

**BOARD OF DIRECTORS' MEETING**  
**SEWERAGE & WATER BOARD OF NEW ORLEANS**  
**WEDNESDAY, OCTOBER 21, 2015**  
**9:00 AM**  
**625 ST. JOSEPH STREET**  
**2<sup>ND</sup> FLOOR BOARD ROOM**

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**ORDER OF BUSINESS**

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1. READING OF THE BOARD MINUTES
2. HONORS AND AWARDS
3. REPORT OF EXECUTIVE DIRECTOR
4. COMMITTEE REPORTS
  - A. Pension Committee
  - B. Strategy Committee
  - C. Governance Committee
  - D. Audit Committee
  - E. Finance & Administration Committee
    - Water and Sewer Revenue Bonds, Series 2015 (Roll Call Vote Needed)
      - i. Water 2<sup>nd</sup> Supplemental Bond, Series 2015 (R-185-2015)
      - ii. Sewer 2<sup>nd</sup> Supplemental Bond, Series 2015 (R-190-2015)
    - Sewerage and Water Board Millages for the Fiscal Year 2016
      - iii. Roll Back of Sewerage and Water Millages (R-187-2015)
      - iv. Roll Forward of Sewerage and Water Board Millages (R-188-2015)
5. CORRESPONDING RESOLUTIONS
6. UNFINISHED BUSINESS
7. NEW BUSINESS
8. EXECUTIVE SESSION
9. INFORMATION ITEMS
  - F. FEMA Status Report
  - G. Report of the General Superintendent
  - H. Report of the Special Counsel
  - I. Financial Statements
10. COMMUNICATION
11. RESPONSE TO QUESTIONS
12. ANY OTHER MATTERS
13. ADJOURNMENT

# BOARD OF DIRECTOR'S MEETING

SEPTEMBER 16, 2015

MEETING MINUTES

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

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### ROLL CALL

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The Board of Directors of Sewerage and Water Board met on Wednesday, September 16, 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: Ms. Suchitra Satpathi representing Mayor Landrieu, Mr. Wm. Raymond Manning, Mr. Alan Arnold, Mr. Marion Bracy, Mrs. Robin Barnes, Dr. Tamika Duplessis, Mrs. Kerri Kane, Mr. Scott Jacobs, and Ms. Kimberly Thomas.

The following member was absent: Mr. Joseph Peychaud.

Also present were: Brenda Thornton, CommuniRep, Inc.; Geneva Coleman, The Hawthorne Agency, Inc.; Amer Tufail, Greenpoint Engineering; Lisa Daniel, PFM; Renee' Lapeyrolerie, CDM Smith; Stephen Stuart, BGR; Randy Smith, Royal Engineers; Rob Bredberg, Burk-Kleinpeter, Inc.; Ursula Amrhein, Buchart Horn.

Staff present were: Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; Nolan Lambert, Special Counsel; Harold Marchand, Yolanda Grinstead, Legal Department; Willie Mingo, Purchasing Department; Robert Jackson, Community & Intergovernmental Relations Department; Shaval Stewart, Executive Director's Office.

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### APPROVAL OF PREVIOUS REPORT

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Mrs. Kerri Kane moved to accept the minutes of the Regular Board Meeting held on August 19, 2015. Mr. Marion Bracy seconded the motion. The motion carried.

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### HONORS AND AWARDS

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The Executive Director, Mr. Cedric S. Grant acknowledged and honored the men and women of the Sewerage and Water Board of New Orleans with a Katrina 10 commemorative plaque for their hard work and efforts during and following Hurricane Katrina by dewatering, and restoring water, drainage and sewerage services for the city of New Orleans.

Mr. Marion Bracy moved approval to hang the plaque in commemoration of employees re: Hurricane Katrina and for it to be placed in our lobby. Mrs. Kerri Kane seconded the motion. The motion carried.

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## **REPORT OF THE EXECUTIVE DIRECTOR**

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The Executive Director, Mr. Cedric S. Grant gave an overview on the Katrina 10 Event that recognized all city employees and first responders who stayed during Hurricane Katrina. Mr. Grant and two staff members were asked to appear on WWL-TV to tell their Katrina stories. Thereafter, we were visited by the German Republic technical team that volunteered their services to help restore the operations of Sewerage & Water Board.

Mr. Grant updated the Board on the "Boots on the Ground" program. He stated new staff has engaged with 60% of the neighborhood residents of Jefferson, Napoleon and Louisiana Avenues. 24 of the 38 quality of life communicated to the Corps of Engineers are resolved. The quarterly update report from the U.S. Army Corps of Engineers that outlines every project and its phase and area of completion were passed out. The streetcar services have been restored and discussion is underway for the Napoleon Avenue new landscape plan.

Lastly, Mr. Grant announced the Water Environment Federation (WEF) Conference will be in Chicago, Illinois this year. Staff will attend and bring back valuable information to the Board.

### FINANCE AND ADMINISTRATION COMMITTEE

The Chairperson, Mr. Scott Jacobs reported on the summary and actions taken by the Finance and Administration Committee. Dr. Tamika Duplessis moved acceptance of the Finance and Administration Committee Report and approval of the Finance and Administration Committee recommendations, therein. Mrs. Robin Barnes seconded the motion. The motion carried.

### AUDIT COMMITTEE

The Chairperson, Mr. Wm. Raymond Manning reported on the summary and actions taken by the Audit Committee. Mrs. Kerri Kane moved acceptance of the Audit Committee Report and approval of the Audit Committee recommendations, therein. Mr. Marion Bracy seconded the motion. The motion carried.

### STRATEGY COMMITTEE

The Chairperson, Mr. Marion Bracy reported on the summary and actions taken by the Strategy Committee. Mrs. Robin Barnes moved acceptance of the Strategy Committee Report and approval of the Strategy Committee recommendations, therein. Ms. Kimberly Thomas seconded the motion. The motion carried.

GOVERNANCE COMMITTEE REPORT

The Chairperson, Mrs. Kerri Kane reported on the summary report on the actions taken by the Governance Committee Meeting. Mr. Scott Jacobs moved acceptance of the Governance Committee report and the Governance Committee recommendations, therein. Mr. Marion Bracy seconded the motion. The motion carried.

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**CORRESPONDING RESOLUTIONS**

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

R-158-2015 – 2015 Independent Financial Auditing Services Contract

R-159-2015 – First and Final Renewal of Contract 8142 – Repaving Open Cuts in Streets, Driveways, Sidewalks Resulting from the Repair to the Sewerage and Water Board of New Orleans Underground Utilities

R-160-2015 – First and Final Renewal of Contract for Furnishing Brass Water Service Fittings – Req. No. YW140098

R-161-2015 – First Renewal of Contract for Furnishing and Delivering Complete Fleet Tire Service to Sewerage and Water Board of New Orleans – Req. No. YG140003

R-163-2015 – Expansion of Cogsdale Software Contract to Include Human Resources/Payroll Modules

R-164-2015 – Ratification of Change Order No. 1 for Contract 8137 – Paving Open Cuts in Streets, Driveways and Sidewalks from the Repair to the Sewerage and Water Board of New Orleans Underground Utilities

R-165-2015 – Change Order No. 8 for Contract 5221 – Hurricane Katrina Related Repairs to Pontchartrain Boulevard Drainage Underpass Pumping Station

R-166-2015 – Change Order No. 6 for Contract 5222 – Hurricane Katrina Related Repairs to Canal Boulevard Drainage Underpass Pumping Station

R-167-2015 – Change Order No. 6 for Contract 5223 – Hurricane Katrina Related Repairs to St. Bernard Avenue Drainage Underpass Pumping Station

R-168-2015 – Change Order No. 8 for Contract 5226 – Hurricane Katrina Related Repairs to Franklin Avenue Drainage Underpass Pumping Station

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## NEW BUSINESS

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### Declaration of Vacancy on the Sewerage and Water Board of New Orleans

Mr. Miller explained the notice of vacancy for Council District "A" member position on the Board of Directors of Sewerage and Water Board of New Orleans. The current Board Member, Mr. Scott Jacobs is moving to District "B" and staff will issue the notice of vacancy effective September 16, 2015.

Ms. Suchitra Satpathi moved approval of the declaration of vacancy on the Sewerage and Water Board of New Orleans as described in resolution, R-169-2015. Mr. Alan Arnold seconded the motion. The motion carried.

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## EXECUTIVE SESSION

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Mr. Scott Jacobs moved to go into Executive Session to enter into discussions re: Rose Powell v. Sewerage and Water Board of New Orleans, et al, CDC No. 2012-03988, Div. "N", Sec. 8 and Keisha Quinn Moore, et al v. Danial Smith, et al, CDC No. 2014-3581, Div. "M". Mrs. Robin Barnes seconded the motion. The motion carried.

Mr. Scott Jacobs moved to come out of Executive Session. Dr. Tamika Duplessis seconded the motion. The motion carried.

Mr. Marion Bracy moved to accept staff recommendations re: Rose Powell v. Sewerage and Water Board of New Orleans, et al, CDC No. 2012-03988, Div. "N", Sec. 8 and Keisha Quinn Moore, et al v. Danial Smith, et al, CDC No. 2014-3581, Div. "M" litigation matters. Mrs. Kerri Kane seconded the motion. The motion carried.

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## INFORMATION ITEMS

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The following items were submitted for informational purposes only:

- FEMA Status Report
- Report of the Special Counsel
- Financial Statements
- Report of the General Superintendent

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## ADJOURNMENT

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There being no further business the meeting adjourned at 9:48 AM.

**APPROVAL OF AGREEMENT BETWEEN THE SEWERAGE AND WATER BOARD OF  
NEW ORLEANS AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND  
THE LOUISIANA STATE HISTORIC PRESERVATION OFFICER.FOR FOR PROJECT  
WORKSHEET 11317 Repair to Station D**

WHEREAS, the S&WB desires to utilize Federal funds under Project Worksheet 11317v3 for to repair Station D wall that was damaged by Hurricane Katrina;

WHEREAS, The Sewerage & Water Board of New Orleans (SWBNO) has working with Federal Emergency Management Agency (FEMA), the State Historic Preservation Officer (SHPO), and the public to minimize adverse effects the repairs to Station D wall as required by the Advisory Council on Historic Preservation (ACHP) and the section 106 process.

NOW THEREFORE, BE IT RESOLVED that the Sewerage and Water Board of New Orleans hereby authorizes acceptance the Memorandum of Agreement with THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE LOUISIANA STATE HISTORIC PRESERVATION OFFICER;

BE IT FURTHER RESOLVED that the President and/or President Pro-Tem is hereby authorized to enters into the MOA between the SEWERAGE AND WATER BOARD OF NEW ORLEANS AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE LOUISIANA STATE HISTORIC PRESERVATION OFFICER.

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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 October 21, 2015

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

**COOPERATIVE ENDEAVOR AGREEMENT BETWEEN THE GREATER NEW ORLEANS  
FOUNDATION AND SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**WHEREAS**, the Greater New Orleans Foundation (“GNOF”) would like to forge a partnership with the Sewerage & Water Board of New Orleans (“the Board”) to drive green infrastructure and stormwater management in New Orleans, which will complement the city’s world-class gray infrastructure and increase the sustainability and resiliency of New Orleans; and

**WHEREAS**, GNOF and the Board intend to work to support the Board’s leadership in advancing a Board mission that will allow for the inclusion of a more comprehensive green infrastructure and stormwater management strategy; and

**WHEREAS**, GNOF and the Board intend to further build the Board’s communications/public education capacity in the area of Green Infrastructure and Storm Water Management through implementing a public communications campaign;

**NOW, THEREFORE BE IT RESOLVED**, by the Sewerage and Water Board of New Orleans that the Executive Director is hereby authorized to enter into and accepting this collaborative Agreement with the Greater New Orleans Foundation which shall commence on this date and shall continue for a period of two years.

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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 the resolution adopted at a Regular Monthly Meeting of said Board, duly called and held, according to law on October 21, 2015.

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

**FURNISHING AND DELIVERING LUBRICANT PETROLEUM PRODUCTS - REQ.  
NO. YG150060**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on September 24, 2015 after advertising according to the Public Bid Law, for Furnishing and Delivering Lubricant Petroleum Products. The low bid was hereby accepted and contract awarded therefore to **Retif Oil & Fuel** for the total amount of **\$102,319.73**.

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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 October 21, 2015.

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

R-175-2015

**REBUILDING AND INSTALLING AUTOMOTIVE REMANUFACTURED ENGINES AND  
RELATED PARTS - REQ. NO. YG150099**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that no bids were received on September 17, 2015 after advertising according to the Public Bid Law, for Rebuilding and Installing Automotive Remanufactured Engines and Related Parts. It is recommended that this contract be rebid.

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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 October 21, 2015.

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

**FURNISHING SEWER REPAIR COUPLINGS - REQ. NO. YG150013**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on September 17, 2015 after advertising according to the Public Bid Law, for furnishing sewer repair couplings. The low bid was hereby accepted and contract awarded on an item-by-item basis as follows:

Items 1 thru 7 and 10 thru 14, to **La. Utilities Supply** for the total amount of **\$47,794.00**, be accepted based upon the technical review of the proposals.

Items 15 and 16, to **Cimisco, Inc.** for the total amount of **\$23,000.00**, be accepted based upon the technical review of the proposals.

Items 8 and 9, to **Coburn's** for the total amount of **\$3,800.00**, be accepted based upon the technical review of the proposals.

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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 October 21, 2015.

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

**FURNISHING FULL CIRCLE STAINLESS STEEL REPAIR AND TAP CLAMPS AND  
TRANSITIONAL COUPLINGS FOR CAST IRON AND TRANSITE PIPE - REQ.  
NO. YG150081**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on September 17, 2015 after advertising according to the Public Bid Law, for furnishing full circle stainless steel repair and tap clamps and transitional couplings for cast iron and transite pipe. The low bid was hereby accepted and contract awarded therefore to **La. Utilities Supply** for the amount of **\$208,199.20**.

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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 October 21, 2015.

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

**FURNISHING HOT MIX ASPHALT - REQ. NO. YG150085**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on September 17, 2015 after advertising according to the Public Bid Law, for furnishing hot mix asphalt. The low bid was hereby accepted and contract awarded therefore to **Barriere Construction Co., LLC** for the amount of **\$301,250.00**.

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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 October 21, 2015.

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

**FURNISHING METER BOXES AND METER BOX PARTS - REQ. NO. YW150086**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on September 17, 2015 after advertising according to the Public Bid Law, for meter boxes and meter box parts. The low bid was hereby accepted and contract awarded therefore to **Cimsco, Inc.** for the amount of **\$683,607.00.**

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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 October 21, 2015.

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

**FURNISHING AND DELIVERING COMBINATION SEWER CLEANER TRUCKS -  
REQ. NO. YG150026**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that two (2) bids were received on September 17, 2015 after advertising according to the Public Bid Law, for furnishing and delivering combination sewer cleaner trucks. The low bid was hereby accepted and contract awarded on an item-by-item basis as follows:

**Item 1**, to **Covington Sales & Service** for the total amount of **\$1,002,000.00**, be accepted based upon the technical review of the proposals.

**Item 2**, to **Vacuum Truck Sales & Service** for the total amount of **\$944,145.00**, be accepted based upon the technical review of the proposals.

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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 October 21, 2015.

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

**THE SALE OF JUNK METERS, SCRAP WIRES, JUNK METALS AND JUNK LOCOMOTIVES**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that three (3) bids were received on July 23, 2015 after advertising according to the Public Bid Law, for the sale of junk meters, scrap wires, junk metals and junk locomotives. Due to the highest bidder expressing lack of interest in carrying out their contract, the second highest bid was hereby accepted and contract awarded therefore to **Louisiana Scrap Metal** for the amount of **\$1.11 per pound**.

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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 October 21, 2015.

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

**CONTRACT 8144 - REPAVING OPEN CUTS IN STREETS, DRIVEWAYS,  
SIDEWALKS RESULTING FROM THE REPAIR TO THE SEWERAGE AND WATER  
BOARD OF NEW ORLEANS UNDERGROUND UTILITIES**

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**BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that four (4) bids were received on September 18, 2015 after advertising according to the Public Bid Law, for performing work under Contract 8144. The bid was hereby accepted and contract awarded therefore to **Wallace C. Drennan, LLC** for the total amount of **\$1,666,300.00**.

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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 October 21, 2015.

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

**FIRST AND FINAL RENEWAL OF CONTRACT FOR FURNISHING CHEMICAL  
CONTROL OF FOLIAGE AT SPECIFIED SEWERAGE AND WATER BOARD  
LOCATIONS WITHIN THE CITY OF NEW ORLEANS - REQ. NO. YO140051**

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**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, **Louisiana Vegetation Management, Inc.**, desires to exercise its renewal option as allowed under this contract with the total being **\$156,450.00** for furnishing chemical control of foliage at specified Sewerage and Water Board locations within the city of New Orleans.

**NOW, THEREFORE, BE IT RESOLVED**, that the request of **Louisiana Vegetation Management, Inc.**, for this first and only renewal, effective October 1, 2015, is hereby approved.

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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 October 21, 2015.

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

**FINAL ACCEPTANCE AND CLOSE OUT TO CONTRACT 3661 - MODIFICATION  
TO EAST BANK WASTEWATER TREATMENT PLANT FLOOD PROTECTION SYSTEM**

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**WHEREAS, Contract 3661** is ready for Final Acceptance by the Sewerage & Water Board of New Orleans; and

**WHEREAS,** the General Superintendent in his report has recommended that this contract receive final acceptance and be closed out.

**NOW, THEREFORE, BE IT RESOLVED,** by the Sewerage and Water Board of New Orleans that the recommendation of the General Superintendent to authorize final acceptance and to close out Contract by **Cajun Contractors** for **Contract 3661**, is hereby approved.

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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 October 21, 2015.

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

**RATIFICATION OF CONTRACT FOR WEB PAYMENT PROCESSING SERVICE**

**WHEREAS**, Sewerage and Water Board is on a path to update or replace all of its major legacy software systems in the near future; and

**WHEREAS**, Sewerage and Water Board will be moving from our in-house Customer Account Management System to the Cogsdale CSM System within the next nine to twelve months; and

**WHEREAS**, the next system to be replaced includes the Board's Web Payment Processing Service; and

**WHEREAS**, Xerox Corporation performs credit card authorization services as part of their larger contract for facility management of the Information Systems Department and then passes credit card information to First Data and Liberty Bank for merchant services processing; and

**WHEREAS**, a move of contractual arrangements has been accelerated as a result of notification from Xerox Corporation to the Sewerage & Water Board of New Orleans that they have lost the contract with Orange County, California through which they provided these services and alternative arrangements need to be made by October 31, 2015; and

**WHEREAS**, the Sewerage & Water Board of New Orleans's staff has entered into negotiations with Invoice Cloud, Inc. for a contract for these services for not more than \$300,000 and not to exceed one year, subject to signature approval by the Executive Director and ratification by the Board of Directors; and

**WHEREAS**, negotiations have been successfully completed at a net cost of approximately \$118,200 per year, which represents a savings over the current contract of approximately \$87,000 per year; 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 ratify the Board's Web Payment Processing Service contract to remove Xerox Corporation as the service provider and enter into a contractual agreement with Invoice Cloud, Inc.

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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 the resolution adopted at a Regular Monthly Meeting of said Board, duly called and held, according to law on October 21, 2015.

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

**COOPERATIVE ENDEAVOR AGREEMENT WITH CITY OF NEW ORLEANS  
FOR THE COORDINATION OF ALL REPAIR, MAINTENANCE,  
AND CONSTRUCTION PROJECTS WITH CITY AGENCIES**

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**WHEREAS**, the Sewerage and Water Board and the City of New Orleans desire to enter into a Cooperative Endeavor Agreement (CEA), consistent with the Home Rule Charter of the City of New Orleans, to allow for the coordination of all repair, maintenance, and construction projects with City agencies, including the Department of Public Works, Department of Property Management and the Office of Capital Projects, including Disaster Management/D/CDBG. The intent of the CEA is to minimize the disruption of City streets, sidewalks, and other public spaces and to establish an integrated infrastructure management system; and

**WHEREAS**, the CEA will require that the City coordinate with the Board the operation and management of the Department of Public Works, Department of Property Management and the Office of Capital Projects, including the Disaster Management/D-CDBG office. The CNO will also coordinate with the Board water management, planning and implementation. The Board will monitor the coordination of the functions and duties of the Department of Public Works, Department of Property Management and the Office of Capital Projects, including the Disaster Management/D-CDBG office. The Board shall regularly report to the Mayor on the coordination of the functions and duties between the CNO and the Board.

**NOW THEREFORE, BE IT RESOLVED**, that the President Pro Tem, on behalf of the Sewerage and Water Board of New Orleans is hereby authorized to enter into a Cooperative Endeavor Agreement with the City of New Orleans to coordinate all repair, maintenance, and construction projects with the City of New Orleans.

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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  
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Monthly Meeting of said Board, duly called and held,  
according to law, on October 21, 2015.

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

**EAST BANK WASTEWATER TREATMENT PLANT MUNICIPAL WATER POLLUTION PREVENTION  
ENVIRONMENTAL AUDIT**

**WHEREAS**, on August 12, 2015 the Board's wastewater operator (Veolia Water North America) completed the Louisiana Municipal Water Pollution Prevention report for the East Bank Wastewater Treatment Plant for the period June 1, 2014 to May 31, 2015; and

**WHEREAS**, the Board has reviewed the Municipal Water Pollution Prevention Environmental Audit Report, prepared for the Louisiana Department of Environmental Quality, which is attached to this resolution; and

**WHEREAS**, though no corrective action is needed at this time, the Board will continue to take whatever actions are necessary to maintain permit requirements contained in the Louisiana Water Discharge Permit System (LWPDPS) Number LA0038091.

**NOW, THEREFORE BE IT RESOLVED** that the Board hereby acknowledges receipt and review of the report and assures performance of any actions necessary to maintain permit requirements.

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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 October 21, 2015.

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

**WEST BANK WASTEWATER TREATMENT PLANT MUNICIPAL WATER POLLUTION  
PREVENTION ENVIRONMENTAL AUDIT**

**WHEREAS**, on September 29, 2015, the Board's wastewater operator (Veolia Water North America) submitted the Louisiana Municipal Water Pollution Prevention report for the West Bank Wastewater Treatment Plant for the period September 1, 2014 to August 31, 2015; and

**WHEREAS**, the Board has reviewed the Municipal Water Pollution Prevention Environmental Audit Report, prepared for the Louisiana Department of Environmental Quality, which is attached to this resolution; and

**WHEREAS**, though no corrective action is needed at this time, the Board will continue to take whatever actions are necessary to maintain permit requirements contained in the Louisiana Water Discharge Permit System (LWPDPS) Number LA0038105.

**NOW, THEREFORE BE IT RESOLVED** that the Board acknowledges receipt and review of the report and assures performance of any actions necessary to maintain permit requirements.

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

**RATIFICATION OF CHANGE ORDER NO. 1 FOR CONTRACT 1378 -  
HURRICANE KATRINA RELATED REPAIRS TO BOILER, DUCT AND  
ELEVATORS AT THE MAIN WATER PURIFICATION PLANT POWER  
COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract 1378 with Plant N Power Services, LLC in the amount of \$15,928,241.00 for FEMA-funded repairs to Board water distribution system service pumps, and

**WHEREAS**, the Contractor completed additional work including changes to boiler instruments, the boil-out of Boiler #4 and modifications to the Turbine G5 stairway landing at the railroad tracks. These costs will not be eligible for FEMA reimbursement, and

**WHEREAS**, the Contractor will be granted forty six (46) additional Contract days to complete the work and

**WHEREAS**, this Change Order, in the amount of \$201,903.35, brings the accumulated Contract change order total to \$201,903.35, or 1.3 % percent of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 1 for Contract 1378 is ratified by the Sewerage and Water Board of New Orleans.

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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 October 21, 2015.

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

**RATIFICATION OF CHANGE ORDER NO. 2 FOR CONTRACT 3788 – 404 HAZARD MITIGATION GRANT PROGRAM – BURKE SEWAGE PUMPING STATION**

**WHEREAS**, the Sewerage and Water Board entered into Contract 3788 with Industrial & Mechanical Contractors Inc., for FEMA funded Hazard Mitigation Grant Program to Burke Sewage Pumping Station in the bid amount of \$1,388,183.00, and

**WHEREAS**, in the course of this construction, it was required to replace the cathodic leads without splices to the SFM, install expansion joints to both suction lines, replace the CMU wall with wood fence and add two gates to provide boom truck access, at an additional cost of \$24,081.88. This cost will be eligible for FEMA reimbursement, and

**WHEREAS**, the contractor was directed to clean and CCTV the 30" sewer line & remove excess debris from the wet well, install the lightning protection system including the installation of the TVSS system, at an additional cost of \$54,186.83. This cost will be eligible for FEMA reimbursement, and

**WHEREAS**, the Sewerage and Water Board has previously approved Change Orders for this Contract in the amount of \$25,879.29. This Change Order, in the amount of \$78,268.71, brings the accumulated total to \$104,148.00, which is 7.5% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 2 for Contract 3788 be ratified by the Sewerage and Water Board

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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 October 21, 2015

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

**RATIFICATION OF CHANGE ORDER NO. 10 FOR CONTRACT 1351 -  
HURRICANE KATRINA RELATED REPAIRS TO A & B PUMPS AND  
AUXILIARIES AT THE MAIN WATER PURIFICATION PLANT POWER  
COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract 1351 with Lou-Con, Inc. in the amount of \$13,594,000.00 for FEMA-funded repairs to Board water distribution system service pumps, and

**WHEREAS**, the Contractor completed \$56,808.31 of additional repairs to Gear Box B. These costs will not be eligible for FEMA reimbursement because the damages were not related to hurricane damages, and

**WHEREAS**, the Contractor completed additional storm related repairs to Gear Box III, Pump A & Pump B Rehab/Redesign, and,

**WHEREAS**, the Contractor will be granted three hundred thirty eight (338) additional Contract days to complete the work and

**WHEREAS**, this Change Order, in the amount of \$1,784,726.81, brings the accumulated Contract change order total to \$2,022,392.82, or 14.9 % percent of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 10 for Contract 1351 is ratified by the Sewerage and Water Board of New Orleans.

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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 October 21, 2015.

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

**RATIFICATION OF CHANGE ORDER NO. 8 FOR CONTRACT 1352 -  
HURRICANE RELATED REPLACEMENT OF THE PUMP PACKAGE AT THE  
CARROLLTON WATER PURIFICATION PLANT – POWER COMPLEX**

**WHEREAS**, the Sewerage and Water Board entered into Contract 1352 with Industrial & Mechanical Contractors, Inc. in the amount of \$2,721,890.00 for the FEMA funded Replacement of the Pump Package at the Carrollton Water Purification Plan – Power Complex and

**WHEREAS**, the Contractor shall core additional holes due to beam obstruction, furnish and install additional piping due to a location change of pumps, provide additional labor due to recurring underground obstructions to the feeder runs and furnish and install air compressors and,

**WHEREAS**, this Change Order, in the amount of \$273,936.45, brings the accumulated Contract change order total to \$546,620.48 or 20.1% of the original Contract value.

**NOW THEREFORE BE IT RESOLVED**, the approval of Change Order No. 8 for Contract 1352 is ratified by the Sewerage and Water Board of New Orleans.

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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 October 21, 2015.

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

**COOPERATIVE ENDEAVOR AGREEMENT WITH CITY OF NEW ORLEANS  
FOR THE PERMANENT PAVEMENT RESTORATION OF UTILITY CUTS**

**WHEREAS**, the Sewerage and Water Board and the City of New Orleans desire to enter into a Cooperative Endeavor Agreement (CEA), consistent with the Home Rule Charter of the City of New Orleans, to allow the City of New Orleans to perform permanent paving restoration of utility cuts to be made by the Sewerage and Water Board of New Orleans. The intent of the CEA is to accomplish a valued public purpose of improving the restoration of underground utilities and pavement by enhancing the collaboration between the parties; and

**WHEREAS**, the CEA will require that the City coordinate with the Board the removal of the backfill, temporary pavement, and/or temporary covering placed by the Board as part of its repair, and any additional saw cutting of pavement and subsequent removal of construction debris and/or materials, preparation of the base course and adjacent pavement in accordance with applicable Department of Public Works' general specifications, the placement of permanent pavement, final inspection, and removal of any remaining traffic control measures.

**NOW THEREFORE, BE IT RESOLVED**, that the President Pro Tem, on behalf of the Sewerage and Water Board of New Orleans is hereby authorized to enter into a Cooperative Endeavor Agreement with the City of New Orleans for the permanent pavement restoration of utility cuts.

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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 October 21, 2015.

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

**Biometric Screening and Disease Management**

WHEREAS, Sewerage and Water Board of New Orleans currently provides health insurance coverage for its Employees and Retirees; and

WHEREAS, Sewerage and Water Board desires to add a program of biometric screening and disease management for employees, retirees, and their spouses;

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Executive Director is authorized to add these capabilities to the Sewerage and Water Board health insurance coverage at an anticipated annual cost for Disease Management of \$102,600 and Biometric Screening at an estimated annual cost \$370,500.

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I, Cedric S. Grant, Executive Director, of the 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 Wednesday, October 21, 2015.

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



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> 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](http://www.swbno.org)

October 7, 2015

The Pension Committee of Sewerage and Water Board of New Orleans met on Wednesday, October 7, 2015 at 10:30 AM 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. Gerald Tilton  
Mr. John H. Wilson III

**ABSENT:**  
Mrs. Robin Barnes  
Mr. Marion Bracy  
Mr. Marvin R. Russell, Jr.

Also in attendance were Cedric S. Grant, Executive Director; Robert K. Miller, Deputy Director; Nolan P. Lambert, Special Counsel; Director's Office, Legal, Finance and Personnel Department staff; Stephen Daste, Melanie Parent, and Octave Francis of FFC Capital Management; Janice Leaumont of Capital One; John Weiler of Weiler & Rees; and Theo Sanders of LAMP.

The meeting was called to order to discuss and act upon the following matters:

## **APPROVAL OF PREVIOUS REPORTS**

The Pension Committee approved and accepted the Pension Committee Report of August 5, 2015.

## **MOTION TO INCLUDE PRESENTATION OF RECOMMENDATIONS BY THE EXECUTIVE DIRECTOR AND ACTION ON THE RECOMMENDATIONS ON THE CURRENT AGENDA**

Mr. Lambert noted that the motion to include the presentation of recommendations and any actions taken on the recommendations required the unanimous consent of the Committee members present. Upon proper motion and second, the Committee unanimously approved to include Mr. Cedric Grant's presentation on the current agenda.

## **EXECUTIVE DIRECTOR'S PRESENTATION**

Mr. Grant opened the presentation by noting certain pension statistics, particularly the funded ratio and unfunded actuarial liability. He observed that the current strategy underway by the Pension Committee was to review the equity, fixed income, and alternative investment allocations and managers performance in order to ensure adequacy of investments for meeting obligations to vested employees. With that in mind, recommended these next steps:

1. *Sell TIPS / Western Asset Management and allocate funds into Core Plus / Pyramis Global Advisors.*
2. *Sell Commodities / Elements Rogers and Powershares DB and allocate funds to Global Equities / pro-rata into Barrow Hanley, Chicago Equity, NewSouth, and Earnest.*
3. *Sell International REITS / iShare International Real Estate ETF and allocate funds into Domestic REIT / Vanguard REIT.*
4. *Review performance of Active Managers on quarterly basis and consider shift to passive investments.*
5. *Prepare for Upcoming Compensation and Benefit Study to evaluate potential shift from Defined Benefit to Defined Contribution pension for non-vested employees.*

Following the presentation, the Committee discussed the recommendations in detail and there was apparent consensus on items 1, 4, and 5.

