

SEWERAGE & WATER BOARD OF NEW ORLEANS

AUDIT COMMITTEE MEETING

TUESDAY, OCTOBER 12, 2021

9:00 AM

[October 2021 Audit Link](#)

[+1 504-224-8698,,632485880#](#) United States,

New Orleans Phone Conference ID: 632 485 880#

PUBLIC COMMENT WILL BE ACCEPTED VIA EMAIL TO

BOARDRELATIONS@SWBNO.ORG. ALL PUBLIC COMMENTS MUST BE RECEIVED PRIOR TO 9:30 AM ON October 12, 2021. COMMENTS WILL BE READ VERBATIM INTO THE RECORD.

Dr. Tamika Duplessis, Chair • Robin Barnes
Joseph Peychaud • Maurice Sholas • Alejandra Guzman

FINAL AGENDA

1. **ROLL CALL**

2. **PRESENTATION ITEMS**

- SWBNO 2020 Annual Financial Report - P&N

3. **ACTION ITEMS**

- Resolution (R-118-2021) Adoption of Revised Audit Committee Charter
- Resolution (R-119-2021) Adoption of Revised Internal Audit Department Charter

4. **INFORMATION ITEMS**

- SWBNO Take-Home Vehicle Audit Results

5. **PUBLIC COMMENT**

6. **ADJOURNMENT**

This teleconference meeting is being held pursuant to and in accordance with the provisions of Section 4 of Proclamation Number JBE 2020-30, extended by Proclamation 182 JBE 2021, pursuant to Section 3 of Act 302 of 2020.



Comprehensive Annual Financial Report

For the years ended December 31, 2020 and 2019

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



COVER: Sewerage and Water Board of New Orleans, Louisiana (SWBNO) operates two water treatment plants, one in the Carrollton neighborhood in New Orleans and one on the west bank of the Mississippi River in Algiers.

The treated water at the two plants is pumped through more than 1,610 miles of mains to more than 100,000 service connections. The combined plants deliver water to over 390,000 residents.

THE SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**Comprehensive Annual Financial Report
For The Year Ended
December 31, 2020 and 2019**

**Prepared By:
Finance Department**



Sewerage & Water Board of New Orleans

Our Mission & Vision

Our Mission

We serve the people of New Orleans and improve their quality of life by providing safe drinking water; removing waste water for safe return to the environment; and draining storm water to protect our community. Our team of experts do this reliably, continuously, and at a reasonable cost.

Our Vision

Our vision is to earn and hold the trust and confidence of our customers and community for reliable and sustainable water services; and to be a model utility in the water industry.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report
Years ended December 31, 2020 and 2019

TABLE OF CONTENTS

I.	INTRODUCTORY SECTION (UNAUDITED)	<u>PAGE(S)</u>
	Transmittal Letter	I-1
	Revenue and Expense Graph	I-15
	Certificate of Achievement for Excellence in Financial Reporting	I-16
	Board of Directors of the Sewerage and Water Board of New Orleans	I-17
	Committees of the Sewerage and Water Board of New Orleans	I-18
	Executive Staff	I-19
	Organizational Chart	I-20
II.	FINANCIAL SECTION	
	Independent Auditors' Report	II-1
	Management's Discussion and Analysis (Required Supplementary Information)	II-4
	Basic Financial Statements	
	Financial Statements – Enterprise Fund:	
	Statements of Net Position	II-21
	Statements of Revenues, Expenses and Changes in Net Position	II-23
	Statements of Cash Flows	II-24
	Fund Financial Statements – Fiduciary Fund	
	Statements of Fiduciary Net Position – Pension Trust Fund	II-26
	Statements of Changes in Fiduciary Net Position – Pension Trust Fund	II-27
	Notes to Financial Statements	II-28
	Required Supplementary Information under	
	GASB Statement No. 67, 68, and 71	II-74
	GASB Statement No. 67, 68, and 71	II-75
	GASB Statement No. 75	II-76
	Supplementary Information	
	Net Position by Department	
	Enterprise Fund – Schedule 1	II-77
	Revenues, Expenses, and Changes in Net Position by Department	
	Enterprise Fund – Schedule 2	II-79
	Schedule of Property, Plant, and Equipment in Service by Department	
	Schedule 3	II-80
	Schedule of Bonds Payable	
	Schedule 4	II-81

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report
Years ended December 31, 2020 and 2019

TABLE OF CONTENTS

II. FINANCIAL SECTION (continued)	<u>PAGE(S)</u>
Schedule of Cash Receipts and Disbursements	
Debt Service and Debt Service Reserve Required by Bond Resolution	
Schedule 5	II-82
Schedule of Changes in Self-Insurance Liabilities by Department	
Schedule 6	II-83
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	
Schedule 7	II-84
 III. STATISTICAL SECTION (UNAUDITED)	
This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health.	
Summary of Statistical Information	III-0
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.</i>	
Net Position by Component – Last Ten Years	III-1
Changes in Net Position by Component – Last Ten Fiscal Years	III-2
Revenues and Expenses by Source (Enterprise Fund) - Last Ten Fiscal Years	III-3
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.</i>	
Assessed and Estimated Actual Value of Taxable Property –	
Last Ten Fiscal Years	III-4
Property Tax Rates – Direct and Overlapping Governments	
Number of Mills – Last Ten Years	III-5
Ten Largest Taxpayers – December 31, 2020 and Ten Years Ago	III-6
Property Tax Levies and Collections by the City of New Orleans	
Last Ten Fiscal Years	III-7
Water and Sewer Rates – Last Ten Fiscal Years	III-8
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the Board's current levels of understanding debt and the Board's ability to issue additional debt in the future.</i>	
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	III-9
Computation of Direct and Overlapping Debt – December 31, 2020	III-10

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report
Years ended December 31, 2020 and 2019

TABLE OF CONTENTS

III.	STATISTICAL SECTION (UNAUDITED) (continued)	<u>PAGE(S)</u>
	Revenue Bonds Debt Service Coverage	
	Water Bonds – Last Seven Fiscal Years	III-11
	Sewer Bonds – Last Seven Fiscal Years	III-12
	Unrestricted Cash and Cash Equivalents Days of Operating and Maintenance Expense at Year End:	
	Water System – Last Seven Fiscal Years	III-13
	Sewer System – Last Seven Fiscal Years	III-14
	Demographic and Economic Information	
	<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.</i>	
	Demographic Statistics – Last Ten Fiscal Years	III-15
	New Orleans Area Principal Employers (Non-Public) – Last Ten Fiscal Years	III-16
	Operating Information	
	<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.</i>	
	Capital Expenditures by Department – Enterprise Fund Last Ten Fiscal Years	III-17
	Schedule of Future Debt Payments:	
	Water	III-18
	Sewer	III-19
	Drainage	III-20
	Total	III-21
	Property Value, New Construction and Bank Deposits Last Ten Fiscal Years	III-22
	Capital Asset Statistics by Function – Last Ten Fiscal Years	III-23
	Number of Active Employees – Last Ten Fiscal Years	III-24
IV.	SUPPLEMENTAL SECTION (UNAUDITED)	
	2020 Actual Capital Expenditures – Water Department	IV-1
	2020 Actual Capital Expenditures – Sewerage Department	IV-2
	2020 Actual Capital Expenditures – Drainage Department	IV-3
	2020 Actual Capital Expenditures – Power Projects	IV-4
	2020 Actual Capital Expenditures – General Budget Items	IV-5
	Analysis of Pumping and Power Department	
	Power Purchased and Produced – 2011 through 2020	IV-6

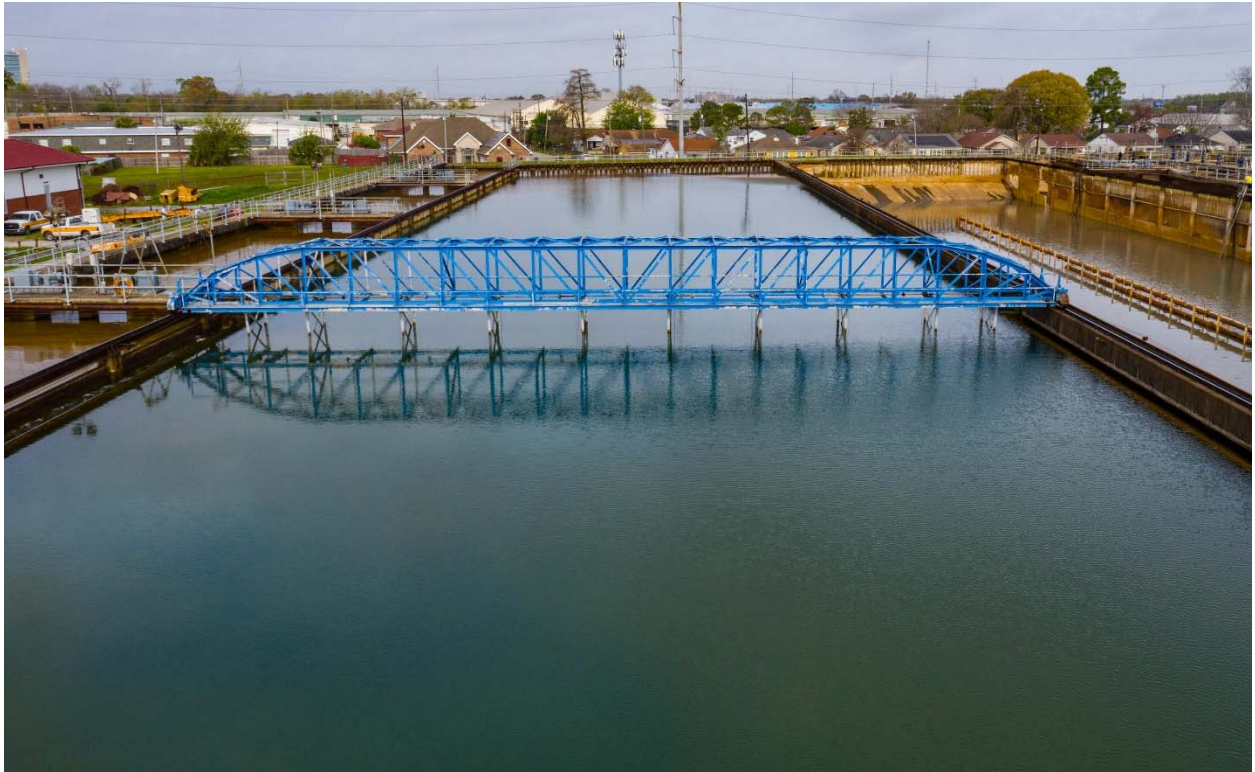
SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Comprehensive Annual Financial Report
Years ended December 31, 2020 and 2019

TABLE OF CONTENTS

IV. SUPPLEMENTAL SECTION (UNAUDITED) (continued)	<u>PAGE(S)</u>
Pumping and Power Department – 2020	IV-7
Gallons Metered – Pay Water Consumption – 2020	IV-8
Monthly Water and Sewerage Rate Collections – 2020	IV-9
Table of Water Purification Operations and Table of Water and Sewerage Distribution System	IV-10
Table of Rainfall in New Orleans – Last Ten Years	IV-33
Benchmarking	IV-34

INTRODUCTORY SECTION



LEADERSHIP: As the Executive Director, Ghassan Korban, often says, “We have a dedicated and talented workforce doing their best with the equipment & resources available, but we need a more efficient and reliable system. The groundwork we are laying today will have a positive impact on generations to come as we execute our \$300 million Power Master Plan.



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

Sewerage & Water Board OF NEW ORLEANS

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

June 30, 2021

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

We respectfully submit the enclosed Comprehensive Annual Financial Report (AFR) for the Sewerage and Water Board of New Orleans (SWBNO) for the years ended December 31, 2020 and 2019. This yearly report provides our Board of Directors, investors, customers, and the public at large with the utility's latest, most complete financial portrait.

It is our belief that the data, as presented, is accurate in all material respects. This report is designed to fairly present SWBNO's financial position and results of operation for the SWBNO Enterprise and Pension Trust Funds. Disclosures necessary to enable the reader to gain an understanding of SWBNO's financial activities are included.

SWBNO retained Postlethwaite & Netterville (P&N), a Professional Accounting Corporation, to serve as its independent auditor. P&N has issued an unmodified opinion on SWBNO's financial statements for the years ended December 31, 2020 and 2019. The independent auditors' report is located at the front of the Financial Section of this report.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The AFR is organized in four sections:

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

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

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

Supplemental Section: This section includes additional historical schedules.

The basic financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and audited by independent certified public accountants retained by SWBNO. SWBNO meets the criteria for classification as a "stand-alone entity" as described in GASB Statement No. 61.

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

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

PROFILE OF SEWERAGE AND WATER BOARD OF NEW ORLEANS

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

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

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

Today, SWBNO serves 364 square miles of the City of New Orleans, and provides drainage services to approximately 2,550 acres of neighboring Jefferson Parish. Its drinking water comes from the Mississippi River. The utility operates a drainage system of approximately 280 miles of open and underground canals and 24 pumping stations that house 120 drainage pumps. The drainage and water systems are powered by a combination of modern, 60-Hertz electricity and self-generated, 25-Hertz power that dates to the early 20th century. SWBNO is under federal consent decree to overhaul New Orleans sewerage system. This effort is scheduled to be completed in 2025. Sewer operations are managed by an independent contractor.

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

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

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

The water and sewerage systems, and overall administration of SWBNO, are primarily funded through services rates, which are approved by the New Orleans City Council. Maintenance, operations and improvements to the drainage system are primarily financed through three ad valorem taxes set at rates of 3 mills, 6 mills and 9 mills, which expire in 2046, 2027, and 2032, respectively. The SWBNO employs approximately 1,256 people and manages a \$248-million pension trust fund.

ECONOMIC GROWTH AND OUTLOOK

One of the last major ports before the Mississippi River empties into the Gulf of Mexico, New Orleans is a central hub for commerce and an economic engine for the broader Gulf Coast region. It is also a large nexus for rail and truck routes. The latest mid-year estimates revealed the City of New Orleans experienced a slight decrease in population. In addition, projections developed for our ongoing consent decree program indicate that citywide population could decrease an additional 13% by 2038 based on recent property-level occupancy trends analysis from 2010 to the fall of 2018, as well as analysis of planned residential projects and major institutional expansions throughout the City.

Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019 (latest published estimates)

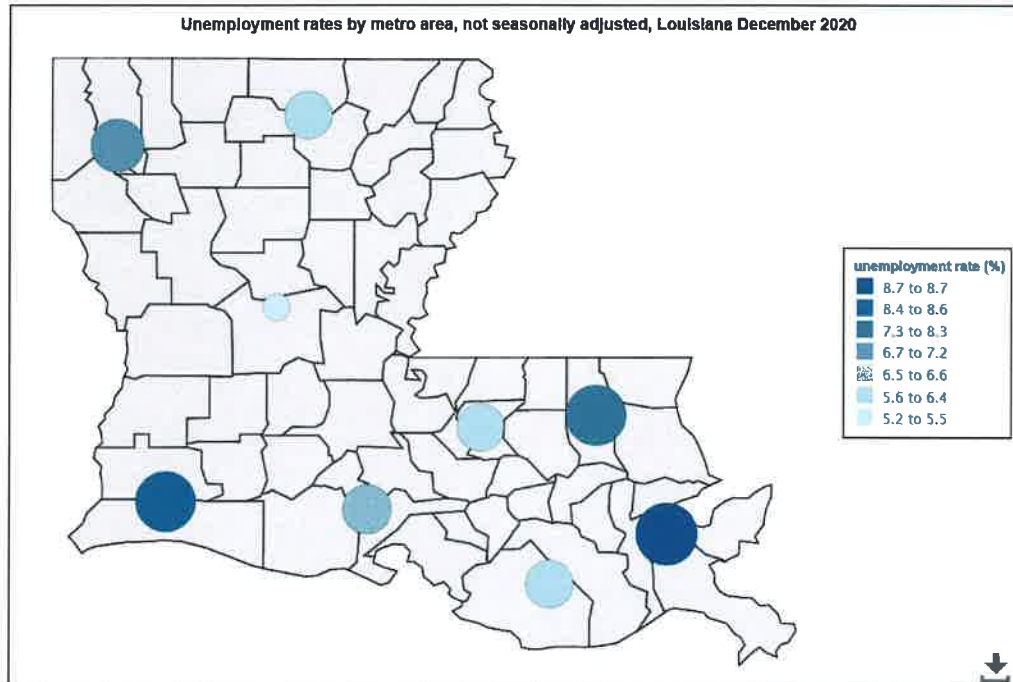
Population	
Population estimates, July 1, 2019, (V2019)	390,144
Population estimates, July 1, 2018, (V2018)	391,006
Population estimates base, April 1, 2010, (V2019)	343,828
Population estimates base, April 1, 2010, (V2018)	343,828
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	13.5%
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	13.7%
Population, Census, April 1, 2010	343,829

Source: U.S. Census Bureau, Population Division

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

Despite the tourism industry taking a major hit due to the impacts from the COVID-19 pandemic, the industry is still projected to remain one of the top revenue generators. Leisure travel has been the fastest to recover and according to HVS, the only global consulting firm focused exclusively on the hospitality industry, “New Orleans benefits from its accessibility as a drive-to destination. Year-to-date airport passenger counts were down more than 65% from 2019 levels by November, versus the 40% decline in occupancy for the same period.” With the City of New Orleans now in a “modified Phase 1”, allowing the reinstatement of festival season and other live music and sporting events, New Orleans is projected to quickly recover which will quickly inject much-needed revenue into the city.

The New Orleans metropolitan area unemployment rate (8.7%) was higher than the State of Louisiana's rate (7.9%) and higher than the national rate (6.7%) at the end of 2020 according to the US Bureau of Labor Statistics due to the high volume of hospitality and tourism jobs impacted by COVID-19 in the metropolitan area.



Map Title: Unemployment rates by metro area, not seasonally adjusted
Map Type: Louisiana Metro Areas Map
Month/Year: December/2020

Metro Areas	December 2020
Alexandria, LA	5.2
Baton Rouge, LA	6.4
Hammond, LA	8.2
Houma-Thibodaux, LA	6.3
Lafayette, LA	6.6
Lake Charles, LA	8.4
Monroe, LA	6.3
New Orleans-Metairie, LA	8.7
Shreveport-Bossier City, LA	7.1

Source: U.S. Department of Labor, Bureau of Labor Statistics

Metro Areas	December 2019	December 2020	12-month net change
Alexandria, LA	4.9	5.2	0.3
Baton Rouge, LA	4.1	6.4	2.3
Hammond, LA	5.1	8.2	3.1
Houma-Thibodaux, LA	4.1	6.3	2.2
Lafayette, LA	4.4	6.6	2.2
Lake Charles, LA	4.1	8.4	4.3
Monroe, LA	5.1	6.3	1.2
New Orleans-Metairie, LA	4.1	8.7	4.6
Shreveport-Bossier City, LA	4.8	7.1	2.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

Average hourly wages in the New Orleans area are lower than the U.S. national average in a majority of occupations according to the last published study - Occupational employment and wages by major occupational group, United States and the New Orleans-Metairie, LA Metropolitan Statistical Area, and measures of statistical significance, May 2019.

Major occupational group	Percent of total employment		Mean hourly wage		
	United States	New Orleans	United States	New Orleans	Percent difference ⁽¹⁾
Total, all occupations	100.0	100.0	\$25.72	\$22.45	-13
Management	5.5	5.2	58.88	51.68	-12
Business and financial operations	5.6	4.4	37.56	32.53	-13
Computer and mathematical	3.1	1.3	45.08	36.24	-20
Architecture and engineering	1.8	1.8	42.69	44.01	3
Life, physical, and social science	0.9	0.8	37.28	33.95	-9
Community and social service	1.5	1.4	24.27	22.14	-9
Legal	0.8	1.2	52.71	45.55	-14
Educational instruction and library	6.1	6.1	27.75	23.50	-15
Arts, design, entertainment, sports, and media	1.4	1.6	29.79	23.30	-22
Healthcare practitioners and technical	5.9	7.1	40.21	34.65	-14
Healthcare support	4.4	3.6	14.91	12.69	-15
Protective service	2.4	3.3	23.98	18.74	-22
Food preparation and serving related	9.2	12.2	12.82	10.81	-16
Building and grounds cleaning and maintenance	3.0	3.0	15.03	12.21	-19
Personal care and service	2.2	2.5	15.03	12.48	-17
Sales and related	9.8	10.5	20.70	17.67	-15
Office and administrative support	13.3	12.8	19.73	17.87	-9
Farming, fishing, and forestry	0.3	0.1	15.07	19.60	30
Construction and extraction	4.2	4.2	25.28	22.10	-13
Installation, maintenance, and repair	3.9	4.2	24.10	23.11	-4
Production	6.2	4.3	19.30	22.61	17
Transportation and material moving	8.5	8.6	18.23	18.98	4

Footnotes:
(1) A positive percent difference measures how much the mean wage in the New Orleans-Metairie, LA Metropolitan Statistical Area is above the national mean wage, while a negative difference reflects a lower wage.
Note: * The percent share of employment or mean hourly wage for this area is significantly different from the national average of all areas at the 90-percent confidence level.

Source: U.S. Department of Labor, Bureau of Labor Statistics

According to Bestplaces.net, the 2019 (latest available study) overall cost of living index for the New Orleans metropolitan area was below the national average and higher than the overall state of Louisiana index.

COST OF LIVING	New Orleans	Louisiana	USA
Overall	96.3	86.9	100
Grocery	99.2	92.7	100
Health	85.2	93.9	100
Housing	77.2	62.1	100
Median Home Cost	\$178,500	\$143,600	\$231,200
Utilities	87.3	89.9	100
Transportation	132.5	108.2	100
Miscellaneous	97.8	95.6	100

100=National Average

MANAGEMENT INITIATIVES

Along with challenges brought on by a global pandemic, SWBNO also faced critical challenges with our power generation systems. Most crippling was the inability to use two of our major power generating turbines during parts of 2020 which further highlights our need to pursue alternative long-term power solutions. SWBNO is aggressively executing a plan for a new West Power Complex made possible by the City of New Orleans and Entergy New Orleans partnership that will house a dedicated substation and provide additional and more reliable sources of power. The West Power Complex is planned to be completed in the latter part of 2023.

Throughout 2020, SWBNO leadership sought to secure creative financing solutions for New Orleans' long-existing infrastructure challenges. A landmark agreement known as the "Fair Share" deal was struck among SWBNO, the City of New Orleans, the State of Louisiana, and the hospitality industry in 2019 to provide both one-time and recurring funds to SWBNO to improve its infrastructure. This package included \$50 million in one-time funding that helped secure a healthy financial position for the utility in 2019, as well as up to \$20 million in recurring funds to support identified drainage and infrastructure projects aimed at improving customers' quality of life. Due to the global

pandemic impact to the hospitality industry the actual funds received were lower in 2020 at \$6.6 million but are expected to recover back to the pre-pandemic estimates as the recovery progresses.

SWBNO also continued in pursuit of a major federal water infrastructure loan to fund the full rehabilitation of New Orleans' sewer system during 2020. Under the Water Infrastructure Financing and Innovation Act (WIFIA) program, the U.S. Environmental Protection Agency (EPA) chose SWBNO in 2019 to apply for a low-interest, long-term loan planned to yield up to \$275 million to help the utility make its 2025 federal consent decree deadline to completely restore the sewer system. It is expected that the loan will be closed in the third quarter of 2021 and the funds will be used to fund Sewer System Rehabilitation projects throughout the city over the next five years.

As an ongoing effort to collaborate with our valued customers, the Executive Director formed the first customer facing body called the Customer Advisory Committee. It was created to develop a formal process that gives community members a voice within the utility's planning processes and decision-making structure. The Committee will help to guide SWBNO's Master Planning process and will also create a venue for staff to understand the community's needs and priorities so that the work we do reflects the values of the customers we serve. Additionally, the first Chief of Customer Service was hired in January 2021 to focus solely on all aspects of customer service delivery.

FINANCIAL PLANNING

SWBNO's final year of planned annual water and sewerage rate increases was in 2020 and a comprehensive affordability and rate study is currently underway. The previous increases were approved by the New Orleans City Council on December 6, 2012 and made effective on January 1, 2013. SWBNO is an enterprise fund of the City of New Orleans and, like most enterprise funds, it is financed by user fees. The user fees cover water and sewer services only. The approved rate plan covered an eight-year period, increasing 10 percent every year until its sunset in 2020.

As stated above, SWBNO also receives revenues from the three-(3) mill, six-(6) mill and nine-(9) mill ad valorem taxes, which are restricted exclusively for the drainage system.

General Operations

The change in net position for the year ended December 31, 2020 was an increase of approximately \$216.3 million, as opposed to an approximately \$111.5 million increase for the year ended December 31, 2019. The Board's total operating revenues increased by 2.2% to approximately \$268.6 million due primarily to a rate increase effective January 1, 2020 which was offset by lower billed volumes. Total non-operating revenue decreased by 23.4% to approximately \$66.2 million due primarily to \$28 million in one-time funding from the Fair Share program in 2019.

Budgetary Control

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

The 2020 approved operating budget of \$320.9 million is 6% greater than the 2019 approved fiscal budget of \$301.6 million. The Board has \$462.3 million in outstanding senior lien debt: \$3.9 million in Drainage Bonds, \$268.5 million in Sewer Revenue Bonds and \$189.9 million in Water Revenue Bonds. SWBNO has been issued an “A” and an “A-” rating from Standard & Poor’s Ratings Services (S&P) for the sewer system and water system, respectively, and a “BBB+” for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds is “AA-” and “A”, respectively.

CAPITAL IMPROVEMENT PROGRAM

SWBNO has a 10-year capital improvement program that factors in resources and expenses for the repair, rehabilitation, and replacement of water, sewer, and drainage capital assets. The program provides the utility with the ability to compare the impact of future stability over the next ten years. This includes capital improvements to infrastructure for the completion of projects from Hurricane Katrina repairs, for ongoing rehabilitation, to handle anticipated growth, to maintain compliance with regulatory requirements, technology changes, and to bring the system into the 21st century.

At the close of 2020, there were approximately 33 active contracts for capital projects. There are also several active emergency contracts, which are those not anticipated in the capital improvement program, including:

2020 – Turbine 4 Outage: On October 24, 2020, Turbine 4, which had been serving as the primary turbine for daily operations and rain events, tripped offline unexpectedly. The General Superintendent declared an extreme emergency to determine and address the cause of the event, prevent further damage, make all necessary repairs, and where necessary, repair or improve other system components to fortify the remaining 25-hz power generation and distribution facilities. Repair contracts for the Turbine were subsequently issued in early 2021.

2019 – Turbine 5 Explosion: On December 14, 2019 an explosion occurred in Turbine - Generator 5 at the Sewerage and Water Board’s Carrollton Water Plant. The explosion injured nearby personnel and caused significant damage to and around the turbine. The General Superintendent immediately declared an extreme emergency to provide for the safety of personnel, establish containment and stabilization of the power house, begin an assessment of the damage,

investigate the cause of the incident, and address the risk to the water, sewer, and drainage systems powered by the Turbine-Generator. The emergency declaration will also extend to the potential replacement of the 20 Megawatts of generating capacity lost due to the explosion. Several contracts were issued in response to this emergency, which were on-going at the end of 2020.

2016 - Emergency Declaration at River Intakes: \$1.3 million spent through 2020.

As of December 31, 2020, the Board's budget for its ten-year capital improvements program totaled approximately \$2.0 billion and included \$466 million in capital expenditures for the year ending December 31, 2021 for the following activities:

- Continue Joint Infrastructure Recovery Road in conjunction with City of New Orleans Department of Public Works;
- Comply with regulatory requirements under the Sewer Consent Decree;
- Rehabilitate and upgrade facilities at the Carrollton Water Plant;
- Participate in drainage system improvements in coordination with SELA Program;
- Continue Automated Meter Infrastructure project.

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

WATER SYSTEM MAJOR INITIATIVES

Below is a list of the major water system initiatives completed in 2020 and those that are still in progress:

Carrollton Water Purification Plant

- Construction and design of valves, actuators and controls at Sycamore Filter Gallery in progress.
- Design of new sludge line to the Mississippi River in progress.
- Design for the demolition to basins C7 and C8 completed. Construction of site work scheduled to be completed in October 2021.
- Design of improvement to Claiborne Ave Pumping, Panola and High Lift Stations completed. Construction of Claiborne Pumping Station in progress and scheduled for completion in Q3 2022.
- Design of the repairs to the fender system at New River and Oak St Raw Water Intake Structures in progress.

Algiers Water Purification Plant

- Design of water storage tank mixing in progress.

- Improvements to the Algiers Water Plant in progress, including replacement of Clarifier 1, improvements to Clarifiers 2,3, and 4, a new fluorousilicic acid storage and feed system, and SCADA system is under construction.
- Staff design of filter media replacement and repair to valves and actuators in progress.

Water Distribution System

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

Water Pumping and Power

- Replacement of various 25Hz power distribution cables in progress.
- Refurbishment of boilers 1 thru 6 in progress.
- Replacement of 25Hz pumps, motors, electrical components, piping, flow meters and valves associated with Oak St Raw Water Intake Station completed.
- Conversion of one distribution pump from steam turbine to 60 Hz motor completed.
- Design of new VFDs and motors for distribution pumps in progress.

SEWER SYSTEM INITIATIVES

Below is a list of the major sewer system initiatives completed in 2020 and those that are still in progress:

Sewerage Pumping Stations

- Design of structural improvements to SPS A and Station D completed. Construction at Station D completed and construction ongoing at SPS A.

Sewer Collection System

- Ongoing coordination with the Department of Public Works to rehabilitate sewer mains in association with the Joint Infrastructure Recovery Roads Program (JIRR) and other roadway rehabilitation projects.
- Construction within the South Shore Basin is currently 85% completed.
- Construction within the Mid-City Basin is currently 25% completed.
- Construction within the Carrollton Basin is currently 10% completed.

Wastewater Treatment Plants

- Construction for the installation of the sludge dryer in progress.
- Preliminary design of a new 66" effluent discharge line to the Mississippi River in progress.
- EBWWTP - Electrical Improvements Phase 2 completed.
- EBWWTP - Rehabilitation of Clarifier #8 completed.
- EBWWTP - Design of Additional Effluent Pump (#6) completed.
- EBWWTP - Installation of the 'air lance' heater blower system for FBI scrubber system completed.
- EBWWTP - Construction of the Sludge Dryer Project in progress.
- WBWWTP - Replacement of the drive unit on the final clarifier #1 in progress.
- EBWWTP - Repair of Clarifier #5's underground RAS pipeline in progress.

DRAINAGE SYSTEM INITIATIVES

Below is a list of the major drainage system initiatives completed in 2020 and those that are still in progress:

Drainage Pumping Stations

- Rehabilitation of the Broad St Underpass Station in progress.
- Construction of anti-siphon mechanisms at Drainage Pumping Station 4 in progress.
- Additional SCADA instrumentation purchase and install in progress.
- Design of Discharge Pump Station # 13 in Algiers in progress.

Canals

- Construction of Florida Ave Canal Phases II/III from Peoples Ave is 100% complete.
- Construction of Florida Ave Canal Phase IV is in progress.
- Construction of General DeGaulle Canal Improvements from Shirley Dr to Holiday Dr is in progress.
- Design of Donner Canal from Algiers Outfall Canal to Pump Station #13 is in progress.
- Design of General DeGaulle Canal from Behrman Place to Algiers Outfall Canal is in progress.

OTHER FINANCIAL INFORMATION AND SUBSEQUENT EVENTS

SWBNO is pursuing several priority projects in 2021:

Advanced Metering Infrastructure: As of the submission of this letter, SWBNO has selected a Project Manager for a four-year, two-phase effort to bring Automated Metering Infrastructure (AMI) to its customers. AMI will benefit both SWBNO and its ratepayers in numerous ways, including generating real-time, accurate billing information, reducing estimated readings and re-billing costs, reducing billing errors and disputes, preventing tampering and theft, and promoting energy conservation and customer savings with time-of-use consumption. The project will be funded in part with Fair Share dollars.

Sewer and Water Bond Refunding Sales: As part of its financial plan to reduce borrowing costs and generate budget savings, SWBNO issued \$372 million in refunding bonds for the majority of the 2014 and 2015 Sewer and Water General Revenue Bonds in March 2021. The proceeds were used to refund outstanding principle and created net present value savings of \$36 million over the expected term of the 2021 refunding bonds.

West Power Complex: As a part of the \$300 million Power Master Plan, SWBNO has made significant progress with the demolition of C7/C8 and site preparation for the West Power Complex. In addition, SWBNO is in the process of acquiring the first Frequency Changer with funding from the state capital outlay program and the City of New Orleans recently announced a partnership with SWBNO that through a range of funding commitments, will allow Entergy New Orleans to seek approvals to support next-generation power infrastructure at the Carrollton Water Plant. The estimated \$74 million project will provide a new Substation, Frequency Changers, and Power Integration ensuring a much more reliable source of power to SWBNO to better serve customers and make a transformative change to address the most critical need for reliable power.

ACKNOWLEDGEMENTS

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

We also extend a special acknowledgement to all members of the Board of Directors for their unfailing support, leadership and high standard of professionalism in the management of SWBNO's finances. Of course, a special thanks goes out to the President of the Board, Mayor Latoya Cantrell, Governor John Bel Edwards, and our hospitality partners who played a vital role in obtaining much needed funding for SWBNO as we look toward rebuilding a strong infrastructure for the citizens and visitors of New Orleans.

Because of the dedication of its employees, SWBNO received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for past submissions of its AFR for thirty-six (36) of the past thirty-nine (39) years. This Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized AFR whose contents conform to program standards. Such AFR must satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one (1) year only. We believe that the current report conforms to the Certificate of Achievement program requirements, and we will submit this AFR to the GFOA.

SWBNO hereby submits its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020.

