKER CARDS CONTINUE:

the SELA project long underway at Jefferson and Magazine Streets. She asked the Board to address these issues and to control the contractors and develop a plan that protects the residents and business owners.

- Zohrah Khaleghi Owner of the Flaming Torch Restaurant on Magazine Street addressed the Board with concerns with SELA construction issues. She expressed concerns with the contractors turning off water with little or no notice, causing a disruption in her business.
- Bernard Charbonnet spoke in support of his relative, Ms. Kay Charbonnet, regarding SELA construction issues at Jefferson and Magazine Streets.

Following a lengthy discussion, it was recommended by the Board for staff to take a proactive role in coordinating communication and discussions with the Corps of Engineers about the SELA construction projects to ensure that the business owners, residents and others affected by these construction projects can address their concerns in a public meeting forum. Also, staff was directed to have a representative from the U.S. Army Corps of Engineers and the Cajun Contractors Company come to the June 2015 meetings to address these concerns.

COMMITTEE REPORTS

OPERATIONS COMMITTEE

The Chairperson, Mr. Marion Bracy, reported on the summary and actions taken by the Operations Committee. Mr. Bracy moved acceptance of the Operations Committee Report and approval of the Operations Committee recommendations, therein. Mr. Joseph Peychaud seconded the motion. The motion carried

FINANCE COMMITTEE

The Chairperson, Mr. Mark M. Moody, reported on the summary of actions taken at the Finance Committee Meeting. Mr. Scott Jacobs moved acceptance of the Finance Committee Report and approval of the Finance Committee recommendations, therein. Mr. Joseph Peychaud seconded the motion. The motion carried.

PENSION COMMITTEE

The Chairperson, Mr. Wm. Manning, reported on the summary and actions taken by the Pension Committee. Mr. Joseph Peychaud moved acceptance of the Pension Committee Report and approval of the Pension Committee recommendations, therein. Mr. Marion Bracy seconded the motion. The motion carried.

CORRESPONDING RESOLUTIONS

The following resolutions were adopted in conjunction with approval of the Committee reports:

R- 071-2015 - Commercial Insurance Policy for Automobile Fleet Liability

R-073-2015 – Amendment to the Agreement with Black and Veatch Corporation for Design and Engineering Services for the EBWWTP Sludge Dryer Project

R-074-2015 – Amendment to the Agreement to Provide Assessments, Design, Construction and Program Management Services for SELA and Drainage System

R-075-2015 - Authorization to Amend Contract with CH2M Hill, Inc. for Program Management Services for Hurricane Related Water Restoration Projects to Assist the Board

R-076-2015 – Amendment No. 5 to the Agreement between the Sewerage and Water Board of New Orleans and Waldemar S. Nelson and Company for Hurricane Katrina Related Water Restoration Projects

R-078-2015 – Award of Contract to Provide Design and Engineering Services for the Sewer Pump Stations Catch-All Project

R-079-2015 – Award of Contract to Provide Design and Engineering Services for Broad Street Drainage Underpass Station

R-080-2015 – Award of Contract to Provide Arc Flash Analysis, Assessment of Storage Tank Mixing and Launder Trough Replacement

R-081-2015 – Award of Contract to Provide Design and Engineering Services for the South Carrollton Bulk Chemical Storage and Feed Facility

R-082-2015 – Approval of Agreement between the New Orleans Redevelopment Authority and the Sewerage and Water Board of New Orleans for Green Infrastructure Projects

R-083-2015 – Ratification of Change Order No. 11 for Contract 3661 – Modifications to East Bank Wastewater Treatment Plant Flood Protection System

R-084-2015 – Award of Contract to the Law Firm of Phelps Dunbar to Represent the Sewerage and Water Board of New Orleans in Construction Litigation Matter

R-085-2015 – The Sewerage and Water Board's 2015 Contribution to the Employees' Retirement System of Sewerage and Water Board of New Orleans

R-086-2015 - Collection Enforcement Services of Delinquent Accounts - Req. No. CD150004

R-087-2015 – Contract 1369 – HMGP Emergency Fuel Storage Retrofit Power Plant Main Water Purification Plant Power Complex

R-088-2015 – Contract 1382 – Replacement of Media of Filters 1A, 1B, 5A, and 5B at the Claiborne Filter Gallery at the Main Water Purification Plant

R-089-2015 – Emergency Letter Bids for 2015 Rewind of the Sewerage Pump Motor and Cleaning of the Drainage Pump Motor at Drainage Pumping Station D

R-090-2015 – First and Final Renewal of Contract for Furnishing and Delivering Complete Fleet Tire Service - Req. No. YG140061

R-091-2015 – First and Final Renewal of Contract for Furnishing River Sand, Mason Sand and Washed Gravel – Req. No. YW140010

R-092-2015 – First and Final Renewal of Contract for Furnishing Rough Pine and Oak Hardwood Lumber – Req. No. YW140009

R-093-2015 – Second of Three One-Year Renewals of Contract for Furnishing Solid Waste Disposal Services – Req. No. PM130010

R-094-2015 – Third and Final Renewal of Contract 8138 – Furnishing Skilled and Unskilled Labor for Maintenance Services

R-095-2015 – Final Acceptance and Close Out to Contract 30000 – Restoration of Existing Gravity Sewer Mains Damaged by Hurricane Katrina by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole and Point Repairs at various sites throughout Orleans Parish

R-096-2015 - Amendment No. 6 to Existing Contract with Raftelis Financial Consultants, Inc.

R-097-2015 - Amendment No. 2 to Existing Contract with Black & Veatch

UNFINISHED BUSINESS

➤ Terminate Contract with TKTMJ for Contract 3667 – Plum Orchard Station

The Special Counsel, Mr. Nolan Lambert, and Mr. John Landis, an attorney representing the Sewerage and Water Board of New Orleans, stated there were construction flaws and issues with cooperation from the construction contractor. Therefore, staff is requesting the Board to give Mr. Joseph Becker, General Superintendent, the authority to terminate Contract 3667 – Plum Orchard Station with the contractor TKTMJ.

SPEAKER CARD

- Michael Tubre Vice President of TKTMJ and contractor hired re: Contract 3667 spoke in opposition to the termination of the above contract.
- Shay Kulkarni Attorney representing TKTMJ spoke in opposition to the termination of the above contract.

Mr. Marion Bracy moved approval of authorizing the General Superintendent to Terminate Contract, if needed, with TKTMJ for Contract 3667- Plum Orchard Station. Mr. Scott Jacobs seconded the motion. The motion carried.

EXECUTIVE SESSION

Executive Session to discuss the necessary legal action to be taken in regard to the following litigation:

- 2015-04417 Wallace Drennan, Inc. v. Cedric S. Grant and SWBNO
- 2015-04418 Wallace Drennan, Inc. v. Cedric S. Grant and SWBNO

Mr. Marion Bracy moved to go into Executive Session to discuss litigation matters. Mr. Scott Jacobs seconded the motion. The motion carried.

After proper motion and second, the Board returned from Executive Session after taking no action.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- FEMA Status Report
- Report of the General Superintendent
- Report of the Special Counsel
- 2015 Committee/Board Meeting Schedule
- Financial Statements

ADJOURNMENT

There being no further business the meeting adjourned at 10:50 AM.



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board of NEW ORLEANS

MITCHELL J. LANDRIEU, President WM. RAYMOND MANNING, President Pro-Tem 625 ST. JOSEPH STREET NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER www.swbno.org

EXECUTIVE DIRECTOR'S REPORT

- 1. <u>CHANGES IN ROLLS</u> A list of changes in rolls for the month May 2015 will be transmitted to the Department of City Civil Service.
- 2. <u>INVESTMENTS MATURED FOR May 2015</u> <u>Prepared by: Steve Woolridge</u>

FUND	AMOUNT	
	May 2015	
Drainage system Fund – 2 Mill	2,054.93	
Drainage System Fund – 3 Mill	9,168,001.99	
Drainage System Fund – 6 Mill	6,970,452.29	
Drainage System Fund – 9 Mill	18,113,214.95	
Water Revenue & REF BP 2014	43,404,800.16	
Sewerage Service Revenue & REF BP 2014	14,156,588.65	

SYSTEM FUNDS INVESTED	Amount May 2015	% Invested May 2015
WATER SYSTEM FUND SEWERAGE SYSTEM FUND	\$5,985,999.78 \$25,058,400.94	0.00% 50.01%
AD VALORUM TAXES & WATER SEWERAGE & DRAINAGE BOND PROCEEDS	\$91,815,112.97	96.38%

AWARDED CONTRACT/JOB	APRIL 2015	MAY 2015
BALANCES		
WATER SYSTEM FUND	6,464,174.61	9,653,671.05
SEWER SYSTEM FUND	18,106,423.87	21,989,747.50
DRAINAGE, BOND & BANS PROCEEDS	259,196,782.39	288,377,123.26

3. Report of Expenditures for Emergency Supplies and Materials for the Month of May 2015

NONE.



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June 1, 2015

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER **BOARD OF NEW ORLEANS**

The Operations Committee of the Sewerage and Water Board of New Orleans met on Monday, June 1, 2015, at 8:00 AM in the Board Room at 625 St. Joseph Street to address the following matters:

ATTENDANCE

PRESENT:

Mr. Marion Bracy, Chair

Dr. Tamika Duplessis

Mr. Scott Jacobs

ABSENT:

Mr. Mark Moody

Mrs. Kimberly Thomas

Also in attendance: Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Madeline Fong Goddard, Deputy Superintendent; Harold Marchand, Legal Counsel; Tiffany Carter, EDBP Director; Willie Mingo, Purchasing Director, Geneva Coleman, The Hawthorne Agency, Inc., Dr. Silas Lee, Silas Lee and Associates, and Joe Sensebe, Arcadis.

ACTION ITEMS

- Mr. Scott Jacobs moved to approve the May 4, 2015 Operations Committee Report. Dr. 1. Tamika Duplessis seconded and the motion carried.
- 2. Dr. Tamika Duplessis moved to accept staff Bid Recommendations – DBE Participation for the below subject contracts. It was seconded by Mr. Scott Jacobs and the motion carried.
 - Furnishing Hand Tools, Hardware Supplies, Paint and Paint Supplies (YW15-0007) Vendor: Assorted Products, LLC \$360,281.60

• Furnishing Safety Supplies – (YW15-0009)

Vendor:

Southeast Safety Supply Vendor:

\$138,766.05 Assorted Products, Inc. \$155,695.80

• <u>Furnishing Janitorial Services for the Sewerage and Water Board's Main Office</u>
<u>Building Located at 625 St. Joseph Street, 830 Julia Street Annex and 4021 Behrman</u>
Place, Suite M-2 Annex – (SU15-0003)

Vendor:

KSM Janitorial & Cleaning Service, LLC

\$120,000.00

Vendor:

Crescent Building Services, Inc.

\$129,636.44

Based upon analysis of SLDBE participation, the Economically Disadvantaged Business Program recommends that the SLDBE participation submitted by Ennon Enterprises d.b.a. Jani-King be rejected.

- 3. Mr. Scott Jacobs moved to approve the Construction Review Committee recommendations of the below Open Market Contracts. Dr. Tamika Duplessis seconded the motion and the motion carried.
 - Contract #2122 Replacement of Water Lines, Street Patching, Panel Replacement and Drainage Point Repairs Damage by Hurricane Katrina within Various Roadways in Lakewood Neighborhoods with a 36% suggested goal. The areas of participation are removal, disposal, installation, and restoration.
 - Contract #3786 Central Wetlands Assimilation Project A-2 Region with a 36% suggested goal. The areas of participation are below ground installation of 18" dual wall pipe, and mechanical dredging and soil placement.
 - Contract #30007 Restoration of Existing Gravity Sewer Mains Damaged by Hurricane Karina by Excavation and Replacement from Manhole-to-Manhole CIPP Lining from Manhole-to-Manhole Point Repairs and Manhole Rehabilitation at Various Sites throughout Orleans Parish with a 36% suggested goal. The areas of participation are removal, disposal, installation, and restoration.
- 4. Dr. Tamika Duplessis moved to approve the Staff Contract Review Committee recommendations of the below Open Market Contracts. Mr. Scott Jacobs seconded the motion and the motion carried.
 - Open Market, 30% SLDBE Participation, one (1) year with a one (1) year renewal option -Furnishing River Sand and Mason Sand and Washed Gravel for Sewerage & Water Board of New Orleans
 - Open Market, 0% SLDBE Participation, one (1) year with, five (5), one (1) year renewal options RFP for an Independent Technical Consultant to Review Technical Ratemaking and Regulatory Issues
- 5. There were no Renewal Construction Contracts with DBE Participation for the month of May 2015.
- 6. There were no Final Acceptance Contracts with DBE Participation for the month of May 2015.

PRESENTATION ITEMS

- 7. Dr. Silas Lee of Silas Lee and Associates and Ms. Geneva Coleman of The Hawthorne Agency, Inc. provided a presentation on the Customer Satisfaction Survey Results and Improvement Plan. Mr. Grant and Mr. Miller presented a plan to improve those results by year-end.
- 8. Mr. Cedric S. Grant, Executive Director, advised the Committee that he is working to realign the committees' structure. Questions from the committee should be submitted prior to the Board meeting.
- 9. Mr. Miller, Deputy Director, provided an update of the Customer Service Results through April 2015.
- 10. There were no Topics for Future Discussions

INFORMATION ITEMS

All of the information items were received.

There being no further items to come before the Committee, a motion was made by Mr. Scott Jacobs to adjourn the meeting, and it was seconded by Dr. Tamika Duplessis. The meeting adjourned at 9:20 AM.

Respectfully yours,

Mr. Marion Bracy, Chair



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June 2, 2015

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The Finance Committee of the Sewerage and Water Board of New Orleans met on Tuesday, June 2, 2015 at 8:00 a.m. in the Board Room, 625 St. Joseph Street to consider the following matters.

ATTENDANCE

Present:

Mr. Wm. Raymond Manning, Chair

Ms. Kerri Kane

Ms. Robin Barnes

Mr. Scott Jacobs

Absent:

Mr. Mark Moody

Also in attendance were Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; Madeline Goddard, Deputy General Superintendent; Harold Marchand, Deputy Special Counsel; Robert Jackson, Community & Intergovernmental Relations; Hazel Bell, Chief Accountant; Dexter Joseph, Budget Director; Emanuel Lain, Sr., Michele Holley, Budget Dept.; Joe Sensebe, Arcadis; Angela Roberts, CH2M Hill; Renee' Lapeyrolerie, CDM Smith; Raoul Chauvin, Infinity Engineering.

ACTION ITEMS

- Item 1 Mr. Scott Jacobs moved to accept the May 5, 2015 Finance Committee Report. Ms. Robin Barnes seconded and the motion carried.
- Item 2 Mr. Scott Jacobs moved to accept the General Superintendent's Recommendations (5-Bids, 2-Contracts, 2-Professional Service Contract Agreements, and 4-Award of Professional Service Contracts) listed below. Ms. Robin Barnes seconded the motion and the motion carried.

Bids

- R-104-2015 REQ. NO. YW150007 Furnishing & Delivering Hand Tools, Hardware Supplies, Paint & Paint Supplies to Assorted Products, LLC for the total amount of \$360,281.
- R-105 -2015 REQ. NO. YW150008 Furnishing & Delivering Hoses & Accessories to Atlas Hose & Gasket, Co. for the total amount of \$168,813.
- R-106-2015 REQ. NO. YW150009 Furnishing & Delivering Safety Supplies to Southeast Safety & Supply for the total amount of \$138,766.05.
- R-107-2015 REQ. NO. SU150003 Furnishing Janitorial Services for the SWB Main Office Building 625 ST. Joseph Street, 830 Julia Street Annex and 4021 Behrman Place, Suite M2 Annex to KSM Janitorial Services LLC for the total amount of \$120,000.00
- R-108-2015 CONTRACT 3795 Modification to the Return activated Sludge PS & Pipeline at the East Bank Sewer Treatment Plant to Industrial and Mechanical Contractors, Inc. for the total amount of \$1,677,000.00.

Contract Renewal

- R-109-2015 REQ. NO. YW140030 First & Final Renewal of Contract for Furnishing #1 All Purpose Rag Wipers to Assorted Products in the total amount of \$81,000.00.
- R-110-2015 REQ. NO. YW140028 First & Final Renewal of Contract for Furnishing Safety Shoes to Cintas Corporation in the total amount of \$105,650.00.

Professional Service Contract Amendment

- R-112-2015 Ratification to the existing agreement with CH2M Hill for additional work required as part of their program management and design services for an additional amount not to exceed \$4,970,065.00.
- R-113-2015 Ratification to the existing agreement with Waldemar S. Nelson and Company for additional work required to perform additional engineering services for a total amount of \$136,570.00.

Award of Professional Services Contracts

- R-114-2015 Arcadis to provide engineering services, including geotechnical investigation, to provide the design for replacement of the Sycamore Filter Gallery Backwash Pumps located in the East Bank Water Purification Plant for an amount not to exceed \$654,000.00.
- R-115-2015 Integrated Logistical Support, Inc. to provide design services related to
 water line replacement work in the above neighborhoods. ILSI will contract for a FEMA
 approved percentage of construction for design of water line replacement (including repair
 of replacement of drain lines as approved by City Department of Public Works) for the
 Desire Area, Desire Development, Gentilly Terrace and Milneburg neighborhoods,
 including supplemental services, engineering services, program/project management
 services for coordination efforts in an amount not to exceed 18% less the monies
 appropriated to date.

- R-116-2015 Evans Graves Engineers Inc. to provide design and engineering services for the replacement of Sewer Pumping Station 1. The scope of services shall include providing all related design and bidding services for the replacement of the structure and pumps, required piping and appurtenances, all for an amount not to exceed \$262,120.00.
 R-117-2015 Historic Faubourg Treme Association to design, implement, maintain and monitor four rain gardens at the corner of St. Ann and N. Robertson for an amount not to exceed \$98,772.00.
- Item 3 Mr. Scott Jacobs moved to approve the Change Orders listed below. Ms. Robin Barnes seconded the motion and the motion carried.
 - R-099-2015 Ratification of Change Order No. 1 for Contract 3986 Lower 9th Ward Area Sewer Rehabilitation No. 5
 - R-100-2015 Ratification of Change Order No. 2 for Contract 2105 Replacement of CBD/FQ Water Lines Damaged by Hurricane Katrina
 - R-101-2015 Ratification of Change Order No. 1 for Contract 3696 Cleaning and CCTV Sanitary Sewer Mains at Scattered Sites Throughout Orleans Parish.
 - R-102-2015 Ratification of Change Order No. 12 for Contract 1350 Hurricane Related Repairs to Turbine 4 At the Carrollton Water Purification Plant Power Complex
 - R-103-2015 Ratification of Change Order No. 12 for Contract 3661 Modifications to East Bank Wastewater Treatment Plant Flood Protection System
- Item 4 Mr. Robert Miller recommended the approval of Preliminary Authorizing Resolutions for Water Revenue Service Bonds and Sewer Revenue Service Bonds not to exceed One Hundred Million Dollars (\$100,000,000) each of the City of New Orleans, Louisiana for the purpose of paying a portion of the Cost of Capital Improvements, funding a debt service reserve fund, if required, and paying the cost of issuance associated therewith. The Bonds shall be issued in one or more series, shall bear interest at a rate not to exceed seven percent (7.0%) per annum.

Mr. Scott Jacobs moved to approve the Preliminary Authorizing Resolutions (R-118-2015 and R-119-2015) for Water Revenue Service Bond and Sewer Revenue Service Bond. Ms. Kerri Kane seconded and the motion carried.

PRESENTATION ITEMS

Item 5 Mr. Joey Richard and Ms. Brandy Smith of Postlethwaite & Netterville presented the 2014 Comprehensive Annual Financial Report and Management Letter. There were no new policies for 2014 with the exception of the implementation of GASB 67 which are the new and expanded disclosures related to the Pension Plan. There were two findings of significant

deficiency related to accounting for FEMA receivables and closing out construction work in progress to fixed assets.

- Item 6 Mr. Grant talked about By Law Changes. Some of the proposed changes are to reduce the structure of committees down to three (3); minimize the transaction on the nature of the Board's business; and to delegate certain authority for procurement to executive management.
- Item 7 Mr. Miller presented the Financial Results through April 2015. Revenues show favorable to prior year; and expenses are low compared to budget. Reimbursements expected at the end of 2014 have been received from FEMA. The reimbursements have been placed back into the Bond Funds.
- Item 8 Under topics for future discussion, the Committee decided to change the meeting time from 8:00 a.m. to 9:00 a.m. beginning next month.

Items 9 -12

The Committee received all information items.

ADJOURNMENT

Mr. Scott Jacobs moved for adjournment and Ms. Kerri Kane seconded. The Finance Committee adjourned at 9:25 a.m.

Respectfully submitted,

Mr. Wm. Raymond Manning, Chair

GENERAL SUPERINTENDENT RECOMMENDATIONS FOR THE JUNE 17, 2015 MEETING

- A. BIDS A listing of the bids received during the month of May is included in the following report. Also, a list of Professional Service Contract Amendments and Awards of Professional Services Contracts are included. A brief summary is attached for your review.
 - Item 1 R-104-2015 FURNISHING & DELIVERING HAND TOOLS, HARDWARE SUPPLIES, PAINT & PAINT SUPPLIES REQ. NO. YW150007.
 - Item 2 R-105-2015 FURNISHING & DELIVERING HOSES & ACCESSORIES REQ. NO. YW150008
 - Item 3 R-106-2015 FURNISHING & DELIVERING SAFETY SUPPLIES REQ. NO. YW150009
 - Item 4 R-107-2015 FURNISHING JANITORIAL SERVICES FOR
 THE SWB MAIN OFFICE BUILDING 625
 ST. JOSEPH STREET, 830 JULIA STREET
 ANNEX AND 4021 BEHRMAN PLACE,
 SUITE M2 ANNEX REQ. NO. SU150003
 - Item 5 R-108-2015 CONTRACT 3795 MODIFICATION TO THE RETURN ACTIVATED SLUDGE PS AND PIPELINE AT THE EAST BANK SEWER TREATMENT PLANT

B. CONTRACT RENEWAL

- Item 6 R-109-2015 FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING #1 ALL PURPOSE RAG WIPERS REQ. NO. YW140030
- Item 7 R-110-2015 FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING SAFETY SHOES REQ. NO. YW140028

C. PROFESSIONAL SERVICE CONTRACT AMENDMENTS

- Item 8 R-112-2015 AMENDMENT TO AGREEMENT WITH CH2M HILL, INC. FOR PROGRAM MANAGEMENT SERVICES FOR HAZARD MITIGATION GRANT PROGRAM TO RETROFIT THE POWER PLANT
- Item 9 R-113-2015 AMENDMENT TO AGREEMENT WITH WALDEMAR
 S. NELSON AND COMPANY FOR ADDITIONAL
 DESIGN SERVICES FOR HURRICANE KATRINA
 RELATED REPAIRS FOR WATER RESTORATION
 PROJECTS

D. AWARD OF PROFESSIONAL SERVICES CONTRACTS

- Item 10 R-114-2015 AWARD OF CONTRACT TO PROVIDE DESIGN
 AND ENGINEERING SERVICES FOR THE
 REPLACEMENT OF THE SYCAMORE FILTER
 GALLERY BACKWASH PUMPS
- Item 11 R-115-2015 AWARD OF CONTRACT TO PROVIDE DESIGN
 AND ENGINEERING SERVICES FOR THE
 WATER LINE REPLACEMENT PROGRAM IN THE
 NEIGHBORHOODS OF DESIRE, GENTILLY
 TERRACE, AND MILNEBURG
- Item 12 R-116-2015 AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR SEWAGE PUMPING STATION 1
- Item 13 R-117-2015 AWARD OF GREEN INFRASTRUCTURE PROJECT FOR THE TREME ST. ANN RAIN GARDEN TO THE HISTORIC FAUBOURG TREME ASSOCIATION

GENERAL SUPERINTENDENT RECOMMENDATIONS REPORT OF FINAL ACCEPTANCE TO BE CONSIDERED BY THE FINANCE COMMITTEE AND THE BOARD'S MEETING OF JUNE 17, 2015

During May 2015 bids, professional service contract amendments, and awards of professional services contracts were received and evaluated (as per attached tabulations) and on various items as follows:

1. FURNISHING & DELIVERING HAND TOOLS, HARDWARE SUPPLIES, PAINT & PAINT SUPPPLIES - REQ. NO. YW150007

One (1) bid was received on May 21, 2015 for furnishing & delivering hand tools, hardware supplies, paint & paint supplies. It is recommended that the bid of Assorted Products, LLC in the total amount \$360,281.60, be accepted based upon the technical review of the proposals.

The DBE participation is 30%.

The estimated amount for this project is \$350,000.00

Funds for this project are budgeted under Account Code 0850 (Warehouse & Grounds) and Object Codes 9916 (Miscellaneous) and 9950 (Tools & Equipment).

2. FURNISHING & DELIVERING HOSES & ACCESSORIES - REQ. NO. YW150008

Three (3) bids were received on May 21, 2015 for furnishing & delivering hoses & accessories. The apparent low bid of JGB Enterprises, Inc. was informal because they did not bid on all items in each section of the contract per Section 18-09 of the specifications. It is, therefore, recommended that the second low formal bid of Atlas Hose & Gasket, Co. in the total amount of \$168,813.91, be accepted based upon the technical review of the proposals.

The three (3) bidders are as follows:

1. JGB Enterprises, Inc.	\$132,788.30
2. Atlas Hose & Gasket, Co.	168,813.91
3. Covington Sales	281,834.85

June 17, 2015 Page 2

There is no DBE participation.

The estimated amount for this project is \$200,000.00.

Funds for this project are budgeted under Account code 0850 (Warehouse & Grounds) and Object Code 9950 (Tools & Equipment).

3. FURNISHING & DELIVERING SAFETY SUPPLIES - REQ. NO. YW150009

Two (2) bids were received on May 21, 2015 for furnishing & delivering safety supplies. It is recommended that the low bid of Southeast Safety & Supply in the total amount \$138,766.05, be accepted based upon the technical review of the proposals.

The two (2) bidders are as follows:

1. Southeast Safety & Supply

\$138,766.05

2. Assorted Products, LLC

154,529.80

The DBE participation is 30%.

The estimated amount for this project is \$200,000.00.

Funds for this project are budgeted under Account Code 0850 (Warehouse & Grounds) and Object Codes 9916 (Miscellaneous) and 9950 (Tools & Equipment).

4. FURNISHING JANITORIAL SERVICES FOR THE SWB MAIN OFFICE BUILDING 625 ST. JOSEPH STREET, 830 JULIA STREET ANNEX AND 4021 BEHRMAN PLACE, SUITE M2 ANNEX - REQ. NO. SU150003

Three (3) bids were received on May 21, 2015 for furnishing janitorial services for the SWB main office building 625 St. Joseph Street, 830 Julia Street Annex and 4021 Behrman Place, Suite M2 Annex. It is recommended that the low bid of KSM Janitorial Services LLC in the total amount of \$120,000.00, be accepted based upon the technical review of the proposals.

June 17, 2015 Page 3

The three (3) bidders are as follows:

1.	KSM Janitorial Services LLC	\$120,000.00
2.	Crescent Building Services	129,636.44
3.	Enmon Enterprises, LLC DBA Jani king	155,777.00

The DBE participation is 30%.

The estimated amount for this project is \$140,000.00.

Funds for this project are budgeted under Account Code 0805 (Admin. Bldg. CY) and Object Code 3370 (Janitorial Services).

5. CONTRACT 3795 - MODIFICATION TO THE RETURN ACTIVATED SLUDGE PS AND PIPELINE AT THE EAST BANK SEWER TREATMENT PLANT

Four (4) bids were received on February 27, 2015 for performing work under Contract 3795. It is recommended that the low bid of **Industrial and Mechanical Contractors**, **Inc.** in the total amount of \$1,677,000.00, be accepted based upon the technical review of the proposals.

The four (4) bidders are as follows:

1. Industrial and Mechanical	
Contractors, Inc.	\$1,677,000.00
2. Cycle Construction Company, LLC	1,690,000.00
3. BLD Services, LLC	1,785,000.00
4. Conhagen Inc. of LA	2,052,371.00

The DBE participation is 5%.

The estimated amount for this project is \$1,500,000.00.

Funds for this project are budgeted under Account Code 03795.

June 17, 2015 Page 4

6.

FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING #1 ALL PURPOSE RAG WIPERS REQ. NO.YW140030

PROPOSAL:

The contractor, Assorted Products, has requested that the Board renew their current contract effective August 1, 2015, as allowed under this contract with no increase in cost and with no change in terms and conditions of their original contract, with the total being \$81,000.00.

EVALUATION:

The original contract for Furnishing #1 All Purpose Rag Wipers was awarded to **Assorted Products**, by the Board at its meeting of July 16, 2014 in the total amount of \$81,000.00. If approved, this would be the first and final renewal as allowed under the terms of the contract. There is no DBE participation. Funds for this project are budgeted under Account Code 0850 (Warehouse & Grounds) and Object Code 9916 (Miscellaneous).

RECOMMENDATION:

It is recommended that the Board approve this first and final renewal to **Assorted Products** in the total amount of \$81,000.00.

June 17, 2015 Page 5

7.

FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING SAFETY SHOES REQ. NO. YW140028

PROPOSAL:

The contractor, Cintas Corporation has requested that the Board renew their current contract effective August 1, 2015, as allowed under this contract with no increase in cost and with no change in terms and conditions of their original contract, with the total being \$105,650.00.

EVALUATION:

The original contract for Furnishing Safety Shoes was awarded to **Cintas Corporation** by the Board at its meeting of July 16, 2014 in the total amount of \$105,650.00. If approved, this would be the first and only renewal as allowed under the terms of the contract. There is no DBE participation. Funds for this project are budgeted under Account Code 0850 (Warehouse & Grounds) and Object Code 9916 (Miscellaneous).

RECOMMENDATION:

It is recommended that the Board approve this first and only renewal to Cintas Corporation in the total amount of \$105,650.00.

June 17, 2015 Page 6

8. AMENDMENT TO AGREEMENT WITH CH2M HILL, INC. FOR PROGRAM MANAGEMENT SERVICES FOR HAZARD MITIGATION GRANT PROGRAM TO RETROFIT THE POWER PLANT

Please ratify this amendment to the existing agreement with CH2M Hill for additional work required as part of their program management and design services. This work will be completed for an additional amount not to exceed \$4,970,065.00 and includes:

- Additional engineering required as a result of the extended duration of several design and commencement of construction projects
- Extension of the construction management for the Generator 4 Retrofit and Load Bank Equipment,
- Extended duration of interface with FEMA/GOHSEP concerning project scope alignment all as required to assist in securing needed funding.

Funds are available in the HMGP provided by FEMA and as funded in the SWB capital program. The DBE commitment on this contract is 35% and CH2M Hill will comply with that requirement through this amendment.

9. AMENDMENT TO AGREEMENT WITH WALDEMAR S. NELSON AND COMPANY FOR ADDITIONAL DESIGN SERVICES FOR HURRICANE KATRINA RELATED REPAIRS FOR WATER RETORATION PROJECTS

Please ratify the amendment to the existing agreement with Waldemar S. Nelson and Company for additional work required to perform additional Engineering Services During Construction services. Nelson is the designer for several projects that are currently in construction, including repairs to turbine 4, the installation of a gray water system, and repairs to boilers, ducts and elevators in the Power Plant complex. The construction on these contracts has been extended which requires the Engineering Services to be extended as well. Nelson has agreed to continue these

June 17, 2015 Page 7

services for an additional cost of \$136,570.00. The cost of these additional services will be eligible for reimbursement from FEMA. The DBE commitment on this contract is 35% and will continue through this amendment.

10. AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR THE REPLACEMENT OF THE SYCAMORE FILTER GALLERY BACKWASH PUMPS

This is an agreement with Arcadis to provide engineering services, including geotechnical investigation, to provide the design for replacement of the Sycamore Filter Gallery Backwash pumps located in the East Bank Water Purification Plant for an amount not to exceed \$654,000.00.

Arcadis was selected from a short list of qualified engineering and consulting firms approved by the Board on October 15, 2014 to provide design and engineering services for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities. The firm was selected based upon their extensive knowledge and experience in the FEMA funded rehabilitation of the water purification plant. Arcadis intends to meet the established DBE participation goal of 35% with Infinity Engineering Consultants, LLC as well as other partners.

Funds are available in the approved water capital program.

11. AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR THE WATER LINE REPLACEMENT PROGRAM IN THE NEIGHBORHOODS OF DESIRE, GENTILLY TERRACE, AND MILNEBURG

This is an Agreement with Integrated Logistical Support, Inc. to provide design services related to water line replacement work in the above neighborhoods.

ILSI was selected from a list of qualified engineering and consulting firms approved by the Board on October 15, 2014 to provide engineering and consulting services for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities.

June 17, 2015 Page 8

ILSI will perform the design services, including supplemental services as identified, engineering services, and coordination with the City of New Orleans Roadway Restoration projects in these neighborhoods. The DBE goal on this project is 35% and ILSI has committed to achieving that goal.

12. AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR SEWAGE PUMPING STATION 1

This agreement would authorize Evans Graves Engineers Inc. to provide design and engineering services for the replacement of Sewage Pumping Station 1. The scope of services shall include providing all related design and bidding services for the replacement of the structure and pumps, required piping and appurtenances, all for an amount not to exceed \$262,120.00.

Evans Graves Engineers, Inc. was selected from a short list of qualified engineering and consulting firms approved by the Board on October 15, 2014 to provide design and engineering services for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities. The firm was selected, based upon their knowledge and experience in hurricane restoration of the underpass drainage pump stations. Evans Graves plans to comply with the established DBE participation goal of 35%. Funds are available in the approved sewer capital program.

13. AWARD OF GREEN INFRASTRUCTURE PROJECT FOR THE TREME ST. ANN RAIN GARDEN TO THE HISTORIC FAUBOURG TREME ASSOCIATION

This agreement will authorize the Historic Faubourg Treme Association to design, implement, maintain and monitor four rain gardens at the intersection of St. Ann and N. Robertson. Historic Faubourg Treme Association submitted a proposal on March 28, 2014 in response to a SWB Request For Proposals on green infrastructure projects. In response to that original proposal, SWB staff requested additional information. That information has been provided and reviewed to the satisfaction of Board staff. SWB will provide an amount not to exceed \$98,772.00 for the project and that will be matched with at least \$26,150.00 in kind donations.



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board of NEW ORLEANS

MITCHELL J. LANDRIEU, President WM. RAYMOND MANNING, President Pro-Tem 625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER
www.swbno.oru

June 3, 2015

The Infrastructure Committee met on Wednesday, June 3 2015 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at 9:00 AM.

Action Item:

The Committee report of Wednesday, April 1, 2015 was motioned and accepted.

Presentation Items:

Mr. Grant gave a brief explanation of the proposed By-Law changes. Outlining the Board structure; Governing style; Standing committees; Role of the Executive Director and Communication with the Board.

Mr. Becker gave a brief update on staffing as it related to the 2015 Atlantic Hurricane season preparation. Mr. Becker also discussed the Hurricane Alert levels; SWB Essential Employees; SWB Emergency Operations Center; Operations; Facility Maintenance; Networks; Warehouse/Garage; and the St. Joseph Street Building.

Topics for Future Discussions:

Mr. Grant stated the staff will discuss capital projects and capital budget issues for the upcoming meeting.

Response to Questions:

There were no remaining questions from Board members at this time.

The remaining information items were accepted.

Adjournment:

There being no further business to come before the Committee, the meeting adjourned at 10:07 AM.

PRESENT:

Mrs. Kerri Kane- Chair

Mr. Alan Arnold Mr. Joseph Peychaud Ms. Kimberly Thomas

ABSENT:

Dr. Tamika Duplessis

Also in attendance were: Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; Madeline Goddard, Deputy General Superintendent; Harold Marchand, Legal Department; Robert Jackson, IG&R Department; Jason Higginbotham, Emergency Management; Brenda Thornton; Kevin Garrison, Budget Department; Amer Tufail, Green Point Engineering; Lauren Averize, Gaea Consulting

Respectfully Submitted,

Mrs. Kerri Kane Chairperson



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June 3, 2015

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The PENSION COMMITTEE of the Sewerage and Water Board of New Orleans ("Board") met on Wednesday, June 3, 2015 at 10:30 a.m. in the Board Room at 625 St. Joseph Street.

ATTENDANCE

PRESENT: Mr. Wm. Raymond Manning (Chairman)

Mr. Alan Arnold Mr. Harold Heller, Jr. Mr. Joseph Peychaud

Mr. Marvin R. Russell, Jr. Mr. Gerald Tilton

Mr. John H. Wilson III

ABSENT: Mrs. Robin Barnes

Mr. Marion Bracy

The meeting was called to order at approximately 10:30 a.m. to discuss and act upon the following matters:

APPROVAL OF PREVIOUS REPORTS (ACTION)

The Pension Committee approved and accepted the Pension Committee Report of May 6, 2015.