Mr. Arnold then made the following motion: to sell TIPS Bonds / Western Assets Management and allocate funds into Core Plus / Pyramis Global Advisors; and to review performance of active managers on quarterly basis and consider shift to passive investments; and to prepare for upcoming compensation and benefit study to evaluate potential shift from a defined benefit to a defined contribution pension plan for non-vested employees. Upon second by Mr. Peychaud, the motion was unanimously approved.

Following action on those items, Mr. Arnold then moved to sell Commodities / Elements Rogers and Powershares and allocate the funds to Global Equities / pro-rata to Barrow Hanley and Chicago Equity. The motion failed for lack of a second.

As an alternative to that motion, Mr. Wilson moved to sell Commodities / Elements Rogers and Powershares and allocate the funds to Global Equities / pro-rata to Barrow Hanley, Chicago Equity, NewSouth, and Earnest. Upon second by Mr. Arnold, the motion failed to receive the unanimous consent of the members present.

## **ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at approximately 11:20 AM.

Respectfully Submitted,

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Wm. Raymond Manning  
Chairman



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board OF NEW ORLEANS**

MITCHELL J. LANDRIEU, *President*  
WM. RAYMOND MANNING, *President Pro-Tem*

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[www.swbno.org](http://www.swbno.org)

October 19, 2015

The Strategy Committee met on Monday, October 19, 2015 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at 8:05 AM.

## **ATTENDANCE**

### **Present:**

Marion Bracy, Chair  
Dr. Tamika Duplessis  
Robin Barnes  
Kimberly Thomas

### **Absent:**

Kerri Kane

### **Others:**

Cedric S. Grant, Executive Director  
Joseph R. Becker, General Superintendent  
Nolan P. Lambert, Special Counsel  
Robert K. Miller, Deputy Director

## **ACTION ITEM:**

There were no action items.

## **PRESENTATION ITEMS:**

### **1. Cooperative Endeavor Agreement with City of New Orleans for the Coordination of All Repair, Maintenance, and Construction Projects with City Agencies**

Mr. Grant presented this one-year renewal of the Cooperative Endeavor Agreement with City of New Orleans for the Coordination of All Repair, Maintenance, and Construction Projects with City Agencies. The Committee members spoke in support of this agreement.

### **2. Cooperative Endeavor Agreement with Greater New Orleans Foundation**

Mr. Miller presented a draft Cooperative Endeavor Agreement with Greater New Orleans Foundation regarding a public information campaign to support a more comprehensive green infrastructure and stormwater management strategy. The Committee members spoke in support of this agreement.

### **3. Cooperative Endeavor Agreement with City of New Orleans for the Permanent Pavement Restoration of Utility Cuts**

Mr. Becker presented a draft Cooperative Endeavor Agreement with the City of New Orleans for the Permanent Pavement regarding repairs of buried drainage infrastructure by Sewerage and Water Board and pavement restoration by the Department of Public Works. The Committee members spoke in support of this agreement.

### **4. Effective Utility Management Framework**

Mr. Miller reviewed the Effective Utility Management Framework, including the ten attributes of effectively management water sector utilities:

- Water Quality
- Customer Satisfaction
- Employee and Leadership Development
- Financial Viability
- Operational Resiliency
- Community Sustainability
- Infrastructure Stability
- Stakeholder Understanding and Support
- Water Resource Adequacy

Mr. Miller also reviewed a crosswalk between the goals and objectives of the strategic plan and the ten attributes. He also described plans to develop the measurements to support this framework. The Committee members spoke in support of this approach.

### **5. Update Strategic Plan 2011-2020**

The Committee members requested an update regarding the progress of implementation of the strategic plan in advance of their upcoming tasks to prepare for a comprehensive update to the plan.

There being no further business to come before the Committee, the meeting adjourned at 9:40 AM.

Respectfully Submitted,

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Marion Bracy  
Chairperson



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board of NEW ORLEANS**

MITCHELL J. LANDRIEU, *President*  
WM. RAYMOND MANNING, *President Pro-Tem*

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October 19, 2015

The Governance Committee met on Monday, October 19, 2015 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at 1:30 PM.

## **ATTENDANCE**

### **PRESENT:**

Alan Arnold, Vice Chair  
Robin Barnes  
Suchitra Satpathi, Mayor's Representative

### **ABSENT:**

Kerri Kane, Chair  
Kimberly Thomas  
Marion Bracy

### **Others:**

Cedric S. Grant, Executive Director  
Joseph R. Becker, General Superintendent  
Nolan P. Lambert, Special Counsel  
Robert K. Miller, Deputy Director

## **ACTION ITEMS:**

### **1. Cooperative Endeavor Agreement with City of New Orleans for the coordination of all repair, maintenance, and construction projects with city agencies (R-189-2015)**

Robin Barnes moved to accept staff recommendation for the renewal of Cooperative Endeavor Agreement with the City of New Orleans for the coordination of all repairs, maintenance, and construction projects with city agencies and to forward to the full Board for approval. It was seconded by Suchitra Satpathi and the motion carried.

### **2. Cooperative Endeavor Agreement with Greater New Orleans Foundation (R-173-2015)**

Robin Barnes moved to accept staff recommendation for the Cooperative Endeavor Agreement with the Greater New Orleans Foundation and to forward to the full Board for approval. It was seconded by Suchitra Satpathi and the motion carried.

### **3. Cooperative Endeavor Agreement with City of New Orleans for the Permanent Pavement Restoration of Utility Cuts (R-198-2015)**

Robin Barnes moved to accept staff recommendation for the Cooperative Endeavor Agreement with the City of New Orleans for the permanent pavement restoration of utility cuts (R-198-2015)

and to forward to the full Board for approval. It was seconded by Suchitra Satpathi and the motion carried.

## **PRESENTATION ITEMS:**

### **4. Board Self-Assessment**

Mr. Miller gave an overview of the McKinsey & Company's Nonprofit Board Self-Assessment Tool. He stated the tool is designed to help nonprofit organizations assess their board's performance and identify priorities for board activities going forward. The output of the assessment is intended to focus discussion among board members around the governance activities that will result in the greatest benefit for the organization.

### **5. Audit Committee Charter**

Mr. Miller gave an overview of the draft Audit Committee Charter. This draft was created based on recommendations by the National Association of Corporate Directors blue ribbon commission on audit committees. The Committee members agreed that a chartering document was appropriate for each committee and directed staff to forward this draft to the Audit Committee for their consideration.

### **6. Committee meeting Schedule**

Mr. Miller noted staff is working with Board Members to determine the dates and times to schedule meetings of each committee.

There being no further business to come before the Committee, the meeting adjourned at 2:00 PM.

Respectfully Submitted,

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Mr. Alan C. Arnold  
Vice Chairperson



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> 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

October 19, 2015

The Audit Committee met on Monday, October 19, 2015 in the 2nd Floor Board Room, 625 St. Joseph Street, New Orleans, LA. The meeting convened at 2:00 PM.

## **ATTENDANCE**

### **PRESENT:**

Dr. Tamika Duplessis (Vice Chairperson)  
Scott Jacobs  
Robin Barnes

### **ABSENT:**

Wm. R. Manning, Chair  
Marion Bracy

### **Others:**

Cedric S. Grant, Executive Director  
Joseph R. Becker, General Superintendent  
Nolan P. Lambert, Special Counsel  
Robert K. Miller, Deputy Director  
Alan Arnold, Board member

## **ACTION ITEMS:**

### **1. Municipal Water Pollution Prevention Audit East Bank Wastewater Treatment Plant (R-191-2015)**

Mr. Becker noted that the Municipal Water Pollution Prevention Audit for the East Bank and West Bank Wastewater Treatment Plants have been completed and that no corrective actions are necessary. Scott Jacobs moved to accept resolution R-191-2015 and to forward to the full Board for approval. The motion was seconded by Robin Barnes and the motion carried.

### **2. Municipal Water Pollution Prevention Audit West Bank Wastewater Treatment Plant (R-192-2015)**

Scott Jacobs moved to accept resolution R-192-2015 and to forward to the full Board for approval. The motion was seconded by Robin Barnes and the motion carried.

## **PRESENTATION ITEMS:**

### **3. Take Home Vehicle Policy Compliance**

Mr. Miller stated that the Internal Audit Department has performed a review for compliance with the Take Home Vehicle Policy. Sewerage and Water Board has reduced the number of

take home vehicles from 105 at the beginning of this year to 89 as of today. There are 16 vehicles that were previously assigned for take home use that have now been garaged. The Internal Audit Manager noted that there are 9 employees who have not been correctly charged for vehicle use. Mr. Miller noted that this will be corrected soon.

**4. Audit Committee Charter**

Mr. Miller presented an overview of the draft Audit Committee Charter. This draft is based on recommendations by the National Association of Corporate Directors blue ribbon commission on audit committees. The Committee members committed to send their recommended changes to staff with consideration for adoption of the charter at the next Committee meeting.

**5. Implementation of Customer Service Management System**

Mr. Miller described the risk assessment methodology used for managing the implementation of CAM Replacement Project.

**6. Water Audit FY2008 – FY2014**

Mr. Miller presented the methodology and results for a Water Audit prepared for 2008-2014. The goal of the water audit is to as accurately as possible document all the places that water is used or lost within the utility. SWBNO has taken the first step required to quantitatively discuss its water loss and related improvements in economic terms.

The following suggestions were made as ways to improve its ILI performance over time:

- Update the Water Audit Annually
- Add and Refine Estimates of Unbilled and Unmetered Water Loss in the audit
- Add and Refine Estimates of Apparent Losses
- Add and Refine Estimates of Real Losses
- Validate the Accuracy of the System Input Volume
- Identify and Implement Processes to reduce Real and Apparent Loss
- Review and Revise the Quantity of Free Water Provided

There being no further business to come before the Committee, the meeting adjourned at 3:00 PM.

Respectfully Submitted,

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Dr. Tamika Duplessis  
Vice Chairperson



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> 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**

October 19, 2015

The Finance and Administration Committee of the Sewerage and Water Board of New Orleans met on Monday, October 19, 2015 at 3:05 PM in the Board Room, 625 St. Joseph Street to consider the following matters.

## **ATTENDANCE**

### **Present:**

Scott Jacobs, Chair  
Joseph Peychaud, Vice-Chair  
Dr. Tamika Duplessis

### **Absent:**

Kerri Kane  
Kimberly Thomas

### **Others:**

Alan Arnold

## **ACTION ITEMS**

### **Item 1**

#### **General Superintendent's Recommendations**

Mr. Peychaud moved to accept the General Superintendent's Recommendations for award of contracts for the items listed below. Dr. Duplessis seconded and the motion carried.

### **Bids:**

- R-174-2015 – Furnishing and Delivering Lubricant Petroleum Products to Retif Oil & Fuel for the total amount of \$102,319.73.

- R-175-2015 – Rebuilding and Installing Automotive Remanufactured Engines and Related Parts to La. Utilities Supply for the total amount of \$47,794.00.
- R-176-2015 – Furnishing Sewer Repair Couplings to La. Utilities Supply for the total amount of \$208,199.20.
- R-177-2015 – Furnishing Full Circle Stainless Steel Repair and Tap Clamps and Transitional Couplings for Cast Iron and Transite Pipe to La. Utilities Supply for the total amount of \$208,199.20.
- R-178-2015 – Furnishing Hot Mix Asphalt to Barriere Construction Company, LLC for the total amount of \$301,250.00.
- R-179-2015 – Furnishing Meter Boxes and Meter Box Parts to Cimsco, Inc. for the total amount of \$683,607.00.
- R-180-2015 – Furnishing and Delivering Combination Sewer Cleaner Trucks to Covington Sales & Service for the total amount of \$1,002,000.00.
- R-181-2015 – The Sale of Junk Meters, Scrap Wires, Junk Metals and Junk Locomotives to Lot C, to Louisiana Scrap Metal for the total amount of \$1.11 per pound.
- R-182-2015 – Contract 8144 – Repaving Open Cuts in Streets, Driveways, Sidewalks resulting from the Repair to the Sewerage and Water Board of New Orleans Underground Utilities to Wallace C. Drennan for the total amount of \$1,666,300.00.

**Contract Renewal:**

- R-183-2015 – First Renewal of Contract for Furnishing Chemical Control of Foliage at Specified Sewerage and Water Board Locations within the City of New Orleans to Louisiana Vegetation Management, Inc. for the total amount of \$156,450.00.

**Contract Final Acceptance:**

- R-184-2015 – Contract 3661 – Modification to the East Bank Wastewater Treatment Plant Flood Protection System to Cajun Contractors for the total contract bid \$24,391,466.00 and Total Contract Expenditure for \$29,426,437.15.

**Item 2      Change Orders**

Mr. Peychaud moved to accept the Ratification of Change Orders as described in resolutions, R-194-2015, R-195-2015, R-196-2015, and R-197-2015. Dr. Duplessis seconded and the motion carried.

**Item 3      Public Officials and Employee Liability Insurance Policy for Operations**

Mr. Grant recommended renewing the Public Officials and Employees Liability Insurance policy for its operations for the period November 20, 2015 through November 20, 2016.

Mr. Peychaud moved to approve the Public Officials and Employee Liability Insurance Policy for Operations Contract as described in resolution, R-171-2015. Dr. Duplessis seconded and the motion carried.

**Item 4      Approval of Agreement between the Sewerage and Water Board of New Orleans and the Federal Emergency Management Agency and the Louisiana State Historic Preservation Officer for the Project Worksheet 11317 Repair to Station "D"**

Dr. Duplessis moved to approve the Agreement between the Sewerage and Water Board of New Orleans and the Federal Emergency Management Agency and the Louisiana State Historic Preservation Officer for the Project Worksheet 11317 Repair to Station "D" as described in resolution (R-172-2015). Mr. Peychaud seconded and the motion carried.

**Item 5      Ratification of Contract for Web Payment Processing Service**

Mr. Miller recommended for the Board to approve the Ratification of Contract for Web Payment Processing Service to update or replace all of the Sewerage and Water Board's major legacy software systems to the Cogsdale CSM System within for a net cost of approximately \$118,200 per year, which represents a cost savings over the current contract of approximately \$87,000.00 per year.

Mr. Peychaud moved to approve the Ratification of Contract for Web Payment Processing Service to the Cogsdale CSM System for a net cost of approximately \$118,200.00 per year as described in resolution, (R-186-2015). Dr. Duplessis seconded and the motion carried.

**Item 6      Sewerage and Water Board Millages for the Fiscal Year 2016**

- **Roll Back of Sewerage and Water Board Millages**
- **Roll Forward of Sewerage and Water Board Millages**

Mr. Miller presented draft resolutions for the Board to recommend to the City Council the Roll Back and the Roll Forward of Drainage Millages for the fiscal year 2016. The total millage is 15.71 mills and currently consists of:

- Three Mill Tax (Adjusted) – 4.46 mills LA Revised Statue 33:4124
- Six Mill Tax (Adjusted) – 4.50 mills LA Revised Statue 33:4137
- Nine Mill Tax (Adjusted) – 6.75 mills LA Revised Statue 33:4147

Upon adoption of this action by the Board this Drainage Millage resolution would be forwarded to the City Council by October 21, 2015 for them to set the rate which is required by the provisions of Article VII, Section 23 of the Louisiana Constitution to set millages for certain tax recipient bodies within the Parish of Orleans, the Sewerage and Water Board of New Orleans, and to levy Ad Valorem taxes on behalf of itself of such other tax recipient bodies in the Parish of Orleans.

Mr. Peychaud moved to approve the recommendation to Roll Back of Sewerage and Water Board Millages as described in resolution, (R-187-2015). Dr. Duplessis seconded and the motion carried.

Dr. Duplessis moved to approve the recommendation to Roll Forward of Sewerage and Water Board Millages as described in resolution, (R-188-2015). Mr. Peychaud seconded and the motion carried.

**Item 7      Water and Sewer Revenue Bonds, Series 2015**

- **Water 2<sup>nd</sup> Supplemental Resolution**
- **Sewer 2<sup>nd</sup> Supplemental Resolution**
- **Bond Feasibility Reports – Finance and Rates**
- **Bond Feasibility Report – Operating and Engineering**

Mr. Miller presented the second supplemental resolutions authorizing Water and Sewer Revenue Bonds not to exceed \$100,000,000. The purpose of the Series 2015 bonds is to pay the costs of constructing system improvements, extensions, betterments and repairs to the water and sewerage systems.

Mr. Peiffer A. Brandt of Raftelis Financial Consultants, Inc. presented an overview of the findings contained in the financial feasibility evaluation of the water and sewer systems.

Ms. Anna White of Black and Veatch Corporation presented an overview of findings contained in the engineering feasibility of the water and sewer systems.

Dr. Duplessis moved to approve the Water 2<sup>nd</sup> Supplemental resolution, as described in R-185-2015. Mr. Peychaud seconded and the motion carried.

Dr. Duplessis moved to approve the Sewer 2<sup>nd</sup> Supplemental resolution, as described in R-190-2015. Mr. Peychaud seconded and the motion carried.

**Item 8      Authorization to Enter into an Agreement with Black & Veatch Consultants for Preparation of the Report on Operations for 2015**

Mr. Miller recommended authorization of a one-year contract with Black & Veatch Consultants with four optional one-year renewals to perform the Report on Operations for 2015 for a cost of \$118,000.00. He noted that Black & Veatch plans to utilize services of Bruno & Tervalon Certified, Public Accounts to assist in the financial section of the report and Julien Engineering & Consultants Services to assist in the evaluation of the Board's facilities. The DBE participation will be approximately 47%.

Dr. Duplessis moved approval of the authorization to enter into an agreement with Black & Veatch Consultants for the preparation of the Report on Operations for 2015 as described in resolution, (R-170-2015). Mr. Peychaud seconded and the motion carried.

**Item 9      Biometric Screening & Disease Management**

Mr. Miller presented an initiative to identify and help employees and retirees manage certain chronic health conditions, such as diabetes, coronary artery disease, congestive heart failure, and hypertension. He noted this is an effort to control costs while improving

the health of the employees and retirees of the Sewerage and Water Board of New Orleans, and management recommends implementation of the Biometric Screening and Disease Management program.

Dr. Duplessis moved to approve the Biometric Screening and Disease Management Program as described in resolution, (R-199-2015). Mr. Peychaud seconded and the motion carried.

### **PRESENTATION ITEMS**

**Item 10** Mr. Miller presented a summary of financial results through August 2015 for the water, sewer, drainage and total system funds.

**Items 11– 18** The Committee received all presentation and information items.

### **ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at 4:20 PM.

Also in attendance were Cedric S. Grant, Executive Director; Robert Miller, Deputy Director; Joseph Becker, General Superintendent; Nolan Lambert, Special Counsel; Harold Marchand, Deputy Special Counsel; Yolanda Grinstead, Legal Counsel; Robert Jackson, Community & Intergovernmental Relations Administrator; Rosita Thomas, Finance Administrator; Raymond Gable, Internal Audit Administrator; Courtney Pentthroe, Chante Pierre, Irma Mahannuar, Internal Auditors; Dexter Joseph, Budget Administrator; Andrew Eagan, Clark Zelenke, Eagan Insurance; Willie Mingo, Purchasing Administrator; Tiffany Carter, EDBP Administrator; Steven Klepeis, Risk Management Administrator; Anna White, Black & Veatch Corporation; Peiffer A. Brandt, Raftelis Financial Consultants, Inc.

Respectfully submitted,

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Mr. Scott Jacobs, Chair

- **Water and Sewer Revenue  
Bonds, Series 2015**

**(Roll Call Vote Needed)**

**I. Water 2<sup>nd</sup> Supplemental Bond, Series  
2015 (R-185-2015)**

**II. Sewer 2<sup>nd</sup> Supplemental Bond, Series  
2015 (R-190-2015)**

**SECOND SUPPLEMENTAL  
WATER REVENUE BOND RESOLUTION**

adopted on October 21, 2015

by the

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

---

**IN CONNECTION WITH THE ISSUANCE OF**

**NOT EXCEEDING \$100,000,000**

**WATER REVENUE BONDS, SERIES 2015**

**OF THE**

**CITY OF NEW ORLEANS, LOUISIANA**

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SEWERAGE AND WATER BOARD OF NEW ORLEANS

SECOND SUPPLEMENTAL WATER REVENUE BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF

WATER REVENUE BONDS, SERIES 2015

The following resolution was offered by \_\_\_\_\_ and seconded by

\_\_\_\_\_ :

A Second Supplemental Resolution authorizing the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Water Revenue Bonds, Series 2015, of the City of New Orleans, Louisiana; setting forth certain details in connection therewith; authorizing the execution and delivery of said bonds; authorizing the execution of a Bond Purchase Agreement and a Certificate of Determination; and providing for other matters relating to the foregoing.

**WHEREAS**, pursuant to Part III, Chapter 9, Title 33 of the Louisiana Revised Statutes of 1950, as amended, in particular Section 4096 thereof (the "Act"), the Sewerage and Water Board of New Orleans (the "Board") in the name of the City of New Orleans, Louisiana (the "City") is authorized to issue bonds; and

**WHEREAS**, on May 21, 2014, the Sewerage and Water Board of New Orleans (the "Board") adopted a General Water Revenue Bond Resolution) entitled " A resolution authorizing the issuance from time to time of Water Revenue Bonds of the City of New Orleans, Louisiana, providing for the general terms, form, manner of payment and security for payment of said bonds, providing for the issuance of a series of Water Revenue and Refunding Bonds, and providing for other matters in connection therewith" (the "General Resolution"), in which the Board authorized the issuance from time to time of Water Revenue Bonds under the Act and other constitutional and statutory authority; and

**WHEREAS**, capitalized terms used herein and not specifically defined herein shall have the meaning assigned to them in the General Resolution; and

**WHEREAS**, pursuant to the provisions of the General Bond Resolution and the First Supplemental Water Revenue Bond Resolution adopted by the Board on May 21, 2014 (the "First Supplemental Resolution"), the Board authorized the issuance of the City of New Orleans, Louisiana Water Revenue and Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and set forth certain details in connection with the issuance of the Series 2014 Bonds; and

**WHEREAS**, in accordance with the Act and Section 4.03 of the General Bond Resolution, the Board now desires to adopt this Second Supplemental Resolution in order to provide for the issuance of a series of Additional Bonds to pay the Cost of Capital Improvements; to provide for the execution of a Bond Purchase Agreement and a Certificate of Determination which designates certain details of the Bonds, and certain other matters in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans, that:

## ARTICLE I DEFINITIONS AND FINDINGS

SECTION 1.01. Definitions. In this Second Supplemental Resolution all capitalized terms shall have the meanings assigned thereto in the above preambles, in this Section 1.01 and in the General Resolution:

**"Bond Purchase Agreement"** shall mean the Bond Purchase Agreement dated as of the date of the sale of the Bonds by and between the Board of Liquidation and the Underwriters, and agreed to by the Board as to certain provisions.

**"Certificate of Determination"** means the Certificate of Determination authorized by Section 5.02 hereof.

**"Second Supplemental Resolution"** shall mean this resolution of the Board, authorizing the issuance of the Series 2015 Bonds.

**"Paying Agent"** and **"Trustee"** shall mean Whitney Bank, Baton Rouge, Louisiana, and its successors and assigns.

**"Outstanding Parity Bonds"** shall mean the City's outstanding Water Revenue and Refunding Bonds, Series 2014.

**"Series 2015 Bonds"** shall mean the City's Water Revenue Bonds, Series 2015, authorized to be issued by this Second Supplemental Resolution in an amount not to exceed One Hundred Million Dollars (\$100,000,000).

**"Underwriters"** shall mean an underwriting syndicate composed of the Underwriters selected by the Board of Liquidation.

**ARTICLE II**  
**AUTHORIZATION AND ISSUANCE OF SERIES 2015 BONDS**

**SECTION 2.01.      Authorization.**

(a) In compliance with and under the authority of the Act and the General Resolution, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness and issuance of revenue bonds in an aggregate principal amount of not exceeding One Hundred Million Dollars (\$100,000,000) (the "Series 2015 Bonds") for, on behalf of and in the name of the City, for the purpose of paying the costs of improving and expanding the water treatment plants, and improvements and repairs to the public water system of the City of New Orleans, Louisiana (the "Project"), funding a debt service reserve fund and other reserve funds as required hereunder, and paying costs of issuance of the Series 2015 Bonds. The aforesaid indebtedness shall be represented by the Series 2015 Bonds to be designated "City of New Orleans, Louisiana, Water Revenue Bonds, Series 2015." The Series 2015 Bonds are Senior Debt under the General Resolution.

(b) The Series 2015 Bonds shall be fixed rate bonds, shall be dated the date of delivery, shall be in fully registered form, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered from No. R-1 upward and shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid or duly provided for, such interest to be payable semiannually on each June 1 and December 1, commencing June 1, 2016, and shall have such details as shall be set forth in the Certificate of Determination authorized in Section 5.02 hereof and a resolution adopted by the Board of Liquidation authorizing the sale of the Series 2015 Bonds. As required by Resolution R-118-2015 adopted by the Board on June 17, 2015, the Board specifies that the Series 2015 Bonds shall bear interest at a rate not to exceed seven per centum (7.0%) per annum and shall mature not later than thirty (30) years from the date thereof, as shall be set forth in the Certificate of Determination and as shall be fixed by resolution adopted by the Board of Liquidation authorizing the sale of the Series 2015 Bonds. The Series 2015 Bonds shall mature on December 1 in each of the years set forth in the Certificate of Determination.

(c) The Series 2015 Bonds, equally with the Outstanding Parity Bonds, are Common Debt Service Reserve Secured Bonds.

(d) The Series 2015 Bonds, equally with the Outstanding Parity Bonds, are equally and ratably secured by the Pledge of Net Revenues, as set forth in Section 4.02 of the General Resolution.

(e) The interest on the Series 2015 Bonds shall be payable by check or draft of the Paying Agent mailed on or prior to the interest payment date by the Paying Agent to the Registered Owners of the Series 2015 Bonds as shown on the registration books of the Paying Agent on the 15th day of the calendar month next preceding the interest payment date. During any period after the initial delivery of the Series 2015 Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least

\$1,000,000 in principal amount of Series 2015 Bonds outstanding, payments of principal, premium, if any, and interest on the Series 2015 Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

SECTION 2.02. Form of Series 2015 Bonds. The Series 2015 Bonds shall be substantially in the form attached hereto as Exhibit A.

SECTION 2.03. Book-Entry Registration of Bonds. The Series 2015 Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as registered owner of the Bonds, and held in the custody of DTC. The Board of Liquidation has delivered a Blanket Letter of Representation (the "Letter of Representation") to DTC on behalf of the City and the Board with respect to the issuance of bonds in "book-entry only" format. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of the General Resolution and this Second Supplemental Resolution and said Letter of Representation. A single certificate will be issued and delivered to DTC for each maturity of the Series 2015 Bonds. The Beneficial Owners will not receive physical delivery of Series 2015 Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Series 2015 Bond acquired. For so long as DTC shall continue to serve as securities depository for the Series 2015 Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2015 Bonds is to receive, hold or deliver any Series 2015 Bond certificate.

Notwithstanding anything to the contrary herein, while the Series 2015 Bonds are issued in the book-entry-only form, the payment of principal of, premium, if any, and interest on the Series 2015 Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Series 2015 Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Series 2015 Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

(a) DTC determines to discontinue providing its service with respect to the Series 2015 Bonds. Such a determination may be made at any time by giving 30 days' notice to the Board of Liquidation and the Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(b) The Board or the Board of Liquidation determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in its best interests or the best interests of the Beneficial Owners.

The Board of Liquidation and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the City, the Board, the Board of Liquidation or the Paying Agent are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Series 2015 Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Second Supplemental Resolution of holding, delivering or transferring the Series 2015 Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Series 2015 Bonds, all references herein to DTC shall be of no further force or effect.

SECTION 2.04. Paying Agent's Registration. No Series 2015 Bond shall be entitled to any right or benefit under the General Resolution or this Second Supplemental Resolution, or be valid or obligatory for any purpose unless there appears on such Series 2015 Bond a certificate of registration, substantially in the form provided in the bond form attached hereto, executed by the Paying Agent by manual signature.

### ARTICLE III REDEMPTION FEATURES OF SERIES 2015 BONDS

SECTION 3.01. Optional Redemption. The optional redemption provisions of the Series 2015 Bonds shall be set forth in the Certificate of Determination. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

SECTION 3.02. Mandatory Sinking Fund Redemption. The mandatory sinking fund redemption provisions, if any, of the Series 2015 Bonds shall be set forth in the Certificate of Determination.

SECTION 3.03. Notice of Redemption. In the event a Series 2015 Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Series 2015 Bond (or any integral multiple of \$5,000 in excess thereof) may be redeemed. Any Series 2015 Bond which is to be redeemed only in part may be surrendered at the principal corporate trust office of the Paying Agent and there shall be delivered to the Owner of such Series 2015 Bond a new Series 2015 Bond or Series 2015 Bonds of the same maturity and of any authorized denomination or denominations as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2015 Bond so surrendered. All notices of redemption shall state (i) the redemption date; (ii) the redemption price; (iii) if fewer than all the Series 2015 Bonds are to be redeemed, the identifying number (and in the case of partial redemption, the respective principal amounts) and CUSIP number of the Series 2015 Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable on each such Series 2015 Bond and interest thereon will cease to accrue thereon from and after said date; and (v) the place where such Series 2015 Bonds are to be surrendered for payment. Official notice of such call of any of the Series 2015 Bonds for redemption shall be given by means of first-class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Series 2015 Bond to be redeemed at his address as shown on the registration books maintained by the Paying Agent.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent no later than the redemption date, or (ii) that the Board of Liquidation retains the right to rescind such notice at any time prior to the scheduled redemption date if the Board of Liquidation delivers a certificate of an Authorized Officer to the Paying Agent instructing the Paying Agent to rescind the redemption notice (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. The Paying Agent shall give prompt notice of such rescission to the affected Bondowners. Any Series 2015 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Board of Liquidation to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

Any notice mailed or provided herein shall conclusively be presumed to have been given whether or not actually received by any Bondholder. Failure to give such notice or any defect therein shall not affect the validity of the redemption proceedings.

SECTION 3.04. Transfer, Registration and Assignment. The Series 2015 Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Series 2015 Bond may be assigned by the execution of an assignment form on such Series 2015 Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Series 2015 Bond or Series 2015 Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Series 2015 Bonds after receipt of such Series 2015 Bonds to be transferred in proper form. Such new Series 2015 Bond or Series 2015 Bonds must be in the denomination of \$5,000 or any integral multiple in excess thereof within a single maturity. Neither the Board of Liquidation nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Series 2015 Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or (ii) any Series 2015 Bond called for redemption prior to maturity during the period of fifteen (15) days after the mailing of notice of redemption as provided herein, but only with respect to those Series 2015 Bonds which are the subject of such redemption.

**ARTICLE IV**  
**APPLICATION OF PROCEEDS OF SERIES 2015 BONDS**

SECTION 4.01. Obligations and Conditions. As a condition to the issuance of the Series 2015 Bonds, the Board hereby obligates itself or shall cause the Board of Liquidation to:

(a) Set aside proceeds of the Series 2015 Bonds representing accrued interest, if any, into the Debt Service Fund, which is held under Section 7.04 of the General Resolution by the Board of Liquidation; and

(b) Transfer to the Series 2015 Account of the Construction Fund established by Section 6.01 of the General Resolution the amount of Series 2015 Bond Proceeds set aside for construction of the Project and the amount to be set aside for capitalized interest, if any. As determined in the Certificate of Determination.