Respectfully submitted,

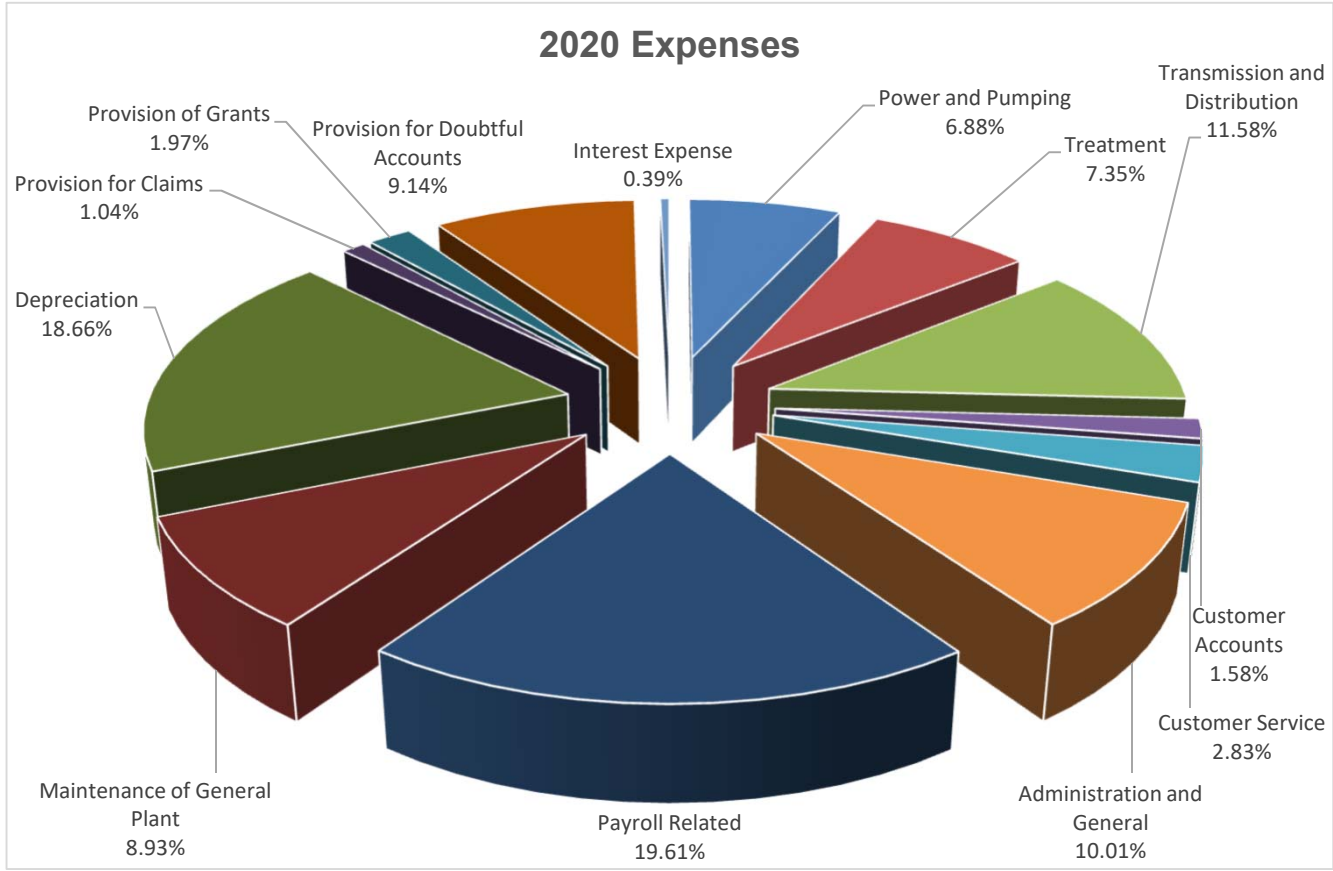
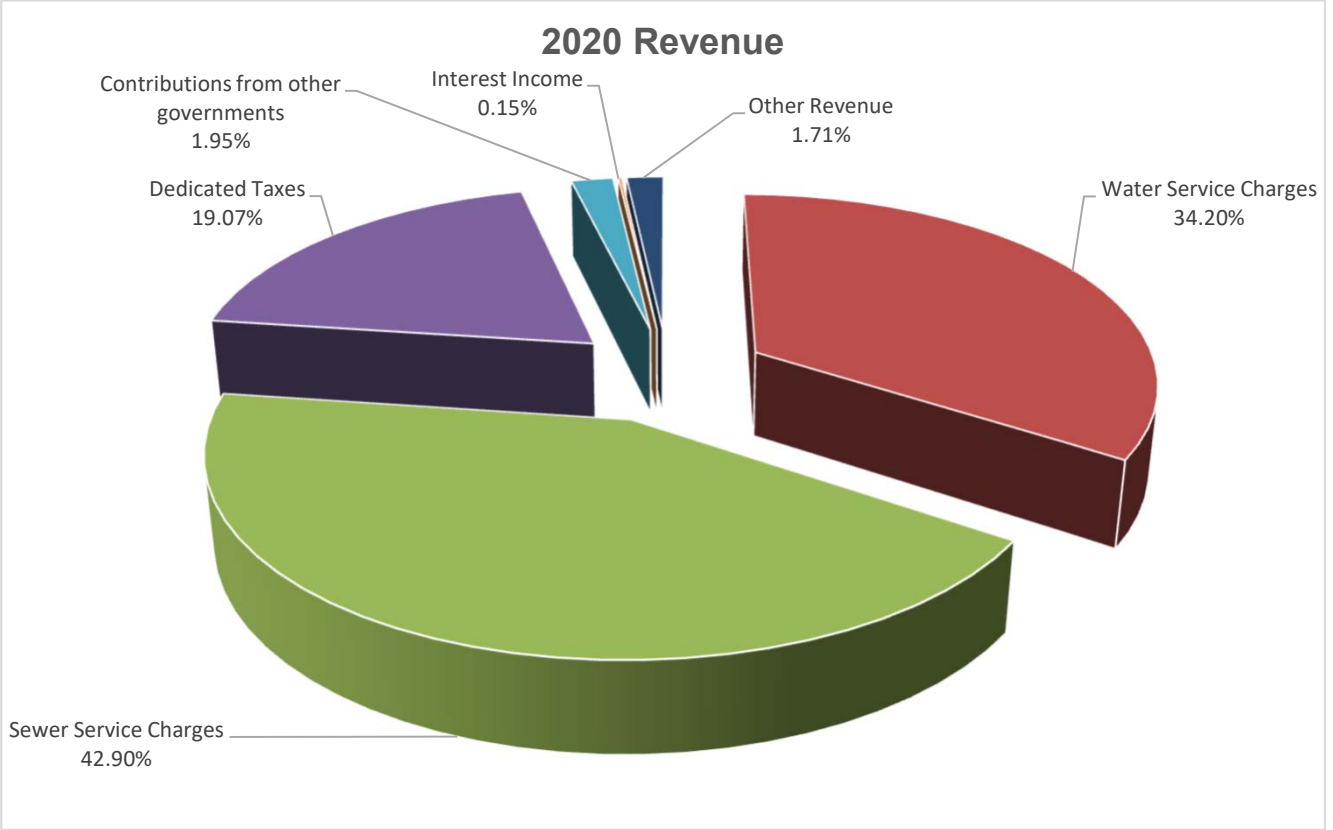


Ghassan Korban, Executive Director



E. Grey Lewis, Chief Financial Officer

Sewerage and Water Board of New Orleans, Louisiana





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**New Orleans Sewer & Water Board
Louisiana**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Sewerage & Water Board of New Orleans

2020 BOARD OF DIRECTORS

MAYOR LATOYA CANTRELL

President

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



TAMIKA DUPLESSIS, PH.D.

President Pro-Tem

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



JAY H. BANKS

Councilmember

Mr. Banks was selected to represent the City Council on the Board of Directors in 2019. He is the former Director of the Dryades UMCA and serves as councilman for District B.



ROBIN BARNES

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



ALEJANDRA GUZMAN

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



JANET HOWARD

Representing as a Consumer/Community Advocate, Ms. Howard previously served as President and CEO of the Bureau of Governmental Research and is currently principal of Howard Policy Solutions LLC.



RALPH JOHNSON

Representing the Board of Liquidation, Mr. Johnson is the Chief Financial Officer and Vice President of Business and Administrative Affairs at Dillard University.



JOSEPH PEYCHAUD

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



LYNES R. "POCO" SLOSS

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



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

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



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

December 31, 2020

BOARD OF DIRECTORS

MAYOR LATOYA CANTRELL, President

JAY H. BANKS
ROBIN BARNES
Dr. TAMIKA DUPLESSIS – President Pro-Tem
ALEJANDRA GUZMAN
JANET HOWARD

RALPH JOHNSON
JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS
LYNES “POCO” SLOSS
VACANT, DISTRICT D

BOARD OF TRUSTEES

MAYOR LATOYA CANTRELL, Chairperson

JAY H. BANKS
ROBIN BARNES
DR. TAMIKA DUPLESSIS
ALEJANDRA GUZMAN
JANET HOWARD

RALPH JOHNSON
JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS
LYNES “POCO” SLOSS
VACANT, DISTRICT D

AUDIT COMMITTEE

DR. TAMIKA DUPLESSIS – Chairperson

ROBIN BARNES
ALEJANDRA GUZMAN

JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS

FINANCE AND ADMINISTRATION COMMITTEE

LYNES “POCO” SLOSS – Chairperson

ALEJANDRA GUZMAN
JANET HOWARD

RALPH JOHNSON
JOSEPH E. PEYCHAUD

GOVERNANCE COMMITTEE

RALPH JOHNSON – Chairperson

JAY H. BANKS
ROBIN BARNES

JANET HOWARD
LYNES “POCO” SLOSS

PENSION COMMITTEE

JOSEPH E. PEYCHAUD – Chairperson

JAY H. BANKS
CHRISTOPHER BERGERON
ALEJANDRA GUZMAN
HAROLD HELLER

RALPH JOHNSON
ADAM KAY
LATRESSIA MATTHEWS
DR. MAURICE SHOLAS

STRATEGY COMMITTEE

ROBIN BARNES – Chairperson

DR. TAMIKA DUPLESSIS
JANET HOWARD

DR. MAURICE SHOLAS
LYNES “POCO” SLOSS

OPERATIONS COMMITTEE

JANET HOWARD – Chairperson

JAY H. BANKS
DR. TAMIKA DUPLESSIS

JOSEPH E. PEYCHAUD

RUDD & WISDOM, ACTUARY

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

December 31, 2020

EXECUTIVE DIRECTOR

Ghassan Korban

CHIEF OF STAFF

Christy Harowski

GENERAL SUPERINTENDENT – CONSTRUCTION/OPERATIONS

Robert Turner

CHIEF COMMUNICATIONS OFFICER

Courtney Barnes

CHIEF FINANCIAL OFFICER

E. Grey Lewis

CHIEF ADMINISTRATIVE OFFICER

David Callahan

SPECIAL COUNSEL

Yolanda Grinstead

CHIEF CUSTOMER SERVICE OFFICER

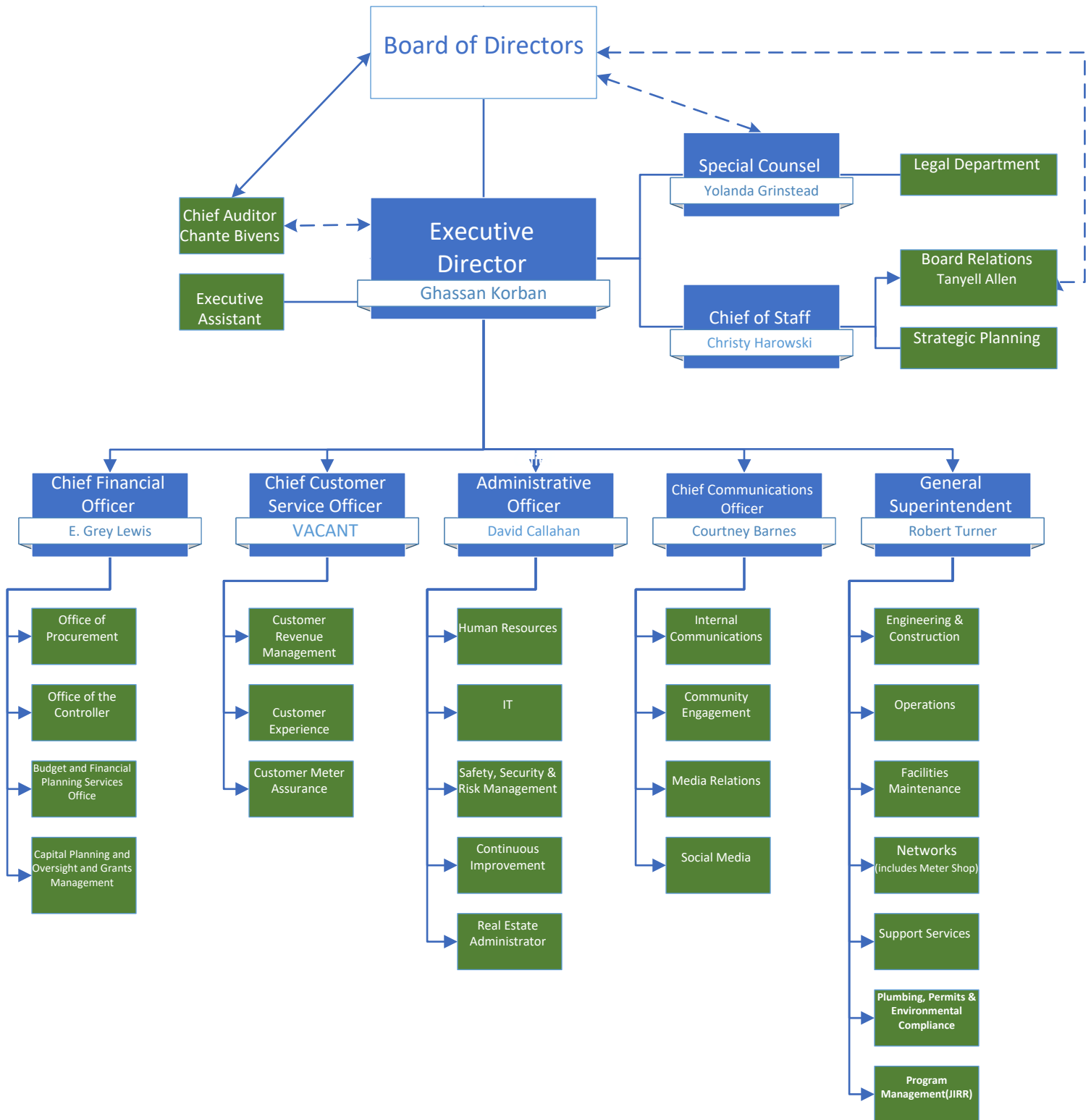
VACANT

CHIEF AUDITOR

Chante Bivens

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2020 Utility-Wide Organizational Chart



FINANCIAL SECTION



ACCOUNTABILITY: What we do is of the highest importance to the people of New Orleans. As good stewards of public resources, we hold ourselves and each other to the highest standards.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Sewerage and Water Board of New Orleans (the "Board"), comprised of its business type activities and its fiduciary fund, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund of the Board, as of December 31, 2020 and 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-4 through II-20 and the schedules presented on pages II-74 through II-76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Introductory section on pages I-1 to I-20, Financial Section schedules 1 through 7 on pages II-77 to II-84, the Statistical section on pages III-0 to III-24, and Supplemental section, pages IV-1 to IV-34, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 1 through 7 on pages II-77 to II-84 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules 1 through 7 are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory, Statistical, and Supplemental sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
June 30, 2021

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

The following Management Discussion and Analysis provides an overview of the financial performance of the Sewerage & Water Board of New Orleans (the Board) for the fiscal years that ended December 31, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. The Board's financial statements follow this section.

FINANCIAL HIGHLIGHTS

The Board adopted a financial plan for 2011 through 2020 that resulted in improved debt service coverage, increased funding for operations and maintenance, and full funding for the capital improvement programs. This financial plan was updated in 2016 to cover 2017 through 2020.

Recovery from Hurricane Katrina, the resulting flooding and an ongoing consent decree program continued to have significant impacts on operations and capital activities during 2020. Repairs and replacements to the water, sewerage, and drainage systems, and rehabilitation and replacement of buildings will continue through 2025.

On August 5, 2017, New Orleans experienced a significant storm event resulting in localized flooding. In response, an investment was made in the emergency repair and upgrade to various aspects of the drainage system that have continued since this date and highlighted modernization needs.

In May 2019, in an effort to replenish funding for the Board, Mayor LaToya Cantrell led the charge to obtain \$50 million in one-time funding to support various operations and capital needs of the Board. During 2019, the Board received \$28 million in one-time funding through the Fair Share program. In addition, the Mayor was able to secure ongoing funding under House Bills 522, 617 & 43 for additional recurring tax revenue of which the Board received \$6 million in 2020 through the Fair Share program.

In 2020, the Board issued sewerage service revenue bonds, series 2020A and 2020B providing \$75 million of capital funding for the consent decree program. Additionally, the Board embarked on a comprehensive Power program to stabilize and modernize the power sources through a combination of funding sources including State capital outlay funding to begin site preparation work for the West Power Complex.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

Enterprise Fund

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

2020

- The SWBNO's total assets and deferred outflows totaled \$3.9 billion in 2020 compared to \$3.6 billion in 2019, an increase of 8.8%, while net position totaled \$2.6 billion in 2020 compared to \$2.4 billion in 2019, an increase of 9.2%.
- Operating revenues increased by approximately \$5.7 million from 2019 to 2020, to a total of approximately \$268.6 million for the year ended December 31, 2020.
- Total operating expenses decreased in 2020 by \$10.2million, or 3.4% compared to 2019.
- Total assets and deferred outflows increased \$313.9 million, or 8.8% from 2019 to 2020.
- For the year ended December 31, 2020, the Board had total outstanding senior lien municipal debt of \$462.3 million, which includes \$3.9 million in Drainage bonds, \$268.5 million in Sewer Revenue Bonds, and \$189.9 million in Water Revenue Bonds.
- The Board's additions to construction in progress approximated \$71.8 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Corps of Engineers, resulted in additions of approximately \$82.2 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$28.1 million and Hazard Mitigation grants totaled approximately \$7.4 million.

2019

- The SWBNO's total assets and deferred outflows totaled \$3.6 billion in 2019 compared to \$3.5 billion in 2018, an increase of 2.1%, while net position totaled \$2.4 billion in 2019 compared to \$2.2 billion in 2018, an increase of 5.0%.
- Operating revenues increased by approximately \$51.7 million from 2018 to 2019, to a total of approximately \$263.0 million for the year ended December 31, 2019.
- Total operating expenses increased in 2019 by \$3.3 million, or 1.1% compared to 2018.
- Total assets and deferred outflows increased \$72.6 million, or 2.1% from 2018 to 2019.
- For the year ended December 31, 2019, the Board had total outstanding senior lien municipal debt of \$405.1 million, which includes \$5.9 million in Drainage bonds, \$205.5 million in Sewer Revenue Bonds, and \$193.7 million in Water Revenue Bonds.
- The Board's additions to construction in progress approximated \$173.8 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Corps of Engineers, resulted in additions of approximately \$47.8 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$7.0 million and Hazard Mitigation grants totaled approximately \$15.4 million.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Pension Trust Fund

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

2020

The net appreciation of the fair value of investments was \$20.0 million in 2020 compared to a net appreciation of \$32.7 million in 2019. The net position restricted for pension benefits increased by \$8.7 million during 2020 to \$248.4 million at December 31, 2020.

2019

The net appreciation of the fair value of investments was \$32.7 million in 2019 compared to a net depreciation of \$8.5 million in 2018. The net position restricted for pension benefits increased by \$24.4 million during 2019 to \$239.7 million at December 31, 2019.

The remainder of this page is intentionally left blank.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – Enterprise Fund

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

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

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

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

Fund Financial Statements – Pension Trust Fund

The Board's fiduciary fund financial statements consist of its pension trust fund. As a fiduciary fund, the pension trust fund is held for the benefit of employees and retirees of the Board. The pension trust fund is not reflected in the government-wide financials because the resources are not available to the Board for its activities. The accounting for the pension trust fund is much like that used by the enterprise fund.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

FINANCIAL ANALYSIS OF THE BOARD

ENTERPRISE FUND

2020 Net Position

The Board's total assets and deferred outflows at December 31, 2020 were approximately \$3.9 billion, a 8.4% increase from December 31, 2019 (see Table A-1).

Table A-1				
Sewerage & Water Board of New Orleans				
Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 170,112,872	\$ 129,867,392	\$ 40,245,480	31.0%
Restricted assets	149,357,298	49,943,476	99,413,822	199.1%
Property, plant, and equipment - net	3,473,319,986	3,318,295,115	155,024,871	4.7%
Other assets	13,283,529	12,845,142	438,387	3.4%
Total assets	3,806,073,685	3,510,951,125	295,122,560	8.4%
Deferred outflows of resources	64,869,698	46,121,097	18,748,601	40.7%
Total deferred outflows of resources	64,869,698	46,121,097	18,748,601	40.7%
Total assets and deferred outflows	\$ 3,870,943,383	\$ 3,557,072,222	\$ 313,871,161	8.8%
Current liabilities	\$ 148,597,924	\$ 114,879,776	\$ 33,718,148	29.4%
Long-term liabilities	1,125,165,612	1,070,754,335	54,411,277	5.1%
Total liabilities	1,273,763,536	1,185,634,111	88,129,425	7.4%
Deferred inflows of resources	24,572,402	15,170,059	9,402,343	62.0%
Total deferred inflows of resources	24,572,402	15,170,059	9,402,343	62.0%
Net position:				
Net investment in capital assets	2,856,741,717	2,631,802,752	224,938,965	8.5%
Restricted	44,544,164	43,839,618	704,546	1.6%
Unrestricted	(328,678,436)	(319,374,318)	(9,304,118)	2.9%
Total net position	2,572,607,445	2,356,268,052	216,339,393	9.2%
Total liabilities, deferred inflows, and net position	\$ 3,870,943,383	\$ 3,557,072,222	\$ 313,871,161	8.8%

The increase in total assets and deferred outflows of \$313.9 million resulted primarily due to a net increase in net property, plant, and equipment of \$155.0 million. There was also an increase in restricted assets of about \$99.4 million for bond proceeds which will be used to funds construction projects. Additionally, current unrestricted assets increased by \$40.2 million in 2020 mainly due to an increase in cash and cash equivalents of \$23.7 million, an increase in outstanding customers receivable balance, net of related allowance of \$8.0 million and an increase in grants receivable of \$11.7 million offset by decreases in taxes and miscellaneous receivables.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

Current liabilities increased by \$33.7 million primarily due to an increase in accounts payable of \$26.6 million and an increase in retainers and estimates payables of \$2.7 million due to timing of payments to vendors. Long-term liabilities increased by \$57.7 million primarily due to an increase of \$37.2 million in total other post-employment benefits liability (total OPEB liability), an increase in bonds payable of \$69.1 million, offset by a decrease in net pension liability of \$7.5 million due to changes in actuarial assumption and investment returns, and a decrease in the Southeast Louisiana project liability of \$40.5 million due to changes in final payback amounts and current year activity. Deferred outflows of resources and deferred inflows of resources increased by \$18.7 million and \$9.4 million, respectively, due to changes in the actuary's assumptions on investment returns and demographic factors related to the pension and OPEB liabilities.

2019 Net Position

The Board's total assets and deferred outflows at December 31, 2019 were approximately \$3.6 billion, a 2.1% increase from December 31, 2018 (see Table A-2).

Table A-2				
Sewerage & Water Board of New Orleans				
Net Position				
	2019	2018	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 129,867,392	\$ 150,478,786	\$ (20,611,394)	-13.7%
Restricted assets	49,943,476	69,484,786	(19,541,310)	-28.1%
Property, plant, and equipment - net	3,318,295,115	3,208,862,077	109,433,038	3.4%
Other assets	12,845,142	7,478,739	5,366,403	71.8%
Total assets	3,510,951,125	3,436,304,388	74,646,737	2.2%
Deferred outflows of resources	46,121,097	48,123,085	(2,001,988)	-4.2%
Total deferred outflows of resources	46,121,097	48,123,085	(2,001,988)	-4.2%
Total assets and deferred outflows	\$ 3,557,072,222	\$ 3,484,427,473	\$ 72,644,749	2.1%
Current liabilities	\$ 114,879,776	\$ 167,662,980	\$ (52,783,204)	-31.5%
Long-term liabilities	1,070,754,335	1,054,308,552	16,445,783	1.6%
Total liabilities	1,185,634,111	1,221,971,532	(36,337,421)	-3.0%
Deferred inflows of resources	15,170,059	17,653,950	(2,483,891)	-14.1%
Total deferred inflows of resources	15,170,059	17,653,950	(2,483,891)	-14.1%
Net position:				
Net investment in capital assets	2,631,802,752	2,543,371,049	88,431,703	3.5%
Restricted	43,839,618	46,042,585	(2,202,967)	-4.8%
Unrestricted	(319,374,318)	(344,611,643)	25,237,325	-7.3%
Total net position	2,356,268,052	2,244,801,991	111,466,061	5.0%
Total liabilities, deferred inflows, and net position	\$ 3,557,072,222	\$ 3,484,427,473	\$ 72,644,749	2.1%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

The increase in total assets and deferred outflows of \$72.6 million resulted primarily due to a net increase in property, plant, and equipment of \$109.4 million. There was a decrease in restricted assets of about \$19.5 million as funds were used for construction projects. Current unrestricted assets decreased by \$20.6 million in 2019 mainly due to a decrease in outstanding customers receivable balance, net of related allowance, of \$6.3 million and a decrease in grants receivable of \$9.8 million.

Current liabilities decreased by \$52.8 million primarily due to a decrease in accounts payable of \$33.1 million, an \$11.2 million decrease in the disaster reimbursement revolving loan fund, and more timely payments to vendors. Long-term liabilities increased by \$16.4 million primarily due to an increase of \$36.6 million in total other post-employment benefits liability (total OPEB liability) and the issuance of \$75.0 million in bonds offset by a decrease in net pension liability of \$18.8 million due to changes in actuarial assumption and investment returns, and decreases in other long term liabilities. Deferred outflows of resources and deferred inflows of resources decreased by \$2.0 million and \$2.5 million, respectively, due to changes in the actuary's assumptions on investment returns and demographic factors related to the pension and OPEB liabilities.

The remainder of this page is intentionally left blank

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

2020 Changes in Net Position

The change in net position for the year ended December 31, 2020 was an increase of approximately \$216.3 million, as opposed to approximately \$111.5 million for the year ended December 31, 2019. The Board's total operating revenues increased by 2.2% to approximately \$268.6 million due primarily to a 10% rate increase effective January 1, 2020 offset by lower billed usage in 2020. Total non-operating revenue (expenses) decreased by 24.4% to approximately \$65.3 million primarily due to a reduction in contributions from other governments of \$29.1 million offset by a \$8.5 million increase in property tax revenues. Capital contributions from federal grants and construction of Board property was approximately \$170.3 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$28.1 million and \$7.4 million, respectively, and approximately \$122.1 million of capital contributions from the Army Corps of Engineers. The changes in net position are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues, Expenses and Change in Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 116,603,501	\$ 113,339,213	\$ 3,264,288	2.9%
Sewerage service charges	146,261,741	143,686,137	2,575,604	1.8%
Plumbing inspection and license fees	462,987	582,056	(119,069)	-20.5%
Other revenue	5,318,766	5,351,115	(32,349)	-0.6%
Total operating revenues	268,646,995	262,958,521	5,688,474	2.2%
Operating expenses (Table A-4)	287,908,080	298,150,127	(10,242,047)	-3.4%
Operating loss	(19,261,085)	(35,191,606)	15,930,521	45.3%
Non-operating revenues (expenses):				
Property taxes	64,424,226	55,888,326	8,535,900	15.3%
Other taxes	595,099	594,985	114	0.0%
Contributions from other governments	6,657,172	35,839,141	(29,181,969)	-81.4%
Federal noncapital grants	60,082	48,716	11,366	23.3%
Interest income	527,381	1,610,012	(1,082,631)	-67.2%
Interest expense	(276,737)	(228,235)	(48,502)	21.3%
Bond issuance costs	(886,582)	(127,550)	(759,032)	595.1%
Recovery (provision) for grants	(5,812,199)	(7,230,828)	1,418,629	-19.6%
Total non-operating revenues (expenses)	65,288,442	86,394,567	(21,106,125)	-24.4%
Income before capital contributions	46,027,357	51,202,961	(5,175,604)	-10.1%
Capital contributions	170,312,036	60,263,100	110,048,936	182.6%
Change in net position	216,339,393	111,466,061	104,873,332	94.1%
Net position, beginning of year	2,356,268,052	2,244,801,991	111,466,061	5.0%
Net position, end of year	\$ 2,572,607,445	\$ 2,356,268,052	\$ 216,339,393	9.2%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

Table A-4				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 20,302,317	\$ 20,013,016	\$ 289,301	1.4%
Treatment	21,680,572	19,688,222	1,992,350	10.1%
Transmission and distribution	34,160,672	38,176,467	(4,015,795)	-10.5%
Customer accounts	4,656,250	5,431,786	(775,536)	-14.3%
Customer service	8,343,631	5,304,138	3,039,493	57.3%
Administration and general	29,522,990	29,023,557	499,433	1.7%
Payroll related	57,836,511	53,838,316	3,998,195	7.4%
Maintenance of general plant	26,343,420	27,142,840	(799,420)	-2.9%
Depreciation	55,037,867	64,156,230	(9,118,363)	-14.2%
Provision for doubtful accounts	26,960,777	33,306,195	(6,345,418)	-19.1%
(Recovery) provision for claims	3,063,073	2,069,360	993,713	48.0%
Total operating expenses	\$ 287,908,080	\$ 298,150,127	\$ (10,242,047)	-3.4%

Total operating expenses decreased by approximately \$10.2 million or 3.4% compared to 2019. The decrease of \$6.3 million in provision for doubtful accounts was mainly due to additional expenses in 2019 and improved collection rates, and the \$1.0 million increase in the provision for claims was mainly attributable to the impact of the revised estimated general liabilities claims. In addition, transmission and distribution decreased by \$4.0 million, or 10.5%, due to the Board focusing on cost cutting measures during the global pandemic and deferring certain repairs and maintenance expenditures on the water, sewer, and drainage systems where possible. Depreciation expenses decreased by \$9.1 million, or 14.2% based on changes in the estimated depreciation costs in the current year. Furthermore, payroll related expenses increased by approximately \$4.0 million or 7.4% due to increased costs of fringe related benefits.

2019 Changes in Net Position

The change in net position for the year ended December 31, 2019 was an increase of approximately \$111.5 million, as opposed to approximately \$75.8 million for the year ended December 31, 2018. The Board's total operating revenues increased by 24.5% to approximately \$263.0 million due primarily to improved customer billing and rate increases effective January 1, 2019. Total non-operating revenue (expenses) increased by 46.2% to approximately \$86.4 million due primarily to \$28 million in one-time funding from the Fair Share program and approximately \$7.1 million from the revolving loan fund, offset by a \$10.4 change in the provision for grants deemed uncollectible. Capital contributions from federal grants and construction of Board property was approximately \$60.3 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$7 million and \$15.4 million, respectively, approximately \$24.6 million of capital contributions from the Army Corps of Engineers, and approximately \$11.2 million of forgiveness of the Revolver account liability. The changes in net position are detailed in Table A-5; operating expenses are detailed in Table A-6.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

Table A-5				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2019	2018	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 113,339,213	\$ 90,287,081	\$ 23,052,132	25.5%
Sewerage service charges	143,686,137	114,614,157	29,071,980	25.4%
Plumbing inspection and license fees	582,056	648,332	(66,276)	-10.2%
Other revenue	5,351,115	5,687,203	(336,088)	-5.9%
Total operating revenues	262,958,521	211,236,773	51,721,748	24.5%
Operating expenses (Table A-4)	298,150,127	294,807,252	3,342,875	1.1%
Operating loss	(35,191,606)	(83,570,479)	48,378,873	57.9%
Non-operating revenues (expenses):				
Property taxes	55,888,326	54,651,624	1,236,702	2.3%
Other taxes	594,985	594,532	453	0.1%
Contributions from other governments	35,839,141	-	35,839,141	N/A
Federal noncapital grants	48,716	78,814	(30,098)	-38.2%
Interest income	1,610,012	833,128	776,884	93.2%
Interest expense	(228,235)	(248,469)	20,234	-8.1%
Bond issuance costs	(127,550)	-	(127,550)	N/A
Recovery (provision) for grants	(7,230,828)	3,183,641	(10,414,469)	-327.1%
Total non-operating revenues (expenses)	86,394,567	59,093,270	27,301,297	46.2%
Income before capital contributions	51,202,961	(24,477,209)	75,680,170	-309.2%
Capital contributions	60,263,100	100,287,756	(40,024,656)	-39.9%
Change in net position	111,466,061	75,810,547	35,655,514	47.0%
Net position, beginning of year	2,244,801,991	2,168,991,444	75,810,547	3.5%
Net position, end of year	\$ 2,356,268,052	\$ 2,244,801,991	\$ 111,466,061	5.0%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

Table A-6				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2019	2018	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 20,013,016	\$ 31,874,462	\$ (11,861,446)	-37.2%
Treatment	19,688,222	22,958,975	(3,270,753)	-14.2%
Transmission and distribution	38,176,467	46,530,018	(8,353,551)	-18.0%
Customer accounts	5,431,786	5,243,276	188,510	3.6%
Customer service	5,304,138	4,476,414	827,724	18.5%
Administration and general	29,023,557	28,253,318	770,239	2.7%
Payroll related	53,838,316	49,416,581	4,421,735	8.9%
Maintenance of general plant	27,142,840	28,813,485	(1,670,645)	-5.8%
Depreciation	64,156,230	63,501,190	655,040	1.0%
Provision for doubtful accounts	33,306,195	20,942,217	12,363,978	59.0%
(Recovery) provision for claims	2,069,360	(7,202,684)	9,272,044	-128.7%
Total operating expenses	\$ 298,150,127	\$ 294,807,252	\$ 3,342,875	1.1%

Total operating expenses increased by approximately \$3.3 million or 1.1% compared to 2018. The increase of \$12.4 million in provision for doubtful accounts was mainly due to customer collection issues in 2019, and the \$9.3 million increase in the provision for claims was mainly attributable to the impact of the 2018 revised reserve for general liabilities claims. In addition, transmission and distribution decreased by \$8.4 million, or 18% due to the Board having limited resources available for non-FEMA funded repairs and maintenance expenditures on the water, sewer, and drainage systems. Furthermore, payroll related expenses increased by approximately \$4.4 million or 8.9% due to an increase in total number of employees from approximately 1,400 at December 31, 2018 to approximately 1,500 at December 31, 2019.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

PENSION TRUST FUND

2020 Plan Net Position

The Board's total plan assets and net position of its pension trust fund at December 31, 2020 were approximately \$248.4 million representing a 3.6% increase from December 31, 2019 (see table A-7).

Plan net position increased by approximately \$8.7 million in 2020 primarily due to net appreciation in fair value of investments of approximately \$19.9 million from positive market performance and contributions offset by current year benefit payments and other deductions.

Table A-7				
Sewerage & Water Board of New Orleans Pension Trust Fund Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Cash	\$ 3,535,423	\$ 442,289	\$ 3,093,134	699.3%
Investments	243,691,570	239,630,727	4,060,843	1.7%
Receivables	541,053	438,942	102,111	23.3%
Due from other fund	632,978	343,344	289,634	84.4%
Total assets	248,401,024	240,855,302	7,545,722	3.1%
Other liabilities	-	1,177,600	(1,177,600)	N/A
Total liabilities	-	1,177,600	(1,177,600)	100.0%
Plan net position	\$ 248,401,024	\$ 239,677,702	\$ 8,723,322	3.6%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

2019 Plan Net Position

The Board's total plan assets and net position of its pension trust fund at December 31, 2019 were approximately \$240.9 million and \$239.7 million, respectively, representing a 10.9% and 11.3% increase, respectively, from December 31, 2018 (see table A-8).

Plan net position increased by approximately \$24.4 million in 2019 primarily due to net appreciation in fair value of investments by approximately \$33.7 million. An increase of employee and employer contributions of \$2.4 million was offset by an increase of benefit payments of approximately \$1.9 million in 2019.

Table A-8				
Sewerage & Water Board of New Orleans Pension Trust Fund Net Position				
	2019	2018	Increase (Decrease)	Increase (Decrease)
Cash	\$ 442,289	\$ 1,456	\$ 440,833	30277.0%
Investments	239,630,727	217,136,196	22,494,531	10.4%
Receivables	438,942	63,354	375,588	592.8%
Due from other fund	343,344	73,777	269,567	365.4%
Total assets	240,855,302	217,274,783	23,580,519	10.9%
Other liabilities	1,177,600	1,995,000	(817,400)	N/A
Total liabilities	1,177,600	1,995,000	(817,400)	100.0%
Plan net position	\$ 239,677,702	\$ 215,279,783	\$ 24,397,919	11.3%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

2020 Changes in Plan Net Position

Change in net position decreased by \$15.7 million mainly attributable \$12.8 million lower income on investments based on returns for equity and real estate relative to 2019 and a \$3.4 million increase in benefits, employee refunds and employee DROP contributions.

Table A-9				
Sewerage & Water Board of New Orleans				
Change in Plan Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	\$ 14,155,581	\$ 13,596,270	\$ 559,311	4.1%
Net income (loss) on investments	20,860,435	33,662,791	(12,802,356)	-38.0%
Total additions	35,016,016	47,259,061	(12,243,045)	-25.9%
Deductions:				
Benefits	(21,014,729)	(20,438,403)	(576,326)	2.8%
Employee refunds	(559,364)	(481,801)	(77,563)	16.1%
Employee DROP contributions	(4,718,601)	(1,940,938)	(2,777,663)	143.1%
Total deductions	(26,292,694)	(22,861,142)	(3,431,552)	15.0%
Change in net position	8,723,322	24,397,919	(15,674,597)	-64.2%
Plan net position, beginning of year	239,677,702	215,279,783	24,397,919	11.3%
Plan net position, end of year	\$ 248,401,024	\$ 239,677,702	\$ 8,723,322	3.6%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

2019 Changes in Plan Net Position

Change in net position increased by \$44.4 million mainly attributable to a \$41.5 million net investment (loss) income change. The increase in net investment income in 2019 is due to stock market performance causing appreciation in fair value of the equity investments that account for approximately half of the investment portfolio of the pension trust fund.