BARROW HANLEY (PRESENTATION)

This presentation was deferred to a later date.

FFC REVIEW OF THE APRIL 2015 FLASH PERFORMANCE REPORT (PRESENTATION)

Octave Francis of FFC Capital Management presented the Executive Summary Performance Table and Market Index Performance Report for the period ending April 30, 2015. Mr. Arnold requested that this report be distributed to committee members prior to the meeting at which it will be discussed.

NOTICE OF PENSION COMMITTEE ELECTION

The Pension Committee was notified that the current term of Marvin R. Russell, Jr. is set to expire on August 31, 2015. An election has been scheduled to fill the new full-term that will begin on September 1, 2015.

Pension Committee Meeting June 3, 2015 Page 2

VOLUNTARY RETIREMENTS

There were no retirement applications submitted.

EXECUTIVE SESSION

The meeting moved into executive session to discuss the matter of "Securities Class Action Litigation against Trinity Industries". The Committee returned to open session after taking no action.

<u>SWBNOERS TRUSTEE INVESTMENT WORKSHOP 2-GLOBAL FIXED INCOME – BENCHMARKING ACTIVE VS. PASSIVE</u>

Committee members were invited to attend the Trustee Investment Workshop presented by Octave Francis, which directly followed the regular meeting. This workshop is part of a series of educational workshops presented by FFC Capital Management that will be held through March 2016.

TOPICS FOR FUTURE DISCUSSIONS

There were no additional topics identified for future discussions.

RESPONSE TO QUESTIONS

There were no questions from committee members requiring a response.

OTHER MATTERS

There were no additional topics discussed at this meeting.

<u>ADJOURNMENT</u>

The meeting adjourned at approximately 11:24 a.m.

Also in attendance were Director's Office, Legal, Finance and Personnel Department staff; Stephen Daste and Octave Francis of FFC Capital Management; John Weiler of Weiler & Rees; Janice Leaumont of Capital One; Theo Sanders of LAMP.

Wm. Raymond Manning Chairman

RATIFICATION OF CHANGE ORDER NO. 1 FOR CONTRACT 3986 – LOWER NINTH WARD AREA SEWER REHABILITATION NO. 5

WHEREAS, the Sewerage and Water Board entered into Contract 3986 with BLD Services, Inc. for sewer repairs in the bid amount of \$6,683,179.00, and

WHEREAS, in the course of these repairs, additional, similar repairs were identified; some of which were required in advance of FEMA funded street repairs, and

WHEREAS, Sewerage and Water Board staff has directed BLD to perform these additional repairs at an additional cost of \$2,758,761.00 within an additional 180 contract days.

WHEREAS, the Sewerage and Water Board has no previous Change Orders for this Contract. This Change Order brings the accumulated total to 41.3% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 1 for Contract 3986 be ratified by the Sewerage and Water Board.

I, Cedric S. Grant, 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 June 17, 2015

RATIFICATION OF CHANGE ORDER NO. 2 FOR CONTRACT 2105 – REPLACEMENT OF CBD/FQ WATER LINES DAMAGED BY HURRICANE KATRINA

WHEREAS, the Sewerage and Water Board entered into Contract 2105 with Boh Brothers Construction for FEMA funded replacement of Hurricane Katrina damaged water mains in the French Quarter and Central Business District area in the bid amount of \$6,699,595.00, and

WHEREAS, in the course of replacing the water main on Common St. and on LaSalle St, it was required to install a tapping sleeve and valve, at an additional cost of \$25,690.00. This cost will be eligible for FEMA reimbursement, and

WHEREAS, in the course of replacing the water mains at a number of locations in the CBD/FQ, it was required to replace the planned PVC material with ductile iron water mains due to a lack of cover, at an additional cost of \$151,615.00. This cost will be eligible for FEMA reimbursement, and

WHEREAS, in the course of replacing water mains, defective valve and hydrants were identified and replaced as part of this construction project at an additional cost of \$75,000.00. This cost will not be eligible for FEMA reimbursement, and

WHEREAS, in the course of replacing the water main on Perdido St, a drain line required 6 point repairs at a cost of \$45,913.40. This cost will be eligible for FEMA reimbursement through the City of New Orleans, and

WHEREAS, this change order is in the amount \$298,218.40 and brings the accumulated contract change order total to \$575,271.96. The additional funds required for this change order represents 8.6% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 2 for Contract 2105 be ratified by the Sewerage and Water Board.

I, Cedric S. Grant, 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 June 17, 2015

RATIFICATION OF CHANGE ORDER NO. 1 FOR CONTRACT 3696 – CLEANING AND CCTV SANITARY SEWER MAINS AT SCATTERED SITES THROUGHOUT ORLEANS PARISH

WHEREAS, the Sewerage and Water Board entered into Contract 3696 with Blue Flash Sewer Service, Inc for cleaning and inspections services in the bid amount of \$1,483,250.00, and

WHEREAS, the majority of the in house fleet of vactor trucks, used to clean sanitary sewers for emergency maintenance response and consent decree compliance, has been in the garage for maintenance for an extended period of time, and has resulted in a backlog of sewer main cleaning.

WHEREAS, in an effort to ensure consent decree compliance, Blue Flash has been requested to provide additional sanitary services.

WHEREAS, this change order, in the amount \$250,000.00, is the first change order for this contract. The additional funds required for this change order represents 17.0% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 1 for Contract 3696 be ratified by the Sewerage and Water Board.

I, Cedric S. Grant, 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 June 17, 2015

RATIFICATION OF CHANGE ORDER NO. 12 FOR CONTRACT 1350 -HURRICANE RELATED REPAIRS TO TURBINE 4 AT THE CARROLLTON WATER PURIFICATION PLANT – POWER COMPLEX

WHEREAS, the Sewerage and Water Board entered into Contract 1350 with Industrial & Mechanical Contractors, Inc. in the amount of \$12,750,000 for FEMA funded repairs to Turbine 4 at the Carrollton Water Purification Plan – Power Complex and

WHEREAS, the Contractor shall replace the shrouds in the exhaust of the turbine and,

WHEREAS, the Contractor shall be granted forty two (42) additional Contract days to complete the work and,

WHEREAS, this Change Order, in the amount of \$30,329.80, brings the accumulated Contract change order total to \$1,816,604.88, or 14.25% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 12 for Contract 1350 is ratified by the Sewerage and Water Board of New Orleans.

I, Cedric S. Grant, 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 June 17, 2015.

RATIFICATION OF CHANGE ORDER NO. 12 FOR CONTRACT 3661 – MODIFICATIONS TO EAST BANK WASTEWATER TREATMENT PLANT FLOOD PROTECTION SYSTEM

WHEREAS, the Sewerage and Water Board entered into Contract 3661 with Cajun Constructors, Inc. for FEMA funded Modifications to the East Bank Wastewater Treatment Plant Flood Protection System in the bid amount of \$24,391,466.00, and

WHEREAS, in the course of these modifications, the scope was changed requiring the use of steel H-Piles in lieu of precast concrete piles and an alternate penetration seal was required on the two SFM's in monoliths 119 - 121. This cost will be eligible for FEMA reimbursement, and

WHEREAS, in the course of these modifications, the I-Walls at the front gates had to be repaired and the contractor had to remove the temporary flood protection at monoliths 119 - 121. This cost will not be eligible for FEMA reimbursement, and

WHEREAS, the Sewerage and Water Board has previously approved Change Orders for this Contract in the amount of \$3,945,771.15. This Change Order, in the amount of \$1,089,200.00, brings the accumulated total to \$5,034,971.15, which is 20.6% of the original Contract value.

NOW THEREFORE BE IT RESOLVED, the approval of Change Order No. 12 for Contract 3661 be ratified by the Sewerage and Water Board

I, Cedric S. Grant, 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 June 17, 2015

FURNISHING & DELIVERING HAND TOOLS, HARDWARE SUPPLIES, PAINT & PAINT SUPPLIES - REQ. NO. YW150007

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that one (1) bid was received on May 21, 2015 after advertising according to the Public Bid Law, for Furnishing & Delivering Hand Tools, Hardware Supplies, Paint & Paint Supplies. The bid was hereby accepted and contract awarded therefore to Assorted Products, LLC for the total amount of \$360,281.60.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

FURNISHING & DELIVERING HOSES & ACCESSORIES - REQ. NO. YW150008

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that three (3) bids were received on May 21, 2015 after advertising according to the Public Bid Law, for Furnishing & Delivering Hoses & Accessories. The second low formal bid was hereby accepted and contract awarded therefore to Atlas Hose & Gasket, Co. for the total amount of \$168,813.91.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

FURNISHING & DELIVERING SAFETY SUPPLIES - REQ. NO. YW150009

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that two (2) bids were received on May 21, 2015 after advertising according to the Public Bid Law, for Furnishing & Delivering Safety Supplies. The low bid was hereby accepted and contract awarded therefore to Southeast Safety & Supply for the total amount of \$138,766.05.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

FURNISHING JANITORIAL SERVICES FOR THE SWB MAIN OFFICE BUILDING 625 ST. JOSEPH STREET, 830 JULIA STREET ANNEX AND 4021 BEHRMAN PLACE, SUITE M2 ANNEX - REQ. NO. YW150003

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that three (3) bids were received on May 21, 2015 after advertising according to the Public Bid Law, for Furnishing Janitorial Services for the SWB Main Office Building 625 St. Joseph Street, 830 Julia Street Annex and 4021 Behrman Place, Suite M2 Annex. The low bid was hereby accepted and contract awarded therefore to KSM Janitorial Services LLC for the total amount of \$120,000.00.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

CONTRACT 3795 - MODIFICATION TO THE RETURN ACTIVATED SLUDGE PS AND PIPELINE AT THE EAST BANK SEWER TREATEMENT PLANT

BE IT RESOLVED by the Sewerage and Water Board of New Orleans that four (4) bids were received on February 27, 2015 after advertising according to the Public Bid Law, for performing work under Contract 3795. The bid was hereby accepted and contract awarded therefore to Industrial and Mechanical Contractors, Inc. for the total amount of \$1,677,000.00.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING #1 ALL PURPOSE RAG WIPERS - REQ. NO. YW140030

WHEREAS, under the provisions of the contract, the Board, with the contractor's concurrence, reserves the right to renew the contract with no increase in the cost of services and no change in terms and conditions; and

WHEREAS, the contractor, Assorted Products, desires to exercise its renewal option as allowed under this contract with the total being \$81,000.00 for Furnishing #1 All Purpose Rag Wipers.

NOW, THEREFORE, BE IT RESOLVED, that the request of Assorted Products, for this first and only renewal, effective August 1, 2015, is hereby approved.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING SAFETY SHOES - REQ. NO. YW140028

WHEREAS, under the provisions of the contract, the Board, with the contractor's concurrence, reserves the right to renew the contract with no increase in the cost of services and no change in terms and conditions; and

WHEREAS, the contractor, Cintas Corporation, desires to exercise its renewal option as allowed under this contract with the total being \$105,650.00 for Furnishing Safety Shoes.

NOW, THEREFORE, BE IT RESOLVED, that the request of Cintas Corporation, for this first and only renewal, effective August 1, 2015, is hereby approved.

I, Cedric S. Grant, 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 Meeting of the said Board, duly called and held, according to law, on June 17, 2015.

AMENDMENT TO AGREEMENT WITH CH2M HILL, INC. FOR DESIGN AND ENGINEERING SERVICES FOR THE RETROFIT POWER PLANT HAZARD MITIGATION GRANT PROJECT

WHEREAS, by action of the Sewerage and Water Board of New Orleans (Board), through the adoption of Resolution R-012-2013, CH2M HILL, Inc. was awarded the agreement for design and engineering services for the Retrofit Power Plant Hazard Mitigation Grant Project at the Carrollton Water Treatment Plant, the Oak Street Raw Water Intake and Pump Station and the Board's power network on the East Bank of the City of New Orleans; and

WHEREAS, by action of the Board, through the adoption of Resolution R-118-2014, the existing agreement with CH2M HILL, Inc. was increased to \$16,438,004; and

WHEREAS, by action of the Board, through the adoption of Resolution R-029-2015, the existing agreement with CH2M HILL, Inc. was increased to \$17,516,243; and

WHEREAS, the level of effort for the existing contract has increased due to the following reasons:

- Design Phase Additional engineering services are required to complete final design for Contract 1370 and Contract 1372 Boiler Turbine Upgrades. The schedule to complete design for these projects has been extended to allow for coordination with construction of the Hurricane Water Related Restoration Program (HRWRP) Contract 1378 repairs to boilers at the Carrollton WTP. Additional engineering services were required to complete design for Contract 1369 Emergency Fuel Storage Tanks, Contract 1371 Structural Hardening, and Contract 1373 Turbine 3 Retrofit. For Contract 6249 Electrical Feeders Design Build the Board requested CH2M HILL management of the design phase.
- Design Review Additional engineering was required to incorporate comments received from added review meetings and unplanned reviews of drawings and specifications.
- Construction Phase The Board requested provision of construction management and full time inspection for four projects Contract 1369 Emergency Fuel Storage Tanks, Contract 1371 Structural Hardening, Contract 1373 Turbine 3 Retrofit, and Contract 6249 Electrical Feeders Design Build scheduled to start construction in 2015.
- Front-end Contract Documents The use of Construction Specifications Institute (CSI) specifications for the HMGP projects required additional conference calls, meetings, and extensive coordination during the design phase. Numerous review comments were received and incorporated in the front-end specifications.

- Generator 4 Retrofit/Load Bank Equipment Additional engineering, project, and construction management services are required for 6247 Generator 4 Retrofit and 6250 Load Bank Equipment construction contracts. Because of change orders and delays, the Contractor has requested an extension of the schedule for completion of both projects. Also additional construction management services will need to be expended due to the need to coordinate with HRWRP Contract 1350 Turbine 4 Retrofit with both projects.
- FEMA Permitting/Funding Extensive effort has been extended coordinating with FEMA/GOHSEP to respond to numerous requests to justify funding of the HMGP projects. The coordination efforts consist of meeting and conference call participation, site visits, preparation of technical memorandums, cash flow analysis, quarterly reports, etc. Additional support is being provided to FEMA EHP to complete the permitting process for HMGP projects.

NOW THEREFORE, BE IT RESOLVED, that the Program Management Services agreement with CH2M HILL, Inc. for the Retrofit Power Plant Hazard Mitigation Grant Project shall be amended increasing the fee authorized to be paid to CH2M HILL, Inc. to \$22,486,308, increasing the fee by \$4,970,065 and the President and/or President Pro Tem shall be authorized to execute the amendment to this contract.

I, Cedric S. Grant, 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 June 17, 2015.

AMENDMENT NO. 5 TO THE AGREEMENT BETWEEN THE SEWERAGE AND WATER BOARD OF NEW ORLEANS AND WALDEMAR S. NELSON AND COMPANY FOR HURRICANE KATRINA RELATED WATER RESTORATION PROJECTS

WHEREAS, on January 14, 2009 the Sewerage and Water Board of New Orleans (Board) awarded a contract to Waldemar S. Nelson and Company in the amount of \$2,377,665.20 to perform design services for Hurricane Katrina Related Water Restoration Project Repairs at the Power Plant - Carrollton Plant (R-013-2009); and

WHEREAS, on January 19, 2013 the Board approved Amendment No. 1 in the amount of \$229,771.00 to provide for design services associated with the repair of Generator No. 4 (R-003-2013); and

WHEREAS, on August 21, 2013 the Board approved Amendment No. 2 in the amount of \$272,564.37 for additional services to ensure repairs to Generator No. 4 is returned to operation in coordination with the repairs of Turbine No. 4 in a timely manner (R-167-2013); and

WHEREAS, on October 16, 2013 the Board approved Amendment No. 3 in the amount of \$64,036.00 for additional design services to the repair of Generator No. 4, repair of the governor for Turbine No. 1, design for the repair to the pump, switchgear and motor, addition of controls and flow meters and design of the diesel tank (R-204-2013);

WHEREAS, on December 17, 2014 the Board approved Amendment No. 4 in the amount of \$262,668.05 for additional design and construction inspection services for work related to Turbine No. 4, A&B steam pumps, miscellaneous pump package and Panola Pump Station (R-259-2014); and

WHEREAS, on May 20, 2015 the Board approved Amendment No. 5 in the amount of \$592,273.00 for increased construction costs received for Contract 1378 - Repair of the boilers, ducts, elevators, including installation of a mandatory gray water system located at the Carrollton Water Purification and Power Plant resulted per the language contained in the 2009 agreement (R-076-2015); and

WHEREAS, additional design engineering services for change order work related to Turbine No. 4, A&B steam pumps, miscellaneous pump package and Panola Pump Station resulted in in the amount of \$136,570.00; and

NOW THEREFORE BE IT RESOLVED, that the President or President Pro Tem is hereby authorized to execute on behalf of the Board the amendment to the agreement with Waldemar S. Nelson and Company for Hurricane Katrina Related Repairs to the Power Plant - Carrollton Plant for increasing the fee for \$136,570.00 to a new agreement amount of \$3,935,547.62.

I, Cedric S. Grant, 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 June XX, 2015.

AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR THE REPLACEMENT OF THE SYCAMORE FILTER GALLERY BACKWASH PUMPS

WHEREAS, at October 15, 2014 Board Meeting, the Board approved a list of engineering and consulting firms for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities and directed staff to enter into negotiations for project(s) with the most qualified candidate based upon the firm's ability to perform the work for the project's size and complexity; and

WHEREAS, the staff has reviewed the list and recommended ARCADIS US, Inc., (ARCADIS) to provide design and engineering services for the replacement of the Sycamore Filter Gallery Backwash Pumps at the Carrollton Water Treatment Plant; and

WHEREAS, ARCADIS is providing a scope of services that includes performance of a topographical survey, physical location of underground utilities, geotechnical boring, modeling of the filter backwash system, alternatives development and evaluation, design and development of maintenance of plant operations plan for incorporation into final bid documents for a level of effort for an amount not to exceed of \$654,000.00; and

WHEREAS, ARCADIS plans to utilize Infinity Engineering (17%) during design, and has committed to comply with meeting or exceeding the DBE participation goal of 35% for the project through future amendment for construction resident inspection services.

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement on behalf of the Sewerage and Water Board of New Orleans ARCADIS to provide design and engineering services for the replacement of the Sycamore Filter Gallery Backwash Pumps.

I, Cedric S. Grant, 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 June 17, 2015.

AWARD OF CONTRACT TO ILSI TO PROVIDE ENGINEERING SERVICES FOR THE WATER LINE REPLACEMENT PROGRAM

WHEREAS, at the December 21, 2011 Board Meeting, the Board approved Brown and Caldwell with ILSI to provide engineering and design services for the Water Line Replacement Program for Desire Area, Desire Development, Gentilly Terrace and Milneburg neighborhoods; and

WHEREAS, staff has recommended reassignment of the remaining work to be performed for the above listed neighborhoods to Integrated Logistical Support, Inc. (ILSI), subconsultant to complete; and

WHEREAS, ILSI will contract for a FEMA approved percentage of construction for design of water line replacement (including repair or replacement of drain lines as approved by City Department of Public Works) for the Desire Area, Desire Development, Gentilly Terrace and Milneburg neighborhoods, including supplemental services, engineering services, program/project management services for coordination efforts in an amount not to exceed 18% less the monies appropriated to date; and

WHEREAS, ILSI will comply with the established DBE participation goal of 35% utilizing Condall Consulting Group LLC, Infinity Engineering Consultants, LLC and Trigon Associates.

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement with ILSI to provide engineering and design services for completion of the Water Line Replacement Program for the Desire Area, Desire Development, Gentilly Terrace and Milneburg neighborhoods.

I, Cedric S. Grant, 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 June 17, 2015.

AWARD OF CONTRACT TO PROVIDE DESIGN AND ENGINEERING SERVICES FOR SEWER PUMP STATION 1

WHEREAS, at the October 15, 2014 Board Meeting, the Board approved a list of engineering and consulting firms for the replacement and rehabilitation of Sewerage & Water Board of New Orleans facilities and directed staff to enter into negotiations for project(s) with the most qualified candidate based upon the firm's ability to perform the work for the project's size and complexity; and

WHEREAS, the staff has reviewed the list and recommended Evans - Graves Engineers, Inc. (EG) based upon their knowledge and experience in designing sewer pump stations; and

WHEREAS, EG shall perform a study to identify the potential permit applications, waiver requests, zoning change petitions, and other issues due to the residential nature of the site at fee of \$8,000; and

WHEREAS, EG shall acquire all required permits, perform topographic surveying and geotechnical investigations, design and provide engineering services during bidding for a fee of \$254,120; and

WHEREAS, EG plans to utilize Infinity Engineering (26%) during design, and has committed to comply with meeting or exceeding the DBE participation goal of 35% for the project through future amendment for construction management and resident inspection services.

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement on behalf of the Sewerage and Water Board of New Orleans with EG to provide design and engineering services for Sewer Pump Station 1 at an amount not to exceed of \$262,120.

I, Cedric S. Grant, 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 June 17, 2015.

AWARD OF GREEN INFRASTRUCTURE PROJECT - TREME-ST. ANN RAIN GARDEN PROJECT TO HISTORIC FAUBOURG TREME ASSOCIATION

WHEREAS, at the December 18, 2014, the Sewerage & Water Board of New Orleans (Board) directed staff to initiate a request for proposals for green infrastructure projects; and

WHEREAS, the request for proposals for green infrastructure was issued on January 31, 2014 followed by a pre-submittal conference held on February 13, 2014; and

WHEREAS, Historic Faubourg Treme Association submitted a proposal on March 28, 2014 with updates submitted in May 2015 which included a project description, plan and schedule, operations, management, expected outcome and project budget for design, implementation, maintenance, and monitoring of four rain gardens, including ADA compliant sidewalks, at the corners located at St. Ann Street and N. Robertson Street; and

WHEREAS, Historic Faubourg Treme Association has partnered with Dana Brown & Associates for design, engineering contract, implementation, construction, and monitoring equipment, and Groundwork New Orleans for monitoring and maintenance; and

WHEREAS, the cost of the proposal is a not to exceed \$98,772.00 matched with \$26,150.00 in-kind donation in engineering costs, demo and site prep, plantings, community volunteers, and outreach; and

NOW THEREFORE, BE IT RESOLVED, by the Sewerage and Water Board of New Orleans that the President or President Pro-Tem is hereby authorized to enter into an agreement with Historic Faubourg Treme Association and their partners on behalf of the Board to implement the green infrastructure project -The Treme-St. Ann Rain Gardens Project for an amount of \$98,772.00.

I, Cedric S. Grant, 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 February 24, 2015.

AWARD OF CONTRACT TO QUICK & ASSOCIATES TO PROVIDE FORENSIC CONSULTING ENGINEERING SERVICES FOR THE LOUISIANA AVENUE AND FLORIDA AVENUE SELA PROJECTS

WHEREAS, the Sewerage and Water Board of New Orleans is required by its Project Partnership Agreement with the U.S. Army of Engineers to investigate and resolve property damage complaints connected to and arising from the Louisiana Avenue and Florida Avenue SELA Projects; and

WHEREAS, in order to perform this function, the Board will require the services of a forensic engineer; and

WHEREAS, in December 2014 the Board issued a Request for Qualifications to identify forensic engineering firms qualified to provide the required services, and Quick & Associates was one of four forensic engineering firms deemed qualified; and

WHEREAS, the Board used the hereinabove mentioned approved list of forensic engineering firms to invite firms to submit short informal proposals; and

WHEREAS, the forensic engineering firms were given a deadline to provide responses by May 13, 2015 and pursuant to the Board's receipt thereof, a Public Selection Evaluation Committee Meeting was held on May 29, 2015; and

WHEREAS, the forensic engineering firm of Quick & Associates was selected by the Committee to provide the necessary forensic engineering services.

NOW THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans that the forensic engineering firm of Quick & Associates has been selected to provide forensic engineering services necessary to the investigation and resolution of property damage complaints connected to and/or arising from the Louisiana Avenue and Florida Avenue SELA Projects.

I, Cedric S. Grant, 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 June 17, 2015.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

June 2, 2015

Finance Committee Sewerage and Water Board of New Orleans New Orleans, Louisiana

Dear Directors:

Subject: Preliminary Authorizing Resolutions for Water and Sewer Bond Issues

Staff recommends that the Board proceed with plans to issue new money bonds to provide funding for capital improvements to the water and sewer systems, provided the following parameters are met:

- Par amount for Water Revenue Bonds not to exceed \$100,000,000
- Par amount for Sewer Revenue Bonds not to exceed \$100,000,000
- Total interest rate on the Bonds will not exceed 7.0%
- Final maturity date of the Bonds will not extend beyond 12/1/2045 (30 years)
- Price of the Bonds will not be less than 98% of par plus accrued interest.

This authorization allows staff to proceed with submission to request approval for the Bonds from the Board of Liquidation, the State Bond Commission, and the City Council. This authorization also identifies the intent of Sewerage and Water Board to expend its own funds on projects and reasonably expects to reimburse itself for those expenditures.

The current financing plan schedule anticipates that the Board of Liquidation will negotiate the sale and close the Bonds in September 2015.

Staff recommends adoption of the attached draft resolutions for Preliminary Approval for 2015 Water System Bonds and Preliminary Approval for 2015 Sewer System Bonds.

Robert K. Miller Deputy Director

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SEWERAGE AND WATER BOARD OF NEW ORLEANS

PRELIMINARY APPROVAL FOR 2015 WATER SYSTEM BONDS

	The following resolution was offered by	and	seconded
by	-		

RESOLUTION

A resolution giving preliminary approval to the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) Water Service Revenue Bonds of the City of New Orleans, Louisiana; making application to the State Bond Commission for approval of said Bonds; authorizing the reimbursement of expenditures from proceeds of any such bonds; and providing for other matters in connection therewith.

WHEREAS, the Sewerage and Water Board of New Orleans (the "Sewerage and Water Board") is authorized to issue in the name of the City of New Orleans, Louisiana (the "City"), bonds payable solely out of the revenues derived from water service charges for purposes relating to the water system of the Board and the City, pursuant to the provisions of Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"); and

WHEREAS, the Sewerage and Water Board has heretofore adopted a General Water Service Revenue Bond Resolution on May 21, 2014 (the "General Bond Resolution"), authorizing the issuance from time to time of Water Service Revenue Bonds of the City, as supplemented by the First Supplemental Water Service Revenue Bond Resolution; and

WHEREAS, all Water Service Revenue Bonds of the City are administered by the Board of Liquidation, City Debt; and

WHEREAS, the Sewerage and Water Board desires to authorize the issuance of Water Service Revenue Bonds to finance the Cost of Capital Improvements (as defined in the General Bond Resolution); and

WHEREAS, prior to the issuance of the Bonds, the Sewerage and Water Board intends to expend its own funds on projects for the water system of the City, and reasonably expects to reimburse said expenditures from the proceeds of the bonds in an amount not exceeding \$100,000,000; and

SECTION 1. <u>Preliminary Approval of Bonds.</u> Pursuant to the provisions of Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), preliminary approval is given to the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Water Service Revenue Bonds (the

"Bonds") of the City of New Orleans, Louisiana (the "Bonds"), to be issued for the purpose of paying a portion of the Cost of Capital Improvements (as defined in the General Bond Resolution), funding a debt service reserve fund, if required, and paying the costs of issuance associated therewith. The Bonds shall be issued in one or more series, shall bear interest at a rate or rates not to exceed seven percent (7.0%) per annum, to be determined by subsequent resolution of the Board of Liquidation at the time of the sale of the Bonds, and shall mature no later than thirty (30) years from the date thereof. The Water Service Revenue Bonds shall be issued in fully registered form, shall be sold to the purchasers thereof at a price of not less than ninety-eight percent (98%) of par, plus accrued interest, and shall have such additional terms and provisions as may be determined by the Sewerage and Water Board and the Board of Liquidation at the time of issuance and sale of the Water Service Revenue Bonds. As provided in the Act, the Bonds are to be payable out of revenues derived from water service charges for purposes related to the sewerage system of the City, after provision has been made for the payment from said revenues of the costs of operating and maintaining the water system.

SECTION 2. <u>State Bond Commission</u>. Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for approval of the issuance and sale of the Bonds, and co-bond counsel are directed to make application to the State Bond Commission in accordance with the foregoing on behalf of the Sewerage and Water Board.

By virtue of the Sewerage and Water Board's application for, acceptance and utilization of the benefits of the State Bond Commission's approval requested herein, the Sewerage and Water Board understands and agrees that such approval is expressly conditioned upon, and further understands, agrees and binds itself, its successors and assigns, to full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products, Hedges, Etc.," adopted by the Commission on July 20, 2006, as to the borrowing and other matters subject to the approval, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 3. Intent to Reimburse. Prior to the issuance of the Bonds, the Sewerage and Water Board will expend its own funds on projects for the water System of the City. Upon issuance of the Bonds, the Sewerage and Water Board reasonably expects to reimburse itself for said expenditures from the proceeds of the Bonds. Any such allocation of the proceeds of the Bonds will be with respect to capital expenditures [as defined in Treasury Regulation 1.150-1(h)] and will be made upon the delivery of the Bonds and in accordance with said Regulation. This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

This resolution having been submitted to a vote, the vote thereon was as follows:

Member	Yea	Nay	Absent	Abstaining
Suchitra Satpathi (for Mitchell J. Landrieu) William Raymond Manning Marion B. Bracy Kerri T. Kane Mark M. Moody Scott Jacobs Robin Barnes Tamika Duplessis, Ph.D. Kimberly Thomas, JD Joseph Peychaud Alan C. Arnold And the resolution was declared	d adopted on	this day o	f	2015
I, Cedric Sewerage and W certify that th correct copy o Monthly Meetin according	c S. Grant, Exe Vater Board of the above and for the above and for a Resolution and of said Boar to law, on	cutive Director, New Orleans, do loregoing is a true a adopted at the Reg d, duly called and	hereby and gular I held,	_, 2013.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Financial Feasibility Evaluation of Water System Revenue Bonds, Series 2015



Draft Report

July ___, 2015

EVALUATION BY FINANCIAL FEASIBILITY CONSULTANTS

Sewerage and Water Board of New Orleans, Louisiana Water System Revenue Bonds, Series 2015

We have evaluated the accompanying Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the "Forecast Statement") for the Sewerage and Water Board of New Orleans (the "Board" or "SWBNO") Water System for the six fiscal years ending December 31, 2015 through December 31, 2020. Our evaluation was conducted in accordance with guidelines for the water industry and included such procedures as we considered necessary to evaluate the assumptions of the Board.

In evaluating the financial feasibility of the project, those assumptions that we believe are most significant include:

- Projected revenues from the approved rate adjustments during the six-year forecast period;
- Projected operating costs for providing water services to meet necessary requirements during the forecast period; and
- Projected future debt issues and the timing of additional debt service payments in order to meet capital investment needs.

The accompanying Forecast Statement is presented on an accrual basis, and is then adjusted to be consistent with the Board's budgeting process for the Water System, and the specific requirements of the coverage tests identified in the General Water Service Revenue Bond Resolution ("General Bond Resolution") dated as of July ___, 2015. The Forecast Statement, together with the Summary of Significant Forecast Assumptions, which is included as an integral part of the forecast, constitutes the "Feasibility Evaluation" for the proposed capital projects and bond financing.

In our opinion, the accompanying Forecast Statement is presented in conformity with industry guidelines for presentation of a forecast, and the underlying assumptions provide a reasonable basis for the Board's forecast. Based upon the assumptions in our report, the projected Revenues provide adequate funds to operate the Water System in a sustainable manner, to fund the capital plan, and to maintain the debt service coverage ratios required by the General Bond Resolution during the forecast period for the issuance of the Board's Water System Revenue Bonds, Series 2015 ("Series 2015 Bonds"). However, there will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Raftelis Financial Consultants, Inc.

Charlotte, North Carolina July , 2015

By: Peiffer A. Brandt Chief Operating Officer



Sewerage and Water Board of New Orleans Proposed Water Revenue Bonds, Series 2015

Forecast Statement of Revenues, Expenses, Debt, and Debt Service Coverage

			_		_	Fisc	al V	⁷ еат	_		_	
		2015		2016		2017	aı I	2018		2019		2020
Revenues		2010	_									
Operating Revenues												
Water Sales and Delinquent Fees (1)	\$	79,308,718	\$	87,760,846	\$	97,482,993	\$	108,282,159	\$	120,277,656	\$	133,602,015
Plumbing and Inspection Fees		321,517		321,517	_	321,517	_	321,517	-	321,517		321,517
Subtotal: Water Sales and Fees	\$	79,630,235	\$	88,082,363	\$	97,804,510	\$	108,603,676	S	120,599,173	\$	133,923,532
Other Revenues (2)	\$	3,232,503	\$	3,140,262	\$	3,140,262	\$	3,140,262	\$	3,140,262	\$	3,140,262
Additional Revenue (3)		- 2								- F		0.61
Total Operating Revenues	\$	82,862,738	\$	91,222,625	\$	100,944,771	\$	111,743,937	\$	123,739,435	\$	137,063,794
Non-Operating Revenues	\$	400,501	\$	400,501	\$	400,501	\$	400,501	\$	400,501	\$	400,501
Total Non-operating Revenues	\$	400,501	\$	400,501	\$	400,501	\$	400,501	\$	400,501	\$	400,501
Total Revenues	\$	83,263,239	s	91,623,126	\$	101,345,272	s	112,144,438	\$	124,139,936	\$	137,464,295
Expenses												
Operating Expenses												
O&M Expenditures (4)	\$	71,965,123	\$	74,878,888	\$	77,879,192	\$	81,005,893	\$	84,186,885	\$	87,466,320
Depreciation & Amortization (5)		14,825,445		14,825,445		14,825,445		14,825,445		14,825,445		14,825,445
Provision for Bad Debt (6)		1,617,335		1,617,335		1,617,335		1,617,335		1,617,335		1,617,335
Total Operating Expenses	S	88,407,903	\$	91,321,667	\$	94,321,971	\$	97,448,673	\$	100,629,664	<u>S</u>	103,909,099
Net Revenues	\$	(5,144,664)	\$	301,459	\$	7,023,301	\$	14,695,766	\$	23,510,272	\$	33,555,195
Less: Transfers to Rate Stabilization	\$		\$	-	\$	-	\$	-	\$		\$	-
Plus: Transfers from Rate Stabilization						•		-		-		
Plus: Depreciation & Amortization		14,825,445		14,825,445		14,825,445		14,825,445		14,825,445		14,825,445
Phis: Provision for Bad Debt		1,617,335		1,617,335		1,617,335		1,617,335		1,617,335		1,617,335
Rate Covenant Net Revenues	S	11,298,116	\$	16,744,238	s	23,466,080	\$	31,138,545	\$	39,953,051	\$	49,997,974
Senior Debt Service - 2015 Issue												
Existing Debt	\$	3,500,000	\$	5,501,250	\$	7,700,000	\$	7,693,000	\$	7,700,000	\$	7,690,000
Proposed Series 2015 (7)	•	5			\$	7,822,320	\$	7,822,320	\$	7,822,320	\$	7,822,320
Total Senior Debt Service	S	3,500,000	\$	5,501,250	\$	15,522,320	\$	15,515,320	\$	15,522,320	\$	15,512,320
Senior Debt Service Coverage - 2015 Issue		3,23		3.04		1.51		2.01		2.57		3.22
Senior Debt Service - Programmatic	•	2 500 000	6	5,501,250	\$	15,522,320	æ	15,515,320	•	15,522,320	\$	15,512,320
Historical/2015 Debt Service	\$	3,500,000	Ф	3,301,230	Φ	13,322,320	Φ	5,300,642	Ψ	11,083,161	Ψ	16,865,680
Projected Future Bonds (8) Total Senior Debt Service	\$	3,500,000	\$	5,501,250	\$	15,522,320	\$		\$	26,605,481	\$	32,378,000
G t D M G t G war Drugger Drugger Drugger		3,23		3.04	Т	1.51	1	1.50	T	1.50		1.54
Senior Debt Service Coverage - Programmatic (9)		3,23		5.04	1_	1.01	_	1,00	_			
Total Debt Service Requirements	S	3,500,000	\$	5,501,250	S	15,522,320	\$	20,815,962	\$	26,605,481	\$	32,378,000
Total Debt Service Coverage (10)		3.23		3.04	L	1.51		1,50		1.50		1.54
Rate Covenant Net Revenues	\$	11,298,116	\$	16,744,238	\$	23,466,080	\$	31,138,545	\$	39,953,051	\$	49,997,974
Less: Transfers from Rate Stabilization	Ψ	11,270,110	Ψ	10,711,200	4	20,100,000	_	π				92
Less: Grants		-	_		_	*	_	- 01 100 545	Φ.	20.052.051	an an	49,997,974
Adjusted Rate Covenant Net Revenues	\$	11,298,116	\$	16,744,238	\$	23,466,080	\$	31,138,545	- 35	39,953,051	\$	49,997,974
Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11)		3.23		3.04		1.51	L	1.50	1_	1.50		1.54
Revenue after Debt Service	\$	7,798,116	\$	11,242,988	5	7,943,761	5	10,322,583	\$	13,347,570	\$	17,619,974
Less: GO Zone Repayment	\$	640,836	\$	640,836	, s	640,836	9	640,836	\$	640,836	\$	640,836
Less: Revenue Funded Capital	Ψ	3,000,000	Ψ	3,000,000		4,000,000		5,000,000		8,000,000		10,000,000
f .		3,891,044		2,186,000		436,000		436,000				1
Less: Repayments							_			The same arrange	_	
Total Income/(Deficit)		266,236	£	5,416,153		2,866,925		4,245,747	_	4,706,734	-	6,979,139
Ending Balance of Available Funds Days of Cash on Hand	\$	31,087,950 158	\$	36,504,103 178	3 \$	39,371,028 185	: 5	43,616,775 197	\$	48,323,509 210	\$	55,302,648 231



- (1) Based on 2014 actual revenues with growth, rate increases, and resistance factors. See Explanatory Note 5 for more detail.
- (2) Primarily consists of reconnect and reset fees (over \$__ million of the \$2.8 million total in 2014).
- (3) Additional revenue, which was included in the feasibility report for the Series 2014 Bonds, has been incorporated in the Water Sales and Delinquent Fees line item.
- (4) Based on the 2015 budget with annual increases, additional O&M to reach more sustainable O&M levels, and efficiency savings. See Explanatory Note 6 for more detail.
- (5) Based on the average of the last two years in historical schedule. The Board anticipates collapsing Depreciation and Amortization into a single line item going forward.
- (6) Based on the average of the five years in historical schedule.
- (7) Based on preliminary estimates associated with obtaining \$90 million in proceeds.
- (8) Annual bond issues with two years of capitalized interest are expected throughout the forecast period. See Explanatory Note 8 for more detail.
- (9) Rate covenant requires coverage of 1.25 on Senior Debt Service.
- (10) Rate covenant require coverage of 1.10 on Total Debt Service.
- (11) Rate covenant requires coverage of 1.00 on Total Debt Service after excluding certain revenues, such as operating grants.