(c) Transfer to the Debt Service Reserve Fund the amount necessary to fully fund the Debt Service Reserve Fund for the Series 2015 Bonds and the Outstanding Parity Bonds in an amount equal to the Common Debt Service Reserve Requirement.

(d) Provide for the payment of all Cost of Issuance of the Series 2015 Bonds from proceeds of the Series 2015 Bonds set aside by the Board of Liquidation for this purpose.

(e) Provide for the payment of bond insurance should it be available and cost effective.

The amounts of the deposits set forth above shall be set forth in the Certificate of Determination executed at the time of sale of the Series 2015 Bonds.

## ARTICLE V SALE OF SERIES 2015 BONDS

SECTION 5.01. Sale of Series 2015 Bonds. The Series 2015 Bonds shall be sold for and on behalf of the Board and the City by the Board of Liquidation at a private or public sale in accordance with the provisions of the Act. The Board of Liquidation may determine to sell less than all of the Series 2015 Bonds authorized herein. The President, President *pro tempore* and the Executive Director of the Board are each hereby authorized to execute any and all instruments, certificates, documents, and papers relating to the issuance, sale and delivery of the Series 2015 Bonds, in connection with the sale of the Series 2015 Bonds in such form as may be approved by said officers upon the advice of Bond Counsel.

SECTION 5.02. Certificate of Determination. Certain details of the Series 2015 Bonds (which shall be established in accordance with the parameters set forth in Section 2.01 hereof) shall be established by the Certificate of Determination contemporaneously with the execution and delivery by the Board and the Board of Liquidation of the hereinafter defined Bond Purchase Agreement. Each and every such determination set forth in the Certificate of Determination shall be deemed conclusive for all purposes. The Certificate of Determination shall be substantially in the form set forth in Exhibit B hereto, with such variations, omissions and insertions as are permitted or required by this Second Supplemental Resolution.

Subject to the parameters set forth herein and Resolution R-118-2015 adopted by the Board on June 17, 2015, any two of the Executive Director, President or President *pro tempore* are hereby authorized to determine, upon the advice of the Financial Advisor to the City and after consultation with and concurrence of Bond Counsel and the Board of Liquidation:

- (a) The principal amount of the Series 2015 Bonds;
- (b) The purchase price of the Series 2015 Bonds;
- (c) The maturity schedule of the Series 2015 Bonds;
- (d) The optional redemption provisions of the Series 2015 Bonds;
- (e) The mandatory sinking fund redemption schedule, if any, of the Series 2015 Bonds;
- (f) The interest rates on the Series 2015 Bonds;
- (g) The application of proceeds of the Series 2015 Bonds; and.
- (h) any other matters or provisions related to the Series 2015 Bonds, including any change necessitated by the pricing of the Series 2015 Bonds, in each case in accordance or not inconsistent with the provisions of the General Resolution or this Second Supplemental Resolution.

The Board shall deliver the executed Certificate of Determination to the Board of Liquidation as soon as possible after the execution of the Bond Purchase Agreement.

SECTION 5.03. Approval of Preliminary Official Statement, Official Statement, Purchase Agreement and Other Documents.

(a) (a) In connection with the issuance and sale of the Series 2015 Bonds, there have been prepared and submitted at this meeting forms of:

(i) the Preliminary Official Statement (the "Preliminary Official Statement") used in connection with the marketing of the Series 2015 Bonds;

(ii) a draft of the final Official Statement (the "Official Statement") to be used in connection with the sale of the Series 2015 Bonds;

(iii) the Bond Purchase Agreement in connection with the sale of the Series 2015 Bonds; and

(iv) the Continuing Disclosure Certificate.

(b) The Preliminary Official Statement in the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved and its use by the Underwriters in connection with the public offering and marketing of the Series 2015 Bonds is hereby ratified.

(c) The Official Statement in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved and its use by the Underwriters in connection with the public offering and sale of the Series 2015 Bonds with such changes, insertions and omissions as may be approved by the Executive Director, President and/or President *pro tempore* is hereby approved.

(d) The Continuing Disclosure Certificate in substantially the form submitted to this meeting and made parts hereof as though set forth in full herein, be and the same are hereby approved. The Executive Director of the Board is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as they may approve, said execution being conclusive evidence of such approval.

SECTION 5.04. Authorized Officers. The Executive Director and the President and the President *pro tempore*, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the General Bond Resolution, the Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Certificate.

**ARTICLE VI**  
**EXECUTION AND DELIVERY OF SERIES 2015 BONDS**

SECTION 6.01.     Execution/Delivery. The President *pro tempore* of this Board, the Mayor of the City and the President and Secretary of the Board of Liquidation are authorized to sign and deliver the Series 2015 Bonds in the form set forth in Exhibit A hereto, including any changes, additions and deletions thereto approved by bond counsel, in definitive form, as printed bonds, and to execute and deliver any and all additional proofs, instruments and certificates required by or provided for in the General Resolution, this Second Supplemental Resolution, or the Series 2015 Bonds, and perform such other acts as may otherwise be required to effectuate the financing herein provided for. All of the signatures authorized hereinabove as so executed shall be deemed conclusive evidence of the due exercise of the authority vested in each such officer hereunder, and shall be sufficient to create binding obligations of the Board, the City and the Board of Liquidation. All such signatures may be facsimiles thereof, so long as the signature of the Paying Agent is manually executed.

## ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 7.01.     Selection of Paying Agent. The Board hereby designates Whitney Bank, Baton Rouge, Louisiana, to serve as Paying Agent for the Series 2015 Bonds. The Paying Agent shall signify in writing its acceptance of its duties under this Second Supplemental Resolution at or prior to the delivery of the Series 2015 Bonds.

SECTION 7.02.     Effect of Partial Invalidity. In case any one or more of the provisions of the General Resolution or this Second Supplemental Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect other provisions of the General Resolution or this Second Supplemental Resolution, but the General Resolution and this Second Supplemental Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

SECTION 7.03.     Effect of Covenants. All covenants, stipulations, obligations and agreements of the Board contained in this Second Supplemental Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent permitted by the Constitution and laws of the State of Louisiana.

SECTION 7.04.     Disclosure Under S.E.C. Rule 15c2-12. The Executive Director of the Board is hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in the official statement issued in connection with the sale and issuance of the Series 2015A Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 7.05.     Arbitrage. The Board covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Series 2015 Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Series 2015 Bonds or any other funds of the Board to be used directly or indirectly in any manner, the effect of which would be to cause the Series Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Series 2015 Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Series 2015 Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Series 2015 Bonds in a manner which would cause the Bonds to be "private activity bonds".

The Executive Director, President and President *pro tempore* are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 7.06. Section Headings. The headings of the various Sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 7.07. Conflicts. All resolutions and orders or parts thereof in conflict herewith as they are applicable to the Series 2015 Bonds, to the extent of such conflict and only with respect to their applicability to the Series 2015 Bonds, shall be superseded by the applicable provisions of this Second Supplemental Resolution.

SECTION 7.08. Publication. A copy of this Second Supplemental Resolution shall be published as soon as practicable after its adoption in one issue of the official journal of the City, and it shall not be necessary to publish the exhibits hereto if the exhibits are made available for public inspection at reasonable times and that fact is stated in the publication. For a period of thirty (30) days from the date of publication, any person in interest may contest the legality of this Second Supplemental Resolution and of any provision hereof made for the security and payment of the Series 2015 Bonds. After the expiration of said thirty (30) days, no one shall have any cause or right of action to test the regularity, formality, legality or effectiveness of this Second Supplemental Resolution and the provisions hereof or of the Series 2015 Bonds for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Series 2015 Bonds within the thirty days, the authority to issue the bonds and to provide for the payment thereof, and the legality thereof and of all of this Second Supplemental Resolution shall be conclusively presumed, and no court shall thereafter have authority to inquire into such matters.

## ARTICLE VIII REQUEST FOR APPROVALS

SECTION 8.01.      Request to the Board of Liquidation, City Debt, for the Sale and Delivery of the Series 2015 Bonds. The Board of Liquidation is hereby requested to cause the Series 2015 Bonds to be sold, executed and delivered to the purchaser thereof upon receipt of the purchase price thereof and accrued interest, if any, to the date of delivery.

SECTION 8.02.      Direction to Deliver Documents to the Board of Liquidation. The Executive Director of the Board is hereby directed to deliver to the Board of Liquidation, as soon as such documents are available, the documents specified in Section 4.03 of the General Resolution with respect to the Series 2015 Bonds.

SECTION 8.03.      Request for Approval. A certified copy of this resolution shall be furnished to the City Council of the City. The Board hereby requests the Council of the City and the Board of Liquidation to approve this Second Supplemental Resolution and any other resolutions of the Board providing for the issuance of the Series 2015 Bonds, if required by law.

SECTION 8.04.      State Bond Commission Swap Policy. The Bonds were approved by the Louisiana State Bond Commission on October 15, 2015. By virtue of the Board's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, it resolves that it understands and agrees that such approval is expressly conditioned upon, and it further resolves that it 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 8.05.      Implementation of Rate Increases. The Board acknowledges and agrees that the Series 2015 Bonds are being issued in anticipation of and in reliance on rate increases approved by the Board, the Board of Liquidation and the City Council of the City through the year 2020, and timely implementation of such rate increases as heretofore adopted constitutes a contract with Bondholders.

SECTION 8.06.      Effective Date. This Second Supplemental Resolution shall become effective immediately.

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

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Suchitra Satpathi (for Mitchell J. Landrieu)				
William Raymond Manning				
Marion B. Bracy				
Kerri T. Kane				
Scott Jacobs				
Robin Barnes				
Tamika Duplessis, Ph.D.				
Kimberly Thomas, JD				
Joseph Peychaud				
Alan C. Arnold				

And the resolution was declared adopted on this 21st day of October, 2015.

**EXHIBIT A**  
**TO SECOND SUPPLEMENTAL RESOLUTION**

**FORM OF BOND**

Unless this Bond is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Board or the City or their agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of CEDE & CO. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, CEDE & CO., has an interest herein.

As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution (herein defined) to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

No. R-\_\_\_\_\_

Principal Amount: \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ORLEANS

CITY OF NEW ORLEANS, LOUISIANA  
WATER REVENUE BOND, SERIES 2015

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Bond Date</u>	<u>CUSIP</u>
December 1, _____	_____	_____	_____

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The CITY OF NEW ORLEANS, LOUISIANA (the "City"), for value received, promises to pay, but only from the sources and as hereinafter provided, to

REGISTERED OWNER: CEDE & CO. (Tax Identification #13-2555119)

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, payable on June 1 and December 1 of each year, commencing June 1, 2017 (each an "Interest Payment Date"), at the

Interest Rate per annum set forth above until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity or redemption, is payable at the principal corporate trust office of Whitney Bank, Baton Rouge, Louisiana, or successor thereto (the "Paying Agent") upon presentation and surrender hereof, and interest on this Bond will be payable by the Paying Agent by check mailed by the Paying Agent to the registered owner (determined as of the close of business on the 15th calendar day of the month next preceding said Interest Payment Date (the "Record Date"), whether or not such day is a business Day (as defined in the Resolution) at the address as shown on the registration books of the Paying Agent. Interest on this Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal, premium, if any, and interest on the Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

FOR SO LONG AS THIS BOND IS HELD IN BOOK-ENTRY FORM REGISTERED IN THE NAME OF CEDE & CO. ON THE REGISTRATION BOOKS OF THE CITY KEPT BY THE PAYING AGENT, AS BOND REGISTRAR, THIS BOND, IF CALLED FOR PARTIAL REDEMPTION IN ACCORDANCE WITH THE BOND RESOLUTION, SHALL BECOME DUE AND PAYABLE ON THE REDEMPTION DATE DESIGNATED IN THE NOTICE OF REDEMPTION GIVEN IN ACCORDANCE WITH THE BOND RESOLUTION AT, AND ONLY TO THE EXTENT OF, THE REDEMPTION PRICE, PLUS ACCRUED INTEREST TO THE SPECIFIED REDEMPTION DATE; AND THIS BOND SHALL BE PAID, TO THE EXTENT SO REDEEMED, (i) UPON PRESENTATION AND SURRENDER THEREOF AT THE OFFICE SPECIFIED IN SUCH NOTICE OR (ii) AT THE WRITTEN REQUEST OF CEDE & CO., BY CHECK MAILED TO CEDE & CO. BY THE PAYING AGENT OR BY WIRE TRANSFER TO CEDE & CO. BY THE PAYING AGENT IF CEDE & CO. AS BONDOWNER SO ELECTS. IF, ON THE REDEMPTION DATE, MONEYS FOR THE REDEMPTION OF BONDS OF SUCH MATURITY TO BE REDEEMED, TOGETHER WITH INTEREST TO THE REDEMPTION DATE, SHALL BE HELD BY THE PAYING AGENT SO AS TO BE AVAILABLE THEREFOR ON SUCH DATE, AND AFTER NOTICE OF REDEMPTION SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE BOND RESOLUTION, THEN, FROM AND AFTER THE REDEMPTION DATE, THE AGGREGATE PRINCIPAL AMOUNT OF THIS BOND SHALL BE IMMEDIATELY REDUCED BY AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT THEREOF SO REDEEMED, NOTWITHSTANDING WHETHER THIS BOND HAS BEEN SURRENDERED TO THE PAYING AGENT FOR CANCELLATION.

This Bond is one of an authorized issue aggregating in principal the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Bonds"), all of like tenor and effect except as to number, denomination, interest rate and maturity, said Bonds having been issued in the name of the City,

acting by and through the Sewerage and Water Board of New Orleans (the "Board"), for the purpose of: (i) paying the costs of improving and expanding the water treatment plants, and improvements, betterments and repairs to the public water system of the City of New Orleans, Louisiana, (ii) funding a debt service reserve fund, and (iii) paying costs of issuance of the Bonds. The Bonds have been issued pursuant to a General Water Revenue Bond Resolution adopted by the Board on May 21, 2014 and a Second Supplemental Water Bond Resolution adopted by the Board on October 21, 2015, and by a resolution adopted by the Board of Liquidation, City Debt (the "Board of Liquidation") on \_\_\_\_\_, 2015 (collectively, the "Resolution"), under the authority conferred by Section 4096 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority. This Bond and the issue of which it forms a part are payable as to both principal and interest solely from the Net Revenues and other funds of the Board pledged for that purpose by the Resolution. Subject to the foregoing, this Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's outstanding Water Revenue and Refunding Bonds, Series 2014 (the "Outstanding Parity Bonds"), with respect to the revenues derived from water charges and other funds pledged by the Resolution for the payment and security of the Bonds and the Outstanding Parity Bonds.

The Bonds, equally with the Outstanding Parity Bonds and such additional bonds as may hereafter be issued under the Resolution on a parity therewith are, and are to be, equally and ratably secured by the pledge of the revenues derived from the collection of charges for water, for purposes relating to the water system of the City, as provided in the Act and the Resolution, to which reference is hereby made for a more complete description of the rights of the owners of the Bonds and of the Board with respect to the water system of the City, and the revenues thereof, and the terms and conditions upon which the Bonds and such additional parity bonds are, and are to be, issued, to all of the provisions of which Resolution each Bond owner, by acceptance hereof, assents. This Bond and the issue of which it forms a part do not constitute a debt of the City, and neither the credit nor the taxing power of the City is pledged to the payment thereof, or any part thereof, or to the payment of any interest thereon.

Pursuant to the Act, the Board of Liquidation, as now organized and created and with the powers, duties and functions prescribed by existing laws, shall be continued while any bonds authorized by the aforesaid provisions of law are outstanding and unpaid; and all water revenues which may be collected for the payment of said Bonds shall, be paid over to said Board of Liquidation, and shall by it be applied in payment of the principal of and interest on said Bonds; and said Board of Liquidation shall, with respect to all Bonds authorized, be entitled to exercise all the rights and enforce the performance of all the obligations, the same as it is authorized to do under existing laws with respect to any of the registered outstanding Bonds of the Board. Each Bond of this issue constitutes a contract between the City, the Board, the Board of Liquidation, and the Registered Owner of such Bond.

Those Bonds maturing December 1, 20\_\_ and thereafter shall be subject to redemption at the option of the Board of Liquidation in full or in part at any time on after December 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, together with accrued interest to the date fixed for redemption. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

In the event of redemption of fewer than all the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

Optional redemption of the Series 2015 Bonds shall be applied ratably, as nearly as possible, against each of the mandatory sinking fund requirements set forth below.

The Bonds due on December 1, 20\_\_, shall be subject to mandatory redemption prior to maturity through application of sinking fund payments on June 1 in each of the years and in the respective principal amounts set forth below, in each case at a redemption price equal to 100 of their principal amount, plus accrued interest to the date of redemption.

<u>Year</u> <u>(December 1)</u>	<u>Amount</u>
20__	\$ _____
20__	_____
20__	_____
20__	_____
20__ *	_____

\*Final maturity

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

There shall be kept at the principal corporate trust office of the Paying Agent a register (the "Bond Register") in which registration of the Bonds shall be made as provided herein. This Bond is transferable only upon the records kept for that purpose at the principal corporate trust office of the Paying Agent by the person in whose name this Bond is registered (the "Registered Owner") or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Paying Agent shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount and designation, maturity and interest rate as the surrendered Bond, and upon the payment of the costs of any transfer taxes or other governmental charges relating thereto. The Board of Liquidation and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest and premium, if any, hereon, and for all other purposes whatsoever. Neither the Board of Liquidation nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or (ii) any Bond called for redemption prior to

maturity during the period of fifteen (15) days after the mailing of notice of redemption as provided herein, but only with respect to those Bonds which are the subject of such redemption

This Bond and the series of which it forms a part are issuable in the form of fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof. Subject to the conditions and upon the payment of the costs of any transfer taxes or other governmental charges relating to the transfer of this Bond upon surrender hereof at the principal corporate trust office of the Paying Agent with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or by his attorney duly authorized in writing, this Board may at the option of the Registered Owner hereof be exchanged for an equal aggregate principal amount of fully registered bonds of the same designation, maturity and interest rate and of any authorized denomination.

For a more complete statement of the source of moneys from which and conditions under which this Bond is payable, a statement of the conditions under which additional Bonds may hereafter be issued on a parity with the Bonds, and the general covenants and provisions pursuant to which this Bond is issued, and the conditions under which the pledges and covenants of the City, the Board and the Board of Liquidation may be discharged and this Bond no longer be deemed outstanding, reference is hereby made to the Resolution. This Bond and the issue of which it forms a part do not constitute a debt of the City, but are payable as to principal and interest, solely out of the Net Revenues of the Board pledged for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution (herein defined) until the certificate of registration hereon shall have been signed by the Paying Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Louisiana to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time form and manner as prescribed by law, and the amount of this Bond and the issue of which it forms a part, together with all other obligations or indebtedness of the City and the Board, does not exceed any constitutional, statutory or other limitation of indebtedness.

IN WITNESS WHEREOF, the City of New Orleans, Louisiana has caused this Bond to be executed in its name by the facsimile signatures of its Mayor, the President *pro tempore* of the Sewerage and Water Board of New Orleans, and the President and Secretary of the Board of Liquidation, City Debt, and a facsimile of its corporate seal to be imprinted hereon.

CITY OF NEW ORLEANS, LOUISIANA

By: \_\_\_\_\_ By: \_\_\_\_\_  
President, Mayor,  
Board of Liquidation, City Debt City of New Orleans, Louisiana

By: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary, President, *pro tempore*,  
Board of Liquidation, City Debt Sewerage and Water Board of New Orleans

[SEAL]

\* \* \* \* \*

PAYING AGENT'S CERTIFICATE OF REGISTRATION

This Bond is one of the Bonds referred to in the within-mentioned Resolution.

WHITNEY BANK,  
as Paying Agent

Date of Registration: \_\_\_\_\_ By: \_\_\_\_\_  
Authorized Officer

\* \* \* \* \*

LEGAL OPINION CERTIFICATE

I, the undersigned Secretary of the Board of Liquidation, City Debt, do hereby certify that the following is a true copy of the complete joint legal opinion of Foley & Judell, L.L.P. Haley Law Firm, LLC and McKee Law Firm, LLC, Co-Bond Counsel, the original of which was manually executed, dated and issued as of the date of payment for and delivery of this Bond and was delivered to \_\_\_\_\_, representing the original purchasers thereof:

[Insert Legal Opinion]

I further certify that an executed copy of the above legal opinion is on file in my office, and that an executed copy thereof has been furnished to the Paying Agent for this Bond.

\_\_\_\_\_  
Secretary  
Board of Liquidation, City Debt

\* \* \* \* \*

#### FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

Please Insert Social Security  
or other Identifying Number of Assignee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_

attorney or agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

**EXHIBIT B**  
**TO SECOND SUPPLEMENTAL RESOLUTION**

**FORM OF CERTIFICATE OF DETERMINATION**

**NOT TO EXCEED \$100,000,000**

**CITY OF NEW ORLEANS, LOUISIANA**  
**WATER REVENUE BONDS**  
**2015 SERIES A**

We, the undersigned representatives of the Sewerage and Water Board of New Orleans (the "Board"), pursuant to the General Sewerage Service Bond Resolution adopted by the Board on May 21, 2014 and the Second Supplemental Water Revenue Bond Resolution adopted by the Board on October 21, 2015 (collectively, the "Resolution"), do hereby certify and determine, on behalf of the Board, with respect to the sale of the above captioned bonds (the "Bonds") to \_\_\_\_\_, as representative of the underwriters (the "Underwriter"), as follows:

1. **Defined Terms.** Terms not otherwise defined in this Certificate of Determination shall have the same meanings as set forth in the Resolution unless the context otherwise requires.
2. **Principal Amount.** The principal amount of the Bonds is \_\_\_\_\_.
3. **Purchase Price.** The Bonds were sold at a price of \$\_\_\_\_\_, representing \$\_\_\_\_\_ principal amount, plus original issue premium of \$\_\_\_\_\_, less underwriting discount of \$\_\_\_\_\_.
4. **Maturity Schedule and Interest Rates\*.** The Bonds shall mature on December 1 of each year in the principal amounts and shall bear interest at the rates (not to exceed 7.0%) as follows:

<u>Year</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>
2016	\$ _____	_____%	2031	_____	_____%
2017	_____	_____%	2032	_____	_____%
2018	_____	_____%	2033	_____	_____%
2019	_____	_____%	2034	_____	_____%
2020	_____	_____%	2035	_____	_____%
2021	_____	_____%	2036	_____	_____%
2022	_____	_____%	2037	_____	_____%
2023	_____	_____%	2038	_____	_____%
2024	_____	_____%	2039	_____	_____%
2025	_____	_____%	2040	_____	_____%
2026	_____	_____%	2041	_____	_____%
2027	_____	_____%	2042	_____	_____%
2028	_____	_____%	2043	_____	_____%
2029	_____	_____%	2044	_____	_____%
2030	_____	_____%	2045	_____	_____%

\*Such principal amounts are preliminary and are subject to change depending on market conditions existing on the date of sale. ~~[However, such amounts will not change by more than is necessary to fund the deposits referred to in Paragraph 6 and in particular, fund a deposit to the Construction Fund (net of Capitalized Interest) in an amount not to exceed \$100,000,000, subject to a 10% positive or negative variation].~~

Term Bonds Option: At pricing, the Board of Liquidation may designate the principal amounts of the Bonds maturing on and after December 1, 2025 as Term Bonds, and any such Term Bonds will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Only one term maturity may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on December 1, such that the principal amount subject to mandatory sinking fund redemption matches the principal amounts set forth in the table above, adjusted as permitted by this Certificate, and equals the principal amount of such Term Bond. Such sinking fund redemptions shall be in the principal amounts, adjusted as permitted by this Certificate, which would otherwise have matured sequentially in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Furthermore, if the Board of Liquidation, after consultation with the Sewerage and Water Board, determines in its sole discretion that the funds necessary to accomplish the purposes for issuance, as herein described, are either more or less than the proceeds of the sale of all of the Bonds, the Board of Liquidation and the Sewerage and Water Board reserve the right either to increase or decrease the principal amount of any maturity of the Bonds (to be rounded to the nearest \$5,000), provided that any such increase shall not, in the aggregate, cause the total amount of Bonds to exceed the maximum principal amount of \$100,000,000 authorized by the Sewerage and Water Board.

5. **Optional Redemption.** Those Bonds maturing December 1, 20\_\_ and thereafter shall be subject to redemption at the option of the Board of Liquidation in full or in part at any time on or after December 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, together with accrued interest to the date fixed for redemption. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

6. **Use of Proceeds.** The proceeds of the Bonds in the amount of \$\_\_\_\_\_, plus additional monies of the Board in the amount of \$\_\_\_\_\_, shall be disbursed as follows:

- (a) \$\_\_\_\_\_ shall be deposited in the Series 2015 Account of the Construction Fund; of such amount, \$\_\_\_\_\_ shall be used to pay Project costs;
- (b) \$\_\_\_\_\_ shall be deposited to the Debt Service Reserve Fund;
- (c) \$\_\_\_\_\_ shall be deposited to the Capitalized Interest Fund; and
- (d) \$\_\_\_\_\_ shall be used to pay Costs of Issuance.

Preliminary; subject to change.

IN WITNESS WHEREOF, witness our signatures on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

SEWERAGE AND WATER BOARD OF  
NEW ORLEANS

By: \_\_\_\_\_  
Title: Executive Director

By: \_\_\_\_\_  
Title: President *pro tempore*

STATE OF LOUISIANA

PARISH OF ORLEANS

I, the undersigned Executive Director of the Sewerage and Water Board of New Orleans (the "Board"), do hereby certify that the foregoing pages constitute a true and correct copy of a Second Supplemental Water Revenue Bond Resolution adopted by the Board on October 21, 2015, setting forth certain details in connection with the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Water Revenue Bonds, Series 2015; authorizing the execution of a Bond Purchase Agreement and a Certificate of Determination; and providing for other matters relating to the foregoing.

IN FAITH WHEREOF, witness my official signature on this, the 21st day of October, 2015.

---

Executive Director

---

**SECOND SUPPLEMENTAL SEWERAGE SERVICE  
REVENUE BOND RESOLUTION**

adopted on October 21, 2015

by the

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

---

**IN CONNECTION WITH THE ISSUANCE OF  
NOT EXCEEDING \$100,000,000  
SEWERAGE SERVICE REVENUE BONDS, SERIES 2015  
OF THE  
CITY OF NEW ORLEANS, LOUISIANA**

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EXHIBIT A    FORM OF BOND

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\*   \*   \*   \*   \*   \*

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SECOND SUPPLEMENTAL SEWERAGE SERVICE REVENUE BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF

SEWERAGE SERVICE REVENUE BONDS, SERIES 2015

The following resolution was offered by \_\_\_\_\_ and seconded by

\_\_\_\_\_:

A Second Supplemental Resolution authorizing the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Sewerage Service Revenue Bonds, Series 2015, of the City of New Orleans, Louisiana; setting forth certain details in connection therewith; authorizing the execution and delivery of said bonds; authorizing the execution of a Bond Purchase Agreement and a Certificate of Determination; and providing for other matters relating to the foregoing.

**WHEREAS**, pursuant to Part III, Chapter 9, Title 33 of the Louisiana Revised Statutes of 1950, as amended, in particular Section 4121 thereof (the "Act"), the Sewerage and Water Board of New Orleans (the "Board") in the name of the City of New Orleans, Louisiana (the "City") is authorized to issue bonds; and

**WHEREAS**, on May 21, 2014, the Sewerage and Water Board of New Orleans (the "Board") adopted a General Sewerage Service Revenue Bond Resolution) entitled " A resolution authorizing the issuance from time to time of Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, providing for the general terms, form, manner of payment and security for payment of said bonds, providing for the issuance of a series of Sewerage Service Revenue and Refunding Bonds, and providing for other matters in connection therewith" (the "General Resolution"), in which the Board authorized the issuance from time to time of Sewerage Service Revenue Bonds under the Act and other constitutional and statutory authority; and

**WHEREAS**, capitalized terms used herein and not specifically defined herein shall have the meaning assigned to them in the General Resolution; and

**WHEREAS**, pursuant to the provisions of the General Bond Resolution and the First Supplemental Sewerage Service Revenue Bond Resolution adopted by the Board on May 21, 2014 (the "First Supplemental Resolution"), the Board authorized the issuance of the City of New Orleans, Louisiana Sewerage Service Revenue and Refunding Bonds, Series 2014 (the "Series 2014 Bonds") and the reissuance of the Series 2011 Bonds as Common Debt Service Reserve Secured Bonds on a parity with the Series 2014 Bonds and set forth certain details in connection with the issuance of the Series 2014 Bonds; and

**WHEREAS**, in accordance with the Act and Section 4.03 of the General Bond Resolution, the Board now desires to adopt this Second Supplemental Resolution in order to provide for the issuance of a series of Additional Bonds to pay the Cost of Capital Improvements; to provide for the execution of a Bond Purchase Agreement and a Certificate of Determination which designates certain details of the Bonds, and certain other matters in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans, that:

## ARTICLE I DEFINITIONS AND FINDINGS

SECTION 1.01. Definitions. In this Second Supplemental Resolution all capitalized terms shall have the meanings assigned thereto in the above preambles, in this Section 1.01 and in the General Resolution:

**"Bond Purchase Agreement"** shall mean the Bond Purchase Agreement dated as of the date of the sale of the Bonds by and between the Board of Liquidation and the Underwriters, and agreed to by the Board as to certain provisions.

**"Certificate of Determination"** means the Certificate of Determination authorized by Section 5.02 hereof.

**"Second Supplemental Resolution"** shall mean this resolution of the Board, authorizing the issuance of the Series 2015 Bonds.

**"Paying Agent"** and **"Trustee"** shall mean Whitney Bank, Baton Rouge, Louisiana, and its successors and assigns.

**"Outstanding Parity Bonds"** shall mean the City's outstanding (i) Sewerage Service Revenue Bonds, Series 2011 and (ii) Sewerage Service Revenue and Refunding Bonds, Series 2014.

**"Series 2015 Bonds"** shall mean the City's Sewerage Service Revenue Bonds, Series 2015, authorized to be issued by this Second Supplemental Resolution in an amount not to exceed One Hundred Million Dollars (\$100,000,000).

**"Underwriters"** shall mean an underwriting syndicate composed of the Underwriters selected by the Board of Liquidation.

## ARTICLE II AUTHORIZATION AND ISSUANCE OF SERIES 2015 BONDS

### SECTION 2.01. Authorization.

(a) In compliance with and under the authority of the Act and the General Resolution, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness and issuance of revenue bonds in an aggregate principal amount of not exceeding One Hundred Million Dollars (\$100,000,000) (the "Series 2015 Bonds") for, on behalf of and in the name of the City, for the purpose of paying the costs of extensions, improvements, enlargements, betterments, alterations, renewals and replacements to the sewerage system of the City of New Orleans, Louisiana, including land, equipment and other real or personal properties (the "Project"), funding a debt service reserve fund and other reserve funds as required hereunder, and paying costs of issuance of the Series 2015 Bonds. The aforesaid indebtedness shall be represented by the Series 2015 Bonds to be designated "City of New Orleans, Louisiana, Sewerage Service Revenue Bonds, Series 2015." The Series 2015 Bonds are Senior Debt under the General Resolution.