Table A-10				
Sewerage & Water Board of New Orleans				
Change in Plan Net Position				
	2019	2018	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	\$ 13,596,270	\$ 11,186,923	\$ 2,409,347	21.5%
Net income (loss) on investments	33,662,791	(7,868,279)	41,531,070	-527.8%
Total additions	47,259,061	3,318,644	43,940,417	1324.0%
Deductions:				
Benefits	(20,438,403)	(18,565,085)	(1,873,318)	10.1%
Employee refunds	(481,801)	(355,206)	(126,595)	35.6%
Employee DROP contributions	(1,940,938)	(4,402,887)	2,461,949	-55.9%
Total deductions	(22,861,142)	(23,323,178)	462,036	-2.0%
Change in net position	24,397,919	(20,004,534)	44,402,453	-222.0%
Plan net position, beginning of year	215,279,783	235,284,317	(20,004,534)	-8.5%
Plan net position, end of year	\$ 239,677,702	\$ 215,279,783	\$ 24,397,919	11.3%

CAPITAL ASSET AND DEBT ADMINISTRATION

2020 Capital Assets

As of December 31, 2020, the Board had invested approximately \$4.62 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2020 totaled approximately \$3.47 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$155.0 million, or 4.7%, over December 31, 2019.

2019 Capital Assets

As of December 31, 2019, the Board had invested approximately \$4.42 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2019 totaled approximately \$3.32 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$109.4 million, or 3.4%, over December 31, 2018.

See Note 4 for detailed capital asset activity during 2020 and 2019.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

2020 Debt Administration

The Board continues to make its regularly scheduled payments on its bonds. During 2020, \$17.8 million in principal payments were made.

The Louisiana Department of Environmental Quality has loaned the Board up to \$9.0 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$5.6 million at December 31, 2020.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2020, the accumulated amount due to the U.S. Government totaled approximately \$209.8 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest started in 2021. Total payment for the project is estimated to be approximately \$209.8 million through 2055. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

The City entered into a subsequent agreement with the Louisiana Department of Environmental Quality whereby it has committed to loan the Board \$10 million to fund certain sewer main replacements and repairs. The loan is to be advanced in incremental amounts as project costs are incurred. Semi-annual interest and administrative fee payments begin in 2020. Annual principal payments are due beginning in 2022 and continuing through 2040. At December 31, 2020, the outstanding balance is \$127,550. See Note 6 for detailed long term debt activity during 2020.

2019 Debt Administration

The Board continues to make its regularly scheduled payments on its bonds. During 2019, \$16.9 million in principal payments were made.

The Louisiana Department of Environmental Quality has loaned the Board up to \$9.0 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$6.0 million at December 31, 2019.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2019, the accumulated amount due to the U.S. Government totaled approximately \$250.3 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest is expected to start in 2020 and will continue through 2051. Total payment for the project is estimated to be approximately \$250.3 million through 2051. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2020 AND 2019

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$10 million to fund certain sewer main replacements and repairs. The loan is to be advanced in incremental amounts as project costs are incurred. Semi-annual interest and administrative fee payments begin in 2020. Annual principal payments are due beginning in 2021 and continuing through 2040. At December 31, 2019, the outstanding balance is \$127,550. See Note 6 for detailed long term debt activity during 2019.

ECONOMIC FACTORS AND RATES

The Board, the City Council, and the Board of Liquidation City Debt approved a rate increase of ten percent for the Water and Sewer Departments effective January 1, 2013 and annually thereafter through 2020. The Board is currently undergoing a rate and affordability study to recommend potential future rate increases as well as working with state and local partners to receive federal funds intended to provide relief to low-income households unable to pay water bills due to the global pandemic as part of the Low-Income Household Water Assistance Program. Additionally, the City of New Orleans announced a partnership in June 2021 that through a series of funding commitments, will allow Entergy New Orleans to seek approvals to support next-generation power infrastructure at the Board's Carrollton Plant.

The total number of open accounts continue to increase modestly on an annual basis. The total open accounts in 2020 were 138,126, an increase of 1,510 over 2019 open accounts of 136,616.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sewerage & Water Board of New Orleans at (504) 585-2364.

BASIC FINANCIAL STATEMENTS

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents	\$ 87,128,904	\$ 61,985,038
Investments	282,595	277,426
Accounts receivable:		
Customers, net of allowance	42,005,146	34,055,759
Taxes	3,144,460	5,089,136
Grants	28,681,595	16,969,639
Miscellaneous	2,492,600	5,782,798
Inventory of supplies	5,519,485	5,136,999
Prepaid expenses	858,087	570,597
Total unrestricted and undesignated	<u>170,112,872</u>	<u>129,867,392</u>
Total current assets	<u>170,112,872</u>	<u>129,867,392</u>
Noncurrent assets:		
Restricted cash, cash equivalents, and investments:		
Cash and cash equivalents restricted for capital projects	99,658,411	1,575,135
Investments restricted for capital projects	2,641,723	2,641,723
Debt service	44,544,164	43,839,618
Health insurance reserve	2,513,000	1,887,000
Total restricted cash, cash equivalents, and investments	<u>149,357,298</u>	<u>49,943,476</u>
Property, plant and equipment	4,620,839,109	4,415,243,859
Less: accumulated depreciation	1,147,519,123	1,096,948,744
Property, plant and equipment, net	<u>3,473,319,986</u>	<u>3,318,295,115</u>
Other assets:		
Customer deposits - cash	9,982,214	9,543,827
Customer deposits - investments	3,250,000	3,250,000
Deposits	51,315	51,315
Total other assets	<u>13,283,529</u>	<u>12,845,142</u>
Total noncurrent assets	<u>3,635,960,813</u>	<u>3,381,083,733</u>
Total assets	<u>3,806,073,685</u>	<u>3,510,951,125</u>
Deferred outflows of resources:		
Deferred amounts related to net pension liability	16,506,210	18,705,321
Deferred amounts related to total OPEB liability	46,025,000	24,816,033
Deferred loss on bond refunding	2,338,488	2,599,743
Total deferred outflows of resources	<u>64,869,698</u>	<u>46,121,097</u>
Total assets and deferred outflows of resources	<u>\$ 3,870,943,383</u>	<u>\$ 3,557,072,222</u>

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF NET POSITION
December 31, 2020 and 2019
(Continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>2020</u>	<u>2019</u>
Current liabilities (payable from current unrestricted assets):		
Accounts payable	\$ 94,808,127	\$ 67,703,492
Due to City of New Orleans	2,027,009	710,554
Retainers and estimates payable	6,228,235	3,518,946
Due to pension trust fund	632,978	343,344
Accrued salaries	1,795,600	2,185,282
Claims payable	4,315,238	3,624,675
Total OPEB liability, due within one year	6,569,277	7,515,809
Southeast Louisiana Project liability	3,334,582	-
Debt Service Assistance Fund loan payable	2,773,797	2,650,800
Advances from federal government	4,731,373	4,655,507
Other liabilities	1,224,098	852,175
Total current liabilities (payable from current unrestricted assets):	<u>128,440,314</u>	<u>93,760,584</u>
Current liabilities (payable from current restricted assets):		
Accrued interest	2,618,169	2,550,699
Bonds payable	17,453,000	17,819,000
Retainers and estimates payable	86,441	749,493
Total current liabilities (payable from current restricted assets):	<u>20,157,610</u>	<u>21,119,192</u>
Total current liabilities	<u>148,597,924</u>	<u>114,879,776</u>
Long-term liabilities:		
Claims payable, net of current portion	43,290,856	43,209,163
Accrued vacation and sick pay	9,904,897	9,068,334
Net pension liability	97,515,105	105,041,418
Total OPEB liability, net of current portion	225,866,429	187,712,285
Bonds payable, net of current maturities	491,609,883	422,546,351
Southeast Louisiana Project liability	206,480,938	250,343,870
Debt Service Assistance Fund loan payable, net of current maturities	37,265,290	40,039,087
Customer deposits	13,232,214	12,793,827
Total long-term liabilities	<u>1,125,165,612</u>	<u>1,070,754,335</u>
Total liabilities	<u>1,273,763,536</u>	<u>1,185,634,111</u>
Deferred inflows of resources:		
Deferred amounts related to net pension liability	15,076,677	7,138,308
Deferred amounts related to total OPEB liability	9,495,725	8,031,751
Total deferred inflows of resources	<u>24,572,402</u>	<u>15,170,059</u>
Net position:		
Net investment in capital assets	2,856,741,717	2,631,802,752
Restricted for debt service	44,544,164	43,839,618
Unrestricted (deficit)	<u>(328,678,436)</u>	<u>(319,374,318)</u>
Total net position	<u>2,572,607,445</u>	<u>2,356,268,052</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,870,943,383</u>	<u>\$ 3,557,072,222</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2020 and 2019

	2020	2019
Operating revenues:		
Sales of water and delinquent fees	\$ 116,603,501	\$ 113,339,213
Sewerage service charges	146,261,741	143,686,137
Plumbing inspection and license fees	462,987	582,056
Other revenue	5,318,766	5,351,115
Total operating revenues	268,646,995	262,958,521
Operating expenses:		
Power and pumping	20,302,317	20,013,016
Treatment	21,680,572	19,688,222
Transmission and distribution	34,160,672	38,176,467
Customer accounts	4,656,250	5,431,786
Customer service	8,343,631	5,304,138
Administration and general	29,522,990	29,023,557
Payroll related expenses	57,836,511	53,838,316
Maintenance of general plant	26,343,420	27,142,840
Depreciation	55,037,867	64,156,230
Provision for doubtful accounts	26,960,777	33,306,195
Provision for claims	3,063,073	2,069,360
Total operating expenses	287,908,080	298,150,127
Operating loss	(19,261,085)	(35,191,606)
Non-operating revenues (expenses):		
Three-mill tax	17,906,032	15,300,420
Six-mill tax	18,614,966	16,241,889
Nine-mill tax	27,902,527	24,345,982
Two-mill tax	701	35
Other taxes	595,099	594,985
Contributions from other governments	6,657,172	35,839,141
Federal noncapital grants	60,082	48,716
Interest income	527,381	1,610,012
Bond issuance costs	(886,582)	(127,550)
Interest expense	(276,737)	(228,235)
(Provision) recovery for grants	(5,812,199)	(7,230,828)
Total non-operating revenues (expenses)	65,288,442	86,394,567
Income before capital contributions	46,027,357	51,202,961
Capital contributions	170,312,036	60,263,100
Change in net position	216,339,393	111,466,061
Net position, beginning of year	2,356,268,052	2,244,801,991
Net position, end of year	\$ 2,572,607,445	\$ 2,356,268,052

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND

For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Cash received from customers	\$ 226,947,153	\$ 227,248,097
Cash received for sanitation charges for the City of New Orleans	36,772,027	41,757,229
Cash payments for sanitation charges to the City of New Orleans	(34,009,260)	(38,874,191)
Cash payments to suppliers for goods and services	(68,730,327)	(96,159,902)
Cash payments to employees for services	(95,848,721)	(94,946,146)
Other revenue	9,071,951	7,876,816
Net cash provided by operating activities	<u>74,202,823</u>	<u>46,901,903</u>
Cash flows from noncapital financing activities		
Proceeds from property taxes	66,964,001	57,887,283
Contributions from other governments	6,657,172	35,839,141
Proceeds from federal noncapital grants	60,082	48,716
Net cash provided by noncapital financing activities	<u>73,681,255</u>	<u>93,775,140</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(174,334,030)	(140,616,949)
Principal payments	(17,557,745)	(16,573,848)
Proceeds from bonds payable	88,860,541	127,550
Payments for bond issuance costs	(886,582)	(127,550)
Principal payments on Debt Service Assistance Fund loan	(2,650,800)	(5,067,022)
Interest paid on bonds payable	(21,054,193)	(22,660,389)
Payments to construction fund	-	(11,221,710)
Proceeds from construction fund	-	-
Capital contributed by developers and federal grants	104,060,520	38,276,178
Net cash used in capital and related financing activities	<u>(23,562,289)</u>	<u>(157,863,740)</u>
Cash flows from investing activities		
Investment income	674,286	1,357,482
Net cash provided by investing activities	<u>674,286</u>	<u>1,357,482</u>
Net increase (decrease) in cash and cash equivalents	124,996,075	(15,829,215)
Cash and cash equivalents at the beginning of the year	<u>118,830,618</u>	<u>134,659,833</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 243,826,693</u></u>	<u><u>\$ 118,830,618</u></u>
Reconciliation of cash, cash equivalents, and restricted cash		
Current assets - cash and cash equivalents	\$ 87,128,904	\$ 61,985,038
Cash and cash equivalents restricted for capital projects	99,658,411	1,575,135
Debt service reserve	44,544,164	43,839,618
Health insurance reserve	2,513,000	1,887,000
Customer deposits - cash	9,982,214	9,543,827
Total cash	<u><u>\$ 243,826,693</u></u>	<u><u>\$ 118,830,618</u></u>

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
For the years ended December 31, 2020 and 2019
(Continued)

	<u>2020</u>	<u>2019</u>
Reconciliation of operating loss to net cash provided by operating activities is as follows:		
Operating loss	\$ (19,261,085)	\$ (35,191,606)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	55,037,867	64,156,230
Provision for claims	3,063,073	2,069,360
Provision for doubtful accounts	26,960,777	33,306,195
Change in operating assets and liabilities:		
Increase in customer receivables	(34,910,164)	(26,978,292)
Increase in due from other internal departments	-	1,995,000
(Increase) in inventory	(382,486)	(248,297)
(Increase) decrease in prepaid expenses and other receivables	3,002,708	(84,773)
Decrease (increase) in deferred outflows of resources related to net pension liability and total OPEB liability	(19,009,856)	1,675,836
Decrease in net pension obligation	(7,526,313)	(18,832,047)
Increase (decrease) in accounts payable	20,417,807	(6,359,824)
Increase in accrued salaries, due to pension and accrued vacation and sick pay	736,515	836,370
Increase in customer deposits	438,387	216,187
Increase in total OPEB liability	37,207,612	36,615,829
Decrease in other liabilities	(974,362)	(3,790,374)
Increase (decrease) in deferred inflows of resources related to net pension liability and total OPEB liability	9,402,343	(2,483,891)
Net cash provided by operating activities	<u>\$ 74,202,823</u>	<u>\$ 46,901,903</u>
Schedule of non-cash capital and related financing activities		
Contributions of capital assets	<u>\$ 48,803,227</u>	<u>\$ 24,609,637</u>
Additions of property, plant and equipment in accounts payable	<u>\$ 24,857,202</u>	<u>\$ 18,170,374</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUND
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 3,535,423	\$ 442,289
Receivables:		
Investment income	37,384	37,385
Employee and employer contributions receivable	503,669	401,557
Due from other fund	632,978	343,344
Investments:		
Money market	893,427	2,544,817
LAMP	8,496,289	14,215,086
Debt securities	78,892,473	78,673,129
Equities	<u>155,409,381</u>	<u>144,197,695</u>
Total assets	<u>248,401,024</u>	<u>240,855,302</u>
Liabilities:		
Other liabilities	<u>-</u>	<u>1,177,600</u>
Total Liabilities	<u>-</u>	<u>1,177,600</u>
Net position - restricted for pension benefits	<u>\$ 248,401,024</u>	<u>\$ 239,677,702</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF CHANGES IN FIDUCIARY PLAN NET POSITION
PENSION TRUST FUND
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Additions:		
Contributions:		
Employee contributions	\$ 3,015,231	\$ 2,793,158
Employer contributions	10,392,532	10,466,009
City annuity and other transfers in	747,818	337,103
	<u>14,155,581</u>	<u>13,596,270</u>
Investment income:		
Interest income	91,374	95,423
Dividend income	1,682,886	1,622,096
Net appreciation	19,987,500	32,715,180
	<u>21,761,760</u>	<u>34,432,699</u>
Less: investment expenses	<u>901,325</u>	<u>769,908</u>
Net investment income	<u>20,860,435</u>	<u>33,662,791</u>
	<u>35,016,016</u>	<u>47,259,061</u>
Deductions:		
Benefits	(21,014,729)	(20,438,403)
Employee refunds	(559,364)	(481,801)
Employee contributions to DROP	(4,718,601)	(1,940,938)
Total deductions	<u>(26,292,694)</u>	<u>(22,861,142)</u>
Change in net position	8,723,322	24,397,919
Net position restricted for pension benefits at beginning of year	<u>239,677,702</u>	<u>215,279,783</u>
Net position restricted for pension benefits at end of year	<u>\$ 248,401,024</u>	<u>\$ 239,677,702</u>

See accompanying notes to financial statements.

**NOTES TO
BASIC FINANCIAL STATEMENTS**

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies

A. History and Organization

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

In accordance with the Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The rates are based on the actual water consumed and on the costs of maintenance and operation of the water and sewerage systems, including the costs of improvements and replacements. The collections of water and sewerage revenues are to be used by the Board for the maintenance and operation of the systems, the cost of improvements, betterments, and replacements and to provide for the payments of interest and principal on the bonds payable. On November 14, 2012, the Board approved both sewer and water rate increases commencing January 1, 2013. The sewer and water rates increased approximately 10% each year until the year of 2020. This increase was approved by the New Orleans City Council on November 14, 2012.

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

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

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global health pandemic and recommended containment and mitigation measures worldwide. Subsequent to that date, the Mayor of the City of New Orleans ordered citizens and businesses to follow specific measures designed to slow the spread of the virus. In support of our customers, the Board temporarily suspended service disconnections and late fee charges and launched a Customer Care Pay Plan for customers impacted by COVID-19 and the economic downturn. The current impact is an increase in the age of customer receivables and a reduction in billed collections. The Board has also taken actions to protect the health and safety of its employees.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

A. History and Organization

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

B. Reporting Entity

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

- 1) Responsibility for surpluses/deficits. The Board is solely responsible for its surpluses/deficits. In accordance with LRS, no other governmental unit is responsible for the Board's deficits or has a claim to its surpluses. The Board's operations are self-sustaining; revenues are generated through charges to customers and dedicated property taxes. Other than grants, no funding is received from the State of Louisiana or the City of New Orleans.
- 2) Budget Approval. The Board is solely responsible for reviewing, approving, and revising its budget.
- 3) Responsibility for Debt. The LRS authorize the Board to issue bonds; such bonds must bear on their face a statement that they do not constitute a debt of the City. The Board is solely responsible for payments to bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the Board.
- 4) Designation of Management. The Board controls the hiring of management and employees.
- 5) Special Financial Relationship. The Board has no special financial relationships with any other governmental unit.
- 6) Statutory Authority. The Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to the state statutes can change or abolish the Board's authority.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

B. Reporting Entity (continued)

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

C. Basis of Financial Statement Presentation

The Board's basic financial statements consist of the government-wide statements which include the proprietary fund (the enterprise fund) and the fund financial statements which includes the fiduciary fund (the pension trust fund).

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

Proprietary Fund Type

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statement Presentation (continued)

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

The enterprise fund is presented in the government-wide financial statements.

Fiduciary Fund Type

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

The pension trust fund is presented in the fund financial statements.

D. Basis of Accounting

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

E. Investments

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

F. Inventory of Supplies

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (continued)

G. Vacation and Sick Pay

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

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

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

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2020 and 2019 is approximately \$14,396,999 and \$13,821,188, respectively. The amount included in the statements of net position as of December 31, 2020 and 2019 is \$9,904,897 and \$9,068,334, respectively, which represents the annual leave and the converted sick leave for cash since virtually all employees convert their sick leave to cash. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense and are classified as a long-term liability. The following table summarizes changes in the Board's vacation and sick pay liability.

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Earned and Changes in Estimate</u>	<u>Payments</u>	<u>End of Year Liability</u>
2020	\$ 9,068,334	\$ 5,454,708	\$ (4,618,145)	\$ 9,904,897
2019	\$ 9,693,790	\$ 4,306,153	\$ (4,931,609)	\$ 9,068,334

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (continued)

H. Property, Plant, and Equipment

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

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

I. Self-Insurance/Risk Management

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

J. Bond Issuance Costs and Refinancing Gains (Losses)

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

K. Deferred Inflows/Outflows of Resources

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (continued)

L. Pension

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

M. Drainage System

In 1903, the Legislature gave the Board control of and responsibility for the City's drainage system. The Drainage System was established as a department of the enterprise fund to account for the revenues from three-mill, six-mill, and nine-mill ad valorem taxes designated exclusively for drainage services. These revenues have been supplemented by inspection and license fees collected by the Board. There exists a potential for additional financing by additional user service charges. Expenditures from the system are for the debt service of nine-mill tax bonds and drainage related operation, maintenance, and construction.

N. Capital Contributions

Contributions from developers and others, and receipts of Federal, State, and City grants for acquisition of property, plant, and equipment are recorded as capital contributions in the statements of revenues, expenses, and changes in net position.

O. Net Position Flow Assumption

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

P. Net Position

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (continued)

Q. Cash Flows

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

R. Operating and Nonoperating Revenues

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

S. Use of Estimates

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

T. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. This reclassification had no effect on previously reported change in net position.

2. Cash, Cash Equivalents, and Investments

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

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2020 the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$204,175,191 and investments of \$282,595. At December 31, 2019, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$78,616,698 and investments of \$277,426. The Board's cash bank balances and all certificates of deposit for 2020 and 2019 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

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

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

2020			
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash and cash equivalents	\$ 97,111,118	\$ 146,715,575	\$ 243,826,693
Investments - LAMP	3,250,000	2,641,723	5,891,723
Investments	282,595	-	282,595
Total cash and investments	<u>\$ 100,643,713</u>	<u>\$ 149,357,298</u>	<u>\$ 250,001,011</u>

2019			
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash and cash equivalents	\$ 71,528,865	\$ 47,301,753	\$ 118,830,618
Investments - LAMP	3,250,000	2,641,723	5,891,723
Investments	277,426	-	277,426
Total cash and investments	<u>\$ 75,056,291</u>	<u>\$ 49,943,476</u>	<u>\$ 124,999,767</u>

A. Fair Value Measurement

To the extent available, the Board's investments are recorded at fair value as of December 31, 2020 and 2019. GASB Statement No. 72 – Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Money market funds, LAMP, and certificate of deposit are measured using NAV as a practical expedient. These investments have not been classified in the fair value hierarchy table. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

A summary of the Board's investments, including the Pension Trust Fund, along with the Fair value hierarchy levels of each type of investment as of December 31, 2020 and 2019 are as follows:

2020				
		Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
	<u>Total</u>			
Investment by Fair Value Level:				
Equities	\$ 155,409,381	\$ 155,409,363	\$ -	\$ -
Debt Securities	<u>78,892,473</u>	<u>-</u>	<u>78,892,473</u>	
Total Investments at Fair Value Level	<u>\$ 234,301,854</u>	<u>\$ 155,409,363</u>	<u>\$ 78,892,473</u>	<u>\$ -</u>
Investment measured at the net asset value (NAV):				
Money market funds	\$ 64,924,412			
LAMP	14,388,012			
Certificate of Deposit	<u>282,595</u>			
Total Investments at NAV	<u>\$ 79,595,019</u>			
Total Investments at Fair Value	<u>\$ 313,896,873</u>			

2019				
		Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
	<u>Total</u>			
Investment by Fair Value Level:				
Equities	\$ 144,197,695	\$ 144,197,695	\$ -	\$ -
Debt Securities	<u>78,673,129</u>	<u>-</u>	<u>78,673,129</u>	
Total Investments at Fair Value Level	<u>\$ 222,870,824</u>	<u>\$ 144,197,695</u>	<u>\$ 78,673,129</u>	<u>\$ -</u>
Investment measured at the net asset value (NAV):				
Money market funds	\$ 67,964,643			
LAMP	20,106,809			
Certificate of Deposit	<u>277,426</u>			
Total Investments at NAV	<u>\$ 88,348,878</u>			
Total Investments at Fair Value	<u>\$ 311,219,702</u>			

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

A reconciliation of the enterprise and pension funds to the total investments at December 31, 2020 and 2019 is as follows:

	2020		
	Enterprise	Pension	Total
Money market	\$ 64,030,985	\$ 893,427	\$ 64,924,412
LAMP	5,891,723	8,496,289	14,388,012
Certificate of deposit	282,595	-	282,595
Other investments	-	234,301,854	234,301,854
Total cash and investments	<u>\$ 70,205,303</u>	<u>\$ 243,691,570</u>	<u>\$ 313,896,873</u>

	2019		
	Enterprise	Pension	Total
Money market	65,419,826	2,544,817	\$ 67,964,643
LAMP	5,891,723	14,215,086	20,106,809
Certificate of deposit	277,426	-	277,426
Other investments	-	222,870,824	222,870,824
Total cash and investments	<u>\$ 71,588,975</u>	<u>\$ 239,630,727</u>	<u>\$ 311,219,702</u>

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

B. Louisiana Asset Management Pool (LAMP)

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cash and Investments (continued)

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

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 92 as of December 31, 2020.
- Foreign currency risk: Not applicable.

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

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

C. Credit and Interest Risk

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

C. Credit and Interest Risk (continued)

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

Foreign Currency Risk – The Pension Trust Fund’s exposure to foreign currency risk derives from its positions in foreign currency-denominated fixed-income investments. The Pension Trust Fund's investment policy permits it to invest up to 5 percent of total investments in foreign currency-denominated fixed-income investments. The Pension Trust Fund's current position is 4.3 percent. The investments in foreign currency-denominated corporate bonds were rated by Standard & Poor's.

Following are the credit risk ratings of the Pension Trust Fund’s investments in debt securities as of December 31, 2020:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ -	\$ 16,406,212	\$ 18,871,942	\$ 35,278,154	44.72%
AA+	163,186	-	-	3,006	166,192	0.21%
AA	56,161	177,070	75,713	21,377	330,321	0.42%
AA-	950,550	369,367	-	192,355	1,512,272	1.92%
A+	2,030,840	290,837	-	12,074	2,333,751	2.96%
A	3,388,427	43,822	-	562,651	3,994,900	5.06%
A-	3,859,476	30,429	4,429	245,669	4,140,003	5.25%
BBB+	6,055,300	57,320	146,316	51,134	6,310,070	8.00%
BBB	4,141,987	1,352,519	10,180	387,562	5,892,248	7.47%
BBB-	5,381,843	51,332	363,107	554,604	6,350,886	8.05%
BB+	1,881,047	60,737	-	48,505	1,990,289	2.52%
BB	1,899,627	145,038	47,681	105,028	2,197,374	2.79%
BB-	864,676	226,944	-	117,238	1,208,858	1.53%
B+	1,091,997	126,209	3,868	63,950	1,286,024	1.63%
B	762,688	165,239	-	91,124	1,019,051	1.29%
B-	411,481	49,949	-	95,838	557,268	0.71%
CCC+	480,116	110,483	-	-	590,599	0.75%
CCC	185,023	40,358	-	45,611	270,992	0.34%
CCC-	11,495	12,603	-	11,960	36,058	0.05%
CC	3,763	-	-	990	4,753	0.01%
Not Rated	154,654	57,000	1,418,206	1,792,550	3,422,410	4.34%
Total	\$ 33,774,337	\$ 3,367,256	\$ 18,475,712	\$ 23,275,168	\$ 78,892,473	100.00%

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

C. Credit and Interest Risk (continued)

Following are the credit risk ratings of the Pension Trust Fund's investments in debt securities as of December 31, 2019:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ 6,772	\$ -	\$ 15,965,835	\$ 15,972,607	20.30%
AA+	-	-	-	11,631	11,631	0.01%
AA	50,419	6,737	-	35,939	93,095	0.12%
AA-	1,068,233	48,745	-	128,159	1,245,137	1.58%
A+	1,044,208	155,213	-	-	1,199,421	1.52%
A	2,691,637	34,736	-	756,399	3,482,772	4.43%
A-	5,720,896	60,421	-	164,295	5,945,612	7.56%
BBB+	2,940,219	1,308,003	-	105,645	4,353,867	5.53%
BBB	4,416,503	198,702	-	303,258	4,918,463	6.25%
BBB-	4,830,545	22,273	-	737,991	5,590,809	7.11%
BB+	1,136,805	50,793	-	140,524	1,328,122	1.69%
BB	1,531,796	167,388	-	127,767	1,826,951	2.32%
BB-	845,587	209,013	-	149,885	1,204,485	1.53%
B+	524,361	242,151	-	10,317	776,829	0.99%
B	850,735	276,774	-	153,969	1,281,478	1.63%
B-	453,098	97,423	-	183,051	733,572	0.93%
CCC+	280,730	35,647	-	-	316,377	0.40%
CCC	152,170	195,978	-	14,030	362,178	0.46%
C	1,313	-	-	-	1,313	0.00%
Not Rated	158,177	81,096	26,351,548	1,437,589	28,028,410	35.63%
Total	<u>\$ 28,697,432</u>	<u>\$ 3,197,865</u>	<u>\$ 26,351,548</u>	<u>\$ 20,426,284</u>	<u>\$ 78,673,129</u>	<u>100.00%</u>

D. Concentration of Credit Risk

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

E. Pension Trust Fund Investments

As of December 31, 2020, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 2,731,261	\$ 14,997,872	\$ 10,409,813	\$ 5,498,946	\$ 136,445	\$ 33,774,337
Foreign Government Bonds	100,514	734,909	1,207,521	1,324,150	162	3,367,256
Government Bonds and U.S. Treasury Notes	840	7,353,280	5,300,521	5,814,633	6,438	18,475,712
Other	11,945,403	11,006,124	9,165	269,934	44,542	23,275,168
Total	<u>\$ 14,778,018</u>	<u>\$ 34,092,185</u>	<u>\$ 16,927,020</u>	<u>\$ 12,907,663</u>	<u>\$ 187,587</u>	<u>\$ 78,892,473</u>

As of December 31, 2019, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	2,624,531.00	14,153,456.00	7,655,543.00	4,133,003.00	130,899.00	28,697,432.00
Foreign Government Bonds	139,341.00	811,616.00	958,505.00	1,288,403.00	-	3,197,865.00
Government Bonds and U.S. Treasury Notes	36,427.00	13,044,873.00	9,884,127.00	3,375,062.00	11,059.00	26,351,548.00
Other	1,482,543.00	17,828,733.00	800,503.00	192,550.00	121,955.00	20,426,284.00
Total	<u>\$ 4,282,842</u>	<u>\$ 45,838,678</u>	<u>\$ 19,298,678</u>	<u>\$ 8,989,018</u>	<u>\$ 263,913</u>	<u>\$ 78,673,129</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

2. Cash and Investments (continued)

F. Securities Lending

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engages in securities lending to broker dealers and other entities for cash collateral that will be returned for the same securities in the future. The cash collateral cannot be liquidated by the Board unless the borrower defaults. Cash collateral is initially pledged at 102.25% of the market value of securities lent and additional collateral is provided by the next business day if the value falls to less than 100% of the market value of the securities lent. No collateral exposure existed at December 31, 2020 and 2019. The value of securities lent at December 31, 2020 and 2019 was \$40,883,526 and \$31,606,146, respectively. The market value of the cash collateral at December 31, 2020 and 2019 was \$39,972,157 and \$32,010,943, respectively.