Sewerage and Water Board of New Orleans Proposed Water Revenue Bonds, Series 2014 Historical Statement of Revenues, Expenses, Debt, and Debt Service Coverage (1)

					Fisc	al Y	ear				
	2009		2010		2011		2012		2013		2014
											=0.040.4##
\$	50,677,054	\$	55,079,772	\$	ACCUSE NAMED OF	\$	571 142990 555	\$	15/45/F 25/0 10	\$	70,818,255
	242,224		373,213								339,176
\$	50,919,278	\$	55,452,985	\$	60,269,348	\$	60,600,207	\$	64,720,127	S	71,157,431
\$	1,721,396	\$	3,245,693	\$	4,429,221	\$	3,234,003	\$	3,253,430	\$	2,841,110
					· ·		*				39
\$	52,640,674	\$	58,698,678	\$	64,698,569	\$	63,834,210	\$	67,973,557	\$	73,998,541
\$	282,135	\$	188,220	\$	187,212	\$	219,089	\$	303,719	\$	604,595
	16,600,790		6,251,855		11,514,936		7,617,063		1,981,568		(381,876)
\$	16,882,925	\$	6,440,075	\$	11,702,148	\$	7,836,152	\$	2,285,287	\$	222,719
\$	69,523,599	\$	65,138,753	\$	76,400,717	\$	71,670,362	\$	70,258,844	S	74,221,260
\$	51,983,869	\$	58,180,210	\$	64,677,227	\$	61,988,096	\$		\$	62,839,088
	13,894,896		13,966,864		13,811,991		11,341,531		16,162,085		18,844,752
	(1,143,599)		3,053,826		1,658,080		1,150,450		1,072,550		1,151,767
S	64,735,166	\$	75,200,900	\$	80,147,298	\$	74,480,077	\$	81,404,796	\$	82,835,607
\$	4,788,433	\$	(10,062,147)	\$	(3,746,581)	\$	(2,809,715)	\$	(11,145,952)	\$	(8,614,347
\$		\$		\$	5	\$		\$		\$	
	2		G-0		*						-
	13 894 896		13.966.864		13.811.991		11,341,531		16,162,085		18,844,752
	, ,)	3,053,826		1,658,080		1,150,450		1,072,550		1,151,767
\$	17,539,730	\$	6,958,543	S	11,723,490	\$	9,682,266	\$	6,088,683	s	11,382,172
•	2 006 260		2 005 618	¢	3 917 393		3 928 380	\$	3 919 043	S	2,829,413
9		_				_		_	- C.FO (NO. PORTO)		2,829,413
2	3,860,206	Þ	3,903,016	Φ	3,917,393		3,720,300	Ψ	3,515,045		organization
	4.51		1.78		2.99		2,46		1.55	L	4.02
\$	13,653,462	\$	3,052,925	\$	7,806,097	\$	5,753,886	\$	2,169,640	\$	8,552,759
\$	20,141,196	s	23,661,968	\$	18,494,226	\$	24,416,595	\$	39,482,417	\$	30,821,714
	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 50,677,054 242,224 \$ 50,919,278 \$ 1,721,396 \$ 52,640,674 \$ 282,135 16,600,790 \$ 16,882,925 \$ 69,523,599 \$ 51,983,869 13,894,896 (1,143,599) \$ 64,735,166 \$ 4,788,433 \$	\$ 50,677,054 \$ 242,224 \$ 50,919,278 \$ 1,721,396 \$ \$ 52,640,674 \$ \$ 282,135 \$ 16,600,790 \$ 16,882,925 \$ \$ 69,523,599 \$ \$ 51,983,869 \$ 13,894,896 (1,143,599) \$ 64,735,166 \$ \$ 4,788,433 \$ \$ \$ \$ 13,894,896 (1,143,599) \$ 17,539,730 \$ \$ 3,886,268 \$ \$ 3,886,268 \$ \$ 3,886,268 \$ \$ 13,653,462 \$	\$ 50,677,054 \$ 55,079,772 242,224 373,213 \$ 50,919,278 \$ 55,452,985 \$ 1,721,396 \$ 3,245,693 \$ 52,640,674 \$ 58,698,678 \$ 282,135 \$ 188,220 16,600,790 6,251,855 \$ 16,882,925 \$ 6,440,075 \$ 69,523,599 \$ 65,138,753 \$ 51,983,869 \$ 58,180,210 13,894,896 13,966,864 (1,143,599) 3,053,826 \$ 64,735,166 \$ 75,200,900 \$ 4,788,433 \$ (10,062,147) \$ - \$ - 13,894,896 (1,143,599) 3,053,826 \$ 17,539,730 \$ 6,958,543 \$ 3,886,268 \$ 3,905,618 \$ 3,886,268 \$ 3,905,618 \$ 3,886,268 \$ 3,905,618 \$ 3,886,268 \$ 3,905,618	\$ 50,677,054 \$ 55,079,772 \$ 242,224 373,213 \$ 50,919,278 \$ 55,452,985 \$ \$ 1,721,396 \$ 3,245,693 \$ \$ 282,135 \$ 188,220 \$ 16,600,790 6,251,855 \$ 16,882,925 \$ 6,440,075 \$ \$ 69,523,599 \$ 65,138,753 \$ \$ 51,983,869 \$ 58,180,210 \$ 13,894,896 13,966,864 (1,143,599) 3,053,826 \$ 64,735,166 \$ 75,200,900 \$ \$ 4,788,433 \$ (10,062,147) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 50,677,054 \$ 55,079,772 \$ 59,890,312 242,224 373,213 379,036 \$ 50,919,278 \$ 55,452,985 \$ 60,269,348 \$ 1,721,396 \$ 3,245,693 \$ 4,429,221 \$ 52,640,674 \$ 58,698,678 \$ 64,698,569 \$ 282,135 \$ 188,220 \$ 187,212 16,600,790 6,251,855 11,514,936 \$ 16,882,925 \$ 6,440,075 \$ 11,702,148 \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ 51,983,869 \$ 58,180,210 \$ 64,677,227 13,894,896 13,966,864 13,811,991 (1,143,599) 3,053,826 1,658,080 \$ 64,735,166 \$ 75,200,900 \$ 80,147,298 \$ 4,788,433 \$ (10,062,147) \$ (3,746,581) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ 50,677,054 \$ 55,079,772 \$ 59,890,312 \$ 242,224 373,213 379,036 \$ 50,919,278 \$ 55,452,985 \$ 60,269,348 \$ 1,721,396 \$ 3,245,693 \$ 4,429,221 \$ \$ 52,640,674 \$ 58,698,678 \$ 64,698,569 \$ \$ 282,135 \$ 188,220 \$ 187,212 \$ 16,600,790 6,251,855 11,514,936 \$ 16,882,925 \$ 6,440,075 \$ 11,702,148 \$ \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ \$ 51,983,869 \$ 13,966,864 13,811,991 \$ (1,143,599) 3,053,826 1,658,080 \$ 64,735,166 \$ 75,200,900 \$ 80,147,298 \$ \$ 4,788,433 \$ (10,062,147) \$ (3,746,581) \$ \$ \$ 13,894,896 13,966,864 13,811,991 \$ (1,143,599) 3,053,826 1,658,080 \$ 64,735,166 \$ 75,200,900 \$ 80,147,298 \$ \$ 13,894,896 13,966,864 13,811,991 \$ (1,143,599) 3,053,826 1,658,080 \$ 17,539,730 \$ 6,958,543 \$ 11,723,490 \$ \$ 17,539,730 \$ 6,958,543 \$ 11,723,490 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ \$ 3,886,268 \$ 3,905,618 \$ 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71,670,362 \$ \$ 51,983,869 \$ 58,180,210 \$ 64,677,227 \$ 61,988,096 \$ 13,894,896 13,966,864 13,811,991 11,341,531 (1,143,599) 3,053,826 1,658,080 1,150,450 \$ 64,735,166 \$ 75,200,900 \$ 80,147,298 \$ 74,480,077 \$ \$ 4,788,433 \$ (10,062,147) \$ (3,746,581) \$ (2,809,715) \$ \$ \$ 13,894,896 13,966,864 13,811,991 11,341,531 (1,143,599) 3,053,826 1,658,080 1,150,450 \$ 13,894,896 13,966,864 13,811,991 11,341,531 (1,143,599) 3,053,826 1,658,080 1,150,450 \$ 13,894,896 13,966,864 13,811,991 11,341,531 (1,143,599) 3,053,826 1,658,080 1,150,450 \$ 17,539,730 \$ 6,958,543 \$ 11,723,490 \$ 9,682,266 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 3,886,268 \$ 3,905,618 \$ 3,917,393 \$ 3,928,380 \$ \$ 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4,429,221 \$ 3,234,003 \$ 3,253,430 \$ 52,640,674 \$ 58,698,678 \$ 64,698,569 \$ 63,834,210 \$ 67,973,557 \$ 282,135 \$ 188,220 \$ 187,212 \$ 219,089 \$ 303,719 \$ 16,600,790 \$ 6,251,855 \$ 11,514,936 7,617,063 \$ 1,981,568 \$ 16,882,925 \$ 6,440,075 \$ 11,702,148 \$ 7,836,152 \$ 2,285,287 \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ 71,670,362 \$ 70,258,844 \$ 51,983,869 \$ 58,180,210 \$ 64,677,227 \$ 61,988,096 \$ 64,170,161 \$ 13,894,896 \$ 13,966,864 \$ 13,811,991 \$ 11,341,531 \$ 16,162,085 \$ 64,7735,166 \$ 75,200,900 \$ 80,147,298 <	2009 2010 2011 2012 2013 \$ 50,677,054 \$ 55,079,772 \$ 59,890,312 \$ 60,256,304 \$ 64,398,609 \$ 242,224 \$ 50,919,278 \$ 55,452,985 \$ 60,269,348 \$ 60,600,207 \$ 64,720,127 \$ 1,721,396 \$ 3,245,693 \$ 4,429,221 \$ 3,234,003 \$ 3,253,430 \$ 1,721,396 \$ 3,245,693 \$ 4,429,221 \$ 3,234,003 \$ 3,253,430 \$ 282,135 \$ 188,220 \$ 187,212 \$ 219,089 \$ 303,719 \$ 16,600,790 \$ 6,251,855 \$ 11,514,936 7,617,063 \$ 1,981,568 \$ 16,882,925 \$ 6,440,075 \$ 11,702,148 \$ 7,836,152 \$ 2,285,287 \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ 71,670,362 \$ 70,258,844 \$ \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ 71,670,362 \$ 70,258,844 \$ \$ 69,523,599 \$ 65,138,753 \$ 76,400,717 \$ 71,670,362 \$ 70,258,844 \$ \$ 69,523,599 \$ 64,179,616 \$ 13,811,991 \$ 11,341,531 \$ 16,162,085 \$ 1,150,450 \$ 1,072,550 \$ 64,735,166 \$ 75,200,900 \$ 80,147,298 \$ 74,480,077 \$ 81,404,796 <t< td=""></t<>

⁽¹⁾ The data for this schedule comes primarily from the Board's Comprehensive Annual Financial Reports (CAFRs).

⁽²⁾ For 2009 through 2012, the balance was assumed to be the unrestricted and undesignated cash and cash equivalents and the customer deposits from the CAFRs, and in 2013 and 2014 the total also included the cash and cash equivalent designated for capital projects, which was not previously segregated in the Board's CAFRs.

SEWERAGE AND WATER BOARD OF NEW ORLEANS SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

FOR THE SIX FISCAL YEARS ENDING DECEMBER 31, 2015 THROUGH DECEMBER 31, 2020

1. Basis of Presentation

Raftelis Financial Consultants, Inc. ("RFC") has been engaged by the Sewerage and Water Board of New Orleans (the "Board" or "SWBNO") to evaluate the financial feasibility of proposed improvements to its Water System. The opinion letter to the Board is based upon the Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the "Forecast Statement") and the Summary of Significant Forecast Assumptions (taken together, the "Feasibility Evaluation") which presents, to the best of the Board's knowledge and belief, based upon available information, the expected revenue, expenses, debt service, and debt service coverage for the Board's Water System during the forecast period.

All schedules in the Feasibility Evaluation have been presented in accordance with the Board's annual accounting cycle, based upon its fiscal year beginning January 1 and ending December 31 ("Fiscal Year" or "FY"). Accordingly, the forecast reflects the Board's judgment as of July ___, 2015, the date of this forecast, of the expected conditions and the Board's expected course of action during each of the six fiscal years ending December 31, 2015 through December 31, 2020.

The Feasibility Evaluation has been included as a part of the Official Statement for the Board's Water System Revenue Bonds, Series 2015 ("Series 2015 Bonds"), which are being issued under the General Water Service Revenue Bond Resolution ("General Bond Resolution"), dated as of July ___, 2015. This Feasibility Evaluation focuses on evaluating the impact of the Series 2015 Bonds, the proceeds of which (\$___ million in new money) will be used to finance various improvements to the Board's Water System. The proceeds from the Series 2015 Bonds will not be sufficient to fund all of the Board's capital needs during the forecast period. To fund the remaining capital needs of the Water System, the Board plans to annually issue additional revenue bonds and utilize cash generated from user rates and charges.

The Feasibility Evaluation is based upon cost, operating, demographic and other relevant information provided by the Board and the debt service schedules provided to the Board by its Financial Advisor, Public Financial Management, Inc. The Feasibility Evaluation is presented in conformity with the methodology for calculating debt service coverage for Indebtedness set forth in the General Bond Resolution. (The definitions of capitalized terms, not specifically provided in this document, are provided in the General Bond Resolution.)

The General Bond Resolution sets forth a three-part debt service coverage test as part of the Rate Covenant in Section 7.01. The Board shall fix, charge and collect rates, fees, and other charges for the use of and the services furnished or to be furnished by the System, and that from time to time and as often as shall appear necessary, revise such rates, fees, and other charges so as to meet the following three independent requirements: (i) for the Tested Fiscal Year to (A) pay Annual Debt Service on Senior Debt, (B) deposit the necessary amount in any Series Debt



Service Reserve Account, (C) to pay Annual Debt Service on Subordinate Debt (including reserves), (D) deposit the necessary amount(s) in the Operating Reserve Fund, and (E) pay all other amounts which the Board may by law or contract be obligated; (ii) for each Fiscal Year to generate Rate Covenant Net Revenues sufficient to at least equal 125% of the Annual Debt Service with respect to Senior Debt and 110% of the aggregate Annual Debt Service with respect to Senior Debt and Subordinate Debt; and (iii) for each Fiscal Year to generate Adjusted Rate Covenant Net Revenues (excluding transfers from the Rate Stabilization Fund to the Revenue Fund and proceeds of Grants) sufficient to at least equal to 100% of the Annual Debt Service.

Forecasts of revenues and expenses are prepared on an accrual basis, and are then adjusted to be consistent with the Board's budgeting process, and the specific requirements of the coverage tests identified in the General Bond Resolution. Compliance with the Rate Covenant is demonstrated on the Forecast Statement under the headings Senior Debt Service Coverage and Total Debt Service Coverage. Since the ratios calculated using Rate Covenant Net Revenues are greater than 1.25 for Senior Debt and 1.10 for Total Debt in each year of the Forecast Statement, the requirements under the first and second parts of the test related to Indebtedness are met. Once adjusted for transfers from the Rate Stabilization Fund and proceeds of Grants, the total debt service coverage on Adjusted Rate Covenant Net Revenues is well above 1.00, satisfying the third part of the test.

The assumptions disclosed herein are those that the Board believes are significant to the Forecast Statement. There will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.



2. Background

Governance & Overview of Service Area

SWBNO was created in 1899 by Louisiana State Statutes and established as a "special board" operating independently of the government of the City of New Orleans. Even though SWBNO is a political subdivision of the State of Louisiana, SWBNO must obtain approval by the Board of Liquidation, City Debt and the New Orleans City Council to issue debt, modify millages, or increase rates and charges.

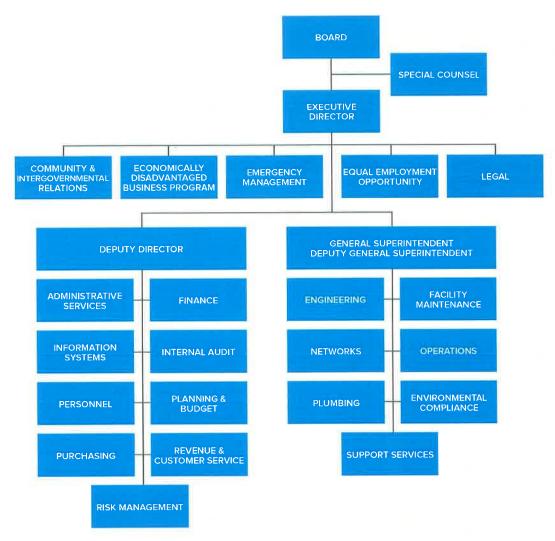
The Board of Directors includes 11 members – the Mayor of New Orleans, who serves as the President of the Board of Directors; two representatives of the Board of Liquidation, City Debt of the City of New Orleans; and eight appointees of the Mayor. The length of terms is four years, with a limit of two terms. The Mayor's appointees are selected by the Mayor from a list of three names per position that is provided by a ten member selection committee of community leaders. At least one appointee is from each of the City's five council districts, and the Board, as a whole, attempts to reflect the racial and gender composition of the City.

According to the Census Bureau, the estimated 2013 population of New Orleans is 384,320. The population has increased from an estimate of 208,548 in 2006 following Hurricane Katrina. Over the last four years, the population has increased 3.7%, 2.4%, 2.6%, and 1.5%. Prior to Hurricane Katrina the population was approximately 455,000. Therefore, the City anticipates additional growth in future years.



Exhibit 1

SWBNO Organizational Chart as of January 1, 2015



Water System

The water system has two treatment plants. The Carrollton Water Purification Plant (Carrollton Plant) normally treats about 135 million gallons per day of finished water for the east bank of Orleans Parish. Raw water from the Mississippi River is pumped to the Carrollton Plant from both the Oak Street River Station and the Industrial Avenue River Station. The Algiers Plant, which serves the predominantly residential west bank portion of the parish, purifies about 12 million gallons per day of water. Combined, the two plants treat approximately 56 billion gallons of water per year, removing 20,000 tons of solid material from the raw river water.

The treated water at the two plants is pumped through more than 1,800 miles of mains to more than 124,725 service connections. It is delivered to approximately 291,000 people on the east bank of Orleans Parish and approximately 57,000 people on the west bank. The quality of finished water and river water is tested daily at the Water Quality Laboratory of the Sewerage



and Water Board by a staff of chemists, microbiologists and technicians. Samples of drinking water from various points in the distribution system are also analyzed for chemical and microbial parameters at regularly scheduled times.

Water System Projects

There are three major projects that are currently underway or planned that will rehabilitate and update the Board's water system. These projects are:

- Treatment Plant and Finished Water Pumping Rehabilitation;
- Distribution System Replacement and Rehabilitation; and
- Automated Meter Reading.

This section provides brief descriptions of these projects.

Treatment Plan and Finished Water Pumping Rehabilitation

Routine rehabilitation of equipment, basins, and filters is needed at the Carrollton and Algiers plants due to age and normal wear. In addition, water plant security improvements are planned over the next several years.

Distribution System Replacement and Rehabilitation

The underground pipes of the water system were severely damaged during the flooding following Hurricane Katrina. The weight of the floodwaters caused soils to subside and pavement to buckle, creating problems that continue to arise even now. Leaks are investigated and prioritized, but a shortage of funding and personnel requires many leaks to remain unrepaired for several months. The Board has worked diligently with FEMA to address this issue and anticipates significant progress in this area as a result of a shift from point repairs to line replacements.

Automated Meter Reading

Customer satisfaction is significantly impaired when bills are estimated because usage based on actual meter readings is not available. This problem is compounded when an account is estimated for several months consecutively. The Board is making progress on this and is currently reading about 97.5% of all meters every month. Billing accuracy that meets customer expectations requires accurate meters and timely and accurate meter readings. Change-out of existing manual-read meters with electronic meters and installation of an automated meter reading system would allow all meters to be read electronically.



3. Demand for Services

The Board provides water service to all of the residential, commercial, and industrial customers within the City and Orleans Parish. As mentioned above, some of the population lost following Hurricane Katrina has returned, but the City is still 16% below its pre-Katrina population level. The City expects to continue to grow, and the forecast assumes a moderate level of growth in customers (2% annually) through the forecast period. However, like most utilities across the country, the Board is seeing declining per capita consumption. In addition, the Board anticipates there being some price elasticity impact due to the approved annual rate increases. Therefore, the forecast includes a resistance factor, which dampens the growth in water sales. The resistance factor is 2% for 2015 and 1% for the remainder of the forecast period. As an example, the following equation is used to forecast water sales for 2015.

2016 projected sales = 2015 projected sales * (1 + account growth factor) * (1 - resistance factor)

Exhibit 2 presents the projected number of water accounts and water sales by customer class. Residential customers account for over 85% of total water accounts of the System.

Exhibit 2

Water Account and Sales Projections

			Fiscal Y	ear		
	2015	2016	2017	2018	2019	2020
Residential						
Customers	111,119	113,341	115,608	117,920	120,278	122,684
Sales (1,000,000 gal)	6,534	6,598	6,662	6,728	6,794	6,860
Sales per Customer (1,000 gal)	59	58	58	57	56	56
Build per California (1,000 gas)						
Multi-Family						
Customers	4,703	4,797	4,893	4,991	5,091	5,193
Sales (1,000,000 gal)	775	783	791	798	806	814
Sales per Customer (1,000 gal)	165	163	162	160	158	157
Commercial						
Customers	10,497	10,707	10,921	11,139	11,362	11,589
Sales (1,000,000 gal)	3,735	3,772	3,809	3,846	3,884	3,922
Sales per Customer (1,000 gal)	356	352	349	345	342	338
Industrial						
Customers	19	19	19	19	19	19
Sales (1,000,000 gal)	45	45	45	45	45	46
Sales per Customer (1,000 gal)	2,368	2,368	2,368	2,368	2,368	2,42
Dual Service & Metered Fire Service						
Customers	1,519	1,549	1,580	1,612	1,644	1,67
Sales (1,000,000 gal)	2,817	2,844	2,872	2,900	2,929	2,95
Sales per Customer (1,000 gal)	1,854	1,836	1,818	1,799	1,782	1,76
Total						
Customers	127,857	130,413	133,021	135,681	138,394	141,16
Sales (1,000,000 gal)	13,906	14,042	14,179	14,317	14,457	14,60

The Board has a diverse customer base, with the Board's ten largest customers accounting for only approximately __% of annual water revenues in FY 2014. Three of the largest five



customers of the Board (on an annual revenue basis) are Tulane University, the University of New Orleans, and the Housing Authority of New Orleans. All of these customers are highly stable and do not present a risk of significant decrease in consumption during the forecast period. Exhibit 3 shows the largest customers of the Water System by revenues.

Exhibit 3

Largest Water Customers by Revenue [To be updated with 2014 list]

	Type of	Number of		2	013 Water	% of Water
Customer's Name	Business	Accounts	Gallons Used		Revenue	Revenue
Tulane University	University	57	285,664,800	\$	601,594	0.93%
UNO	University	6	285,390,000	\$	517,945	0.80%
N.O. Hilton Hotel	Hotel	5	200,721,600	\$	373,551	0.58%
NASA	Government	4	206,175,600	\$	355,123	0.55%
Housing Authority of New Orleans	Housing	157	160,266,000	\$	342,518	0.53%
Entergy Thermal	Utility	1	190,557,600	\$	327,024	0.51%
Tulane Medical	Hospital	7	159,780,000	\$	292,901	0.45%
LSU Medical	Hospital	17	133,903,200	\$	280,245	0.44%
Royal Orleans OMNI	Hotel	3	145,101,600	\$	254,790	0.40%
Hyatt Regency Hotel	Hotel	2	143,176,800	\$	250,555	0.39%
TOTAL				\$	3,596,245	5.58%



4. Rates and Charges

Each of the Board's three systems (water, sewerage, and drainage) operates as a distinct business enterprise. Appropriate fees and charges have been established to ensure that the Water System can operate on a self-sustaining basis.

The Board initiated a comprehensive water and sewerage rate study in 2010. Over the next two and a half years, the Board worked diligently to identify an appropriate set of rate increases for implementation. Originally a five-year program of rate increases was contemplated, but later it evolved into an eight-year program of annual 10% water rate increases, with the rate increases being applied across-the-board to the monthly base charges and the volumetric charges. The initial increase was implemented on January 1, 2013, so the Board is currently in the third year of the eight-year program.

Current Charges

The Board employs a water rate structure with two components: a monthly service charge and volumetric rates based on water consumed. The monthly service charge increases based on a customer's meter size. The volumetric rate is assessed across a block rate structure consisting of four (4) blocks. As a customer's consumption increases, the rate per thousand gallons increases from the first to second block and then decreases from the second to the third block and from the third to the fourth block. The block cutoffs are as follows:

Block	Volumetric Cutoff (in gallons)
1	0 - 3,000
2	3,001 - 20,000
3	20,001 - 1,000,000
4	Above 1,000,000

Forecast Charges

The rates and charges forecast for 2016 through 2020 assume the approved annual 10% rate increases will be implemented. Even though the rates and charges will increase 61% during this five-year period, we believe the rate and charges will remain reasonable with respect to peer utilities and relatively affordable. See Explanatory Note 12 for an additional discussion on affordability of rates.

Exhibit 4 shows the Board's current and forecast water rates.



Exhibit 4

Current and Projected Monthly Water Rates and Charges

			Fisca	l Yea	ar		
	2015	2016	2017		2018	2019	2020
Fixed Charge							
Meter Size							
5/8-inch	\$ 5.40	\$ 5.94	\$ 6.53	\$	7.18	\$ 7.90	\$ 8.69
3/4-inch	6.60	7.26	7.99		8.79	9.67	10.64
1-inch	8.38	9.22	10.14		11.15	12.27	13.50
1-1/2-inch	13.84	15.22	16.74		18.41	20.25	22.28
2-mch	18.24	20.06	22.07		24.28	26.71	29.38
3-inch	41.26	45.39	49.93		54.92	60,41	66.45
4-inch	71.87	79.06	86.97		95.67	105.24	115.76
6-inch	141.09	155.20	170.72		187.79	206.57	227.23
8-inch	208.97	229.87	252.86		278.15	305.97	336.57
10-inch	283.50	311.85	343.04		377.34	415.07	456.58
12-inch	332.75	366.03	402.63		442.89	487.18	535.90
16-inch	443.22	487.54	536.29		589.92	648.91	713.80
Volumetric Rates							
Block (gallons)							
0 - 3,000	\$ 3.59	\$ 3.95	\$ 4.35	\$	4.79	\$ 5.27	\$ 5.80
3,001 - 20,000	6.13	6.74	7.41		8.15	8.97	9.87
20,001 - 1,000,000	4.82	5.30	5.83		6.41	7.05	7.76
Above 1,000,000	4.04	4.44	4.88		5.37	5.91	6.50
Approved Rate Increases	10.00%	10.00%	10.00%		10.00%	10.00%	10.00%

Exhibit 5 shows the current and projected water costs for a residential customer having a 5/8'' meter and that uses 5,300 gallons of water per month (the typical residential meter size and median residential monthly usage).

Exhibit 5

Residential Customer Bills, FY 2015 to FY 2020 (Usage of 5,300 gallons per month)

	Monthly Service	Volumetric	Total Water	
	Charge	Charge	<u>Bill</u>	% Change
FY 2015	\$5.40	\$24.87	\$30.27	N/A
FY 2016	\$5.94	\$27.35	\$33.29	10.0 %
FY 2017	\$6.53	\$30.09	\$36.62	10.0 %
FY 2018	\$7.18	\$33.12	\$40.30	10.0 %
FY 2019	\$7.90	\$36.44	\$44.34	10.0 %
FY 2020	\$8.69	\$40.10	\$48.79	10.0 %



5. Revenues

In order to meet the financial obligations of the Series 2015 Bonds, other debt service obligations and other water expenses, water revenue requirements must be recovered exclusively from revenues associated with the Water System. Revenues, as defined in the General Bond Resolution, include operating revenues (charges for services and other operating revenues) and non-operating revenues as identified in this Feasibility Evaluation.

Exhibit 6 shows the projection of operating and non-operating revenues during the forecast period. Operating revenues are primarily comprised of revenues from user rates and charges. These revenues have increased due to the rate increases as well as field account reviews and appropriate billing of the school system. These last two revenue enhancements were included as "Additional Revenue" in the Feasibility Report for the 2014 bond issue, but have been incorporated into the Water Sales line item for this analysis. In addition, there are revenues from plumbing inspection and license fees and other revenues. "Other Revenues" primarily consist of revenue from reconnect and reset fees (\$__ million of the \$2.8 million of this revenue in 2014).

Overall, total operating revenues are forecast to increase at an average compound rate of 10.6% per year over the forecast period, which is driven by projected rate increases and expectations for 2% growth in customers. The Board has a high collection rate and this is expected to continue through the forecast period, so no impact from collections has been assumed in the Feasibility Evaluation.

The Board anticipates only a minimal amount of non-operating revenue which is not projected to increase over the forecast.

Exhibit 6

Projected Annual Water Revenues

			Fisca	l Ye	ar		
	2015	2016	2017		2018	2019	2020
Operating Revenues							
Water Sales and Delinquent Fees	\$ 79,308,718	\$ 87,760,846	\$ 97,482,993	\$	108,282,159	\$ 120,277,656	\$ 133,602,015
Plumbing and Inspection Fees	321,517	321,517	321,517		321,517	321,517	321,517
Other Revenues	3,232,503	3,140,262	3,140,262		3,140,262	3,140,262	3,140,262
Additional Revenue	- 2	2	145		- 30		
Total Water Revenues	\$ 82,862,738	\$ 91,222,625	\$ 100,944,771	\$	111,743,937	\$ 123,739,435	\$ 137,063,794
Non-Operating Revenues							KETCHANG THEORY
Non-Operating Revenue	\$ 400,501	\$ 400,501	\$ 400,501	\$	400,501	\$ 400,501	\$ 400,501
Total Non-Operating Revenues	\$ 400,501	\$ 400,501	\$ 400,501	\$	400,501	\$ 400,501	\$ 400,501
Total Revenues	\$ 83,263,239	\$ 91,623,126	\$ 101,345,272	\$	112,144,438	\$ 124,139,936	\$ 137,464,295



6. Operating and Non-operating Costs

Expenditures are categorized as operating expenses, non-operating expenses, or other budgeted expenditures and transfers. Exhibit 7 shows a combined forecast of operating and non-operating expenses for the Water System. Operating expenses represent normal recurring expenses incurred during the Board's annual accounting cycle based upon its fiscal year ending December 31st. Projected operating expenses are based on budget information from the FY 2015 water budget. Escalation rates differ for each budget line item, but overall the costs are escalated by an average growth rate of 3.6%.

The Board recognizes that its current operating costs are too low to allow it to efficiently and sustainably run the Water System. As a result, the Board is anticipating increases in O&M expenses to get it back in line with national standards for O&M expenses. At the same time, the Board anticipates gaining some efficiencies as it spends more on operations and maintenance and capital improvements, so efficiency savings of between 1.5% and 2.0% are assumed during the forecast period. With these increases, the compounded annual O&M expense increase is 5.2% for the forecast period.

Non-operating expenses include revenue funded capital (also known as PAYGO) and repayments. Revenue funded capital is projected to begin in FY 2015 at \$3,000,000 and increase to \$10,000,000 during the forecast period. The revenue funded capital spending generates revenue to support the Board's debt service coverage ratios. The Water System anticipates making payments to the City's Department of Public Works, to the Drainage System, and to claimants during the forecast period. These expenses are currently accounted for in accounts payable, which will be reduced through the cash payments. Debt service obligations are not included in non-operating costs.



Exhibit 7

Operating and Non-Operating Expenses

			Fisca	l Yea	ar .		
	2015	2016	2017		2018	2019	2020
Operating and Maintenance							
Executive Director	\$ 2,035,305	\$ 2,098,308	\$ 2,163,298	\$	2,230,341	\$ 2,299,501	\$ 2,370,849
Gen Administrative	1,172,108	1,209,241	1,247,586		1,287,186	1,328,081	1,370,318
Management Services Director	-	~	*		· ·	*	*2
Personnel	1,103,333	1,139,038	1,175,945		1,214,095	1,253,534	1,294,306
Finance	1,042,425	1,075,951	1,110,596		1,146,398	1,183,399	1,221,640
Information Systems	2,234,482	2,302,060	2,371,693		2,443,443	2,517,376	2,593,558
Revenue	4,723,192	4,877,113	5,036,263		5,200,830	5,371,007	5,546,997
Purchasing	278,966	287,767	296,854		306,236	315,924	325,927
Support Services	3,810,058	3,945,534	4,086,134		4,232,063	4,383,537	4,540,781
Miscellaneous Expenses (1)	(1,426,818)	(1,469,623)	(1,513,711)		(1,559,123)	(1,605,896)	(1,654,073)
General Supt.	268,260	276,821	285,664		294,799	304,237	313,988
Operations	22,256,671	23,198,588	24,182,473		25,210,272	26,284,020	27,405,853
Facility Maintenance	5,671,699	5,848,855	6,031,676		6,220,350	6,415,069	6,616,036
Networks	20,880,467	21,235,007	21,601,590		21,980,648	22,372,627	22,777,994
Engineering	2,121,047	2,188,334	2,257,822		2,329,586	2,403,706	2,480,260
Plumbing	616,636	636,789	657,630		679,182	701,472	724,527
Payroll Related	4,892,784	5,103,192	5,323,094		5,552,933	5,793,175	6,044,306
Additional O&M (2)	693,250	1,386,500	2,079,750		2,773,000	3,466,250	4,159,500
Efficiency Savings (3)	(408,742)	(460,589)	(515,165)		(536,345)	(600,133)	(666,445)
Total O&M Expenses	\$ 71,965,123	\$ 74,878,888	\$ 77,879,192	\$	81,005,893	\$ 84,186,885	\$ 87,466,320
Non-Operating							
Revenue Financed Capital	\$ 3,000,000	\$ 3,000,000	\$ 4,000,000	\$	5,000,000	\$ 8,000,000	\$ 10,000,000
Repayments (4)	3,891,044	2,186,000	436,000		436,000		
Total Non-Operating Expenses	\$ 6,891,044	\$ 5,186,000	\$ 4,436,000	\$	5,436,000	\$ 8,000,000	\$ 10,000,000
Total Costs	\$ 78,856,167	\$ 80,064,888	\$ 82,315,192	\$	86,441,893	\$ 92,186,885	\$ 97,466,320



⁽¹⁾ Miscellaneous Expenses is negative because it includes a large negative overhead allocation to capital.
(2) The Board has identified the need to increase O&M to become more consistent with other sustainably run water utilities.
(3) The Board anticipates gaining efficacy as it increases its O&M spending so there should be some offsetting savings. The savings is estimated at 1.0% to 1.5% of total O&M with savings beginning in 2014 and incorporated into the 2014 budget.