(b) The Series 2015 Bonds shall be fixed rate bonds, shall be dated the date of delivery, shall be in fully registered form, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered from No. R-1 upward and shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid or duly provided for, such interest to be payable semiannually on each June 1 and December 1, commencing June 1, 2016, and shall have such details as shall be set forth in the Certificate of Determination authorized in Section 5.02 hereof and a resolution adopted by the Board of Liquidation authorizing the sale of the Series 2015 Bonds. As required by Resolution R-119-2015 adopted by the Board on June 17, 2015, the Board specifies that the Series 2015 Bonds shall bear interest at a rate not to exceed seven per centum (7.0%) per annum and shall mature not later than thirty (30) years from the date thereof, as shall be set forth in the Certificate of Determination and as shall be fixed by resolution adopted by the Board of Liquidation authorizing the sale of the Series 2015 Bonds. The Series 2015 Bonds shall mature on June 1 in each of the years set forth in the Certificate of Determination.

(c) The Series 2015 Bonds, equally with the Outstanding Parity Bonds, are Common Debt Service Reserve Secured Bonds.

(d) The Series 2015 Bonds, equally with the Outstanding Parity Bonds, are equally and ratably secured by the Pledge of Net Revenues, as set forth in Section 4.02 of the General Resolution.

(e) The interest on the Series 2015 Bonds shall be payable by check or draft of the Paying Agent mailed on or prior to the interest payment date by the Paying Agent to the Registered Owners of the Series 2015 Bonds as shown on the registration books of the Paying Agent on the 15th day of the calendar month next preceding the interest payment date. During any period after the initial delivery of the Series 2015 Bonds in book-entry-only form when the

Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Series 2015 Bonds outstanding, payments of principal, premium, if any, and interest on the Series 2015 Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

SECTION 2.02. Form of Series 2015 Bonds. The Series 2015 Bonds shall be substantially in the form attached hereto as Exhibit A.

SECTION 2.03. Book-Entry Registration of Bonds. The Series 2015 Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as registered owner of the Bonds, and held in the custody of DTC. The Board of Liquidation has delivered a Blanket Letter of Representation (the "Letter of Representation") to DTC on behalf of the City and the Board with respect to the issuance of bonds in "book-entry only" format. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of the General Resolution and this Second Supplemental Resolution and said Letter of Representation. A single certificate will be issued and delivered to DTC for each maturity of the Series 2015 Bonds. The Beneficial Owners will not receive physical delivery of Series 2015 Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Series 2015 Bond acquired. For so long as DTC shall continue to serve as securities depository for the Series 2015 Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2015 Bonds is to receive, hold or deliver any Series 2015 Bond certificate.

Notwithstanding anything to the contrary herein, while the Series 2015 Bonds are issued in the book-entry-only form, the payment of principal of, premium, if any, and interest on the Series 2015 Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Series 2015 Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Series 2015 Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

(a) DTC determines to discontinue providing its service with respect to the Series 2015 Bonds. Such a determination may be made at any time by giving 30 days' notice to the Board of Liquidation and the Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(b) The Board or the Board of Liquidation determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in its best interests or the best interests of the Beneficial Owners.

The Board of Liquidation and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the City, the Board, the Board of Liquidation or the Paying Agent are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Series 2015 Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Second Supplemental Resolution of holding, delivering or transferring the Series 2015 Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Series 2015 Bonds, all references herein to DTC shall be of no further force or effect.

SECTION 2.04. Paying Agent's Registration. No Series 2015 Bond shall be entitled to any right or benefit under the General Resolution or this Second Supplemental Resolution, or be valid or obligatory for any purpose unless there appears on such Series 2015 Bond a certificate of registration, substantially in the form provided in the bond form attached hereto, executed by the Paying Agent by manual signature.

### ARTICLE III REDEMPTION FEATURES OF SERIES 2015 BONDS

SECTION 3.01.       Optional Redemption. The optional redemption provisions of the Series 2015 Bonds shall be set forth in the Certificate of Determination. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

SECTION 3.02.       Mandatory Sinking Fund Redemption. The mandatory sinking fund redemption provisions, if any, of the Series 2015 Bonds shall be set forth in the Certificate of Determination.

SECTION 3.03.       Notice of Redemption. In the event a Series 2015 Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Series 2015 Bond (or any integral multiple of \$5,000 in excess thereof) may be redeemed. Any Series 2015 Bond which is to be redeemed only in part may be surrendered at the principal corporate trust office of the Paying Agent and there shall be delivered to the Owner of such Series 2015 Bond a new Series 2015 Bond or Series 2015 Bonds of the same maturity and of any authorized denomination or denominations as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2015 Bond so surrendered. All notices of redemption shall state (i) the redemption date; (ii) the redemption price; (iii) if fewer than all the Series 2015 Bonds are to be redeemed, the identifying number (and in the case of partial redemption, the respective principal amounts) and CUSIP number of the Series 2015 Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable on each such Series 2015 Bond and interest thereon will cease to accrue thereon from and after said date; and (v) the place where such Series 2015 Bonds are to be surrendered for payment. Official notice of such call of any of the Series 2015 Bonds for redemption shall be given by means of first-class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Series 2015 Bond to be redeemed at his address as shown on the registration books maintained by the Paying Agent.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent no later than the redemption date, or (ii) that the Board of Liquidation retains the right to rescind such notice at any time prior to the scheduled redemption date if the Board of Liquidation delivers a certificate of an Authorized Officer to the Paying Agent instructing the Paying Agent to rescind the redemption notice (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. The Paying Agent shall give prompt notice of such rescission to the affected Bondowners. Any Series 2015 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Board of Liquidation to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

Any notice mailed or provided herein shall conclusively be presumed to have been given whether or not actually received by any Bondholder. Failure to give such notice or any defect therein shall not affect the validity of the redemption proceedings.

SECTION 3.04. Transfer, Registration and Assignment. The Series 2015 Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Series 2015 Bond may be assigned by the execution of an assignment form on such Series 2015 Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Series 2015 Bond or Series 2015 Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Series 2015 Bonds after receipt of such Series 2015 Bonds to be transferred in proper form. Such new Series 2015 Bond or Series 2015 Bonds must be in the denomination of \$5,000 or any integral multiple in excess thereof within a single maturity. Neither the Board of Liquidation nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Series 2015 Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or (ii) any Series 2015 Bond called for redemption prior to maturity during the period of fifteen (15) days after the mailing of notice of redemption as provided herein, but only with respect to those Series 2015 Bonds which are the subject of such redemption.

**ARTICLE IV**  
**APPLICATION OF PROCEEDS OF SERIES 2015 BONDS**

SECTION 4.01. Obligations and Conditions. As a condition to the issuance of the Series 2015 Bonds, the Board hereby obligates itself or shall cause the Board of Liquidation to:

(a) Set aside proceeds of the Series 2015 Bonds representing accrued interest, if any, into the Debt Service Fund, which is held under Section 7.04 of the General Resolution by the Board of Liquidation; and

(b) Transfer to the Series 2015 Account of the Construction Fund established by Section 6.01 of the General Resolution the amount of Series 2015 Bond Proceeds set aside for construction of the Project and the amount to be set aside for capitalized interest, if any, as determined in the Certificate of Determination.

(c) Transfer to the Debt Service Reserve Fund the amount necessary to fully fund the Debt Service Reserve Fund for the Series 2015 Bonds and the Outstanding Parity Bonds in an amount equal to the Common Debt Service Reserve Requirement.

(d) Provide for the payment of all Cost of Issuance of the Series 2015 Bonds from proceeds of the Series 2015 Bonds set aside by the Board of Liquidation for this purpose.

(e) Provide for the payment of bond insurance should it be available and cost effective.

The amounts of the deposits set forth above shall be set forth in the Certificate of Determination executed at the time of sale of the Series 2015 Bonds.

**ARTICLE V**  
**SALE OF SERIES 2015 BONDS**

SECTION 5.01. Sale of Series 2015 Bonds. The Series 2015 Bonds shall be sold for and on behalf of the Board and the City by the Board of Liquidation at a private or public sale in accordance with the provisions of the Act. The Board of Liquidation may determine to sell less than all of the Series 2015 Bonds authorized herein. The President, President *pro tempore* and the Executive Director of the Board are each hereby authorized to execute any and all instruments, certificates, documents, and papers relating to the issuance, sale and delivery of the Series 2015 Bonds, in connection with the sale of the Series 2015 Bonds in such form as may be approved by said officers upon the advice of Bond Counsel.

SECTION 5.02. Certificate of Determination. Certain details of the Series 2015 Bonds (which shall be established in accordance with the parameters set forth in Section 2.01 hereof) shall be established by the Certificate of Determination contemporaneously with the execution and delivery by the Board and the Board of Liquidation of the hereinafter defined Bond Purchase Agreement. Each and every such determination set forth in the Certificate of Determination shall be deemed conclusive for all purposes. The Certificate of Determination shall be substantially in the form set forth in **Exhibit B** hereto, with such variations, omissions and insertions as are permitted or required by this Second Supplemental Resolution.

Subject to the parameters set forth herein and Resolution R-119-2015 adopted by the Board on June 17, 2015, any two of the Executive Director, President or President *pro tempore* are hereby authorized to determine, upon the advice of the Financial Advisor to the City and after consultation with and concurrence of Bond Counsel and the Board of Liquidation:

- (a) The principal amount of the Series 2015 Bonds;
- (b) The purchase price of the Series 2015 Bonds;
- (c) The maturity schedule of the Series 2015 Bonds;
- (d) The optional redemption provisions of the Series 2015 Bonds;
- (e) The mandatory sinking fund redemption schedule, if any, of the Series 2015 Bonds;
- (f) The interest rates on the Series 2015 Bonds;
- (g) The application of proceeds of the Series 2015 Bonds; and.
- (h) any other matters or provisions related to the Series 2015 Bonds, including any change necessitated by the pricing of the Series 2015 Bonds, in each case in accordance or not inconsistent with the provisions of the General Resolution or this Second Supplemental Resolution.

The Board shall deliver the executed Certificate of Determination to the Board of Liquidation as soon as possible after the execution of the Bond Purchase Agreement.

SECTION 5.03. Approval of Preliminary Official Statement, Official Statement, Purchase Agreement and Other Documents.

(a) (a) In connection with the issuance and sale of the Series 2015 Bonds, there have been prepared and submitted at this meeting forms of:

- (i) the Preliminary Official Statement (the "Preliminary Official Statement") used in connection with the marketing of the Series 2015 Bonds;
- (ii) a draft of the final Official Statement (the "Official Statement") to be used in connection with the sale of the Series 2015 Bonds;
- (iii) the Bond Purchase Agreement in connection with the sale of the Series 2015 Bonds; and
- (iv) the Continuing Disclosure Certificate.

(b) The Preliminary Official Statement in the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved and its use by the Underwriters in connection with the public offering and marketing of the Series 2015 Bonds is hereby ratified.

(c) The Official Statement in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved and its use by the Underwriters in connection with the public offering and sale of the Series 2015 Bonds with such changes, insertions and omissions as may be approved by the Executive Director, President and/or President *pro tempore* is hereby approved.

(d) The Continuing Disclosure Certificate in substantially the form submitted to this meeting and made parts hereof as though set forth in full herein, be and the same are hereby approved. The Executive Director of the Board is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as they may approve, said execution being conclusive evidence of such approval.

SECTION 5.04. Authorized Officers. The Executive Director and the President and the President *pro tempore*, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the General Bond Resolution, the Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Certificate.

**ARTICLE VI**  
**EXECUTION AND DELIVERY OF SERIES 2015 BONDS**

SECTION 6.01.      Execution/Delivery. The President *pro tempore* of this Board, the Mayor of the City and the President and Secretary of the Board of Liquidation are authorized to sign and deliver the Series 2015 Bonds in the form set forth in Exhibit A hereto, including any changes, additions and deletions thereto approved by bond counsel, in definitive form, as printed bonds, and to execute and deliver any and all additional proofs, instruments and certificates required by or provided for in the General Resolution, this Second Supplemental Resolution, or the Series 2015 Bonds, and perform such other acts as may otherwise be required to effectuate the financing herein provided for. All of the signatures authorized hereinabove as so executed shall be deemed conclusive evidence of the due exercise of the authority vested in each such officer hereunder, and shall be sufficient to create binding obligations of the Board, the City and the Board of Liquidation. All such signatures may be facsimiles thereof, so long as the signature of the Paying Agent is manually executed.

## ARTICLE VII MISCELLANEOUS PROVISIONS

SECTION 7.01.       Selection of Paying Agent. The Board hereby designates Whitney Bank, Baton Rouge, Louisiana, to serve as Paying Agent for the Series 2015 Bonds. The Paying Agent shall signify in writing its acceptance of its duties under this Second Supplemental Resolution at or prior to the delivery of the Series 2015 Bonds.

SECTION 7.02.       Effect of Partial Invalidity. In case any one or more of the provisions of the General Resolution or this Second Supplemental Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect other provisions of the General Resolution or this Second Supplemental Resolution, but the General Resolution and this Second Supplemental Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

SECTION 7.03.       Effect of Covenants. All covenants, stipulations, obligations and agreements of the Board contained in this Second Supplemental Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent permitted by the Constitution and laws of the State of Louisiana.

SECTION 7.04.       Disclosure Under S.E.C. Rule 15c2-12. The Executive Director of the Board is hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in the official statement issued in connection with the sale and issuance of the Series 2015A Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 7.05.       Arbitrage. The Board covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Series 2015 Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Series 2015 Bonds or any other funds of the Board to be used directly or indirectly in any manner, the effect of which would be to cause the Series Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Series 2015 Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Series 2015 Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Series 2015 Bonds in a manner which would cause the Bonds to be "private activity bonds".

The Executive Director, President and President *pro tempore* are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 7.06. Section Headings. The headings of the various Sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 7.07. Conflicts. All resolutions and orders or parts thereof in conflict herewith as they are applicable to the Series 2015 Bonds, to the extent of such conflict and only with respect to their applicability to the Series 2015 Bonds, shall be superseded by the applicable provisions of this Second Supplemental Resolution.

SECTION 7.08. Publication. A copy of this Second Supplemental Resolution shall be published as soon as practicable after its adoption in one issue of the official journal of the City, and it shall not be necessary to publish the exhibits hereto if the exhibits are made available for public inspection at reasonable times and that fact is stated in the publication. For a period of thirty (30) days from the date of publication, any person in interest may contest the legality of this Second Supplemental Resolution and of any provision hereof made for the security and payment of the Series 2015 Bonds. After the expiration of said thirty (30) days, no one shall have any cause or right of action to test the regularity, formality, legality or effectiveness of this Second Supplemental Resolution and the provisions hereof or of the Series 2015 Bonds for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Series 2015 Bonds within the thirty days, the authority to issue the bonds and to provide for the payment thereof, and the legality thereof and of all of this Second Supplemental Resolution shall be conclusively presumed, and no court shall thereafter have authority to inquire into such matters.

## ARTICLE VIII REQUEST FOR APPROVALS

SECTION 8.01. Request to the Board of Liquidation, City Debt, for the Sale and Delivery of the Series 2015 Bonds. The Board of Liquidation is hereby requested to cause the Series 2015 Bonds to be sold, executed and delivered to the purchaser thereof upon receipt of the purchase price thereof and accrued interest, if any, to the date of delivery.

SECTION 8.02. Direction to Deliver Documents to the Board of Liquidation. The Executive Director of the Board is hereby directed to deliver to the Board of Liquidation, as soon as such documents are available, the documents specified in Section 4.03 of the General Resolution with respect to the Series 2015 Bonds.

SECTION 8.03. Request for Approval. A certified copy of this resolution shall be furnished to the City Council of the City. The Board hereby requests the Council of the City and the Board of Liquidation to approve this Second Supplemental Resolution and any other resolutions of the Board providing for the issuance of the Series 2015 Bonds, if required by law.

SECTION 8.04. State Bond Commission Swap Policy. The Bonds were approved by the Louisiana State Bond Commission on October 15, 2015. By virtue of the Board's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, it resolves that it understands and agrees that such approval is expressly conditioned upon, and it further resolves that it 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 8.05. Implementation of Rate Increases. The Board acknowledges and agrees that the Series 2015 Bonds are being issued in anticipation of and in reliance on rate increases approved by the Board, the Board of Liquidation and the City Council of the City through the year 2020, and timely implementation of such rate increases as heretofore adopted constitutes a contract with Bondholders.

SECTION 8.06. Effective Date. This Second Supplemental Resolution shall become effective immediately.

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

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Suchitra Satpathi (for Mitchell J. Landrieu)				
William Raymond Manning				
Marion B. Bracy				
Kerri T. Kane				
Scott Jacobs				
Robin Barnes				
Tamika Duplessis, Ph.D.				
Kimberly Thomas, JD				
Joseph Peychaud				
Alan C. Arnold				

And the resolution was declared adopted on this 21st day of October, 2015.

**EXHIBIT A**  
**TO SECOND SUPPLEMENTAL RESOLUTION**

**FORM OF BOND**

Unless this Bond is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Board or the City or their agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of CEDE & CO. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, CEDE & CO., has an interest herein.

As provided in the Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Resolution (herein defined) to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

No. R-\_\_\_\_\_

Principal Amount: \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ORLEANS

CITY OF NEW ORLEANS, LOUISIANA  
SEWERAGE SERVICE REVENUE BOND, SERIES 2015

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Bond Date</u>	<u>CUSIP</u>
June 1, ____	_____	_____	_____

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The CITY OF NEW ORLEANS, LOUISIANA (the "City"), for value received, promises to pay, but only from the sources and as hereinafter provided, to

REGISTERED OWNER: CEDE & CO. (Tax Identification #13-2555119)

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, payable on June 1 and December 1 of each year, commencing June 1, 2016 (each an "Interest Payment Date"), at the

Interest Rate per annum set forth above until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity or redemption, is payable at the principal corporate trust office of Whitney Bank, Baton Rouge, Louisiana, or successor thereto (the "Paying Agent") upon presentation and surrender hereof, and interest on this Bond will be payable by the Paying Agent by check mailed by the Paying Agent to the registered owner (determined as of the close of business on the 15th calendar day of the month next preceding said Interest Payment Date (the "Record Date"), whether or not such day is a business Day (as defined in the Resolution) at the address as shown on the registration books of the Paying Agent. Interest on this Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal, premium, if any, and interest on the Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

FOR SO LONG AS THIS BOND IS HELD IN BOOK-ENTRY FORM REGISTERED IN THE NAME OF CEDE & CO. ON THE REGISTRATION BOOKS OF THE CITY KEPT BY THE PAYING AGENT, AS BOND REGISTRAR, THIS BOND, IF CALLED FOR PARTIAL REDEMPTION IN ACCORDANCE WITH THE BOND RESOLUTION, SHALL BECOME DUE AND PAYABLE ON THE REDEMPTION DATE DESIGNATED IN THE NOTICE OF REDEMPTION GIVEN IN ACCORDANCE WITH THE BOND RESOLUTION AT, AND ONLY TO THE EXTENT OF, THE REDEMPTION PRICE, PLUS ACCRUED INTEREST TO THE SPECIFIED REDEMPTION DATE; AND THIS BOND SHALL BE PAID, TO THE EXTENT SO REDEEMED, (i) UPON PRESENTATION AND SURRENDER THEREOF AT THE OFFICE SPECIFIED IN SUCH NOTICE OR (ii) AT THE WRITTEN REQUEST OF CEDE & CO., BY CHECK MAILED TO CEDE & CO. BY THE PAYING AGENT OR BY WIRE TRANSFER TO CEDE & CO. BY THE PAYING AGENT IF CEDE & CO. AS BONDOWNER SO ELECTS. IF, ON THE REDEMPTION DATE, MONEYS FOR THE REDEMPTION OF BONDS OF SUCH MATURITY TO BE REDEEMED, TOGETHER WITH INTEREST TO THE REDEMPTION DATE, SHALL BE HELD BY THE PAYING AGENT SO AS TO BE AVAILABLE THEREFOR ON SUCH DATE, AND AFTER NOTICE OF REDEMPTION SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE BOND RESOLUTION, THEN, FROM AND AFTER THE REDEMPTION DATE, THE AGGREGATE PRINCIPAL AMOUNT OF THIS BOND SHALL BE IMMEDIATELY REDUCED BY AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT THEREOF SO REDEEMED, NOTWITHSTANDING WHETHER THIS BOND HAS BEEN SURRENDERED TO THE PAYING AGENT FOR CANCELLATION.

This Bond is one of an authorized issue aggregating in principal the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Bonds"), all of like tenor and effect except as to number, denomination, interest rate and maturity, said Bonds having been issued in the name of the City,

acting by and through the Sewerage and Water Board of New Orleans (the "Board"), for the purpose of (i) paying the costs of extensions, improvements, enlargements, betterments, alterations, renewals and replacements to the sewerage system of the City of New Orleans, Louisiana, including land, equipment and other real or personal properties, (ii) funding a debt service reserve fund, and (iii) paying costs of issuance of the Bonds. The Bonds have been issued pursuant to a General Sewerage Service Revenue Bond Resolution adopted by the Board on May 21, 2014 and a Second Supplemental Sewerage Service Bond Resolution adopted by the Board on October 21, 2015, and by a resolution adopted by the Board of Liquidation, City Debt (the "Board of Liquidation") on \_\_\_\_\_, 2015 (collectively, the "Resolution"), under the authority conferred by Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority. This Bond and the issue of which it forms a part are payable as to both principal and interest solely from the Net Revenues and other funds of the Board pledged for that purpose by the Resolution. Subject to the foregoing, this Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's outstanding Sewerage Service Revenue Bonds, Series 2011 and Sewerage Service Revenue and Refunding Bonds, Series 2014 (collectively, the "Outstanding Parity Bonds"), with respect to the revenues derived from sewerage service charges and other funds pledged by the Resolution for the payment and security of the Bonds and the Outstanding Parity Bonds.

The Bonds, equally with the Outstanding Parity Bonds and such additional bonds as may hereafter be issued under the Resolution on a parity therewith are, and are to be, equally and ratably secured by the pledge of the revenues derived from sewerage service charges of the City, for purposes relating to the sewerage system of the City, as provided in the Act and the Resolution, to which reference is hereby made for a more complete description of the rights of the owners of the Bonds and of the Board with respect to the sewerage system of the City, and the revenues thereof, and the terms and conditions upon which the Bonds and such additional parity bonds are, and are to be, issued, to all of the provisions of which Resolution each Bond owner, by acceptance hereof, assents. This Bond and the issue of which it forms a part do not constitute a debt of the City, and neither the credit nor the taxing power of the City is pledged to the payment thereof, or any part thereof, or to the payment of any interest thereon.

Pursuant to the Act, the Board of Liquidation, as now organized and created and with the powers, duties and functions prescribed by existing laws, shall be continued while any bonds authorized by the aforesaid provisions of law are outstanding and unpaid; and all sewer revenues which may be collected for the payment of said Bonds shall, be paid over to said Board of Liquidation, and shall by it be applied in payment of the principal of and interest on said Bonds; and said Board of Liquidation shall, with respect to all Bonds authorized, be entitled to exercise all the rights and enforce the performance of all the obligations, the same as it is authorized to do under existing laws with respect to any of the registered outstanding Bonds of the Board. Each Bond of this issue constitutes a contract between the City, the Board, the Board of Liquidation, and the Registered Owner of such Bond.

Those Bonds maturing June 1, 20\_\_ and thereafter shall be subject to redemption at the option of the Board of Liquidation in full or in part at any time on after June 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be

redeemed, together with accrued interest to the date fixed for redemption. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

In the event of redemption of fewer than all the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

Optional redemption of the Series 2015 Bonds shall be applied ratably, as nearly as possible, against each of the mandatory sinking fund requirements set forth below.

The Bonds due on June 1, 20\_\_, shall be subject to mandatory redemption prior to maturity through application of sinking fund payments on June 1 in each of the years and in the respective principal amounts set forth below, in each case at a redemption price equal to 100 of their principal amount, plus accrued interest to the date of redemption.

<u>Year</u> <u>(June 1)</u>	<u>Amount</u>
20__	\$ ____
20__	____
20__	____
20__	____
20__ *	____

\*Final maturity

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

There shall be kept at the principal corporate trust office of the Paying Agent a register (the "Bond Register") in which registration of the Bonds shall be made as provided herein. This Bond is transferable only upon the records kept for that purpose at the principal corporate trust office of the Paying Agent by the person in whose name this Bond is registered (the "Registered Owner") or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Paying Agent shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount and designation, maturity and interest rate as the surrendered Bond, and upon the payment of the costs of any transfer taxes or other governmental charges relating thereto. The Board of Liquidation and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest and premium, if any, hereon, and for all other purposes whatsoever. Neither the Board of Liquidation nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of

business on the 15th day of the month next preceding any interest payment date and ending at the close of business on the interest payment date, or (ii) any Bond called for redemption prior to maturity during the period of fifteen (15) days after the mailing of notice of redemption as provided herein, but only with respect to those Bonds which are the subject of such redemption

This Bond and the series of which it forms a part are issuable in the form of fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof. Subject to the conditions and upon the payment of the costs of any transfer taxes or other governmental charges relating to the transfer of this Bond upon surrender hereof at the principal corporate trust office of the Paying Agent with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or by his attorney duly authorized in writing, this Board may at the option of the Registered Owner hereof be exchanged for an equal aggregate principal amount of fully registered bonds of the same designation, maturity and interest rate and of any authorized denomination.

For a more complete statement of the source of moneys from which and conditions under which this Bond is payable, a statement of the conditions under which additional Bonds may hereafter be issued on a parity with the Bonds, and the general covenants and provisions pursuant to which this Bond is issued, and the conditions under which the pledges and covenants of the City, the Board and the Board of Liquidation may be discharged and this Bond no longer be deemed outstanding, reference is hereby made to the Resolution. This Bond and the issue of which it forms a part do not constitute a debt of the City, but are payable as to principal and interest, solely out of the Net Revenues of the Board pledged for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution (herein defined) until the certificate of registration hereon shall have been signed by the Paying Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Louisiana to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time form and manner as prescribed by law, and the amount of this Bond and the issue of which it forms a part, together with all other obligations or indebtedness of the City and the Board, does not exceed any constitutional, statutory or other limitation of indebtedness.

IN WITNESS WHEREOF, the City of New Orleans, Louisiana has caused this Bond to be executed in its name by the facsimile signatures of its Mayor, the President *pro tempore* of the Sewerage and Water Board of New Orleans, and the President and Secretary of the Board of Liquidation, City Debt, and a facsimile of its corporate seal to be imprinted hereon.

CITY OF NEW ORLEANS, LOUISIANA

By: \_\_\_\_\_ By: \_\_\_\_\_  
President, Mayor,  
Board of Liquidation, City Debt City of New Orleans, Louisiana

By: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary, President, *pro tempore*,  
Board of Liquidation, City Debt Sewerage and Water Board of New Orleans

[SEAL]

\* \* \* \* \*

PAYING AGENT'S CERTIFICATE OF REGISTRATION

This Bond is one of the Bonds referred to in the within-mentioned Resolution.

WHITNEY BANK,  
as Paying Agent

Date of Registration: \_\_\_\_\_ By: \_\_\_\_\_  
Authorized Officer

\* \* \* \* \*

LEGAL OPINION CERTIFICATE

I, the undersigned Secretary of the Board of Liquidation, City Debt, do hereby certify that the following is a true copy of the complete joint legal opinion of Foley & Judell, L.L.P. Haley Law Firm, LLC and McKee Law Firm, LLC, Co-Bond Counsel, the original of which was manually executed, dated and issued as of the date of payment for and delivery of this Bond and was delivered to \_\_\_\_\_, representing the original purchasers thereof:

[Insert Legal Opinion]

I further certify that an executed copy of the above legal opinion is on file in my office, and that an executed copy thereof has been furnished to the Paying Agent for this Bond.

\_\_\_\_\_  
Secretary  
Board of Liquidation, City Debt

\* \* \* \* \*

#### FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
Please Insert Social Security  
or other Identifying Number of Assignee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
attorney or agent to transfer the within Bond on the books kept for registration thereof, with full  
power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

**EXHIBIT B**  
**TO SECOND SUPPLEMENTAL RESOLUTION**

**FORM OF CERTIFICATE OF DETERMINATION**

**NOT TO EXCEED \$100,000,000**

**CITY OF NEW ORLEANS, LOUISIANA  
SEWERAGE SERVICE REVENUE BONDS  
2015 SERIES A**

We, the undersigned representatives of the Sewerage and Water Board of New Orleans (the "Board"), pursuant to the General Sewerage Service Bond Resolution adopted by the Board on May 21, 2014 and the Second Supplemental Sewerage Service Revenue Bond Resolution adopted by the Board on October 21, 2015 (collectively, the "Resolution"), do hereby certify and determine, on behalf of the Board, with respect to the sale of the above captioned bonds (the "Bonds") to \_\_\_\_\_, as representative of the underwriters (the "Underwriter"), as follows:

1. **Defined Terms.** Terms not otherwise defined in this Certificate of Determination shall have the same meanings as set forth in the Resolution unless the context otherwise requires.
2. **Principal Amount.** The principal amount of the Bonds is \_\_\_\_\_.
3. **Purchase Price.** The Bonds were sold at a price of \$\_\_\_\_\_, representing \$\_\_\_\_\_ principal amount, plus original issue premium of \$\_\_\_\_\_, less underwriting discount of \$\_\_\_\_\_.
4. **Maturity Schedule and Interest Rates\*.** The Bonds shall mature on June 1 of each year in the principal amounts and shall bear interest at the rates (not to exceed 7.0%) as follows:

Year (June 1)	Principal Amount*	Interest Rate	Year (June 1)	Principal Amount*	Interest Rate
2016	\$ _____	_____%	2031	_____	_____%
2017	_____	_____%	2032	_____	_____%
2018	_____	_____%	2033	_____	_____%
2019	_____	_____%	2034	_____	_____%
2020	_____	_____%	2035	_____	_____%
2021	_____	_____%	2036	_____	_____%
2022	_____	_____%	2037	_____	_____%
2023	_____	_____%	2038	_____	_____%
2024	_____	_____%	2039	_____	_____%
2025	_____	_____%	2040	_____	_____%
2026	_____	_____%	2041	_____	_____%
2027	_____	_____%	2042	_____	_____%
2028	_____	_____%	2043	_____	_____%
2029	_____	_____%	2044	_____	_____%
2030	_____	_____%	2045	_____	_____%

\*Such principal amounts are preliminary and are subject to change depending on market conditions existing on the date of sale. **[However, such amounts will not change by more than is necessary to fund the deposits referred to in Paragraph 6 and in particular, fund a deposit to the Construction Fund (net of Capitalized Interest) in an amount not to exceed \$100,000,000, subject to a 10% positive or negative variation].**

Term Bonds Option: At pricing, the Board of Liquidation may designate the principal amounts of the Bonds maturing on and after June 1, 2025 as Term Bonds, and any such Term Bonds will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Only one term maturity may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on June 1, such that the principal amount subject to mandatory sinking fund redemption matches the principal amounts set forth in the table above, adjusted as permitted by this Certificate, and equals the principal amount of such Term Bond. Such sinking fund redemptions shall be in the principal amounts, adjusted as permitted by this Certificate, which would otherwise have matured sequentially in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Furthermore, if the Board of Liquidation, after consultation with the Sewerage and Water Board, determines in its sole discretion that the funds necessary to accomplish the purposes for issuance, as herein described, are either more or less than the proceeds of the sale of all of the Bonds, the Board of Liquidation and the Sewerage and Water Board reserve the right either to increase or decrease the principal amount of any maturity of the Bonds (to be rounded to the nearest \$5,000), provided that any such increase shall not, in the aggregate, cause the total amount of Bonds to exceed the maximum principal amount of \$100,000,000 authorized by the Sewerage and Water Board.

5. **Optional Redemption.** Those Bonds maturing June 1, 20\_\_ and thereafter shall be subject to redemption at the option of the Board of Liquidation in full or in part at any time on or after June 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, together with accrued interest to the date fixed for redemption. The maturities of the Bonds to be redeemed shall be selected by the Board of Liquidation in its discretion.