3. Customer Receivables

Customer receivables as of December 31 consist of the following:

2020			
	Customer	Allowance	
	Accounts	for Doubtful	
	Accounts	Accounts	Net
Water	\$ 57,737,514	\$ 38,224,476	\$ 19,513,038
Sewer	68,463,125	45,971,017	22,492,108
	<u>\$ 126,200,639</u>	<u>\$ 84,195,493</u>	<u>\$ 42,005,146</u>
2019			
	Customer	Allowance	
	Accounts	for Doubtful	
	Accounts	Accounts	Net
Water	\$ 48,002,969	\$ 31,360,329	\$ 16,642,640
Sewer	53,182,590	35,769,471	17,413,119
	<u>\$ 101,185,559</u>	<u>\$ 67,129,800</u>	<u>\$ 34,055,759</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Property, Plant, and Equipment

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

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

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

	2020			
Cost	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Real estate rights, non depreciable	\$ 13,787,557	\$ -	\$ (3,169,367)	\$ 10,618,190
Power and pumping stations - buildings and machinery	763,592,533	16,585,195	76,389,451	856,567,179
Distribution systems	373,211,294	52,181,301	(17,155,166)	408,237,429
Sewerage collection, treatment plant, general plant, and building	1,399,693,886	37,031,405	(65,995,856)	1,370,729,435
Canals and subsurface drainage	1,032,784,864	101,152,304	140,733,481	1,274,670,649
Power transmissions, Connections and meters	144,902,115	3,696,865	2,951,386	151,550,366
Total property, plant, and equipment in service	3,727,972,249	210,647,070	133,753,929	4,072,373,248
Construction in progress	687,271,610	71,841,318	(210,647,067)	548,465,861
Total property, plant, and equipment	4,415,243,859	282,488,388	(76,893,138)	4,620,839,109
Accumulated Depreciation				
Power and pumping stations - buildings and machinery	372,435,603	18,254,365	-	390,689,968
Distribution systems	61,535,346	5,620,917	(2,609,065)	64,547,198
Sewerage collection, treatment plant, general plant, and building	478,648,015	12,531,640	(1,851,570)	489,328,085
Canals and subsurface drainage	121,861,538	15,617,180	-	137,478,718
Power transmissions, Connections and meters	62,468,242	3,013,765	(6,853)	65,475,154
Total accumulated depreciation	1,096,948,744	55,037,867	(4,467,488)	1,147,519,123
Net property, plant, and equipment	\$ 3,318,295,115	\$ 227,450,521	\$ (72,425,650)	\$ 3,473,319,986

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Property, Plant, and Equipment (continued)

Cost	2019			
	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Real estate rights, non depreciable	\$ 13,787,557	\$ -	\$ -	\$ 13,787,557
Power and pumping stations - buildings and machinery	763,376,575	215,958	-	763,592,533
Distribution systems	362,282,822	11,856,348	(927,876)	373,211,294
Sewerage collection, treatment plant, general plant, and building	1,283,309,155	116,782,619	(397,888)	1,399,693,886
Canals and subsurface drainage	916,810,550	115,974,314	-	1,032,784,864
Power transmissions, Connections and meters	144,276,094	694,934	(68,913)	144,902,115
Total property, plant, and equipment in service	3,483,842,753	245,524,173	(1,394,677)	3,727,972,249
Construction in progress	759,206,512	173,817,976	(245,752,878)	687,271,610
Total property, plant, and equipment	4,243,049,265	419,342,149	(247,147,555)	4,415,243,859
Accumulated Depreciation				
Power and pumping stations - buildings and machinery	355,058,175	17,377,428	-	372,435,603
Distribution systems	57,292,876	5,170,345	(927,875)	61,535,346
Sewerage collection, treatment plant, general plant, and building	450,512,554	28,533,347	(397,886)	478,648,015
Canals and subsurface drainage	111,371,494	10,490,044	-	121,861,538
Power transmissions, Connections and meters	59,952,089	2,585,066	(68,913)	62,468,242
Total accumulated depreciation	1,034,187,188	64,156,230	(1,394,674)	1,096,948,744
Net property, plant, and equipment	\$ 3,208,862,077	\$ 355,185,919	\$ (245,752,881)	\$ 3,318,295,115

Interest capitalized was as follows for the years ended December 31:

	2020	2019
Interest income	\$ 2,501,252	\$ 2,593,342
Interest expense	(21,216,848)	(22,599,934)
Net interest capitalized	\$ (18,715,596)	\$ (20,006,592)

5. Due to City of New Orleans

The Board bills and collects sanitation charges on behalf of the City of New Orleans (the City). The Board is not liable for any uncollected sanitation charges. Additionally, amounts included in accounts payable due to the City for works performed by the Department of Public Works on behalf of the Board, were \$6,056,556 and \$1,143,277 at December 31, 2020 and 2019, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

6. Long-Term Obligations

A. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt as of December 31, 2020:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Claims and judgments (Note 9)	\$ 46,833,838	\$ 23,821,224	\$ 23,048,968	\$ 47,606,094	\$ 4,315,238
Accrued annual and sick leave (Note 1)	9,068,334	5,454,708	4,618,145	9,904,897	-
Revenue Bonds	399,257,551	75,000,000	15,924,000	458,333,551	15,498,000
Drainage system tax bonds	5,850,000	-	1,895,000	3,955,000	1,955,000
Premium on bonds payable	35,257,801	13,860,541	2,344,009	46,774,333	-
Debt service assistance loan	42,689,887	-	2,650,800	40,039,087	2,773,797
Southeast Louisiana Project	250,343,870	-	40,528,350	209,815,520	3,334,582
	<u>\$ 789,301,281</u>	<u>\$ 118,136,473</u>	<u>\$ 91,009,272</u>	<u>\$ 816,428,482</u>	<u>\$ 27,876,617</u>

B. Bonds Payable

Bonds payable consisted of the following as of December 31:

	Principal Balances	
	2020	2019
2.00% to 4.00% drainage system limited tax bonds, series 2014 (initial average interest cost 1.88%); due in annual principal installments ranging from \$535,000 to \$2,000,000; final payment due December 1, 2022.	3,955,000	5,850,000
2.00% to 5.00% sewerage service revenue bonds, series 2014 (initial average interest cost 3.86%); due in annual principal installments ranging from \$1,970,000 to \$12,970,000; final payment due June 1, 2044.	87,705,000	99,365,000
5.00% water revenue bonds, series 2014 (initial average interest cost 4.43%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2044.	92,270,000	95,200,000
4.98% water revenue bonds, series 2015 (initial average interest cost 4.38%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2045.	97,630,000	98,525,000
5.00% sewerage service revenue bonds, series 2015 (initial average interest cost 4.39%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2045.	100,000,000	100,000,000
5.00% sewerage service revenue bonds, series 2020B; due in annual principal installments ranging from \$2,000,000 to \$2,660,000; final payment due December 31, 2050.	64,750,000	-

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Long-Term Obligations (continued)

B. Bonds Payable (continued)

	Principal Balances	
	2020	2019
Direct Placements:		
0.45% sewerage service revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032.	\$ 5,601,000	\$ 6,040,000
0.95% sewerage service revenue bonds, series 2019; due in annual principal installments ranging from 4.56% to 100% of outstanding principal balance; final payment due June 1, 2040.	127,550	127,550
1.50% sewerage service revenue bonds, series 2020A; due in annual principal installments ranging from \$1,765,000 to \$3,195,000; final payment due June 1, 2025.	10,250,000	-
	<u>462,288,550</u>	<u>405,107,550</u>
Plus: bond premiums	<u>46,774,333</u>	<u>35,257,801</u>
Total	<u>509,062,883</u>	<u>440,365,351</u>
Less: current maturities	<u>(17,453,000)</u>	<u>(17,819,000)</u>
Bond payable, long-term	<u>\$ 491,609,883</u>	<u>\$ 422,546,351</u>

The changes in long-term debt were as follows:

	2020	2019
Balance, beginning of year	\$ 405,107,550	\$ 421,880,000
Proceeds	75,000,000	127,550
Payments	(17,819,000)	(16,900,000)
Balance, end of year	<u>\$ 462,288,550</u>	<u>\$ 405,107,550</u>

The annual requirements to amortize bonds payable as of December 31, 2020, are as follows:

	Revenue Bonds		Direct Placement Revenue Bonds		Tax Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 15,055,000	\$ 21,365,116	\$ 443,000	\$ 178,196	\$ 1,955,000	\$ 84,100	\$ 17,453,000	\$ 21,627,412
2022	13,640,000	20,719,200	2,339,550	162,965	2,000,000	45,000	17,979,550	20,927,165
2023	10,305,000	20,144,725	3,581,000	124,240	-	-	13,886,000	20,268,965
2024	10,365,000	19,633,475	3,651,000	74,775	-	-	14,016,000	19,708,250
2025	8,930,000	19,156,850	2,620,000	32,560	-	-	11,550,000	19,189,410
2026-2030	64,275,000	87,057,181	2,366,000	50,356	-	-	66,641,000	87,107,537
2031-2035	80,880,000	69,538,431	978,000	5,092	-	-	81,858,000	69,543,523
2036-2040	100,710,000	47,728,250	-	-	-	-	100,710,000	47,728,250
2041-2045	125,195,000	20,266,625	-	-	-	-	125,195,000	20,266,625
2046-2050	13,000,000	1,294,000	-	-	-	-	13,000,000	1,294,000
	<u>\$ 442,355,000</u>	<u>\$ 326,903,853</u>	<u>\$ 15,978,550</u>	<u>\$ 628,183</u>	<u>\$ 3,955,000</u>	<u>\$ 129,100</u>	<u>\$ 462,288,550</u>	<u>\$ 327,661,136</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations (continued)

B. Bonds Payable (continued)

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

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund was \$11,101,204 and \$11,750,425 at December 31, 2020 and 2019, respectively; the accumulated balance at December 31, 2020 and 2019 was \$11,101,204 and \$11,750,425 respectively.
2. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund were \$32,442,960 and \$32,089,193 at December 31, 2020 and 2019, respectively; the accumulated balance at December 31, 2020 and 2019 was \$32,442,960 and \$32,089,193, respectively.

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-term Obligations (continued)

C. Sewerage Service Revenue Bonds, Series 2011

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ will be evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011. Upon issuance of subsequent bonds, the indebtedness was to spring from subordinate to a senior lien status. That conversion took place with the issuance of the Series 2014 bonds. Annual principal payments are due beginning November 1, 2013 continuing through December 1, 2032. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on May 1, 2012 and are due semi-annually thereafter.

D. Series 2014 Bonds

During 2014, the Board refunded the Series 1997, 1998, 2000, 2000B, 2001, 2002, 2003, 2004, and 2009 Sewerage bonds. The Board issued \$158,990,000 in Series 2014 Sewerage Service Revenue and Refunding Bonds with a final maturity of June 1, 2044. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the sewerage bonds in the amount of \$121,870,000. By refunding these bonds, the Board estimated \$20,696,313 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,397,306. The cost of issuance of the Series 2014 Sewerage Bonds totaled \$1,345,380, and the deferred loss on refunding was \$4,708,925. Bond proceeds of \$47,300,000 were restricted for capital projects.

During 2014, the Board refunded the Series 1998 and 2002 Water Bonds. The Board issued \$103,525,000 in Series 2014 Water Revenue and Refunding Bonds with a final maturity of December 1, 2044. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the Water Bonds in the amount of \$27,655,000. By refunding these bonds, the Board estimated \$1,359,352 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$2,738,262. The cost of issuance of the Series 2014 Water Bonds totaled \$1,040,131 and the deferred loss on refunding was \$34,901. Bond proceeds of \$77,000,000 were restricted for capital projects.

During 2014, the Board refunded the Series 1998 and 2002 Drainage Bonds. The Board issued \$14,900,000 in Series 2014 Drainage Refunding Bonds with a final maturity of December 1, 2022. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the Drainage Bonds in the amount of \$16,205,000. By refunding these bonds, the Board estimated \$2,968,676 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$2,846,558. The cost of issuance of the Series 2014 Drainage Refunding Bonds totaled \$263,828, and the deferred loss on refunding was \$347,533.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-term Obligations (continued)

E. Series 2015 Bonds

During 2015, the Board issued \$100,000,000 in Series 2015 Water Revenue Bonds with an original issue premium of \$12,686,122 and a final maturity of December 1, 2045. In addition, the Board issued \$100,000,000 in Series 2015 Sewerage Revenue Bonds with an original issue premium of \$12,826,410 and a final maturity date of December 1, 2045. Proceeds from such bonds were used to finance capital improvements.

F. Sewerage Service Revenue Bonds, Series 2019

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$10,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ will be evidenced through the Sewerage Service Revenue Bonds, Series 2019. Annual principal payments are due beginning June 1, 2022 continuing through June 1, 2040. Interest on the bonds is incurred at the rate of 0.95%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on June 1, 2020 and are due semi-annually thereafter. As of December 31, 2020 and 2019, \$127,550 is included as bonds payable.

G. Sewerage Service Revenue Bonds, Series 2020 Bonds

During 2020, the Board issued \$10,250,000 in Sewerage Service Revenue Bonds Series 2020A with a final maturity of June 1, 2025. In addition, the Board issued \$64,750,000 in Sewerage Service Revenue Bonds Series 2020B with an original issue premium of \$13,860,541 with a final maturity date of June 1, 2050.

H. Debt Service Assistance Loan

The Debt Services Assistance Fund loan payable (Direct Borrowing) as of December 31, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 42,689,887	\$ 47,756,909
Proceeds	-	-
Payments	(2,650,800)	(5,067,022)
Balance, end of year	<u>\$ 40,039,087</u>	<u>\$ 42,689,887</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-term Obligations (continued)

G. Debt Service Assistance Loan (continued)

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

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

As of December 31, 2020, debt service requirements relating to the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	2,773,797	867,542	3,641,339
2022	2,902,502	738,838	3,641,340
2023	3,037,178	604,161	3,641,339
2024	3,178,103	463,236	3,641,339
2025	6,651,134	3,014,546	9,665,680
2026-2030	21,496,373	1,108,978	22,605,351
	<u>\$ 40,039,087</u>	<u>\$ 6,797,301</u>	<u>\$ 46,836,388</u>

H. Southeast Louisiana Project

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Long-term Obligations (continued)

H. Southeast Louisiana Project (continued)

Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs. The amount due, including estimated accrued interest, as of December 31, 2020 and 2019 is \$209,815,520 and \$250,343,870, respectively.

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

<u>Basin</u>	<u>Completion Date</u>	<u>Payment Start Date</u>	<u>Interest Rate</u>
OP-2	2027 (Est.)	2027 (Est.)	3.75% (Est.)
OP-3	2020	2021	3.75%
OP-4	2020	2021	3.75%
OP-5	2020	2021	3.75%
OP-6	2020	2021	3.75%

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-term Obligations (continued)

H. Southeast Louisiana Project (continued)

As of December 31, 2020, projected debt service requirements relating to the total amount due are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,334,582	\$ -	\$ 3,334,582
2022	1,900,202	3,626,358	5,526,560
2023	1,971,460	3,555,100	5,526,560
2024	2,045,390	3,481,170	5,526,560
2025	2,122,092	3,404,468	5,526,560
2026-2030	11,865,523	15,767,276	27,632,799
2031-2035	14,263,543	13,369,257	27,632,800
2036-2040	17,146,202	10,486,598	27,632,800
2041-2045	20,611,446	7,021,354	27,632,800
2046-2050	24,777,014	2,855,785	27,632,799
	<u>\$ 100,037,454</u>	<u>\$ 63,567,366</u>	<u>\$ 163,604,820</u>
	109,778,066	OP-2 Basin not yet completed	
	<u>\$ 209,815,520</u>	Southeast Louisiana Project Liability	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan

A. Plan Descriptions

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2020 and 2019 was \$54,856,389 and \$53,213,682, respectively; such amounts exclude overtime and standby payroll. As of the most recent valuation date (December 31, 2020), the PTF membership consisted of:

	2020
Inactive employees or beneficiaries currently receiving benefits	901
Inactive employees entitled to but not yet receiving benefits	206
Active Employees	1,177
Total	<u>2,284</u>

Benefits Provided

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

The plan provides for retirement benefits as well as death and disability benefits. All benefits vest after five years of service. Employees who retire at or after age 65 with ten years of credited service are entitled to an annual retirement benefit, payable biweekly for life, in an amount equal to two percent of their average compensation for each year of credited service up to ten years, increasing by (1) one-half percent per year for service years over ten years, (2) an additional one-half percent per year for service years over twenty years and (3) an additional one percent per year for service years over thirty years, for a maximum of four percent for each year of credited service. Average compensation is the average annual earned compensation (prior to 2002, less \$1,200) for the period of 36 successive months of service during which the employee's compensation was the highest. Employees with thirty years or more of credited service may retire without a reduction in benefits. Employees may retire prior to age 62 without 30 years of service with a reduction in benefits of three percent for each year of age below the age of 62. If an employee leaves covered employment or dies before three years of credited service, the accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

A. Plan Descriptions (continued)

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

Deferred Retirement Option Program (DROP)

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2020 and 2019, 73 and 99 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$8,496,289 and \$10,490,312 as of December 31, 2020 and 2019, respectively.

B. Funding Policy

The actuary determined contribution requirement for the Board was 21.112% and 21.328% for 2020 and 2019. The contribution requirement for employees for the years ended December 31, 2020 and 2019 was 6.0%. The actual Board's and employees' contributions for the years ended December 31 were as follows:

	2020	2019
Employer	\$ 10,392,532	\$ 10,466,009
Employee	3,015,231	2,793,158
Total contributions	<u>\$ 13,407,763</u>	<u>\$ 13,259,167</u>

C. Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2020 and 2019. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date based on an actuarial valuation.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

D. Actuarial Assumptions

	2020	2019
Investment rate of return	7.00%	7.00%
Inflation	2.50%	2.50%
Salary increases including inflation	4% to 6.25%	5.00%

For 2020, mortality rates were based on the PubG-2010 mortality tables, with male rates multiplied by 122% and female rates multiplied by 119%. Mortality was projected generationally using Scale MP-2019, with male projection factors multiplied by 86% and female projection factors multiplied by 79%. For 2019, Mortality rates were based on the gender distinct 1994 Uninsured Pensioner (UP-94) mortality table, projected to 2002 using Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Large Cap Equities	6.75%
US Small/Mid Cap Equities	7.25%
International Equities	4.75%
Core-Plus Fixed Income	3.50%
Hedge Funds	7.75%
Real Estate/REITs	4.75%
Cash and Equivalents	0.50%
Total	N/A

Discount Rate

The discount rate used to measure the total pension liability was 7% for the 2020 and 2019 plan years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions (continued)

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended December 31, 2020 and 2019, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, were 9.67% and 15.97%, respectively.

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

The following presents the net pension liability of the Board as of December 31, 2020 and 2019, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
<u>December 31, 2020</u>			
Total pension liability	\$ 381,660,570	\$ 345,916,129	\$ 315,659,885
Fiduciary net position	248,401,024	248,401,024	248,401,024
Net pension liability	133,259,546	97,515,105	67,258,861
 <u>December 31, 2019</u>			
Total pension liability	\$ 377,953,504	\$ 344,719,120	\$ 316,532,054
Fiduciary net position	239,677,702	239,677,702	239,677,702
Net pension liability	138,275,802	105,041,418	76,854,352

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	\$ 344,719,120	\$ 239,677,702	\$ 105,041,418
Changes for the year:			
Service cost	5,149,328	-	5,149,328
Interest	23,570,547	-	23,570,547
Difference between expected and actual experience	(8,492,559)	-	(8,492,559)
Contributions – employer	-	10,392,532	(10,392,532)
Contributions – employee	-	3,015,231	(3,015,231)
Net investment income	-	20,860,435	(20,860,435)
Benefit payments, including refunds of employee contributions	(26,292,694)	(26,292,694)	-
Other	747,818	747,818	-
Administrative expense	-	-	-
Assumption changes	6,514,569	-	6,514,569
Net changes	<u>1,197,009</u>	<u>8,723,322</u>	<u>(7,526,313)</u>
Balances at December 31, 2020	<u>\$ 345,916,129</u>	<u>\$ 248,401,024</u>	<u>\$ 97,515,105</u>

The PTF Fiduciary Net Position as a percentage of Total Pension Liability was 72% and 70% as of December 31, 2020 and 2019, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Defined Benefit Pension Plan (continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	\$ 339,153,248	\$ 215,279,783	\$ 123,873,465
Changes for the year:			
Service cost	4,812,452	-	4,812,452
Interest	23,277,459	-	23,277,459
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	10,466,009	(10,466,009)
Contributions – employee	-	2,793,158	(2,793,158)
Contributions – fines	-	-	-
Net investment income	-	33,662,791	(33,662,791)
Benefit payments, including refunds of employee contributions	(22,861,142)	(22,861,142)	-
Other	337,103	337,103	-
Administrative expense	-	-	-
Net changes	5,565,872	24,397,919	(18,832,047)
Balances at December 31, 2019	\$ 344,719,120	\$ 239,677,702	\$ 105,041,418

For the years ended December 31, 2020 and 2019, the Board recognized a pension expense of \$13,003,698 and \$19,657,822, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

On December 31, 2020 and 2019, the Board recorded Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2020</u>		
Differences between expected and actual experience	\$ 5,721,224	\$ 8,074,266
Changes of assumptions	10,784,986	-
Net difference between projected and actual earnings on pension plan investments	-	7,002,411
Total	<u>\$ 16,506,210</u>	<u>\$ 15,076,677</u>
<u>December 31, 2019</u>		
Differences between expected and actual experience	\$ 6,907,204	\$ 3,655,583
Changes of assumptions	11,798,117	-
Net difference between projected and actual earnings on pension plan investments	-	3,482,725
Total	<u>\$ 18,705,321</u>	<u>\$ 7,138,308</u>

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

Year Ended December 31	Amount
2021	\$ 3,372,268
2022	789,113
2023	(3,993,570)
2024	180,084
2025	1,081,638

G. The Board's Pension Plan Fiduciary Net Position

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

8. Other Post-Employment Benefits

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

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

Employees covered by benefit terms – As of the most recent valuation date (December 31, 2020), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	698
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,250
	<u>1,948</u>

Total OPEB Liability

The Board’s total OPEB liability of \$232,435,707 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00% to 6.25% including inflation
Healthcare cost trend rates	7.50% for FY22 decreasing 0.60% per year to an ultimate rate of 4.50% for FY27 and later years
Mortality	PubG-2010 mortality table multiplied by 122% for males and 119% for females, projected generationally using Scale MP-2019 mortality improvement rates multiplied by 86% for males and 79% for females
Participation	100%

The discount rate used to measure the total OPEB liability as of December 31, 2020 was 2.12%. The discount rate used to determine the total OPEB liability as of December 31, 2019 was 2.74%.

Municipal Bond Rate: 2.12% as of December 31, 2020 and 2.74% as of December 31, 2019; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds’ average credit quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

8. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability 2020

Balance at December 31, 2019	\$ 195,228,094
Changes for the year:	
Service cost	6,342,348
Interest	5,433,031
Changes of benefit terms	-
Differences between expected and actual experience	(7,306,463)
Changes of assumptions or other inputs	39,307,974
Benefits payments (employer)	(6,569,278)
Other	-
Net changes	<u>37,207,612</u>
Balance at December 31, 2020	<u>\$ 232,435,706</u>

Changes in the Total OPEB Liability 2019

Balance at December 31, 2018	\$ 158,612,265
Changes for the year:	
Service cost	4,509,679
Interest	6,533,926
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	33,088,043
Benefits payments (employer)	(7,515,819)
Other	-
Net changes	<u>36,615,829</u>
Balance at December 31, 2019	<u>\$ 195,228,094</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Other Post-Employment Benefits (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at December 31, 2020 and 2019:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
<u>December 31, 2020</u>			
Total OPEB liability	\$ 274,842,987	\$ 232,435,706	\$ 199,147,268
	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
<u>December 31, 2019</u>			
Total OPEB liability	\$ 228,723,319	\$ 195,228,094	\$ 168,663,371

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates at December 31, 2020 and 2019:

	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>December 31, 2020</u>			
Total OPEB liability	\$ 198,884,035	\$ 232,435,706	\$ 275,566,337
	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>December 31, 2019</u>			
Total OPEB liability	\$ 169,506,699	\$ 195,228,094	\$ 227,476,782

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Other Post-Employment Benefits (continued)

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

For the year ended December 31, 2020 and 2019, the Board recognized OPEB expense of \$24,090,090 and \$15,357,938, respectively. At December 31, 2020 and 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2020</u>		
Changes of assumptions or other inputs	\$ 46,025,000	\$ 9,495,725
Total	<u>\$ 46,025,000</u>	<u>\$ 9,495,725</u>
<u>December 31, 2019</u>		
Changes of assumptions or other inputs	\$ 24,816,033	\$ 8,031,751
Total	<u>\$ 24,816,033</u>	<u>\$ 8,031,751</u>

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

<u>Year Ended December 31</u>	<u>Amount</u>
2021	\$ 12,256,513
2022	16,272,388
2023	8,000,376

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

9. Commitments

A. Capital Improvements

At December 31, 2020, the Board's budget for its ten-year capital improvements program totaled approximately \$2.0 billion, which includes \$465 million in capital expenditures for the year ending December 31, 2020 and provides for the following activities:

- Continue Joint Infrastructure Recovery Road in conjunction with City of New Orleans Department of Public Works;
- Comply with regulatory requirements under the Sewer Consent Decree;
- Complete rehabilitation of Claiborne pumping station of Water Hammer project;
- Participate in drainage system improvements in coordination with SELA Program;
- Initiate Automated Meter Infrastructure project.

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2020 the Board has committed or appropriated \$16,125,132 in investments for use in future capital projects and has \$102,300,134 of cash and cash equivalents restricted for future capital projects.

B. Self-insurance

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

General liability claims are segregated internally depending on the scope and type of claim and are handled either by the Office of the Special Counsel or Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The claims expense (recovery) provision for 2020 and 2019 amounted to \$220,934 and \$(878,197), respectively.

Worker's compensation expense provision for 2020 and 2019 amounted to \$2,984,029 and \$2,925,850, respectively.

The medical claims for our self-insured health plan are administered by "The Health Plan," our third party administrator. The Board's expense provision in excess of employee contributions for 2020 and 2019 was \$20,616,261 and \$20,704,753, respectively, and is included in payroll related expenses.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

9. Commitments (continued)

B. Self-insurance (continued)

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

	2020	2019
Beginning of Year	\$ 46,833,838	\$ 48,422,742
Current Year Claims and Estimate Change	23,821,224	22,752,406
Claim Payments	(23,048,968)	(24,341,310)
End of Year	<u>\$ 47,606,094</u>	<u>\$ 46,833,838</u>

The composition of claims payable is as follows:

	2020	2019
Short-term:		
Workers' compensation	\$ 1,802,238	\$ 1,737,675
Health insurance	2,513,000	1,887,000
Total short-term	<u>4,315,238</u>	<u>3,624,675</u>
Long-term:		
Workers' compensation	639,357	776,766
General liability	42,651,499	42,432,397
Total long-term	<u>43,290,856</u>	<u>43,209,163</u>
Total	<u>\$ 47,606,094</u>	<u>\$ 46,833,838</u>

C. Regulatory Matters

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

The Board participates in a number of federal programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2020 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Board.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

10. Deferred Compensation Plan

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

11. Budgets

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

12. Property Taxes

Property taxes are levied by the City of New Orleans. Taxes on real and personal property attach as an enforceable lien on the property as of January 1. Taxes are levied on January 1, payable on January 1, and delinquent on March 1 for 2021.

The assessed value of the property is determined by an elected Assessor. The assessed value for 2020 and 2019 was \$4,413,896,760 and \$3,868,662,170, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2020 and 2019 was \$16.23 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction, and extension of the drainage system (except for subsurface systems).

13. Tax Abatement Agreement

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Restoration Tax Abatement Program ("RTAP"). For the year ending December 31, 2020, the government participated in the Restoration Tax Abatement Program.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

13. Tax Abatement Agreement (continued)

During 2020, the City Council of the City of New Orleans approved tax abatement projects with a total investment value of \$8,796,484 of which \$845,575 was for the Board. During 2019, the City Council of the City of New Orleans approved tax abatement projects with a total investment value of \$11,457,691 of which \$1,101,388 was for the Board.

14. Segment Information

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

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

	Condensed Statements of Net Position			
	Water		Sewer	
	2020	2019	2020	2019
Assets:				
Current unrestricted assets	\$ 62,743,488	\$ 46,512,794	\$ 89,660,620	\$ 72,090,359
Restricted assets	30,654,712	20,310,375	113,702,280	28,685,122
Other assets	13,255,164	12,816,777	17,965	17,965
Property, plant and equipment	702,958,811	655,189,813	1,122,515,000	1,097,820,025
Total assets	809,612,175	734,829,759	1,325,895,865	1,198,613,471
Deferred outflows of resources:	20,850,261	14,518,004	23,111,757	17,020,512
Total assets and deferred outflows	<u>\$ 830,462,436</u>	<u>\$ 749,347,763</u>	<u>\$ 1,349,007,622</u>	<u>\$ 1,215,633,983</u>
Liabilities:				
Current	\$ 66,566,202	\$ 44,319,843	\$ 36,798,958	\$ 25,585,414
Current liabilities payable from restricted assets	4,873,127	5,181,022	13,322,475	13,980,582
Noncurrent liabilities	329,724,646	323,596,664	442,998,234	358,898,487
Total liabilities	<u>401,163,975</u>	<u>373,097,529</u>	<u>493,119,667</u>	<u>398,464,483</u>
Deferred inflows of resources:	<u>8,190,800</u>	<u>5,056,686</u>	<u>8,190,801</u>	<u>5,056,686</u>
Net position:				
Net investment in capital assets	511,576,169	448,792,587	906,873,994	873,723,687
Restricted	16,491,311	16,580,927	28,052,853	27,203,259
Unrestricted (deficit)	(106,959,819)	(94,179,966)	(87,229,693)	(88,814,132)
Total net position	<u>421,107,661</u>	<u>371,193,548</u>	<u>847,697,154</u>	<u>812,112,814</u>
Total liabilities, deferred inflows, and net position	<u>\$ 830,462,436</u>	<u>\$ 749,347,763</u>	<u>\$ 1,349,007,622</u>	<u>\$ 1,215,633,983</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

14. Segment Information (continued)

	Condensed Statements of Revenues, Expenses, and Changes in Net Position			
	Water		Sewer	
	2020	2019	2020	2019
Service charges, pledged against bonds	\$ 120,899,574	\$ 116,644,735	\$ 147,368,512	\$ 145,026,340
Depreciation expense	(13,306,697)	(12,643,499)	(20,406,010)	(26,518,870)
Other operating expenses	(96,016,463)	(97,668,096)	(94,649,311)	(95,220,260)
Operating income (loss)	11,576,414	6,333,140	32,313,191	23,287,210
Nonoperating revenues (expenses):				
Contributions from other governments	5,626,547	6,516,802	-	9,300,681
Investment earnings	206,946	729,371	191,648	653,894
Other	(4,663,800)	(5,164,398)	(789,138)	(992,927)
Interest expense	(121,050)	(94,819)	(100,147)	(133,416)
Total nonoperating revenues (expenses)	1,048,643	1,986,956	(697,637)	8,828,232
Capital contributions	37,289,056	21,414,190	3,968,786	1,174,638
Change in net position	49,914,113	29,734,286	35,584,340	33,290,080
Beginning net position	371,193,548	337,709,558	812,112,814	784,959,695
Transfer of Debt Service Assistance Fund loan payable	-	3,749,704	-	(6,136,961)
Ending net position	\$ 421,107,661	\$ 371,193,548	\$ 847,697,154	\$ 812,112,814

	Condensed Statements of Cash Flows			
	Water		Sewer	
	2020	2019	2020	2019
Net cash provided by (used in):				
Operating activities	\$ 48,043,552	\$ 35,824,245	\$ 61,289,818	\$ 51,569,731
Noncapital financing activities	5,906,805	6,781,570	357,663	9,679,614
Capital and related financing activities	(43,083,395)	(56,918,526)	36,197,818	(72,096,991)
Investing activities	254,854	828,634	295,813	524,508
Net increase	11,121,816	(13,484,077)	98,141,112	(10,323,138)
Cash and cash equivalents:				
Beginning of year	47,663,925	61,148,002	61,027,336	71,350,474
End of year	\$ 58,785,741	\$ 47,663,925	\$ 159,168,448	\$ 61,027,336

15. Natural Disaster

During the years ended, December 31, 2020 and 2019, the Board has cumulatively received approximately \$515.1 million and \$477.2 million, respectively, of cash reimbursements from the Federal Emergency Management Agency (FEMA). Included in accounts receivable as of December 31, 2020 and 2019 are \$1,035 and \$284,373, respectively, of reimbursements due from FEMA under the Disaster Grants program. Eligible FEMA grants totaling in excess of \$809.8 million are in various stages of the approval process and include amounts for system repairs, building repairs, vehicle and equipment repairs, and replacements, temporary power, supplies and other costs.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

16. Recent Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be recorded in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be recorded, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The implementation in 2020 by the Board did not have a material impact on fiduciary activities.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation in 2020 by the Board resulted in additional disclosures in Note 6.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This is a significant change in accounting principles and may impact the net position of the Board. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Therefore, as applicable, the Board will implement this standard in 2022.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

16. Recent Accounting Pronouncements (continued)

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The Statement objectives include (1) enhancing the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifying accounting for interest costs incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Board will implement this standard in 2021.

17. Current Operating Environment and Contributions from Other Governments

In 2019, under the leadership of Mayor LaToya Cantrell, the Board received \$28 million in one-time funding through the Fair Share program. The purpose of the Fair Share funding is to improve the provision of water, sewer, and drainage services to the residents of New Orleans. In 2019, the Board continued to consider ways to increase revenues.; the Mayor was able to secure ongoing funding under House Bills 522, 617 & 43 which was anticipated to result in \$20-\$26 million in recurring tax revenue.

18. Examination by Federal, State, and Local Agencies

During 2017, the Board was notified by the Office for Inspector General (the OIG) of the U.S. Department of Homeland Security that the OIG would be conducting an audit of FEMA Public Assistance Grant Funds awarded to the Board for the period from August 29, 2005 to September 30, 2017. The objective of the audit is to determine whether the Board accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines. The OIG's report, dated March 27, 2020, noted approximately \$133 million in questioned costs, along with other findings and recommendations to help strengthen program management, performance and oversight. The Board worked in conjunction with FEMA and its grantee to address the questioned costs finding and to implement operational recommendations, as deemed appropriate. As a result, the OIG issued a closure memo to FEMA on January 14, 2021, on the previous recommendations and the Board continues to implement operational recommendations.

On March 19, 2020, the Louisiana Legislative Auditor (LLA) issued a report based on its review of the circumstances surrounding the Board's letting, bidding and awarding of contracts pertaining to its new billing system. The purpose of the audit was to evaluate the Board's implementation of the new billing system and oversight of its billing processes. The LLA's report noted at least \$26.3 million in estimated free water and sewer services, along with other findings and recommendations. The Board is working to make attainable changes that can improve its delivery of water and sewer services and reduce if not eliminate requirements that free water and services be provided under state law. On March 17, 2021, the LLA issued a follow up report indicating recommendations were fully implemented or in progress.

On June 5, 2020, the New Orleans Office of Inspector General (NO-OIG) issued a report based on its review of SWBNO's dispute resolution process. The purpose of this project was to examine the Board's process for resolving customer billing disputes. Ultimately, the NO-OIG concluded the process used to resolve disputes was not systematic and fair, and it did not balance the rights of individual customers to have accurate bills with the rights of citizens to have a financially stable utility. The Board does not believe that there will be substantial financial impacts for past unresolved disputes and is working to implement operational recommendations, as deemed appropriate.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

19. Revenue Bonds Debt Service Coverage (Unaudited)

Each of the General Bond Resolutions governing the Series 2014 Bonds and the Series 2015 Bonds have certain covenant requirements regarding net revenue available for debt service. The net revenue available for debt service in the Board's debt service coverage calculations is presented in Section III, Statistical Information (Unaudited).

The Board is in compliance with these particular covenants for the year ended December 31, 2020, as provided for in the respective General Bond Resolutions.

20. Subsequent Events

On March 3, 2021, the Board refunded the Series 2014 and 2015 Sewerage bonds. The Board issued \$178,195,000 in Series 2021 Sewerage Service Revenue and Refunding Bonds with a final maturity of June 1, 2045. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the sewerage bonds in the amount of \$157,900,000. By refunding these bonds, the Board estimated \$23,762,182 in future savings related to future interest and principal payments.

On March 3, 2021, the Board refunded the Series 2014 and 2015 Water bonds. The Board issued \$194,300,000 in Series 2021 Water Revenue and Refunding Bonds with a final maturity of June 1, 2045. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the Water bonds in the amount of \$161,440,000. By refunding these bonds, the Board estimated \$22,811,372 in future savings related to future interest and principal payments.

On June 2, 2021, the Federal government announced the Low-Income Household Water Assistance Program (LIHWAP) housed at the U.S. Department of Health & Human Services. This program is the first of its kind designed to provide funding to help low-income households affected by the COVID-19 pandemic pay their water and wastewater bills. The available federal funds, which total \$1.138 billion, were secured as part of the federal COVID-19 relief spending in December 2020 and March 2021. The federal funds will be provided to the states which will ultimately be responsible for implementing programs that deliver the funding to water and wastewater utilities on behalf of eligible customers. The Board expects to receive LIHWAP funding from the State for the benefit of eligible customers in the coming months.

On June 16, 2021, the Board of Directors approved a resolution of the Board to authorize resumption of normal collection activities of past due customer bills including water service disconnections upon formal notification and grace period provided to customers.

On June 16, 2021, the City of New Orleans announced a partnership with the Board that through a range of funding commitments, will allow Entergy New Orleans to seek approvals to support next generation power infrastructure at the Board's Carrollton Plant. The estimated \$74 million project will provide a new substation, frequency changers, and power integration providing a more reliable source of power to the Board to better serve customers.