⁽⁴⁾ Repayments to DPW, Drainage, and Claimants are the result of arrangements prior to the forecast.

7. Capital Expenditures and Funding Sources

The Capital Improvement Plan ("CIP") for the Board consists of a variety of water projects that are anticipated to occur over the six-year forecast period. A portion of the CIP relates to projects associated with repairing and replacing aging infrastructure. Much of the Water System was built at least 75 years ago, so there is significant need to recapitalize parts of the Water System. Overall, the Board's CIP provides a comprehensive list of projects needed to upgrade and maintain the Water System facilities to ensure the Board is in compliance with all federal, state, and local regulations and mandates. The Water System has sufficient capacity to meet current and projected water demand, so the CIP is not focused on system extensions or increased treatment capacity.

Over the six-year period, the Board anticipates spending approximately \$406 million (in 2015 dollars) on capital projects (or approximately \$448 million in escalated dollars)¹. The Board will be responsible for a little under \$325 million (escalated) of the CIP, while other contributors, such as the FEMA or the Corps of Engineers, are projected to spend almost \$123 million. Exhibit 8 shows the un-escalated and escalated six-year CIPs with the responsibilities of the Board. The CIP originally developed was more heavily-loaded in the early years. Board staff identified that a portion of the CIP could be deferred from the early part of the forecast period until later years in the forecast. Exhibit 8 also shows the original CIP and the deferrals.

Exhibit 8

Six-Year CIP [To be updated with accelerated capital plan]

	f					Fisca	l Ye	ar			1	
		2015		2016		2017		2018	2019	2020		Total
Original CIP	1.11											
CIP Projects to be Funded by the Board	\$	71,239,000	\$	67,735,000	\$	39,527,000	\$	32,007,000	\$ 35,236,000	\$ 49,627,000	\$	295,371,000
CIP Projects to be Funded by Others		18,430,000		18,450,000		18,450,000		18,475,000	18,475,000	 18,500,000	S	110,780,000
Total Capital Projects	\$	89,669,000	\$	86,185,000	S	57,977,000	\$	50,482,000	\$ 53,711,000	\$ 68,127,000	S	406,151,000
Adjustments to Board-Funded CIP												
CIP Projects to be Funded by the Board	\$	71,239,000	\$	67,735,000	\$	39,527,000	\$	32,007,000	\$ 35,236,000	\$ 49,627,000	\$	295,371,000
Unfunded Amount Deferred - Cumulative		-		-		-			-	-	\$	
CIP Projects to be Funded by the Board - Adjusted	S	71,239,000	\$	67,735,000	\$	39,527,000	\$	32,007,000	\$ 35,236,000	\$ 49,627,000	\$	295,371,000
Unescalated Adjusted CIP												
CIP Projects to be Funded by the Board	\$	71,239,000	\$	67,735,000	\$	39,527,000	\$	32,007,000	\$ 35,236,000	\$ 49,627,000	\$	295,371,000
CIP Projects to be Funded by Others		18,430,000		18,450,000		18,450,000		18,475,000	18,475,000	18,500,000	\$	110,780,000
Total Capital Projects	\$	89,669,000	S	86,185,000	\$	57,977,000	\$	50,482,000	\$ 53,711,000	\$ 68,127,000	\$	406,151,000
Escalated - Adjusted CIP												
CIP Projects to be Funded by the Board	\$	73,376,170	\$	71,860,062	\$	43,192,220	\$	36,024,160	\$ 40,848,181	\$ 59,257,233	\$	324,558,027
CIP Projects to be Funded by Others		18,982,900		19,573,605		20,160,813		20,793,775	21,417,589	22,089,967		123,018,649
Total Capital Projects	\$	92,359,070	\$	91,433,667	S	63,353,033	S	56,817,936	\$ 62,265,770	\$ 81,347,201	S	447,576,676

The Board plans to issue additional debt annually to address capital needs during the forecast period. Exhibit 9 shows the six-year capital spending plan for the water system, along with projected funding sources. Exhibit 9 excludes capital expenditures that are planned but will be funded beyond the forecast period.

¹ The CIP was prepared in 2015 dollars so costs have been escalated 3.0% annually,



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Exhibit 9

Six-Year Capital Funding Projections

					Fisca	l Ye	аг			
	2015	Ĺ	2016		2017		2018	2019		2020
Beginning Unspent Bond Proceeds	\$ 23,760,000	\$	26,432,330	\$	7,072,269	\$	21,880,048	\$ 44,855,888	\$	12,007,707
Sources of Funds										
Current Revenue Funded Capital	\$ 3,000,000	\$	3,000,000	\$	4,000,000	\$	5,000,000	\$ 8,000,000	\$	10,000,000
Revenue Bond Proceeds	90,905,000		61,600,000		67,200,000		67,200,000			
Participation by Others	18,982,900		19,573,605	_	20,160,813		20,793,775	21,417,589		22,089,967
Total Sources	\$ 136,647,900	\$	110,605,935	\$	98,433,082	\$	114,873,824	\$ 74,273,476	S	44,097,674
Uses of Funds									_	
Capital Improvement Program	\$ 92,359,070	\$	91,433,667	\$	63,353,033	\$	56,817,936	\$ 62,265,770	\$	81,347,201
Capitalized Interest Fund	9,740,000		6,600,000		7,200,000		7,200,000	-		-
Debt Issuance Costs	1,217,475		825,000		900,000		900,000	-		-
Debt Service Reserve Fund	6,899,025		4,675,000		5,100,000		5,100,000	 15.		
Total Uses	\$ 110,215,570	\$	103,533,667	\$	76,553,033	\$	70,017,936	\$ 62,265,770	\$	81,347,201
Ending Unspent Bond Proceeds	\$ 26,432,330	\$	7,072,269	\$	21,880,048	\$	44,855,888	\$ 12,007,707	\$	(37,249,527)
Carryforward Bond Projects	\$ -	\$	-	\$	-	\$	e	\$ -	\$	1

⁽¹⁾ The capitalized interest funding, debt issuance costs, and debt service reserve funding for 2015 have been incorporated in the debt service numbers provided by the Financial Advisor, so only the net revenue bond proceeds are shown for 2015, while the gross proceeds are shown for 2016 - 2020.

The Board plans to pay for a portion of the projected capital needs with revenue generated from utility operations. The level of this revenue funded capital is projected to increase during the forecast period from \$3,000,000 in FY 2015 to \$10,000,000 in FY 2020. Overall, it is expected to fund approximately 7% of the Board-funded portion of the six-year CIP. The revenue funded capital will support the Board's debt service coverage ratios, as shown on the Forecast Statement.



8. Financing Plan

The Board has worked with its underwriters, financial advisors, consulting engineers, and qualified independent consultants (the "Financing Team") to evaluate various financing strategies for the CIP projects funded with the Series 2015 Bonds and future revenue bonds. The Board has selected a financing plan designed to accomplish the following objectives:

- Conform with credit criteria established by rating agencies;
- Minimize debt service and related charges; and
- Provide funds as needed and in the most cost-effective manner.

The proceeds from the Series 2015 Bonds will be available in August 2015 to fund the capital projects described in Explanatory Note 7.

Exhibit 10

Sources and Uses of Series 2015 Bonds

	S	eries 2015 Bonds
Sources		
Bond Proceeds:		
Par Amount		-
Premium	_	
Subtotal		0#
Other Sources of Funds:		:
Total	\$:#:
Uses		
Project Fund Deposits		
Project Fund		81,165,000
Other Fund Deposits		
Water Capitalized Interest		9,740,000
Debt Service Reserve Fund		
Subtotal		9,740,000
Delivery Date Expenses		
Cost of Issuance		~
Underwriter's Discount		4
Subtotal		*
Other Uses of Funds		
Additional Proceeds		-
Total	\$	90,905,000



Exhibit 11 shows the debt service schedule for current Outstanding Indebtedness for the Water System. The Board's Indebtedness has been classified as Senior Indebtedness, Subordinated Indebtedness, or Other Debt Service. Senior and Subordinate Indebtedness are consistent with the current General Bond Resolution. The Board currently has no Subordinate Indebtedness.

Exhibit 11

Exhibit 11

Existing Long-Term Debt Service

					Fisca	l Yea	ır			
		2015	2016		2017		2018	2019		2020
Senior Debt Service	049	\$000 ESSE (1000 ES	55100000155883	-				T 700 000	ian .	5 <00 000
Series 2014	\$	3,500,000	\$ 5,501,250	\$	7,700,000	\$	7,693,000	\$ 7,700,000	2	7,690,000
Total Senior Debt	\$	3,500,000	\$ 5,501,250	\$	7,700,000	\$	7,693,000	\$ 7,700,000	\$	7,690,000
Other Debt Service (1)										
GO Zone Repayment	\$	640,836	\$ 640,836	\$	640,836	\$	640,836	\$ 640,836	\$	640,836
Total Other Debt	\$	640,836	\$ 640,836	\$	640,836	\$	640,836	\$ 640,836	\$	640,836
Total Existing Debt Service	-\$	4,140,836	\$ 6,142,086	\$	8,340,836	\$	8,333,836	\$ 8,340,836	\$	8,330,836

⁽¹⁾ This debt service is excluded from total debt service coverage calculations.

Exhibit 12 shows the forecasted debt service beyond 2015, which includes annual issues throughout the forecast period. The assumptions used to project future debt service include:

- 25-year term;
- 6.0% interest rate;
- 2 years of capitalized interest;
- 1.5% issuance costs;
- 8.5% debt service reserve requirement;
- Equal annual total debt service payments.

Using these assumptions, it is anticipated the size of future bond issues during the forecast period (issued after the Series 2015 Bonds) will be as follows:

Series 2016 Bonds – \$61,600,000

Series 2017 Bonds – \$67,200,000

Series 2018 Bonds - \$67,200,000

Series 2019 Bonds – \$0

Series 2020 Bonds – \$0

Exhibit 12

Projected Debt Issuances after 2015

	Serie	es 2016 Bo	onds	Serle	es 2017 Bo	onds	Serie	es 2018 Bo	onds	Serie	s 2019 Bo	nds	Serie	s 2020 Bo	onds
Net Proceeds	5	\$49,500,00	0	\$	\$54,000,00	00	\$	\$54,000,00	0		\$	0		\$	0
Capitalized Interest (2 yr)		\$6,600,00	10		\$7,200,00	00		\$7,200,00	00		\$	0		\$	0
Cost of Issuance		\$825,00	00		\$900,00	00		\$900,00	00		\$	0		\$	0
Debt Service Reserve Fund		\$4,675,00	00		\$5,100,00	00		\$5,100,00	00		\$	0		\$	0
Total		\$61,600,00	00		\$67,200,00	00	:	\$67,200,00	00		\$	0		\$	0
	Principal	Interest	Total	Principal	Interest	_Total_	Principal	Interest	_Total	Principal	Interest	Total	Principal	Interest	_Total
2015	=0	-	-	-	0 =	=	-	=	27.0	77.0	-	-	*	-	-
2016	-	22	- 40	-	-		1	-	100	()	-			-	-
2017	-	-	355	-	1.77	55		30	-	120		-	#	-	-
2018	1,261,540	3,557,226	4,818,766	-	08	-	=	\approx	#6	200	-		-	-	-
2019	1,337,232	3,481,534	4,818,766	1458,799	3,798,037	5,256,835	22	- V	-	-	-	-	-	-	-
2020	1,417,466	3,401,300	4,818,766	1,546,327	3,710,509	5,256,835	1,546,327	3,710,509	5,256,835	-	-	-	(52	-	-
2021	1,502,514	3,316,252	4,818,768	1,639,106	3,617,729	5,256,835	1,639,106	3,617,729	5,256,835	0	0	0	-	-	-
2022	1,592,665	3,226,101	4,818,766	1737,453	3,519,383	5,256,835	1,737,453	3,519,383	5,256,835	0	0	0	0	0	0

Exhibit 13 shows the forecast debt service, which includes annual issues throughout the forecast period. It should be noted that due to the two years of capitalized interest, there would not be debt service from the Series 2019 and Series 2020 Bonds during the forecast period if any bonds were projected.

Overall, these assumptions are very conservative, and it should be anticipated that the actual debt service will have lower costs and can be structured to better meet the objectives of the Board.

Exhibit 13

Projected Long-Term Debt Service

			Fisca	l Yea	ar		
	2015	2016	2017		2018	2019	2020
Senior Debt Service							
Existing Debt	3,500,000	5,501,250	7,700,000		7,693,000	7,700,000	7,690,000
Proposed Series 2015			7,822,320		7,822,320	7,822,320	7,822,320
Projected Series 2016					5,300,642	5,300,642	5,300,642
Projected Series 2017						5,782,519	5,782,519
Projected Series 2018							5,782,519
Total Senior Debt	\$ 3,500,000	\$ 5,501,250	\$ 15,522,320	\$	20,815,962	\$ 26,605,481	\$ 32,378,000
Subordinate Debt Service							
None	\$ 3.00	\$ 73	\$ 	\$		\$	\$
Total Subordinate Debt	\$:•:	\$ ¥	\$:e	\$		\$ *	\$
Other Debt Service (1)							280 4040
GO Zone Repayment	\$ 640,836	\$ 640,836	\$ 640,836	\$	640,836	\$ 640,836	 640,836
Total Other Debt	\$ 640,836	\$ 640,836	\$ 640,836	\$	640,836	\$ 640,836	\$ 640,836
Total Proposed Debt Service	\$ 4,140,836	\$ 6,142,086	\$ 16,163,155	\$	21,456,798	\$ 27,246,317	\$ 33,018,836

⁽¹⁾ This debt service is excluded from total debt service coverage calculations.



9. Additional Bonds Test

Since the Series 2015 Bonds will be the first bonds under the new General Bond Resolution, the issuance of the Series 2015 Bonds is not subject to the additional bonds test. However, the Board has decided to compute the additional bonds test for the Series 2015 Bonds to provide an example of the calculation and to reinforce its financial position.

Under the new General Bond Resolution, the Board may issue additional bonds only if any one of two requirements, or tests, set forth in Section 4.03(h), are met. Reproduced below are the requirements for the tests.

A certificate of (A) a Qualified Independent Consultant, stating that based on the Board's financial records for a Test Period, the Board would have been able to meet the Rate Covenant in Section 7.01, taking into account (i) the maximum Annual Debt Service on the proposed Series of Additional Bonds in the current or any future Fiscal Year, (ii) the Additional Net Revenues from the rates, fees and other charges adjusted to reflect any rate increases that had not been in effect throughout the Test Period but that have been approved by the Board, the Board of Liquidation, and the City at the time of the delivery of the proposed Series of Additional Bonds to go into effect within the following five years; and (iii) additional Net Revenues that the Board may realize from the addition to the System of the assets it proposes to finance through the issuance of the proposed Series of Additional Bonds or other funding sources within the following five years or (B) the Authorized Officer of the Board stating that based on the Board's financial records for a Test Period, the Board would have been able to meet the Rate Covenant in Section 7.01, taking into account the maximum annual Debt Service on the proposed Series of Additional Bonds. In making the certifications required under this paragraph, the Qualified Independent Consultant, as applicable, shall determine and utilize the Additional Indebtedness Test Net Revenues in place of the Rate Covenant Net Revenues in determining whether the Board would have been able to meet the Rate Covenant in Section 7.01.

Both tests are based on a historical Test Period, which is a consecutive 12-month period within the 24 months prior to the issuance of the proposed bonds. Test A allows for adjustments based on approved rate increases for up to five years and based on additional revenues from the assets financed through the additional bonds, while Test B allows for no adjustments to revenues. Exhibit 14 shows the Senior Debt service by year including the Series 2015 Bonds with the Maximum Annual Debt Service highlighted. Exhibit 15 shows that the Board is able to pass Test A. The adjustments included in Test A are five 10% rate increases, one of which was implemented January 1, 2015 and four are approved for implementation on January 1 of 2016 through 2019.



Exhibit 14

Maximum Annual Debt Service

Year	Amount	Year	Amount	Year	Amount
2015	\$ 4,140,836	2025	\$ 14,352,320	2035	\$ 14,354,570
2016	\$ 6,142,086	2026	\$ 14,354,320	2036	\$ 14,354,070
2017	\$ 16,163,155	2027	\$ 14,355,070	2037	\$ 14,353,570
2018	\$ 16,156,155	2028	\$ 14,354,320	2038	\$ 14,357,570
2019	\$ 16,163,155	2029	\$ 14,351,820	2039	\$ 14,355,320
2020	\$ 16,153,155	2030	\$ 14,352,320	2040	\$ 14,356,570
2021	\$ 16,146,655	2031	\$ 14,355,320	2041	\$ 14,350,570
2022	\$ 16,148,155	2032	\$ 14,350,320	2042	\$ 14,357,070
2023	\$ 14,351,070	2033	\$ 14,352,320	2043	\$ 14,354,820
2024	\$ 14,354,570	2034	\$ 14,355,570	2044	\$ 14,358,570

Exhibit 15 Additional Bonds Test

	Adju	sted Actual (1) - Test A	Ac	tual (FY 14) - Test B
Sales of Water and Delinquent Fees (2) Other Operating Revenue	\$	111,891,745 3,180,286	\$	70,818,255 3,180,286
	\$	115,072,031	\$	73,998,541
Total O&M	\$	88,562,278		
Less: Depreciation		18,844,752		
Less: Provision for doubtful accounts		1,151,767	0)	
Net O&M	\$	68,565,759	\$	68,565,759
Additional Indebtedness Test Net Revenues	\$	46,506,272	\$	5,432,782
Maximum Annual Senior Debt Service	\$	16,163,155	\$	16,163,155
Maximum Annual Total Debt Service	\$	16,163,155	\$	16,163,155
Maximum Annual Senior Debt Service Coverage		2.88		0.34
Required		1.25		1.25
Maximum Annual Total Debt Service Coverage		2.88		0.34
Required		1.10		1.10
Pass (Yes/No)		Yes		No

⁽¹⁾ Assumes five approved 10% rate increases

⁽²⁾ Delinquent fees comprise less than 5% of this revenue so only 95% of this line item was adjusted.



10. Fund Balances

The Board was able to provide the services necessary to allow for residents to return following Hurricane Katrina because it had strong financial reserves when Hurricane Katrina struck the City. Therefore, the Board understands the importance of maintaining appropriate levels of operating and capital reserves. The General Bond Resolution requires an Operating Reserve of 90 days of annual operating expenses (90 days cash on hand). However, the Board has set a target of having at least 180 days cash on hand between the Operating Fund and the Rate Stabilization Fund. As can be seen in Exhibit 16, the Board is well in excess of this target, particularly at the end of the forecast period.

Exhibit 16

Fund Balances

Available Fund Balances				 Fisca	ıl Y	еаг			
	Initial	2015	2016	2017		2018		2019	2020
Beginning Unrestricted Balance (1)	\$ 30,821,714	\$ 30,821,714	\$ 31,087,950	\$ 36,504,103	\$	39,371,028	\$	43,616,775	\$ 48,323,509
Sources									
Operating Revenues		\$ 82,862,738	\$ 91,222,625	\$ 100,944,771	\$	111,743,937	\$	123,739,435	\$ 137,063,794
Non-Operating Revenues		400,501	400,501	400,501		400,501		400,501	400,501
Total Sources		\$ 83,263,239	\$ 91,623,126	\$ 101,345,272	\$	112,144,438	\$	124,139,936	\$ 137,464,295
Uses									
Operating Expenses		\$ 71,965,123	\$ 74,878,888	\$ 77,879,192	\$	81,005,893	\$	84,186,885	\$ 87,466,320
Transfer to Operating Reserve Fund (2)	17,744,825	17,744,825	718,462	739,801		770,967		784,354	808,628
Transfer to Rate Stabilization Fund		8				2			
Repayments		3,891,044	2,186,000	436,000		436,000		50	95
Debt Service		4,140,836	6,142,086	16,163,155		21,456,798		27,246,317	33,018,836
Revenue Funded Capital		3,000,000	3,000,000	4,000,000		5,000,000		8,000,000	10,000,000
Total Uses	\$ 17,744,825	\$ 100,741,828	\$ 86,925,436	\$ 99,218,148	\$	108,669,659	\$	120,217,555	\$ 131,293,784
Remaining Unrestricted Funds for Transfer	\$ 13,076,889	\$ 13,343,125	\$ 4,697,690	\$ 2,127,124	\$	3,474,780	\$_	3,922,380	\$ 6,170,511
Total Available Funds - End of Year Balances									
Remaining Unrestricted Funds	\$ 13,076,889	\$ 13,343,125	\$ 18,040,815	\$ 20,167,939	\$	23,642,719	\$	27,565,099	\$ 33,735,610
Operating Reserve Fund	17,744,825	17,744,825	18,463,287	19,203,088		19,974,056		20,758,410	21,567,038
Rate Stabilization Fund				*				5	
Total	\$ 30,821,714	\$ 31,087,950	\$ 36,504,103	\$ 39,371,028	\$	43,616,775	\$	48,323,509	\$ 55,302,648
Days of O&M Cash on Hand (3)		204	178	185		197		210	231
(Bond Target of 90 days)									

⁽¹⁾ The beginning balance for 2015 is comprised of undesignated and designated unrestricted cash and cash equivalents as well as customer deposits from the 2014 CAFR.



^{(2) 90} days of O&M expenses as required in the General Sewerage Service Revenue Bond Resolution.

⁽³⁾ The Board has an internal target of 180 days.

11. Bill Comparisons

One of the key objectives of the Board is to maintain rates and charges at a sufficient level to provide revenues to recover existing operating costs and capital costs associated with the issuance of the Series 2015 Bonds and future bonds. The Board's current rates became effective January 1, 2015 and included the third of the approved eight annual 10% rate increases. The Feasibility Evaluation assumes the remaining annual approved rate increases will be implemented through 2020. Although the Board and City Council have taken steps to address the need to set rates and charges at a level sufficient to address total system revenue requirements, the Board also considers objectives to maintain rates that are reasonably affordable and provide a competitive cost environment relative to other utilities. Exhibit 17 shows a comparison of water costs with other peer communities. The cost comparison is based upon a projected monthly bill for a residential customer with a 5/8" meter (some utilities listed use a 3/4" meters for residential customers) and 5,300 gallons of water usage and a non-residential customer with a 2" meter and 374,000 gallons of water usage.

As shown, the annual water bill for a residential customer using 5,300 gallons of water per month is \$30.27, or \$363.24 per year. Orleans Parish has an estimated median household income ("MHI") of \$39,849 based on an assumed median household income of \$36,681 in 2012 escalated 2.8% annually. The ratio of annual water costs for a typical residential customer to MHI is approximately 0.91%. This percentage falls well below the industry's most commonly used affordability metric, the guideline of 2.00% as identified by the EPA's Financial Capability Assessment publication.²

Exhibit 17

Comparison of Water Bills with Other Representative Communities as of April 2015

	M	onthly Bill	M	Ionthly Bill
		(5,300		(374,000
City	gall	ons/month)	gal	llons/month)
Birmingham	\$	39.84	\$	1,805.72
Atlanta	\$	36.63	\$	3,073.51
New Orleans	\$	30.27	\$	1,788.50
Houston	\$	27.43	\$	1,544.87
Jackson	\$	22.47	\$	1,605.00
Baton Rouge	\$	21.89	\$	547.45
St. Louis	\$	20.34	\$	861.52
Mobile	\$	19.64	\$	956.95
Nashville	\$	18.78	\$	1,098.35
Dallas	\$	17.13	\$	1,315.80
Memphis	\$	16.90	\$	707.52
Little Rock	\$	13.90	\$	781.43

² Combined Sewer Overflows: Guidance for Financial Capability Assessment and Schedule Development (Environmental Protection Agency, March 1997) page 19.



During the forecast period, the monthly water bill for a typical customer will increase from \$30.27 to \$48.79. We anticipate that the bills for the representative communities will also increase during this period.



12. Current Issues

There are three issues which the Board is particularly focused on evaluating and managing to the best of its ability. These issues include: 1) affordability of water service; 2) stresses to net revenues, particularly related to declining per capita consumption; and 3) addressing the remaining capital plan after the forecast period. The following paragraphs discuss some of the analyses and planning associated with these issues.

Affordability

Historically, water rates nationally have been very low, so the affordability of water service has not been a concern. In recent years, water rates have been increasing as the need to repair and replace aging infrastructure have required increasing capital investments. Between 2004 and 2014, water rates nationally increased 4.9% annually, while the CPI only increased 2.3% annually.³ This trend is expected to continue, meaning that affordability concerns are going to increase. As part of the Feasibility Evaluation, we calculated the customer impacts relative to median household income, which is typically used as a high-level test of affordability.

Exhibit 18 shows that even with the eight-year program of rate increases the projected cost of water service for a typical customer will remain below 2.0% of projected median household income and the median household effective buying income. This analysis indicates that the cost of water service in New Orleans will remain affordable, based on a commonly used test, even with the approved rate increases.

Exhibit 18

Forecast Affordability Ratios

	2015	2016	2017	2018	2019	2020
Median Household Income	\$ 39,849	40,965	42,112	43,291	44,503	45,749
Median Household Effective Buying Income	\$ 31,098	\$ 31,969	\$ 32,864	\$ 33,784	\$ 34,730	\$ 35,702
Average Monthly Bill Water	\$ 30.27	\$ 33.29	\$ 36.62	\$ 40.30	\$ 44.34	\$ 48.79
% of MHI Water	0.91%	0.98%	1.04%	1.12%	1.20%	1.28%
% of MHHEBI Water	1.17%	1.25%	1.34%	1.43%	1.53%	1.64%

Even though this analysis indicates the Board's rates are affordable in general, the Board recognizes that a portion of its customer base may be impacted more significantly by the proposed increases in water rates and charges. As such, the Board is evaluating mechanisms that could help ensure water service remains affordable to its low-income customers.

³ AWWA & Raftelis Financial Consultants, Inc. 2014 Water and Wastewater Rate Survey.



Draft Report

Net Revenue Impacts

There are two ways that Net Revenues could be materially lower than projected in the Feasibility Evaluation: 1) revenues are lower than expected; or 2) operating expenses are higher than expected. The Board has examined these risks and believes the risk of lower revenues is of greater concern and has modeled different scenarios assuming lower revenues. While the Board has some control over operating expenses, it does not have control over the amount of water used by its customers. The water industry is being impacted by the trend of declining per capita consumption. Efforts to promote conservation and efficient water use have sensitized customers. Perhaps more importantly, the evolution of more water efficient fixtures and appliances has also impacted per capita demand.

The Feasibility Evaluation does incorporate some level of declining per capita demand by applying a resistance factor. As mentioned in Explanatory Note 3, the resistance factor was 2.0% for 2015 and 1.0% for the remainder of the forecast period. If demand is more negatively impacted than expected, this will affect the Water System's revenue stream. To evaluate the potential impact, we increased the resistance factor by 2.0% each of the first three years and 1.0% in the last three years of the forecast period. Therefore, the resistance factor is assumed to be 4.0% in 2015, 3% in 2016 and 2017, and 2% for the remainder of the forecast period. The increase in the resistance factor was ramped down after three years because there will likely be some demand hardening and each reduction propagates through the remainder of the forecast. Even though this stress test focuses on declining consumption, it shows the impact of lower Net Revenues, which could also be attributable to other factors. Exhibit 19 shows the impact of the increased resistance factor on coverage. Even with the increased resistance factors, the Board meets the Rate Covenant for the entire forecast. Nonetheless, the Board will monitor revenues, particularly related to resistance to increasing rates, to ensure that it satisfies the Rate Covenant. The Board will adjust its financing plan as necessary, which could include delaying capital improvements or limiting the increase in operating expenses. The stress test did not assume any decline in operating expenses even with the lower consumption, so there should be some opportunity to reduce operating expenses if necessary.

Exhibit 19

Debt Service Coverage under Stress Test for Declining Consumption

	Fiscal Year										
	2015	2016	2017	2018	2019	2020					
Forecast Debt Service Coverage	3.28	3.09	1.94	1,87	1,86	2.86					
Stress Test Debt Service Coverage	3.23	3.04	1.51	1.50	1,50	1.54					

Capital Plan after 2020 [To be updated once accelerated capital plan is determined]

The Feasibility Evaluation has considered a six-year forecast, FY 2015 through FY 2020. Even though the capital improvements identified and funded during this period will help the Board become a more sustainable utility, there are additional projects that have been identified beginning in FY 2020 which will be critical to the Board's long-term success. Currently, the tenyear CIP identifies approximately \$253 million in the four-year period from FY 2021 through FY 2024, including substantial funding needs in FY 2021. These projects are not funded by the bond issues contemplated in this Feasibility Evaluation. Even though it is likely that the timing



and size of these projects in FY 2021 and beyond will evolve over time, the Board recognizes it is likely that additional rate increases will be necessary to be able to fund the capital program after FY 2020 and anticipates beginning to further evaluate this need well in advance of FY 2020 as the timing and costs become more firm.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

PRELIMINARY APPROVAL FOR 2015 SEWERAGE SYSTEM BONDS

	The following resolution was offered by	and	seconded
by	J		

RESOLUTION

A resolution giving preliminary approval to the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana; making application to the State Bond Commission for approval of said Bonds; authorizing the reimbursement of expenditures from proceeds of any such bonds; and providing for other matters in connection therewith.

WHEREAS, the Sewerage and Water Board of New Orleans (the "Sewerage and Water Board") is authorized to issue in the name of the City of New Orleans, Louisiana (the "City"), bonds payable solely out of the revenues derived from sewerage service charges for purposes relating to the sewerage system of the Board and the City, pursuant to the provisions of Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"); and

WHEREAS, the Sewerage and Water Board has heretofore adopted a General Sewerage Service Revenue Bond Resolution on May 21, 2014 (the "General Bond Resolution"), authorizing the issuance from time to time of Sewerage Service Revenue Bonds of the City, as supplemented by the First Supplemental Sewerage Service Revenue Bond Resolution; and

WHEREAS, all Sewerage Service Revenue Bonds of the City are administered by the Board of Liquidation, City Debt; and

WHEREAS, the Sewerage and Water Board desires to authorize the issuance of Sewerage Service Revenue Bonds to finance the Cost of Capital Improvements (as defined in the General Bond Resolution); and

WHEREAS, prior to the issuance of the Bonds, the Sewerage and Water Board intends to expend its own funds on projects for the sewerage system of the City, and reasonably expects to reimburse said expenditures from the proceeds of the bonds in an amount not exceeding \$100,000,000; and

SECTION 1. <u>Preliminary Approval of Bonds.</u> Pursuant to the provisions of Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), preliminary approval is given to the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Sewerage Service Revenue Bonds

(the "Bonds") of the City of New Orleans, Louisiana (the "Bonds"), to be issued for the purpose of paying a portion of the Cost of Capital Improvements (as defined in the General Bond Resolution), funding a debt service reserve fund, if required, and paying the costs of issuance associated therewith. The Bonds shall be issued in one or more series, shall bear interest at a rate or rates not to exceed seven percent (7.0%) per annum, to be determined by subsequent resolution of the Board of Liquidation at the time of the sale of the Bonds, and shall mature no later than thirty (30) years from the date thereof. The Sewerage Service Revenue Bonds shall be issued in fully registered form, shall be sold to the purchasers thereof at a price of not less than ninety-eight percent (98%) of par, plus accrued interest, and shall have such additional terms and provisions as may be determined by the Sewerage and Water Board and the Board of Liquidation at the time of issuance and sale of the Sewerage Service Revenue Bonds. As provided in the Act, the Bonds are to be payable out of revenues derived from sewerage service charges for purposes related to the sewerage system of the City, after provision has been made for the payment from said revenues of the costs of operating and maintaining the sewerage system.

SECTION 2. <u>State Bond Commission</u>. Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for approval of the issuance and sale of the Bonds, and co-bond counsel are directed to make application to the State Bond Commission in accordance with the foregoing on behalf of the Sewerage and Water Board.

By virtue of the Sewerage and Water Board's application for, acceptance and utilization of the benefits of the State Bond Commission's approval requested herein, the Sewerage and water Board understands and agrees that such approval is expressly conditioned upon, and further understands, agrees and binds itself, its successors and assigns, to full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products, Hedges, Etc.," adopted by the Commission on July 20, 2006, as to the borrowing and other matters subject to the approval, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 3. <u>Intent to Reimburse</u>. Prior to the issuance of the Bonds, the Sewerage and Water Board will expend its own funds on projects for the sewer System of the City. Upon issuance of the Bonds, the Sewerage and Water Board reasonably expects to reimburse itself for said expenditures from the proceeds of the Bonds. Any such allocation of the proceeds of the Bonds will be with respect to capital expenditures [as defined in Treasury Regulation 1.150-1(h)] and will be made upon the delivery of the Bonds and in accordance with said Regulation. This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

This resolution having been submitted to a vote, the vote thereon was as follows:

Member	Yea	Nay	Absent	Abstaining
Suchitra Satpathi (for Mitchell J. Landrieu) William Raymond Manning Marion B. Bracy Kerri T. Kane Mark M. Moody Scott Jacobs Robin Barnes Tamika Duplessis, Ph.D. Kimberly Thomas, JD Joseph Peychaud Alan C. Arnold				
Sewerage an certify the correct cop Monthly Me	edric S. Grant, Exect d Water Board of Nat the above and for y of a Resolution a ceting of said Boarding to law, on	cutive Director, New Orleans, do regoing is a true dopted at the Re l, duly called an	hereby and egular d held,	_, 2015.
	S. GRANT, EXEC ND WATER BOA			

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Financial Feasibility Evaluation of Sewerage System Revenue Bonds, Series 2015



Draft Report

July ___, 2015

EVALUATION BY FINANCIAL FEASIBILITY CONSULTANTS

Sewerage and Water Board of New Orleans, Louisiana Sewerage System Revenue Bonds, Series 2015

We have evaluated the accompanying Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the "Forecast Statement") for the Sewerage and Water Board of New Orleans (the "Board" or "SWBNO") Sewerage System for the six fiscal years ending December 31, 2015 through December 31, 2020. Our evaluation was conducted in accordance with guidelines for the wastewater industry and included such procedures as we considered necessary to evaluate the assumptions of the Board.

In evaluating the financial feasibility of the project, those assumptions that we believe are most significant include:

- Projected revenues from the approved rate adjustments during the six-year forecast period;
- Projected additional revenues;
- Projected operating costs for providing sewerage services to meet necessary requirements during the forecast period; and
- Projected future debt issues and the timing of additional debt service payments in order to meet capital investment needs.

The accompanying Forecast Statement is presented on an accrual basis, and is then adjusted to be consistent with the Board's budgeting process for the Sewerage System, and the specific requirements of the coverage tests identified in the General Sewerage Service Bond Resolution ("General Bond Resolution") dated as of July ___, 2015. The Forecast Statement, together with the Summary of Significant Forecast Assumptions, which is included as an integral part of the forecast, constitutes the "Feasibility Evaluation" for the proposed capital projects and bond financing.

In our opinion, the accompanying Forecast Statement is presented in conformity with industry guidelines for presentation of a forecast, and the underlying assumptions provide a reasonable basis for the Board's forecast. Based upon the assumptions in our report, the projected Revenues provide adequate funds to operate the Sewerage System in a sustainable manner, to fund the capital plan, and to maintain the debt service coverage ratios required by the General Bond Resolution during the forecast period for the issuance of the Board's Sewerage System Revenue Bonds, Series 2015. However, there will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Raftelis Financial Consultants, Inc.