6. **Use of Proceeds.** The proceeds of the Bonds in the amount of \$\_\_\_\_\_, plus additional monies of the Board in the amount of \$\_\_\_\_\_, shall be disbursed as follows:

(a) \$\_\_\_\_\_ shall be deposited in the Series 2015 Account of the Construction Fund; of such amount, \$\_\_\_\_\_ shall be used to pay Project costs;

(b) \$\_\_\_\_\_ shall be deposited to the Debt Service Reserve Fund;

(c) \$\_\_\_\_\_ shall be deposited in the Capitalized Interest Fund; and

(d) \$\_\_\_\_\_ shall be used to pay Costs of Issuance.

\_\_\_\_\_  
Preliminary; subject to change.

IN WITNESS WHEREOF, witness our signatures on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

SEWERAGE AND WATER BOARD OF  
NEW ORLEANS

By: \_\_\_\_\_  
Title: Executive Director

By: \_\_\_\_\_  
Title: President *pro tempore*

STATE OF LOUISIANA

PARISH OF ORLEANS

I, the undersigned Executive Director of the Sewerage and Water Board of New Orleans (the "Board"), do hereby certify that the foregoing pages constitute a true and correct copy of a Second Supplemental Sewerage Service Revenue Bond Resolution adopted by the Board on October 21, 2015, setting forth certain details in connection with the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Sewerage Service Revenue Bonds, Series 2015; authorizing the execution of a Bond Purchase Agreement and a Certificate of Determination; and providing for other matters relating to the foregoing.

IN FAITH WHEREOF, witness my official signature on this, the 21st day of October, 2015.

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Executive Director

**ROLL BACK OF SEWERAGE AND WATER BOARD MILLAGES**

**WHEREAS**, the Council of the City of New Orleans is required by the provisions of Article VII, Section 23 of the Louisiana Constitution to adjust the millage for certain tax recipient bodies within the Parish of Orleans and to levy Ad Valorem taxes on behalf of itself or such other tax recipient bodies in the Parish of Orleans; and

**WHEREAS**, the quadrennial reassessment has been done and because the total value of property for 2016 is greater than the value for 2015 the Louisiana Constitution mandates a millage adjustment for 2016 to obtain the same revenue as in 2015:

**NOW, THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that it hereby requests the Council of the City of New Orleans to set its Ad Valorem tax millage as follows for 2016:

1. Three Mill Tax (Adjusted) - LA Revised Statute 33:4124  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.66 mills to 4.46 mills; and
2. Six Mill Tax (Adjusted) - LA Revised Statute 33:4137  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.71 mills to 4.50 mills; and
3. Nine Mill Tax (Adjusted) - LA Revised Statute 33:4147  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 7.06 mills to 6.75 mills.

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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 a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 21, 2015.

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

**ROLL FORWARD OF SEWERAGE AND WATER BOARD MILLAGES**

**WHEREAS**, Article VII, Section 23 (C) of the Louisiana constitution authorizes increases in the Millage rate after reassessment but not in excess of the prior year's maximum authorized Millage rate, and only after a public hearing is held and call for that purpose, and only if approved by a two-third (2/3) majority vote of the tax recipient body; and

**WHEREAS**, the public hearing was held on October 21, 2015; and

**WHEREAS**, the Sewerage and Water Board has previously requested that the Council of the City of New Orleans to roll back the Millage rate for Ad Valorem taxes on behalf of itself to obtain the same revenue as in 2015; and

**WHEREAS**, the Sewerage and Water Board of New Orleans does desire to increase its millage for 2016 back to the same millage rates as were in effect in 2015, as allowed by law;

**NOW, THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that it hereby requests the Council of the City of New Orleans to set its Ad Valorem tax millage as follows for 2016:

1. Three Mill Tax (Adjusted) - LA Revised Statute 33:4124  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.46 mills to 4.66 mills; and
2. Six Mill Tax (Adjusted) - LA Revised Statute 33:4137  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.50 mills to 4.71 mills; and
3. Nine Mill Tax (Adjusted) - LA Revised Statute 33:4147  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 6.75 to 7.06 mills.

---

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 a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 21, 2015.

---

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

**Sewerage and Water Board**  
**Department of Emergency Management**  
*“Preparedness, Mitigation, Response, and Recovery”*

FEMA Project Update as of 9-23-15

*This data was collected from E.M. Data and Louisianaapa.com on the above reference date*

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

**Hurricane Katrina**

<b>Estimated Project Cost</b>	<b>\$ 850,140,423.46</b>
<b>Obligated Amount</b>	<b>\$ 681,584,697.60</b>
Not Eligible PW <sup>1</sup>	\$ 10,896,751.08
Not Eligible Loan PW <sup>2</sup>	\$ 72,607,253.53
Insurance Deduction <sup>3</sup>	\$ 2,747,339.04
Insurance Settlement <sup>4</sup>	\$ 2,303,000.00
Version Request <sup>5</sup>	\$ 68,597,790.16
Appeal Amount <sup>6</sup>	\$
Close Out Reconciliation <sup>7</sup>	\$
Submitted Project Cost	\$ 710,261,350.26
Awaiting Obligation <sup>8</sup>	\$ 11,285,007.97
Total Invoices in Progress at State	\$ 9,807,887.60
Total Paid by State (LAPA Data)	\$ 388,278,742.32
SPS HMGP Grant	\$ 20,082,538.00
Power Plant HMGP GRANT	\$ 141,175,000.00
Power Plant HMGP Amendment 1	\$ 9,620,389.00

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

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

<sup>3</sup> National Flood Insurance deductions.

<sup>4</sup> Insurance Settlement

<sup>5</sup> Amount that FEMA is reviewing documentation to adjust scope of work or cost adjustments

<sup>6</sup> Amount that is currently under appeal or arbitration.

<sup>7</sup> Amount that will be reconciled when Project Worksheet's are closed out.

<sup>8</sup> Amount pending obligation in FEMA Million Dollar Queue or Funding Review Queue.

## Hurricane Isaac

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

Site	Estimated	Insurance Claim	FEMA Claim	PW Amount
CAT B Emergency Labor/Equipment	\$ 1,217,743.75	\$ -	\$ 1,398,010.67	\$ 1,398,010.67
East Bank Waste Water 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	\$ -	\$ 94,377.90	\$ 80,711.15
Central Yard Roof Repairs	\$ 6,053.60	\$ -	\$ 6,053.60	\$ 6,053.60
Central Yard Fence	\$ 18,836.61		\$ 18,836.61	\$ 18,836.61
<b>Total</b>	<b>\$ 2,515,874.50</b>	<b>\$ 443,373.00</b>	<b>\$ 2,280,082.52</b>	<b>\$ 1,833,601.15</b>

## **Hurricane Gustav**

**This data was collected from E.M. Data and Louisianapa.com**

Original ESTIMATED PROJECT COST	\$ 750,945.28
PROJECT SUBMITTED AMOUNT	\$ 750,945.28
NFIP Reduction	\$ -
OBLIGATED Amount	\$ 544,884.26
Amount Paid by State	\$ 518,864.38

**OFFICE OF GENERAL SUPERINTENDENT  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**OCTOBER 21, 2015**

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

The following report for the month of **September** 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 97% 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 97% 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 34% complete. (CP Item 175).

Contract 1382 – Lou -Con, Inc. – Replacement of Media Filters 1A, 1B, 5A & 5B at the Claiborne Filter Gallery at the Main Water Purification Plant. This work is approximately 2% complete. (CP Item 110).

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 95% 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 100% 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 100% 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 62% complete. (CP Item 175).

Contract 2110 – Wallace C. Drennan, Inc. – Water Line Replacement and Extensions. This work is 1% complete. (CP Item 216).

Contract 2111 – 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 50% 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 60% 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 35% 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 75% 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 100% 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 38% 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 70% 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 94% 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 88% complete. (CP Item 340).

Contract 3792– Industrial & Mechanical Contractors, Inc. – Central Wetlands Unit Expansion at EBWWTP. This work is approximately 55% complete. (CP Item 368).

Contract 3794– Industrial & Mechanical Contractors, Inc. – Rehabilitation of Bio-Reactor Train #1 at the EBWTP. This work is approximately 38% complete. (CP Item 348).

Contract 3986– BLD Services, LLC – Ninth Ward Area Sewer Rehabilitation-Sewer Rehabilitation No. 5. This work is approximately 48% 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 100% 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 94% complete. (CP Item 676).

Contract 6252 – Frischhertz Electric Co., Inc. – HMGP Installation of Transformers T2 & T3, Construction of the New Electrical Duct Bank at Carrollton Water Plant. This work is approximately 62% complete. (CP Item 624).

Contract 8132– Industrial & Mechanical Contractors, Inc. - Hurricane Katrina related repairs to Central Yard Garage 1/Generator and Power Room. This work is approximately 30% 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 \*122% 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 88% complete. (CP Item 175).

Contract 8143 – Hamp’s Construction – Hurricane Katrina related repairs to Central Yard Garage 2/Building & Roof. This work is approximately 11% 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 96% 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 96% 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 96% 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 80% 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 82% 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 100% 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 79% complete. (CP Item 375).

Contract 30015 – Wallace C. Drennan, Inc. – Restoration of existing Gravity Sewer Mains by Point Repair & CIPP Lining of Sewer Mains. This work is approximately 70% 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:	99%

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, Synchronous 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 98%

Notice to Proceed was issued on July 16, 2014.

**2015 Inspection of Steam Turbine #3 at Carrollton Water Plant**

Bids were received on Friday, October 2, 2015.

Contractor: Industrial & Mechanical Contractors, Inc.  
Amount: \$539,655.00  
% Complete 0%

Notice to Proceed was issued on October 2, 2015.

**PLUMBING DEPARTMENT**

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

There were 207 Plumbing, and 96 Backflow permits issued during the month of **September**. This department complied with 691 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.

	<u>Jul</u>	<u>Aug</u>	<u>2015 Sept</u>	<u>2014 Sept</u>	<u>YTD 2015</u>
Plumbing Permits Issued	216	240	207	350	
Backflow permits Issued	104	201	96	67	
	<b>320</b>	<b>441</b>	<b>303</b>	<b>417</b>	<b>3148</b>
<b>Inspections Conducted</b>					
Water	396	341	341	447	
Special	170	161	209	245	
Final	227	173	141	218	
Environmental	2				
<b>Totals</b>	<b>795</b>	<b>675</b>	<b>691</b>	<b>910</b>	<b>7809</b>

## RAINFALL FOR SEPTEMBER 2015

The rainfall for the month of **September** was **4.15"** compared to the 122-year average for the month of **September** was **5.60"**. The cumulative rainfall through the Ninth month of the year was **42.60"** compared to the 122-year average of **47.59"**.

## AVERAGE DAILY PUMPAGE FOR THE MONTH OF SEPTEMBER

New Orleans Side  
Algiers Side

133.042 Million Gallons Per Day  
9.24 Million Gallons Per Day

Respectfully submitted,



**JOSEPH R. BECKER**  
**GENERAL SUPERINTENDENT**

JRB/zfg  
GENSUP%10-21-15

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
OFFICE OF SPECIAL COUNSEL**

**October 21, 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 **September 2015**.

**CONTRACTS EXECUTED BEFORE SPECIAL COUNSEL:**

**CRESCENT BUILDING SERVICES, INC. – Contract for Furnishing  
Janitorial Services at Main Office, 830 Julia St. Annex, and  
4021 Behrman Place, Suite M2, Annex - \$129,636.44**

**EMPLOYEE GARNISHMENTS:**

During the month of **September**, **two** garnishments were received against Board employees. The garnishment was responded to on behalf of the Board. Following the policy established for garnishments, the fee granted by law to the attorney for garnishee was waived in favor of the employee.

**CIVIL SUITS FILED AGAINST BOARD:**

**New:**

**PETER ADAMS, ET AL V. ENTERGY NEW ORLEANS, INC., ENTERGY LOUISIANA, L.L.C. AND SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 15-09035, Civil District Court.** In this case, plaintiffs sued seeking judgment for injuries allegedly sustained due to gas leaks at or near the intersection of Painters and north Derbigny Streets on or about October 10, 2014.

**RODNEY J. GLOVER EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) CASE #461-2015-00629 V. AUCTION.COM; SEWER&WATER BOARD OF NEW ORLEANS (S&WB); ORLEANS PARISH SHERIFF'S OFFICE (OPSOP); FANNIE MAE (FNM); NEW ORLEANS POLICE DEPARTMENT (NOPD), No. 15-2832, United States District Court.** In this case, plaintiff seeking judgment for alleged Civil Rights Violations Injunctive Relief & Damages in connection with property and water account at 4313 Woodland Drive.

**ANTOINE MAKHOUL V. CITY OF NEW ORELANS AND SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 15-08847, Civil District Court.**

In this case, plaintiff sued seeking judgment for injuries allegedly sustained when he fell into a large pothole at or near 4800 Vincennes and Fontainebleau, on or about June 20, 2015.

**SHERRIL STEWART V. HARBOR HOMEOWNERS ASSOCIATION, INC., XYZ INSURANCE COMPANY, HARBOR VIEW CONDOMINIUMS, LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT, CITY OF NEW ORLEANS, SEWERAGE AND WATER BOARD OF NEW ORLEANS, STATE OF LOUISIANA THROUGH THE LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT, No. 15-03147, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when she slipped in a pothole which surrounded a covered sewerage manhole, at the back of 500 Lake Marina Drive, on or about April 4, 2014.

**Terminated:**

**MELANIE CLAYTON V. SEWERAGE & ATER BOARD OF NEW ORLEANS, No. 00-19146, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when her leg slipped into an uncovered water meter hole somewhere around the 1000 block of Bienville on or about January 3, 2000. Parties entered into a Consent Judgment dated October 3, 2001 in the amount of \$6,500. Plaintiff subsequently agreed to a total settlement in the amount of **\$8,949.05**, which is a 20% reduction of principal plus interest through August 31, 2014, representing a savings to the Board of \$2,746.57. The file will be closed on that basis.

**NORMAN JERNIGAN V. THE SEWERAGE & WATER BOARD OF NEW ORLEANS AND THE CITY OF NEW ORLEANS, No. 07-06742, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when he stepped into the hole of an uncovered water meter on Conti Street, on or about July 13, 2006. A review of the file indicated no activity for a period of three or more years. Accordingly, a Motion to Dismiss for Want of Prosecution was filed and granted, dismissing the Board with **no monetary contribution**. The file will be closed on that basis.

**JUDY M. LYONS V. SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 05-04900, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when she tripped and fell over utility cover protruding above sidewalk level, on Iberville Street, on or about August 17, 2004. A review of the file indicated no activity for a period of three or more years. Accordingly, a Motion to Dismiss for Want of Prosecution was filed and granted,

dismissing the Board with **no monetary contribution**. The file will be closed on that basis.

**DARLENE PETERS V. SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 97-15845, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when she stepped into an open drain cover that was not barricaded in the 2100 block of Constance Street, on or about September 11, 1996. Parties entered into a Consent Judgment dated February 28, 2002 in the amount of \$8,500. Plaintiff subsequently agreed to a total settlement in the amount of **\$10,247.04**, which is principal plus interest through July 1, 2015, less a discount of 20% of the total, representing a savings to the Board of \$4,448.24. The Board also paid an outstanding lien on behalf of Charity Hospital/Medical Center of Louisiana (Department of Health & Hospitals) in the amount of **\$1,509.19**. The file will be closed on that basis.

**DARRYL ROBERTS AND MONICA ROBERTS V. SEWERAGE AND WATER BOARD AND ABC INSURANCE COMPANY, No. 2012-05486, Civil District Court.** In this case, plaintiffs sued seeking judgment for injuries allegedly sustained when Darryl Roberts stepped onto a sewer cover which gave way, on General DeGaulle near the Chase Bank, on or about October 22, 2011. A review of the file indicated no activity for a period of three or more years. Accordingly, a Motion to Dismiss for Want of Prosecution was filed; however, as costs were owed by plaintiff, the court would not sign the dismissal. Closure is in order by operation of law based on the motion filed, with the Board making **no monetary contribution**. The file will be closed on that basis.

**KATHRYN JEANETTE SPAHT, DAVID J. SPAHT, AND DR. F. NEILL SPAHT V. SEWERAGE AND WATER BOARD OF THE CITY OF NEW ORLEANS, No. 94-19156, Civil District Court.** In this case, plaintiffs sued seeking judgment for damages to property at 871 Polk Street allegedly caused by Board negligence, in or about January 1994. The court ruled in favor of plaintiffs in the amount of \$53,104, plus legal interest from date of judicial demand, by judgment dated April 1, 2002; the case was appealed to the Fourth Circuit where the decision was upheld. In order to resolve this matter, plaintiffs agreed to accept Board's offer of principal plus interest less a discount of 20% of the total and accept the full and total sum of **\$89,900.73** in settlement, which represents a savings to the Board of \$24,198.54. The file will be closed on that basis.

**TAMIA TRUFANT-WADE V. SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 2012-677, Civil District Court.** In this case, plaintiff sued seeking judgment for injuries allegedly sustained when ground collapsed beneath her, allegedly due to water leaking from an

underground pipe at or near 7929 Oleander St., on or about October 29, 2010. A review of the file indicated no activity for a period of three or more years. Accordingly, a Motion to Dismiss for Want of Prosecution was filed and granted, dismissing the Board with **no monetary contribution**. The file will be closed on that basis.

**JASMINE WILLIAMS AND KEYONITA THOMAS V. CLAUDIA HAHN, GEICO INDEMNITY COMPANY, AND SEWERAGE AND WATER BOARD OF NEW ORLEANS, No. 11-05472, Civil District Court.** In this case, plaintiffs sued seeking judgment for injuries and damages allegedly sustained when vehicle in which they were riding was struck by plaintiff Hahn's vehicle "when she rolled over a manhole cover causing it to crash into" their vehicle, on Rampart Street, on or about May 24, 2010. A review of the file indicated no activity for a period of three or more years. Accordingly, a Motion to Dismiss for Want of Prosecution was filed and granted, dismissing the Board with **no monetary contribution**. The file will be closed on that basis.

**WORKERS' COMPENSATION:**

**JOSEPH SIMMONS V. SEWERAGE & WATER BOARD OF NEW ORLEANS, No.15-04386, Office of Workers' Compensation.** In this case, plaintiff sued seeking workers' compensation benefits in connection with injuries allegedly sustained in the course and scope of his duties, on or about June 12, 2015.

**Respectfully submitted,**



**NOLAN P. LAMBERT**  
**SPECIAL COUNSEL**

**NPL:mkt**

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# Sewerage and Water Board of New Orleans

## Summary of Financial Results

### Through August 31, 2015

#### Prior Year Variances

Revenues  
Operating Expenses  
Non-Operating Revenues and Expenses  
Income before Capital Contributions

	Water	Sewer	Drainage
Revenues	5,087,557	6,210,548	2,775,596
Operating Expenses	3,593,935	4,920,516	3,500,446
Non-Operating Revenues and Expenses	1,249,233	1,376,316	2,866,384
Income before Capital Contributions	2,742,855	2,666,348	2,141,534

#### Budget Variances

Revenues  
Operating Expenses  
Non-Operating Revenues and Expenses  
Income before Capital Contributions

	Water	Sewer	Drainage
Revenues	(277,127)	104,467	3,354,382
Operating Expenses	(3,747,958)	(2,819,576)	(8,779,346)
Non-Operating Revenues and Expenses	349,127	1,743,613	1,654,308
Income before Capital Contributions	3,819,958	4,667,656	13,788,036

#### Days of Cash

	Water	Sewer	Drainage
Days of Cash	167.7	202.9	428.2

#### Projected Debt Service Coverage Times

	Water	Sewer	Drainage
Projected Debt Service Coverage Times	3.28	3.04	Not Applicable



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

October 19, 2015

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

### Re: Financial Results through August 2015

Attached are the *Statement of Net Position and 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 August 2015. The *Statement of Cash Flows, Variance Indicators for Financial Results through August 2015*, and the Number of Open Accounts and Amount of Billed Consumption are also attached.

#### Operating Revenues:

**Water System Fund** (pages 7 and 8, line 5) for August of \$7,381,641 is \$476,413 or 6.9% more than budgeted and \$367,420 or 5.2% more than August 2014. August YTD operating revenues of \$53,785,642 is \$277,127 or 0.5% less than budgeted and \$5,087,557 or 10.4% more than August YTD 2014. MTD and YTD budget variances are due to rate increase implemented January 1.

**Sewer System Fund** (pages 13 and 14, line 5) for August of \$8,608,948 is \$487,282 or 6.0% more than budgeted and \$591,532 or 7.4% more than August 2014. August YTD operating revenues of \$63,637,963 is \$104,467 or 0.2% more than budgeted and \$6,210,548 or 10.8% more than August YTD 2014. MTD and YTD budget variances are due to rate increase implemented January 1.

**Drainage System Fund** (pages 19 and 20, line 5) for August of \$3,079,899 is \$3,079,899 or 100.0% more than budgeted and \$3,077,672 or 138198.1% more than for August 2014. August YTD operating revenues of \$3,354,382 is \$3,354,382 or 100.0% more than budgeted and \$2,775,596 or 479.6% more than August YTD 2014. MTD and YTD budget variances are due to proceeds from settlement of litigation.

**Total System Funds** (pages 1 and 2, line 5) for August of \$19,070,488 are \$4,043,594 or 26.9% more than budgeted and \$4,036,624 or 26.9% more than August 2014. August YTD operating revenues of \$120,777,987 is \$3,181,722 or 2.7% more than budgeted and \$14,073,701 or 13.2% more than August YTD 2014.

#### Operating Expenses:

**Water System Fund** (pages 7 and 8, line 18) for August of \$7,461,203 is \$355,654 or 4.5% less than budgeted and \$1,310,397 or 21.3% more than August 2014. August YTD operating expenses of \$57,304,058 is \$3,747,958 or 6.1% less than budgeted and \$3,593,935 or 6.7% more than August YTD 2014. MTD and YTD budget variances are due to allocation of a portion of overhead from expense to capital.

**Sewer System Fund** (pages 13 and 14, line 18) for August of \$5,622,427 is \$459,866 or 7.6% less than budgeted and \$1,571,634 or 38.8% more than August 2014. August YTD operating expenses of \$44,947,647 is \$2,819,576 or 5.9% less than budgeted and \$4,920,516 or 12.3% more than August YTD 2014. MTD and YTD budget variances are due to allocation of a portion of overhead from expense to capital.

**Drainage System Fund** (pages 19 and 20, line 18) for August of \$3,748,682 is \$1,121,757 or 23.0% less than budgeted and \$142,335 or 3.9% more than August 2014. August YTD operating expenses



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

of \$32,383,549 is \$8,779,346 or 21.3% less than budgeted and \$3,500,446 or 12.1% more than August YTD 2014. MTD and YTD budget variances are due to allocation of a portion of overhead from expense to capital.

**Total System Funds** (pages 1 and 2, line 18) for August of \$16,832,312 are \$1,937,278 or 10.3% less than budgeted and \$3,024,366 or 21.9% more than August 2014. August YTD operating expenses of \$134,635,254 is \$12,014,897 or 9.8% less than budgeted and \$12,014,897 is 9.8% more than August YTD 2014.

### **Net Non-Operating Revenues:**

**Water System Fund** (pages 7 and 8, line 28) for August of \$38,969 is \$27,978 or 254.5% more than budgeted and \$1,076,014 or 103.8% more than August 2014. August YTD net non-operating revenues of \$437,056 are \$349,127 or 397.1% more than budgeted and \$1,249,233 or 153.8% more than August YTD 2014.

**Sewer System Fund** (pages 13 and 14, line 28) for August of \$10,586 is \$189,471 or 105.9% more than budgeted and \$1,354,897 or 100.8% more than August 2014. August YTD net non-operating revenues of \$312,532 are \$1,743,613 or 121.8% more than budgeted and \$1,376,316 or 129.4% more than August YTD 2014.

**Drainage System Fund** (pages 19 and 20, line 28) for August of \$617,725 is \$580,513 or 1560.0% more than budgeted and \$30,285 or 4.7% less August 2014. August YTD net non-operating revenues of \$49,174,360 are \$1,654,308 or 3.5% more than budgeted and \$2,866,384 are 6.2% more than August YTD 2014.

**Total System Funds** (pages 1 and 2, line 28) for August of \$667,280 is \$797,962 or 610.6% more than budgeted and \$2,400,626 or 138.5% more than August 2014. August YTD net non-operating revenues of \$49,923,948 are \$3,747,048 or 8.1% more than budgeted and \$5,491,933 or 12.4% more than August YTD 2014.

### **Income Before Contributions in Aid of Construction:**

**Water System Fund** (pages 7 and 8, line 29) for August of -\$40,593 is \$860,045 or 95.5% more than budgeted and \$133,037 or 76.6% more than August 2014. August YTD income before capital contributions of -\$3,081,360 is \$3,819,958 or 55.4% more than budgeted and \$2,742,855 or 47.1% more than August YTD 2014.

**Sewer System Fund** (pages 13 and 14, line 29) for August of \$2,997,107 is \$1,136,620 or 61.1% more than budgeted and \$374,795 or 14.3% more than August 2014. August YTD income before capital contributions of \$19,002,848 is \$4,667,656 or 32.6% more than budgeted and \$2,666,348 or 16.3% more than August YTD 2014.

**Drainage System Fund** (pages 19 and 20, line 29) for August of -\$51,058 is \$4,782,169 or 98.9% more than budgeted and \$2,905,052 or 98.3% more than August 2014. August YTD income before capital contributions of \$20,145,193 is \$13,788,037 or 216.9% more than budgeted and \$2,141,534 or 11.9% more than August YTD 2014.

**Total System Funds** (pages 1 and 2, line 29) for August of \$2,905,456 is \$6,778,834 or 175.0% more than budgeted and \$3,412,884 or 672.6% more than August 2014. August YTD income before capital contributions of \$36,066,681 is \$22,275,651 or 161.5% more than budgeted and \$7,550,737 or 26.5% more than August YTD 2014.

The balances of funds from the Series 2014 bond proceeds available for capital construction as of June 30, 2015 are:



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

	Water	Sewer	Total
Original Balance	\$43,317,517.45	\$10,211,084.42	\$53,528,601.87
Less Disbursements	(3,000,000.00)	(5,500,000.00)	(8,500,000.00)
Plus Reimbursements	112,662.44	-	112,662.44
Plus Income	34,453.62	5,797.18	40,250.80
Ending Balance	\$40,464,633.51	\$4,716,881.60	\$45,181,515.11

The days-of-cash at July 31, 2015 were 167.7 for the water system, 202.9 for the sewer system, and 428.2 for the drainage system.

The projected coverage for the year ending December 31, 2015, based upon financial results through June 30, 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 August 31, 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

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

<b>Statement of Revenues, Expenses, and Changes in Net Position with Prior Year Comparisons</b>	<b>Total</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>
Revenues				
Operating Expenses				
Non-Operating Revenues and Expenses				
Income before Capital Contributions				
<b>Statement of Revenues, Expenses, and Changes in Net Position with Budget Comparisons</b>	<b>Total</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>
Revenues				
Operating Expenses				
Non-Operating Revenues and Expenses				
Income before Capital Contributions				
<b>Statement of Net Position with Prior Year Comparisons</b>	<b>Total</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>
Plant, Property, and Equipment				
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				
<b>Statement of Cash Flows with Prior Year Comparisons</b>	<b>Total</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>
Operating Activities				
Non-Capital Financing Activities				
Capital and Related Financing Activities				
Investing Activities				
Net Increase in Cash				

Green = Favorable Variance  
Yellow = Unfavorable Variance / No Action Recommended  
Red = Unfavorable Variance / Action Recommended

# Sewerage and Water Board of New Orleans

## Total Number of Open Accounts

**EUM Attribute:**  
Financial Viability

**Description:** Establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues.

**Constituency:**  
Customer Ratepayers

**Objective:** Increase number of open accounts by two percent per year.

**Goal:** Increase number of customers by two percent per year.

**Currently Meeting Goal:** Close

**Process Operating Within Control Limits:**  
Yes

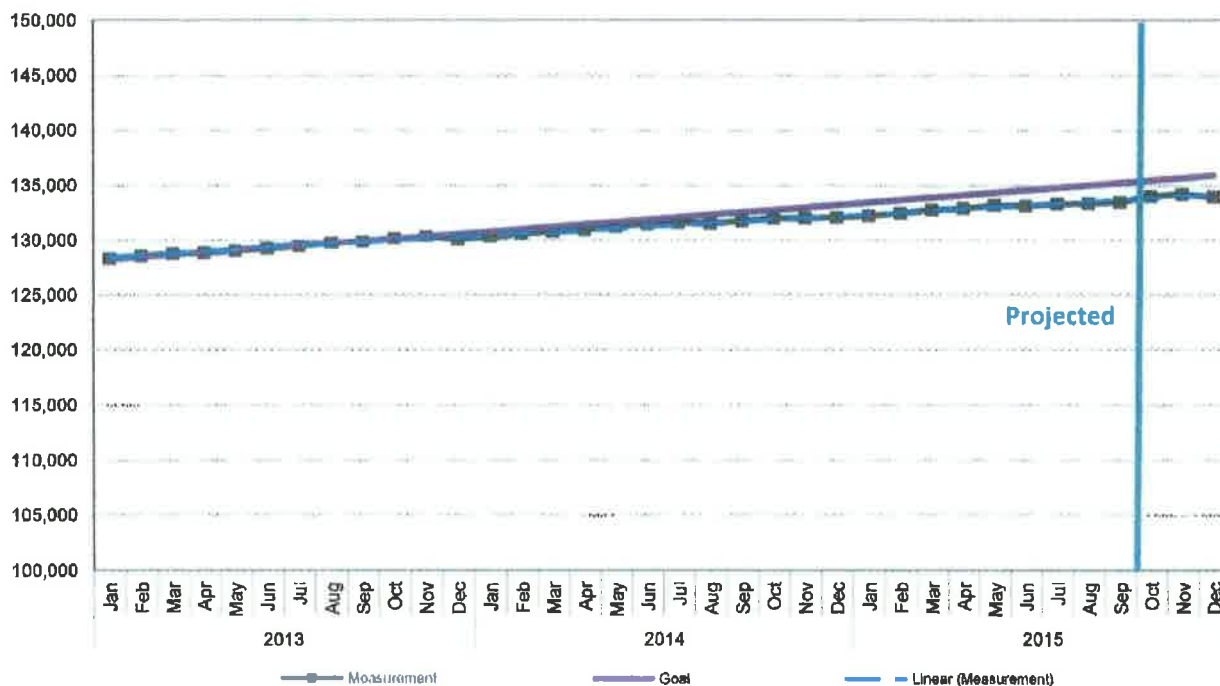
**Trend:** Favorable

### Analysis

The 2013-2020 Financial Plan assumed that the number of open accounts would increase by 2.0% annually from a baseline of 128,002 accounts at the end of 2012. Results through third quarter 2015 indicate that the actual number of open accounts has increased by 1.5%. Note that the y-axis intersects with the x-axis at 100,000 accounts.