REQUIRED SUPPLEMENTARY INFORMATION

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2020 and 2019

SCHEDULE OF NET PENSION LIABILITY

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

Note to schedule:

Until a full 10-year trend is compiled, governments should present information for those years for which information is available. History prior to 2013 is not shown in this report but is maintained in the records of the employer.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll Contribution	Contributions as a % of Covered Payroll
2020	\$ 10,263,698	\$ 10,392,532	\$ (128,834)	\$ 54,856,389	18.94%
2019	10,156,701	10,466,009	(309,308)	53,213,682	19.67%
2018	8,435,598	8,419,441	16,157	50,679,697	16.61%
2017	10,545,867	7,239,467	3,306,400	41,822,648	17.31%
2016	11,024,398	6,407,201	4,617,197	35,363,156	18.12%
2015	10,799,993	6,506,652	4,293,341	33,672,902	19.32%
2014	11,171,823	6,055,890	5,115,933	31,378,001	19.30%
2013	11,086,546	5,946,614	5,139,932	29,706,715	20.02%
2012	9,127,658	6,287,658	2,840,000	29,074,529	21.63%
2011	9,815,606	5,564,936	4,250,670	29,774,937	18.69%
2010	8,358,739	5,140,096	3,218,643	29,670,378	17.32%

Note to schedule:

Valuation Date: January 1, 2020

Actuarially determined contribution rates are calculated as of January 1, 2020, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	7-year smoothed market
Inflation	2.5%
Salary increases	5.0%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Earliest eligibility age, plus one year if under age 55
Mortality	1994 Uninsured Pensioner Mortality Table, projected to 2002 using Scale AA

SCHEDULE OF INVESTMENT RETURNS

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

Note to schedule:

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

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2020 and 2019
(continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

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

Notes to Schedules:

1. This schedule is prepared using the optional format of combining the required schedules in Paragraph Nos. 46.a. and 46.b. of GASB No. 68. Until a full 10-year trend is compiled, governments should present information for those years for which information is available. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. History prior to 2014 is not shown in this report but is maintained by the employer.
2. Information is presented using a December 31, 2020 measurement date as permitted under Paragraph No. 20 of GASB No. 68.
3. City annuity and other transfers in; prior to 2018, these amounts were combined with "Benefit payments, including refunds of employee contributions".
- 4 Total compensation (not just pensionable compensation, if different) based on census used in the valuation per Q/A No. 106 of the *Guide to Implementation of GASB Statement 68*.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 75
For the years ended December 31, 2020 and 2019

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Financial Statement Reporting Date	12/31/2020	12/31/2019	12/31/2018
Measurement Date	12/31/2020	12/31/2019	12/31/2018
Service cost	\$ 6,342,348	\$ 4,509,679	\$ 5,134,251
Interest	5,433,031	6,533,926	5,926,129
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(7,306,463)	-	-
Changes of assumptions or other inputs	39,307,974	33,088,043	(16,063,510)
Benefit payments (employer)	<u>(6,569,278)</u>	<u>(7,515,819)</u>	<u>(7,043,121)</u>
Net change in total OPEB liability	37,207,612	36,615,829	(12,046,251)
Total OPEB liability - beginning	<u>195,228,094</u>	<u>158,612,265</u>	<u>170,658,516</u>
Total OPEB liability - ending	<u>\$ 232,435,706</u>	<u>\$ 195,228,094</u>	<u>\$ 158,612,265</u>
Covered payroll	<u>\$ 54,856,389</u>	<u>\$ 53,213,682</u>	<u>\$ 50,679,697</u>
Total OPEB liability as a percentage of covered payroll	423.72%	366.88%	312.97%

Notes to Schedule:

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

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

SUPPLEMENTARY INFORMATION

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF NET POSITION BY DEPARTMENT
ENTERPRISE FUND
As of December 31, 2020 and 2019

	Water System		Sewerage System		Drainage System		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS AND DEFERED OUTFLOWS OF RESOURCES								
Current assets:								
Cash and cash equivalents	\$ 20,733,538	\$ 20,394,446	\$ 45,523,168	\$ 32,399,214	\$ 20,872,198	\$ 9,191,378	\$ 87,128,904	\$ 61,985,038
Investments	-	-	282,595	277,426	-	-	282,595	277,426
Accounts receivable:								
Customers, net of allowance	19,513,038	16,642,640	22,492,108	17,413,119	-	-	42,005,146	34,055,759
Taxes	-	-	-	-	3,144,460	5,089,136	3,144,460	5,089,136
Grants	23,711,829	10,828,954	1,201,465	1,821,271	3,768,301	4,319,414	28,681,595	16,969,639
Miscellaneous	675,274	799,033	651,743	862,606	1,165,583	4,121,159	2,492,600	5,782,798
Due from (to) other internal departments	(4,823,725)	(4,818,092)	17,475,491	17,550,843	(12,651,766)	(12,732,751)	-	-
Inventory of supplies	2,533,709	2,380,984	1,788,806	1,635,632	1,196,970	1,120,383	5,519,485	5,136,999
Prepaid expenses	399,825	284,829	245,244	130,248	213,018	155,520	858,087	570,597
Total unrestricted and undesignated	62,743,488	46,512,794	89,660,620	72,090,359	17,708,764	11,264,239	170,112,872	129,867,392
Total current assets	62,743,488	46,512,794	89,660,620	72,090,359	17,708,764	11,264,239	170,112,872	129,867,392
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Cash and cash equivalents restricted for capital projects	10,690,165	506,612	84,738,172	821,008	4,230,074	247,515	99,658,411	1,575,135
Investments restricted for capital projects	2,584,723	2,584,723	57,000	57,000	-	-	2,641,723	2,641,723
Health insurance reserve	888,513	638,113	854,255	603,855	770,232	645,032	2,513,000	1,887,000
Debt service	16,491,311	16,580,927	28,052,853	27,203,259	-	55,432	44,544,164	43,839,618
Total restricted cash, cash equivalents, and investments	30,654,712	20,310,375	113,702,280	28,685,122	5,000,306	947,979	149,357,298	49,943,476
Property, plant and equipment	1,080,851,352	1,022,425,985	1,475,704,083	1,432,383,010	2,064,283,674	1,960,434,864	4,620,839,109	4,415,243,859
Less: accumulated depreciation	377,892,541	367,236,172	353,189,083	334,562,985	416,437,499	395,149,587	1,147,519,123	1,096,948,744
Property, plant, and equipment, net	702,958,811	655,189,813	1,122,515,000	1,097,820,025	1,647,846,175	1,565,285,277	3,473,319,986	3,318,295,115
Other assets								
Customer deposits - cash	9,982,214	9,543,827	-	-	-	-	9,982,214	9,543,827
Customer deposits - investments	3,250,000	3,250,000	-	-	-	-	3,250,000	3,250,000
Deposits	22,950	22,950	17,965	17,965	10,400	10,400	51,315	51,315
Total other assets	13,255,164	12,816,777	17,965	17,965	10,400	10,400	13,283,529	12,845,142
Total noncurrent assets	746,868,687	688,316,965	1,236,235,245	1,126,523,112	1,652,856,881	1,566,243,656	3,635,960,813	3,381,083,733
Total assets	809,612,175	734,829,759	1,325,895,865	1,198,613,471	1,670,565,645	1,577,507,895	3,806,073,685	3,510,951,125
Deferred outflows of resources:								
Deferred amounts related to net pension liability	5,502,070	6,235,107	5,502,070	6,235,107	5,502,070	6,235,107	16,506,210	18,705,321
Deferred amounts related to total OPEB liability	15,341,667	8,272,011	15,341,666	8,272,010	15,341,667	8,272,012	46,025,000	24,816,033
Deferred loss on bond refunding	6,524	10,886	2,268,021	2,513,395	63,943	75,462	2,338,488	2,599,743
Total deferred outflows of resources	20,850,261	14,518,004	23,111,757	17,020,512	20,907,680	14,582,581	64,869,698	46,121,097
Total assets and deferred outflows of resources	\$ 830,462,436	\$ 749,347,763	\$ 1,349,007,622	\$ 1,215,633,983	\$ 1,691,473,325	\$ 1,592,090,476	\$ 3,870,943,383	\$ 3,557,072,222

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF NET POSITION BY DEPARTMENT, CONTINUED
ENTERPRISE FUND
As of December 31, 2020 and 2019

	Water System		Sewerage System		Drainage System		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION								
Current liabilities (payable from current assets):								
Accounts payable	\$ 53,622,472	\$ 35,116,446	\$ 25,454,649	\$ 14,760,460	\$ 15,731,006	\$ 17,826,586	\$ 94,808,127	\$ 67,703,492
Due to City of New Orleans	2,027,009	710,554	-	-	-	-	2,027,009	710,554
Disaster Reimbursement Revolving Loan	-	-	-	-	-	-	-	-
Retainers and estimates payable	2,775,963	455,254	1,791,464	1,409,326	1,660,808	1,654,366	6,228,235	3,518,946
Due to other fund	310,159	226,430	145,585	52,324	177,234	64,590	632,978	343,344
Accrued salaries	462,985	779,960	716,944	838,757	615,671	566,565	1,795,600	2,185,282
Claims payable	1,489,259	1,217,338	1,455,001	1,183,080	1,370,978	1,224,257	4,315,238	3,624,675
Total OPEB liability, due within one year	2,189,759	2,505,273	2,189,759	2,505,273	2,189,759	2,505,263	6,569,277	7,515,809
Southeast Louisiana Project liability, current portion	-	-	-	-	3,334,582	-	3,334,582	-
Debt Service Assistance Fund loan payable	-	-	2,773,797	2,650,800	-	-	2,773,797	2,650,800
Advances from federal government	2,755,068	2,679,202	1,976,305	1,976,305	-	-	4,731,373	4,655,507
Other liabilities	933,528	629,386	295,454	209,089	(4,884)	13,700	1,224,098	852,175
Total Current liabilities (payable from current assets):	66,566,202	44,319,843	36,798,958	25,585,414	25,075,154	23,855,327	128,440,314	93,760,584
Current liabilities (payable from restricted assets):								
Accrued interest	788,854	883,851	1,822,307	1,604,260	7,008	62,588	2,618,169	2,550,699
Bonds payable	4,005,000	3,825,000	11,493,000	12,099,000	1,955,000	1,895,000	17,453,000	17,819,000
Retainers and estimates payable	79,273	472,171	7,168	277,322	-	-	86,441	749,493
Total current liabilities (payable from restricted assets):	4,873,127	5,181,022	13,322,475	13,980,582	1,962,008	1,957,588	20,157,610	21,119,192
Total current liabilities	71,439,329	49,500,865	50,121,433	39,565,996	27,037,162	25,812,915	148,597,924	114,879,776
Long-term liabilities:								
Claims payable, net of current portion	4,050,309	3,879,578	5,172,330	4,937,099	34,068,217	34,392,486	43,290,856	43,209,163
Accrued vacation and sick pay	3,995,748	3,675,130	3,823,592	3,462,388	2,085,557	1,930,816	9,904,897	9,068,334
Net pension liability	32,505,035	35,013,806	32,505,035	35,013,806	32,505,035	35,013,806	97,515,105	105,041,418
Total OPEB liability, net of current portion	75,288,810	62,570,762	75,288,809	62,570,761	75,288,810	62,570,762	225,866,429	187,712,285
Bonds payable, net of current maturities	200,652,530	205,663,561	288,943,178	212,875,346	2,014,175	4,007,444	491,609,883	422,546,351
Southeast Louisiana Project liability, net of current portion	-	-	-	-	206,480,938	250,343,870	206,480,938	250,343,870
Debt Service Assistance Fund loan payable, net of current maturities	-	-	37,265,290	40,039,087	-	-	37,265,290	40,039,087
Customer deposits	13,232,214	12,793,827	-	-	-	-	13,232,214	12,793,827
Total long-term liabilities	329,724,646	323,596,664	442,998,234	358,898,487	352,442,732	388,259,184	1,125,165,612	1,070,754,335
Total liabilities	401,163,975	373,097,529	493,119,667	398,464,483	379,479,894	414,072,099	1,273,763,536	1,185,634,111
Deferred inflows of resources:								
Deferred amounts related to net pension liability	5,025,559	2,379,436	5,025,559	2,379,436	5,025,559	2,379,436	15,076,677	7,138,308
Deferred amounts related to total OPEB liability	3,165,241	2,677,250	3,165,242	2,677,250	3,165,242	2,677,251	9,495,725	8,031,751
Total deferred inflows of resources	8,190,800	5,056,686	8,190,801	5,056,686	8,190,801	5,056,687	24,572,402	15,170,059
Net position:								
Net investment in capital assets	511,576,169	448,792,587	906,873,994	873,723,687	1,438,291,554	1,309,286,478	2,856,741,717	2,631,802,752
Restricted for debt service	16,491,311	16,580,927	28,052,853	27,203,259	-	55,432	44,544,164	43,839,618
Unrestricted (deficit)	(106,959,819)	(94,179,966)	(87,229,693)	(88,814,132)	(134,488,924)	(136,380,220)	(328,678,436)	(319,374,318)
Total net position	421,107,661	371,193,548	847,697,154	812,112,814	1,303,802,630	1,172,961,690	2,572,607,445	2,356,268,052
Total liabilities, deferred inflows of resources, and net position	\$ 830,462,436	\$ 749,347,763	\$ 1,349,007,622	\$ 1,215,633,983	\$ 1,691,473,325	\$ 1,592,090,476	\$ 3,870,943,383	\$ 3,557,072,222

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DEPARTMENT
ENTERPRISE FUND
For the years ended December 31, 2020 and 2019

	Water System		Sewerage System		Drainage System		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenues:								
Sales of water and delinquent fees	\$ 116,603,501	\$ 113,339,213	\$ -	\$ -	\$ -	\$ -	\$ 116,603,501	\$ 113,339,213
Sewerage service charges	-	-	146,261,741	143,686,137	-	-	146,261,741	143,686,137
Plumbing inspection and license fees	236,398	293,773	226,589	288,283	-	-	462,987	582,056
Other revenues	4,059,675	3,011,749	880,182	1,051,920	378,909	1,287,446	5,318,766	5,351,115
Total operating revenues	120,899,574	116,644,735	147,368,512	145,026,340	378,909	1,287,446	268,646,995	262,958,521
Operating Expenses:								
Power and pumping	2,513,067	2,605,184	5,757,412	4,944,123	12,031,838	12,463,709	20,302,317	20,013,016.00
Treatment	9,518,816	9,639,792	12,161,756	10,048,430	-	-	21,680,572	19,688,222.00
Transmission and distribution	16,878,602	19,644,181	13,080,099	14,368,415	4,201,971	4,163,871	34,160,672	38,176,467.00
Customer accounts	2,318,806	2,703,346	2,318,803	2,703,342	18,641	25,098	4,656,250	5,431,786.00
Customer service	4,130,235	2,612,778	4,130,232	2,612,773	83,164	78,587	8,343,631	5,304,138.00
Administration and general	10,698,541	10,274,204	12,542,665	12,871,251	6,281,784	5,878,102	29,522,990	29,023,557.00
Payroll related expenses	21,492,640	20,223,874	21,707,662	20,123,106	14,636,209	13,491,336	57,836,511	53,838,316.00
Maintenance of general plant	15,079,077	14,069,152	6,594,492	8,050,655	4,669,851	5,023,033	26,343,420	27,142,840.00
Depreciation	13,306,697	12,643,499	20,406,010	26,518,870	21,325,160	24,993,861	55,037,867	64,156,230.00
Provision for doubtful accounts	12,028,333	15,171,065	14,932,444	18,036,645	-	98,485	26,960,777	33,306,195.00
Provision for claims	1,358,346	724,520	1,423,746	1,461,520	280,981	(116,680)	3,063,073	2,069,360.00
Total operating expenses	109,323,160	110,311,595	115,055,321	121,739,130	63,529,599	66,099,402	287,908,080	298,150,127
Operating income (loss)	11,576,414	6,333,140	32,313,191	23,287,210	(63,150,690)	(64,811,956)	(19,261,085)	(35,191,606)
Non-operating revenues (expenses):								
Three-mill tax	-	-	-	-	17,906,032	15,300,420	17,906,032	15,300,420
Six-mill tax	-	-	-	-	18,614,966	16,241,889	18,614,966	16,241,889
Nine-mill tax	-	-	-	-	27,902,527	24,345,982	27,902,527	24,345,982
Two-mill tax	-	-	-	-	701	35	701	35
Other taxes	264,819	264,768	330,280	330,217	-	-	595,099	594,985
Contributions from other governments	5,626,547	6,516,802	-	9,300,681	1,030,625	20,021,658	6,657,172	35,839,141
Federal noncapital grants	15,439	-	27,383	48,716	17,260	-	60,082	48,716
Interest income	206,946	729,371	191,648	653,894	128,787	226,747	527,381	1,610,012
Bond issuance costs	-	-	(886,582)	(127,550)	-	-	(886,582)	(127,550)
Interest expense	(121,050)	(94,819)	(100,147)	(133,416)	(55,540)	-	(276,737)	(228,235)
Provision for grants	(4,944,058)	(5,429,166)	(260,219)	(1,244,310)	(607,922)	(557,352)	(5,812,199)	(7,230,828)
Total non-operating revenues (expenses)	1,048,643	1,986,956	(697,637)	8,828,232	64,937,436	75,579,379	65,288,442	86,394,567
Income (expenses) before capital contributions	12,625,057	8,320,096	31,615,554	32,115,442	1,786,746	10,767,423	46,027,357	51,202,961
Capital contributions	37,289,056	21,414,190	3,968,786	1,174,638	129,054,194	37,674,272	170,312,036	60,263,100
Change in net position	49,914,113	29,734,286	35,584,340	33,290,080	130,840,940	48,441,695	216,339,393	111,466,061
Net position, beginning of year	371,193,548	337,709,558	812,112,814	784,959,695	1,172,961,690	1,122,132,738	2,356,268,052	2,244,801,991
Transfer of Debt Service Assistance Fund loan payable	-	3,749,704	-	(6,136,961)	-	2,387,257	-	-
Net position, end of year	\$ 421,107,661	\$ 371,193,548	\$ 847,697,154	\$ 812,112,814	\$ 1,303,802,630	\$ 1,172,961,690	\$ 2,572,607,445	\$ 2,356,268,052

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT
As of December 31, 2020 and 2019

	2020			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,001,793	\$ 1,784,210	\$ 5,832,189	\$ 10,618,192
Power and pumping stations - buildings and machinery	281,810,465	158,918,153	415,838,562	856,567,180
Distribution systems	408,237,429	-	-	408,237,429
Sewerage collection, treatment plant, general plant, and buildings	140,013,853	1,149,079,474	81,636,108	1,370,729,435
Canals and subsurface drainage	-	-	1,274,670,649	1,274,670,649
Power transmissions, Connections and meters	70,175,084	68,139,826	13,235,456	151,550,366
Total property, plant and equipment in service	903,238,624	1,377,921,663	1,791,212,964	4,072,373,251
Construction in progress	177,612,728	97,782,420	273,070,710	548,465,858
Total property, plant and equipment	1,080,851,352	1,475,704,083	2,064,283,674	4,620,839,109
Accumulated depreciation	377,892,541	353,189,083	416,437,499	1,147,519,123
Net property, plant and equipment	<u>\$ 702,958,811</u>	<u>\$ 1,122,515,000</u>	<u>\$ 1,647,846,175</u>	<u>\$ 3,473,319,986</u>

	2019			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,065,632	\$ 1,949,159	\$ 8,772,766	\$ 13,787,557
Power and pumping stations - buildings and machinery	238,498,413	121,106,786	403,987,334	763,592,533
Distribution systems	373,211,294	-	-	373,211,294
Sewerage collection, treatment plant, general plant, and buildings	-	1,053,676,732	-	1,053,676,732
Canals and subsurface drainage	-	-	1,032,784,864	1,032,784,864
Power transmissions, Connections and meters	241,274,408	152,125,924	97,518,937	490,919,269
Total property, plant and equipment in service	856,049,747	1,328,858,601	1,543,063,901	3,727,972,249
Construction in progress	166,376,238	103,524,409	417,370,963	687,271,610
Total property, plant and equipment	1,022,425,985	1,432,383,010	1,960,434,864	4,415,243,859
Accumulated depreciation	367,236,172	334,562,985	395,149,587	1,096,948,744
Net property, plant and equipment	<u>\$ 655,189,813</u>	<u>\$ 1,097,820,025</u>	<u>\$ 1,565,285,277</u>	<u>\$ 3,318,295,115</u>

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF BONDS PAYABLE
For the year ended December 31, 2020

	Annual Interest Rates	Interest Payment Dates	Issue Date	Final Maturity Date	Outstanding as of 12/31/2019	New Debt in 2020	Payments in 2020	Outstanding as of 12/31/2020
Drainage System Bonds, 2014 (9-Mills)	4.53%	(6/1;12/1)	12/1/2014	6/1/2022	\$ 5,850,000	\$ -	\$ 1,895,000	\$ 3,955,000
					<u>5,850,000</u>	<u>-</u>	<u>1,895,000</u>	<u>3,955,000</u>
Sewer Revenue Bonds, 2011	0.95%	(5/1; 11/1)	12/1/2011	12/1/1932	6,040,000	-	439,000	5,601,000
Sewer Revenue Bonds, 2014	4.87%	(6/1;12/1)	12/1/2014	6/1/1944	99,365,000	-	11,660,000	87,705,000
Sewer Revenue Bonds, 2015	5.00%	(6/1;12/1)	12/17/2015	12/1/1945	100,000,000	-	-	100,000,000
Sewer Revenue Bonds, 2019	0.95%	(6/1;12/1)	11/20/2019	6/1/2040	127,550	-	-	127,550
Sewer Revenue Bonds, 2020A	1.50%	(12/1;06/1)	6/10/2020	6/1/2025	-	10,250,000	-	10,250,000
Sewer Revenue Bonds, 2020B	2.87%	(12/1;06/1)	12/8/2020	12/31/2080	-	64,750,000	-	64,750,000
					<u>205,532,550</u>	<u>75,000,000</u>	<u>12,099,000</u>	<u>268,433,550</u>
Water Revenue Bonds, 2014	5.00%	(6/1;12/1)	12/1/2014	6/1/1944	95,200,000	-	2,930,000	92,270,000
Water Revenue Bonds, 2015	4.98%	(6/1;12/1)	12/17/2015	2/1/2030	98,525,000	-	895,000	97,630,000
					<u>193,725,000</u>	<u>-</u>	<u>3,825,000</u>	<u>189,900,000</u>
TOTAL					<u>\$ 405,107,550</u>	<u>\$ 75,000,000</u>	<u>\$ 17,819,000</u>	<u>\$ 462,288,550</u>

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
DEBT SERVICE AND DEBT SERVICE RESERVE
REQUIRED BY BOND RESOLUTION
For the year ended December 31, 2020

	Debt Service Account				Debt Service Reserve Accounts		
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 3,107,377	\$ 8,587,616	\$ 55,432	\$ 11,750,425	\$ 13,473,550	\$ 18,615,643	\$ 32,089,193
Cash receipts:							
Bond proceeds and accrued interest	-	609,474	-	609,474	-	1,353,767	1,353,767
Transfers from operating cash and debt service reserve	13,473,358	25,158,361	2,035,950	40,667,669	-	-	-
Excess debt service reserve fund applied to BANS 2006 Maturity	-	-	-	-	-	-	-
Total receipts	<u>13,473,358</u>	<u>25,767,835</u>	<u>2,035,950</u>	<u>41,277,143</u>	<u>-</u>	<u>1,353,767</u>	<u>1,353,767</u>
Cash disbursements:							
Principal and interest payments, cost of issuance and transfers	<u>13,562,974</u>	<u>26,272,008</u>	<u>2,091,382</u>	<u>41,926,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash disbursements	<u>13,562,974</u>	<u>26,272,008</u>	<u>2,091,382</u>	<u>41,926,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments at end of year	<u>\$ 3,017,761</u>	<u>\$ 8,083,443</u>	<u>\$ -</u>	<u>\$ 11,101,204</u>	<u>\$ 13,473,550</u>	<u>\$ 19,969,410</u>	<u>\$ 33,442,960</u>

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT
For the year ended December 31, 2020

	Beginning of Year	Current Year Claims and Estimate Change	Payments	End of Year
<u>WATER</u>				
Short-term:				
Workers' compensation	\$ 579,225	\$ 1,235,370	\$ 1,213,849	\$ 600,746
Health insurance	638,113	8,214,131	7,963,731	888,513
Total short-term	1,217,338	9,449,501	9,177,580	1,489,259
Long-term:				
Workers' compensation	258,922	(45,803)	-	213,119
General liability	3,620,656	216,634	100	3,837,190
Total long-term	3,879,578	170,831	100	4,050,309
Total	\$ 5,096,916	\$ 9,620,332	\$ 9,177,680	\$ 5,539,568
<u>SEWERAGE</u>				
Short-term:				
Workers' compensation	\$ 579,225	\$ 1,235,370	\$ 1,213,849	\$ 600,746
Health insurance	603,855	8,217,716	7,967,316	854,255
Total short-term	1,183,080	9,453,086	9,181,165	1,455,001
Long-term:				
Workers' compensation	258,922	(45,803)	-	213,119
General liability	4,678,177	282,034	1,000	4,959,211
Total long-term	4,937,099	236,231	1,000	5,172,330
Total	\$ 6,120,179	\$ 9,689,317	\$ 9,182,165	\$ 6,627,331
<u>DRAINAGE</u>				
Short-term:				
Workers' compensation	\$ 579,225	\$ 650,698	\$ 629,177	\$ 600,746
Health insurance	645,032	4,184,414	4,059,214	770,232
Total short-term	1,224,257	4,835,112	4,688,391	1,370,978
Long-term:				
Workers' compensation	258,922	(45,803)	-	213,119
General liability	34,133,564	(277,734)	732	33,855,098
Total long-term	34,392,486	(323,537)	732	34,068,217
Total	\$ 35,616,743	\$ 4,511,575	\$ 4,689,123	\$ 35,439,195
<u>TOTAL</u>				
Short-term:				
Workers' compensation	\$ 1,737,675	\$ 3,121,438	\$ 3,056,875	\$ 1,802,238
Health insurance	1,887,000	20,616,261	19,990,261	2,513,000
Total short-term	3,624,675	23,737,699	23,047,136	4,315,238
Long-term:				
Workers' compensation	776,766	(137,409)	-	639,357
General liability	42,432,397	220,934	1,832	42,651,499
Total long-term	43,209,163	83,525	1,832	43,290,856
Total	\$ 46,833,838	\$ 23,821,224	\$ 23,048,968	\$ 47,606,094

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
For the year ended December 31, 2020

Ghassan Korban, Executive Director

Purpose	Amount
Salary	\$ 294,218
Benefits-hospitalization	2,514
Benefits-life insurance	135
Benefits-retirement	62,668
Reimbursements	45
Conference travel	1,951
Total	<u><u>\$ 361,531</u></u>

See accompanying independent auditors' report.

STATISTICAL SECTION



SAFETY: We look out for each other and protect those we serve. We always engage in and abide by safe practices. Safety is one of our top guiding principles.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SUMMARY OF STATISTICAL INFORMATION
December 31, 2020
(Unaudited)

This part of the Board's Comprehensive Annual Financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosure, and required supplementary information says about the Board's overall financial health.

Financial Trends:

These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Revenue Capacity:

These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.

Debt Capacity:

These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

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

	Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities										
Net investment in capital assets	\$ 2,856,741,717	\$ 2,631,802,752	\$ 2,543,371,049	\$ 2,405,073,361	\$ 2,251,197,095	\$ 2,009,322,572	\$ 2,013,060,377	\$ 1,919,436,757	\$ 1,762,389,823	\$ 1,602,767,538
Restricted for debt service	44,544,164	43,839,618	46,042,585	46,606,340	47,217,981	46,199,659	30,846,959	33,405,265	35,186,883	33,137,542
Unrestricted	(328,678,436)	(319,374,318)	(344,611,643)	(282,688,257)	(69,993,128)	27,166,084	(114,602,287)	(175,395,265)	(135,165,032)	(97,925,662)
Total business-type activities net position	<u>\$ 2,572,607,445</u>	<u>\$ 2,356,268,052</u>	<u>\$ 2,244,801,991</u>	<u>\$ 2,168,991,444</u>	<u>\$ 2,228,421,948</u>	<u>\$ 2,082,688,315</u>	<u>\$ 1,929,305,049</u>	<u>\$ 1,777,446,757</u>	<u>\$ 1,662,411,674</u>	<u>\$ 1,537,979,418</u>

Source: Audited Comprehensive Annual Financial Reports

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
CHANGES IN NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Unaudited - accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues:										
Sales of water and delinquent fees	\$ 116,603,501	\$ 113,339,213	\$ 90,287,081	\$ 90,464,810	\$ 83,158,940	\$ 78,007,937	\$ 70,818,255	\$ 64,398,609	\$ 60,256,304	\$ 59,890,312
Sewerage service charges	146,261,741	143,686,137	114,614,157	111,063,719	104,795,184	95,636,966	86,553,262	78,535,785	71,407,835	70,358,076
Plumbing inspection and license fees	462,987	582,056	648,332	588,330	638,502	610,768	678,352	643,036	687,806	758,072
Other revenue	5,318,766	5,351,115	5,687,203	3,451,274	4,078,380	8,290,157	5,024,480	5,119,368	4,626,276	8,581,123
Total operating revenues	268,646,995	262,958,521	211,236,773	205,568,133	192,671,006	182,545,828	163,074,349	148,696,798	136,978,221	139,587,583
Operating Expenses:										
Power and pumping	20,302,317	20,013,016	31,874,462	36,549,229	13,499,216	13,139,255	13,227,389	12,572,620	11,951,746	11,787,614
Treatment	21,680,572	19,688,222	22,958,975	25,651,907	20,300,344	18,740,637	19,527,000	18,143,049	18,906,540	18,081,523
Transmission and distribution	34,160,672	38,176,467	46,530,018	36,409,559	37,174,706	35,878,137	27,186,606	23,323,900	26,019,713	27,216,035
Customer accounts	4,656,250	5,431,786	5,243,276	4,460,155	4,151,027	3,807,405	3,514,360	3,425,934	3,334,652	3,369,643
Customer service	8,343,631	5,304,138	4,476,414	4,217,543	4,271,555	3,973,344	3,717,925	3,464,197	3,332,300	3,320,100
Administration and general	29,522,990	29,023,557	28,253,318	24,343,704	18,506,107	16,848,253	16,976,430	17,333,945	15,879,736	16,054,154
Payroll related	57,836,511	53,838,316	49,416,581	38,126,322	43,990,879	36,349,834	32,488,264	34,928,822	33,980,859	34,770,439
Maintenance of general plant	26,343,420	27,142,840	28,813,485	26,100,182	23,979,309	27,148,505	28,178,593	27,647,127	24,480,560	25,185,237
Depreciation	55,037,867	64,156,230	63,501,190	59,450,076	52,060,674	51,661,651	50,157,869	43,648,267	39,011,955	34,772,279
Provision for doubtful accounts	26,960,777	33,306,195	20,942,217	14,326,711	3,413,404	2,466,117	1,940,782	2,052,096	1,676,511	867,460
Provision (recovery) for claims	3,063,073	2,069,360	(7,202,684)	45,272,821	6,450,805	2,435,209	2,444,878	1,801,114	130,704	(4,680,454)
Total operating expenses	287,908,080	298,150,127	294,807,252	314,908,209	227,798,026	212,448,347	199,360,096	188,341,071	178,705,276	170,744,030
Operating loss	(19,261,085)	(35,191,606)	(83,570,479)	(109,340,076)	(35,127,020)	(29,902,519)	(36,285,747)	(39,644,273)	(41,727,055)	(31,156,447)
Non-operating revenues (expenses):										
Three-mill tax	17,906,032	15,300,420	15,504,589	15,309,309	16,043,825	14,139,193	13,481,526	13,175,711	12,497,723	11,129,376
Six-mill tax	18,614,966	16,241,889	15,576,221	16,229,098	16,215,799	14,290,667	13,626,539	13,317,505	12,630,977	11,242,927
Nine-mill tax	27,902,527	24,345,982	23,570,261	23,881,671	23,762,398	21,421,102	20,425,388	19,962,114	18,933,290	16,855,081
Two-mill tax	701	35	553	2,735	7,526	4,960	1,193	-	-	4,870
Other taxes	595,099	594,985	594,532	593,424	564,050	581,395	572,083	494,106	278,394	316,079
Contributions from other local governments (Note 17)	6,657,172	35,839,141	-	-	-	-	-	-	-	-
Operating and maintenance grants	60,082	48,716	78,814	845	24,738	2,405	1,502	2,054,492	7,624,526	11,479,664
Interest income	527,381	1,610,012	3,788,898	4,273,821	4,667,470	2,511,032	811,263	353,630	401,387	426,870
Bond issuance costs	(886,582)	(127,550)	-	-	-	(1,510,657)	(2,649,339)	-	-	-
Interest expense	(276,737)	(228,235)	(3,204,239)	(3,537,336)	(32,471)	(53,518)	-	(371,349)	(737,893)	(736,878)
Recovery (provision) for grants	(5,812,199)	(7,230,828)	3,183,641	(8,906,949)	-	-	-	-	-	-
Forgiveness of Community Disaster Loan	-	-	-	-	-	-	-	30,061,368	-	-
Total non-operating revenues (expenses)	65,288,442	86,394,567	59,093,270	47,846,618	61,253,335	51,386,579	46,270,155	79,047,577	51,628,404	50,717,989
Income (loss) before capital contributions	46,027,357	51,202,961	(24,477,209)	(61,493,458)	26,126,315	21,484,060	9,984,408	39,403,304	9,901,349	19,561,542
Capital contributions	170,312,036	60,263,100	100,287,756	96,336,075	119,607,318	131,899,206	141,873,884	114,317,636	114,530,907	115,575,107
Change in net position	216,339,393	111,466,061	75,810,547	34,842,617	145,733,633	153,383,266	151,858,292	153,720,940	124,432,256	135,136,649
Net position:										
Beginning of year	2,356,268,052	2,244,801,991	2,168,991,444	2,228,421,948	2,082,688,315	1,929,305,049	1,777,446,757	1,662,411,674	1,537,979,418	1,402,842,769
Change in accounting principle	-	-	-	(94,273,121)	-	-	-	(38,685,857)	-	-
Beginning of year, as restated	2,356,268,052	2,244,801,991	2,168,991,444	2,134,148,827	2,082,688,315	1,929,305,049	1,777,446,757	1,623,725,817	1,537,979,418	1,402,842,769
End of year	\$ 2,572,607,445	\$ 2,356,268,052	\$ 2,244,801,991	\$ 2,168,991,444	\$ 2,228,421,948	\$ 2,082,688,315	\$ 1,929,305,049	\$ 1,777,446,757	\$ 1,662,411,674	\$ 1,537,979,418

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

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

Revenues	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Charges for service	\$ 131,006,460	\$ 132,351,945	\$ 143,577,430	\$ 158,049,869	\$ 174,255,671	\$ 188,592,626	\$ 202,116,859	\$ 205,549,570	\$ 257,607,406	\$ 263,328,229
Dedicated taxes	39,227,384	44,061,990	46,455,330	47,533,453	49,850,962	56,022,022	55,420,078	54,651,071	55,888,291	64,423,525
Two-mill tax	4,870	-	-	1,193	4,960	7,526	2,735	553	35	701
Interest on investments	426,870	401,387	353,630	811,263	2,511,046	4,667,470	4,273,821	3,788,898	1,610,012	527,381
Contributions from local governments	-	-	-	-	-	-	-	-	35,839,141	6,657,172
Other taxes and revenue	20,376,866	12,529,196	37,729,334	5,598,065	7,363,300	4,667,168	4,045,543	6,360,549	5,994,814	5,087,365
	<u>\$ 191,042,450</u>	<u>\$ 189,344,518</u>	<u>\$ 228,115,724</u>	<u>\$ 211,993,843</u>	<u>\$ 233,985,939</u>	<u>\$ 253,956,812</u>	<u>\$ 265,859,036</u>	<u>\$ 270,350,641</u>	<u>\$ 356,939,699</u>	<u>\$ 340,024,373</u>
Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personnel services	\$ 73,834,142	\$ 74,358,288	\$ 75,998,997	\$ 76,009,536	\$ 81,094,850	\$ 88,422,754	\$ 85,643,784	\$ 107,582,424	\$ 112,931,852	\$ 116,727,875
Services and utilities	42,417,785	40,621,806	44,686,711	46,739,864	46,321,849	48,095,715	56,047,431	51,770,073	49,172,289	54,333,467
Materials and supplies	23,532,818	22,906,012	20,153,886	22,067,167	28,468,671	29,354,674	54,170,680	58,214,032	36,514,199	32,671,603
Depreciation and amortization	34,850,026	39,011,955	43,648,267	50,157,869	51,661,651	52,060,674	59,450,076	63,501,190	64,156,230	55,037,867
Provision for doubtful accounts	867,460	1,676,511	2,052,096	1,940,782	2,466,131	3,413,404	14,326,711	20,942,217	33,306,195	26,960,777
Provision for claims	(4,680,454)	130,704	1,801,114	2,444,878	2,435,209	6,450,805	45,272,821	(7,202,684)	2,069,360	3,063,073
Provision for grants	-	-	-	-	-	-	8,906,949	(3,183,641)	7,230,828	5,812,199
Bond issuance costs	-	-	-	2,649,339	1,510,657	-	-	-	127,550	886,582
Interest	736,878	737,893	371,349	-	53,518	32,471	3,537,336	3,204,239	228,235	(609,845)
	<u>\$ 171,558,655</u>	<u>\$ 179,443,169</u>	<u>\$ 188,712,420</u>	<u>\$ 202,009,435</u>	<u>\$ 214,012,536</u>	<u>\$ 227,830,497</u>	<u>\$ 327,355,788</u>	<u>\$ 294,827,850</u>	<u>\$ 305,736,738</u>	<u>\$ 294,883,598</u>

Source: Sewerage and Water Board of New Orleans.

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

Fiscal Year (+)	Net Assessed Value		Total Net Assessed Value (2)	Total Estimated Actual Value	Ratio of Total Net Assessed to Total Estimated Actual Value
	Real Estate	Personal Property			
2011	2,584,334	385,700	2,970,034	21,974,841	13.5%
2012	2,760,973	390,952	3,151,925	21,974,841	14.3%
2013	2,920,015	413,120	3,333,135	21,974,841	15.2%
2014	3,065,164	405,514	3,470,678	21,974,841	15.8%
2015	3,202,063	431,355	3,633,418	21,974,841	16.5%
2016	3,376,001	456,454	3,832,455	30,873,272	12.4%
2017	3,481,746	471,986	3,953,732	35,475,355	11.1%
2018	3,592,392	497,655	3,789,022	35,475,355	10.7%
2019	3,647,819	527,777	4,175,596	41,168,223	10.1%
2020	4,187,933	543,771	4,731,704	41,168,223 (1)	11.5%

(1) 2019 Orleans Parish Assessor's Office Audit Report. Last available information is 2019

(2) Total Net Assessed Value does not include the Fair Market Value for Public Service Corporations.