Charlotte, North Carolina July , 2015

By: Peiffer A. Brandt Chief Operating Officer



Sewerage and Water Board of New Orleans Proposed Sewerage Revenue Bonds, Series 2015 Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage

			_			Eie	cal Y	100				
		2015	-	2016		2017	cai 1	2018		2019		2020
		2015	_	2016	_	2017	_	aW10		27.55		- 70.00
Revenues												
Operating Revenues	•	96,849,529	\$	107,171,025	2	119,043,432	\$	132,231,063	\$	146,879,620	\$	163,150,944
Sewer Sales (1)	\$	The second secon	Φ	331,529	Φ	331,529	147	331,529	-	331,529		331,529
Plumbing inspection & license fees	-	321,517	6	107,502,554	·	119,374,960	\$	132,562,591	2	147,211,149	\$	163,482,473
Subtotal: Sewer Sales and Fees	\$	97,171,046	\$	107,302,334	Ф	119,374,900	Φ	132,302,331	40))	144,211,115	•	***********
0.1.7	\$	288,943	¢.	562,509	\$	562,509	\$	562,509	\$	562,509	\$	562,509
Other Revenues	Ф	200,543	Φ	302,303	Ψ	002,000	_					
Additional Revenue (2)	-				_			100 105 100	_	1 45 552 (50)	4	164 044 002
Total Operating Revenues	\$	97,459,989	\$	108,065,063	\$	119,937,469	\$	133,125,100	\$	147,773,658	5	164,044,982
												460.061
Non-Operating Revenue	\$	470,944	\$	462,061	\$	462,061	\$	462,061	\$	462,061	\$	462,061
FEMA O&M Expense Reimbursements (3)				(4)						-		
•		470,944	-	462,061	•	462,061	8	462,061	s	462,061	\$	462,061
Total Non-operating Revenues	\$	470,944	Э	402,001	Φ	402,001	ŭ.	102,002	*	,	_	/ Complete
We del Decrease	\$	97,930,933	\$	108,527,123	S	120,399,530	\$	133,587,161	\$	148,235,718	S	164,507,042
Total Revenues	-	27,000,00	Ť									
_												
Expenses												
Operating Expenses	•	57 511 500	•	60,432,009	e	64,079,680	¢	67,844,273	\$	71,729,672	\$	73,765,018
O&M Expenditures (4)	\$	57,511,508	Ф		Φ	14,299,824	Ψ	14,299,824	•	14,299,824	•	14,299,824
Depreciation & Amortization (5)		14,299,824		14,299,824		Caracocourana		658,922		658,922		658,922
Provision for Bad Debt (6)	-	658,922		658,922	_	658,922				86,688,418	ė	88,723,764
Total Operating Expenses	\$	72,470,253	\$	75,390,754	- 5	79,038,425	2	82,803,019	3	50,005,410	3	00,720,70
• •		25 450 500	•	22 126 260	•	41,361,104	•	50,784,142	s	61,547,300	\$	75,783,278
Net Revenues	\$	25,460,680	\$	33,136,369	Ф	41,301,104	J.	30,704,142	φ	01,047,000	4	,-,,,-
							•		\$	961	•	
Less: Transfers to Rate Stabilization	\$	-	\$	-	\$	-	\$	-	Ф		J	1/2
Plus: Transfers from Rate Stabilization										11000001		14 200 824
Plus: Depreciation & Amortization		14,299,824		14,299,824		14,299,824		14,299,824		14,299,824		14,299,824
Phis; Provision for Bad Debt		658,922		658,922		658,922		658,922		658,922		658,922
1 113, 110 (12) 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	-				_		_	CE #40 000	40	76,506,046	•	90,742,024
Rate Covenant Net Revenues	\$	40,419,425	\$	48,095,115	- 5	56,319,850	- \$	65,742,888	3	/0,500,040	3	70,742,024
Senior Debt Service - 2015 Issue											_	
Existing Debt Service	\$	16,392,574	\$	18,537,050	\$	19,803,493	\$	18,137,085	\$	16,712,010	\$	16,728,52
Proposed Series 2015 (7)		14				7,822,320		7,822,320		7,822,320		7,822,320
Total Senior Debt Service	\$	16,392,574	S	18,537,050) \$	27,625,813	\$	25,959,405	\$	24,534,330	\$	24,550,84
Total Schot Debt Scrvac	V	,,	10.	The tenthods	-	=-46305110.00	_	N71107.	_		_	4/22
Senior Debt Service Coverage - 2014 Issue		2.47		2.59	L	2.04		2,53	_	3.12	L	3.70
Senior Debt Service - Programmatic												
Existing & 2015 Debt Service		16,392,574	ļ	18,537,050)	27,625,813		25,959,405		24,534,330		24,550,84
Projected Future Bonds (8)		- / /						7,822,320		15,644,640		23,466,95
Total Senior Debt Service	\$	16,392,574	S	18,537,050	3	\$ 27,625,813	\$	33,781,725	\$	40,178,969	\$	48,017,80
Total Semor Debt Service	Ψ	10,552,57	- 55	O DESCRIPTION	5/1	F0425050.05			_		_	701247
Senior Debt Service Coverage - Programmatic (9)		2.47	Т	2,59		2.04		1.95		1,90	L	1.89
Semoi Debt Service Coverage 110g.												
The La Camping Dominaments	S	16,392,574	1 5	18,537,05	0	\$ 27,625,813	\$	33,781,725	\$	40,178,969	\$	48,017,80
Total Debt Service Requirements	- 44*	and the second section in										
•			-		-		-		_		_	
		2.47	T	2.59	I	2.04	I	1.95		1.90		1.89
Total Debt Service Coverage (10)		2.47	Τ		1	2.04					L	
Total Debt Service Coverage (10)	\$		T 5 \$	2.59	T.		\$		\$	1.90 76,506,046	\$	
Total Debt Service Coverage (10) Rate Covenant Net Revenues	\$	2.47 40,419,42	T 5 \$	2.59	T 5	\$ 56,319,850	\$	1.95	\$		\$	
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization	\$		T 5 \$	2.59		\$ 56,319,850		1.95 65,742,888	\$		\$	
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants	_	40,419,42	_	2.59 48,095,11	2	\$ 56,319,850	K) 37	1.95 65,742,888	i h		0	90,742,02
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization	\$	40,419,42	_	2.59	2	\$ 56,319,850	K) 37	1.95 65,742,888	i h	76,506,046 	0	90,742,02
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues	_	40,419,42: 40,419,42:	_	2.59 48,095,11 48,095,11	2	\$ 56,319,850 \$ 56,319,850	K) 37	1.95 65,742,888 65,742,888	i h	76,506,046 76,506,046	0	90,742,02 90,742,02
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted	_	40,419,42	_	2.59 48,095,11	2	\$ 56,319,850	K) 37	1.95 65,742,888	i h	76,506,046 	0	90,742,02
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues	_	40,419,42: 40,419,42:	_	2.59 48,095,11 48,095,11	2	\$ 56,319,850 \$ 56,319,850	K) 37	1.95 65,742,888 65,742,888	i h	76,506,046 76,506,046	0	90,742,02 90,742,02
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted	_	40,419,42: 40,419,42: 2.47	5 5	2.59 \$ 48,095,11 \$ 48,095,11 2.59	5	\$ 56,319,850 \$ 56,319,850 2.04) \$	1.95 65,742,888 65,742,888 1.95	\$	76,506,046 	\$	90,742,02 90,742,02 1.89
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted	_	40,419,42: 40,419,42: 2.47	5 5	2.59 \$ 48,095,11 \$ 48,095,11 2.59	5	\$ 56,319,850 \$ 56,319,850 2.04) \$	1.95 65,742,888 65,742,888	\$	76,506,046 	\$	90,742,02 90,742,02 1.89
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service	\$	40,419,42: 40,419,42: 2.47 24,026,85	1 3	2.59 \$ 48,095,11 \$ 48,095,11 2.59 \$ 29,558,06	5	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03	7 \$	1.95 65,742,888 65,742,888 1.95	\$	76,506,046 76,506,046 1.90	\$	90,742,02 90,742,02 1.89
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11)	5	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58	1 5	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58	5 5 5 32	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58	7 \$	1.95 65,742,888 65,742,888 1.95 31,961,163 6,233,582	\$ \$ \$	76,506,046 76,506,046 1.90 36,327,077 6,233,582	\$ \$ \$	90,742,02 90,742,02 1.89 42,724,27 6,233,58
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service	\$	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58 14,000,00	1 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58 8,000,00	55 55 55 500	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58 13,000,00	7 \$ 2 \$	1.95 65,742,888 65,742,888 1.95 31,961,163 6,233,582 15,000,000	\$	76,506,046 76,506,046 1.90	\$ \$ \$	90,742,02 90,742,02 1.89 42,724,23 6,233,53
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service Less: GO Zone Repayment	\$	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58	1 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58	55 55 55 500	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58	7 \$ 2 \$	1.95 65,742,888 65,742,888 1.95 31,961,163 6,233,582	\$	76,506,046 76,506,046 1.90 36,327,077 6,233,582	\$ \$ \$	90,742,02 90,742,02 1.89 42,724,23 6,233,53
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service Less: GO Zone Repaymet Less: Revenue Funded Capital Less: Repayments	\$	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58 14,000,00 2,911,00	11 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58 8,000,00 2,911,00	55 32 00 00 00	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58 13,000,00 486,00	7 \$ 2 \$ 0	1.95 65,742,888 65,742,888 1.95 31,961,163 6,233,582 15,000,000	\$ \$	76,506,046 76,506,046 1.90 36,327,077 6,233,582 20,000,000	\$ \$	90,742,02 90,742,02 1.89 42,724,27 6,233,58 25,000,00
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service Less: GO Zone Repayment Less: Revenue Funded Capital	\$	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58 14,000,00 2,911,00	11 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58 8,000,00 2,911,00	55 32 00 00 00	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58 13,000,00 486,00	7 \$ 2 \$ 0	1.95 65,742,888 65,742,888 1.95 31,961,163 6,233,582 15,000,000	\$ \$	76,506,046 76,506,046 1.90 36,327,077 6,233,582 20,000,000	\$ \$	90,742,02 90,742,02 1.89 42,724,22 6,233,58 25,000,00
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service Less: GO Zone Repayment Less: Revenue Funded Capital Less: Repayments	\$	40,419,42: 40,419,42: 2,47 24,026,85 6,233,58 14,000,00 2,911,00 882,26	1 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58 8,000,00 2,911,00 \$ 12,413,44	55 55 32 00 00 33	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58 13,000,00 486,00 \$ 8,974,45	7 \$ 2 \$ 00 0	1.95 65,742,888 1.95 31,961,163 6,233,582 15,000,000	\$ \$	76,506,046 76,506,046 1.90 36,327,077 6,233,582 20,000,000	\$ \$	90,742,02 90,742,02 1.89 42,724,22 6,233,58 25,000,00
Total Debt Service Coverage (10) Rate Covenant Net Revenues Less: Transfers from Rate Stabilization Less: Grants Adjusted Rate Covenant Net Revenues Total Debt Service Coverage on Adjusted Rate Covenant Net Revenues (11) Revenue after Debt Service Less: GO Zone Repayment Less: Revenue Funded Capital Less: Repayments	\$	40,419,42: 40,419,42: 2.47 24,026,85 6,233,58 14,000,00 2,911,00	1 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	2.59 \$ 48,095,11 2.59 \$ 29,558,06 \$ 6,233,58 8,000,00 2,911,00 \$ 12,413,44	55 55 32 00 00 33	\$ 56,319,850 \$ 56,319,850 2.04 \$ 28,694,03 \$ 6,233,58 13,000,00 486,00 \$ 8,974,45	7 \$ 2 \$ 00 0	1.95 65,742,888 1.95 31,961,163 6,233,582 15,000,000	\$ \$	76,506,046 76,506,046 1.90 36,327,077 6,233,582 20,000,000	\$ \$	90,742,02 90,742,02 1.89 42,724,22 6,233,58 25,000,00



- (1) Based on 2014 actual revenues with growth, rate increases, and resistance factors. See Explanatory Note 5 for more detail.
- (2) Additional revenue, which was included in the feasibility report for the Series 2014 Bonds, has been incorporated in the Water Sales and Delinquent Fees line item.
- (3) At this point, no FEMA grants are anticipated during the Forecast period.
- (4) Based on the 2015 budget with annual increases, additional O&M to reach more sustainable O&M levels, and efficiency savings. See Explanatory Note 6 for more detail.
- (5) Based on the average of the last two years in historical schedule. The Board anticipates collapsing Depreciation and Amortization into a single line item going forward.
- (6) Based on the average of the five years in historical schedule.
- (7) Based on preliminary estimates associated with obtaining \$100 million in proceeds.
- (8) Annual bond issues with two years of capitalized interest are expected throughout the forecast period. See Explanatory Note 8 for more detail.
- (9) Rate covenant requires coverage of 1.25 on Senior Debt Service.
- (10) Rate covenant require coverage of 1.10 on Total Debt Service.
- (11) Rate covenant requires coverage of 1.00 on Total Debt Service after excluding certain revenues including FEMA O&M expense reimbursement grants.



						Fiscal	Yea	r			
		2009		2010		2011		2012		2013	2014
Revenues											
Operating Revenues											
Sewer Sales	\$	66,102,946	\$	69,534,779	\$	70,358,076	\$	71,407,835	\$	78,535,785	\$ 86,553,262
Plumbing inspection & license fees	-	242,224		373,213		379,036		343,903	_	321,518	 339,176
Subtotal: Sewer Sales and Fees	\$	66,345,170	\$	69,907,992	\$	70,737,112	\$	71,751,738	\$	78,857,303	\$ 86,892,438
Other Revenues Additional Revenue	\$	388,528	\$	260,785	\$	3,044,483	\$	288,943	\$	766,030	\$ 906,120
Total Operating Revenues	\$	66,733,698	\$	70,168,777	\$	73,781,595	\$	72,040,681	\$	79,623,333	\$ 87,798,558
Non-Operating Revenue	\$	499,506	\$	14,756,175	\$	427,166	\$	350,944	\$	451,435	\$ 574,919
O&M Expense Reimbursements		2,772,395		2,957,463		(35,272)		7,463		5,367	383,354
Total Non-operating Revenues	\$	3,271,901	\$	17,713,638	\$	391,894	\$	358,407	\$	456,802	\$ 958,273
Total Revenues	\$	70,005,599	\$	87,882,415	\$	74,173,489	\$	72,399,088	\$	80,080,135	\$ 88,756,831
Expenses											
Operating Expenses											
O&M Expenditures	\$	49,879,872	\$	44,361,297	\$	43,173,641	\$	44,869,796	\$	45,378,129	\$ 40,895,599
Depreciation & Amortization		9,669,386		10,112,927		10,042,062		14,504,047		13,389,705	15,005,720
Provision for Bad Debts		(2,550,372))	1,801,499		(801,413)		525,961		824,362	944,199
Provision for Claims	-										565,222
Total Operating Expenses	\$	56,998,886	\$	56,275,723	\$	52,414,290	\$	59,899,804	S	59,592,196	\$ 57,410,740
Net Revenues	\$	13,006,713	\$	31,606,692	\$	21,759,199	\$	12,499,284	\$	20,487,939	\$ 31,346,091
Less: Transfers to Rate Stabilization	\$	-	\$		\$	_	\$	_	\$	-	\$ -
Plus: Transfers from Rate Stabilization		7.5		-							-
Plus: Depreciation & Amortization		9,669,386		10,112,927		10,042,062		14,504,047		13,389,705	15,005,720
Phis: Provision for Bad Debts		(2,550,372))	1,801,499		(801,413)		525,961		824,362	944,199
Rate Covenant Net Revenues	\$	20,125,727	S	43,521,118	S	30,999,848	\$	27,529,292	\$	34,702,006	\$ 47,296,010
Total Debt Service											
Senior Debt Payment	\$	20,313,968	\$	20,250,057	\$	20,263,432		20,713,082	\$	20,726,719	18,472,037
Total Debt Service	\$	20,313,968	\$	20,250,057	\$	20,263,432	\$	20,713,082	\$	20,726,719	\$ 18,472,037
Senior Debt Service Coverage		0.99	L	2.15		1.53		1.33		1.67	2.56
Rate Covenant Net Revenue after Debt Service	\$	(188,241) \$	23,271,061	\$	10,736,416	\$	6,816,210	\$	13,975,287	\$ 28,823,973
Ending Balance of Available Funds (2) Days of Cash on Hand	\$	(260,693 (2)	\$	(1,682,636)	\$	2,083,063 18	\$	9,548,524 78	\$	22,397,304 180	\$ 25,554,380 228

⁽¹⁾ The data for this schedule comes primarily from the Board's Comprehensive Annual Financial Reports (CAFRs).



⁽²⁾ For 2009 through 2012, the balance was assumed to be the unrestricted and undesignated cash and cash equivalents from the CAFRs, and in 2013 and 2014 the total also included the cash and cash equivalent designated for capital projects, which was not previously segregated in the Board's CAFRs.

SEWERAGE AND WATER BOARD OF NEW ORLEANS SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

FOR THE SIX FISCAL YEARS ENDING DECEMBER 31, 2015 THROUGH DECEMBER 31, 2020

1. Basis of Presentation

Raftelis Financial Consultants, Inc. ("RFC") has been engaged by the Sewerage and Water Board of New Orleans (the "Board" or "SWBNO") to evaluate the financial feasibility of proposed improvements to its Sewerage System. The opinion letter to the Board is based upon the Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the "Forecast Statement") and the Summary of Significant Forecast Assumptions (taken together, the "Feasibility Evaluation") which presents, to the best of the Board's knowledge and belief, based upon available information, the expected revenue, expenses, debt service, and debt service coverage for the Board's Sewerage System during the forecast period.

All schedules in the Feasibility Evaluation have been presented in accordance with the Board's annual accounting cycle, based upon its fiscal year beginning January 1 and ending December 31 ("Fiscal Year" or "FY"). Accordingly, the forecast reflects the Board's judgment as of July ___, 2015, the date of this forecast, of the expected conditions and the Board's expected course of action during each of the six fiscal years ending December 31, 2015 through December 31, 2020.

The Feasibility Evaluation has been included as a part of the Official Statement for the Board's Sewerage System Revenue Bonds, Series 2015 ("Series 2015 Bonds"), which are being issued under the General Sewerage Service Revenue Bond Resolution ("General Bond Resolution"), dated as of July ___, 2015. This Feasibility Evaluation focuses on evaluating the impact of the Series 2015 Bonds, the proceeds of which (\$___ million in new money) will be used to finance various improvements to the Board's Sewerage System. The proceeds from the Series 2015 Bonds will not be sufficient to fund all of the Board's capital needs during the forecast period. To fund the remaining capital needs of the Sewerage System, the Board plans to annually issue additional revenue bonds and utilize cash generated from user rates and charges.

The Feasibility Evaluation is based upon cost, operating, demographic and other relevant information provided by the Board and the debt service schedules provided to the Board by its Financial Advisor, Public Financial Management, Inc. The Feasibility Evaluation is presented in conformity with the methodology for calculating debt service coverage for Indebtedness set forth in the General Bond Resolution. (The definitions of capitalized terms, not specifically provided in this document, are provided in the General Bond Resolution.)

The General Bond Resolution sets forth a three-part debt service coverage test as part of the Rate Covenant in Section 7.01. The Board shall fix, charge and collect rates, fees, and other charges for the use of and the services furnished or to be furnished by the System, and that from time to time and as often as shall appear necessary, revise such rates, fees, and other charges so as to meet the following three independent requirements: (i) for the Tested Fiscal Year to (A) pay Annual Debt Service on Senior Debt, (B) deposit the necessary amount in any Series Debt



Service Reserve Account, (C) to pay Annual Debt Service on Subordinate Debt (including reserves), (D) deposit the necessary amount(s) in the Operating Reserve Fund, and (E) pay all other amounts which the Board may by law or contract be obligated; (ii) for each Fiscal Year to generate Rate Covenant Net Revenues sufficient to at least equal 125% of the Annual Debt Service with respect to Senior Debt and 110% of the aggregate Annual Debt Service with respect to Senior Debt and Subordinate Debt; and (iii) for each Fiscal Year to generate Adjusted Rate Covenant Net Revenues (excluding transfers from the Rate Stabilization Fund to the Revenue Fund and proceeds of Grants) sufficient to at least equal 100% of the Annual Debt Service.

Forecasts of revenues and expenses are prepared on an accrual basis, and are then adjusted to be consistent with the Board's budgeting process, and the specific requirements of the coverage tests identified in the General Bond Resolution. Compliance with the Rate Covenant is demonstrated on the Forecast Statement under the headings Senior Debt Service Coverage and Total Debt Service Coverage. Since the ratios calculated using Rate Covenant Net Revenues are greater than 1.25 for Senior Debt and 1.10 for Total Debt in each year of the Forecast Statement, the requirements under the first and second parts of the test related to Indebtedness are met. Once adjusted for transfers from the Rate Stabilization Fund and proceeds of Grants, the total debt service coverage on Adjusted Rate Covenant Net Revenues is well above 1.00, satisfying the third part of the test.

The assumptions disclosed herein are those that the Board believes are significant to the Forecast Statement. There will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.



2. Background

Governance & Overview of Service Area

SWBNO was created in 1899 by Louisiana State Statutes and established as a "special board" operating independently of the government of the City of New Orleans. Even though SWBNO is a political subdivision of the State of Louisiana, SWBNO must obtain approval by the Board of Liquidation, City Debt and the New Orleans City Council to issue debt, modify millages, or increase rates and charges.

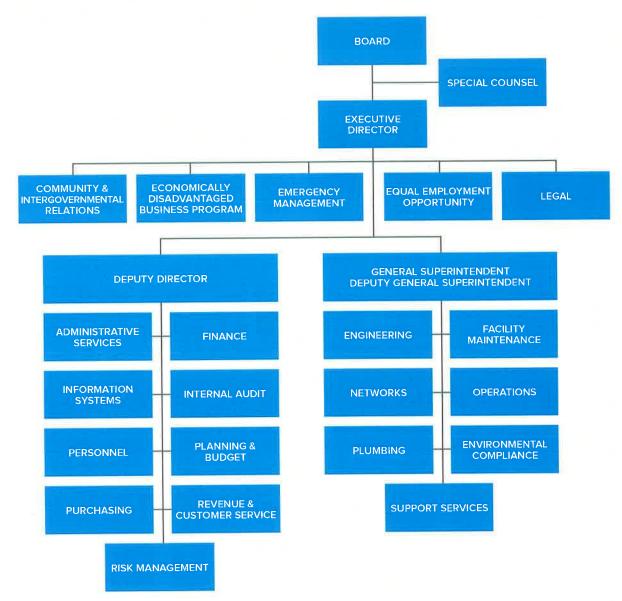
The Board of Directors includes 11 members – the Mayor of New Orleans, who serves as the President of the Board of Directors; two representatives of the Board of Liquidation, City Debt of the City of New Orleans; and eight appointees of the Mayor. The length of terms is four years, with a limit of two terms. The Mayor's appointees are selected by the Mayor from a list of three names per position that is provided by a ten member selection committee of community leaders. At least one appointee is from each of the City's five council districts, and the Board, as a whole, attempts to reflect the racial and gender composition of the City.

According to the Census Bureau, the estimated 2014 population of New Orleans is 384,320. The population has increased from an estimate of 208,548 in 2006 following Hurricane Katrina. Over the last four years, the population has increased 3.7%, 2.4%, 2.6%, and 1.5%. Prior to Hurricane Katrina the population was approximately 455,000. Therefore, the City anticipates additional growth in future years.



Exhibit 1

SWBNO Organizational Chart as of January 1, 2015



Sewerage System

The flat New Orleans topography has required a robust system for sewage collection and disposal. The Sewerage System of the City is a gravity collection system, consisting of 1,536 miles of lateral and trunk sewers, ranging in size from 8 inches to 72 inches in diameter. Lifting and conveying the sewage by trunk sewers and sewer force mains requires 83 pumping and lift stations.

The Board has two sewage treatment plants, one on the east bank and one in Algiers, with a combined treatment capacity of 162 million gallons per day. The plants are currently operated by a large private contract operator. Both plants were built in the 1970s and have been upgraded,



modernized, and expanded to increase capacity and to keep up with the growth of the City. The plants discharge treated wastewater into the Mississippi River.

The Board began a major rehabilitation and capacity upgrade of its aging sewage collection system in 1996. Like most of the nation's major metropolitan areas, New Orleans' underground water and sewer systems are at least 40 years old and, in some cases, over 100 years old. Factors common to this area, such as unstable soil conditions and large numbers of tree roots, contribute to a higher-than-normal number of breaks and deterioration of the sewer pipes.

Sewerage System Projects

There is one major project that is currently underway or planned that will rehabilitate and update the Board's Sewerage System, the Sewer System Evaluation and Rehabilitation Program (SSERP);

Sewer System Evaluation and Rehabilitation Program (SSERP)

The Board has undertaken a multi-year program, the SSERP, to identify and address structural and mechanical deficiencies in the wastewater collection system. The SSERP, underway since 1996, is part of the EPA Consent Decree the Board signed in 1998. With the implementation of repairs identified and completed in the SSERP, the Board will not only be in compliance with federal regulations, but will also be accomplishing its goals of protecting the environment and increasing the sustainability of the Sewerage System.

Hurricane Katrina also caused extensive damage to the sewer collection system. As evidenced by the extent of damage in the areas where SSERP repairs had not yet been completed, it is clear that the work completed under the SSERP is greatly improving the resiliency and dependability of the Sewerage System. Work under the SSERP was interrupted following the storm, and the Board invoked Force Majeure with respect to its obligations under the Consent Decree. On March 22, 2010, the Board entered into a Modified Consent Decree that maintained the same basic structure of the original 1998 Decree. Subsequently, the Board has entered into a Second Modified Consent Decree and a Third Modified Consent Decree due to the ongoing impact caused by Hurricane Katrina. The completion dates identified in the Third Modified Consent Decree for the five basins range from March 31, 2018 to October 31, 2025.



3. Demand for Services

The Board provides sewerage service to all of the residential, commercial, and industrial customers within the City and Orleans Parish. As mentioned above, some of the population lost following Hurricane Katrina has returned, but the City is still 17% below its pre-Katrina population level. The City expects to continue to grow, and the forecast assumes a moderate level of growth in customers (2% annually) through the forecast period. However, like most utilities across the country, the Board is seeing declining per capita consumption. In addition, the Board anticipates there being some price elasticity impact due to the annual rate increases. Therefore, the forecast includes a resistance factor, which dampens the growth in sewerage sales. The resistance factor is 2% for 2015 and 1% for the remainder of the forecast period. As an example, the following equation is used to forecast sewerage sales for 2016.

2016 projected sales = 2015 projected sales * (1 + account growth factor) * (1 - resistance factor)

Exhibit 2 presents the projected number of sewerage accounts and sewerage sales by customer class. Residential customers account for over 85% of total sewerage accounts of the Sewerage System.

Exhibit 2

Sewerage Account and Sales Projections

			Fiscal Ye	ar		
	2015	2016	2017	2018	2019	2020
Residential						x
Customers	110,323	112,529	114,780	117,076	119,418	121,806
Sales (1,000,000 gal)	5,545	5,486	5,428	5,370	5,368	5,366
Sales per Customer (1,000 gal)	50	49	47	46	45	44
Multi-Family						
Customers	4,690	4,784	4,880	4,978	5,078	5,180
Sales (1,000,000 gal)	676	669	662	655	654	654
Sales per Customer (1,000 gal)	144	140	136	132	129	126
Commercial						
Customers	10,420	10,628	10,841	11,058	11,279	11,505
Sales (1,000,000 gal)	5,480	5,422	5,365	5,308	5,306	5,304
Sales per Customer (1,000 gal)	526	510	495	480	470	461
Industrial						
Customers	28	28	28	28	28	28
Sales (1,000,000 gal)	151	151	151	151	151	151
Sales per Customer (1,000 gal)	5,393	5,393	5,393	5,393	5,393	5,393
Total						
Customers	125,461	127,969	130,529	133,140	135,803	138,519
Sales (1,000,000 gal)	11,852	11,728	11,605	11,484	11,479	11,475

The Board has a diverse customer base, with the Board's ten largest customers accounting for only approximately __% of annual sewerage revenues in FY 2014. Three of the largest four customers of the Board (on an annual revenue basis) are Tulane University, the University of New Orleans, and the Housing Authority of New Orleans. All of these customers are highly



stable and do not present a risk of significant decrease in consumption during the forecast period. Exhibit 3 shows the largest customers of the Sewerage System by revenues.

Exhibit 3

Largest Water Customers by Revenue [Update with 2014 list]

	Type of	Number of		2	013 Sewer	% of Sewer
Customer's Name	Business	Accounts	Gallons Used		Revenue	Revenue
Tulane University	University	57	142,837,200	\$	779,322	0.99%
UNO	University	5	99,166,800	\$	482,530	0.61%
Traingle Real Estate	Housing	9	92,780,400	\$	475,970	0.61%
Housing Authority of New Orleans	Housing	156	80,137,200	\$	415,298	0.53%
LSU Medical	Hospital	17	65,655,600	\$	377,147	0.48%
Hyatt	Hotel	2	71,588,400	\$	336,543	0.43%
Children's Hospital	Hospital	3	62,083,200	\$	293,871	0.37%
Hilton	Hotel	4	39,498,000	\$	286,763	0.37%
Exhibition Hall Authority	Government	4	57,564,000	\$	265,512	0.34%
Ritz Carlton Hotel	Hotel	3	57,121,200	\$	259,373	0.33%
TOTAL				\$	3,972,330	5.06%



4. Rates and Charges

Each of the Board's three systems (water, sewerage, and drainage) operates as a distinct business enterprise. Appropriate fees and charges have been established to ensure that the Sewerage System can operate on a self-sustaining basis.

The Board initiated a comprehensive water and sewerage rate study in 2010. Over the next two and a half years, the Board worked diligently to identify an appropriate set of rate increases for implementation. Originally a five-year program of rate increases was contemplated, but later it evolved into an eight-year program of annual 10% sewerage rate increases, with the rate increases being applied across-the-board to the monthly base charges and the volumetric charge. The initial increase was implemented on January 1, 2013, so the Board is currently in the third year of the eight-year program.

Current Charges

The Board employs a sewerage rate structure with two components: a monthly service charge and a volumetric rate based on water consumed. The monthly service charge increases based on a customer's meter size. The volumetric rate is assessed as a uniform per thousand gallons rate for all customers. To recognize that a portion of the water used is not discharged to the Sewerage System, residential customers are assessed the volumetric charge based on 85% of water consumed, while non-residential customers are assessed the volumetric charge on 100% of water consumed.

Forecast Charges

The rates and charges forecast for 2016 through 2020 assume the approved annual 10% rate increases will be implemented. Even though the rates and charges will increase 61% during this five-year period, we believe they will remain reasonable with respect to peer utilities and relatively affordable. See Explanatory Note 12 for an additional discussion on affordability of rates.

Exhibit 4 shows the Board's current and forecast sewerage rates.



Exhibit 4

Current and Projected Monthly Sewerage Rates and Charges

			Fisca	l Yea	Г		
	2015	2016	2017		2018	2019	2020
Fixed Charge			,				
Meter Size							
5/8-inch	\$ 15.44	\$ 16.98	\$ 18.68	\$	20.55	\$ 22.61	\$ 24.87
3/4-inch	\$ 21.97	\$ 24.17	\$ 26.59	\$	29.25	\$ 32.18	\$ 35.40
1-inch	\$ 31.28	\$ 34.41	\$ 37.85	\$	41.64	\$ 45.80	\$ 50.38
1-1/2-inch	\$ 57.57	\$ 63.33	\$ 69.66	\$	76.63	\$ 84.29	\$ 92.72
2-inch	\$ 84.19	\$ 92.61	\$ 101.87	\$	112.06	\$ 123.27	\$ 135.60
3-inch	\$ 199.65	\$ 219.62	\$ 241.58	\$	265.74	\$ 292.31	\$ 321.54
4-inch	\$ 332.75	\$ 366.03	\$ 402.63	\$	442.89	\$ 487.18	\$ 535.90
6-inch	\$ 665.50	\$ 732.05	\$ 805.26	\$	885.79	\$ 974.37	\$ 1,071.81
8-inch	\$ 998.25	\$ 1,098.08	\$ 1,207.89	\$	1,328.68	\$ 1,461.55	\$ 1,607.7
10-inch	\$ 1,331.00	\$ 1,464.10	\$ 1,610.51	\$	1,771.56	\$ 1,948.72	\$ 2,143.59
12-inch	\$ 1,530.65	\$ 1,683.72	\$ 1,852.09	\$	2,037.30	\$ 2,241.03	\$ 2,465.13
16-inch	\$ 2,063.05	\$ 2,269.36	\$ 2,496.30	\$	2,745.93	\$ 3,020.52	\$ 3,322.5
Volumetric Rates							
All Usage	\$ 5.37	\$ 5.91	\$ 6.50	\$	7.15	\$ 7.87	\$ 8.6
proved Rate Increases	10.00%	10.00%	10.00%)	10.00%	10.00%	10.00

Exhibit 5 shows the current and projected sewerage costs for a residential customer having a 5/8" meter and that uses 5,300 gallons of water per month (the typical residential meter size and median residential monthly usage).

Exhibit 5

Residential Customer Bills, FY 2015 to FY 2020 (Usage of 5,300 gallons per month)

	Monthly Service	Volumetric	Total Sewerage	
	Charge	Charge	<u>Bill</u>	% Change
FY 2015	\$15.44	\$24.19	\$39.63	N/A
FY 2016	\$16.98	\$26.62	\$43.60	10.0 %
FY 2017	\$18.68	\$29.28	\$47.96	10.0 %
FY 2018	\$20.55	\$32.21	\$52.76	10.0 %
FY 2019	\$22.61	\$35.45	\$58.06	10.0 %
FY 2020	\$24.87	\$39.01	\$63.88	10.0 %



5. Revenues

In order to meet the financial obligations of the Series 2015 Bonds, other debt service obligations and other sewerage expenses, sewerage revenue requirements must be recovered exclusively from revenues associated with the Sewerage System. Revenues, as defined in the General Bond Resolution, include operating revenues (charges for services and other operating revenues) and non-operating revenues as identified in this Feasibility Evaluation.

Exhibit 6 shows the projection of operating and non-operating revenues during the forecast period. Operating revenues are primarily comprised of revenues from user rates and charges. These revenues have increased due to the rate increases as well as field account reviews and appropriate billing of the school system. These last two revenue enhancements were included as "Additional Revenue" in the Feasibility Report for the 2014 bond issue, but have been incorporated into the Sewer Sales line item for this analysis. In addition, there are revenues from plumbing inspection and license fees and other revenues.

Overall, total operating revenues are forecast to increase at an average compound rate of 10.7% per year over the forecast period, which is driven by projected rate increases and expectations for 2% growth in customers. The Board has a high collection rate and this is expected to continue through the forecast period, so no impact from collections has been assumed in the Feasibility Evaluation.

Regarding non-operating revenues, at this point the Board does not anticipate receiving any FEMA reimbursements for point repairs that are necessary due to the effects of Hurricane Katrina during the forecast period.

Exhibit 6

Estimated Annual Sewerage Revenues

	Fiscal Year													
		2015		2016		2017		2018		2019		2020		
Operating Revenues	77													
Sewer Sales and Delinquent Fees	\$	96,849,529	\$	107,171,025	\$	119,043,432	\$	132,231,063	\$	146,879,620	\$	163,150,944		
Plumbing Inspection & License Fees		321,517		331,529		331,529		331,529		331,529		331,529		
Other Revenue		288,943		562,509		562,509		562,509		562,509		562,509		
Additional Revenue				3.5				-		-		-		
Total Operating Revenues	\$	97,459,989	\$	108,065,063	\$	119,937,469	\$	133,125,100	\$	147,773,658	\$	164,044,982		
Non-Operating Revenues														
Non-Operating Revenue	\$	470,944	\$	462,061	\$	462,061	\$	462,061	\$	462,061	\$	462,061		
FEMA O&M Expense Reimbursement														
Total Non-Operating Revenues	\$	470,944	\$	462,061	\$	462,061	\$	462,061	\$	462,061	\$	462,061		
Total Revenues	\$	97,930,933	S	108,527,123	\$	120,399,530	\$	133,587,161	\$	148,235,718	s	164,507,042		



6. Operating and Non-operating Costs

Expenditures are categorized as operating expenses, non-operating expenses, or other budgeted expenditures and transfers. Exhibit 7 shows a combined forecast of operating and non-operating expenses for the Sewerage System. Operating expenses represent normal recurring expenses incurred during the Board's annual accounting cycle based upon its fiscal year ending December 31st. Projected operating expenses are based on budget information from the FY 2015 sewerage budget. Escalation rates differ for each budget line item, but overall the costs are escalated by an average growth rate of 3.2%.

The Board recognizes that its current operating costs are too low to allow it to efficiently and sustainably run the Sewerage System. As a result, the Board is anticipating increases in O&M expenses to get it consistent with national standards for O&M expenses. At the same time, the Board anticipates gaining some efficiencies as it spends more on operations and maintenance, so efficiency savings of between 1.5% and 2.0% are assumed during the forecast period. The projects identified in the CIP are not expected to increase the operating costs of the Sewerage System. In fact, the improvements are more likely to reduce costs, but no reduction in costs has been included in the Forecast. Overall, the compounded annual O&M expense increase is 6.2% for the forecast period. These increases in operating expenses should allow the Board to operate the Sewerage System in a sustainable manner through the forecast period and beyond.