### Plans for Improvement

No further action is contemplated at this time. Future calibrations of the financial plan may reflect a slightly lower growth rate assumption.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	128,266	128,515	128,718	128,777	128,969	129,192	129,419	129,719	129,845	130,139	130,326	130,007
<b>2014</b>	130,278	130,597	130,803	130,946	131,261	131,493	131,800	131,525	131,749	131,994	132,005	132,091
<b>2015</b>	132,237	132,459	132,735	132,898	133,157	133,104	133,318	133,330	133,463	134,002	134,200	133,987

# Sewerage and Water Board of New Orleans

## Total Billed Consumption

**EUM Attribute:**  
Financial Viability

**Description:** Establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues.

**Constituency:**  
Bondholders

**Objective:** Sell volume of water targeted in financial plan and operating budget.

**Goal:** Sell targeted number of gallons per month considering customer growth rate and consumption drag rate.

**Currently Meeting Goal:** Yes, based upon actual to-date and seasonally adjusted projection.

**Process Operating Within Control Limits:**  
Yes

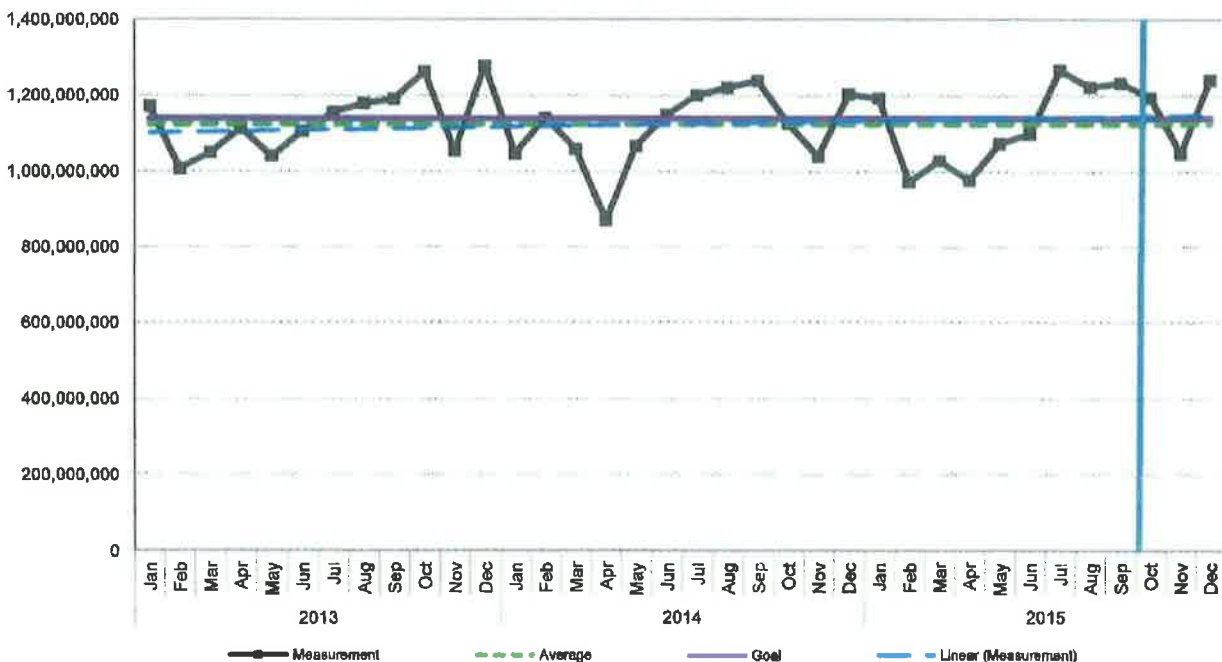
**Trend:** Level

### Analysis

Billed consumption is anticipated to increase as new customer accounts are added to the system and decrease as consumption per account decreases due to price elasticity of demand associated with annual rate increases, with total billed consumption remaining relatively level. Average monthly total billed consumption is nearly identical to the volume targeted in the financial plan and operating budget.

### Plans for Improvement

Billed consumption may increase as older water meters are exchanged with newer, more accurate meters and as Field Account Review activities identify and correct customer account records to accurately reflect field conditions. Future calibrations of the financial plan may reflect a slightly lower growth rate assumption.



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	1,170 M	1,007 M	1,050 M	1,113 M	1,040 M	1,105 M	1,155 M	1,178 M	1,190 M	1,281 M	1,054 M	1,277 M
<b>2014</b>	1,047 M	1,140 M	1,058 M	889 M	1,067 M	1,149 M	1,199 M	1,219 M	1,238 M	1,128 M	1,039 M	1,202 M
<b>2015</b>	1,192 M	973 M	1,028 M	977 M	1,072 M	1,098 M	1,265 M	1,221 M	1,232 M	1,194 M	1,046 M	1,239 M

# Sewerage and Water Board of New Orleans

## Total System Unrestricted Cash and Cash Equivalents in Days of O&M Expenses at Month End

**EUM Attribute:**  
**Financial Viability**

**Description:** Establish and maintain 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

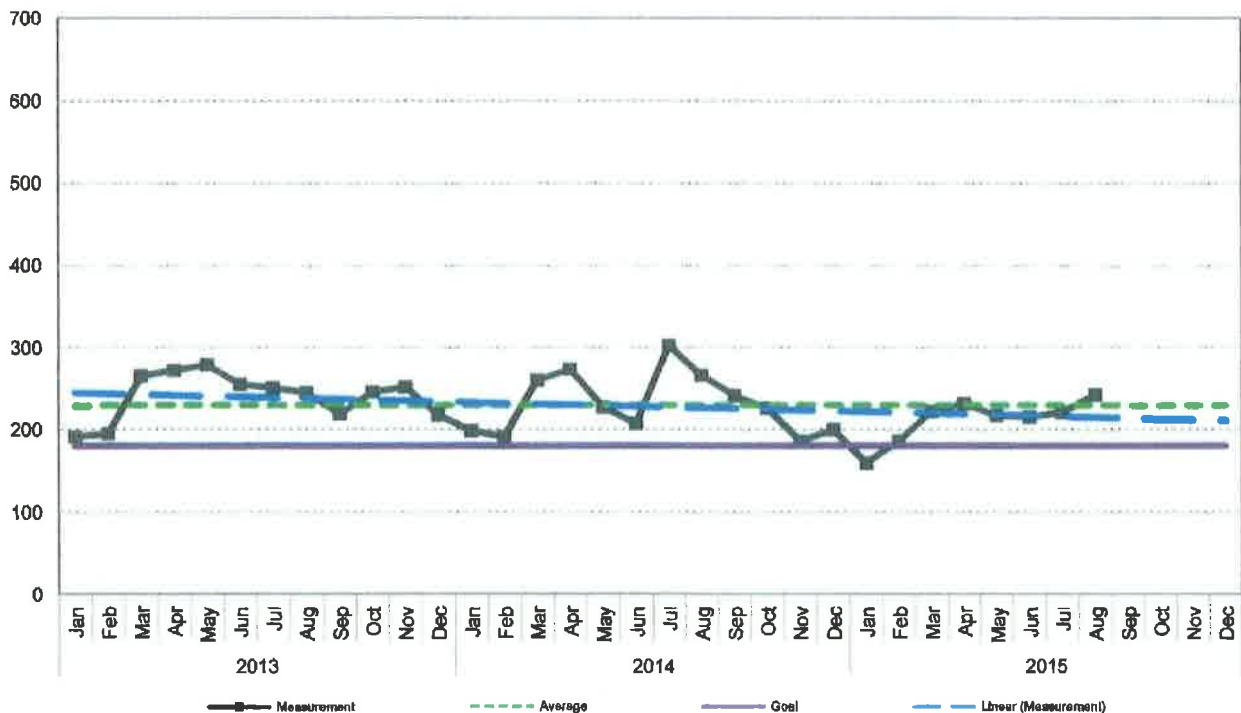
**Trend:** Favorable

### Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans. Note: Reclassification of certain current 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 Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	190.6	194.5	264.6	271.5	278.3	254.4	250.3	244.0	218.2	244.8	250.9	217.0
2014	197.8	190.6	259.3	272.6	226.7	206.7	301.8	265.2	240.8	225.2	185.2	199.1
2015	158.8	185.6	221.5	230.9	216.1	214.6	220.1	241.7				

# Sewerage and Water Board of New Orleans

## Water System Unrestricted Cash and Cash Equivalents in Days of O&M Expenses at Month End

**EUM Attribute:**  
**Financial Viability**

**Description:** Establish and maintain 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:** No

**Process Operating Within Control Limits:**  
Yes

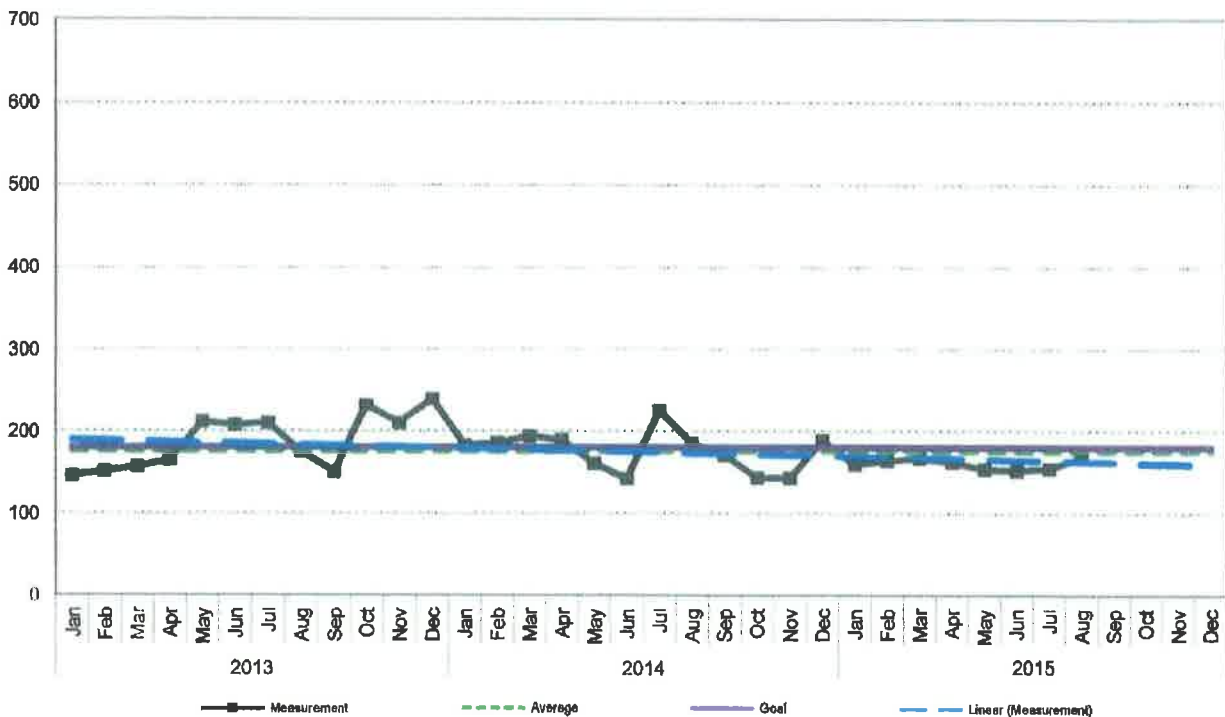
**Trend:** Unfavorable

### Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans. Note: Reclassification of certain current 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 Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2013</b>	145.7	151.1	156.7	164.7	210.8	206.5	209.5	175.1	150.3	230.8	209.5	238.2
<b>2014</b>	182.5	185.4	193.5	189.0	160.4	141.3	224.6	185.3	170.4	143.0	142.9	188.1
<b>2015</b>	158.9	163.6	167.0	162.1	153.4	151.6	154.2	167.7				

# Sewerage and Water Board of New Orleans

## Sewer System Unrestricted Cash and Cash Equivalents in Days of O&M Expenses at Month End

**EUM Attribute:**  
**Financial Viability**

**Description:** Establish and maintain 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

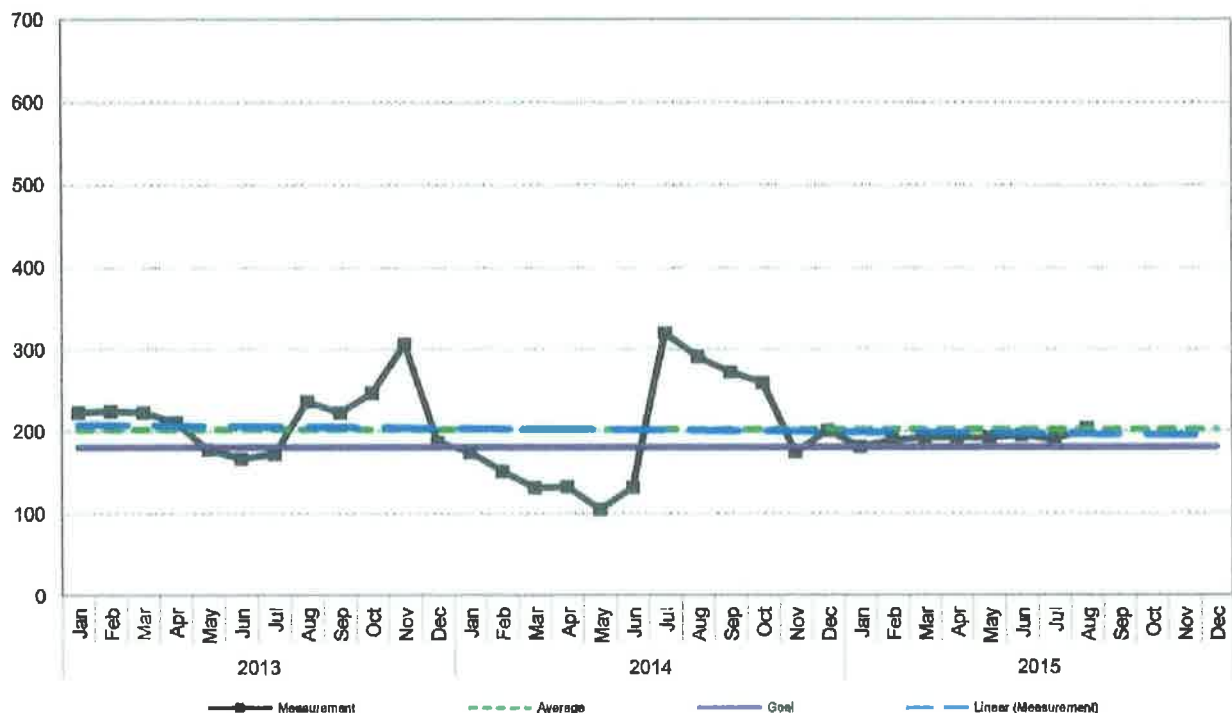
**Trend:** Favorable

### Analysis

Monthly cash balances have remained stable except for repayment of previous inter-system loans. Note: Reclassification of certain current 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.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	222.4	224.0	222.2	210.2	176.8	165.7	171.4	235.5	221.9	245.6	305.7	186.0
2014	173.5	150.4	130.5	131.7	104.5	130.8	319.0	290.3	271.4	258.1	174.1	199.8
2015	180.0	188.6	191.4	191.4	191.1	194.5	188.9	202.9				

# Sewerage and Water Board of New Orleans

## Drainage System Unrestricted Cash and Cash Equivalents in Days of O&M Expenses at Month End

**EUM Attribute:**  
**Financial Viability**

**Description:** Establish and maintain 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

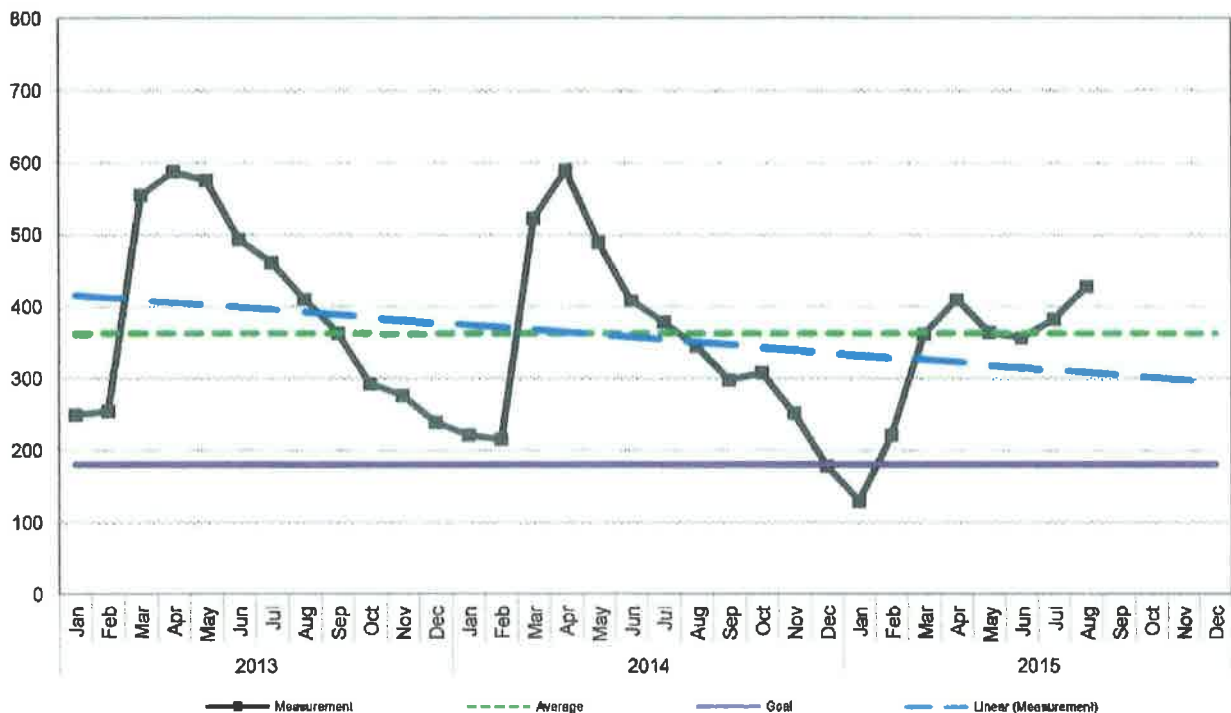
**Trend:** Favorable

### 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

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



**Data Table**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	248.8	253.6	555.2	587.3	575.5	493.6	461.4	410.0	362.5	291.8	275.4	238.4
2014	220.7	215.0	522.7	588.7	489.2	407.8	377.6	343.8	296.8	306.8	251.0	177.3
2015	129.2	220.6	360.8	409.2	363.2	355.3	381.5	428.2				

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

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Prior Year	MTD Variance	%	YTD Actual	YTD Prior Year	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	7,110,424	6,768,843	341,581	5.0%	51,391,302	46,514,131	4,877,171	10.5%
2 Sewerage service charges and del fees	8,516,266	7,959,087	557,179	7.0%	63,152,684	56,831,832	6,320,852	11.1%
3 Plumbing inspection and license fees	40,070	40,972	(902)	-2.2%	399,638	448,758	(49,120)	-10.9%
4 Other revenues	3,403,728	264,962	3,138,766	1184.6%	5,834,363	2,909,565	2,924,798	100.5%
5 Total operating revenues	19,070,488	15,033,864	4,036,624	26.9%	120,777,987	106,704,286	14,073,701	13.2%
<b>Operating Expenses:</b>								
6 Power and pumping	1,142,806	1,070,556	72,250	6.7%	8,152,394	8,217,187	(64,793)	-0.8%
7 Treatment	1,530,668	1,693,914	(163,246)	-9.6%	12,210,796	12,629,809	(419,013)	-3.3%
8 Transmission and distribution	3,429,089	2,194,565	1,234,524	56.3%	18,728,746	15,645,297	3,083,449	19.7%
9 Customer accounts	275,085	256,697	18,388	7.2%	2,312,196	2,254,530	57,666	2.6%
10 Customer service	335,496	332,209	3,287	1.0%	2,514,534	2,455,135	59,399	2.4%
11 Administration and general	859,050	(1,529,926)	2,388,976	-156.1%	11,792,002	12,219,985	(427,983)	-3.5%
12 Payroll related	2,119,133	4,226,458	(2,107,325)	-49.9%	22,651,435	24,680,131	(2,028,696)	-8.2%
13 Maintenance of general plant	2,136,461	2,197,939	(61,478)	-2.8%	16,299,821	17,739,054	(1,439,233)	-8.1%
14 Depreciation	4,679,821	3,074,342	1,605,479	52.2%	37,438,568	24,594,736	12,843,832	52.2%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	185,403	165,235	20,168	12.2%	1,483,224	1,321,880	161,344	12.2%
17 Provision for claims	139,300	125,957	13,343	10.6%	1,051,538	862,613	188,925	21.9%
18 Total operating expenses	16,832,312	13,807,946	3,024,366	21.9%	134,635,254	122,620,357	12,014,897	9.8%
19 Operating income (loss)	2,238,176	1,225,918	1,012,258	82.6%	(13,857,267)	(15,916,071)	2,058,804	-12.9%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	60	-	60	0.0%	930	-	930	0.0%
21 Three-mill tax	113,969	183,152	(69,183)	-37.8%	13,934,276	13,121,422	812,854	6.2%
22 Six-mill tax	115,229	185,116	(69,887)	-37.8%	14,083,687	13,262,028	821,659	6.2%
23 Nine-mill tax	380,324	277,482	102,842	37.1%	21,110,632	19,879,240	1,231,392	6.2%
24 Interest income	57,427	6,415	51,012	795.2%	505,733	270,340	235,393	87.1%
25 Other Income	-	-	-	0.0%	288,285	283,796	4,489	1.6%
26 Interest expense	-	(2,385,511)	2,385,511	-100.0%	-	(2,385,511)	2,385,511	-100.0%
27 Operating and maintenance grants	271	-	271	0.0%	405	700	(295)	-42.1%
28 Total non-operating revenues	667,280	(1,733,346)	2,400,626	-138.5%	49,923,948	44,432,015	5,491,933	12.4%
29 Income before capital contributions	2,905,456	(507,428)	3,412,884	-672.6%	36,066,681	28,515,944	7,550,737	26.5%
30 Capital contributions	3,123,259	2,518,937	604,322	24.0%	21,084,657	32,600,174	(11,515,517)	-35.3%
31 Change in net position	6,028,715	2,011,509	4,017,206	199.7%	57,151,338	61,116,118	(3,964,780)	-6.5%
32 Net position, beginning of year	-	-	-	-	1,968,799,361	1,816,132,598	152,666,763	8.4%
33 Net position, end of year	-	-	-	-	2,025,950,699	1,877,248,716	148,701,983	7.9%

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

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Budget	Variance		Actual	Budget	Variance	
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	7,110,424	6,609,060	501,364	7.6%	51,391,302	51,693,422	(302,120)	-0.6%
2 Sewerage service charges and del fees	8,516,266	8,070,794	445,472	5.5%	63,152,664	63,126,522	26,162	0.0%
3 Plumbing inspection and license fees	40,070	53,586	(13,516)	-25.2%	399,638	428,689	(29,051)	-6.8%
4 Other revenues	3,403,728	293,454	3,110,274	1059.9%	5,834,363	2,347,631	3,486,732	148.5%
5 Total operating revenues	19,070,488	15,026,894	4,043,594	26.9%	120,777,987	117,596,265	3,181,722	2.7%
<b>Operating Expenses:</b>								
6 Power and pumping	1,142,806	1,121,475	21,332	1.9%	8,152,394	8,971,796	(819,402)	-9.1%
7 Treatment	1,530,668	1,727,477	(196,809)	-11.4%	12,210,796	13,819,818	(1,609,022)	-11.6%
8 Transmission and distribution	3,429,089	2,806,939	622,150	22.2%	18,728,746	17,342,700	1,386,046	8.0%
9 Customer accounts	275,085	287,327	(12,242)	-4.3%	2,312,196	2,298,615	13,581	0.6%
10 Customer service	335,496	375,995	(40,499)	-10.8%	2,514,534	3,007,963	(493,429)	-16.4%
11 Administration and general	859,050	3,203,992	(2,344,942)	-73.2%	11,792,002	23,467,911	(11,675,909)	-49.8%
12 Payroll related	2,119,133	2,362,837	(243,704)	-10.3%	22,651,435	18,902,695	3,748,740	19.8%
13 Maintenance of general plant	2,136,461	2,774,663	(638,202)	-23.0%	16,299,821	22,197,305	(5,897,484)	-26.6%
14 Depreciation	4,679,821	3,885,847	793,974	20.4%	37,438,568	37,438,568	-	0.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	185,403	-	185,403	0.0%	1,483,224	1,483,224	-	0.0%
17 Provision for claims	139,300	223,038	(83,738)	-37.5%	1,051,538	1,051,538	-	0.0%
18 Total operating expenses	16,832,312	18,769,590	(1,937,278)	-10.3%	134,635,254	149,982,134	(15,346,880)	-10.2%
19 Operating income (loss)	2,238,176	(3,742,696)	5,980,872	-159.8%	(13,857,267)	(32,385,870)	18,528,603	-57.2%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	60	-	60	0.0%	930	-	930	0.0%
21 Three-mill tax	113,969	-	113,969	0.0%	13,934,276	13,357,609	576,667	4.3%
22 Six-mill tax	115,229	-	115,229	0.0%	14,083,687	13,500,746	582,941	4.3%
23 Nine-mill tax	380,324	-	380,324	0.0%	21,110,632	20,364,000	746,632	3.7%
24 Interest income	57,427	-	57,427	0.0%	505,733	-	505,733	0.0%
25 Other income	-	131,095	(131,095)	-100.0%	288,285	1,048,760	(760,475)	-72.5%
26 Interest expense	-	(261,777)	261,777	-100.0%	-	(2,094,215)	2,094,215	-100.0%
27 Operating and maintenance grants	271	-	271	0.0%	405	-	405	0.0%
28 Total non-operating revenues	667,280	(130,682)	797,962	-610.6%	49,923,948	46,176,900	3,747,048	8.1%
29 Income before capital contributions	2,905,456	(3,873,378)	6,778,834	-175.0%	36,066,681	13,791,030	22,275,651	161.5%
30 Capital contributions	3,123,259	-	3,123,259	0.0%	21,084,657	-	21,084,657	0.0%
31 Change in net position	6,028,715	(3,873,378)	9,902,093	-255.6%	57,151,338	13,791,030	43,360,308	314.4%
32 Net position, beginning of year					1,968,799,361	1,816,132,598	152,666,763	8.4%
33 Net position, end of year					2,025,930,699	1,822,489,754	203,440,945	11.2%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ALL SYSTEM FUNDS**

**STATEMENTS OF NET POSITION  
WITH PRIOR YEAR AND BEGINNING OF YEAR COMPARISONS  
AUGUST 2015**

	A		B	C	D	E	F	G
Assets	Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year	
<b>Noncurrent assets:</b>								
1 Property, plant and equipment	2,968,639,040	228,390,617	7.7%	3,197,029,657	47,962,268	1.5%	3,149,067,389	1
2 Less: accumulated depreciation	808,177,292	58,329,382	7.2%	866,506,674	37,438,566	4.5%	829,068,108	2
3 Property, plant, and equipment, net	2,160,461,748	170,061,235	7.9%	2,330,522,983	10,523,702	0.5%	2,319,999,281	3
<b>Restricted cash, cash equivalents, and investments</b>								
4 Cash and cash equivalents restricted for capital projects	7,151,429	56,354,746	788.0%	63,506,175	(29,896,300)	-32.0%	93,402,475	4
5 Debt service reserve	35,063,152	21,068,682	60.1%	56,131,834	25,284,875	82.0%	30,846,959	6
6 Health insurance reserve	2,327,500	(350,001)	-15.0%	1,977,499	-	0.0%	1,977,499	7
7 Total restricted cash, cash equivalents, and investments	44,542,081	77,072,427	173.0%	121,615,508	(4,611,425)	-3.7%	126,226,933	8
<b>Designated cash, cash equivalents, and investments</b>								
8 Cash and cash equivalents designated for capital projects	132,653,807	(83,855,098)	-63.2%	48,798,709	26,549,052	119.3%	22,249,657	8
9 Customer deposits	10,590,249	476,375	4.5%	11,066,624	364,769	3.4%	10,701,855	9
10 Other	3,644,470	361,460	9.9%	4,005,930	6,659	0.2%	3,999,271	10
11 Total designated cash and cash equivalents, and investments	146,888,526	(83,017,263)	-56.5%	63,871,263	26,920,480	72.9%	36,950,783	11
<b>Current assets:</b>								
<b>Unrestricted and undesignated</b>								
12 Cash and cash equivalents	47,975,362	(869,545)	-1.8%	47,105,817	8,227,621	21.2%	38,878,196	12
Accounts receivable:								
13 Customers (net of allowance for doubtful accounts)	15,674,419	1,963,499	12.5%	17,637,918	1,286,637	7.9%	16,351,281	13
14 Taxes	7,998,106	(111,356)	-1.4%	7,886,750	(244,197)	-3.0%	8,130,947	14
15 Interest	115	(57)	-49.6%	58	58	0.0%	-	15
16 Grants	17,980,951	18,257,372	101.5%	36,238,323	(8,007,831)	-18.1%	44,246,154	16
17 Miscellaneous	1,664,956	847,597	50.9%	2,512,553	110,327	4.6%	2,402,226	17
18 Due from enterprise fund	-	-	0.0%	-	-	0.0%	-	18
19 Inventory of supplies	6,935,599	(1,468,498)	-21.2%	5,467,101	-	0.0%	5,467,101	19
20 Prepaid expenses	976,007	(73,290)	-7.5%	902,717	-	0.0%	902,717	20
21 Total unrestricted current assets	99,205,515	18,545,722	18.7%	117,751,237	1,372,615	1.2%	116,378,622	21
<b>Other assets:</b>								
22 Bond issue costs	-	-	0.0%	-	-	0.0%	-	22
23 Deposits	51,315	-	0.0%	51,315	-	0.0%	51,315	23
24 Total other assets	51,315	-	0.0%	51,315	-	0.0%	51,315	24
<b>25 TOTAL ASSETS</b>	<b>2,451,149,185</b>	<b>182,663,121</b>	<b>7.5%</b>	<b>2,633,812,306</b>	<b>34,205,372</b>	<b>1.3%</b>	<b>2,599,606,934</b>	<b>25</b>
<b>Deferred outflows or resources:</b>								
26 Deferred charge on refunding	4,095,599	211,795	5.2%	4,307,394	-	0.0%	4,307,394	26
27 TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,095,599	211,795	5.2%	4,307,394	-	0.0%	4,307,394	27
<b>28 TOTAL ASSETS AND TOTAL DEFERRED OUTFLOWS</b>	<b>2,455,244,784</b>	<b>182,874,916</b>	<b>12.6%</b>	<b>2,638,119,700</b>	<b>34,205,372</b>	<b>1.3%</b>	<b>2,603,914,328</b>	<b>28</b>