Source: City of New Orleans

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

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

Fiscal Year	City of New Orleans	Orleans Levee District Eastbank	Algiers Levee District	Sewerage & Water Board of New Orleans	Orleans Parish School Board	Audubon Park & Zoo	Total
2011	72.05	11.67	12.76	16.43**	44.12	3.31	148.67
2012	72.05	11.67	12.76	16.43**	43.60	3.31	148.15
2013	72.05	11.67	12.36	16.43**	44.81	3.31	136.60
2014	72.05	11.67	12.76	16.43**	45.31	3.31	147.58
2015	71.95	11.67	12.56	16.43**	45.31	3.31	149.56
2016	74.45	12.28	6.21	16.43**	45.31	3.31	145.71
2017	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2018	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2019	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2020	70.71	11.18	12.26	16.23** (+)	45.31	1.95	141.41 (+)

Source: City of New Orleans

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

**3 mills adopted in 1967 expires in 2046

**6 mills adopted in 1978 expires in 2027

**9 mills adopted in 1982 expires in 2032

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TEN LARGEST TAXPAYERS

December 31, 2020 and Ten Years Ago

(Amount in thousands)

(Unaudited)

Name of Taxpayer	Type of Business	2020 Assessed Value (1)	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	\$ 114,981	2.35%
Capital One Bank	Financial Institution	44,916	0.92%
WhitneyBk/Hancock Bank	Financial Institution	40,011	0.82%
Marriot Hotel	Hotel	33,663	0.69%
Bellsouth Communication	Telecommunication	27,634	0.56%
Harrah's Entertainment	Hospitality & Gaming	26,761	0.55%
Folgers Coffee	Coffee Roasting Plant	20,622	0.42%
J P Morgan Chase Bank	Financial Institution	20,622	0.42%
International Rivercenter	Real Estate	18,105	0.37%
Sheraton Hotel	Hospitality	14,814	0.30%
		<u>\$ 362,129</u>	<u>7.40%</u>

Name of Taxpayer	Type of Business	2010 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	\$ 79,345	2.97%
Bellsouth Telecommunications	Telephone Utilities	54,414	2.04%
Harrah's Entertainment	Hospitality & Gaming	41,733	1.56%
Capital One Bank	Financial Institution	26,719	1.00%
J P Morgan Chase Bank	Financial Institution	24,026	0.90%
Whitney National Bank	Financial Institution	22,663	0.85%
International Rivercenter	Shopping Mall; Hotel	17,466	0.65%
Marriott Hotel Properties	Hotel	14,191	0.53%
C S & M Association Associates	Commerical Real Estate	13,823	0.52%
Poydras Properties	Real Estate	13,313	0.50%
		<u>\$ 307,693</u>	<u>11.52%</u>

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

(1) Last available information is 2019

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

Fiscal Year	Total Levied (1)	Collected within		Collections in	Total Collections to Date (1)	
		Fiscal year of the Levy (1)		Subsequent	Percentage	
		Amount	Percent	Years (1)	Amount	of Levy
				Amount		
Real Estate Taxes:						
2011	339,370	320,437	94.42%	16,394	336,831	99.25%
2012	362,262	342,248	94.48%	17,109	359,357	99.20%
2013	382,902	363,026	94.81%	16,730	379,756	99.18%
2014	393,304	375,815	95.55%	13,527	389,342	98.99%
2015	422,306	397,843	94.21%	20,637	418,480	99.09%
2016	457,800	442,153	96.58%	10,381	452,534	98.85%
2017	480,924	458,767	95.39%	15,233	474,000	98.56%
2018	497,718	481,642	96.77%	-	481,642	96.77%
2019	497,718	481,642	96.77%	-	481,642	96.77%
2020	497,718	481,642	96.77%	-	481,642	96.77%
Personal Property Taxes						
2011	78,996	74,204	93.93%	4,637	78,841	99.80%
2012	81,685	78,275	95.83%	3,251	81,526	99.81%
2013	87,058	84,410	96.96%	981	85,391	98.09%
2014	84,620	81,926	96.82%	797	82,723	97.76%
2015	86,961	81,773	94.03%	2,961	84,734	97.44%
2016	92,428	88,797	96.07%	966	89,763	97.12%
2017	96,441	92,123	95.52%	242	92,365	95.77%
2018	101,280	94,862	93.66%	-	94,862	93.66%
2019	101,280	94,862	93.66%	-	94,862	93.66%
2020	101,280	94,862	93.66%	-	94,862	93.66%

Source: City of New Orleans

(1) Last available information is 2018

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

December 31, 2020
Last Ten Fiscal Years
(Unaudited)

Year	Water					Sewer	
	Rate per 1,000 Gallons					Monthly Base Rate	Rate per 1,000 Gallons
	Monthly Base Rate	First 3000 3,000 Gallons	Next 17,000 Gallons	Next 980,000 Gallons	All Gallons Over 1,000,000		
2011	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04
2012	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04
2013	\$ 4.46	\$ 2.96	\$ 5.06	\$ 3.98	\$ 3.34	\$ 12.76	\$ 4.44
2014	\$ 4.91	\$ 3.26	\$ 5.57	\$ 4.38	\$ 3.67	\$ 14.04	\$ 4.88
2015	\$ 5.40	\$ 3.59	\$ 6.13	\$ 4.82	\$ 4.04	\$ 15.44	\$ 5.37
2016	\$ 5.94	\$ 3.95	\$ 6.74	\$ 5.30	\$ 4.44	\$ 16.98	\$ 5.91
2017	\$ 6.53	\$ 4.35	\$ 7.41	\$ 5.83	\$ 4.88	\$ 18.68	\$ 6.50
2018	\$ 7.18	\$ 4.79	\$ 8.15	\$ 6.41	\$ 5.37	\$ 20.55	\$ 7.15
2019	\$ 7.90	\$ 5.27	\$ 8.97	\$ 7.05	\$ 5.91	\$ 22.61	\$ 7.87
2020	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66

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

Source: Sewerage and Water Board of New Orleans.

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

Fiscal Year	Personal Income (1) (3) (in thousands)	Population (2)	Revenue Bonds	Special Tax Bonds	LDHH Bonds	Special Community Disaster Loan Payable	Debt Service Assistance Fund Loan	Total Debt	Percentage of Personal Income	Debt per Capita
2011	15,260,613	360,740	194,330,103	18,990,000	1,503,834	25,166,747	77,465,247	317,455,931	2.08%	880
2012	15,346,678	369,250	186,832,906	17,630,000	1,998,636	25,166,747	73,776,967	305,405,256	1.99%	827
2013	15,888,893	378,715	172,192,129	16,205,000	3,865	-	69,917,529	258,318,523	1.63%	682
2014	16,437,492	378,715	292,068,863	14,870,042	3,865	-	41,317,444	348,260,214	2.12%	920
2015	18,032,254	389,617	504,808,633	12,750,000	-	-	61,653,139	579,211,772	3.21%	1,487
2016	14,094,612	391,495	488,835,158	11,100,000	-	-	57,230,725	557,165,883	3.95%	1,423
2017	14,094,612	393,292	488,835,158	9,410,000	-	-	52,604,006	550,849,164	3.91%	1,401
2018	14,094,612	393,292	451,932,050	7,665,000	-	-	47,756,909	507,353,959	3.60%	1,290
2019	14,094,612	390,144	399,257,550	5,850,000	-	-	42,695,640	447,803,190	3.18%	1,148
2020	14,094,612	390,144 (4)	458,273,550	3,955,000	-	-	40,039,087	502,267,337	3.56%	1,287

(1) Source: Bureau of Economic Analysis.

(2) Source: www.census.gov/popest.

(3) Most recent available is as of 2016

(4) Most recent available is as of 2019

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2020
(Unaudited)

	Net Outstanding Debt	Percentage Overlapping	Overlapping Debt
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	\$ 5,728,550	100%	\$ 5,728,550
Overlapping debt:			
City of New Orleans	437,511,106	100%	437,511,106
Audubon Park Commission	13,130,000	100%	13,130,000
Orleans Parish School Board (1)	88,755,000	100%	88,755,000
Total overlapping debt	539,396,106	100%	539,396,106
Total direct and overlapping debt	\$ 545,124,656	100%	\$ 545,124,656

(1) The fiscal year of the Orleans Parish School Board is June 30th; The overlapping debt is based on June 30, 2020 financial information.

Source: Sewerage and Water Board of New Orleans.

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

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 74,221,260	\$ 66,607,501	\$ 7,613,759	\$ -	\$ 2,829,414	\$ 2,829,414	2.69
2015	82,957,551	71,168,572	11,788,979	-	3,500,000	3,500,000	3.37
2016	88,366,278	75,002,591	13,363,687	325,000	7,646,525	7,971,525	1.68
2017	94,657,534	77,838,026	16,819,508	2,540,000	10,100,550	12,640,550	1.33
2018	103,514,199	80,839,797	22,674,402	3,360,000	9,973,550	13,333,550	1.70
2019	124,155,676	82,505,413	41,650,263	3,575,000	9,819,550	13,394,550	3.11
2020	(1) 127,013,325	89,325,205	37,688,120	3,825,000	9,648,550	13,473,550	2.80

(1) See Note 19 to the financial statements

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

Source: Sewerage and Water Board of New Orleans.

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

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 88,756,831	\$ 45,943,518	\$ 42,813,313	\$ 13,695,000	\$ 5,445,799	\$ 19,140,799	2.24
2015	98,166,699	50,196,374	47,970,325	11,644,000	4,750,603	16,394,603	2.93
2016	108,241,219	57,142,277	51,098,942	12,852,000	10,463,838	23,315,838	2.19
2017	114,318,485	64,686,410	49,632,075	13,392,000	11,413,498	24,805,498	2.00
2018	118,029,837	81,270,955	36,758,882	12,356,000	10,783,057	23,139,057	1.59
2019	155,359,848	78,709,343	76,650,505	11,510,000	10,203,963	21,713,963	3.53
2020	(1) 147,917,823	87,958,052	59,959,771	12,099,000	9,705,711	21,804,711	2.75

(1) See Note 19 to the financial statements

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

Source: Sewerage and Water Board of New Orleans.

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

<u>Fiscal Year</u>	<u>Cash Balance</u>	<u>One Day O&M</u>	<u>Measurement</u>
2014	\$ 32,497,474	\$ 188,711	172
2015	39,253,304	194,982	201
2016	38,383,800	205,487	187
2017	29,823,726	213,255	140
2018	38,771,396	221,479	175
2019	33,211,223	226,042	147
2020	33,988,702	244,727	139

Source: Sewerage and Water Board of New Orleans.

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

<u>Fiscal Year</u>	<u>Cash Balance</u>	<u>One Day O&M</u>	<u>Measurement</u>
2014	\$ 26,736,696	\$ 130,990	204
2015	40,267,802	137,524	293
2016	62,584,566	156,554	400
2017	52,923,266	177,223	299
2018	30,935,972	222,660	139
2019	32,694,605	215,642	152
2020	45,823,728	240,981	190

Source: Sewerage and Water Board of New Orleans.

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

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Personal Income(4) (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2011	343,829	\$ 13,264,235	\$ 38,578	7.30%
2012	369,250	\$ 15,346,678	\$ 41,562	5.50%
2013	378,715	\$ 15,888,893	\$ 41,955	4.20%
2014	378,715	\$ 16,437,492	\$ 43,403	7.50%
2015	389,617	\$ 18,032,254	\$ 46,282	6.00%
2016	391,495	\$ 14,094,612	\$ 36,792	5.40%
2017	393,292	\$ 14,094,612	\$ 35,838	5.41%
2018	393,292	\$ 14,094,612	\$ 35,838	3.09%
2019	390,144	\$ 14,094,612	\$ 36,127	4.50%
2020	390,144 (5)	\$ 14,094,612	\$ 36,127 (5)	8.70%

(1) www.census.gov/popest.

(2) Estimates- Bureau of Economic Analysis.

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

(4) Most recent available is 2016.

(5) Most recent available is 2019.

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

	Rank / Number of Employees									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Acme Truck Line Inc.	8 / 2,500			10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100		
Al Copeland Investments	9 / 2,200	9 / 2,000								
Boh Bros. Construction										
Capital One Bank N.A.		8 / 2,150								
Catholic Charities Archdiocese of New Orleans									7 / 5,000	8 / 5,000
Dow Chemical Company		10 / 2,000								
East Jefferson General Hospital		5 / 3,150								
Entergy									3 / 13,504	3 / 13,504
Harrah's New Orleans Casino	7 / 2,700	7 / 2,200	7 / 2,700							
Hilton Hotel & Resorts				4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	2 / 16,380	2 / 16,380
Ingalls Shipbuilding				3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000		
Lockheed Martin Manned Space Systems		7 / 2,800								
Louisiana Children's Medical Center				7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	4 / 6,100	6 / 6,100
LSU Health Sciences Center New Orleans	2 / 7,000	3 / 5,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	8 / 4,570	
LSU Public Hospital				5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000		
NASA Michoud	10 / 2,000		9 / 2,000							
North Oaks Health System			7 / 2,700							
Northrup Grumman Avondale	3 / 6,000	2 / 5,400	3 / 6,000							
Ochsner Medical Institutions / Health System	1 / 9,800	1 / 9,100	1 / 9,100	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 19,000	1 / 30,000
Republic National Distributing										10 / 3,464
Stewart Enterprises									9 / 4,250	7 / 5,400
Tidewater									6 / 5,510	4 / 6,550
Tulane University	4 / 5,000	4 / 4,400	4 / 5,000	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	5 / 6,030	5 / 6,250
University of New Orleans	6 / 3,114		6 / 3,114	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100		
US Post Office	5 / 4,000	6 / 2,900	5 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000		
Weiser Security Services									10 / 3,500	9 / 3,500
West Jefferson Medical Center			10 / 1,904							

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

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

Year	Water	Sewer	Drainage	Total
2011	20,374,785	53,662,611	66,821,905	140,859,301
2012	33,888,620	60,658,231	90,435,159	184,982,010
2013	37,552,122	63,172,589	79,811,759	180,536,470
2014	46,604,884	58,870,182	152,172,018	257,647,084
2015	42,638,486	56,387,080	152,172,018	251,197,584
2016	46,106,462	48,975,578	167,051,515	262,133,555
2017	89,887,813	85,066,607	151,533,673	326,488,093
2018	72,486,981	66,802,398	108,035,976	247,325,355
2019	51,750,024	35,889,255	84,555,316	172,194,595
2020	58,425,367	43,321,073	103,848,810	205,595,250

¹ Includes contributed assets

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2020
(Unaudited)

		Water Revenue Bonds		All Bonds
		Series	Series	Issues
		2014	2015	
2021	Principal	3,070,000	935,000	4,005,000
	Interest	4,613,500	4,852,750	9,466,250
2022	Principal	3,225,000	970,000	4,195,000
	Interest	4,460,000	4,815,350	9,275,350
2023	Principal	2,230,000	2,155,000	4,385,000
	Interest	4,298,750	4,786,250	9,085,000
2024	Principal	2,345,000	2,260,000	4,605,000
	Interest	4,187,250	4,678,500	8,865,750
2025	Principal	2,460,000	2,375,000	4,835,000
	Interest	4,070,000	4,565,500	8,635,500
2026	Principal	2,585,000	2,490,000	5,075,000
	Interest	3,947,000	4,446,750	8,393,750
2027	Principal	2,715,000	2,615,000	5,330,000
	Interest	3,817,750	4,322,250	8,140,000
2028	Principal	2,850,000	2,750,000	5,600,000
	Interest	3,682,000	4,191,500	7,873,500
2029	Principal	2,990,000	2,885,000	5,875,000
	Interest	3,539,500	4,054,000	7,593,500
2030	Principal	3,140,000	3,030,000	6,170,000
	Interest	3,390,000	3,909,750	7,299,750
2031	Principal	3,300,000	3,180,000	6,480,000
	Interest	3,233,000	3,758,250	6,991,250
2032	Principal	3,460,000	3,345,000	6,805,000
	Interest	3,068,000	3,599,250	6,667,250
2033	Principal	3,635,000	3,510,000	7,145,000
	Interest	2,895,000	3,432,000	6,327,000
2034	Principal	3,820,000	3,680,000	7,500,000
	Interest	2,713,250	3,256,500	5,969,750
2035	Principal	4,010,000	3,865,000	7,875,000
	Interest	2,522,250	3,072,500	5,594,750
2036	Principal	4,210,000	4,060,000	8,270,000
	Interest	2,321,750	2,879,250	5,201,000
2037	Principal	4,420,000	4,265,000	8,685,000
	Interest	2,111,250	2,676,250	4,787,500
2038	Principal	4,645,000	4,475,000	9,120,000
	Interest	1,890,250	2,463,000	4,353,250
2039	Principal	4,875,000	4,700,000	9,575,000
	Interest	1,658,000	2,239,250	3,897,250
2040	Principal	5,120,000	4,930,000	10,050,000
	Interest	1,414,250	2,004,250	3,418,500
2041	Principal	5,370,000	5,185,000	10,555,000
	Interest	1,158,250	1,757,750	2,916,000
2042	Principal	5,645,000	5,435,000	11,080,000
	Interest	889,750	1,498,500	2,388,250
2043	Principal	5,925,000	5,710,000	11,635,000
	Interest	607,500	1,226,750	1,834,250
2044	Principal	6,225,000	5,995,000	12,220,000
	Interest	311,250	941,250	1,252,500
2045	Principal	-	12,830,000	12,830,000
	Interest	-	641,500	641,500
Total Principal		92,270,000	97,630,000	189,900,000
Total Interest		66,799,500	80,068,850	146,868,350
Total Future Debt Payments		<u>\$ 159,069,500</u>	<u>\$ 177,698,850</u>	<u>\$ 336,768,350</u>

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2020
(Unaudited)

		Sewer Revenue Bonds					
		Series 2011	Series 2014	Series 2015	Series 2019	Series 2020A	Series 2020B
							Total
2021	Principal	443,000	9,050,000	2,000,000	127,550		11,620,550
	Interest	24,446	4,056,325	4,950,000		153,750	12,077,062
2022	Principal	447,000	7,445,000	2,000,000		1,765,000	11,657,000
	Interest	22,452	3,643,950	4,850,000		140,513	11,606,815
2023	Principal	451,000	3,920,000	2,000,000		3,130,000	9,501,000
	Interest	20,440	3,359,825	4,750,000		103,800	11,183,965
2024	Principal	456,000	3,760,000	2,000,000		3,195,000	9,411,000
	Interest	18,412	3,167,825	4,650,000		56,363	10,842,500
2025	Principal	460,000	1,970,000	2,125,000		2,160,000	6,715,000
	Interest	16,360	3,024,575	4,546,875		16,200	10,553,910
2026	Principal	464,000	2,070,000	2,235,000			6,769,000
	Interest	14,290	2,923,575	4,437,875			10,275,640
2027	Principal	469,000	2,175,000	2,350,000			7,574,000
	Interest	12,202	2,817,450	4,323,250			9,938,302
2028	Principal	473,000	2,280,000	2,480,000			7,823,000
	Interest	10,090	2,706,075	4,202,500			9,574,815
2029	Principal	478,000	2,395,000	2,610,000			8,083,000
	Interest	7,962	2,589,200	4,075,250			9,198,812
2030	Principal	482,000	2,515,000	2,735,000			8,342,000
	Interest	5,812	2,475,881	3,941,625			8,819,468
2031	Principal	487,000	2,620,000	2,880,000			8,607,000
	Interest	3,642	2,366,762	3,801,250			8,437,054
2032	Principal	491,000	2,735,000	3,025,000			8,886,000
	Interest	1,450	2,252,969	3,653,625			8,042,069
2033	Principal	-	2,850,000	3,695,000			9,190,000
	Interest	-	2,134,287	3,485,625			7,621,937
2034	Principal	-	2,970,000	3,885,000			9,515,000
	Interest	-	2,010,613	3,296,125			7,176,138
2035	Principal	-	3,095,000	4,100,000			9,855,000
	Interest	-	1,870,125	3,096,500			6,716,325
2036	Principal	-	3,250,000	4,315,000			10,215,000
	Interest	-	1,711,500	2,886,125			6,241,125
2037	Principal	-	3,415,000	4,540,000			10,590,000
	Interest	-	1,544,875	2,664,750			5,747,425
2038	Principal	-	3,585,000	4,775,000			10,980,000
	Interest	-	1,369,875	2,431,875			5,234,450
2039	Principal	-	3,765,000	5,025,000			11,395,000
	Interest	-	1,186,125	2,186,875			4,701,200
2040	Principal	-	3,950,000	5,290,000			11,830,000
	Interest	-	993,250	1,929,000			4,146,550
2041	Principal	-	4,150,000	5,565,000			12,300,000
	Interest	-	790,750	1,657,625			3,556,250
2042	Principal	-	4,360,000	5,855,000			12,815,000
	Interest	-	578,000	1,372,125			2,928,375
2043	Principal	-	4,575,000	6,165,000			13,350,000
	Interest	-	354,625	1,071,625			2,274,250
2044	Principal	-	4,805,000	6,485,000			13,910,000
	Interest	-	120,125	755,375			1,592,750
2045	Principal	-	-	11,865,000			14,500,000
	Interest	-	-	296,625			882,500
2046	Principal	-	-	-			2,630,000
	Interest	-	-	-			467,400
2047	Principal						2,615,000
	Interest						362,500
2048	Principal						2,600,000
	Interest						258,200
2049	Principal						2,585,000
	Interest						154,500
2050	Principal						2,570,000
	Interest						51,400
Total Principal		5,601,000	87,705,000	100,000,000	127,550	10,250,000	268,433,550
Total Interest		157,558	50,048,562	79,312,500	-	470,625	180,663,686
Total Future Debt Payments		5,758,558	137,753,562	179,312,500	127,550	10,720,625	449,097,236

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2020
(Unaudited)

		Drainage Special Tax Bonds	
		Series	All Bonds
		2014	Issues
2021	Principal	1,955,000	1,955,000
	Interest	84,100	84,100
2022	Principal	2,000,000	2,000,000
	Interest	45,000	45,000
Total Principal		3,955,000	3,955,000
Total Interest		129,100	129,100
Total Future Debt Payments		<u>\$ 4,084,100</u>	<u>\$ 4,084,100</u>

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2020
(Unaudited)

		All Departments			Total
		Water	Sewer	Drainage	
2021	Principal	4,005,000	11,620,550	1,955,000	17,580,550
	Interest	9,466,250	12,077,062	84,100	21,627,412
2022	Principal	4,195,000	11,657,000	2,000,000	17,852,000
	Interest	9,275,350	11,606,815	45,000	20,927,165
2023	Principal	4,385,000	9,501,000	-	13,886,000
	Interest	9,085,000	11,183,965	-	20,268,965
2024	Principal	4,605,000	9,411,000	-	14,016,000
	Interest	8,865,750	10,842,500	-	19,708,250
2025	Principal	4,835,000	6,715,000	-	11,550,000
	Interest	8,635,500	10,553,910	-	19,189,410
2026	Principal	5,075,000	6,769,000	-	11,844,000
	Interest	8,393,750	10,275,640	-	18,669,390
2027	Principal	5,330,000	7,574,000	-	12,904,000
	Interest	8,140,000	9,938,302	-	18,078,302
2028	Principal	5,600,000	7,823,000	-	13,423,000
	Interest	7,873,500	9,574,815	-	17,448,315
2029	Principal	5,875,000	8,083,000	-	13,958,000
	Interest	7,593,500	9,198,812	-	16,792,312
2030	Principal	6,170,000	8,342,000	-	14,512,000
	Interest	7,299,750	8,819,468	-	16,119,218
2031	Principal	6,480,000	8,607,000	-	15,087,000
	Interest	6,991,250	8,437,054	-	15,428,304
2032	Principal	6,805,000	8,886,000	-	15,691,000
	Interest	6,667,250	8,042,069	-	14,709,319
2033	Principal	7,145,000	9,190,000	-	16,335,000
	Interest	6,327,000	7,621,937	-	13,948,937
2034	Principal	7,500,000	9,515,000	-	17,015,000
	Interest	5,969,750	7,176,138	-	13,145,888
2035	Principal	7,875,000	9,855,000	-	17,730,000
	Interest	5,594,750	6,716,325	-	12,311,075
2036	Principal	8,270,000	10,215,000	-	18,485,000
	Interest	5,201,000	6,241,125	-	11,442,125
2037	Principal	8,685,000	10,590,000	-	19,275,000
	Interest	4,787,500	5,747,425	-	10,534,925
2038	Principal	9,120,000	10,980,000	-	20,100,000
	Interest	4,353,250	5,234,450	-	9,587,700
2039	Principal	9,575,000	11,395,000	-	20,970,000
	Interest	3,897,250	4,701,200	-	8,598,450
2040	Principal	10,050,000	11,830,000	-	21,880,000
	Interest	3,418,500	4,146,550	-	7,565,050
2041	Principal	10,555,000	12,300,000	-	22,855,000
	Interest	2,916,000	3,556,250	-	6,472,250
2042	Principal	11,080,000	12,815,000	-	23,895,000
	Interest	2,388,250	2,928,375	-	5,316,625
2043	Principal	11,635,000	13,350,000	-	24,985,000
	Interest	1,834,250	2,274,250	-	4,108,500
2044	Principal	12,220,000	13,910,000	-	26,130,000
	Interest	1,252,500	1,592,750	-	2,845,250
2045	Principal	12,830,000	14,500,000	-	27,330,000
	Interest	641,500	882,500	-	1,524,000
2046	Principal		2,630,000		2,630,000
	Interest		467,400		467,400
2047	Principal		2,615,000		2,615,000
	Interest		362,500		362,500
2048	Principal		2,600,000		2,600,000
	Interest		258,200		258,200
2049	Principal		2,585,000		2,585,000
	Interest		154,500		154,500
2050	Principal		2,570,000		2,570,000
	Interest		51,400		51,400
Total Principal		189,900,000	268,433,550	3,955,000	462,288,550
Total Interest		146,868,350	169,056,873	129,100	327,661,136
Total Future Debt Payments		\$ 336,768,350	\$ 437,490,423	\$ 4,084,100	\$ 789,949,686

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	New Commercial Construction (1) Number of units	Value (in thousands)	New Residential Construction (1) Number of units	Value (in thousands)	Bank deposits (2) (in thousands)
2011	365	266,981	1,047	161,875	10,024,118
2012					10,862,390
2013					15,738,913
2014					16,043,233
2015					11,211,760
2016					16,706,112
2017					16,701,964
2018					15,293,912
2019					16,120,898
2020					19,732,081

(1) City of New Orleans (2011 latest year for which information is available).

(2) Summary of Deposits (as of June 30, 2020) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2020 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020
CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water:										
Water Lines [miles]	1,597	1,599	1,805	1,812	1,819	1,823	1,826	1,834	1,835	1,835
Water Manholes	30,150	30,194	30,297	30,402	30,463	30,508	30,586	30,650	30,862	30,796
Water Valves	29,611	29,521	29,629	29,730	29,791	29,831	29,940	29,990	30,316	30,638
Fire Hydrants	23,045	23,078	23,099	23,117	23,130	23,146	23,214	23,264	23,264	23,624
Sewer:										
Sewer Lines [miles]	1,519	1,520	1,536	1,547	1,561	1,568	1,585	1,602	1,605	1,605
Sewer Manholes	22,977	22,983	22,987	23,042	23,051	23,115	23,158	23,208	23,229	23,229

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2020
NUMBER OF ACTIVE EMPLOYEES
Last Ten Fiscal Years
(Unaudited)

Year	Number of Active Employees
2020	1256
2019	1483
2018	1210
2017	1083
2016	1108
2015	1183
2014	1060
2013	1025
2012	991
2011	994

Source: Sewerage and Water Board of New Orleans.

SUPPLEMENTAL SECTION



TEAMWORK: We will work as a team with our coworkers, partner agencies and the community to get the job done. We are strong leaders and followers, but most importantly we strive to be great teammates.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**December 31, 2020****ACTUAL CAPITAL EXPENDITURES**

WATER DEPARTMENT**C.P.# WATERWORKS**

110	Normal Extension & Replacement	\$	9,994,631
112	Modifications to Oak St. Raw Water Intake Station		1,819
122	Sycamore and Claiborne Filter Rehabilitation		(62,125)
156	Advanced Water Treatment (Carrollton)		318,150
157	Advanced Water Treatment (Algiers)		2,706,675
175	Water Hurricane Recovery Bonds		33,763,156
180	FEMA Review of Change Orders - Water		372,913
TOTAL WATERWORKS		\$	47,095,220

WATER DISTRIBUTION

214	Normal Extension & Replacement	\$	14,704
216	Water System Replacement Program		16,214
239	Mains DPW Contracts		146,886
TOTAL WATER DISTRIBUTION		\$	177,805

POWER PROJECTS AND GENERAL BUDGET

600	Water Share of Power Projects	\$	4,452,090
700	Water Reserve for Emergencies		(5,780,869)
800	Water Share of General Budget Items		6,552,222
TOTAL POWER PROJECTS AND GENERAL BUDGET		\$	5,223,444
TOTAL WATER DEPARTMENT		\$	52,496,469

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**December 31, 2020****ACTUAL CAPITAL EXPENDITURES**

SEWERAGE DEPARTMENT

<u>C.P.#</u>	<u>SEWERAGE SYSTEM</u>		
310	Ext & Replace - Gravity Mains EPA Consent Decree	\$	3,645,677
317	Ext & Replace - Gravity Mains EPA Consent Decree		16,611,972
326	Ext. Rep to plumbing Stations EPA Consent Decree		1,341,692
339	Main in Streets Dept. Contracts		52,982
348	Normal Extensions & Replacements		2,575,878
375	Sewerage Hurricane Recovery Bonds		16,974
380	FEMA Review of Change Orders-Sewer		133,349
381	Modification & Extension of WBSTP to 20/50 MGD		159,787
	TOTAL SEWERAGE SYSTEM	\$	24,538,312
	<u>POWER PROJECTS AND GENERAL BUDGET</u>		
600	Sewerage Share of Power Projects	\$	2,263,443
800	Sewerage Share of General Budget Items		8,405,192
	TOTAL POWER PROJECTS AND GENERAL BUDGET	\$	10,668,635
	TOTAL SEWERAGE DEPARTMENT	\$	35,206,947

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2020
ACTUAL CAPITAL EXPENDITURES

DRAINAGE DEPARTMENT

<u>C.P.#</u>	<u>CANALS</u>		
400	End of Year Accruals	\$	849,540
418	Normal Extension & Replacements		385
466	Louisiana Avenue Canal (SELA)		2,334,235
471	SELA Program Management		1,900,189
478	S. Claiborne-Lowerline to Monticello Street		577,182
480	FEMA Review of Change Orders-Drainage		543,353
486	Napoleon Avenue Canal Improvements (SELA)		1,303
496	Gen De Gaulle Drainage Canal SELA		1,032,538
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)		(354,844)
498	Dwyer Intake Canal(St. Charles Canal to Dwyer DPS)(SELA)		266,325
499	Jefferson Avenue Canal (SELA)		502,114
	TOTAL CANALS	\$	7,652,319
	<u>PUMPING STATIONS</u>		
511	Normal Extension & Rep./Stations	\$	3,849,811
535	DPS #6 Improvements		680,916
575	Drainage Hurricane Recovery Bonds		(86,083)
	TOTAL PUMPING STATIONS	\$	4,444,644
	<u>POWER PROJECTS AND GENERAL BUDGET</u>		
600	Drainage Share of Power Projects	\$	6,020,569
800	Drainage Share of General Budget Items		4,076,966
	TOTAL POWER PROJECTS AND GENERAL BUDGET	\$	10,097,534
	TOTAL DRAINAGE DEPARTMENT	\$	22,194,498

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2020
ACTUAL CAPITAL EXPENDITURES

<u>POWER PROJECTS</u>					
<u>C.P.#</u>	<u>POWER PROJECTS</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
610	Additions & Replacement to Undergoround Power Distribution Feeder	\$ 458,157	\$ 458,157	\$ 229,079	\$ 1,145,394
676	Modification to Power Generating System (HMGP)	3,993,933	1,805,285	5,791,490	11,590,708
701	Water Reserve for Emergencies	(5,780,868.51)	-	-	(5,780,869)
TOTAL POWER PROJECTS		<u>\$ (1,328,778)</u>	<u>\$ 2,263,443</u>	<u>\$ 6,020,569</u>	<u>\$ 6,955,233</u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

ACTUAL CAPITAL EXPENDITURES

<u>GENERAL BUDGET ITEMS</u>					
<u>C.P.#</u>	<u>General Budget Items</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
808	Improvements to Customer Service Satellite	\$ 117,732	\$ 117,732	\$ 117,732	\$ 353,196
810	Major Equipment Purchases	23,306	23,306	23,306	69,919
812	Computer Systems Development	75,966	75,966	41,604	193,536
820	Overhead Charged to Capital	5,206,132	7,405,150	3,429,534	16,040,816
823	Purchase of Water Meters	168,163	168,163	-	336,327
824	Meter Boxes and Meter Parts	300,506	300,505	-	601,011
843	Minor Equipment Purchases	313,206	313,206	313,206	939,618
862	Fire Hydrants and Related Parts	346,048	-	-	346,048
875	Project Delivery Unit Expenses	1,163	1,163	1,163	3,490
879	Green Infrastructure	-	-	150,420	150,420
	TOTAL GENERAL BUDGET ITEMS	<u>\$6,552,222</u>	<u>\$8,405,192</u>	<u>\$4,076,966</u>	<u>\$19,034,381</u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
POWER PURCHASED AND PRODUCED
NATURAL GAS AND FUEL OIL CONSUMED
TEN YEARS 2011 THROUGH 2020

YEAR	ELECTRIC POWER PURCHASED		ESTIMATED ELECTRIC POWER GENERATED BY		NATURAL GAS & FUEL OIL USED TO GENERATE ELECTRIC POWER			
					NATURAL GAS		FUEL OIL	
	KW-HRS	\$ AMOUNT	KW-HRS	\$ AMOUNT	MCF	\$ AMOUNT	GALLONS	\$ AMOUNT
2011	70,049,094	\$6,180,373	27,351,600	\$10,721,624	1,552,330	\$10,721,356	315	\$268
2012	63,873,900	\$5,941,992	44,819,460	\$9,180,160	1,605,720	\$9,174,678	1,459	\$5,482
2013	67,980,940	\$6,725,811	35,005,422	\$11,648,150	1,830,890	\$11,648,148	9	\$34
2014	68,632,618	\$7,052,078	32,407,296	\$12,442,213	1,643,347	\$12,442,282	9	\$69
2015	73,123,062	\$6,660,862	29,217,520	\$9,483,132	1,780,110	\$9,483,132	0	\$0
2016	69,736,118	\$7,081,051	33,182,519	\$9,082,988	1,854,370	\$9,082,988	0	\$0
2017	70,728,827	\$7,969,494	32,540,663	\$10,183,627	1,817,671	\$10,183,627	84,040	\$252,120
2018	72,722,564	\$7,985,028	34,262,650	\$10,476,819	1,896,920	\$10,476,819	0	\$0
2019	68,196,018	\$6,748,151	44,466,400	\$8,466,612	1,668,810	\$8,466,612	992	\$2,976
2020	69,459,707	\$7,621,731	42,448,583	\$2,075,532	1,648,520	\$2,075,532	See Note	See Note
TOTALS	694,502,848	69,966,570	355,702,113	93,760,856	17,298,688	93,755,174	86,824	260,949

Note:

No information is available on fuel oil (diesel) usage or cost

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
POWER PURCHASED AND PRODUCED
NATURAL GAS AND FUEL OIL CONSUMED - 2020

	KW-HOURS	COST
ELECTRIC POWER PURCHASED	69,459,707	\$7,621,730.76
ELECTRIC AND STEAM POWER GENERATED BY THE S. & W.B. (see Note)	42,448,583	\$2,075,532.00
TOTAL	111,908,290	\$9,697,262.76

NOTE:

- 1) NATURAL GAS CONSUMED IN OPERATION WAS 16,485,200 CCF. AT A COST OF \$2,075,532 .
- 2) NO INFORMATION IS AVAILABLE ON FUEL OIL (DIESEL) USAGE OR COST SHOWN IF FOR NATUAL GAS ONLY.