Non-operating expenses include revenue funded capital (also known as PAYGO) and repayments. The level of revenue funded capital is projected to vary over the forecast period. The initial amount of \$14,000,000 in FY 2015 will decrease to \$8,000,000 in 2016 and then increase to \$25,000,000 by FY 2020, and in total, will fund approximately __% of the Board's six-year capital plan. The revenue funded capital spending generates revenue to support the Board's debt service coverage ratios at an increasing level, as shown on the Forecast Statement. The Sewerage System anticipates making payments to the City's Department of Public Works and to claimants during the forecast period for expenses accrued in previous years. These expenses are currently accounted for in accounts payable, which will be reduced through the cash payments. Debt service obligations are not included in non-operating costs.



Exhibit 7

Operating and Non-Operating Expenses

		Fiscal Year												
		2015		2016		2017		2018		2019		2020		
Operating and Maintenance														
Executive Director	\$	2,002,770	\$	2,064,710	\$	2,128,601	\$	2,194,506	\$	2,262,491	\$	2,332,623		
Gen Administrative		1,814,644		1,871,983		1,931,188		1,992,320		2,055,447		2,120,635		
Management Services Director		9		23		(34)		-				*		
Personnel		702,961		725,710		749,224		773,530		798,658		824,635		
Finance		795,111		820,691		847,125		874,442		902,675		931,854		
Information Systems		2,170,565		2,236,167		2,303,762		2,373,410		2,445,174		2,519,120		
Revenue		4,754,425		4,909,379		5,069,597		5,235,269		5,406,590		5,583,764		
Purchasing		235,741		243,186		250,874		258,812		267,008		275,472		
Support Services		3,735,917		3,869,044		4,007,217		4,150,641		4,299,527		4,454,099		
Miscellaneous Expenses (1)		(334,042)		(344,063)		(354,385)		(365,017)		(375,967)		(387,246)		
General Supt.		187,224		193,199		199,371		205,746		212,333		219,138		
Operations		15,717,536		15,932,036		16,447,530		16,980,365		17,531,156		18,100,539		
Facility Maintenance		2,387,891		2,464,106		2,542,837		2,624,170		2,708,195		2,795,006		
Networks		16,525,664		16,770,164		17,022,935		17,284,272		17,554,482		17,833,882		
Engineering		1,437,829		1,483,364		1,530,385		1,578,942		1,629,089		1,680,879		
Plumbing		616,636		634,818		653,628		673,089		693,225		714,061		
Payroll Related		3,117,318		3,250,073		3,388,837		3,533,892		3,685,534		3,844,071		
Additional O&M (2)		1,974,875		3,949,750		6,043,118		8,199,286		10,420,140		10,732,744		
Efficiency Savings (3)		(331,557)		(642,308)		(682,162)		(723,403)		(766,084)		(810,257)		
Total O&M Expenses	\$	57,511,508	\$	60,432,009	\$	64,079,680	\$	67,844,273	\$	71,729,672	\$	73,765,018		
Non-Operating														
Revenue Funded Capital	\$	14,000,000	\$	8,000,000	\$	13,000,000	\$	15,000,000	\$	20,000,000	\$	25,000,000		
Repayments (4)		2,911,000		2,911,000		486,000				-		- 12		
Total Non-Operating Expenses	\$	16,911,000	\$	10,911,000	\$	13,486,000	\$	15,000,000	\$	20,000,000	\$	25,000,000		
Total Costs	S	74,422,508	\$	71,343,009	\$	77,565,680	\$	82,844,273	\$	91,729,672	\$	98,765,018		

^[1] Miscellaneous Expenses is negative because it includes a large negative overhead allocation to capital.



⁽²⁾ The Board has identified the need to increase O&M to become more consistent with other sustainably run sewerage utilities.

⁽³⁾ The Board anticipates gaining efficacy as it increases its O&M spending so there should be some offsetting savings. The savings is estimated at 1.0% to 1.5% of total O&M with the savings beginning in 2014 and incorporated into the 2014 budget.

⁽⁴⁾ Repayments to DPW and Claimants are the result of arrangements prior to the forecast.

7. Capital Expenditures and Funding Sources

The Capital Improvement Plan ("CIP") for the Board consists of a variety of sewerage projects that are anticipated to occur over the six-year forecast period. The Board remains under a consent decree and a portion of the Sewerage CIP is required as part of the consent decree. Another portion of the CIP relates to projects associated with repairing and replacing aging infrastructure. Much of the Sewerage System was built at least 75 years ago, so there is significant need to recapitalize parts of the Sewerage System. Overall, the Board's CIP provides a comprehensive list of projects needed to upgrade and maintain the Sewerage System facilities to ensure the Board is in compliance with all federal, state, and local regulations and mandates. The Sewerage System has sufficient capacity to meet current and projected demand, so the CIP is not focused on system extensions or increased treatment capacity.

Over the six-year period, the Board anticipates spending approximately \$318 million (in 2015 dollars) on capital projects (or approximately \$354 million in escalated dollars)¹. The Board will be responsible for a little over \$340 million (escalated) of the CIP, while other contributors, such as the FEMA or the Corps of Engineers, are projected to spend a little over \$13 million. Exhibit 8 shows the un-escalated and escalated six-year CIP with the responsibilities of the Board.

Exhibit 8

Six-Year CIP [To be updated with accelerated capital plan]

	Fiscal Year													
	,	2015		2016		2017		2018		2019		2020		Total
Unescalated CIP Projects to be Funded by the Board CIP Projects to be Funded by Others	\$	46,021,000 6,200,000	\$	59,861,000 1,200,000	\$	36,714,000 1,200,000	\$	58,999,000 1,300,000	\$	43,382,000 1,300,000		60,803,000 1,300,000		305,780,000 12,500,000
Total Capital Projects	\$	52,221,000	\$	61,061,000	\$	37,914,000	\$	60,299,000	\$	44,682,000	\$	62,103,000	\$	318,280,000
Escalated CIP Projects to be Funded by the Board CIP Projects to be Funded by Others	\$	47,401,630 6,386,000	\$	63,506,535 1,273,080	\$	40,118,379 1,311,272	\$	66,403,894 1,463,161	\$	50,291,628 1,507,056	\$	72,601,962 1,552,268	\$	340,324,028 13,492,8 <u>38</u>
Total Capital Projects	\$	53,787,630	\$	64,779,615	\$	41,429,651	\$	67,867,056	\$	51,798,684	\$	74,154,230	\$	353,816,866

The Board plans to issue additional debt annually to address capital needs during the forecast period. Exhibit 9 shows the six-year capital spending plan for the Sewerage System, along with projected funding sources. Exhibit 9 excludes capital expenditures that are planned but will be funded beyond the forecast period.

¹ The CIP was prepared in 2015 dollars so costs have been escalated 3.0% annually.



Draft Report

Exhibit 9

Six-Year Capital Funding Projections

					Fisca	Ye	аг		
		2015		2016	2017		2018	2019	2020
Beginning Unspent Bond Proceeds	\$	23,521,000	\$	63,167,870	\$ 80,709,835	\$	126,639,956	\$ 148,284,562	\$ 180,992,934
Sources of Funds									
Current Revenue Funded Capital	\$	14,000,000	\$	8,000,000	\$ 13,000,000	\$	15,000,000	\$ 20,000,000	\$ 25,000,000
Revenue Bond Proceeds		90,905,000		90,905,000	90,905,000		90,905,000	78,400,000	78,400,000
Participation by Others		6,386,000		1,273,080	1,311,272		1,463,161	1,507,056	1,552,268
Total Sources	S	134,812,000	S	163,345,950	\$ 185,926,108	\$	234,008,117	\$ 248,191,618	\$ 285,945,202
Uses of Funds									
Capital Improvement Program	\$	53,787,630	\$	64,779,615	\$ 41,429,651	\$	67,867,056	\$ 51,798,684	\$ 74,154,230
Capitalized Interest Fund		9,740,000		9,740,000	9,740,000		9,740,000	8,400,000	8,400,000
Debt Issuance Costs		1,217,475		1,217,475	1,217,475		1,217,475	1,050,000	1,050,000
Debt Service Reserve Fund		6,899,025		6,899,025	6,899,025		6,899,025	5,950,000	5,475,870
Total Uses	\$	71,644,130	\$	82,636,115	\$ 59,286,151	\$	85,723,556	\$ 67,198,684	\$ 89,080,100
Ending Unspent Bond Proceeds	\$	63,167,870	\$	80,709,835	\$ 126,639,956	\$	148,284,562	\$ 180,992,934	\$ 196,865,102

⁽¹⁾ The capitalized interest funding, debt issuance costs, and debt service reserve funding for 2015 have been incorporated in the debt service numbers provided by the Financial Advisor, so only the net revenue bond proceeds are shown for 2015, while the gross proceeds are shown for 2016 - 2020.

The Board plans to pay for a significant portion of the projected capital needs with revenue generated from utility operations. The level of this revenue funded capital is projected to vary during the forecast period, but is expected to fund approximately __% of the six-year CIP. The revenue funded capital will support the Board's debt service coverage ratios, as shown on the Forecast Statement.



8. Financing Plan

The Board has worked with its underwriters, financial advisors, consulting engineers, and qualified independent consultants (the "Financing Team") to evaluate various financing strategies for the CIP projects funded with the Series 2015 Bonds and future revenue bonds. The Board has selected a financing plan designed to accomplish the following objectives:

- Conform with credit criteria established by rating agencies;
- Minimize debt service and related charges; and
- Provide funds as needed and in the most cost-effective manner.

The proceeds from the Series 2015 Bonds will be available in July 2015 to fund the capital projects described in Explanatory Note 7.

Exhibit 10 Sources and Uses of Series 2015 Bonds

	S	Series 2015	
Sources	-		
Bond Proceeds:			
Par Amount			
Premium			
Subtotal	\$	12	
Other Sources of Funds:			
Total	\$	(w)	
Uses			
Project Fund Deposits			
Project Fund	\$	81,165,000	
Other Fund Deposits			
Sewerage Capitalized Interest Fund		9,740,000	
Debt Service Reserve Fund			
Subtotal		9,740,000	
Delivery Date Expenses			
Cost of Issuance			
Underwriter's Discount			
Subtotal	0:		
Other Uses of Funds			
Additional Proceeds		9	
Total	\$	90,905,000	

Exhibit 11 shows the debt service schedule for current Outstanding Indebtedness for the Sewerage System. The Board's Indebtedness has been classified as Senior Indebtedness or Subordinated Indebtedness, consistent with the current General Bond Resolution.



Exhibit 11

Existing Long-Term Debt Service

	Fiscal Year													
		2015		2016		2017		2018		2019		2020		
Senior Debt Service Series 2011	\$	494,624	\$	494,663	\$	493,668	\$	494,635	\$	494,560	\$	494,446		
Series 2014	Ψ	15,897,950	Ψ	18,042,388	Ψ	19,309,825	4	17,642,450		16,217,450	_	16,234,075		
Total Senior Debt	\$	16,392,574	\$	18,537,050	\$	19,803,493	\$	18,137,085	\$	16,712,010	\$	16,728,521		
Other Debt Service									2	50507950		15 200 200		
GO Zone Repayment	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,582		
Total Other Debt	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,582	\$	6,233,583		
Total Existing Debt Service	\$	22,626,156	\$	24,770,632	\$	26,037,075	\$	24,370,667	S	22,945,592	\$	22,962,104		

Exhibit 12 shows the forecasted debt service beyond 2015, which includes annual issues throughout the forecast period. The assumptions used to project future debt service include:

- 25-year term;
- 6.0% interest rate;
- 2 years of capitalized interest;
- 1.5% issuance costs;
- 8.5% debt service reserve requirement; and
- Equal annual total debt service payments.

Using these assumptions, it is anticipated that the size of future bond issues during the forecast period (issued after the Series 2015 Bonds) will be as follows:

Series 2016 Bonds – \$99,995,500

Series 2017 Bonds - \$99,995,500

Series 2018 Bonds – \$99,995,500

Series 2019 Bonds – \$86,240,000

Series 2020 Bonds – \$86,240,000

Exhibit 12

Projected Debt Issuances after 2015

	Se	eries 2016 Bon	ds	Serie	es 2017 B	onds	Seri	es 2018 B	onds	Seri	es 2019 B	onds	Seri	es 2020 B	onds	
Net Proceeds		\$81,165,	000	\$	\$81,165,000		:	\$81,165,000			\$70,000,00	00	\$70,000,000			
Capitalized Interest (2 yr)		\$9,740,	,000		\$9,740,00	00		\$9,740,00	00		\$8,400,00	00		\$8,400,0	00	
Cost of Issuance		\$1,363,	575		\$1,363,57	75		\$1,363,57	75		\$1,176,00	00		\$1,176,0	00	
Debt Service Reserve Fund		\$7,726	,925		\$7,726,92	25		\$7,726,92	25		\$6,664,00	00		\$6,664,0	00	
Total		\$99,995	,500		\$99,995,50	00		\$99,995,50	00		\$86,240,00	00		\$86,240,0	00	
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Grand Total
2016			1575	-	ŝ	3	23	92	2	5	:#:	**	÷	-	-	0
2017			177	100	-	-	-20	74	2	44	-	H	-	**	-	0
2016	2,047,862	5,774,458	7,822,320		-	-	-	95	-	24	-	146	100	***	~	7,822,320
2019	2,170,734	5,651,588	7,822,320	2,170,734	5,651,586	7,822,320	-	0.225	52	44	-	100	=	200	-	15,644,640
2020	2,300,978	5,521342	7,822,320	2,300,978	5,521,342	7,822,320	2,300,978	5,521,342	7,822,320	A	-	**	-	-	-	23,466,959
2021	2,439,036	5,383,284	7,822,320	2,439,036	5,383,284	7,822,320	2,439,036	5,383,284	7,822,320	2,103,520	4,642,753	6,746,272	20	1	-	30,213,232
2022	2,585,378	5,236,941	7,822,320	2,585,378	5,238,941	7,822,320	2,585,378	5,236,941	7,822,320	2,229,731	4,516,541	6,746,272	2,229,731	4,516,541	6,746,272	36,959,504

Exhibit 13 shows the forecast debt service, which includes annual issues throughout the forecast period. It should be noted that due to the two years of capitalized interest, there will be no debt service from the Series 2019 and Series 2020 Bonds during the forecast period.

Overall, these assumptions are very conservative, and it should be anticipated that the actual debt service will have lower costs and can be structured to better meet the objectives of the Board.

Exhibit 13

Projected Long-Term Debt Service

					Fiscal	l Yea	ī		
		2015		2016	2017		2018	2019	2020
Senior Debt Service	-								/4
Existing Debt	\$	16,392,574	\$	18,537,050	\$ 19,803,493	\$	18,137,085	\$ 16,712,010	\$ 16,728,521
Proposed Series 2015 (1)					7,822,320		7,822,320	7,822,320	7,822,320
Projected Series 2016							7,822,320	7,822,320	7,822,320
Projected Series 2017								7,822,320	7,822,320
Projected Series 2018									7,822,320
Total Senior Debt	\$	16,392,574	\$	18,537,050	\$ 27,625,813	\$	33,781,725	\$ 40,178,969	\$ 48,017,800
Subordinate Debt Service									
None	\$	-	\$		\$ 190	_	100	\$ 	\$
Total Subordinate Debt	\$	7 9	\$	3	\$ 	\$	1)(5)	\$ 5	\$
Other Debt Service									50.7050.000
GO Zone Repayment	\$	6,233,582	\$	6,233,582	\$ 6,233,582	\$	6,233,582	\$ 6,233,582	\$ 6,233,582
Total Subordinate Debt	\$	6,233,582	\$	6,233,582	\$ 6,233,582	\$	6,233,582	\$ 6,233,582	\$ 6,233,582
Total Proposed Debt Service	\$	22,626,156	S	24,770,632	\$ 33,859,395	\$	40,015,307	\$ 46,412,551	\$ 54,251,382

⁽¹⁾ Estimated assuming equal annual payments over 25 years.



9. Additional Bonds Test

Since the Series 2015 Bonds will be the first bonds under the new General Bond Resolution, the issuance of the Series 2015 Bonds is not subject to the additional bonds test. However, the Board has decided to compute the additional bonds test for the Series 2015 Bonds to provide an example of the calculation and to reinforce its financial position.

Under the new General Bond Resolution, the Board may issue additional bonds only if any one of two requirements, or tests, set forth in Section 4.03(h), are met. Reproduced below are the requirements for the tests.

A certificate of (A) a Qualified Independent Consultant, stating that based on the Board's financial records for a Test Period, the Board would have been able to meet the Rate Covenant in Section 7.01, taking into account (i) the maximum Annual Debt Service on the proposed Series of Additional Bonds in the current or any future Fiscal Year, (ii) the Additional Net Revenues from the rates, fees and other charges adjusted to reflect any rate increases that had not been in effect throughout the Test Period but that have been approved by the Board, the Board of Liquidation, and the City at the time of the delivery of the proposed Series of Additional Bonds to go into effect within the following five years; and (iii) additional Net Revenues that the Board may realize from the addition to the System of the assets it proposes to finance through the issuance of the proposed Series of Additional Bonds or other funding sources within the following five years or (B) the Authorized Officer of the Board stating that based on the Board's financial records for a Test Period, the Board would have been able to meet the Rate Covenant in Section 7.01, taking into account the maximum annual Debt Service on the proposed Series of Additional Bonds. In making the certifications required under this paragraph, the Qualified Independent Consultant, as applicable, shall determine and utilize the Additional Indebtedness Test Net Revenues in place of the Rate Covenant Net Revenues in determining whether the Board would have been able to meet the Rate Covenant in Section 7.01.

Both tests are based on a historical Test Period, which is a consecutive 12-month period within the 24 months prior to the issuance of the bonds. Test A allows for adjustments based on approved rate increases for up to five years and based on additional revenues from the assets financed through the additional bonds, while Test B allows for no adjustments to revenues. Exhibit 14 shows the Senior Debt service by year including the Series 2015 Bonds with the Maximum Annual Debt Service highlighted. Exhibit 15 shows that the Board is able to pass both Test A and Test B. The adjustments included in Test A are five 10% rate increases, one of which was implemented January 1, 2015 and four are approved for implementation on January 1 of 2016 through 2019.



Exhibit 14

Maximum Annual Debt Service (1)

Year	Amount	Year	Amount	Year	Amount
2015	\$ 16,392,574	2025	\$ 13,311,199	2035	\$ 12,787,445
2016	\$ 18,537,050	2026	\$ 13,309,848	2036	\$ 12,783,820
2017	\$ 27,625,813	2027	\$ 13,308,334	2037	\$ 12,782,195
2018	\$ 25,959,405	2028	\$ 13,302,527	2038	\$ 12,777,195
2019	\$ 24,534,330	2029	\$ 13,300,178	2039	\$ 12,773,445
2020	\$ 24,550,841	2030	\$ 13,307,342	2040	\$ 12,765,570
2021	\$ 21,422,940	2031	\$ 13,302,663	2041	\$ 12,763,070
2022	\$ 19,405,375	2032	\$ 13,304,266	2042	\$ 4,938,000
2023	\$ 15,596,023	2033	\$ 13,299,940	2043	\$ 4,929,625
2024	\$ 15,243,757	2034	\$ 12,802,932	2044	\$ 4,925,125

(1) There is no subordinate debt in 2015, so this debt service is the maximum Senior Debt Service and Maximum Total Debt Service.

Exhibit 15

Additional Bonds Test

	Adju	sted Actual (1) -	А	ctual (FY 14) -
		Test A		Test B
Sewerage Service Charges	\$	139,394,894	\$	86,553,262
Other Operating Revenue	\$	1,245,296 140,640,190	\$	1,245,296 87,798,558
Total O&M	\$	63,273,567		
Less: Depreciation Less: Provision for doubtful accounts		15,005,720 944,199		
Net O&M	\$	47,323,648	\$	47,323,648
Additional Indebtedness Test Net Revenues	\$	93,316,542	\$	40,474,910
Maximum Annual Senior Debt Service (2)	\$	27,625,813		27,625,813
Maximum Annual Total Debt Service	\$	27,625,813	\$	27,625,813
Maximum Annual Senior Debt Service Coverage		3.38		1.47
Required		1.25		1.25
Maximum Annual Total Debt Service Coverage		3.38		1.47
Required		1.10		1.10
Pass (Yes/No)		Yes		Yes

⁽¹⁾ Assumes five approved 10% rate increases

⁽²⁾ Includes Series 2011 Debt Service, which will be Senior once all existing Senior Bonds are refunded.



10. Fund Balances

The Board was able to provide the services necessary to allow for residents to return following Hurricane Katrina because it had strong financial reserves when Hurricane Katrina struck the City. Therefore, the Board understands the importance of maintaining appropriate levels of operating and capital reserves. The General Bond Resolution requires an Operating Reserve of 90 days of annual operating expenses (90 days cash on hand). However, the Board has set a target of having at least 180 days cash on hand between the Operating Fund and the Rate Stabilization Fund. As can be seen in Exhibit 16, the Board is well in excess of this target, particularly at the end of the forecast period.

Exhibit 16

Fund Balances

			_				_							
Available Fund Balances	-				_			Fisca	Ye	аг	_			
		Initial		2015		2016		2017		2018		2019		2020
Beginning Unrestricted Balance (1)	\$	25,554,380	\$	11,373,460	\$	12,255,729	\$	23,949,088	\$	32,024,118	\$	41,823,443	\$	50,958,894
Sources														
Operating Revenues			\$	97,459,989	\$	108,065,063	\$	119,937,469	\$	133,125,100	\$	147,773,658	\$	164,044,982
Non-Operating Revenues				470,944		462,061		462,061		462,061		462,061		462,061
Total Sources			\$	97,930,933	\$	108,527,123	\$	120,399,530	\$	133,587,161	\$	148,235,718	\$	164,507,042
Uses														
Operating Expenses			2	57,511,508	\$	60,432,009	\$	64,079,680	\$	67,844,273	\$	71,729,672	\$	73,765,018
Transfer to Operating Reserve Fund (2)		14,180,920		-		720,123		899,426		928,256		958,044		501,866
Transfer to Rate Stabilization Fund										0.00				1986
Repayments				2,911,000		2,911,000		486,000		::•:				0.00
Debt Service				22,626,156		24,770,632		33,859,395		40,015,307		46,412,551		54,251,382
Revenue Funded Capital				14,000,000		8,000,000		13,000,000		15,000,000		20,000,000		25,000,000
Total Uses	\$	14,180,920	\$	97,048,664	\$	96,833,764	\$	112,324,500	\$	123,787,836	\$	139,100,267	\$	153,518,267
Remaining Unrestricted Funds for Transfer	\$	11,373,460	\$	882,269	\$	11,693,359	\$	8,075,029	\$	9,799,325	\$	9,135,451	s	10,988,775
Total Available Funds - End of Year Balances														
Remaining Unrestricted Funds	\$	11,373,460	•	12,255,729	•	22 040 000	ø	22 024 118	Φ	41 000 440		50.050.004		61.045.660
Operating Reserve Fund	Ф	., ,	Ф		\$	23,949,088	ф	32,024,118	4	41,823,443	Ъ	50,958,894	2	61,947,669
Rate Stabilization Fund		14,180,920		14,180,920		14,901,043		15,800,469		16,728,725		17,686,768		18,188,635
Total	•	25 554 200	60	26 426 640		20.050.422	•	45.004.505	Ф.	FO FFO 1 CH	_	CO C15 CC0		00.426.004
	\$	25,554,380	20	26,436,649	\$	38,850,132	\$	47,824,587	\$_	58,552,167	\$	68,645,662	\$	80,136,304
Days of Cash on Hand (3)				376		235		272		315		349		397

⁽¹⁾ The beginning balance for 2015 is comprised of undesignated and designated unrestricted cash and cash equivalents as well as customer deposits from the 2014 CAFR.



^{(2) 90} days of O&M expenses as required in the General Sewerage Service Revenue Bond Resolution.

⁽³⁾ The Board has an internal larget of 180 days.

11. Bill Comparisons

One of the key objectives of the Board is to maintain rates and charges at a sufficient level to provide revenues to recover existing operating costs and capital costs associated with the issuance of the Series 2015 Bonds and future bonds. The Board's current rates became effective January 1, 2015 and included the second of the approved eight annual 10% rate increases. The Feasibility Evaluation assumes the remaining annual approved rate increases will be implemented through 2020. Although the Board and City Council have taken steps to address the need to set rates and charges at a level sufficient to address total System revenue requirements, the Board also considers objectives to maintain rates that are reasonably affordable and provide a competitive cost environment relative to other utilities. Exhibit 17 shows a comparison of wastewater costs with other peer communities. The cost comparison is based upon a projected monthly bill for a residential customer with a 5/8" meter (some utilities listed use a 3/4" meters for residential customers) and 5,300 gallons of water usage and a non-residential customer with a 2" meter and 374,000 gallons of water usage.

As shown, the annual wastewater bill for a residential customer using 5,300 gallons of water per month is \$39.63, or \$475.58 per year. Orleans Parish has an estimated median household income ("MHI") of \$39,849 based on an assumed median household income of \$36,681 in 2012 escalated 2.8% annually. The ratio of annual wastewater costs for a typical residential customer to MHI is approximately 1.19%. This percentage falls well below the industry's most commonly used affordability metric, the guideline of 2.00% as identified by the EPA's Financial Capability Assessment publication.²

Exhibit 17

Comparison of Sewerage Bills with Other Representative Communities as of April 2015

	M	onthly Bill	M	onthly Bill				
		(5,300	(374,000					
City	gall	ons/month)	gal	lons/month)				
Atlanta	\$	92.54	\$	7,827.71				
Birmingham	\$	62.19	\$	4,291.93				
New Orleans	\$	39.63	\$	2,092.57				
Mobile	\$	38.63	\$	2,586.35				
St. Louis	\$	35.99	\$	1,426.25				
Little Rock	\$	35.28	\$	2,489.90				
Houston	\$	31.54	\$	2,180.79				
Nashville	\$	31.32	\$	2,217.09				
Jackson	\$	31.29	\$	2,212.65				
Dallas	\$	30.69	\$	1,409.95				
Baton Rouge	\$	29.86	\$	1,760.32				
Memphis	\$	12.02	\$	847.86				

² Combined Sewer Overflows: Guidance for Financial Capability Assessment and Schedule Development (Environmental Protection Agency, March 1997) page 19.



Draft Report

During the forecast period, the monthly sewerage bill for a typical customer will increase from \$39.63 to \$63.88. We anticipate that the bills for the representative communities will also increase during this period.



12. Current Issues

There are three issues which the Board is particularly focused on evaluating and managing to the best of its ability. These issues include: 1) affordability of sewerage service; 2) stresses to net revenues, particularly related to declining per capita consumption; and 3) addressing the remaining capital plan after the forecast period. The following paragraphs discuss some of the analyses and planning associated with these issues.

Affordability

Historically, sewerage rates nationally have been very low, so the affordability of sewerage service has not been a concern. In recent years, sewerage rates have been increasing as regulatory requirements and the need to repair and replace aging infrastructure have required increasing capital investments. Between 2004 and 2014, water rates nationally increased 4.9% annually, while the CPI only increased 2.3% annually. This trend is expected to continue, meaning that affordability concerns are going to increase. As part of the Feasibility Evaluation, we calculated the customer impacts relative to median household income, which is typically used as a high-level test of affordability.

Exhibit 18 shows that even with the eight-year program of rate increases the sewerage rates will remain below 2.0% of projected median household income and just exceed 2.0% of median household effective buying income. This analysis indicates that the cost of sewerage service in New Orleans will remain affordable, based on a commonly used test, even with the approved rate increases.

Exhibit 18

Forecast Affordability Ratios

L	2015		2016		2017		2018		2019		2020		2021		2022
\$	39,849	\$	40,965	\$	42,112	\$	43,291	\$	44,503	\$	45,749	S	47.030	\$	48,347
S	31,098	\$	31,969	\$	32,864	\$	33,784	S	34,730	\$			1.5		37,730
S	30.27	\$	33.29	\$	36,62	\$	40.30	S	44.34	\$	48.79	\$	48.79	\$	48.79
S	39,63	\$	43.60	\$	47.96	\$	52.76	S	58.06	\$	63.88	\$	63.88	\$	63.88
2	69.90	\$	76.90	\$	84.59	\$	93.06	\$	102.41	\$	112.67	\$	112.67	\$	112,67
	0.91%		0.98%		1.04%		1.12%		1.20%		1.28%		1.24%		1.21%
	1.19%		1.28%		1,37%		1.46%		1.57%		1.68%		1.63%		1.59%
	2.10%		2 25%		2.41%		2.58%		2.76%		2.96%				2.80%
	1.17%		1.25%		1.34%		1.43%		1.53%		1 64%		1,60%		1,55%
	1.53%		1 64%		1.75%		1.87%		2.01%		2.15%				2,03%
	2.70%		2.89%		3.09%		3.31%		3.54%		3.79%				3 58%
	s s s	\$ 39,849 \$ 31,098 \$ 30.27 \$ 39.63 \$ 69.90 0.91% 2.10%	\$ 39,849 \$ 31,098 \$ \$ 30,27 \$ \$ 39.63 \$	\$ 39,849 \$ 40,965 \$ 31,098 \$ 31,969 \$ 30.27 \$ 33.29 \$ 39.63 \$ 43.60 \$ 69.90 \$ 76.90 0.91% 0.98% 1.19% 1.28% 2.10% 2.25% 1.17% 1.25% 1.53% 1.64%	\$ 39,849 \$ 40,965 \$ 31,969 \$ 31,969 \$ \$ 30.27 \$ 33.29 \$ \$ 39.63 \$ 43.60 \$ 69.90 \$ 76.90 \$ \$ 0.91% 0.98% 1.19% 1.28% 2.10% 2.25% 1.17% 1.25% 1.53% 1.64%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 31,098 \$ 31,969 \$ 32,864 \$ \$ 30,27 \$ 33,29 \$ 36,62 \$ 39,63 \$ 43,60 \$ 47,96 \$ 69,90 \$ 76,90 \$ 84,59 \$ 0,91% 0,98% 1,04% 1,19% 1,28% 1,37% 2,10% 2,25% 2,41% \$ 1,17% 1,25% 1,34% 1,53% 1,64% 1,75%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 31,098 \$ 31,969 \$ 32,864 \$ \$ \$ 30,27 \$ 33,29 \$ 36,62 \$ 39,63 \$ 43,60 \$ 47,96 \$ 69,90 \$ 76,90 \$ 84,59 \$ \$ 0,91% 0,98% 1,04% 1,19% 1,28% 1,37% 2,10% 2,25% 2,41% \$ 1.17% 1,25% 1,34% 1,53% 1,64% 1,75%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ \$ 30.27 \$ 33.29 \$ 36.62 \$ 40.30 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ 0.91% 0.98% 1.04% 1.12% 1.19% 1.28% 1.37% 1.46% 2.10% 2.25% 2.41% 2.58% 1.37% 1.53% 1.64% 1.75% 1.84% 1.75% 1.87%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ \$ \$ 30.27 \$ 33.29 \$ 36.62 \$ 40.30 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ \$ \$ 69.90 \$ 1.04% 1.12% 1.19% 1.28% 1.37% 1.46% 2.10% 2.25% 2.41% 2.58% 1.37% 1.43% 1.53% 1.64% 1.75% 1.34% 1.43% 1.53% 1.64% 1.75% 1.87%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ 34,730 \$ 30,27 \$ 33,29 \$ 36,62 \$ 40,30 \$ 44,34 \$ 39,63 \$ 43,60 \$ 47,96 \$ 52,76 \$ 58,06 \$ 69,90 \$ 76,90 \$ 84,59 \$ 93,06 \$ 102,41 \$ 0,91% 0,98% 1,04% 1,12% 1,20% 1,19% 1,28% 1,37% 1,46% 1,57% 2,10% 2,25% 2,41% 2,58% 2,76% 1,17% 1,25% 1,34% 1,43% 1,53% 1,53% 1,64% 1,75% 1,87% 2,01%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ 34,730 \$ \$ \$ 30,27 \$ 33,29 \$ 36,62 \$ 40,30 \$ 44,34 \$ 39,63 \$ 43,60 \$ 47,96 \$ 52,76 \$ 58,06 \$ 69,90 \$ 76,90 \$ 84,59 \$ 93,06 \$ 102,41 \$ \$ \$ 0,91% 0,98% 1,04% 1,12% 1,20% 1,19% 1,28% 1,37% 1,46% 1,57% 2,10% 2,25% 2,41% 2,58% 2,76% 1,53% 1,64% 1,53% 1,64% 1,75% 1,87% 2,01%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 45,749 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ 34,730 \$ 35,702 \$ 30,27 \$ 33.29 \$ 36.62 \$ 40,30 \$ 44,34 \$ 48,79 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 58.06 \$ 63.88 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ 102.41 \$ 112.67 \$ 1.28% \$ 1.37% \$ 1.46% \$ 1.57% \$ 1.68% \$ 2.10% \$ 2.25% \$ 2.41% \$ 2.58% \$ 2.76% \$ 2.96% \$ 1.17% \$ 1.25% \$ 1.34% \$ 1.43% \$ 1.53% \$ 1.64% \$ 1.75% \$ 1.87% \$ 2.01% \$ 2.15%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 45,749 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ 34,730 \$ 35,702 \$ \$ \$ 30.27 \$ 33.29 \$ 36.62 \$ 40.30 \$ 44.34 \$ 48.79 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 58.06 \$ 63.88 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ 102.41 \$ 112.67 \$ \$ \$ 0.91% 0.98% 1.04% 1.12% 1.20% 1.28% 1.19% 1.28% 1.37% 1.46% 1.57% 1.68% 2.10% 2.25% 2.41% 2.58% 2.76% 2.96% 1.17% 1.25% 1.34% 1.43% 1.53% 1.64% 1.53% 1.64% 1.75% 1.87% 2.01% 2.15%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 45,749 \$ 47,030 \$ 31,098 \$ 31,969 \$ 32,864 \$ 33,784 \$ 34,730 \$ 35,702 \$ 36,702 \$ 36,702 \$ \$ 30.27 \$ 33.29 \$ 36.62 \$ 40,30 \$ 44,34 \$ 48.79 \$ 48.79 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 58.06 \$ 63.88 \$ 63.88 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ 102.41 \$ 112.67 \$ 112.67 \$ 112.67 \$ 12.96 \$ 2.196 \$ 2.25% \$ 2.416 \$ 2.58% \$ 2.76% \$ 2.96% \$ 2.87% \$ 1.17% \$ 1.25% \$ 1.34% \$ 1.43% \$ 1.53% \$ 1.64% \$ 1.60% \$ 1.53% \$ 1.64% \$ 1.75% \$ 1.87% \$ 2.01% \$ 2.15% \$ 2.09%	\$ 39,849 \$ 40,965 \$ 42,112 \$ 43,291 \$ 44,503 \$ 45,749 \$ 47,030 \$ 31,098 \$ 31,099 \$ 32,864 \$ 33,784 \$ 34,730 \$ 35,702 \$ 36,702 \$ \$ \$ 30.27 \$ 33.29 \$ 36.62 \$ 40,30 \$ 44,34 \$ 48.79 \$ 48.79 \$ 39.63 \$ 43.60 \$ 47.96 \$ 52.76 \$ 58.06 \$ 63.88 \$ 63.88 \$ 69.90 \$ 76.90 \$ 84.59 \$ 93.06 \$ 102.41 \$ 112.67 \$ 112.67 \$ 112.67 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$

Even though this analysis indicates the Board's rates are affordable in general, the Board recognizes that a portion of its customer base may be impacted more significantly by the increases in sewerage rates and charges. As such, the Board is evaluating mechanisms that could help ensure sewerage service remains affordable to its low-income customers.

³ AWWA & Raftelis Financial Consultants, Inc. 2014 Water and Wastewater Rate Survey.



Net Revenue Impacts

There are two ways that Net Revenues could be materially lower than projected in the Feasibility Evaluation: 1) revenues are lower than expected; or 2) operating expenses are higher than expected. The Board has examined these risks and believes the risk of lower revenues is of greater concern and has modeled different scenarios assuming lower revenues. While the Board has some control over operating expenses, it does not have control over the amount of water used by its customers, which is the basis for billing for sewerage service. The water industry is being impacted by the trend of declining per capita consumption. Efforts to promote conservation and efficient water use have sensitized customers. Perhaps more importantly, the evolution of more water efficient fixtures and appliances has also impacted per capita demand.

Since the volumetric component of the sewerage bill is based on water usage, the decline in water usage will impact revenues for the Sewerage System. The Feasibility Evaluation does incorporate some level of declining per capita demand by applying a resistance factor. As mentioned in Explanatory Note 3, the resistance factor was 2.0% for 2015 and 1.0% for the remainder of the forecast period. If demand is more negatively impacted than expected, this will affect the Sewerage System's revenue stream. To evaluate the potential impact, we increased the resistance factor by 2.0% each of the first three years and 1.0% in the last three years of the forecast period. Therefore, the resistance factor is assumed to be 4.0% in 2015, 3% in 2016 and 2017, and 2% for the remainder of the forecast period. The increase in the resistance factor was ramped down after three years because there will likely be some demand hardening and each reduction propagates through the remainder of the forecast. Even though this stress test focuses on declining consumption, it shows the impact of lower Net Revenues, which could also be attributable to other factors. Exhibit 19 shows the impact of the increased resistance factor on coverage. Even though it would lower coverage, the Sewerage System revenues would easily satisfy the rate covenant.