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

## ALL SYSTEM FUNDS

## STATEMENTS OF NET POSITION

## WITH PRIOR YEAR COMPARISONS

AUGUST 2015

## NET ASSETS AND LIABILITIES

	A	B	C	D	E	F	G
	Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year
<b>Net position</b>							
1 Net investments in capital assets	1,876,430,356	186,314,043	9.9%	2,062,744,399	49,684,022	2.5%	2,013,060,377
2 Restricted for Debt Service	33,165,862	22,965,972	69.2%	56,131,834	25,284,875	82.0%	30,846,959
3 Unrestricted	(32,347,502)	(60,578,032)	187.3%	(92,925,534)	(117,817,554)	23.7%	(75,107,980)
4 Total net position	1,877,248,716	148,701,983	7.9%	2,025,959,699	\$7,151,343	2.9%	1,968,799,356
<b>Long-term liabilities</b>							
5 Claims payable	1,913,607	680,547	35.6%	2,594,154	-	0.0%	2,594,154
6 Net pension obligation	18,301,300	3,198,375	17.5%	21,499,675	3,624,615	20.3%	17,875,060
7 Other postretirement benefits liability	59,249,236	5,585,325	9.4%	64,834,581	3,625,836	5.9%	61,208,745
8 Bonds payable (net of current maturities)	306,787,727	(13,107,823)	-4.3%	293,679,904	-	0.0%	293,679,904
9 Special Community Disaster Loan Payable	-	-	0.0%	-	-	0.0%	-
10 Southeast Louisiana Project liability	29,391,071	37,264,905	126.8%	66,655,976	-	0.0%	66,655,976
11 Debt Service Assistance Fund Loan payable	65,879,035	(4,223,886)	-6.4%	61,655,139	-	0.0%	61,655,139
12 Total long-term liabilities	481,521,996	29,395,433	6.1%	510,917,429	7,250,451.00	1.4%	503,666,978
<b>Current liabilities (payable from current assets)</b>							
13 Accounts payable and other liabilities	20,324,974	(2,446,851)	-12.0%	17,878,123	(28,851,025)	-61.7%	46,729,148
14 Due to City of New Orleans	304,174	800,334	263.1%	1,104,508	944,336	589.6%	160,172
15 Disaster Reimbursement Revolving Loan	17,426,830	(2,782,414)	-16.0%	14,644,416	(3,250,625)	-18.2%	17,895,041
16 Retainers and estimates payable	7,323,251	194,027	2.6%	7,517,278	(428,997)	-5.4%	7,946,275
17 Due to other fund	276,242	15,030	5.4%	291,272	(2,398)	-0.8%	293,670
18 Accrued salaries, vacation and sick pay	9,981,662	(560,814)	-5.6%	9,420,848	(1,758,935)	-15.7%	11,179,783
19 Claims payable	11,000,094	(780,755)	-7.1%	10,220,039	-	0.0%	10,220,039
20 Debt Service Assistance Fund Loan payable	4,038,502	187,390	4.6%	4,225,892	-	0.0%	4,225,892
21 Advances from federal government	10,887,732	(2,671,427)	-24.6%	8,216,305	2,052,756	33.3%	6,157,549
22 Other Liabilities	232,770	510,322	219.2%	743,092	668,883	901.4%	74,209
23 Total current liabilities (payable from current assets)	81,796,931	(7,541,158)	-9.2%	74,255,773	(30,626,005)	-29.2%	104,881,778
<b>Current liabilities (payable from restricted assets)</b>							
24 Accrued interest	1,897,290	584,388	30.8%	2,481,678	-	0.0%	2,481,678
25 Bonds payable	1,905,000	11,354,000	596.0%	13,259,000	-	0.0%	13,259,000
26 Retainers and estimates payable	284,602	(96,105)	-33.8%	188,497	64,814	52.4%	123,683
27 Customer deposits	10,590,249	476,375	4.5%	11,066,624	364,769	3.4%	10,701,855
28 Total current liabilities (payable from restricted assets)	14,677,141	12,318,658	83.9%	26,995,799	429,383	1.6%	26,566,216
29 Total current liabilities	96,474,072	4,777,500	5.0%	101,251,572	(30,196,422)	-23.0%	131,447,994
30 Total liabilities	577,996,068	551,604	0.1%	612,169,001	(22,945,971)	-3.6%	635,114,972
<b>Deferred inflows or resources:</b>							
31 Unavailable revenue - refunding of bonds	-	-	0.0%	-	-	0.0%	-
32 TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	0.0%	-	-	0.0%	-
33 Total Net Position, Liabilities and Deferred Inflows of Resources	2,455,244,784	149,257,587	6.1%	2,638,119,700	\$4,205,372	1.3%	2,603,914,328

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ALL SYSTEM FUNDS  
STATEMENTS OF CASH FLOWS  
August 2015

	A	B	C	D
	YTD	YTD	YTD	%
	Current Year	Prior Year	Variance	
<b>Cash flows from operating activities</b>				
1 Cash received from customers	113,089,894	100,921,819	12,168,075	12.1%
2 Cash payments to suppliers for goods and services	(83,901,075)	(71,753,240)	(12,147,835)	16.9%
3 Cash payments to employees for services	(38,831,069)	(40,183,073)	1,352,004	-3.4%
4 Other revenue	6,117,010	5,210,916	906,094	17.4%
5 Net cash used in operating activities	(3,525,240)	(5,803,578)	2,278,338	-39.3%
<b>Cash flows from noncapital financing activities</b>				
6 Proceeds from property taxes	49,662,007	46,667,582	2,994,425	6.4%
7 Proceeds from federal operating and maintenance grants	-	4,189,318	(4,189,318)	-100.0%
8 Cash received paid to an other government	-	-	-	0.0%
9 Net cash provided by noncapital financing activities	49,662,007	50,856,900	(1,194,893)	-2.3%
<b>Cash flows from capital and related financing activities</b>				
10 Acquisition and construction of capital assets	(44,626,026)	(34,571,880)	(10,054,146)	29.1%
11 Principal payments on bonds payable	-	(13,695,000)	13,695,000	-100.0%
12 Proceeds from bonds payable	-	284,063,460	(284,063,460)	-100.0%
13 Payments for bond issuance costs	-	-	-	0.0%
14 Payment to refunded bond escrow agent	-	(154,451,191)	154,451,191	-100.0%
15 Interest paid on bonds payable	625,230	(3,155,661)	3,780,911	-119.8%
16 Proceeds from construction fund, net	(3,250,639)	5,733,487	(8,984,126)	-156.7%
17 Capital contributed by developers and federal grants	31,145,649	(15,231,811)	46,377,460	-304.5%
18 Net cash used in capital and related financing activities	(16,105,766)	68,691,404	(84,797,170)	-123.4%
<b>Cash flows from investing activities</b>				
19 Payments for purchase of investments	-	-	-	0.0%
20 Proceeds from maturities of investments	-	1,692,754	(1,692,754)	-100.0%
21 Investment income	505,675	202,801	302,874	149.3%
22 Net cash provided by investing activities	505,675	1,895,555	(1,389,880)	-73.3%
23 Net increase in cash	30,536,676	115,640,281	(85,103,605)	-73.6%
24 Cash at the beginning of the year	196,048,912	119,451,442	76,597,470	64.1%
25 Cash at the end of the period	226,585,588	235,091,723	(8,506,135)	-3.6%
<b>Reconciliation of cash and restricted cash</b>				
26 Current assets - cash	47,105,817	47,975,362	(869,545)	-1.8%
27 Current assets - designated	60,621,263	125,803,734	(65,182,471)	-51.8%
28 Restricted assets -cash	118,858,508	61,312,627	57,545,881	93.9%
29 Total cash	226,585,588	235,091,723	(8,506,135)	-3.6%

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ALL SYSTEM FUNDS  
STATEMENTS OF CASH FLOWS  
August 2015

	A	B	C	D
	YTD	YTD	YTD	%
	Current Year	Prior Year	Variance	
Reconciliation of operating loss to net cash used in operating activities is as follows:				
1 Operating loss	(13,857,267)	(15,916,071)	2,058,804	-12.9%
Adjustments to reconcile net operating loss to net cash used in operating activities:				
2 Depreciation	37,438,568	24,594,736	12,843,832	52.2%
3 Provision for claims	1,051,538	862,613	188,925	21.9%
4 Provision for (revision) doubtful accounts	1,476,560	1,321,880	154,680	11.7%
5 Amortization	-	-	-	0.0%
Change in operating assets and liabilities:				
6 (Increase) decrease in customer and other receivables	(2,398,429)	(2,568,196)	169,767	-6.6%
7 Increase in inventory	-	-	-	0.0%
8 Increase (decrease) in prepaid expenses and other receivables	(110,326)	1,852,591	(1,962,917)	-106.0%
9 Decrease in net pension asset	-	-	-	0.0%
10 Increase (decrease) in accounts payable	(32,551,452)	(20,997,514)	(11,553,938)	55.0%
11 Increase (decrease) in accrued salaries, due to pension and accrued vacation and sick pay	(1,761,333)	(1,578,117)	(183,216)	11.6%
12 Increase in net other postretirement benefits liability	3,625,836	4,470,822	(844,986)	-18.9%
13 Increase (decrease) in net pension obligation	3,624,615	2,870,964	753,651	26.3%
14 Decrease in other liabilities	(63,550)	(717,286)	653,736	-91.1%
15 Net cash used in operating activities	(3,525,240)	(5,803,578)	2,278,338	-39.3%

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
WATER SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
WITH PRIOR YEAR COMPARISONS  
AUGUST 2015

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Prior Year	MTD Variance	%	YTD Actual	YTD Prior Year	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	7,110,424	6,768,843	341,581	5.0%	51,391,302	46,514,131	4,877,171	10.5%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	20,035	20,486	(451)	-2.2%	199,819	224,379	(24,560)	-10.9%
4 Other revenues	251,182	224,892	26,290	11.7%	2,194,521	1,959,575	234,946	12.0%
5 Total operating revenues	7,381,641	7,014,221	367,420	5.2%	53,785,642	48,698,085	5,087,557	10.4%
<b>Operating Expenses:</b>								
6 Power and pumping	287,480	265,227	22,253	8.4%	1,788,239	1,866,842	(78,603)	-4.2%
7 Treatment	617,134	653,823	(36,689)	-5.6%	4,994,525	5,383,546	(389,021)	-7.2%
8 Transmission and distribution	2,018,353	1,214,346	804,007	66.2%	10,001,614	10,015,075	(13,461)	-0.1%
9 Customer accounts	137,449	128,076	9,373	7.3%	1,154,625	1,124,946	29,679	2.6%
10 Customer service	160,965	159,348	1,617	1.0%	1,209,437	1,181,924	27,513	2.3%
11 Administration and general	246,676	(741,702)	988,378	-133.3%	4,211,172	4,409,744	(198,572)	-4.5%
12 Payroll related	861,636	1,864,973	(1,003,337)	-53.8%	9,556,704	10,621,502	(1,064,798)	-10.0%
13 Maintenance of general plant	1,235,971	1,393,146	(157,175)	-11.3%	9,306,501	9,441,296	(134,795)	-1.4%
14 Depreciation	1,737,062	1,046,508	690,554	66.0%	13,896,496	8,372,064	5,524,432	66.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	95,834	117,022	(21,188)	-18.1%	766,672	936,176	(169,504)	-18.1%
17 Provision for claims	62,643	50,039	12,604	25.2%	418,073	357,008	61,065	17.1%
18 Total operating expenses	7,461,203	6,150,806	1,310,397	21.3%	57,304,058	53,710,123	3,593,935	6.7%
19 Operating income (loss)	(79,562)	863,415	(942,977)	-109.2%	(3,518,416)	(5,012,038)	1,493,622	-29.8%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	38,698	3,086	35,612	1154.0%	308,364	101,011	207,353	205.3%
25 Other Income	-	-	-	0.0%	128,287	126,289	1,998	1.6%
26 Interest expense	-	(1,040,131)	1,040,131	-100.0%	-	(1,040,131)	1,040,131	-100.0%
27 Operating and maintenance grants	271	-	271	0.0%	405	654	(249)	-38.1%
28 Total non-operating revenues	38,969	(1,037,045)	1,076,014	-103.8%	437,056	(812,177)	1,249,233	-153.8%
29 Income before capital contributions	(40,593)	(173,630)	133,037	-76.6%	(3,081,360)	(5,824,215)	2,742,855	-47.1%
30 Capital contributions	1,844,934	1,334,902	510,032	38.2%	7,505,990	7,234,115	271,875	3.8%
31 Change in net position	1,804,341	1,161,272	643,069	55.4%	4,424,630	1,409,900	3,014,730	213.8%
32 Net position, beginning of year					317,835,814	313,268,217	4,567,097	1.5%
33 Net position, end of year					322,260,444	314,678,617	7,581,827	2.4%

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

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	7,110,424	6,609,060	501,364	7.6%	51,391,302	51,693,422	(302,120)	-0.6%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	20,035	26,793	(6,758)	-25.2%	199,819	214,345	(14,526)	-6.8%
4 Other revenues	251,182	269,375	(18,193)	-6.8%	2,194,521	2,155,002	39,519	1.8%
5 Total operating revenues	7,381,641	6,905,228	476,413	6.9%	53,785,642	54,062,769	(277,127)	-0.5%
<b>Operating Expenses:</b>								
6 Power and pumping	287,480	252,605	34,875	13.8%	1,788,239	2,020,839	(232,600)	-11.5%
7 Treatment	617,134	749,153	(132,019)	-17.6%	4,994,525	5,993,224	(998,699)	-16.7%
8 Transmission and distribution	2,018,353	1,514,064	504,289	33.3%	10,001,614	9,674,370	327,244	3.4%
9 Customer accounts	137,449	143,362	(5,913)	-4.1%	1,154,625	1,146,893	7,732	0.7%
10 Customer service	160,965	182,539	(21,574)	-11.8%	1,209,437	1,460,313	(250,876)	-17.2%
11 Administration and general	246,676	1,112,068	(865,392)	-77.8%	4,211,172	7,814,530	(3,603,358)	-46.1%
12 Payroll related	861,636	1,105,844	(244,208)	-22.1%	9,556,704	8,846,748	709,956	8.0%
13 Maintenance of general plant	1,235,971	1,126,732	109,239	9.7%	9,306,501	9,013,858	292,643	3.2%
14 Depreciation	1,737,062	1,537,917	199,145	12.9%	13,896,496	13,896,496	-	0.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	95,834	-	95,834	0.0%	766,672	766,672	-	0.0%
17 Provision for claims	62,643	92,574	(29,931)	-32.3%	418,073	418,073	-	0.0%
18 Total operating expenses	7,461,203	7,816,857	(355,654)	-4.5%	57,304,058	61,052,016	(3,747,958)	-6.1%
19 Operating income (loss)	(79,562)	(911,629)	832,067	-91.3%	(3,518,416)	(6,989,247)	3,470,831	-49.7%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	38,698	-	38,698	0.0%	308,364	-	308,364	0.0%
25 Other Income	-	33,375	(33,375)	-100.0%	128,287	267,001	(138,714)	-52.0%
26 Interest expense	-	(22,384)	22,384	-100.0%	-	(179,071)	179,071	-100.0%
27 Operating and maintenance grants	271	-	271	0.0%	405	-	405	0.0%
28 Total non-operating revenues	38,969	10,991	27,978	254.5%	437,056	87,929	349,127	397.1%
29 Income before capital contributions	(40,593)	(900,638)	860,045	-95.5%	(3,081,360)	(6,901,318)	3,819,958	-55.4%
30 Capital contributions	1,844,934	-	1,844,934	0.0%	7,565,990	-	7,565,990	0.0%
31 Change in net position	1,804,341	(900,638)	2,704,979	-300.3%	4,424,630	-	4,424,630	-
32 Net position, beginning of year	-	-	-	-	317,833,814	313,268,717	4,567,097	1.5%
33 Net position, end of year	-	-	-	-	322,260,444	313,268,717	8,991,727	2.9%

**STATEMENTS OF NET POSITION  
WITH PRIOR YEAR AND BEGINNING OF YEAR COMPARISONS  
AUGUST 2015**

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## SEWERAGE AND WATER BOARD OF NEW ORLEANS

## WATER SYSTEM FUND

STATEMENTS OF NET POSITION  
WITH PRIOR YEAR COMPARISONS

AUGUST 2015

NET ASSETS AND LIABILITIES	A	B	C	D	E	F	G
	Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year
<b>Net position</b>							
1 Net investments in capital assets	278,105,899	25,117,318	9.0%	303,223,217	17,633,351	6.2%	285,589,866
2 Restricted for Debt Service	11,733,951	2,924,382	24.9%	14,658,313	4,436,214	43.4%	10,222,099
3 Unrestricted	24,838,787	(70,459,873)	-82.4%	4,378,914	(17,644,926)	-80.1%	22,023,840
4 Total net position	314,678,617	7,581,827	2.4%	322,260,444	4,424,639	1.4%	317,835,805
<b>Long-term liabilities</b>							
5 Claims payable	637,869	226,849	35.6%	864,718	-	0.0%	864,718
6 Net pension obligation	6,005,276	1,066,125	17.8%	7,071,401	1,208,205	20.6%	5,863,196
7 Other postretirement benefits liability	22,190,918	1,861,775	8.4%	24,052,693	1,208,612	5.3%	22,844,081
8 Bonds payable (net of current maturities)	111,228,048	(3,865)	0.0%	111,224,183	-	0.0%	111,224,183
9 Special Community Disaster Loan Payable	-	-	0.0%	-	-	0.0%	-
10 Southeast Louisiana Project liability	-	-	0.0%	-	-	0.0%	-
11 Debt Service Assistance Fund Loan payable	5,788,945	(371,342)	-6.4%	5,417,603	-	0.0%	5,417,603
12 Total long-term liabilities	145,851,056	2,779,542	1.9%	148,630,598	2,416,817	1.7%	146,213,781
<b>Current liabilities (payable from current assets)</b>							
13 Accounts payable and other liabilities	9,127,654	(267,029)	-2.9%	8,860,625	(9,953,573)	-52.9%	18,814,198
14 Due to City of New Orleans	304,174	800,334	263.1%	1,104,508	944,336	589.6%	160,172
15 Disaster Reimbursement Revolving Loan	6,972,028	67,774	1.0%	7,039,802	(1,302,368)	-15.6%	8,342,170
16 Retainers and estimates payable	2,344,220	445,342	19.0%	2,789,562	(202,132)	-6.8%	2,991,694
17 Due to other fund	135,358	7,365	5.4%	142,723	(815)	-0.6%	143,538
18 Accrued salaries, vacation and sick pay	4,746,217	(218,598)	-4.6%	4,527,619	(779,083)	-14.7%	5,306,712
19 Claims payable	3,982,894	(131,891)	-3.3%	3,851,003	-	0.0%	3,851,003
20 Debt Service Assistance Fund Loan payable	354,869	16,469	4.6%	371,338	-	0.0%	371,338
21 Advances from federal government	8,180,773	(1,866,536)	-22.8%	6,314,237	158,688	2.6%	6,157,549
22 Other liabilities	229,869	322,234	140.2%	552,103	479,473	660.2%	72,630
23 Total current liabilities (payable from current assets)	36,380,056	(824,536)	-2.3%	35,555,520	(10,655,484)	-23.1%	46,211,004
<b>Current liabilities (payable from restricted assets)</b>							
24 Accrued interest	191,142	363,307	190.1%	554,449	-	0.0%	554,449
25 Bonds payable	-	-	0.0%	-	-	0.0%	-
26 Retainers and estimates payable	82,208	(82,208)	-100.0%	-	(79,408)	-100.0%	79,408
27 Customer deposits	10,590,249	476,375	4.5%	11,066,624	364,769	3.4%	10,701,855
28 Total current liabilities (payable from restricted assets)	10,863,599	757,474	7.0%	11,621,073	285,361	2.5%	11,335,712
29 TOTAL CURRENT LIABILITIES	47,243,655	(67,062)	-0.1%	47,176,593	(10,370,123)	-18.0%	57,546,716
30 TOTAL LIABILITIES	193,094,711	2,712,480	1.4%	195,807,191	(7,953,306)	-3.9%	203,760,487
<b>Deferred inflows or resources:</b>							
31 Unavailable revenue -refunding of bonds	-	-	0.0%	-	-	0.0%	-
32 TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	0.0%	-	-	0.0%	-
33 Total Net Position, Liabilities and Deferred Inflows of Resources	507,773,328	10,294,307	2.0%	518,067,655	(3,528,657)	-0.7%	521,596,302

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
WATER SYSTEM FUND  
STATEMENTS OF CASH FLOWS  
August 2015

	A	B	C	D
	YTD	YTD	YTD	%
	Current Year	Prior Year	Variance	
<b>Cash flows from operating activities</b>				
1 Cash received from customers	51,122,560	45,518,916	5,603,644	12.3%
2 Cash payments to suppliers for goods and services	(32,411,299)	(30,272,607)	(2,138,692)	7.1%
3 Cash payments to employees for services	(19,343,604)	(25,758,992)	6,415,388	-24.9%
4 Other revenue	2,305,012	2,334,436	(29,424)	-1.3%
5 Net cash used in operating activities	1,672,669	(8,178,247)	9,850,916	-120.5%
<b>Cash flows from noncapital financing activities</b>				
6 Proceeds from property taxes	128,287	126,289	1,998	1.6%
7 Proceeds from federal operating and maintenance grants	-	3,770,115	(3,770,115)	-100.0%
8 Cash received paid to an other government	-	-	-	0.0%
9 Net cash provided by noncapital financing activities	128,287	3,896,404	(3,768,117)	-96.7%
<b>Cash flows from capital and related financing activities</b>				
10 Acquisition and construction of capital assets	(16,254,139)	(21,389,310)	5,135,171	-24.0%
11 Principal payments on bonds payable	-	-	-	0.0%
12 Proceeds from bonds payable	-	111,224,183	(111,224,183)	-100.0%
13 Payments for bond issuance costs	-	-	-	0.0%
14 Payment to refunded bond escrow agent	479,473	(27,884,012)	27,884,012	-100.0%
15 Interest paid on bonds payable	(1,302,377)	(827,868)	1,307,341	-157.9%
16 Proceeds from construction fund, net	8,771,202	4,576,811	(5,879,188)	-128.5%
17 Capital contributed by developers and federal grants	(8,305,841)	(1,921,563)	10,692,765	-556.5%
18 Net cash used in capital and related financing activities	(8,305,841)	63,778,241	(72,084,082)	-113.0%
<b>Cash flows from investing activities</b>				
19 Payments for purchase of investments	-	-	-	0.0%
20 Proceeds from maturities of investments	-	1,692,754	(1,692,754)	-100.0%
21 Investment income	308,364	87,695	220,669	251.6%
22 Net cash provided by investing activities	308,364	1,780,449	(1,472,085)	-82.7%
23 Net increase in cash	(6,196,521)	61,276,847	(67,473,368)	-110.1%
24 Cash at the beginning of the year	95,855,508	43,741,197	52,114,311	119.1%
25 Cash at the end of the period	89,658,987	105,018,044	(15,359,057)	-14.6%
<b>Reconciliation of cash and restricted cash</b>				
26 Current assets - cash	12,622,236	15,023,448	(2,401,212)	-16.0%
27 Current assets - designated	17,063,128	77,407,635	(60,344,507)	-78.0%
28 Restricted assets - cash	59,973,623	12,586,961	47,386,662	376.5%
29 Total cash	89,658,987	105,018,044	(15,359,057)	-14.6%

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**WATER SYSTEM FUND**  
**STATEMENTS OF CASH FLOWS**  
**August 2015**

	A	B	C	D
	YTD	YTD	YTD	%
	Current Year	Prior Year	Variance	
Reconciliation of operating loss to net cash used in operating activities is as follows:				
Operating loss	(3,518,416)	(5,012,038)	1,493,622	-29.8%
Adjustments to reconcile net operating loss to net cash used in operating activities:				
Depreciation	13,896,496	8,372,064	5,524,432	66.0%
Provision for claims	418,073	357,008	61,065	17.1%
Provision for (revision) doubtful accounts	766,672	936,176	(169,504)	-18.1%
Amortization	-	-	-	0.0%
Change in operating assets and liabilities:				
(Increase) decrease in customer and other receivables	(1,213,078)	(1,139,267)	(73,811)	6.5%
Increase in inventory	-	-	-	0.0%
Increase (decrease) in prepaid expenses and other receivables	(160,103)	(5,399,191)	5,239,088	-97.0%
Decrease in net pension asset	-	-	-	0.0%
Increase (decrease) in accounts payable	(10,680,165)	(7,831,107)	(2,849,058)	36.4%
Increase (decrease) in accrued salaries, due to pension and accrued vacation and sick pay	(779,908)	(696,198)	(83,710)	12.0%
Increase in net other postretirement benefits liability	1,208,612	1,490,274	(281,662)	-18.9%
Increase (decrease) in net pension obligation	1,208,205	956,988	251,217	26.3%
Decrease in other liabilities	526,281	(212,956)	739,237	-347.1%
Net cash used in operating activities	1,672,669	(8,178,247)	9,850,916	-120.5%

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SEWER SYSTEM FUND  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
WITH PRIOR YEAR COMPARISONS  
AUGUST 2015

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	8,516,266	7,959,087	557,179	7.0%	63,152,684	56,831,832	6,320,852	11.1%
3 Plumbing inspection and license fees	20,035	20,486	(451)	-2.2%	199,819	224,379	(24,560)	-10.9%
4 Other revenues	72,647	37,843	34,804	92.0%	285,460	371,204	(85,744)	-23.1%
5 Total operating revenues	8,608,948	8,017,416	591,532	7.4%	63,637,963	57,427,415	6,210,548	10.8%
Operating Expenses:								
6 Power and pumping	240,947	250,586	(9,639)	-3.8%	1,750,455	1,823,153	(72,698)	-4.0%
7 Treatment	903,513	1,030,110	(126,597)	-12.3%	7,151,032	7,179,104	(28,072)	-0.4%
8 Transmission and distribution	1,345,914	917,645	428,269	46.7%	8,073,149	5,156,819	2,916,330	56.6%
9 Customer accounts	137,449	128,076	9,373	7.3%	1,154,623	1,124,943	29,680	2.6%
10 Customer service	162,423	160,755	1,668	1.0%	1,222,127	1,195,918	26,209	2.2%
11 Administration and general	329,387	(1,041,555)	1,370,942	-131.6%	4,037,257	4,172,987	(135,730)	-3.3%
12 Payroll related	704,711	1,328,565	(623,854)	-47.0%	7,321,625	7,831,910	(510,285)	-6.5%
13 Maintenance of general plant	252,079	185,146	66,933	36.2%	1,919,432	2,835,720	(916,288)	-32.3%
14 Depreciation	1,417,145	1,011,382	405,761	40.1%	11,337,144	8,091,056	3,246,088	40.1%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	88,736	48,213	40,523	84.0%	709,888	385,704	324,184	84.0%
17 Provision for claims	40,125	31,870	8,255	25.9%	270,915	229,817	41,098	17.9%
18 Total operating expenses	5,622,427	4,050,793	1,571,634	38.8%	44,947,647	40,027,131	4,920,516	12.3%
19 Operating income (loss)	2,986,521	3,966,623	(980,102)	-24.7%	18,690,316	17,400,284	1,290,032	7.4%
Non-operating revenues (expense):								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	10,586	1,069	9,517	890.3%	152,534	124,066	28,468	22.9%
25 Other Income	-	-	-	0.0%	159,998	157,507	2,491	1.6%
26 Interest expense	-	(1,345,380)	1,345,380	-100.0%	-	(1,345,380)	1,345,380	-100.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	23	(23)	-100.0%
28 Total non-operating revenues	10,586	(1,344,311)	1,354,897	-100.8%	312,532	(1,063,784)	1,376,316	-129.4%
29 Income before capital contributions	2,997,107	2,622,312	374,795	14.3%	19,002,848	16,336,500	2,666,348	16.3%
30 Capital contributions	969,932	893,040	76,892	8.6%	8,781,550	17,600,363	(8,818,813)	-50.1%
31 Change in net position	3,967,039	3,515,352	451,687	12.8%	27,784,398	33,936,863	(6,152,465)	-18.1%
32 Net position, beginning of year					732,566,915	666,666,891	65,900,024	9.9%
33 Net position, end of year					760,351,313	700,603,754	59,747,559	8.5%

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

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	8,516,266	8,070,794	445,472	5.5%	63,152,684	63,126,522	26,162	0.0%
3 Plumbing inspection and license fees	20,035	26,793	(6,758)	-25.2%	199,819	214,345	(14,526)	-6.8%
4 Other revenues	72,647	24,079	48,568	201.7%	285,460	192,679	92,831	48.2%
5 Total operating revenues	8,608,948	8,121,666	487,282	6.0%	63,637,963	63,533,496	104,467	0.2%
<b>Operating Expenses:</b>								
6 Power and pumping	240,947	214,284	26,663	12.4%	1,750,455	1,714,275	36,180	2.1%
7 Treatment	903,513	964,066	(60,553)	-6.3%	7,151,032	7,712,529	(561,497)	-7.3%
8 Transmission and distribution	1,345,914	1,231,476	114,438	9.3%	8,073,149	7,177,136	896,013	12.5%
9 Customer accounts	137,449	143,362	(5,913)	-4.1%	1,154,623	1,146,893	7,730	0.7%
10 Customer service	162,423	184,088	(21,665)	-11.8%	1,222,127	1,472,707	(250,580)	-17.0%
11 Administration and general	329,387	1,180,864	(851,477)	-72.1%	4,037,257	8,364,904	(4,327,647)	-51.7%
12 Payroll related	704,711	726,300	(21,589)	-3.0%	7,321,625	5,810,399	1,511,226	26.0%
13 Maintenance of general plant	252,079	256,304	(4,225)	-1.6%	1,919,432	2,050,432	(131,000)	-6.4%
14 Depreciation	1,417,143	1,121,055	296,088	26.4%	11,337,144	11,337,144	-	0.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	88,736	-	88,736	0.0%	709,888	709,888	-	0.0%
17 Provision for claims	40,125	60,493	(20,368)	-33.7%	270,915	270,915	-	0.0%
18 Total operating expenses	5,622,427	6,082,293	(459,866)	-7.6%	44,947,647	47,767,223	(2,819,576)	-5.9%
19 Operating income (loss)	2,986,521	2,039,372	947,149	46.4%	18,690,316	15,766,273	2,924,043	18.5%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	-	-	-	0.0%	-	-	-	0.0%
21 Three-mill tax	-	-	-	0.0%	-	-	-	0.0%
22 Six-mill tax	-	-	-	0.0%	-	-	-	0.0%
23 Nine-mill tax	-	-	-	0.0%	-	-	-	0.0%
24 Interest income	10,586	-	10,586	0.0%	152,534	-	152,534	0.0%
25 Other income	-	39,245	(39,245)	-100.0%	159,998	313,963	(153,965)	-49.0%
26 Interest expense	-	(218,131)	218,131	-100.0%	-	(1,745,044)	1,745,044	-100.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	10,586	(178,885)	189,471	-105.9%	312,532	(1,431,081)	1,743,613	-121.8%
29 Income before capital contributions	2,997,107	1,860,487	1,136,620	61.1%	19,002,848	14,335,192	4,667,656	32.6%
30 Capital contributions	969,932	-	969,932	0.0%	8,781,550	-	8,781,550	0.0%
31 Change in net position	3,967,039	1,860,487	2,106,552	113.2%	27,784,398	-	-	-
32 Net position, beginning of year	-	-	-	-	732,566,915	666,666,891	65,900,024	9.9%
33 Net position, end of year	-	-	-	-	760,351,313	666,666,891	93,684,422	14.1%