SEWERAGE AND WATER BORD OF NEW ORLEANS, LOUISIANA
PAY WATER CONSUMPTION (IN GALLONS)
December 31, 2020

Month	Consumption
January	1,484,837,600
February	1,200,337,500
March	979,010,600
April	1,176,173,800
May	981,825,700
June	968,533,000
July	1,422,724,100
August	1,294,984,900
September	1,183,540,400
October	971,352,500
November	1,133,616,100
December	<u>1,070,324,300</u>
Total Customer Water Metered	<u><u>13,867,260,500</u></u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
MONTHLY WATER CHARGES COLLECTED - 2020 December 31, 2020

<u>Months</u>	<u>Water Service Charges & Fees</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$9,370,008	\$193,867	\$9,563,875
February	\$8,510,690	\$162,949	\$8,673,639
March	\$8,510,036	\$162,272	\$8,672,308
April	\$6,519,253	\$279,649	\$6,798,902
May	\$7,900,869	\$105,513	\$8,006,382
June	\$7,267,122	\$82,830	\$7,349,952
July	\$8,048,453	\$43,613	\$8,092,066
August	\$8,528,091	\$39,029	\$8,567,120
September	\$8,829,034	\$28,497	\$8,857,531
October	\$7,613,451	\$24,426	\$7,637,877
November	\$7,190,806	\$24,456	\$7,215,262
December	\$9,225,677	\$46,307	\$9,271,984
	<u>\$97,513,490</u>	<u>\$1,193,408</u>	<u>\$98,706,898</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY SEWERAGE CHARGES COLLECTED - 2020

<u>Months</u>	<u>Sewerage Service Charges</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$12,683,216	\$247,883	\$12,931,099
February	\$11,510,258	\$213,939	\$11,724,198
March	\$12,337,081	\$207,785	\$12,544,866
April	\$9,460,656	\$149,191	\$9,609,847
May	\$10,703,694	\$136,628	\$10,840,322
June	\$10,485,228	\$105,070	\$10,590,298
July	\$11,609,615	\$54,036	\$11,663,651
August	\$11,850,512	\$47,804	\$11,898,316
September	\$11,927,583	\$35,569	\$11,963,153
October	\$10,112,092	\$29,194	\$10,141,285
November	\$8,981,302	\$29,429	\$9,010,731
December	\$12,159,920	\$58,229	\$12,218,149
	<u>\$133,821,157</u>	<u>\$1,314,758</u>	<u>\$135,135,915</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE I

CARROLLTON TURBIDITIES

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Maximum	271	345	242	174	131	14	10	17	12	7.1	0.31	0.33	0.34	0.33	0.23
Minimum	13	6	8	12	13	0.9	1.0	0.7	0.8	0.7	0.07	0.04	0.05	0.04	0.04
Average	63	86	62	55	38	2.9	2.8	2.5	2.5	2.2	0.13	0.13	0.13	0.13	0.12

TABLE II

CARROLLTON ALKALINITIES

PARTS PER MILLION

	River					Effluent Settling Reservoirs					Filters				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Maximum	201	161	164	147	148	205	152	152	142	139	230	188	184	162	186
Minimum	81	95	65	81	84	60	74	57	68	70	87	104	86	100	95
Average	130	124	117	118	114	118	113	105	107	102	146	139	131	136	125

TABLE II A

CARROLLTON HARDNESS

PARTS PER MILLION

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Maximum	86	79	68	72	54	102	132	75	87	78	272	211	229	198	193	304	245	235	224	210
Minimum	12	21	11	15	20	11	20	14	11	17	108	127	98	100	110	127	142	122	140	135
Average	40	42	37	37	34	48	49	45	46	41	169	166	154	155	148	197	189	176	182	168

TABLE III

CARROLLTON BACTERIAL CHARACTERISTICS

TOTAL COLIFORM ANALYSIS

2020	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	1,310	2	>200
Minimum (Colonies / 100 ml)	85	0	0
Average (colonies / 100 ml)	550	0	0
Number of Samples	233	366	1,890
Number of Samples Negative	0	365	1,885
Number of Samples Positive	233	1	5*

* None of these 5 total coliform positive samples was *E. coli* positive, and none resulted in a violation of the Total Coliform Rule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-A

PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max		82.17		0.00		4.81		5.45	131	123	3.6
	Min	2,434.54	76.25	0	0.00	93,877	4.30	106,345	4.88	39	90	0.8
	Avg		78.53		0.00		4.62		5.24	72	106	2.2
February	Max		80.29		0.00		5.02		5.69	60	108	3.5
	Min	2,142.42	71.38	0	0.00	82,730	4.38	93,733	4.95	30	88	1.1
	Avg		76.51		0.00		4.63		5.25	41	97	2.1
March	Max		82.50		0.00		5.05		5.73	55	118	3.2
	Min	2,395.56	71.21	0	0.00	89,279	3.98	101,185	4.52	21	84	0.7
	Avg		77.28		0.00		4.47		5.07	37	100	1.4
April	Max		79.96		0.00		4.43		5.02	50	118	3.6
	Min	2,279.83	73.54	0	0.00	78,880	3.91	89,438	4.43	22	96	0.9
	Avg		75.99		0.00		4.15		4.70	34	106	1.8
May	Max		88.96		0.00		4.39		4.98	41	117	3.7
	Min	2,414.97	72.58	0	0.00	77,929	3.37	88,420	3.83	18	102	0.9
	Avg		77.90		0.00		3.88		4.40	28	110	1.5
June	Max		80.58		0.00		3.96		4.49	56	130	3.3
	Min	2,281.71	69.83	0	0.00	69,065	3.33	78,402	3.78	20	108	0.9
	Avg		76.06		0.00		3.63		4.12	38	116	1.8
July	Max		80.71		0.00		3.78		4.28	103	148	2.8
	Min	2,392.06	74.00	0	0.00	71,662	3.47	81,331	3.94	19	108	0.9
	Avg		77.16		0.00		3.59		4.08	45	129	1.3
August	Max		85.25		0.00		3.81		4.32	103	148	3.0
	Min	2,510.25	75.13	0	0.00	74,193	3.36	83,887	3.46	17	110	0.8
	Avg		80.98		0.00		3.54		4.01	42	129	1.4
September	Max		91.65		0.00		3.84		4.36	55	140	2.0
	Min	2,487.31	76.25	0	0.00	72,487	3.08	82,240	3.49	13	110	0.9
	Avg		82.91		0.00		3.50		3.97	26	122	1.3
October	Max		93.23		0.00		4.23		4.78	41	134	3.1
	Min	2,616.44	76.88	0	0.00	85,715	3.36	97,286	3.81	16	113	0.8
	Avg		84.40		0.00		3.93		4.46	25	123	1.6
November	Max		91.04		0.00		4.56		4.84	60	135	2.2
	Min	2,517.99	78.79	0	0.00	85,007	3.84	96,153	4.37	15	100	0.7
	Avg		83.93		0.00		4.05		4.58	33	116	1.4
December	Max		93.50		0.00		4.24		4.81	65	126	3.1
	Min	2,653.13	77.38	0	0.00	89,265	3.78	101,397	4.30	24	108	1.1
	Avg		85.58		0.00		4.03		4.58	39	117	2.1
Annual	Total	29,126.20		0		970,089		1,099,816				
	Max	2,653.13	93.50	0	0.00	93,877	5.05	106,345	5.73	131	148	3.7
	Min	2,142.42	69.83	0	0.00	69,065	3.08	78,402	3.46	13	84	0.7
	Avg	2,427.18	79.58	0	0.00	80,841	3.99	91,651	4.53	38	114	1.7

In 2020, the G3 Basin was in service from 1/1 through 12/31.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-B

PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

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

The G4 Basin was not in service in 2020.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-C

PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max		62.17		0.00		5.72		6.45	131	123	7.1
	Min	1,738.75	50.83	0	0.00	73,314	4.68	82,022	5.23	39	90	2.2
	Avg		56.09		0.00		5.06		5.66	72	106	4.5
February	Max		59.92		0.00		6.30		6.77	60	108	6.3
	Min	1,524.67	46.67	0	0.00	70,996	5.20	79,853	5.88	30	88	2.4
	Avg		54.45		0.00		5.59		6.28	41	97	4.1
March	Max		66.17		0.00		6.01		6.78	55	118	4.5
	Min	1,663.71	46.50	0	0.00	76,358	4.97	85,889	5.10	21	84	1.6
	Avg		53.67		0.00		5.50		6.18	37	100	2.7
April	Max		55.75		0.00		6.02		6.72	50	118	4.6
	Min	1,530.21	46.33	0	0.00	66,201	4.77	73,779	5.15	22	96	1.6
	Avg		51.01		0.00		5.19		5.78	34	106	2.6
May	Max		61.79		0.00		5.40		6.04	41	117	3.2
	Min	1,667.37	48.58	0	0.00	66,531	4.15	74,531	4.64	18	102	1.4
	Avg		53.79		0.00		4.79		5.37	28	110	2.1
June	Max		59.04		0.00		4.81		5.38	56	130	3.4
	Min	1,587.50	47.08	0	0.00	60,269	4.33	67,334	4.83	20	108	1.6
	Avg		52.92		0.00		4.55		5.09	38	116	2.4
July	Max		61.63		0.00		4.76		5.33	103	148	2.9
	Min	1,727.15	49.67	0	0.00	64,715	4.33	72,237	4.83	19	108	1.4
	Avg		55.71		0.00		4.49		5.02	45	129	1.9
August	Max		63.38		0.00		5.12		5.71	103	148	3.7
	Min	1,801.67	52.29	0	0.00	68,244	4.23	75,972	4.70	17	110	1.1
	Avg		58.12		0.00		4.54		5.06	42	129	2.1
September	Max		63.79		0.00		5.09		5.67	55	140	4.8
	Min	1,781.59	53.54	0	0.00	67,676	4.12	75,545	4.78	13	110	1.4
	Avg		59.39		0.00		4.56		5.09	26	122	2.1
October	Max		65.50		0.00		5.52		6.15	41	134	3.8
	Min	1,898.98	51.42	0	0.00	79,977	4.44	88,681	4.95	16	113	1.5
	Avg		61.26		0.00		5.05		5.60	25	123	2.3
November	Max		64.08		0.00		5.32		5.90	60	135	3.2
	Min	586.96	28.88	0	0.00	24,856	4.92	27,592	5.38	15	100	1.4
	Avg		58.70		0.00		5.09		5.65	33	116	2.3
December	Max											
	Min											
	Avg											
Annual	Total	17,508.55		0		719,136		803,434				
	Max	1,898.98	66.17	0	0.00	79,977	6.30	88,681	6.78	131	148	7.1
	Min	586.96	28.88	0	0.00	24,856	4.12	27,592	4.64	13	84	1.1
	Avg	1,591.69	55.58	0	0.00	65,376	4.92	73,039	5.50	38	114	2.8

In 2020, the L3 Basin was in service from 1/1 through 11/10.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-D

PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max											
	Min											
	Avg											
February	Max											
	Min											
	Avg											
March	Max											
	Min											
	Avg											
April	Max											
	Min											
	Avg											
May	Max											
	Min											
	Avg											
June	Max											
	Min											
	Avg											
July	Max											
	Min											
	Avg											
August	Max											
	Min											
	Avg											
September	Max											
	Min											
	Avg											
October	Max											
	Min											
	Avg											
November	Max		65.79		0.00		4.39		4.87	60	135	2.5
	Min	1,192.71	29.67	0	0.00	40,425	3.02	44,953	3.98	15	100	0.8
	Avg		56.80		0.00		4.03		4.51	33	116	1.4
December	Max		64.33		0.00		4.17		4.64	65	126	2.9
	Min	1,763.65	46.29	0	0.00	59,075	3.82	65,600	4.24	24	108	1.2
	Avg		56.89		0.00		4.02		4.46	39	117	1.9
Annual	Total	2,956.36		0		99,500		110,553				
	Max	1,763.65	65.79	0	0.00	59,075	4.39	65,600	4.87	131	148	2.9
	Min	1,192.71	29.67	0	0.00	40,425	3.02	44,953	3.98	13	84	0.8
	Avg	1,478.18	56.85	0	0.00	49,750	4.04	55,276	4.48	38	114	1.7

In 2020, the L4 Basin was in service from 11/10 through 12/31.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-E

MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Month		Volume of Water	Volume of Water	Total Pounds of Polymer	Total Pounds of Polymer	Total Pounds of Fluoride	Fluoride (ppm)	Total Pounds of Pure Iron	Total Pounds of Lime Used	Lime (ppm)	Total Pounds of Chlorine	Chlorine (ppm)	Total Pounds of Anhydrous	Ammonia (ppm)	Total Pounds of Polyphosphate	Poly-phosphate	Alkalinity of Filtered	Estimated High Lift	
																		Total M.G.	M.G.D.
January	Max.	4,173.29	139.67	0	167,190	16,356	0.50	188,366	505,902	17.28	160,431	4.92	40,594	1.25	24,451	0.74	134	4,193	139.00
	Min.		128.04				0.43			11.28		4.05		1.05		0.67	98		129.08
	Avg.		134.62				0.47			14.53		4.61		1.17		0.70	117		135.25
February	Max.		137.67				0.49			16.14		4.51		1.16		0.74	121		139.46
	Min.	3,667.08	123.38	0	153,726	14,620	0.45	173,586	437,287	11.79	131,374	4.06	33,965	0.99	21,571	0.67	95	3,753	128.58
	Avg.		130.97				0.47			14.31		4.30		1.11		0.71	109		134.04
March	Max.		144.06				0.50			24.21		4.68		1.21		0.77	125		140.08
	Min.	4,059.27	125.63	0	165,637	16,029	0.43	187,074	506,532	11.94	144,115	3.89	37,394	0.97	23,665	0.64	98	4,195	124.25
	Avg.		130.94				0.46			14.94		4.26		1.11		0.70	112		135.32
April	Max.		130.92				0.48			17.64		5.19		1.34		0.79	132		137.42
	Min.	3,810.04	122.25	0	145,081	14,928	0.42	163,217	496,580	12.27	148,675	4.35	38,444	1.13	22,795	0.69	112	3,967	126.29
	Avg.		127.00				0.45			15.63		4.68		1.21		0.72	120		132.23
May	Max.		150.75				0.52			32.12		5.32		1.38		0.75	131		140.04
	Min.	4,082.34	123.58	0	144,460	15,936	0.43	162,951	539,012	12.80	168,783	4.46	43,732	1.16	23,819	0.64	115	4,129	126.88
	Avg.		131.69				0.46			15.88		4.96		1.29		0.70	125		133.19
June	Max.		135.58				0.50			19.60		5.89		1.40		0.75	147		143.21
	Min.	3,869.21	122.04	0	129,333	16,014	0.45	145,736	551,799	14.26	171,245	4.90	40,966	1.15	22,910	0.67	120	4,062	127.79
	Avg.		128.97				0.47			17.10		5.30		1.27		0.71	131		135.41
July	Max.		140.50				0.51			20.07		5.59		1.31		0.73	160		144.00
	Min.	4,119.20	125.63	0	136,377	16,578	0.44	153,568	606,159	14.04	185,449	5.18	43,031	1.09	24,044	0.67	110	4,205	126.33
	Avg.		132.88				0.47			17.66		5.40		1.25		0.70	142		135.66
August	Max.		145.63				0.54			19.39		5.93		1.40		0.74	186		141.50
	Min.	4,311.92	130.67	0	142,438	16,573	0.45	159,859	633,527	15.32	198,945	5.24	46,434	1.22	25,095	0.68	124	4,131	119.67
	Avg.		139.09				0.48			17.63		5.53		1.29		0.70	141		133.25
September	Max.		155.44				0.51			18.87		5.98		1.36		0.74	157		142.46
	Min.	4,268.90	133.33	0	140,163	16,178	0.46	157,785	629,707	14.92	199,640	5.22	46,145	1.15	24,726	0.64	120	4,029	127.42
	Avg.		142.30				0.48			17.70		5.61		1.30		0.69	133		134.31
October	Max.		152.25				0.52			18.76		5.69		1.33		0.72	145		150.17
	Min.	4,515.42	136.75	0	165,692	16,651	0.43	185,967	653,591	15.14	206,180	4.77	48,000	1.07	25,414	0.39	120	4,174	124.04
	Avg.		145.66				0.48			17.37		5.48		1.28		0.68	131		134.66
November	Max.		151.13				0.55			19.92		5.76		1.33		0.73	146		146.29
	Min.	4,297.66	129.54	0	150,288	16,558	0.45	168,697	634,713	12.51	188,688	4.04	45,307	0.88	25,110	0.51	110	4,037	120.63
	Avg.		143.26				0.49			17.56		5.21		1.25		0.69	126		134.57
December	Max.		148.75				0.51			18.89		4.88		1.30		0.72	140		143.17
	Min.	4,416.78	132.54	0	148,341	16,830	0.43	166,997	625,439	13.76	171,041	4.45	45,001	1.16	25,706	0.68	120	4,277	126.96
	Avg.		142.48				0.47			16.99		4.64		1.22		0.70	125		137.96
Annual	Total	49,591.12		0	1,788,725	193,251		2,013,803	6,820,248		2,074,566		509,014		289,306			49,152.4	
	Max.	4,515.42	155.44	0	167,190	16,830	0.55	188,366	653,591	32.12	206,180	5.98	48,000	1.40	25,706	0.79	186	4,276.63	150.17
	Min.	3,667.08	122.04	0	129,333	14,620	0.42	145,736	437,287	11.28	131,374	3.89	33,965	0.88	21,571	0.39	95	3,753.04	119.67
	Avg.	4,132.59	135.87	0	149,060	16,104	0.47	167,817	568,354	16.49	172,881	5.02	42,418	1.23	24,109	0.70	125	4,096.03	134.66

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE V

PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
Month		Low Lift Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polyelec- trolyte Used During Month	Polyelec- trolyte Parts Per Million	Total Pounds of Fluoride (100%) Used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	Total Pounds of Lime Used During Month	Lime Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Anhydrous Ammonia Parts Per Million	Total Pounds Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds Polyphos- phate Used During Month	Polyphos- phate Parts Per Million	NTU Turbidity of Clarifier Effluent	PPM Clear Well Alkalinity of Filter Effluent	High Lift Pumpage	
																				Total M.G.D.	M.G.D.
January	Max Min Avg	372.00	12.00 12.00 12.00	14,105	4.55 4.55 4.55	1,640	0.61 0.50 0.53	20,020	6.59 5.50 6.45	125,702	64.99 19.90 40.52	2,641	0.88 0.80 0.85	13,395	4.59 4.13 4.32	2,067	0.67 0.66 0.67	4.1 0.4 4.5	88 61 73	354.76	13.18 10.46 11.44
February	Max Min Avg	357.57	14.00 12.00 12.33	13,538	4.57 4.47 4.54	1,515	0.56 0.48 0.51	19,360	7.10 5.50 6.52	95,962	45.10 16.44 32.22	2,499	0.86 0.80 0.84	12,831	4.49 4.12 4.30	2,067	0.90 0.62 0.69	5.0 0.1 1.7	94 57 74	337.85	12.24 10.69 11.65
March	Max Min Avg	381.63	14.00 10.00 12.31	14,440	4.57 4.51 4.54	1,932	0.69 0.57 0.61	19,030	7.10 4.91 5.94	118,295	52.88 28.93 37.41	2,856	0.97 0.84 0.90	13,532	4.73 3.33 4.27	2,533	0.99 0.50 0.79	9.5 0.6 2.2	95 55 70	354.05	12.89 9.43 11.42
April	Max Min Avg	320.41	12.17 10.00 10.68	12,091	4.58 4.10 4.52	1,751	0.69 0.61 0.66	17,600	6.98 6.04 6.59	103,697	44.96 29.93 38.68	2,928	1.28 0.92 1.09	12,369	4.99 3.59 4.62	1,767	0.80 0.57 0.66	5.7 0.6 2.1	80 65 74	303.93	12.08 9.19 10.13
May	Max Min Avg	312.92	12.00 8.00 10.09	11,866	4.58 4.51 4.55	1,878	0.83 0.65 0.72	17,050	7.33 5.81 6.53	134,248	64.19 36.69 51.75	3,220	1.32 1.10 1.23	12,881	5.30 4.35 4.93	1,700	0.89 0.50 0.66	7.9 0.6 2.0	75 52 63	297.73	10.68 9.03 9.60
June	Max Min Avg	318.12	14.00 9.00 10.60	12,087	4.69 4.38 4.56	1,925	0.76 0.68 0.73	17,380	7.33 5.86 6.54	155,546	71.61 45.08 58.30	3,449	1.44 1.22 1.30	13,997	5.97 4.19 5.28	2,000	0.99 0.55 0.76	5.9 0.7 2.1	77 43 59	295.40	10.85 8.60 9.85
July	Max Min Avg	291.06	12.00 8.00 9.39	11,057	4.60 4.51 4.56	1,741	0.75 0.69 0.72	15,840	7.33 5.86 6.52	142,727	84.23 34.82 58.70	3,406	1.54 1.31 1.41	13,611	6.16 5.24 5.62	1,550	0.75 0.50 0.65	11.0 0.6 2.3	84 52 66	296.10	10.80 8.21 9.55
August	Max Min Avg	305.51	12.00 8.00 9.86	11,556	4.59 4.50 4.54	1,845	0.78 0.64 0.72	17,160	7.44 5.91 6.73	131,265	79.90 20.50 51.56	3,609	1.72 1.29 1.42	14,398	6.57 5.01 6.65	1,800	0.98 0.59 0.71	11.0 0.5 2.3	100 45 67	315.82	11.63 9.10 10.19
September	Max Min Avg	325.16	13.75 8.17 10.84	12,340	4.59 4.51 4.56	1,955	0.80 0.67 0.72	17,710	7.14 5.70 6.51	107,795	50.12 29.93 39.68	3,635	1.52 1.21 1.34	14,655	6.37 4.90 5.40	2,000	0.96 0.58 0.75	5.8 0.4 2.0	143 75 89	328.04	14.15 9.59 10.93
October	Max Min Avg	317.96	12.00 8.00 10.26	12,078	4.59 4.51 4.56	1,933	0.77 0.68 0.73	17,710	7.33 6.09 6.68	94,064	52.53 29.85 35.45	3,470	1.41 1.25 1.31	13,842	5.67 4.92 5.23	1,750	0.88 0.50 0.67	2.6 0.6 1.5	100 82 92	326.72	12.53 9.33 10.54
November	Max Min Avg	311.91	12.00 8.50 10.40	11,800	4.59 4.51 4.54	1,892	0.75 0.67 0.70	17,050	7.14 5.97 6.54	99,442	57.99 22.00 38.42	3,096	1.43 1.07 1.19	12,144	5.71 4.22 4.68	1,550	0.93 0.50 0.64	2.6 0.5 1.3	90 65 78	307.32	11.32 9.30 10.24
December	Max Min Avg	307.67	10.00 8.00 9.92	11,576	4.54 4.51 4.51	1,918	0.76 0.70 0.75	17,160	7.91 6.59 6.68	97,771	44.89 25.04 36.87	2,678	1.10 1.01 1.04	13,530	6.12 4.59 5.21	1,934	0.80 0.60 0.75	3.0 0.4 1.4	95 73 83	324.15	11.88 9.31 10.46
Annual	Total Max Min Avg	3,921.92 381.63 291.06 326.83	14.00 8.00 10.74	148,534 14,440 11,057 12,378	4.69 4.10 4.54	21,925 1,955 1,515 1,827	0.83 0.48 0.67	213,070 20,020 15,840 17,756	7.91 4.91 6.51	1,406,514 155,546 94,064 117,210	84.23 16.44 2,499 43.00	37,487 3,635 2,499 3,124	1.72 0.80 1.15	161,185 14,655 12,144 13,432	6.65 3.33 4.93	22,718 2,533 1,550 1,893	0.99 0.50 0.69	11.0 0.1 1.9	143 43 74	3,841.87 354.76 295.40 320.16	14.15 8.21 10.53

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VI-A

MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2020

1	2	3		4		5		6		7		8		9		10		11	
Month		Total Million Gallons Water Filtered During Month		Total Number of Runs		Length of Runs in Hours		Million Gallons of Water Filtered Per Run		Million Gallons Per Day Per Filter		Total Amount in Million Gallons of Wash Water Used		Million Gallons of Wash Water Used Per Run		Percentage of Wash Water Used Per Run		Million Gallons Filtered Per Acre Per Day	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
January	Max					169	227	30.620	38.896							12.71	2.77		
	Min	1,945.758	2,286.221	87	78	167	121	3.300	21.646	3.211	4.659	36.499	46.800	0.319	0.600	1.37	1.54	97.756	77.311
	Avg					167	151	22.365	29.311							1.87	2.05		
February	Max					191	195	31.230	43.905							10.02	3.17		
	Min	1,734.695	2,218.486	70	72	98	101	2.300	18.951	4.646	4.740	22.800	43.200	0.325	0.600	1.04	1.37	107.405	78.656
	Avg					128	156	24.781	30.812							1.31	1.95		
March	Max					335	191	44.600	43.312							11.11	2.98		
	Min	2,063.576	2,342.585	87	76	119	119	2.840	20.122	3.424	4.623	27.446	45.600	0.330	0.600	0.71	1.39	10.423	76.714
	Avg					166	160	23.720	30.823							1.33	1.95		
April	Max					239	187	31.830	39.765							9.61	3.31		
	Min	1,769.621	2,150.487	80	74	142	121	3.340	18.103	3.138	4.713	25.667	44.400	0.320	0.600	1.01	1.51	95.521	78.209
	Avg					169	148	22.121	29.061							1.45	2.06		
May	Max					216	236	35.020	47.662							12.49	3.21		
	Min	1,844.002	2,322.653	83	78	95	109	2.480	21.141	3.211	4.610	25.700	53.000	0.309	0.679	0.88	1.42	97.753	76.511
	Avg					166	155	22.217	29.778							1.39	2.28		
June	Max					263	193	39.480	44.197							10.52	3.91		
	Min	1,714.270	2,215.716	87	74	70	99	2.980	18.528	3.021	4.728	27.276	53.600	0.313	0.724	0.79	1.64	91.964	78.456
	Avg					157	152	19.704	29.942							1.59	2.42		
July	Max					295	169	42.680	37.966							14.18	2.86		
	Min	1,923.383	2,348.478	81	80	88	118	2.391	21.472	3.865	4.858	27.465	49.200	0.339	0.615	0.79	1.62	117.665	80.613
	Avg					147	145	23.746	29.355							1.42	2.09		
August	Max					216	194	36.729	39.646							8.58	3.17		
	Min	1,902.755	2,296.570	84	78	135	111	3.620	20.708	3.290	4.501	26.098	51.200	0.310	0.656	0.85	1.65	100.142	74.690
	Avg					165	157	22.652	29.443							1.37	2.23		
September	Max					215	239	37.950	49.375							11.55	4.38		
	Min	1,773.167	2,117.301	79	68	121	76	2.960	13.695	3.225	4.884	26.998	40.800	0.341	0.600	0.90	1.22	98.142	81.045
	Avg					167	153	22.446	31.137							1.52	1.93		
October	Max					218	219	39.420	50.187							18.08	2.95		
	Min	1,750.213	2,317.724	82	72	63	120	1.790	20.333	3.167	5.220	26.540	43.200	0.323	0.600	0.82	1.20	96.380	86.621
	Avg					162	148	21.345	32.191							0.15	1.86		
November	Max					239	231	37.940	43.911							10.69	7.09		
	Min	1,845.378	2,313.686	80	68	135	40	2.980	9.166	2.554	4.640	25.483	46.800	0.318	0.650	0.83	1.48	77.740	76.996
	Avg					216	176	23.068	34.025							1.38	1.91		
December	Max					215	265	35.020	54.670							9.46	3.52		
	Min	1,741.852	2,395.815	91	72	119	87	3.320	17.278	2.784	5.023	28.586	43.800	0.314	0.608	0.90	1.11	84.744	83.352
	Avg					165	159	19.141	33.275							1.64	1.83		
Annual	Total	22,008.670	27,325.722	991	890							326.558	561.600						
	Max	2,063.576	2,395.815	91	80	335	265	44.600	54.670	4.646	5.220	36.499	53.600	0.341	0.724	18.08	7.09	117.665	86.621
	Min	1,714.270	2,117.301	70	68	63	40	1.790	9.166	2.554	4.501	22.800	40.800	0.309	0.600	0.15	1.11	10.423	74.690
	Avg	1,834.056	2,277.144	83	74	165	155	22.276	30.763	3.295	4.767	27.213	46.800	0.322	0.628	1.37	2.05	89.636	79.098

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VI-B

MONTHLY SUMMARY OF ALGIERS WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2020

1	2	3	4	5	6	7	8	9	10
Month		Total Million Gallons Water Filtered During Month of Runs	Total Number of Runs	Length of Runs in Hours	Million Gallons of Water Filtered Per Run	Million Gallons Per Day Per Filter	Total Amount in Million Gallons of Wash Water Used	Million Gallons of Wash Water Used Per Run	Percentage of Wash Water Used Per Run
January	Max	361.07	54	167	9.508	0.96	6.53	0.121	6.31
	Min			167	1.914				1.27
	Avg			167	6.686				1.81
February	Max	300.47	48	167	9.351	0.90	5.15	0.107	5.60
	Min			167	1.918				1.15
	Avg			167	6.260				1.72
March	Max	346.01	54	167	9.361	0.92	5.19	0.096	5.13
	Min			167	1.872				1.03
	Avg			167	6.408				1.50
April	Max	288.11	54	167	8.646	0.77	6.08	0.113	5.97
	Min			167	1.886				1.30
	Avg			167	5.335				2.11
May	Max	244.50	48	167	9.625	0.73	4.93	0.103	6.43
	Min			167	1.597				1.07
	Avg			167	5.094				2.02
June	Max	278.57	51	191	10.045	0.78	5.79	0.114	6.55
	Min			143	1.735				1.13
	Avg			167	5.462				2.08
July	Max	274.32	57	191	11.649	0.69	5.82	0.102	5.64
	Min			143	1.810				0.88
	Avg			167	4.813				2.12
August	Max	262.13	51	167	10.376	0.74	5.98	0.117	5.92
	Min			167	1.978				1.13
	Avg			167	5.140				2.28
September	Max	307.39	54	167	9.670	0.82	6.30	0.117	5.84
	Min			167	1.995				1.21
	Avg			167	5.692				2.05
October	Max	288.70	51	167	10.023	0.81	5.21	0.102	4.85
	Min			167	2.105				1.02
	Avg			167	5.661				1.80
November	Max	278.31	51	167	9.679	0.78	5.22	0.102	5.02
	Min			167	2.041				1.06
	Avg			167	5.457				1.88
December	Max	319.53	57	167	10.601	0.81	5.94	0.104	5.03
	Min			167	2.073				0.98
	Avg			167	5.606				1.86
Annual	Total	3549.11	630				68.13		
	Max	361.07	57	191	11.649	0.96	6.53	0.121	6.55
	Min	244.50	48	143	1.597	0.69	4.93	0.096	0.88
	Avg	295.76	53	167	5.634	0.81	5.68	0.11	1.94

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

TABLE VII

FIVE YEAR ANALYSIS COMPOSITE DATA (2016 - 2020) FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO ₃)	201	65	121	210	82	134
Total Hardness (ppm as CaCO ₃)	272	100	158	300	116	181
Noncarbonate Hardness (ppm as CaCO ₃)	86	12	38	104	14	46
Calcium Hardness (ppm as CaCO ₃)	167	40	101	200	90	124
Magnesium Hardness (ppm as CaCO ₃)	118	22	52	151	14	56
Nephelometric Turbidity (NTU)	345	6.2	61	0.28	0.02	0.11
pH	8.34	6.88	7.73	9.41	7.76	8.91
Chloride (ppm)	50	14	27	58	19	30
Fluoride (ppm)	0.34	0.10	0.19	0.95	0.26	0.71
Total Dissolved Solids (ppm)	298	13	142	325	192	255
Total Suspended Solids (ppm)	266	19	149	-----	-----	-----
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	0.6	0.0	0.1
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	5.0	0.0	3.3
Ammonia (ppm as N)	-----	-----	-----	0.37	0.02	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2.3	1.0	1.6
Sulfate (ppm) *	-----	-----	-----	54.0	34.6	43.8
Conductivity (µS/cm)	685	238	443	700	244	494
Temperature (°F)	88	40	66	93	52	74
Aluminum (ppm) *	-----	-----	-----	0.06	0.00	0.04
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.1	0.0	0.1
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.2	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.01	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.026	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.001	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.02	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	4.0	2.6	3.0
Sodium (ppm) *	-----	-----	-----	31.0	17.5	21.9
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	59.0	5.4	22.2
Total Organic Carbon (ppm) *	4.9	2.8	3.6	4.2	1.7	2.8
Total Trihalomethanes (ppb)	2.0	0.0	0.0	56.9	6.4	22.7
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	2.0	0.0	0.0	43.4	5.0	16.0
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	4.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	19.1	0.4	5.6
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.8	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	7.4	0.0	0.0	1.1	0.0	0.0
Total Coliforms (CFUs/100 ml)	5700	28	604	200	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	0	0	0

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

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

Lead and Copper results are from 2016 and 2019 Lead and Copper Rule compliance testing.