Exhibit 19

Debt Service Coverage under Stress Test for Declining Consumption

	Fiscal Year												
	2015	2016	2017	2018	2019	2020							
Forecast Coverage	3.04	2.65	2.54	2.67	2,98	3.98							
Stress Test Coverage	2.47	2.59	2.04	1.95	1.90	1.89							

Capital Plan after 2020 [Update once accelerated capital plan is determined]

The Feasibility Evaluation has considered a six-year forecast, FY 2015 through FY 2020. Even though the capital improvements identified and funded during this period will help the Board become a more sustainable utility, there are additional projects that have been identified beginning in FY 2020 which will be critical to the Board's long-term success. Currently, the tenyear CIP identifies approximately \$___ million in the four-year period from FY 2021 through FY 2024. These projects are not funded by the bond issues contemplated in this Feasibility Evaluation. Even though it is likely that the timing and size of these projects in FY 2021 and beyond will evolve over time, the Board recognizes it is likely that additional rate increases will be necessary to be able to fund the capital program after FY 2020 and anticipates beginning to further evaluate this need well in advance of FY 2021 as the timing and costs become more firm.





"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board of NEW ORLEANS

MITCHELL J. LANDRIEU, President WM. RAYMOND MANNING, President Pro-Tem 625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER
www.swbno.org

June 17, 2015

Executive Committee Sewerage and Water Board of New Orleans New Orleans, LA 70165

Dear Directors:

Subject: Board Vacancy Council District "B"

On June 4, 2015, the Council of the City of New Orleans approved the Mayor's appointment of Robin A. Barnes to replace Dr. Tamika Duplessis as an "At-Large" member of the Board of Directors of Sewerage and Water Board of New Orleans for a term effective June 30, 2015 and expiring June 30, 2019. Therefore, on June 30, 2015, the term of the Council District "B" member of Sewerage and Water Board of New Orleans previously held by Robin A. Barnes will be vacated.

Please find attached the resolution declaration of vacancy of Council District "B" member of the Board of Directors of the Sewerage and Water Board; Motions No.M-15-227 & M-15-226 by the Council of the City of New Orleans; Notice of Vacancy on the Sewerage and Water Board of New Orleans; and the Board Selection Process Timeline.

Robert K. Miller Deputy Director

Mobifumille

DECLARATION OF VACANCY OF COUNCIL DISTRICT "B" MEMBER ON THE BOARD OF DIRECTORS OF SEWERAGE AND WATER BOARD OF NEW ORLEANS

WHEREAS, the terms of positions held by Dr. Tamika Duplessis, At Large Member, and Mr. Mark M. Moody, Council District "E" Member, on the Board of Directors for the Sewerage and Water Board of New Orleans expired and were declared vacant effective May 22, 2015; and

WHEREAS, on June 4, 2015, the Council of the City of New Orleans approved the Mayor's appointment of Dr. Tamika Duplessis to replace Mark Moody as the Council District "E" member on the Board of Directors of Sewerage and Water Board of New Orleans effective June 30, 2015 and expiring June 30, 2019; and

WHEREAS, on June 4, 2015, the Council of the City of New Orleans approved the Mayor's appointment of Robin A. Barnes to replace Dr. Tamika Duplessis as an "At-Large" member of the Board of Directors of Sewerage and Water Board of New Orleans for a term effective June 30, 2015 and expiring June 30, 2019; and

WHEREAS, on June 30, 2015, the term of the Council District "B" member of Sewerage and Water Board of New Orleans previously held by Robin A. Barnes will be vacated; and

WHEREAS, pursuant to law, a selection committee shall be convened to nominate candidates for the vacant positions; and

WHEREAS, candidates must submit applications within 30 days after declaration by the Board of said vacancies; and

WHEREAS, current members shall remain in office until Board members are appointed, as provided in Louisiana Revised Statute 33:4071;

NOW THEREFORE BE IT RESOLVED that Council District "B" member position being held presently by Robin A. Barnes be hereby declared vacant effective July 1, 2015;

AND BE IT FURTHER RESOLVED that staff is directed to advertise a Notice of Vacancy for Council District "B" member position and process said applications, according to law, so that the Selection Committee may be convened to select nominees for said position.

I, Cedric S. Grant, 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 June 17, 2015.

CEDRIC S. GRANT, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

MOTION NO. M-15-227

CITY HALL: June 4, 2015

BY: COUNCILMEMBER CANTRELL (BY REQUEST)

SECONDED BY:

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Mayor's appointment of Robin A. Barnes (Vice Dr. Tamika Duplessis) as a member "At-Large" of the Sewerage and Water Board of New Orleans for a term effective June 30, 2015, expiring June 30, 2019, be, and the same is hereby ratified, confirmed and approved.

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE MOTION WAS ADOPTED.

MOTION M-15- 226

CITY HALL: June 4, 2015

BY: COUNCILMEMBER GRAY (BY REQUEST)

SECONDED BY:

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Mayor's appointment of Dr. Tamika Duplessis (Vice Mark Moody) as a member of the Sewerage and Water Board of New Orleans, City Council District "E" seat, effective June 30, 2015, expiring June 30, 2019, be, and the same is hereby ratified, confirmed and approved.

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS.

NAYS:

ABSENT:

AND THE MOTION WAS ADOPTED.

NOTICE OF VACANCY ON THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The Sewerage and Water Board of New Orleans has issued a Declaration of Vacancy effective June 17, 2015 that there is one vacancy on its Board of Directors for a Council District "B" member.

Pursuant to Louisiana Revised Statutes Title 33 Section 4071 as amended by 2013 La. Act 345, Sewerage and Water Board of New Orleans hereby gives notice that applications are being accepted for persons interested in serving on its Board of Directors. The Board of Directors is comprised of eleven members, eight of which are citizens appointed by the mayor with the advice and consent of the city council from a list of nominees submitted by the Sewerage and Water Board Selection Committee. Currently, Council District B vacancy must be filled.

The Selection Committee is comprised of representatives from the following organizations: Dillard University, Loyola University, Tulane University, Xavier University, Delgado Community College, University of New Orleans, Southern University at New Orleans, New Orleans Chamber of Commerce, New Orleans Regional Black Chamber of Commerce, and the Urban League of Greater New Orleans.

ELIGIBILITY, PROFESSIONAL QUALIFICATIONS AND EXPERIENCE REQUIREMENTS

The term of office for board members is four years. Additionally, a member shall serve no more than two consecutive terms of office.

Each nominee must be a registered voter in Orleans Parish and shall have been a domiciliary of Orleans Parish for two years previous to appointment. *For this vacancy, the nominee must reside in City Council District "B"*.

Each nominee must have experience in architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, community or consumer advocacy, or other pertinent disciplines. Two of the appointed members must be consumer advocates with community advocacy or consumer protection experience or experience in a related field.

If appointed as a board member to the Sewerage and Water Board of New Orleans, please note that the member must comply with all ethical requirements mandated thereby, including but not limited to the filing of financial statements pursuant to La. R.S. 42:1101 et. seq. and all requirements as set forth in La. R.S. 33:4071, amended by 2013 La. Act 345.

APPLICATION PROCESS

Interested prospective board members should submit a detailed resume or curriculum vitae. In addition to the above requirement, your submission shall also contain an affidavit from the applicant verifying that he/she possesses the eligibility requirements, professional qualifications and experience as set forth above to serve as a member of the Sewerage and Water Board of New Orleans.

Interested persons may submit the aforementioned documents to the Executive Director located at 625 St. Joseph Street, Room 233, New. Orleans, Louisiana 70165; (504) 585-2212 (office) or by email to ProspectiveBoardMemberApplications@swbno.org. <u>The deadline for receiving applications is 9:00 AM</u> on Tuesday, July 21, 2015.

Sewerage and Water Board Department of Emergency Management

"Preparedness, Mitigation, Response, and Recovery"

FEMA Project Update as of 5-27-15

This data was colleted from E.M. Data and Louisianapa.com on the above reference date

Prepared by: Jason Higginbotham, CEM,LEM-P Director of Emergency Management

Hurricane Katrina

Estimated Project Cost	\$ 855,226,394.14
Obligated Amount	\$ 682,057,168.32
Not Eligible PW ¹	\$ 10,896,751.08
Not Eligible Loan PW ²	\$ 73,836,892.39
Insurance Deduction ³	\$ 2,747,339.04
Insurance Settlement ⁴	\$ 2,303,000.00
Version Request ⁵	\$ 53,822,413.05
Appeal Amount ⁶	\$
Close Out Reconciliation ⁷	\$
Submitted Project Cost	\$ 710,261,350.26
Awaiting Obligation ⁸	\$ 14,376,915.35
Total Invoices in Progress at State	\$ 10,768,085.19
Total Paid by State (LAPA Data)	\$ 384,197,715.72
SPS HMGP Grant	\$ 20,082,538.00
Power Plant HMGP GRANT	\$ 141,175,000.00
Power Plant HMGP Amendment 1	\$ 9,620,389.00

¹ Represents the amount that will not result in payments by FEMA on non-100 Million Dollar P.W.'s.

² Represents the amount that will not result in payments by FEMA on 100 Million Dollar P.W.'s.

³ National Flood Insurance deductions.

⁴ Insurance Settlement

⁵ Amount that FEMA is reviewing documentation to adjust scope of work or cost adjustments

⁶ Amount that is currently under appeal or arbitration.

⁷ Amount that will be reconciled when Project Worksheet's are closed out.

⁸ Amount pending obligation in FEMA Million Dollar Queue or Funding Review Queue.

Hurricane Gustav

This data was colleted from E.M. Data and Louisianapa.com

Original ESTIMATED PROJECT COST	\$ 755,354.17
PROJECT SUBMITTED AMOUNT	\$ 755,354.17
NFIP Reduction	\$ -
OBLIGATED Amount	\$ 755,354.17
Amount Paid by State	\$ 312,309.26

Hurricane Isaac

This data was colleted from E.M. Data and Louisianapa.com

Site	Estimated			urance Claim	FEMA Claim		PW Amount	
CAT B Emergency			_				_	
Labor/Equipment	\$	1,217,743.75	\$	- F	\$	1,398,010.67	\$	1,398,010.67
East Bank Waste Water	1				Г			
Treatment Plant	\$	873,596.00	\$	367,636.00	\$	505,960.00	\$	224,987.37
West Bank Waste Water								
Treatment Plant	\$	118,755.00	\$	38,887.00	\$	79,868.00	\$	28,053.10
East Bank Water Plant	\$	184,556.00	\$	36,850.00	\$	174,706.00	\$	74,678.91
West bank Water Plant	\$	2,269.74	\$	#	\$	2,269.74	\$	2,269.74
Sewer Pumping								
Stations/DPS	\$	94,063.80	\$	2	\$	94,377.90	\$	80,711.15
Central Yard Roof Repairs	ŝ	6,053.60	Ś		\$	6,053.60	Ś	6,053.60
	lasi -					12. E. 12. E		
Central Yard Fence	\$	18,836.61			\$	18,836.61	\$	18,836.61
Total	\$ 2,	515,874.50	\$4	143,373.00	\$	2,280,082.52	\$	1,833,601.15

OFFICE OF GENERAL SUPERINTENDENT SEWERAGE AND WATER BOARD OF NEW ORLEANS

JUNE 17, 2015

To the Honorable President and members of the Sewerage and Water Board of New Orleans: Gentlemen:

The following report for the month of May presented herewith:

Contract 1350 – Industrial & Mechanical Contractors, Inc. – Katrina related repairs to Stream Turbine No. 4 & Auxiliaries at the Main Water Purification Plant Power Complex. This work is approximately 96% complete. (CP Item 175).

Contract 1351 – Lou -Con, Inc. – Repairs to A & B Pumps & Auxiliaries at the Main Water Purification Plant. This work is approximately 95% complete. (CP Item 175).

Contract 1352 – Industrial & Mechanical Contractors, Inc. – Katrina related replacements of Pump Package at the Main Water Purification Power Plant Complex. This work is approximately 98% complete. (CP Item 175).

Contract 1360 – Philadelphia Gear – Purchase of Gear Boxes for "G" Basin at the Main Water Purification Plant. This work is 100% complete. (CP Item 110).

Contract 1378 – Plant Power Services, LLP – Hurricane Katrina related repairs to Boilers/Duct/Elevator at the Main Water Purification Plant Power Complex. This work is approximately 21% complete. (CP Item 175).

Contract 2098 – Fleming Construction Co., LLC – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish. This work is approximately 94% complete. (CP Item 175).

Contract 2101 – Wallace C. Drennan, Inc. – Water Main Point Repair, Water Service Connection, Water Valve & Fire Hydrant Replacement at Various Sites throughout Orleans Parish. This work is approximately 98% complete. (CP Item 175).

Contract 2103 – Boh Brothers Construction Co., LLC – Replacement of Water Lines damaged by Hurricane Katrina within portions of the Broadmoor, Lakeview, Milneburg, Read Boulevard East & the Lower Ninth Ward Neighborhoods. This work is approximately 60% complete. (CP Item 175).

Contract 2105– Boh Brothers Construction Co., LLC – Replacement of Water Lines damaged by Hurricane Katrina within various roadways in different neighborhoods throughout the City of New Orleans. This work is approximately 52% complete. (CP Item 175).

Contract 3661 – Cajun Contractors, Inc. – Modifications to East Bank Wastewater Treatment Plant Flood Protection System. This work is 100% complete. (CP Item 375).

Contract 3663 – Lou-Con, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of DOTD Sewage Lift Station. This work is approximately 38% complete. (CP Item 340).

Contract 3665 – TKTMJ, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Bullard Sewage Pumping Station. This work is approximately 20% complete. (CP Item 340).

Contract 3666 – TKTMJ, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Lake Forest Sewage Pumping Station. This work is approximately 58% complete. (CP Item 340).

Contract 3667 – TKTMJ, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Plum Orchard Sewage Lift Station. This work is approximately 75% complete. (CP Item 340).

Contract 3668 – Industrial & Mechanical Contractors, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Victoria Sewage Pumping Station. This work is approximately 99% complete. (CP Item 340).

Contract 3669– Industrial & Mechanical Contractors, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Lawrence Sewage Pumping Station #6. This work is approximately 23% complete. (CP Item 340).

Contract 3670 – Lou-Con, Inc. – Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Lawrence Sewage Pumping Station. This work is approximately 42% complete. (CP Item 340).

Contract 3675 - F.H. Paschen, S.N. Nielsen & Associates LLC - Katrina related replacement of the Administration Building at the East Bank Waste Water Treatment Plant. This work is 100% complete. (CP Item 375).

Contract 3695 – Fleming Construction Co., LLC – Restoration of existing gravity sewer main damaged by Hurricane Katrina by excavation, replacement & CIPP. This work is approximately 98% complete. (CP Item 375).

Contract 3696 – Blue Flash Sewer Service, Inc. – Cleaning & CCTV Inspection of Sanitary Sewer Mains at Scattered Sites Within Orleans Parish. This work is approximately 65% complete. (CP Item 318).

Contract 3782 – Ferrate Treatment Technologies, LLC - Furnishing & installation of Ferrator Skid for the Central Wetlands Demonstration Project at the East Bank Sewage Treatment Plant. This work is approximately 65% complete. (CP Item 368).

Contract 3788– Industrial & Mechanical Contractors, Inc. - Hurricane Katrina 404 Hazard Mitigation Grant Program Replacement of Burke Sewage Pumping Station. This work is approximately 65% complete. (CP Item 340).

Contract 3794– Industrial & Mechanical Contractors, Inc. – Rehabilitation of Bio-Reactor Train #1 at the EBWTP. This work is approximately 9% complete. (CP Item 348).

Contract 3986– BLD Services, LLC – Ninth Ward Area Sewer Rehabilitation-Sewer Rehabilitation No. 5. This work is approximately 30% complete. (CP Item 317).

Contract 5203 – F.H. Paschen, S.N. Nielsen & Associates LLC - DPS No. 14 Trash Screen & Cleaner Replacement. This work is 100% complete. (CP Item 511).

Contract 5221 – Lou -Con, Inc. – Hurricane Katrina related repairs to Ponchartrain Drainage Underpass Pumping Station. This work is 100% complete. (CP Item 575).

Contract 5222 – Lou -Con, Inc. – Hurricane Katrina related repairs to Canal Boulevard Underpass Pumping Station. This work is 84% complete. (CP Item 575).

Contract 5223 – Lou -Con, Inc. – Hurricane Katrina related repairs to St. Bernard Avenue Drainage Underpass Pumping Station. This work is 100% complete. (CP Item 575).

Contract 5226 – Lou -Con, Inc. – Hurricane Katrina related repairs to Franklin Avenue Drainage Underpass Pumping Station. This work is 100% complete. (CP Item 575).

Contract 6248 – Walter J. Barnes Electric Co., Inc. – Installation of Two 60- Hertz Feeders from the Carrollton Water Plant to Drainage Pumping Station No. 1. This work is approximately 92% complete. (CP Item 676).

Contract 8132– Industrial & Mechanical Contractors, Inc. - Hurricane Katrina related repairs to Central Yard Garage 1/Generator and Power Room. This work is approximately 12% complete. (CP Item 175).

Contract 8136 – Courseault Construction, Inc. – Hurricane Katrina related Construction of Central Yard Site Relocation Facility. This work is 100% complete. (CP Item 175).

Contract 8137 – Fleming Construction Co., LLC – Re-paving Open Cuts in Streets, Driveways, Sidewalks resulting from the repair to the Sewerage and Water Board of New Orleans Underground Utilities. This work is *111% complete. (CP Item 175). *Percentage amount due to contract renewal.

Contract 8139 – W.L. Wymann Construction Co., Inc. – Re-bid to replace the Central Yard Annex Building damaged during Hurricane Katrina. This work is 100% complete. (CP Item 175).

Contract 8142 – Fleming Construction Co., LLC – Re-paving Open Cuts in Streets, Driveways, Sidewalks resulting from the repair to the Sewerage and Water Board of New Orleans Underground Utilities. This work is approximately 21% complete. (CP Item 175).

Contract 30002 – BLD Services, Inc. – Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 93% complete. (CP Item 375).

Contract 30003 – BLD Services, Inc. – Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 93% complete. (CP Item 375).

Contract 30004 - Fleming Construction Co., LLC - Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 93% complete. (CP Item 375).

Contract 30005 – Wallace C. Drennan, Inc. – Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 74% complete. (CP Item 375).

Contract 30006 – Boh Brothers Construction Co., LLC – Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 72% complete. (CP Item 375).

Contract 30008 - Wallace C. Drennan, Inc. - Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 88% complete. (CP Item 375).

Contract 30009 - Wallace C. Drennan, Inc. - Restoration of existing Gravity Sewer Mains damaged by Hurricane Katrina by excavation & replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole & Point Repairs at various sites throughout Orleans Parish. This work is approximately 25% complete. (CP Item 375).

CURRENT EMERGENCY BID CONTRACTS

Repairs to Panola Street Station at the Main Water Purification Plant (ME11-0017)

Bids were received on Friday, January 6, 2012.

Contractor:

Lou-Con, Inc.

Amount:

\$731,500.00

Pre-Construction Meeting: Wednesday, January 11, 2012

% Complete:

98%

This project is partially FEMA funded; \$586,000.00 is eligible for FEMA reimbursement.

The Notice to Proceed was issued on Tuesday, January 17, 2012.

Reconstruction of the Existing Florida Avenue Canal between Spain Street and Music Street

Bids were received on Friday, January 17, 2014.

Contractor:

Cajun Constructors, Inc.

Amount:

\$2,216,000.00

Pre-Construction Meeting: To be determined.

% Complete

99%

Notice to Proceed was issued on February 7, 2014.

2014 Off-Site Rewind/Refurbish Motor for the 2250HP, 6600V, 3-PHASE, 25HZ, Sychronous Drive Motor for Panola Pumping Station Pump No. 1

Bids were received on Friday, July 11, 2014.

Contractor:

Bollinger Armature, Services, LLC

Amount:

\$338,000.00

% Complete

96%

Notice to Proceed was issued on July 16, 2014.

PLUMBING DEPARTMENT

Submitted herewith, you will find my monthly report for work performed by the Plumbing Department;

There were 193 Plumbing, and 117 Backflow permits issued during the month of May. This department complied with 752 requests for Plumbing Inspections, which consists of inspections conducted with Licensed Plumbing Contractors, Property Owners, Tenants, Department of Health, and Hospitals Sanitarians, and Environmental Inspectors.

For your information, the following numbers are of the permits issued, and inspections conducted.

	Mar	<u>Apr</u>	2015 <u>May</u>	2014 <u>May</u>	YTD 2015
Plumbing Permits Issued	321	273	193	476	
Backflow permits Issued	_39	101	117	<u> 143</u>	
	360	374	310	619	1613

Inspections Conducted

Totals	828	814	752	863	
Environmental	-		1_	4	
Final	214	194	201	169	
Special	196	211	172	195	
Water	418	398	378	495	

RAINFALL FOR MAY 2015

The rainfall for the month of **May** was **6.86**" compared to the 122-year average for the month of **May** was **4.80**". The cumulative rainfall through the Fifth month of the year was **28.78**" compared to the 122-year average of **23.90**".

AVERAGE DAILY PUMPAGE FOR THE MONTH OF MAY

New Orleans Side Algiers Side 127.599 Million Gallons Per Day9.38 Million Gallons Per Day

4739

Respectfully submitted,

JOSEPH R. BECKER

GENERAL SUPERINTENDENT

JRB/zfg GENSUP%6-17-15

SEWERAGE AND WATER BOARD OF NEW ORLEANS OFFICE OF SPECIAL COUNSEL

June 17, 2015

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

The following represents Legal Department activities during the month of May 2015.

CIVIL SUITS FILED AGAINST BOARD:

New:

ELIZABETH SEWELL wife of/and WILLIAM SEWELL, ELSEBETH FENNER wife of/and JAMES FENNER, and BETH DUESSING wife of/and GEORGE DEUSSING V. SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 15-04501, Civil District Court. In this case, plaintiffs sued seeking judgment for damages to properties at 2603 Jefferson Avenue, 1228 Arabella Street, and 5626 Prytania Street allegedly sustained due to SELA activities.

JACQUELINE STOKES V. SEWERAGE AND WATER BOARD OF NEW ORLEANS AND THE CITY OF NEW ORLEANS, No. 15-03151, Civil District Court. In this case, plaintiff sued seeking judgment for injuries allegedly sustained when her foot fell into a water meter hole at or near 601 Loyola Avenue, on or about March 11, 2015.

WALLACE C. DRENNAN, INC. V. CEDRIC GRANT, in his official capacity as Executive Director of the Sewerage and Water Board of New Orleans and THE SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 15-04417 and No. 15-04418, Civil District Court. In this case, plaintiff filed Petition for Declaratory Judgment and Damages and Petition for Writ of Mandamus in connection with Contract 6249, HMGP Retrofit Power Distribution Network, Design Build.

Terminated:

LATRINA STEPTORE ON BEHALF OF TRECHELL STEPTORE V. CIMARRON UNDERGROUND, INC., STARR INDEMNITY & LIABILITY COMPANY, THE CITY OF NEW ORLEANS AND SEWAGE AND WATER BOARD OF NEW ORLEANS, No. 15-02750, Civil District Court. In this case, plaintiff sued seeking judgment for injuries to minor allegedly sustained

when she fell into a large hole near the sidewalk in front of her home on or about March 30, 2014. In this case, plaintiff filed dismissal as to all parties, with the Board making **no monetary contribution**. The file will be closed on that basis.

Respectfully submitted,

NOTAN P. LAMBER

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Sewerage & Water Board of New Orleans Committee & Board of Director's Meeting Schedule

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WEDNESDAY	JULY 1, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	JULY 1, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	July 3, 2015	HOLIDAY	INDEPENDENCE DAY/OFFICE CLOSED
MONDAY	JULY 6, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	JULY 7, 2015	9:00 AM	FINANCE COMMITTEE
FRIDAY	July 10, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	JULY 15, 2015	9:00 AM	BOARD OF DIRECTOR'S
MONDAY	AUGUST 3, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	AUGUST 4, 2015	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	AUGUST 5, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	AUGUST 5, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	AUGUST 7, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	AUGUST 19, 2015	9:00 AM	BOARD OF DIRECTOR'S
VVEDIVESDAT	A00031 13, 2013	3.00 AIVI	BOARD OF BIRECTOR 3
TUESDAY	SEPTEMBER 1, 2015	8:00 AM	OPERATIONS/ FINANCE COMMITTEE
WEDNESDAY	SEPTEMBER 2, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	SEPTEMBER 2, 2015	10:30 AM	PENSION
FRIDAY	SEPTEMBER 4, 2015	9:00 AM	EXECUTIVE COMMITTEE
MONDAY	SEPTEMBER 7, 2015	HOLIDAY	LABOR DAY / OFFICE CLOSED
WEDNESDAY	SEPTEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
VVEDNESDAT	SEPTEMBER 10, 2013	3.00 AW	DOARD OF DIRECTOR 3
MONDAY	OCTOBER 5, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	OCTOBER 6, 2015	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	OCTOBER 7, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	OCTOBER 7, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	OCTOBER 9, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	OCTOBER 21, 2015	9:00 AM	BOARD OF DIRECTOR'S
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MONDAY	NOVEMBER 2, 2015	8:00 AM	OPERATION COMMITTEE
TUESDAY	NOVEMBER 3, 2015	9:00 AM	FINANCE COMMITTEE
WEDNESDAY	NOVEMBER 4, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	NOVEMBER 4, 2015	10:30 AM	PENSION COMMITTEE
FRIDAY	NOVEMBER 6, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	NOVEMBER 18, 2015	9:00 AM	BOARD OF DIRECTOR'S
THURSDAY	NOVEMBER 26, 2015	HOLIDAY	THANKSGIVING / OFFICE CLOSED
FRIDAY	NOVEMBER 27, 2015	HOLIDAY	VETERANS DAY / OFFICE CLOSED
			•
WEDNESDAY	DECEMBER 2, 2015	9:00 AM	COMMITTEE ON INFRASTRUCTURE
WEDNESDAY	DECEMBER 2, 2015	10:30 AM	PENSION COMMITTEE
MONDAY	DECEMBER 7, 2015	8:00 AM	OPERATIONS COMMITTEE
TUESDAY	DECEMBER 8, 2015	9:00 AM	FINANCE COMMITTEE
FRIDAY	DECEMBER 11, 2015	9:00 AM	EXECUTIVE COMMITTEE
WEDNESDAY	DECEMBER 16, 2015	9:00 AM	BOARD OF DIRECTOR'S
FRIDAY	DECEMBER 25, 2015	HOLIDAY	CHRISTMAS DAY / OFFICE CLOSED
· HIPCI			STITUTION STATE OF STATE SECURED

NOTE: DUE TO THE LABOR DAY HOLIDAY IN SEPTEMBER, WE ARE ATTEMPTING TO HOLD THE OPERATIONS AND FINANCE COMMITTEES AS A JOINT MEETING.



June 2, 2015

Finance Committee Sewerage and Water Board of New Orleans New Orleans, Louisiana

Re: Financial Results through April 2015

Attached are the Statement of Revenues, Expenses, and Changes in Net Position with budget and prior year comparisons for the water, sewer, drainage and total systems through April 2015. Variances occurring early in the fiscal year are typically attributable to timing differences and are usually resolved as the year progresses. The Variance Indicators for Financial Results through April 2015 are also attached. The Statement of Net Assets and the Statement of Cash Flows will be provided after the completion of the 2014 audit.

Operating Revenues:

Water System Fund (pages 7 and 8, line 5) for April of \$6,173,424 is \$731,804 or 10.6% less than budgeted and \$1,098,702 or 21.7% more than April 2014. April YTD operating revenues of \$25,455,546 is \$2,165,366 or 7.8% less than budgeted and \$2,822,355 or 12.5% more than April YTD 2014.

Sewer System Fund (pages 13 and 14, line 5) for April of \$7,455,080 is \$666,586 or 8.2% less than budgeted and \$1,180,984 or 18.8% more than April 2014. April YTD operating revenues of \$30,571,399 is \$1,915,264 or 5.9% less than budgeted and \$3,245,131 or 11.9% more than April YTD 2014.

Drainage System Fund (pages 19 and 20, line 5) for April of \$1,519 is \$1,519 or 100.0% more than budgeted and \$25,540 or 94.4% less than for April 2014. April YTD operating revenues of \$5,578 is \$5,578 or 100.0% more than budgeted and \$48,690 or 89.7% less than April YTD 2014.

Total System Funds (pages 1 and 2, line 5) for April of \$13,630,023 are \$1,396,871 or 9.3% less than budgeted and \$2,254,146 or 19.8% more than April 2014. April YTD operating revenues of \$56,032,523 is \$4,075,052 or 6.8% less than budgeted and \$6,018,796 or 12.0% more than April YTD 2014.

Operating Expenses:

Water System Fund (pages 7 and 8, line 18) for April of \$5,625,918 is \$2,222,223 or 28.3% less than budgeted and \$323,399 or 5.4% less than April 2014. April YTD operating expenses of \$20,754,085 is \$10,638,477 or 33.9% less than budgeted and \$3,393,340 or 14.1% less than April YTD 2014.

Sewer System Fund (pages 13 and 14, line 18) for April of \$4,862,815 is \$1,023,464 or 17.4% less than budgeted and \$46,872 or 1.0% more than April 2014. April YTD operating expenses of \$17,610,616 is \$5,934,502 or 25.2% less than budgeted and \$1,812,445 or 9.3% less than April YTD 2014.

Drainage System Fund (pages 19 and 20, line 18) for April of \$2,773,146 is \$2,262,024 or 44.9% less than budgeted and \$533,527 or 16.1% less than April 2014. April YTD operating expenses of \$11,223,211 is \$8,917,467 or 44.3% less than budgeted and \$1,882,201 or 14.4% less than April YTD 2014.

Total System Funds (pages 1 and 2, line 18) for April of \$13,261,879 are \$5,507,711 or 29.3% less

WATER ME YER

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Less Disbursements	(3,000,000.00)	(2,000,000.00)	(5,000,000.00)
Plus Income	32,684.17	7,090.58	39,774.75
Ending Balance	40,088,662.48	10,038,341.38	50,127,003.86

The days-of-cash will be reported following completion of the audit. Until that time, staff will provide the attached information on cash collections by system.

The projected coverage for the year ending December 31, 2015, based upon financial results through January 31, 2015, remains at the budgeted level of 3.28 times for the water system and 3.04 times for the sewer system.

Certification. In connection with the accompanying monthly financial report of the Sewerage and Water Board of New Orleans for the period ended April 30, 2015, I hereby certify that, to my knowledge, the information contained in the report fairly presents, in all material respects, the financial condition and results of the Board.

Robert K. Miller Deputy Director

Moset windle

Sewerage and Water Board of New Orleans Comparative Variance Indicators for Financial Results Through April 2015

Statement of Revenues, Expenses, and Changes in Net Position with Prior Year Comparisons	Total	Water	Sewer	Drainage
Revenues				
Operating Expenses		1 12		
Non-Operating Revenues and Expenses				
Income before Capital Contributions				
	Lexing Name 2			
Statement of Revenues, Expenses, and Changes in Net Position with Budget Comparisons	Total	Water	Sewer	Drainage
Revenues				
Operating Expenses				
Non-Operating Revenues and Expenses			17.7	
Income before Capital Contributions	2.0	100		1
Statement of Net Position with Prior Year Comparisons	Total	Water	Sewer	Drainage
Plant, Property, and Equipment				F
Restricted Current Assets				
Unrestricted Designated Current Assets				
Unrestricted Undesignated Current Assets				
Net Position				
Long-Term Liabilities				
Current Liabilities from Unrestricted Assets				
Current Liabilities from Restricted Assets				
Statement of Cash Flows with Prior Year Comparisons	Total	Water	Sewer	Drainage
Operating Activities				
Non-Capital Financing Activities				
Capital and Related Financing Activities				
Investing Activities				

Sewerage and Water Board of New Orleans Total System Monthly Cash Collected

EUM Attribute: Financial

Viability

Description: Establishes and maintains an effective balance between long-term debt, assets

values, operations and maintenance expenditures, and operating revenues.

Constituency: Suppliers

and Bondholders

Objective: Provide adequate cash to pay

invoices on a timely basis

Goal: Cash balance of at least 180 days of O&N expenses

Currently Meeting Goal:

Yes

Process Operating Within Control

Limits: Yes

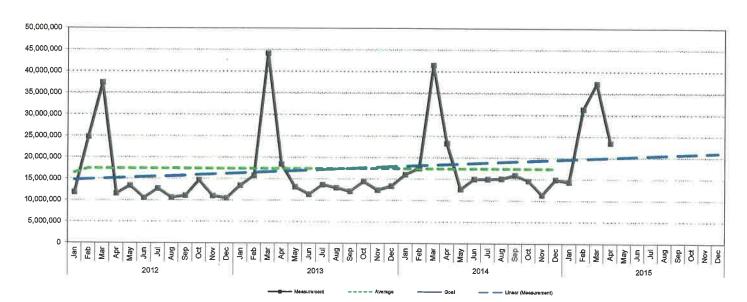
Trend: Favorable

Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans. Note: Reclassification of certain currents assets from restricted to unrestricted in October 2013 resulted in higher unrestricted balances.

Plans for Improvement

Utilize revenues generated from operations to increase cash balances according to 2011-2020 Financial Plan.



						Data Tab	ole					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	11,812,159	24,827,777	37,355,243	11,536,915	13,386,856	10,547,836	12,715,327	10,619,014	11,059,232	14.698.646	11.023.535	10.520.846
2013	13,482,046	15,785,759	44,155,818	18,444,456	13,151,303	11,410,296				14,424,617		
2014	16,085,296	17,542,192	41,489,884	23,375,923	12,664,468	15.042.339	15,022,466	15.128.760	15.972.966	14 653 676	11 341 808	14 936 601
2015	14 413 267	31 371 670	37 307 463	22 522 675			,,	,,.	, ,	,000,010	11,041,000	14,000,001

Sewerage and Water Board of New Orleans Drainage System Monthly Cash Collected

EUM Attribute: Financial

Viability

Description: Establishes and maintains an effective balance between long-term debt, assets values, operations and maintenance expenditures, and

operating revenues.

Constituency: Suppliers

and Bondholders

Objective: Provide adequate cash to pay

invoices on a timely basis

Goal: Cash balance of at

least 180 days of O&M expenses

Currently Meeting Goal:

Yes

Process Operating Within Control Limits: Yes

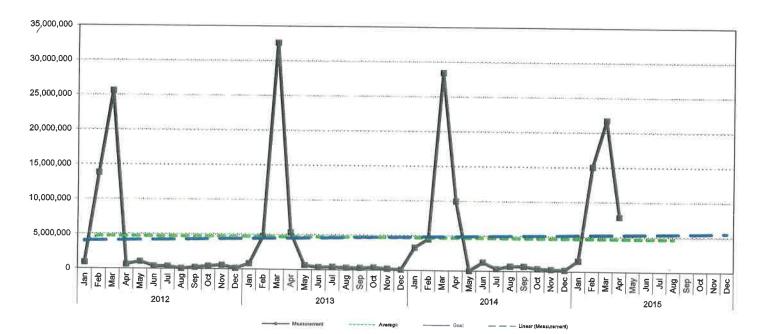
Trend: Favorable

Analysis

Monthly cash balances typically increase during the first quarter from property tax collections and then decrease for the remainder of the year. The long-term goal will not be met until a new revenue stream for the drainage system is created and implemented.

Plans for Improvement

Implement contemplated new drainage service charge to increase revenues generated from operations and cash balances according to 2011-2020 Financial Plan.



					D	ata Table						
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	906,727	13,813,742	25,564,433	621,400	1.045.044	378,986	372,439		230.730	441.345	581.949	141.861
2013	848,399	4,777,799	32,589,679	5,338,894	648.645		427.620	,			221.148	93.784
2014	3,300,147	4,530,168	28,420,420	9.996.090	6,800	,	334,130		,	379.198	,	,
2015	1,532,084	15,054,752	21,729,720	7.895.517	0,000	1,202,707	004,100	700,021	090,902	3/8,180	295,025	192,659

Sewerage and Water Board of New Orleans Sewer System Monthly Cash Collected

EUM Attribute: Financial Viability

Description: Establishes and maintains an effective balance between long-term debt, assets values, operations and maintenance expenditures, and operating revenues.