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

## SEWER SYSTEM FUND

## STATEMENTS OF NET POSITION

## WITH PRIOR YEAR AND BEGINNING OF YEAR COMPARISONS

AUGUST 2015

	Assets		D		E		F		G
	Prior Year	Variance	Current Year	%	Variance	%	Beginning of Year		
Noncurrent assets:									
1 Property, plant and equipment	1,106,181,497	55,357,153	1,161,538,650	5.0%	24,010,716	2.1%	1,137,527,954	1	
2 Less: accumulated depreciation	222,313,314	15,544,029	237,857,343	7.0%	11,377,144	5.0%	226,520,199	2	
3 Property, plant, and equipment, net	883,868,183	39,813,124	923,681,307	4.5%	12,673,572	1.4%	911,007,755	3	
Restricted cash, cash equivalents, and investments									
4 Cash and cash equivalents restricted for capital projects	122,265	10,847,182	10,969,447	8871.9%	(19,558,506)	-64.1%	30,527,953	4	
5 Debt service reserve	21,104,959	17,795,091	38,900,050	84.3%	18,432,244	90.1%	20,467,806	5	
6 Health insurance reserve	775,833	(116,667)	659,166	-15.0%	-	0.0%	659,166	6	
7 Total restricted cash, cash equivalents, and investments	22,003,057	28,325,606	50,528,663	129.6%	(1,126,262)	-2.2%	51,654,925	7	
Designated cash, cash equivalents, and investments									
8 Cash and cash equivalents designated for capital projects	40,466,431	(28,756,921)	11,709,510	-71.1%	8,010,201	216.5%	3,699,309	8	
9 Customer deposits	-	-	-	0.0%	-	0.0%	-	9	
10 Other	1,064,172	120,192	1,184,364	11.3%	2,048	0.2%	1,182,316	10	
11 Total designated cash and cash equivalents, and investments	41,530,603	(28,636,729)	12,893,874	-69.0%	8,012,249	164.1%	4,881,625	11	
Current assets:									
Unrestricted and undesignated									
12 Cash and cash equivalents	29,361,796	(11,201,958)	18,159,838	-38.2%	(3,695,233)	-16.9%	21,855,071	12	
Accounts receivable:									
13 Customers (net of allowance for doubtful accounts)	7,638,303	554,871	8,193,174	7.3%	475,462	6.2%	7,717,712	13	
14 Taxes	-	-	-	0.0%	-	0.0%	-	14	
15 Interest	115	(57)	58	-49.6%	58	0.0%	-	15	
16 Grants	2,237,679	14,341,231	16,578,910	640.9%	(2,964,784)	-15.2%	19,543,694	16	
17 Miscellaneous	614,268	811,232	1,425,500	132.1%	1,074,010	305.6%	351,490	17	
18 Due from enterprise fund	1,159,572	10,241,676	11,401,248	883.2%	337,324	3.0%	11,063,924	18	
19 Inventory of supplies	1,507,642	(336,841)	1,170,801	-22.3%	-	0.0%	1,170,801	19	
20 Prepaid expenses	351,099	(24,430)	326,669	-7.0%	-	0.0%	326,669	20	
21 Total unrestricted current assets	42,870,474	14,385,724	57,256,198	33.6%	(4,773,163)	-7.7%	62,029,361	21	
Other assets:									
22 Bond issue costs	-	-	-	0.0%	-	0.0%	-	22	
23 Deposits	17,965	-	17,965	0.0%	-	0.0%	17,965	23	
24 Total other assets	17,965	-	17,965	0.0%	-	0.0%	17,965	24	
25 TOTAL ASSETS	990,290,282	54,087,725	1,044,378,007	5.5%	14,786,396	1.4%	1,029,591,611	25	
Deferred outflows or resources:									
26 Deferred charge on refunding	4,060,698	(129,096)	3,931,602	-3.2%	-	0.0%	3,931,602	26	
27 TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,060,698	(129,096)	3,931,602	-3.2%	-	0.0%	3,931,602	27	
28 TOTAL ASSETS AND TOTAL DEFERRED OUTFLOWS	994,350,980	53,958,629	1,048,309,609	2.3%	14,786,396	1.4%	1,033,523,213	28	

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SEWER SYSTEM FUND  
STATEMENTS OF NET POSITION  
WITH PRIOR YEAR COMPARISONS  
AUGUST 2015

	A	B	C	D	E	F	G
	Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year
<b>NET ASSETS AND LIABILITIES</b>							
Net position							
1 Net investments in capital assets	710,764,825	44,193,968	6.2%	754,958,793	24,795,737	3.4%	730,163,056
2 Restricted for Debt Service	19,543,041	19,357,009	99.0%	38,900,050	18,432,244	90.1%	20,467,806
3 Unrestricted	(29,704,112)	(3,803,418)	12.8%	(33,507,530)	(15,443,485)	85.2%	(18,063,945)
4 Total net position	700,603,754	59,747,559	8.5%	760,351,313	27,784,396	3.8%	731,566,917
Long-term liabilities							
5 Claims payable	637,869	226,849	35.6%	864,718	-	0.0%	864,718
6 Net pension obligation	6,135,222	1,066,125	17.4%	7,201,347	1,208,205	20.2%	5,993,142
7 Other postretirement benefits liability	19,212,570	1,861,775	9.7%	21,074,345	1,208,612	6.1%	19,865,733
8 Bonds payable (net of current maturities)	180,844,679	(1,644,000)	-0.9%	169,200,679	-	0.0%	169,200,679
9 Special Community Disaster Loan Payable	-	-	0.0%	-	-	0.0%	-
10 Southeast Louisiana Project liability	-	-	0.0%	-	-	0.0%	-
11 Debt Service Assistance Fund Loan payable	58,403,364	(3,618,064)	-6.4%	52,785,300	-	0.0%	52,785,300
12 Total long-term liabilities	263,233,704	(12,107,113)	-4.6%	251,126,389	2,416,817	1.0%	248,709,572
Current liabilities (payable from current assets)							
13 Accounts payable and other liabilities	8,986,392	(2,017,923)	-22.5%	6,968,469	(14,891,846)	-68.1%	21,860,315
14 Due to City of New Orleans	-	-	0.0%	-	-	0.0%	-
15 Disaster Reimbursement Revolving Loan	2,612,845	(1,992,950)	-76.3%	619,895	(1,949,528)	-75.9%	2,569,423
16 Retainers and estimates payable	4,516,624	(240,969)	-5.3%	4,275,655	(227,235)	-5.0%	4,502,890
17 Due to other fund	63,536	3,457	5.4%	66,993	(312)	-0.5%	67,305
18 Accrued salaries, vacation and sick pay	2,990,313	(167,514)	-5.6%	2,822,799	(529,963)	-15.8%	3,352,762
19 Claims payable	3,004,311	(233,539)	-7.8%	2,770,772	-	0.0%	2,770,772
20 Debt Service Assistance Fund Loan payable	3,457,630	160,434	4.6%	3,618,064	-	0.0%	3,618,064
21 Advances from federal government	2,704,959	(810,891)	-30.0%	1,894,068	1,894,068	0.0%	-
22 Other liabilities	1,627	145,703	8955.3%	147,330	145,777	9386.8%	1,553
23 Total current liabilities (payable from current assets)	28,338,237	(5,154,192)	-18.2%	23,184,045	(15,559,039)	-40.2%	38,743,084
Current liabilities (payable from restricted assets)							
24 Accrued interest	1,561,918	253,447	16.2%	1,815,365	-	0.0%	1,815,365
25 Bonds payable	415,000	11,229,000	2705.8%	11,644,000	-	0.0%	11,644,000
26 Retainers and estimates payable	198,367	(9,870)	-5.0%	188,497	(144,222)	-325.7%	44,275
27 Customer deposits	-	-	0.0%	-	-	0.0%	-
28 Total current liabilities (payable from restricted assets)	2,175,285	11,472,577	527.4%	13,647,862	144,222	1.1%	13,503,640
29 TOTAL CURRENT LIABILITIES	30,513,522	6,318,385	20.7%	36,831,907	(15,414,817)	-29.5%	52,246,724
30 TOTAL LIABILITIES	293,747,226	(5,788,930)	-2.0%	287,958,396	(12,908,006)	-3.1%	300,956,296
Deferred inflows or resources:							
31 Unavailable revenue-refunding of bonds	-	-	0.0%	-	-	0.0%	-
32 TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	0.0%	-	-	0.0%	-
33 Total Net Position, Liabilities and Deferred Inflows of Resources	994,350,980	53,958,629	5.4%	1,048,309,600	14,786,396	1.4%	1,033,523,213

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SEWER SYSTEM FUND  
STATEMENTS OF CASH FLOWS  
August 2015

	A YTD Current Year	B YTD Prior Year	C YTD Variance	D %
<b>Cash flows from operating activities</b>				
1 Cash received from customers	61,967,334	55,402,903	6,564,431	11.8%
2 Cash payments to suppliers for goods and services	(36,568,598)	(27,785,237)	(8,783,361)	31.6%
3 Cash payments to employees for services	(12,216,750)	(12,656,644)	439,894	-3.5%
4 Other revenue	(588,731)	588,119	(1,176,850)	-200.1%
5 Net cash used in operating activities	12,593,255	15,549,141	(2,955,886)	-19.0%
<b>Cash flows from noncapital financing activities</b>				
6 Proceeds from property taxes	159,998	157,507	2,491	1.6%
7 Proceeds from federal operating and maintenance grants	-	419,203	(419,203)	-100.0%
8 Cash received paid to an other government	-	-	-	0.0%
9 Net cash provided by noncapital financing activities	159,998	576,710	(416,712)	-72.3%
<b>Cash flows from capital and related financing activities</b>				
10 Acquisition and construction of capital assets	(21,551,624)	(24,729,993)	3,178,369	-12.9%
11 Principal payments on bonds payable	-	(13,695,000)	13,695,000	-100.0%
12 Proceeds from bonds payable	-	172,839,277	(172,839,277)	-100.0%
13 Payments for bond issuance costs	-	-	-	0.0%
14 Payment to refunded bond escrow agent	145,777	(126,567,179)	126,567,179	-100.0%
15 Interest paid on bonds payable	(1,354,255)	(1,354,255)	1,500,032	-110.8%
16 Proceeds from construction fund, net	(1,949,530)	592,434	(2,541,964)	-429.1%
17 Capital contributed by developers and federal grants	13,640,402	17,111,747	(3,471,345)	-20.3%
18 Net cash used in capital and related financing activities	(9,714,975)	24,197,031	(33,912,006)	-140.1%
<b>Cash flows from investing activities</b>				
19 Payments for purchase of investments	-	-	-	0.0%
20 Proceeds from maturities of investments	-	-	-	0.0%
21 Investment income	152,476	69,843	82,633	118.3%
22 Net cash provided by investing activities	152,476	69,843	82,633	118.3%
23 Net increase in cash	3,190,754	40,392,725	(37,201,971)	-92.1%
24 Cash at the beginning of the year	78,334,621	52,445,731	25,888,890	49.4%
25 Cash at the end of the period	81,525,375	92,838,456	(11,313,081)	-12.2%
<b>Reconciliation of cash and restricted cash</b>				
26 Current assets - cash	18,159,838	29,361,796	(11,201,958)	-38.2%
27 Current assets - designated	12,893,874	22,003,057	(9,109,183)	-41.4%
28 Restricted assets - cash	50,471,663	41,473,603	8,998,060	21.7%
29 Total cash	81,525,375	92,838,456	(11,313,081)	-12.2%

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SEWER SYSTEM FUND  
STATEMENTS OF CASH FLOWS  
August 2015

	A YTD Current Year	B YTD Prior Year	C YTD Variance	D %
Reconciliation of operating loss to net cash used in operating activities is as follows:				
1 Operating loss	18,690,316	17,400,284	1,290,032	7.4%
Adjustments to reconcile net operating loss to net cash used in operating activities:				
2 Depreciation	11,337,144	8,091,056	3,246,088	40.1%
3 Provision for claims	270,915	229,817	41,098	17.9%
4 Provision for (revision) doubtful accounts	709,888	385,704	324,184	84.0%
5 Amortization	-	-	-	0.0%
Change in operating assets and liabilities:				
6 (Increase) decrease in customer and other receivables	(1,185,350)	(1,428,929)	243,579	-17.0%
7 Increase in inventory	-	-	-	0.0%
8 Increase (decrease) in prepaid expenses and other receivables	(1,411,334)	(597,566)	(813,768)	136.2%
9 Decrease in net pension asset	-	-	-	0.0%
10 Increase (decrease) in accounts payable	(17,433,951)	(10,281,473)	(7,152,478)	69.6%
11 Increase (decrease) in accrued salaries, due to pension and accrued vacation and sick pay	(530,275)	(467,197)	(63,078)	13.5%
12 Increase in net other postretirement benefits liability	1,208,612	1,490,274	(281,662)	-18.9%
13 Increase (decrease) in net pension obligation	1,208,205	956,988	251,217	26.3%
14 Decrease in other liabilities	(270,915)	(229,817)	(41,098)	17.9%
15 Net cash used in operating activities	12,593,255	15,549,141	(2,955,886)	-19.0%

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

	A	B	C	D	E	F	G	H
	MTD	MTD	MTD	%	YTD	YTD	YTD	%
	Actual	Prior Year	Variance		Actual	Prior Year	Variance	
Operating revenues:								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	3,079,899	2,227	3,077,672	138198.1%	3,354,382	578,786	2,775,596	479.6%
5 Total operating revenues	3,079,899	2,227	3,077,672	138198.1%	3,354,382	578,786	2,775,596	479.6%
Operating Expenses:								
6 Power and pumping	614,379	554,743	59,636	10.8%	4,613,700	4,527,192	86,508	1.9%
7 Treatment	10,021	9,981	40	0.4%	65,239	67,159	(1,920)	-2.9%
8 Transmission and distribution	64,822	62,574	2,248	3.6%	653,983	473,403	180,580	38.1%
9 Customer accounts	187	545	(358)	-65.7%	2,948	4,641	(1,693)	-36.5%
10 Customer service	12,108	12,106	2	0.0%	82,970	77,293	5,677	7.3%
11 Administration and general	282,987	253,331	29,656	11.7%	3,543,573	3,637,254	(93,681)	-2.6%
12 Payroll related	552,786	1,032,920	(480,134)	-46.5%	5,773,106	6,226,719	(453,613)	-7.3%
13 Maintenance of general plant	648,411	619,647	28,764	4.6%	5,073,888	5,462,038	(388,150)	-7.1%
14 Depreciation	1,525,616	1,016,452	509,164	50.1%	12,204,928	8,131,616	4,073,312	50.1%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	833	-	833	0.0%	6,664	-	6,664	0.0%
17 Provision for claims	36,532	44,048	(7,516)	-17.1%	362,550	275,788	86,762	31.5%
18 Total operating expenses	3,748,682	3,606,347	142,335	3.9%	32,383,549	28,883,103	3,500,446	12.1%
19 Operating income (loss)	(668,783)	(3,604,120)	2,935,337	-81.4%	(29,029,167)	(28,304,317)	(724,850)	2.6%
Non-operating revenues (expense):								
20 Two-mill tax	60	-	60	0.0%	930	-	930	0.0%
21 Three-mill tax	113,969	183,152	(69,183)	-37.8%	13,934,276	13,121,422	812,854	6.2%
22 Six-mill tax	115,229	183,116	(69,887)	-37.8%	14,083,687	13,262,028	821,659	6.2%
23 Nine-mill tax	380,324	277,482	102,842	37.1%	21,110,632	19,879,240	1,231,392	6.2%
24 Interest income	8,143	2,260	5,883	260.3%	44,835	45,263	(428)	-0.9%
25 Other Income	-	-	-	0.0%	-	-	-	0.0%
26 Interest expense	-	-	-	0.0%	-	-	-	0.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	23	(23)	-100.0%
28 Total non-operating revenues	617,725	648,010	(30,285)	-4.7%	49,174,360	46,307,976	2,866,384	6.2%
29 Income before capital contributions	(51,058)	(2,956,110)	2,905,052	-98.3%	20,145,193	18,003,659	2,141,534	11.9%
30 Capital contributions	308,393	290,995	17,398	6.0%	4,797,117	7,765,696	(2,968,579)	-38.2%
31 Change in net position	257,335	(2,665,115)	2,922,450	-109.7%	24,942,310	25,769,355	(827,045)	-3.2%
32 Net position, beginning of year					918,396,632	836,196,990	82,199,642	9.8%
33 Net position, end of year					943,338,942	861,966,345	81,372,597	9.4%

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

	A	B	C	D	E	F	G	H
	MTD Actual	MTD Budget	MTD Variance	%	YTD Actual	YTD Budget	YTD Variance	%
<b>Operating revenues:</b>								
1 Sales of water and delinquent fees	-	-	-	0.0%	-	-	-	0.0%
2 Sewerage service charges and del fees	-	-	-	0.0%	-	-	-	0.0%
3 Plumbing inspection and license fees	-	-	-	0.0%	-	-	-	0.0%
4 Other revenues	3,079,899	-	3,079,899	0.0%	3,354,382	-	3,354,382	0.0%
5 Total operating revenues	3,079,899	-	3,079,899	0.0%	3,354,382	-	3,354,382	0.0%
<b>Operating Expenses:</b>								
6 Power and pumping	614,379	654,585	(40,206)	-6.1%	4,613,700	5,236,682	(622,982)	-11.9%
7 Treatment	10,021	14,258	(4,237)	-29.7%	65,239	114,065	(48,826)	-42.8%
8 Transmission and distribution	64,822	61,399	3,423	5.6%	653,983	491,194	162,789	33.1%
9 Customer accounts	187	604	(417)	-69.0%	2,948	4,829	(1,881)	-38.9%
10 Customer service	12,108	9,368	2,740	29.2%	82,970	74,944	8,026	10.7%
11 Administration and general	282,987	911,060	(628,073)	-68.9%	3,543,573	7,288,477	(3,744,904)	-51.4%
12 Payroll related	552,786	530,694	22,093	4.2%	5,773,106	4,245,548	1,527,558	36.0%
13 Maintenance of general plant	648,411	1,391,627	(743,216)	-53.4%	5,073,888	11,133,015	(6,059,127)	-54.4%
14 Depreciation	1,525,616	1,226,875	298,741	24.3%	12,204,928	12,204,928	-	0.0%
15 Amortization	-	-	-	0.0%	-	-	-	0.0%
16 Provision for doubtful accounts	833	-	833	0.0%	6,664	6,664	-	0.0%
17 Provision for claims	36,532	69,970	(33,438)	-47.8%	362,550	362,550	-	0.0%
18 Total operating expenses	3,748,682	4,870,439	(1,121,757)	-23.0%	32,383,549	41,162,895	(8,779,346)	-21.3%
19 Operating income (loss)	(668,783)	(4,870,439)	4,201,656	-86.3%	(29,029,167)	(41,162,895)	12,133,728	-29.5%
<b>Non-operating revenues (expense):</b>								
20 Two-mill tax	60	-	60	0.0%	930	-	930	0.0%
21 Three-mill tax	113,969	-	113,969	0.0%	13,934,276	13,357,609	576,667	4.3%
22 Six-mill tax	115,229	-	115,229	0.0%	14,083,687	13,500,746	582,941	4.3%
23 Nine-mill tax	380,324	-	380,324	0.0%	21,110,632	20,364,000	746,632	3.7%
24 Interest income	8,143	-	8,143	0.0%	44,835	-	44,835	0.0%
25 Other Income	-	58,475	(58,475)	-100.0%	-	467,797	(467,797)	-100.0%
26 Interest expense	-	(21,263)	21,263	-100.0%	-	(170,100)	170,100	-100.0%
27 Operating and maintenance grants	-	-	-	0.0%	-	-	-	0.0%
28 Total non-operating revenues	617,725	37,212	580,513	1560.0%	49,174,360	47,520,052	1,654,308	3.5%
29 Income before capital contributions	(51,058)	(4,833,227)	4,782,169	-98.9%	20,145,193	6,357,156	13,788,037	216.9%
30 Capital contributions	308,393	-	308,393	0.0%	4,797,117	-	4,797,117	0.0%
31 Change in net position	257,335	(4,833,227)	5,090,562	-105.3%	24,942,310	6,357,156	18,585,154	292.4%
32 Net position, beginning of year	-	-	-	-	918,396,632	836,196,990	82,199,642	9.8%
33 Net position, end of year	-	-	-	-	943,338,942	842,554,146	100,784,796	12.0%

Assets		A	B	C	D	E	F	G
		Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year
<b>Noncurrent assets:</b>								
1	Property, plant and equipment	1,168,788,583	131,957,471	11.3%	1,300,746,054	7,252,362	0.6%	1,293,493,692
2	Less: accumulated depreciation	273,155,567	20,565,555	7.5%	293,521,122	12,204,927	4.3%	381,316,195
3	Property, plant, and equipment, net	895,633,016	111,391,916	12.5%	1,007,224,932	(4,952,565)	-0.5%	1,012,177,497
<b>Restricted cash, cash equivalents, and investments</b>								
4	Cash and cash equivalents restricted for capital projects	4,443,109	737,476	0.0%	5,180,585	732,831	16.5%	4,447,754
5	Debt service reserve	2,053,121	540,350	26.6%	2,573,471	2,416,417	1538.6%	157,054
6	Health insurance reserve	775,833	(116,667)	-15.0%	659,166	-	0.0%	659,166
7	Total restricted cash, cash equivalents, and investments	7,252,063	1,161,159	16.0%	8,413,222	3,149,248	59.8%	5,263,974
<b>Designated cash, cash equivalents, and investments</b>								
8	Cash and cash equivalents designated for capital projects	25,369,990	4,151,029	16.4%	29,521,019	18,886,923	177.6%	10,634,096
9	Customer deposits	-	-	0.0%	-	-	0.0%	-
10	Other	1,023,052	120,190	11.7%	1,143,242	2,047	0.2%	1,141,195
11	Total designated cash and cash equivalents, and investments	26,393,042	4,271,219	16.2%	30,664,261	18,888,970	1655.2%	11,775,291
<b>Current assets:</b>								
<b>Unrestricted and undesignated</b>								
12	Cash and cash equivalents	3,590,118	12,733,625	354.7%	16,323,743	11,504,225	238.7%	4,819,518
<b>Accounts receivable:</b>								
13	Customers (net of allowance for doubtful accounts)	-	-	0.0%	-	-	0.0%	-
14	Taxes	7,998,106	(111,356)	-1.4%	7,886,750	(244,197)	-3.0%	8,130,947
15	Interest	-	-	0.0%	-	-	0.0%	-
16	Grants	7,961,117	(4,950,329)	-62.2%	3,010,788	(3,936,928)	-56.7%	6,947,716
17	Miscellaneous	558,793	(34,378)	-9.6%	324,415	(1,053,011)	-76.4%	1,377,426
18	Due from enterprise fund	2,905,062	(6,065,415)	-208.8%	(3,160,353)	(408,099)	14.8%	(2,752,254)
19	Inventory of supplies	899,532	(293,104)	-32.6%	606,428	-	0.0%	606,428
20	Prepaid expenses	119,227	(24,430)	-20.5%	94,797	-	0.0%	94,797
21	Total unrestricted current assets	23,831,955	1,254,613	5.3%	25,086,568	5,861,990	30.5%	19,224,578
<b>Other assets:</b>								
22	Bond issue costs	-	-	0.0%	-	-	0.0%	-
23	Deposits	10,400	-	0.0%	10,400	-	0.0%	10,400
24	Total other assets	10,400	-	0.0%	10,400	-	0.0%	10,400
25	<b>TOTAL ASSETS</b>	953,120,476	118,278,907	12.4%	1,071,399,383	22,947,643	2.2%	1,048,451,740
<b>Deferred outflows or resources:</b>								
26	Deferred charge on refunding	-	343,073	0.0%	343,073	-	0.0%	343,073
27	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	-	343,073	0.0%	343,073	-	0.0%	343,073
28	<b>TOTAL ASSETS AND TOTAL DEFERRED OUTFLOWS</b>	953,120,476	118,621,980	12.4%	1,071,742,456	22,947,643	2.2%	1,048,794,813

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DRAINAGE SYSTEM FUND  
STATEMENTS OF NET POSITION  
WITH PRIOR YEAR COMPARISONS  
AUGUST 2015

	A	B	C	D	E	F	G
	Prior Year	Variance	%	Current Year	Variance	%	Beginning of Year
<b>NET ASSETS AND LIABILITIES</b>							
Net position							
1 Net investments in capital assets	887,599,632	117,002,757	13.2%	1,004,562,389	7,254,934	0.7%	997,307,455
2 Restricted for Debt Service	1,888,890	684,581	36.2%	2,573,471	2,416,417	153.8%	157,054
3 Unrestricted	(27,482,177)	(36,314,741)	132.1%	(63,796,918)	15,270,957	-19.3%	(79,067,875)
4 Total net position	861,996,345	81,372,597	9.4%	943,338,942	24,947,308	2.7%	918,386,634
Long-term liabilities							
5 Claims payable	637,869	226,849	35.6%	864,718	-	0.0%	864,718
6 Net pension obligation	6,180,802	1,066,125	17.3%	7,226,927	1,208,205	20.1%	6,018,722
7 Other postretirement benefits liability	17,845,768	1,861,775	10.4%	19,707,543	1,208,612	6.5%	18,498,931
8 Bonds payable (net of current maturities)	14,715,000	(1,459,938)	-9.9%	13,255,062	-	0.0%	13,255,062
9 Special Community Disaster Loan Payable	-	-	0.0%	-	-	0.0%	-
10 Southeast Louisiana Project liability	29,391,071	37,264,905	126.8%	66,655,976	-	0.0%	66,655,976
11 Debt Service Assistance Fund Loan payable	3,686,726	(236,490)	-6.4%	3,450,236	-	0.0%	3,450,236
12 Total long-term liabilities	72,437,236	38,723,206	53.5%	111,160,442	2,416,817	2.2%	108,743,625
Current liabilities (payable from current assets)							
13 Accounts payable and other liabilities	2,210,928	(161,999)	-7.3%	2,049,029	(4,005,606)	-66.2%	6,054,635
14 Due to City of New Orleans	-	-	0.0%	-	-	0.0%	-
15 Disaster Reimbursement Revolving Loan	7,841,957	(857,238)	-10.9%	6,984,719	1,271	0.0%	6,983,448
16 Retainers and estimates payable	462,407	(10,346)	-2.2%	452,061	370	0.1%	451,691
17 Due to other fund	77,348	4,208	5.4%	81,556	(1,271)	-1.5%	82,827
18 Accrued salaries, vacation and sick pay	2,245,132	(174,702)	-7.8%	2,070,430	(449,879)	-17.9%	2,520,309
19 Claims payable	4,013,589	(415,325)	-10.3%	3,598,264	-	0.0%	3,598,264
20 Debt Service Assistance Fund Loan payable	226,003	10,487	4.6%	236,490	-	0.0%	236,490
21 Advances from federal government	-	-	0.0%	-	-	0.0%	-
22 Other liabilities	1,274	42,385	3326.9%	43,659	43,633	167819.2%	26
23 Total current liabilities (payable from current assets)	17,078,638	(1,562,430)	-9.1%	15,516,208	(4,411,482)	-22.1%	19,927,690
Current liabilities (payable from restricted assets)							
24 Accrued interest	144,230	(32,366)	-22.4%	111,864	-	0.0%	111,864
25 Bonds payable	1,490,000	125,000	8.4%	1,615,000	-	0.0%	1,615,000
26 Retainers and estimates payable	4,027	(4,027)	-100.0%	-	-	0.0%	-
27 Customer deposits	-	-	0.0%	-	-	0.0%	-
28 Total current liabilities (payable from restricted assets)	1,638,257	88,607	5.4%	1,726,864	-	0.0%	1,726,864
29 Total current liabilities	18,716,895	(1,473,823)	-7.9%	17,243,072	(4,411,482)	-20.4%	21,654,554
30 Total liabilities	91,154,131	37,249,383	40.9%	128,403,514	(1,994,665)	-1.5%	130,398,179
Deferred inflows or resources:							
31 Unavailable revenue -refunding of bonds	-	-	0.0%	-	-	0.0%	-
32 TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	0.0%	-	-	0.0%	-
33 Total Net Position, Liabilities and Deferred Inflows of Resources	953,120,476	118,621,980	12.4%	1,071,742,455	22,947,643	2.2%	1,048,794,813

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DRAINAGE SYSTEM FUND  
STATEMENTS OF CASH FLOWS  
August 2015

	A	B	C	D
	YTD	YTD	YTD	%
	Current Year	Prior Year	Variance	
<b>Cash flows from operating activities</b>				
1 Cash received from customers	-	-	-	0.0%
2 Cash payments to suppliers for goods and services	(14,921,178)	(13,695,396)	(1,225,782)	9.0%
3 Cash payments to employees for services	(7,270,715)	(1,767,437)	(5,503,278)	311.4%
4 Other revenue	4,400,729	2,288,361	2,112,368	92.3%
5 Net cash used in operating activities	(17,791,164)	(13,174,472)	(4,616,692)	35.0%
<b>Cash flows from noncapital financing activities</b>				
6 Proceeds from property taxes	49,373,722	46,383,786	2,989,936	6.4%
7 Proceeds from federal operating and maintenance grants	-	-	-	0.0%
8 Cash received paid to an other government	-	-	-	0.0%
9 Net cash provided by noncapital financing activities	49,373,722	46,383,786	2,989,936	6.4%
<b>Cash flows from capital and related financing activities</b>				
10 Acquisition and construction of capital assets	(6,820,263)	11,547,423	(18,367,686)	-159.1%
11 Principal payments on bonds payable	-	-	-	0.0%
12 Proceeds from bonds payable	-	-	-	0.0%
13 Payments for bond issuance costs	-	-	-	0.0%
14 Payment to refunded bond escrow agent	-	-	-	0.0%
15 Interest paid on bonds payable	-	(973,538)	973,538	-100.0%
16 Proceeds from construction fund, net	1,268	564,242	(562,974)	-99.8%
17 Capital contributed by developers and federal grants	8,734,045	(30,421,995)	39,156,040	-128.7%
18 Net cash used in capital and related financing activities	1,915,050	(19,283,868)	21,198,918	-109.9%
<b>Cash flows from investing activities</b>				
19 Payments for purchase of investments	-	-	-	0.0%
20 Proceeds from maturities of investments	-	-	-	0.0%
21 Investment income	44,835	45,263	(428)	-0.9%
22 Net cash provided by investing activities	44,835	45,263	(428)	-0.9%
23 Net increase (decrease) in cash	33,542,443	13,970,709	19,571,734	140.1%
24 Cash at the beginning of the year	21,858,783	23,264,514	(1,405,731)	-6.0%
25 Cash at the end of the period	55,401,226	37,235,223	18,166,003	48.8%
<b>Reconciliation of cash and restricted cash</b>				
26 Current assets - cash	16,323,743	3,590,118	12,733,625	354.7%
27 Current assets - designated	30,664,261	26,393,042	4,271,219	16.2%
28 Restricted assets - cash	8,413,222	7,252,063	1,161,159	16.0%
29 Total cash	55,401,226	37,235,223	18,166,003	48.8%

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DRAINAGE SYSTEM FUND  
STATEMENTS OF CASH FLOWS  
August 2015

	A YTD Current Year	B YTD Prior Year	C YTD Variance	D %
1 Reconciliation of operating loss to net cash used in operating activities is as follows:				
Operating loss	(29,029,167)	(28,304,317)	(724,850)	2.6%
2 Adjustments to reconcile net operating loss to net cash used in operating activities:				
Depreciation	12,204,928	8,131,616	4,073,312	50.1%
3 Provision for claims	362,550	275,788	86,762	31.5%
4 Provision for (revision) doubtful accounts	-	-	-	0.0%
5 Amortization	-	-	-	0.0%
6 Change in operating assets and liabilities:				
(Increase) decrease in customer and other receivables	-	-	-	0.0%
7 Increase in inventory	-	-	-	0.0%
8 Increase (decrease) in prepaid expenses and other receivables	1,461,111	7,849,349	(6,388,238)	-81.4%
9 Decrease in net pension asset	-	-	-	0.0%
10 Increase (decrease) in accounts payable	(4,437,336)	(2,884,934)	(1,552,402)	53.8%
11 Increase (decrease) in accrued salaries, due to pension and accrued vacation and sick pay	(451,150)	(414,722)	(36,428)	8.8%
12 Increase in net other postretirement benefits liability	1,208,612	1,490,274	(281,662)	-18.9%
13 Increase (decrease) in net pension obligation	1,208,205	956,988	251,217	26.3%
14 Decrease in other liabilities	(318,917)	(274,514)	(44,403)	16.2%
15 Net cash used in operating activities	(17,791,164)	(13,174,472)	(4,616,692)	35.0%