Constituency: Suppliers and Bondholders

Objective: Provide adequate cash to pay invoices on a timely basis

Goal: Cash balance of at least 180 days of O&M expenses

Currently Meeting Goal: Yes

Process Operating Within Control Limits: Yes

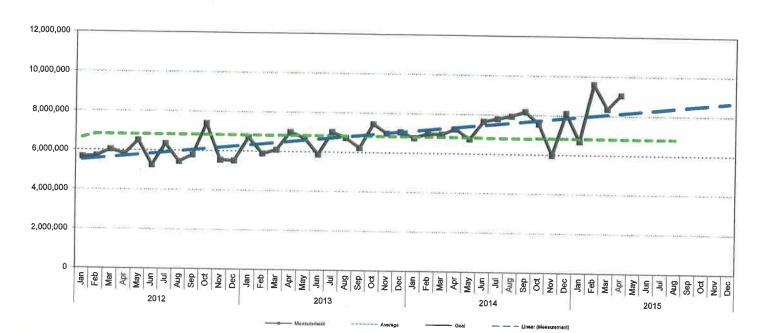
Trend: Favorable

Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans.

Plans for Improvement

Utilize revenues generated from operations to increase cash balances according to 2011-2020 Financial Plan.



						Data Tab	le				
2014	6,775,818	7,005,852	6,974,564	Apr 5,823,400 6,700,595 7,253,474 9,070,202	5.878.959	Jun 5,262,179 7,029,026	Jul 6,346,753 6 732 312	6 227 500	7 450 040	0.007.000	

Sewerage and Water Board of New Orleans Water System Monthly Cash Collected

EUM Attribute: Financial

Viability

Description: Establishes and maintains an effective balance between long-term debt, assets values, operations and maintenance expenditures, and operating revenues.

Constituency: Suppliers

and Bondholders

Objective: Provide adequate cash to pay

invoices on a timely basis

Goal: Cash balance of at least 180 days of O&M expenses

Currently Meeting Goal:

Yes

Process Operating Within Control Limits: Yes

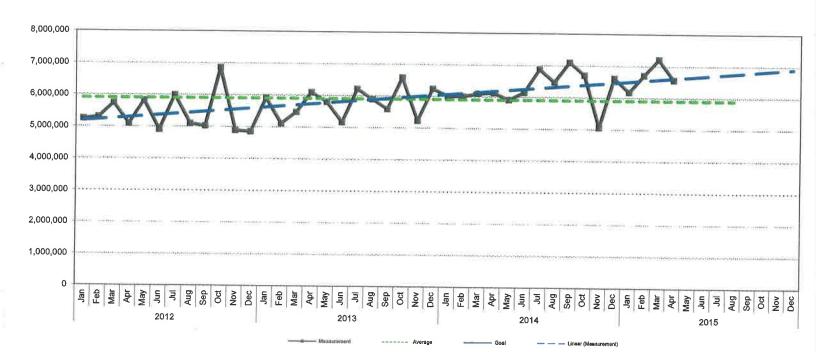
Trend: Favorable

Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans.

Plans for Improvement

Utilize revenues generated from operations to increase cash balances according to 2011-2020 Financial Plan.



						Data I	able					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	5,244,143	5,299,763	5,739,730	5,092,115	5,825,173	4,906,670	5.996.136	5.102.256				
2013	5,918,407	5,115,283	5,475,353	6,102,103	5.802.064	5.169.949	6.218.190		5,590,642			
2014	6,009,331	6,006,172	6.094.900	6.126.359	5.908 706	6 145 597	6 879 508					
2015	6,180,055	6,705,914	7,209,470	6,567,955	0,000,00	0,110,007	0,070,000	0,477,004	7,100,125	0,704,023	5,065,487	6,613,321

ALL SYSTEM FUNDS
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH PRIOR YEAR COMPARISONS APRIL 2015

																							0.00										10				
				_	7	3	4	ı,		9	7	20	6	01	11	12	13	14	15	91	17	8	61		20	21	22	23	24	25	26	27	28	29	30	31	32
H		%		12.5%	12.4%	-5.9%	-2.5%	12.0%		-4.6%	%6 8-	2.0%	-1.3%	-2.2%	.24 9%	-24 6%	-54 9%	15 1%	%0 0	12 4%	-16 9%	-12 5%	-196 7%		%00	3 3%	4 7%	0.3%	-40 3%	-100 0%	%00	1.4%	3.0%	38.2%	-84 8%	4 5%	9 1%
O	YTD	Variance		2,702,036	3,359,649	(12,728)	(30,161)	6,018,796		(173 735)	(545,267)	424,590	(14,425)	(24,925)	(2,190,381)	(2,021,443)	(4,421,558)	1,859,693	02.0	82,110	(62,644)	(7,087,985)	13,106,781		367,163	411,842	597,258	64,397	(13,992)	(94,598)	(9	.e.	1,332,071	14,438,852	(12,104,922)	2,333,930	152,131,004
ſъ	QTY	Prior Year		21,587,118	27,020,120	215,386	1,191,103	50,013,727		3 785 078	6.157,810	6,079,987	1,092,588	1,143,803	8,797,045	8,232,301	8,059,180	12,297,368	1121	660,940	369,798	56,675,898	(6,662,171)		14	12,572,555	12,707,273	19,047,711	34,690	94,598	jū.	69	44,456,896	37,794,725	14,273,603	52,068,328	1,664,001,594
ഥ	YTD	Actual		24,289,154	30,379,769	202,658	1,160,942	56,032,523		3 611 343	5.612.543	6,504,577	1,078,163	1,118,878	6,606,664	6,210,858	3,637,622	14,157,061	6	743,050	307,154	49,587,913	6 444 610)	367,163	12,984,397	13,304,531	19,112,108	20,698	(0)	34	70	45,788,967	52,233,577	2,168,681	54,402,258	1,816,132,598
Q		%		20,3%	%1 61	%9'6	29.1%	%8'61		1,6%	.164%	72.8%	1.2%	-32.7%	-42 3%	15 0%	%9 89-	15.2%	%00	12.4%	-13 7%	-5.8%	.113 7%		%00	-21,0%	-21.0%	-21 0%	%1.7%-	-100 0%	%0.0	39 1%	-21.5%	12.3%	-96.3%	-29.2%	
O	MTD	Variance		977,578	1,185,561	4,470	86,537	2,254,146		8 517	(0781970)	1.035,461	3,198	(106,765)	(1,241,306)	305,183	(1,004,551)	466,423	83	20,528	(14,772)	(810,054)	3,064,200		344	(595,315)	(601,693)	(902,126)	(5,895)	(52,502)	3 * 6	18	(2,157,169)	907,031	(4,393,470)	(3,486,439)	
B	MTD	Prior Year		4,822,367	6,209,286	46,700	297,524	11,375,877	2	346 966	1 774 \$66	1.422.569	270,301	326,774	2,933,721	2,034,957	1,464,449	3,074,342	9	165,235	108,053	14,071,933	(2,696,056)		20	2,834,590	2,864,989	4,294,481	6,034	52,502	A CO	46	10,052,642	7,356,586	4,563,597	11,920,183	
Y	MTD	Actual		5,799,945	7,394,847	51,170	384,061	13,630,023		555 183	1 442 596	2 458 030	273.499	220,009	1,692,415	2,340,140	459,898	3,540,765	W	185,763	93,281	13,261,879	368,144		344	2,239,275	2,263,296	3,392,355	139	20	711	64	7,895,473	8,263,617	170,127	8,433,744	
			Operating revenues:	Sales of water and delinquent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Ongrating Evanuege.	Optioning Express:	Tower and pumping	Transmission and distribution	Customer accounts	Oustomer service	Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax	Nine-mill tax	Interest income	Other Income	Interest expense	Operating and maintenance grants	Total non-operating revenues	Income before capital contributions	Capital contributions	Chauge in net position	Net position, beginning of year Net position, end of year
				-	7	3	4	v.		`) r	- 00		. 0	: =	12		4	V.	91	17	18	19		20	2.1	22	23	24	25	26	27	28	29	30	31	32

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SEWERAGE AND WATER BOARD OF NEW ORLEANS ALL SYSTEM FUNDS STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH BUDGET COMPARISONS APRIL 2015

																		2					* 1										-				
			-	2	£ *	4	S		9	7	80	6	10	11	12	13	14	15	16	17	18	19		20	21	22	23	24	25	97	27	28	29	30	31	32	
H		%	-8 1%	-5 9%	-5.5%	-1.1%	%8 9-		-24.5%	-20 3%	-46.0%	-22.2%	-35.1%	-50.8%	-13.0%	-67.2%	-8.9%	%00	%00	-65.6%	-34.0%	-143 0%		%0"0	-2 8%	-1.5%	-61%	%00	-100 0%	-100 0%	%00	-2 0%	64 6%	%00	71.5%	9.1%	
U	YTD	Variance	(2,147,085)	(1,903,407)	(11,687)	(12,873)	(4,075,052)		(1,170,438)	(1,427,225)	(5,546,580)	(307,270)	(604,664)	(6,815,901)	(956,065)	(7,461,030)	(1,386,327)	((4))	743,050	(584,996)	(25,490,446)	21,415,393		367,163	(373,212)	(196,215)	(1,251,892)	20,698	(524,380)	1,047,108	70	(099,016)	20,504,733	2,168,681	22,673,414	152,131,004	
12.	YTD	Budget	26,436,239	32,283,176	214,345	1.173.816	60,107,575		4,781,781	7,039,768	12,051,157	1,385,433	1,723,542	13,422,565	7,139,923	11,098,652	15,543,387	1.81	1.57	892,150	75,078,358	(14,970,783)		51	13,357,609	13,500,746	20,364,000	*0	524,380	(1,047,108)	25	46,699,627	31,728,844	æ,	31,728,844	1,664,001,594	
ঘ্ৰে	YTD	Actual	24,289,154	30,379,769	202,658	1,160,942	56,032,523		3,611,343	5,612,543	6,504,577	1,078,163	1,118,878	6,606,664	6,210,858	3,637,622	14,157,061	i.	743,050	307,154	49,587,913	6,444,610		367,163	12,984,397	13,304,531	19,112,108	20,698	(**	3	70	45,788,967	52,233,577	2,168,681	54,402,258	1,816,132,598	
Q		%	-12 2%	-8 4%	-4 5%	30 9%	-9.3%		-53.5%	-18,0%	-18.4%	-21 0%	-48.9%	-49.6%	31.1%	-83.4%	%6'8-	%0.0	%0 0	-58.2%	-29.3%	-109.8%		%0 0	101.2%	101.2%	%6 66	%00	-100 0%	%0 001-	%00	107 5%	13267 5%	%00	13542.7%	I,	ļ
C	MTD	Variance	(809,115)	(675,947)	(2,416)	60,607	(1,396,871)		(639,962)	(317,346)	(554,759)	(72,859)	(210,877)	(1,663,226)	555,159	(2,314,765)	(345,081)	ě.	185,763	(129,757)	(5,507,711)	4,110,840		344	1,126,141	1,138,234	1,695,355	139	(131,095)	261,777	64	4,090,959	8,201,799	170,127	8,371,926		
В	MTD	Budget	090.609.9	8,070,794	53,586	293,454	15,026,894		1,195,445	1,759,942	3,012,789	346,358	430,886	3,355,641	1,784,981	2,774,663	3,885,847	A ()	61	223,038	18,769,590	(3,742,696)		((4))	1,113,134	1,125,062	1,697,000	¥9	131,095	(261,777)	×	3,804,514	618'19		61,819		
A	MTD	Actual	5.799.945	7,394,847	51,170	384,061	13,630,023		555,483	1,442,596	2,458,030	273,499	220,009	1,692,415	2,340,140	459,898	3,540,765	86	185,763	93,281	13,261,879	368,144		344	2,239,275	2,263,296	3,392,355	139	: (6)	()#	64	7,895,473	8,263,617	170,127	8,433,744		
			Operating revenues: Sales of water and delinguent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Operating Expenses:	Power and pumping	Treatment	Transmission and distribution	Customer accounts	Customer service	Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax	Nine-mill tax	Interest income	Other Income	Interest expense	Operating and maintenance grants	Total non-operating revenues	Income before capital contributions	Capital contributions	Change in net position	Net position, beginning of year Net nosition, end of year	Tel position, the or year
			-	. 7	3	4	v,		9	7	00	6	10	11	12	13	4	15	16	17	18	61		20	21	22	23	24	25	97	27	28	29	30	31	32	

WATER SYSTEM FUND STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH PRIOR YEAR COMPARISONS

				APRIL 2015							
		A	В	O	D	H	Ĺ	G	н		
		MTD	MTD	MTD		YTD	YTD	YTD			
		Actual	Prior Year	Variance	%	Actual	Prior Year	Variance	%		
	Operating revenues:	(4)								53	
-	Sales of water and delinquent fees	5,799,945	4,822,367	977,578	20.3%	24,289,154	21,587,118	2,702,036	12.5%	<u></u>	
7	Sewerage service charges and del fees	Ñ	ě	#E	%0 0	**	8	**	%0'0	ei	
3	Plumbing inspection and license fees	25,585	23,350	2,235	%96	101,329	107,693	(6,364)	-5 9%	m	
寸	Other revenues	347,894	229,005	118,889	51.9%	1,065,063	938,380	126,683	13.5%	ų	
W	Total operating revenues	6,173,424	5,074,722	1,098,702	21.7%	25,455,546	22,633,191	2,822,355	12.5%	w.	
	Onerating Expenses:										
9	Power and pumping	92,532	95,646	(3,114)	-3 3%	1,258,885	911,496	347,389	38 1%	9	
1	Treatment	561,312	780,307	(218,995)	-28 1%	2,100,585	2,591,695	(491,110)	-18 9%	7	
00	Transmission and distribution	1,425,390	839,212	586,178	%8 69	3,692,771	3,797,093	(104,322)	-2.7%	S	
6	Customer accounts	136,557	134,872	1,685	1.2%	538,084	545,192	(7,108)	-1.3%	6	
10	Customer service	107,397	156,584	(49,187)	-31.4%	536,454	549,416	(12,962)	-2,4%	10	
11	Administration and general	625,852	1,044,200	(418,348)	-40.1%	2,452,574	3,194,389	(741,815)	-23.2%	11	
12	Payroll related	1,085,187	958,304	126,883	13.2%	2,890,727	3,889,163	(998,436)	-25 7%	12	
13	Maintenance of general plant	203,621	725,022	(521,401)	-71.9%	1,776,450	3,845,719	(2,069,269)	-53 8%	13	
4	Depreciation	1,246,023	1,046,508	199,515	19.1%	4,984,093	4,186,032	198,061	%1.61	14	
1.5	Amerization	(*)	8	(*)	%00	*	6	*	%00	15	
16	Provision for doubtful accounts	103,201	117,022	(13,821)	-118%	412,803	468,088	(55,285)	-11 8%	16	
17	Provision for claims	38,846	51,640	(12,794)	.24 8%	110,659	169,142	(58,483)	-34.6%	17	
18	Total operating expenses	5,625,918	5,949,317	(323,399)	-5 4%	20,754,085	24,147,425	(3,393,340)	-14 1%	18	
19	Operating income (loss)	547.506	(874,595)	1,422,101	-162.6%	4,701,461	(1,514,234)	6,215,695	-410 5%	61	
	Non-operating revenues (expense):										177
20	Two-mill tax	£	#is	**	%00	20	5)	10	%00	20	
21	Three-mill tax	0	6	ÞS	%00	i di	100	08	%00	21	
22	Six-mill tax	390	31.	a	%0.0	ä		ä	%00	22	
23	Nine-mill tax	ě	28	*	%0.0	*	.5	×	%00	23	
24	Interest income	138	2,927	(2,789)	-95.3%	243	12,593	(12,350)	-98,1%	24	
25	Other Income	•	*(×	%0"0	6	42,096	(42,096)	*100 0%	25	
26	Interest expense	•	•0	407	%0 0	520	18	e	%00	26	
27	Operating and maintenance grants	64	23	41	178.3%	70	23	47	204 3%	27	
28	Total non-operating revenues	202	2,950	(2,748)	-93.1%	313	54,712	(54,399)	-99.4%	28	
29	Income before capital contributions	547,708	(871,645)	1,419,353	-162 8%	4,701,774	(1,459,522)	6,161,296	-422 1%	29	
30	Capital contributions	154,153	946,768	(792,615)	-83 7%	315,916	199 166 9	(6,675,745)	-95 5%	30	
31	Chauge in net position	701,861	75,123	626,738	834.3%	5,017,690	5,532,139	(514,449)	-9 3%	31	
32					ŀ	313,268,717	256,171,548	57,097,169	22 3%	32	
33	Net position, end of year				[318,286,407	261,703,687	26,582,720	%017	33	

WATER SYSTEM FUND

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH BUDGET COMPARISONS
APRIL 2015

																		ą/					79														
			_	7	3	4	V)		9	7	00	6	10	11	12	13	14	15	91	17	18	61		20	21	22	23	24	25	26	27	28	29	30	31	32	33
Н		%	-8 1%	%00	-5.5%	-12%	-7.8%		124.4%	-32.8%	-44.5%	-22.2%	-36 0%	-53.2%	-11 7%	-60.4%	%0 61-	%0 0	%0"0	~101-	-33.9%	-224.7%		%0.0	%00	%0.0	%00	%00	%0 001-	-100 0%	%00	-99 3%	-226.1%	%00		22 3%	24.2%
9	UTY	Variance	(2,147,085)	*	(5,843)	(12,438)	(2,165,366)		697,988	(1,025,886)	(2,959,260)	(153,295)	(301,328)	(2,784,992)	(384,489)	(2,712,771)	(1,167,574)	K?	412,803	(259,673)	(10,638,477)	8,473,111		19	25	*	¥,	243	(133,500)	89,536	70	(43,652)	8,429,459	315,916		57,097,169	62,114,859
(IL	VTD	Budget	26,436,239	ì	107,172	1,077,501	27,620,913		560,898	3,126,471	6,652,031	691,379	837,782	5,237,566	3,275,216	4,489,221	6,151,667	60	13817	370,332	31,392,562	(3,771,650)		19	30	*	e	6	133,500	(89,536)) A	43,965	(3,727,685)	3.		256,171,548	256,171,548
Ð	YTD	Actual	24,289,154	42	101,329	1,065,063	25,455,546		1,258,885	2,100,585	3,692,771	538,084	536,454	2,452,574	2,890,727	1,776,450	4,984,093	ē	412,803	110,659	20,754,085	4,701,461		(ē	Ť		*)	243	100	Sit.	70	313	4,701,774	315,916	5,017,690	313,268,717	318,286,407
D		%	-12 2%	%0.0	-4 5%	29.1%	-10 6%		-34.0%	-28.2%	-14.3%	-21.0%	-48.7%	-52.2%	32.5%	-81.9%	-19 0%	%00	%00	-58.0%	-28.3%	-158.1%		%0'0	%0.0	%0.0	%00	%0 0	-100 0%	%0 001-	%00	-98 2%	-158 8%	%0-0	-175.3%	1	
C	MTD	Variance	(809,115)	¥0	(1,208)	78,519	(731,804)		(47,692)	(220,306)	(237,618)	(36,288)	(102,048)	(683,540)	266,383	(918,684)	(291,894)	(6)	103,201	(53,737)	(2,222,223)	1,490,418		ï	Ü	*	727	138	(33,375)	22,384	64	(10,789)	1,479,630	154,153	1,633,783		
В	MTD	Budget	090'609'9	*	26,793	269,375	6,905,228		140,224	781,618	1,663,008	172,845	209,445	1,309,392	818,804	1,122,305	1,537,917	(3)	174	92,583	7,848,141	(942,912)		*	*	8	٠	9	33,375	(22,384)	*	166'01	(931,921)	*	(931,921)		
4	MTD	Actual	5,799,945	E	25,585	347,894	6,173,424		92,532	561,312	1,425,390	136,557	107,397	625,852	1,085,187	203,621	1,246,023	(C)	103,201	38,846	5,625,918	547,506		*	×	KC	((40)	138	S¥	*	64	202	547,708	154,153	701,861		
			Operating revenues: Sales of water and delinquent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Operating Expenses:	Power and pumping	Treatment	Transmission and distribution	Customer accounts		Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax			Other Income		Operating and maintenance grants	Total non-operating revenues		Capital contributions	Change in net position	Net position, beginning of year	iver position, end of year
			_	7	3	4	ιC		9	7	00	6	10	11	12	13	14	15	16	17	18	61		20	21	22	23	24	25	26	27	28	29	30	31	32	CC

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH PRIOR YEAR COMPARISONS APRIL 2015 SEWER SYSTEM FUND

																								S.	Ÿ										100		
				-	7	3	7	S		9	7	00	6	10	Ξ	12	13	14	13	91	11	81	19		20	2.1	22	23	24	25	56	27	28	29	30	31	32
H		%		%00	12 4%	-5 9%	-54 5%	%611		-40 0%	-1 0%	24 7%	-13%	-2.4%	-24 5%	-20.7%	-65.7%	12.3%	%00	71,2%	-10.5%	-9 3%	64 0%		%00	%00	%00	%00	310.1%	%0 001-	%00	-100 0%	-64 4%	63 1%	13 2%	54 6%	%6 6 %6 6
9	YTD	Variance		2	3,359,649	(6,364)	(108,154)	3,245,131		(326,850)	(34,256)	509,319	(7,107)	(13,336)	(748,613)	(527,676)	(1,289,125)	499,056	700	137,395	(11,252)	(1,812,445)	5,057,576		(X	ж	*	(40)	15,467	(52,502)	9	(23)	(37,058)	5,020,518	215,264	5,235,782	55,885,652
ĬŦ.	VTD	Prior Year		9	27,020,120	107,693	198,455	27,326,268		816,943	3,531,744	2,059,769	545,190	556,169	3,056,528	2,549,283	1,961,391	4,045,528	100	192,852	107,664	19,423,061	7,903,207		12.	*	jt)	*1	4,988	52,502	51	23	57,513	7,960,720	1,634,657	9,595,377	610,781,239
ਮ	YTD	Actual		113	30,379,769	101,329	90,301	30,571,399		490,093	3,497,488	2,569,088	538,083	542,833	2,307,915	2,021,607	672,266	4,544,584	100	330,247	96,412	17,610,616	12,960,783		17	ï	¥	22	20,455	(30)	<u>n</u>		20,455	12,981,238	1,849,921	14,831,159	666,666,891
Q		%		%0 0	%1.61	%9'6	-164%	18 8%		%8 0	%4 9-	84.2%	1.2%	-31 0%	-41.0%	16.5%	-57.3%	12.3%	%0 0	71.2%	-18.6%	1 0%	77 8%		%0'0	%00	%00	%0.0	%6.66-	%0 001-	%00	%0.0	-100 0%	71.5%	-93 5%	48.3%	I, II
O	MTD	Variance		9	1,185,561	2,235	(6,812)	1,180,984		756	(63,062)	446,280	1,685	(49,008)	(409,238)	104,207	(138,213)	124,764	100	34,349	(5,648)	46,872	1,134,112		12	٠	Ť	ŧ1	(1,032)	(52,502)	l' .	3.5	(53,534)	1,080,578	(231,356)	849,222	
В	MTD	Prior Year		ā	6,209,286	23,350	41,460	6,274,096		90,528	941,578	530,024	134,872	158,109	999,043	630,468	241,337	1,011,382	(<u>r</u>)	48,213	30,389	4,815,943	1,458,153		13	•	*	8	1,033	52,502	Ü	9	53,535	1,511,688	247,330	1,759,018	
<	MTD	Actual		9	7,394,847	25,585	34,648	7,455,080		91,284	878,516	976,304	136,557	101,901	589,805	734,675	103,124	1,136,146	((a))	82,562	24,741	4,862,815	2,592,265		.84	4	¥	¥	-	560	16	114	-	2,592,266	15,974	2,608,240	
			Operating revenues:	Sales of water and delinquent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Operating Expenses:	Power and pumping	Treatment	Transmission and distribution	Customer accounts	Customer service	Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax	Nine-mill tax	luterest income	Other Income	Interest expense	Operating and maintenance grants	Total non-operating revenues	Income before capital contributions	Capital contributions	Change in net position	Net position, beginning of year Net position, end of year
				-	7	3	ক	s.		9	7	20	6	01	Ξ	12	13	7	15	91	17	18	16		20	2.1	22	23	24	25	56	27	28	29	30	31	32

20 21 22 23 24 25 26 26 27

SEWER SYSTEM FUND STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH BUDGET COMPARISONS

APRIL 2015

		%		I %	2 %	% 3	4 %	2 %		9 %		· «		% 10	% 111	% 12	% 13		% 15	, 16	17	% 18	61		% 20	21	% 22	6 23	6 24			6 27	28	6 29	30	31	32	
ڻ ن	Q			%0 0	7) -5.9%	3) -5.5%	4) -62%	4) -5.9%		%6 65- (6		,			5) -47.9%	7) -2.1%	1) -34.9%	3 1,3%	%00	%0 0 2	7) -60 1%	2) -25 2%	8 45.0%		%00	%00	%00	%00	00%	%0 001- (1	%0 001- 7	%00	.102.9%	57.8%	%00		9.1%	
	QTY	Variance			(1,903,407)	(5,843)	(6,014)	(1,915,264)		(325 142)	(358,777)	(2,510,568)	(153,296)	(303,039)	(2,124,445)	(43,957)	(360,381)	60,363		330,247	(145,507)	(5,934,502)	4,019,238			100	127	7.	20,455	(156,981)	872,522	57)	735,996	4,755,234	1,849,921		55,885,652	10,110,01
<u>.</u>	YTD	Budget		Ŧ	32,283,176	107,172	96,315	32,486,663		815.235	3,856,265	5,079,656	691,379	845,872	4,432,360	2,065,564	1,032,647	4,484,221	ε	((0);	241,919	23,545,118	8,941,545		16	3	No.	ř.	F)	156,981	(872,522)	**	(715,541)	8,226,004	4		610,781,239	10,101,010
ជ	YTD	Actual		(4)	30,379,769	101,329	90,301	30,571,399		490,093	3,497,488	2,569,088	538,083	542,833	2,307,915	2,021,607	672,266	4,544,584	œÎ	330,247	96,412	17,610,616	12,960,783		œ	185	80	*0)	20,455	æ	36		20,455	12,981,238	1,849,921	14,831,159	666 666 891	010,011,100
2		%		%00	-8 4%	-4.5%	43.9%	-8 2%		-55.2%	%6 8-	-23.1%	-21.0%	-48 4%	-46 8%	42.3%	-60.1%	1,3%	%00	%00	-59.1%	-17.4%	16 0%		%0'0	%0'0	%0'0	%00	%0'0	-100.0%	-100,0%	%0.0	-100 0%	26.1%	%00	26 8%	ı,	
ر	MTD	Variance		\$	(675,947)	(1,208)	10,569	(666,586)		(112,525)	(85,550)	(293,610)	(36,288)	(102,367)	(518,285)	218,284	(155,038)	15,091	8	82,562	(35,739)	(1,023,464)	356,879		(8	99	80	((*))	-1	(39,245)	218,131	10	178,886	535,765	15,974	551,739		
1	MTD	Budget		*0	8,070,794	26,793	24,079	8,121,666		203,809	964,066	1,269,914	172,845	211,468	1,108,090	516,391	258,162	1,121,055	10	*	60,480	5,886,279	2,235,386))(Ü	•	ĵ.	Ţ	39,245	(218,131)	£0.	(178,885)	2,056,501	'n	2,056,501		
	MTD	Actual		2.7	7,394,847	25,585	34,648	7,455,080		91,284	878,516	976,304	136,557	109,101	589,805	734,675	103,124	1,136,146	(0.	82,562	24,741	4,862,815	2,592,265		Ø€.	70	gi.	64 ş	-	ě	Ř		-	2,592,266	15,974	2,608,240		
			Operating revenues:	Sales of water and delinquent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Operating Expenses:	Power and pumping	Treatment	Transmission and distribution	Customer accounts	Customer service	Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-milt tax	Three-mill tax	Six-mill tax	Nine-mill tax	Interest income	Other Income	Interest expense	Operating and maintenance grants	Total non-operating revenues	Income before capital contributions	Capital contributions	Change in net position	Net position, beginning of year Net position, end of year	
				- (7	3	4	w		9	7	00	6	10	11	17	13	14	15	16	17	- 28	19		20	21	22	23	24	25	79	27	28			31 (32 r 33 r	

SEWERAGE AND WATER BOARD OF NEW ORLEANS DRAINAGE SYSTEM FUND

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH PRIOR YEAR COMPARISONS APRIL 2015

					٠		-77	s		9	7	\$ 0	6	10	- 11	12	13	14	S	91	17	81	۵		0	N.	2	5	**	16		4	~	_	_	70	*1 ***
Ξ		%		%00	%00	%00				-9 4%	%6	8 8%		3 6% 1					1 %00	1 %0 0			19%		0 0% 20	3 3% 21	7% 22	1% 23	24	25 %	1% 26	1% 27	28	% 29	30	% 31	32 %
				0	0	0	%2 68-	-89 7%		7 6-	-57 9%	00	%5 6-	3 (-27.5%	-27 6%	-47 2%	13 8%	0	0 0	7.6	-14 4%	-14 0%		0 0	3.3	4 7%	0.3%	%0 00I-	%00	%00	-100 0%	3 2%	10 4%	%6 66-	-6 5%	4 9%
O	YTD	Variance		i di	Sin	íi¥	(48,690)	(48,690)		(194,275)	(106,61)	19,593	(210)	1,373	(699,953)	(495,331)	(1,063,164)	562,576	ē	3	7,091	(1,882,201)	1,833,511		367,163	411,842	597,258	64,397	(17,109)	1090)	6.0	(23)	1,423,528	3,257,039	(5,644,441)	(2,387,402)	39,148,183
Ĺ	YTD	Prior Year		5965	100	O+	54,268	54,268		2,056,639	34,371	223,125	2,206	38,218	2,546,128	1,793,855	2,252,070	4,065,808	593	: /a	92,992	13,105,412	(13,051,144)			12,572,555	12,707,273	19,047,711	17,109	36	8	23	44,344,671	31,293,527	5,647,285	36,940,812	797,048,807
(±)	YTD	Actual		îk.	₹.	•	5,578	5,578		1,862,364	14,470	242,718	966'1	39,591	1,846,175	1,298,524	1,188,906	4,628,384	3(*5)	10	100,083	11,223,211	(11,217,633)		367,163	12,984,397	13,304,531	19,112,108	5,865	3	98	40	45,768,199	34,550,566	2,844	34,553,410	836,196,990
Q	(6)	%		%00	%0"0	%00	-94 4%	-94 4%		3.0%	3.2%	2 6%	-30.9%	~6 02-	-46.5%	16 6%	-69 3%	14.0%	%00	%00	14 1%	*16.1%	-15.5%		%00	-21.0%	-21.0%	-21.0%	-100 0%	%0 0	%00	%0 001-	-21 0%	-23 7%	-100 0%	-49 2%	1
C	MTD	Variance		()	9	*	(25,540)	(25,540)		10,875	87	3,003	(172)	(8,570)	(413,720)	74,093	(344,937)	142,144	i.t	78	3,670	(533,527)	507,987		344	(595,315)	(601,693)	(902,126)	(2,074)	9x	*	(23)	(2,100,887)	(1,592,900)	(3,369,499)	(4,962,399)	
B	MTD	Prior Year		N#	74	ĵø	27,059	27,059		360,792	2,681	53,333	557	12,081	890,478	446,185	498,090	1,016,452	(ē	Ĭ	26,024	3,306,673	(3,279,614)		it.	2,834,590	2,864,989	4,294,481	2,074	æ	98	23	9,996,157	6,716,543	3,369,499	10,086,042	
V	MTD	Actual		:I €	90	96	1,519	1,519		371,667	2,768	56,336	385	3,511	476,758	520,278	153,153	1,158,596	6¥	T.	29,694	2,773,146	(2,771,627)		344	2,239,275	2,263,296	3,392,355	Ī	Ē	•	50	7,895,270	5,123,643	**	5,123,643	
×			Operating revenues:	Sales of water and delinquent fees	Sewerage service charges and del fees	Plumbing inspection and license fees	Other revenues	Total operating revenues	Operating Expenses:	Power and pumping	Treatment	Transmission and distribution	Customer accounts	Customer service	Administration and general	Payroll related	Maintenance of general plant	Depreciation	Amortization	Provision for doubtful accounts	Provision for claims	Total operating expenses	Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax	Nine-mill tax	Interest income	Other Income	Interest expense	Operating and maintenance grants	Total non-operating revenues	Income before capital contributions	Capital contributions	Chauge in net position	Net position, beginning of year
			-	-	7	Ę	प	'n	Ŭ	9	7.	80	6	10	Ξ	12	13	4	5	91	11	18	19 (_	20	21	22	23	24	25		27	28	29 In	30 C	31	32 N

SEWERAGE AND WATER BOARD OF NEW ORLEANS DRAINAGE SYSTEM FUND STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION WITH BUDGET COMPARISONS APRIL 2015

																				3															-
			-	7	6	4	v.	9	7	00	6	10	11	12	13	14	15	16	17	18	19		20	21	22	23	24	25	26	27	28	29	30	31	32
H	i	%	%0 0	%00	%0 0	%00	0.00%	-45,3%	-74.6%	-24 0%	-25 4%	%2.0-	-50.8%	-27.8%	-78.7%	-5.7%	%0 0	%00	-64 2%	-44.3%	-44 3%		%00	-2 8%	-1 5%	-6.1%	%00	~100 0%	-100 0%	%00	-3 4%	76 9%	%00	26.9%	4.9%
S	YTD	Variance	339) (#	36	5.578	5,578	(1,543,284)	(42,562)	(76,752)	(629)	(297)	(1,906,463)	(500,619)	(4,387,877)	(279,116)	*	ĸ	(179,817)	(8,917,467)	8,923,045		367,163	(373,212)	(196,215)	(1,251,892)	×	(233,898)	85,050	в	(1,603,004)	7,320,041	2,844	7,322,885	39,148,183
ĹŦ.	YTD	Budget		S 13*	10	(#)	40	3,405,648	57,032	319,470	2,675	39,888	3,752,638	1,799,143	5,576,783	4,907,500		2	279,900	20,140,678	(20,140,678)		*	13,357,609	13,500,746	20,364,000	×	233,898	(85,050)	(4)	47,371,203	27,230,525		27,230,525	797,048,807 824,279,332
ы	YTD	Actual	•	9	9	\$ 578	5,578	1,862,364	14,470	242,718	1,996	39,591	1,846,175	1,298,524	1,188,906	4,628,384	*	ě	100,083	11,223,211	(11,217,633)		367,163	12,984,397	13,304,531	19,112,108	T.	ů.	¥T	112	45,768,199	34,550,566	2,844	34,553,410	836,196,990
Q		%	%0 0	%00	%00	%00	%00	-56.3%	%9 08-	-29 5%	-42 4%	-64.8%	-49.2%	15.7%	%0.68-	-5.6%	0.0%	%0.0	-57.6%	-44.9%	-45.0%		%0 0	101.2%	101.2%	%6 66	%0"0	~100 0%	~100 0%	%00	%8 86	-582 1%	%0 0	-582 1%	ļ
O	MTD	Variance		i 5•	77. 174	1 519	1,519	(479,745)	(11,490)	(23,532)	(284)	(6,461)	(461,402)	70,492	(1,241,043)	(68,279)	•	146	(40,281)	(2,262,024)	2,263,543		344	1,126,141	1,138,234	1,695,355	N.	(58,475)	21,263	×	3 922 862	6,186,404	6	6,186,404	
В	MTD	Budget	,	() : •	OC 69	00	*	851,412	14,258	79,868	699	9,972	938,160	449,786	1,394,196	1,226,875	OF	×	69,975	5,035,170	(5,035,170)		*	1,113,134	1,125,062	1,697,000	.01	58,475	(21,263)		3,972,408	(1,062,761)	#i	(1,062,761)	
Ψ.	MTD	Actual		na 1	M - 58	1 519	1,519	371,667	2,768	56,336	385	3,511	476,758	520,278	153,153	1,158,596	Ĭ	₩ ₩	29,694	2,773,146	(2,771,627)		344	2,239,275	2,263,296	3,392,355	īĒ	9	Ŕ	Y 11	7,895,270	5,123,643	*	5,123,643	
			Operating revenues:	Sairs of water and definitions and dal face															Provision for claims		Operating income (loss)	Non-operating revenues (expense):	Two-mill tax	Three-mill tax	Six-mill tax		Interest income	5 Other Income	Interest expense	Operating and maintenance grants		Income before capital contributions	Capital contributions		2 Net position, beginning of year 3 Net position, end of year
			0.7		4 6	7	r. vc.	9	-	00	6	10	Ξ	12	13	4	1.5	16	17	18	19		20	21	22	23	24	25	26	27	28	29	30	31	32