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VIII

2020 CARROLLTON OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER	MILLION GALLONS
Lime	\$640,002.98		\$12.91
Ferric Coagulant	\$1,490,214.37		\$30.05
Chlorine & Sodium Hypochlorite	\$1,434,799.38		\$28.93
Sodium Polyphosphate	\$297,261.68		\$5.99
Polyelectrolyte	\$804,926.35		\$16.23
Fluoride	\$196,076.02		\$3.95
Ammonia	\$295,228.34		\$5.95
Carbon	\$0.00		\$0.00
TOTAL CHEMICALS	\$5,158,509.12		\$104.02

Total Water Treated in 2020: 49,650,610,000 Gallons

TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER	MILLION GALLONS
2020	49,650.61	\$9,738,428		\$196.14
2019	50,381.19	\$10,328,116		\$205.00
2018	51,211.51	\$9,850,754		\$192.35
2017	50,714.68	\$8,208,239		\$161.85
2016	48,042.56	\$7,974,759		\$165.99

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IX

ALGIERS OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER	MILLION GALLONS
Lime	\$150,053.31		\$38.26
Ferric Coagulant	\$157,671.80		\$40.20
Sodium Hypochlorite	\$89,118.11		\$22.72
Sodium Polyphosphate	\$34,077.00		\$8.69
Polyelectrolyte	\$66,840.30		\$17.04
Fluoride (100%)	\$22,299.49		\$5.69
Ammonia	\$26,615.77		\$6.79
Carbon	\$0.00		\$0.00
TOTAL CHEMICALS	\$546,675.77		\$139.39

Total Water Treated in 2020:

3,921,920,000 Gallons

TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER	MILLION GALLONS
2020	3,921.92	\$2,249,216.22		\$573.49
2019	3,834.71	\$2,221,586.89		\$579.34
2018	3,762.72	\$2,209,590.79		\$587.23
2017	3,756.67	\$1,646,337.91		\$438.24
2016	3,684.57	\$1,952,339.00		\$529.87

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

TABLE X

**SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS DORR
MONORAKE CONVENTIONAL SYSTEM
2020**

Total Million Gallons Water Treated	29,126.20
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	6,364
Total Million Gallons Wet Sludge Withdrawn from Basins	730.79
Average Percent solids in Wet Sludge	0.21
Total Million Gallons Water Used in Withdrawing Sludge	730.16
Percent of Total Water Treated Used in Withdrawing Wet Sludge	2.51

TABLE X-A

**SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS
DORR MONORAKE CONVENTIONAL SYSTEM
2020**

Total Million Gallons Water Treated	20,464.92
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	4,662
Total Million Gallons Wet Sludge Withdrawn from Basins	278.79
Average Percent solids in Wet Sludge	0.40
Total Million Gallons Water Used in Withdrawing Sludge	278.33
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.36

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

TABLE XI

2020 ANALYSIS DATA FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO ₃)	148	84	114	159	95	124
Total Hardness (ppm as CaCO ₃)	193	110	148	218	134	168
Noncarbonate Hardness (ppm as CaCO ₃)	54	20	34	68	27	42
Calcium Hardness (ppm as CaCO ₃)	123	70	93	137	95	116
Magnesium Hardness (ppm as CaCO ₃)	116	22	55	89	23	52
Nephelometric Turbidity (NTU)	131	13	38	0.20	0.04	0.10
pH	8.34	7.58	7.93	9.23	8.54	8.92
Chloride (ppm)	40	15	23	45	19	27
Fluoride (ppm)	0.28	0.10	0.17	0.90	0.56	0.71
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	0.3	0.1	0.1
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	4.6	0.0	3.2
Ammonia (ppm as N)	-----	-----	-----	0.32	0.05	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	1.3	1.2	1.3
Sulfate (ppm) *	-----	-----	-----	54	53	53
Conductivity (µS/cm)	496	290	391	535	310	446
Temperature (°F)	87	45	66	93	60	74
Aluminum (ppm) *	-----	-----	-----	0.06	0.05	0.06
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.000	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.0	0.0	0.0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.2	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.01	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.026	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	2.9	2.8	2.8
Selenium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.02	0.00	0.01
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Sodium (ppm) *	-----	-----	-----	24.8	24.1	24.5
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	24.3	11.3	18.2
Total Organic Carbon (ppm) *	4.0	3.0	3.4	3.0	1.9	2.5
Total Trihalomethanes (ppb)	0.0	0.0	0.0	45.9	9.2	18.5
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	0.0	0.0	0.0	29.6	6.3	12.9
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	13.7	1.1	4.7
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.8	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Total Coliforms (CFUs/100 ml)	1310	85	550	>200	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	0	0	0

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

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

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA**December 31, 2020****TABLE XII****EXTRACTS FROM TABLES IV-E AND V**

**20 Year Period, 2001 to 2020 Inclusive
Maximum, Minimum, and Average Amount of
Water Treated Per Day
(M.G. per 24 Hours)**

YEAR	CARROLLTON			ALGIERS		
	MAX.	MIN.	AVG.	MAX.	MIN.	AVG.
2001	153.93	107.75	126.70	15.76	6.00	10.90
2002	128.67	87.00	106.63	14.00	6.66	9.80
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.17	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25
2011	150.83	127.17	139.37	16.83	10.00	11.73
2012	163.29	117.96	137.65	15.50	10.00	11.58
2013	141.83	120.00	131.08	15.25	10.00	11.27
2014	157.30	122.08	132.57	15.58	9.00	10.43
2015	144.71	118.33	130.47	13.92	8.83	10.09
2016	213.83	120.46	131.62	17.25	8.00	9.66
2017	149.19	125.13	138.94	14.00	8.00	10.29
2018	168.70	118.21	138.62	13.53	7.41	9.37
2019	162.83	97.08	136.95	13.65	5.83	9.19
2020	150.17	119.67	134.66	14.15	8.21	10.53

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

TABLE XIII

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	43	48	47	42	43	47	47	41	46	48
February	43	48	47	40	45	46	49	45	45	47
March	51	57	49	46	45	54	55	55	50	54
April	61	69	57	59	61	62	63	58	59	62
May	68	74	66	69	70	70	69	71	69	67
June	80	81	76	79	79	79	77	82	78	77
July	84	85	81	83	84	86	83	86	82	84
August	87	87	83	84	85	85	85	86	85	85
September	80	82	83	83	83	84	80	83	84	81
October	72	72	76	72	74	75	77	73	75	71
November	62	60	62	59	65	66	61	56	54	61
December	50	55	48	49	54	53	52	47	48	50
Maximum	90	89	86	86	87	87	87	88	86	87
Minimum	40	46	45	37	39	42	44	40	44	45
Average	65	68	65	64	66	67	67	65	65	66
<div style="text-align: center;"> <u>Ten Year Period</u> Maximum: 90 Minimum: 37 Average: 66 </div>										

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

TABLE XIV

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

	2016	2017	2018	2019	2020
January	57	64	59	65	65
February	59	64	62	68	64
March	66	67	69	69	68
April	72	72	71	72	73
May	77	76	78	75	76
June	83	80	83	76	80
July	88	82	86	80	82
August	87	84	85	82	84
September	86	83	83	80	81
October	81	81	79	77	78
November	74	72	69	69	72
December	66	65	65	66	64
Maxiumum	91	88	89	85	93
Minimum	52	59	53	59	60
Average	75	74	74	73	74

Five Year Period

Maximum: 93

Minimum: 52

Average: 74

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

New Orleans West Bank Sewerage Treatment Plant 2020 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Plant EF Flow (MGD)													
Average	11.8	13.729	9.049	9.442	7.113	14.212	18.945	15.281	11.986	10.503	12.617	13.08	12
Maximum	23.18	28.520	10.410	20.1	16	30.9	37.5	24.370	16.00	17.2	32.80	25.30	38
INFLUENT BOD (mg/L)													
Average	67.9	70.2	91.3	86.9	77.6	59.9	50	48.3	64.7	85	95.6	70.7	72
Maximum	116	101	122	134	131	180	89	76	104	121	135	110	180
INFLUENT TSS (mg/L)													
Average	73	91.7	107.4	123.8	136.3	84.3	67.7	75.3	95.6	115.9	119.6	83.3	98
Maximum	129	144	153	173	249	243	109	141	134	195	180	161	249
INFLUENT BOD (lbs/day)													
Average	12,482	11,876	6,292	5,123	4,202	5,040	4,373	3,696	3,897	4,144	5,192	4,936	5,938
Maximum	23,606	20,730	11,945	10,248	6,650	10,929	7,529	8,367	7,052	8,578	9,795	7,836	23,606
INFLUENT TSS (lbs/day)													
Average	13,043	15,995	7,388	7,550	7,547	7,474	5,941	5,616	5,785	5,615	6,894	5,913	7,897
Maximum	26,251	29,327	13,640	16,954	17,029	18,267	12,343	9,760	12,342	10,668	21,405	13,897	29,327
EFFLUENT BOD (mg/L)													
Average	10.3	9.4	10	11	8.2	8.8	8.3	6.9	6.1	7.4	9.7	9.8	8.8
Weekly Maximum	19	13	13	16	14	13	14	11	8	13	22	29	29.0
EFFLUENT TSS (mg/L)													
Average	16	15.5	12.2	13.5	10.9	12.5	12.8	10.5	11	9.5	12.9	13.3	12.6
Weekly Maximum	28	30	20	21	20	24	23	16	31	14	33	20	33.0
EFFLUENT BOD (lbs/day)													
Average	972	1,117	761	885	428	1,147	1,394	854	622	642	1,004	1,015	904
Weekly Maximum	2,015	24,410	1,042	2,179	987	2,647	3,637	1,890	893	1,141	2,711	2,467	24,410
EFFLUENT TSS (lbs/day)													
Average	1,518	2,048	931	1,102	580	1,700	2,288	1,265	1,127	813	1,323	1,396	1,341
Weekly Maximum	3,526	6,422	1,736	3,185	1,404	4,886	6,568	2,405	3,620	1,331	3,009	2,212	6,568
EFFLUENT CL2 (mg/L)													
Average	0.81	0.84	0.67	1.02	0.98	0.82	0.63	0.8	0.74	0.74	0.61	0.96	0.80
Maximum	1.61	1.5	1.56	1.49	1.45	1.42	1.81	1.76	1.25	1.18	1.88	1.88	1.88
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	3.52	3.88	9.23	2.47	3.41	6.08	14.98	3.63	2.67	2.04	9.5	6.36	5.65
Weekly Maximum (Geo)	5.83	8.01	33.02	5.08	3.42	55.98	71.2	10.02	4.82	2	21.03	12.07	71.20
EFFLUENT pH (su)													
Minimum	7.8	7.72	7.49	7.41	7.52	7.59	7.79	7.84	7.73	7.56	7.62	7.76	7.41
Maximum	8.05	7.9	7.73	7.67	7.7	7.83	8.13	8.05	8.01	7.72	7.85	7.96	8.13
DISPOSED SLUDGE (dry tons)													
Average per day	0.00	0.00	17.01	4.84	4.55	2.22	3.35	3.93	10.27	5.60	3.71	4.84	5.03
Total	0.00	0.00	391.19	11.38	90.91	26.66	50.20	82.44	226.01	83.96	55.64	77.48	1,096
ELECTRICITY (kwhr)													
Average per day	10,323	10,645	9,066	9,279	9,717	11,001	11,652	10,326	9,401	7,761	9,857	11,357	10,032
Total (kwhr)	309,690	319,356	271,971	259,809	310,942	308,021	361,219	330,421	263,218	271,633	246,427	374,778	3,627,485
RAINFALL (inches) East Bank													
TOTAL	4.90	8.15	0.69	6.78	5.98	6.39	6.39	7.65	3.86	1.33	7.22	4.96	64.3

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2020

New Orleans East Bank Sewerage Treatment Plant 2020 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020
Plant EF Flow (MGD)													
Average	99.813	103.5	71.1	82.918	103.623	131.383	138.845	98.323	95.003	80.816	86.0	93.742	99
Maximum	187	169.5	93.8	141.2	162.2	180.6	178.9	163.4	154.0	111.2	173.3	143	187
INFLUENT BOD (mg/L)													
Average	88.2	79.7	98	86.7	74.3	56.5	51.2	59.7	59.5	71.1	79.4	60.6	72
Maximum	121	122	138	265	118	96	85	273	84	103	127	98	273
INFLUENT TSS (mg/L)													
Average	96.5	99.7	120.6	126.1	111	76.7	91.5	101.2	100.2	111	98.9	90.5	102
Maximum	178	150	166	261	200	127	138	166	162	189	146	152	261
INFLUENT BOD (lbs/day)													
Average	79,610	75,280	74,867	69,260	62,639	59,252	51,248	50,106	42,889	48,998	62,481	48,318	60,412
Maximum	181,746	118,536	117,206	257,256	92,636	111,849	95,418	262,973	91,031	83,021	106,399	76,731	262,973
INFLUENT TSS (lbs/day)													
Average	106,132	112,607	92,154	126,848	101,612	81,818	104,240	85,689	70,365	78,443	81,298	73,502	92,892
Maximum	186,832	212,545	127,368	297,560	188,628	147,967	186,991	192,576	136,547	166,926	157,441	148,065	297,560
EFFLUENT BOD (mg/L)													
Average	23.7	22.4	21.2	18.9	18.7	15.1	20.3	19.9	11.6	13.4	15.9	10.7	17.7
Weekly Maximum	47	43	33	32	28	27	31	36	19	22	26	16	47.0
EFFLUENT TSS (mg/L)													
Average	20.2	25.2	25.4	17.9	24.3	20	23.5	23.1	9.4	12.5	15.2	18.1	19.6
Weekly Maximum	34	44	45	60	71	60	42	74	17	29	25	39	74.0
EFFLUENT BOD (lbs/day)													
Average	20,381	19,904	12,547	13,685	16,103	16,275	23,148	16,104	9,253	9,060	11,113	8,321	14,658
Weekly Maximum	73,300	59,372	21,332	33,328	35,171	33,875	38,497	30,998	16,697	17,963	21,680	16,697	73,300
EFFLUENT TSS (lbs/day)													
Average	17,190	22,946	15,086	13,743	20,939	22,757	27,249	19,022	7,732	8,598	11,434	13,912	16,717
Weekly Maximum	53,026	60,499	25,746	53,543	54,003	87,870	52,221	68,690	19,265	23,678	36,133	27,192	87,870
EFFLUENT CL₂ (mg/L)													
Average	0.37	0.32	0.32	0.35	0.34	0.32	0.35	0.3	0.29	0.27	0.32	0.32	0.32
Maximum	0.52	0.56	0.52	0.55	0.532	0.48	0.53	0.48	0.52	0.46	0.45	0.46	0.56
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	3.51	4.29	4.56	3.92	5.46	3.89	4.11	5.63	14.1	26.35	12.3	7.63	7.98
Weekly Maximum (Geo)	3.97	6.5	7.93	10.48	13.12	4.89	7.71	8.19	25.56	38.17	17.03	14.55	38.17
EFFLUENT pH (su)													
Minimum	6.83	6.79	6.68	6.77	6.9	6.87	6.81	6.82	6.83	6.79	6.83	6.82	6.68
Maximum	7	6.95	6.97	6.94	6.98	7.01	6.96	7.26	7	7.00	7.25	7.04	7.26
DISPOSED SLUDGE (dry tons)													
Average per day	21.87	25.21	19.88	22.24	21.90	0.00	24.94	18.32	19.36	19.28	18.83	21.58	19.45
Total	656.21	605.07	596.48	489.25	153.27	0.00	374.04	476.43	483.96	539.82	414.25	668.92	5,458
ELECTRICITY (kwhr)													
Average per day	63,587	67,393	56,903	66,173	65,032	63,093	74,787	65,206	72,240	63,048	66,453	66,477	65,866
Total (kwhr)	1,971,201	1,954,402	1,764,001	1,985,201	2,016,001	1,892,801	2,318,402	2,021,401	2,167,201	1,954,501	1,993,602	2,060,802	24,099,516
RAINFALL (inches) East Bank													
TOTAL	3.82	4.16	1.22	3.38	6.05	8.57	9.39	3.65	0.71	0.59	1.44	4.48	47.46

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2020 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020
SEWER TABULATION NUMBER 1
SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2020

SEWER LINES DISCARDED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2020 (FEET)	BUILT IN 2020 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2020 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2020 (MILES)
8,476,685.6	17,205.0	17,614.0	8,477,094.6	1,605.5

SEWER MANHOLES REMOVED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION	REMOVED IN 2020	BUILT IN 2020	REMAINING IN THE SYSTEM AS OF 12/31/2020
23,229	12	12	23,229

DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2020

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
8" PVC	15,571.0	0.0	15,571.0	2.95
10" PVC	287.0	0.0	287.0	0.05
12" PVC	610.0	0.0	610.0	0.12
18" PVC	409.0	0.0	409.0	0.08
21" PVC	737.0	0.0	737.0	0.14
TOTAL SEWER LINES CONSTRUCTED IN 2020	17,614.0	0.0	17,614.0	3.3
SEWER MANHOLES CONSTRUCTED IN 2020	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2020	
	12	0	12	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2020 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020

SEWER TABULATION NUMBER 2

LENGTH OF SEWER LINES OF EACH SIZE AND MATERIAL DISCARDED, BUILT, AND NOW REMAINING IN THE SYSTEM

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2019	DESTROYED OR ABANDONED IN 2020	BUILT IN 2020	NOW REMAINING IN THE SYSTEM AS OF 12/31/2020
72" Steel	29,182.4			29,182.4
68" Steel	9,061.9			9,061.9
66" Steel	28,979.7			28,979.7
66" Concrete	13,740.7			13,740.7
60" Steel	2,577.7			2,577.7
60" Concrete	722.8			722.8
57" Concrete	1,766.8			1,766.8
54" Steel	44,014.5			44,014.5
54" Concrete	7,030.4			7,030.4
51" Concrete	755.9			755.9
50" Steel	135.0			135.0
48" Steel	21,147.2			21,147.2
48" Concrete	10,127.6			10,127.6
48" Fiberglass Reinforced	10,900.2			10,900.2
48" P.V.C.	3,663.4			3,663.4
45" Concrete	3,048.4			3,048.4
42" Steel	3,580.2			3,580.2
42" Concrete	19,121.2			19,121.2
39" Brick	832.8			832.8
39" Concrete	3,871.8			3,871.8
36" Vitrified Clay	1,894.9			1,894.9
36" Cast Iron	431.0			431.0
36" Steel	332.6			332.6
36" Prestressed Concrete	11,273.0			11,273.0
36" Reinforced Concrete	9,312.7			9,312.7
36" P.V.C.	10,604.0			10,604.0
33" Brick	3,080.9			3,080.9
33" Vitrified Clay	562.3			562.3
33" Reinforced Concrete	1,381.4			1,381.4
30" Brick	2,763.0			2,763.0
30" Vitrified Clay	7,538.5			7,538.5
30" Cast Iron	4,305.9			4,305.9
30" Steel	3,535.2			3,535.2
30" Prestressed Concrete	484.0			484.0
30" Reinforced Concrete	33,920.5			33,920.5
30" Fiberglass Reinforced	16,400.0			16,400.0
30" P.V.C.	996.0			996.0
27" Vitrified Clay	24,136.1			24,136.1
27" Reinforced Concrete	13,336.4			13,336.4
27" P.V.C.	4,926.3			4,926.3
24" Vitrified Clay	31,572.2			31,572.2
24" Cast Iron	16,269.2			16,269.2
24" Ductile Iron	619.0			619.0

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2019	DESTROYED OR ABANDONED IN 2020	BUILT IN 2020	NOW REMAINING IN THE SYSTEM AS OF 12/31/2020
24" Steel	87.0			87.0
24" Reinforced Concrete	26,537.0			26,537.0
24" Asbestos Cement	4,924.2			4,924.2
24" P.V.C.	5,949.6			5,949.6
21" Reinforced Concrete	10,580.1	737.0		9,843.1
21" P.V.C.	5,873.4		737.0	6,610.4
20" Ductile Iron Pipe	1,991.4			1,991.4
18" P.V.C.	37,132.5		409.0	37,541.5
16" Steel	120.0			120.0
16" Asbestos Cement	28,460.9			28,460.9
16" Plastic	1,913.1			1,913.1
15" Vitrified Clay	94,552.8			94,552.8
15" P.V.C.	19,822.7			19,822.7
15" Plastic Truss	1,331.6			1,331.6
12" Vitrified Clay	103,403.1	610.0		102,793.1
12" P.V.C.	83,511.2		610.0	84,121.2
10" Vitrified Clay	145,709.1	287.0		145,422.1
10" Steel	130.0			130.0
10" Concrete	44,231.9			44,231.9
10" Asbestos Cement	4,356.2			4,356.2
10" P.V.C.	145,454.5		287.0	145,741.5
10" Plastic Truss	4,677.5			4,677.5
8" Terra Cotta	307,179.4			307,179.4
8" Vitrified Clay	3,859,544.0	15,571.0		3,843,973.0
8" Cast Iron	32,036.2			32,036.2
8" Ductile Iron	2,233.0			2,233.0
8" Concrete	263,195.9			263,195.9
8" Asbestos Cement	2,342.9			2,342.9
8" P.V.C.	1,114,480.5		15,571.0	1,130,051.5
8" Plastic Truss	61,269.8			61,269.8
8" Plastic	688,763.1			688,763.1
6" Terra Cotta	8,730.9			8,730.9
6" Vitrified Clay	75,347.4			75,347.4
6" Cast Iron	4,204.4			4,204.4
6" Asbestos Cement	4,493.9			4,493.9
6" P.V.C.	494,841.3			494,841.3
6" Plastic Truss	1,763.3			1,763.3
6" Plastic	364,867.8			364,867.8
4" Cast Iron	874.2			874.2
4" Ductile Iron	180.4			180.4
4" P.V.C.	5,525.7			5,525.7
4" Plastic	126.0			126.0
Total Linear Feet	8,476,685.6	17,205.0	17,614.0	8,477,094.6
Total Miles	1,605.4	3.3	3.3	1,605.5

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2020 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020
WATER TABULATION NUMBER 1
WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2020

WATER LINES DISCARDED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2020 (FEET)	BUILT IN 2020 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2020 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2020 (MILES)
9,690,042.4	93,029.0	93,029.0	9,690,042.4	1,835.2

WATER MANHOLES REMOVED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION	REMOVED IN 2020	BUILT IN 2020	REMAINING IN THE SYSTEM AS OF 12/31/2020
30,796	133	133	30,796

WATER VALVES REMOVED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION	REMOVED IN 2020	INSTALLED IN 2020	REMAINING IN THE SYSTEM AS OF 12/31/2020
30,453	163	348	30,638

FIRE HYDRANTS REMOVED AND INSTALLED IN 2020

ORIGINAL CONSTRUCTION	REMOVED IN 2020	INSTALLED IN 2020	REMAINING IN THE SYSTEM AS OF 12/31/2020
23,264	197	197	23,264

DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2020

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
6" P.V.C	48.0	0.0	48.0	0.01
8" P.V.C	77,863.0	0.0	77,863.0	14.75
12" P.V.C	11,898.0	0.0	11,898.0	2.25
16" P.V.C	1,081.0	0.0	1,081.0	0.20
8" DUCTILE IRON	6,017.3	0.0	6,017.3	1.14
12" DUCTILE IRON	115.0	0.0	115.0	0.02
TOTAL WATER LINES CONSTRUCTED IN 2020	97,022.3	0.0	97,022.3	18.38
WATER MANHOLES CONSTRUCTED IN 2020	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2020	
	133	0	133	
WATER VALVES INSTALLED IN 2020	BOARD FUNDED	BY OTHERS	TOTAL WATER VALVES INSTALLED IN 2020	
	348	0	348	
FIRE HYDRANTS INSTALLED IN 2020	BOARD FUNDED	BY OTHERS	TOTAL FIRE HYDRANTS INSTALLED IN 2020	
	197	0	197	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2020 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2020
WATER TABULATION NUMBER 2

**LENGTH OF WATER LINES OF EACH SIZE AND MATERIAL, NUMBER OF VALVES OF EACH SIZE, BOTH GATE AND CHECK,
 ORIGINALLY INSTALLED, THE QUANTITIES DISCARDED OR BUILT, AND THE QUANTITIES NOW REMAINING IN THE DISTRIBUTION SYSTEM**

WATER LINES					
SIZE	MATERIAL	TOTAL LENGTH IN SYSTEM AS OF 12/31/2019	DESTROYED OR ABANDONED IN 2020	BUILT IN 2020	NOW REMAINING IN THE SYSTEM AS OF 12/31/2020
54"	Concrete Pipe	7,535.1			7,535.1
50"	Steel Pipe	88,374.0			88,374.0
48"	Cast Iron Pipe	12,747.3			12,747.3
48"	Steel Pipe	36,637.1			36,637.1
48"	Concrete Pipe	4,982.9			4,982.9
43"	Cast Iron Pipe	11,170.1			11,170.1
42"	Cast Iron Pipe	4,349.6			4,349.6
42"	Concrete Pipe	9,361.9			9,361.9
36"	Cast Iron Pipe	4,509.3			4,509.3
36"	Steel Pipe	16,922.0			16,922.0
36"	Concrete Pipe	37,374.7			37,374.7
36"	P.V.C. Pipe	660.5			660.5
36"	Prestressed Concrete	675.0			675.0
30"	Cast Iron Pipe	59,740.1			59,740.1
30"	Ductile Iron Pipe	296.0			296.0
30"	Steel Pipe	19,863.1			19,863.1
30"	Concrete Pipe	71,216.4			71,216.4
30"	Prestressed Concrete	36,654.4			36,654.4
30"	Reinforced Concrete	3,919.6			3,919.6
30"	P.V.C. Pipe	3,716.1			3,716.1
24"	Cast Iron Pipe	30,090.0			30,090.0
24"	P.V.C. Pipe	1,372.0			1,372.0
24"	Ductile Iron Pipe	140.0			140.0
24"	Concrete Pipe	4,062.5			4,062.5
20"	P.V.C. Pipe	14,280.5			14,280.5
20"	Cast Iron Pipe	85,767.9			85,767.9
20"	Ductile Iron Pipe	10,471.4			10,471.4
20"	Concrete Pipe	18,755.8			18,755.8
20"	Prestressed Concrete	212.5			212.5
20"	Asbestos Cement	12,688.0			12,688.0
18"	Reinforced Concrete	970.5			970.5
16"	Steel Pipe	70.6			70.6
16"	Cast Iron Pipe	112,351.7			112,351.7
16"	Ductile Iron Pipe	6,844.7			6,844.7
16"	Concrete Pipe	5,681.6			5,681.6
16"	Asbestos Cement	63,245.6			63,245.6
16"	P.V.C. Pipe	15,266.0		1,081.0	16,347.0
15"	Reinforced Concrete	1,069.3			1,069.3
12"	Cast Iron Pipe	820,138.7	13,094.0		807,044.7
12"	Ductile Iron Pipe	26,796.1		115.0	26,911.1
12"	Steel Pipe	1,272.9			1,272.9
12"	Asbestos Cement	355,143.0			355,143.0
12"	P.V.C. Pipe	269,386.3		11,898.0	281,284.3
10"	Cast Iron Pipe	10,079.7			10,079.7
10"	Ductile Iron Pipe	670.0			670.0
10"	Asbestos Cement	12,763.6			12,763.6
10"	P.V.C. Pipe	7,896.0			7,896.0
8"	Cast Iron Pipe	100,091.2			100,091.2
8"	Ductile Iron Pipe	52,784.6		2,024.0	54,808.6
8"	Asbestos Cement	692,505.5			692,505.5
8"	P.V.C. Pipe	1,003,174.6		77,863.0	1,081,037.6
8"	Plastic Pipe	318,036.5			318,036.5
6"	Cast Iron Pipe	2,379,189.7	39,967.0		2,339,222.7
6"	Ductile Iron Pipe	25,070.3			25,070.3
6"	Asbestos Cement	1,020,776.7	19,985.0		1,000,791.7
6"	P.V.C. Pipe	319,392.6		48.0	319,440.6
6"	Plastic Pipe	121,336.8			121,336.8
4"	Cast Iron Pipe	1,162,020.5	19,983.0		1,142,037.5
4"	Ductile Iron Pipe	7,118.9			7,118.9
4"	Asbestos Cement	22,250.8			22,250.8
4"	P.V.C. Pipe	28,885.1			28,885.1
4"	Plastic Pipe	3,833.1			3,833.1
3"	Galvanized Steel	3,361.7			3,361.7
2"	Cast Iron Pipe	7,909.9			7,909.9
2"	Galvanized Steel	9,620.0			9,620.0
2"	P.V.C. Pipe	89,145.2			89,145.2
1"	Galvanized Steel	5,346.6			5,346.6
Total Linear Feet		9,690,042	93,029.0	93,029.0	9,690,042.4
Total Miles		1,835.2	17.6	17.6	1,835.2

VALVES				
SIZE	EXISTING IN SYSTEM AS OF 12/31/2019	REMOVED IN 2020	INSTALLED IN 2020	REMAINING IN SYSTEM AS OF 12/31/2020
48"	16			16
42"	4			4
36"	18			18
30"	66			66
24"	39			39
20"	136			136
16"	192			192
14"	3			3
12"	2,357	6	6	2,357
10"	72			72
8"	7,016	157	157	7,016
6"	13,188		185	13,373
4"	7,346			7,346
Total	30,453	163	348	30,638

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Table of Rainfall in New Orleans

December 31, 2020

RAINFALL AND AVERAGES FOR "YEAR 1894 TO DATE"																										
TABLE OF RAINFALL IN NEW ORLEANS SINCE ESTABLISHMENT OF RAIN GAGES IN 1894																										
YEAR No.	YEAR	ANUARY AMOUNT	FEBRUARY AMOUNT	TOTAL L TO DATE	MARCH AMOUNT	TOTAL L TO DATE	APRIL AMOUNT	TOTAL L TO DATE	MAY AMOUNT	TOTAL L TO DATE	JUNE AMOUNT	TOTAL L TO DATE	JULY AMOUNT	TOTAL L TO DATE	AUGUST AMOUNT	TOTAL L TO DATE	SEPTEMBER AMOUNT	TOTAL L TO DATE	OCTOBER AMOUNT	TOTAL L TO DATE	NOVEMBER AMOUNT	TOTAL L TO DATE	DECEMBER AMOUNT	TOTAL L TO DATE	ANNUAL MONTHLY AVERAGE	EXCESS OR DEFICIT
118	2011	2.99	1.59	4.59	6.49	11.08	0.27	11.35	0.90	12.25	4.18	16.42	11.48	27.91	1.57	29.48	9.99	39.47	0.14	39.61	1.66	41.27	0.78	42.04	3.50	-17.02
	total	538.35	540.42	1081.04	596.08	1677.12	562.09	2246.17	564.13	2810.34	659.33	3477.71	769.35	4247.06	693.89	4940.95	665.73	5606.66	378.43	5985.08	426.76	6414.91	557.00	6969.26		
	avg.	4.56	4.58	9.16	5.05	14.21	4.76	19.04	4.78	23.82	5.59	29.47	6.52	35.99	5.88	41.87	5.64	47.51	3.21	50.72	3.62	54.36	4.72	59.06		
119	2012	1.74	3.38	5.12	6.16	11.28	8.14	19.42	2.45	21.87	4.84	26.71	12.89	39.60	17.79	57.39	3.83	61.22	0.15	61.36	2.13	63.50	2.30	65.80	5.48	6.68
	total	540.09	543.79	1086.16	602.24	1688.39	570.23	2265.58	566.58	2832.21	664.17	3504.42	782.25	4286.66	711.68	4998.34	669.55	5667.88	378.57	6046.45	428.90	6478.40	559.30	7035.06		
	avg.	4.54	4.57	9.13	5.06	14.19	4.79	19.04	4.76	23.80	5.58	29.45	6.57	36.02	5.98	42.00	5.63	47.63	3.18	50.81	3.60	54.44	4.70	59.12		
120	2013	5.14	6.82	11.96	0.55	12.51	12.51	25.01	4.51	29.52	4.55	34.08	4.43	38.51	4.58	43.09	5.44	48.53	2.19	50.72	2.81	53.53	4.48	58.01	4.83	-1.10
	total	545.24	550.61	1098.12	602.78	1700.90	582.74	2290.60	571.09	2861.73	668.72	3538.49	786.68	4325.17	716.26	5041.43	674.99	5716.41	380.76	6097.17	431.71	6531.94	563.78	7093.07		
	avg.	4.54	4.59	9.15	5.02	14.17	4.86	19.09	4.76	23.85	5.57	29.49	6.56	36.04	5.97	42.01	5.62	47.64	3.17	50.81	3.60	54.43	4.70	59.11		
121	2014	2.72	6.54	9.26	6.44	15.70	2.19	17.89	7.68	25.57	6.41	31.98	6.49	38.47	4.74	43.21	4.20	47.41	1.94	49.35	1.47	50.82	3.70	54.52	4.54	-4.55
	total	547.96	557.15	1107.37	609.22	1716.60	584.93	2308.48	578.78	2887.30	675.13	3570.47	793.17	4363.64	721.00	5084.64	679.19	5763.82	382.71	6146.52	433.17	6582.76	567.49	7147.60		
	avg.	4.53	4.60	9.15	5.03	14.19	4.83	19.08	4.78	23.86	5.58	29.51	6.56	36.06	5.96	42.02	5.61	47.63	3.16	50.80	3.58	54.40	4.69	59.07		
122	2015	4.76	1.65	6.41	4.21	10.62	11.29	21.91	6.86	28.78	2.75	31.53	4.32	35.85	2.59	38.45	4.15	42.60	5.21	47.81	5.52	53.33	6.76	60.09	5.01	1.01
	total	552.72	558.80	1113.79	613.43	1727.22	596.22	2330.40	585.64	2916.08	677.88	3602.00	797.50	4399.50	723.59	5123.09	683.34	5806.41	387.92	6194.33	438.69	6636.08	574.25	7207.68		
	avg.	4.53	4.58	9.13	5.03	14.16	4.89	19.10	4.80	23.90	5.56	29.52	6.54	36.06	5.93	41.99	5.60	47.59	3.18	50.77	3.60	54.39	4.71	59.08		
123	2016	4.67	2.48	7.15	6.99	14.14	11.73	25.87	5.62	31.49	8.16	39.65	4.34	43.99	7.63	51.62	3.58	55.20	0.02	55.22	3.92	59.14	4.70	63.84	5.32	4.72
	total	557.39	561.28	1118.67	620.42	1739.09	607.95	2356.27	591.26	2947.53	686.04	3633.57	801.84	4443.49	731.22	5174.71	686.92	5861.63	387.94	6249.57	442.61	6692.18	578.95	7271.13		
	avg.	4.53	4.56	9.09	5.04	14.14	4.94	19.16	4.81	23.96	5.58	29.54	6.52	36.13	5.94	42.07	5.58	47.66	3.15	50.81	3.60	54.41	4.71	59.11		
124	2017	5.21	1.70	6.91	4.46	11.37	5.50	16.87	10.56	27.43	10.84	38.27	6.79	45.06	14.13	59.19	1.47	60.66	7.16	67.82	0.22	68.04	5.01	73.05	6.09	13.82
	total	562.60	562.98	1125.58	624.88	1750.46	613.45	2363.91	601.82	2965.73	696.88	3662.61	808.63	4471.24	745.35	5216.59	688.39	5904.98	395.10	6300.08	442.83	6742.91	583.96	7344.18		
	avg.	4.54	4.54	9.08	5.04	14.12	4.95	19.06	4.85	23.92	5.62	29.54	6.52	36.06	6.01	42.07	5.55	47.62	3.19	50.81	3.57	54.38	4.71	59.23		
125	2018	3.52	2.74	6.26	3.83	10.09	5.22	15.31	3.58	18.89	5.60	24.49	6.79	31.28	7.52	38.80	5.80	44.60	6.28	50.88	5.85	56.73	4.67	61.40	5.12	2.29
	total	566.12	565.72	1131.84	628.71	1760.55	618.67	2379.22	605.40	2984.62	702.48	3687.10	815.42	4502.52	752.87	5255.39	694.19	5949.58	401.38	6350.96	448.68	6799.64	588.63	7388.27		
	avg.	4.53	4.53	9.05	5.03	14.08	4.95	19.03	4.84	23.88	5.62	29.50	6.52	36.02	6.02	42.04	5.55	47.60	3.21	50.81	3.59	54.40	4.71	59.11		
126	2019	2.78	4.73	7.51	1.65	9.16	8.36	17.52	8.26	25.78	3.23	29.01	13.52	42.53	6.9	49.43	0.62	50.05	7.67	57.72	1.00	58.72	2.75	61.47	5.12	2.35
	total	568.90	570.45	1139.35	630.36	1769.71	627.03	2396.74	613.66	3010.40	705.71	3716.11	828.94	4545.05	759.77	5304.82	694.81	5999.63	409.05	6408.68	449.68	6858.36	591.38	7449.74		
	avg.	4.52	4.53	9.04	5.00	14.05	4.98	19.02	4.87	23.89	5.60	29.49	6.58	36.07	6.03	42.10	5.51	47.62	3.25	50.86	3.57	54.43	4.69	59.12		
127	2020	3.63	4.56	8.19	0.72	8.91	5.29	14.20	5.47	19.67	10.84	30.51	11.82	42.33	5.27	47.60	2.5	50.10	3.45	53.55	4.88	58.43	3.86	62.29	5.19	3.14
	total	572.53	575.01	1147.54	631.08	1778.62	632.32	2410.94	619.13	3030.07	716.55	3746.62	840.76	4587.38	765.04	5352.42	697.31	6049.73	412.50	6462.23	454.56	6916.79	595.24	7512.03		
	avg.	4.51	4.53	9.04	4.97	14.00	4.98	18.98	4.88	23.86	5.64	29.50	6.62	36.12	6.02	42.15	5.49	47.64	3.25	50.88	3.58	54.46	4.69	59.15		

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2020
COST OF OPERATIONS IDENTIFICATION PROGRAM BENCHMARKING 2020

ADMINISTRATIVE OFFICER:

HUMAN RESOURCES:

Cost to Hire an Employee	\$	311.26
Employee Turnover Rate		17.26%
Cost to Process a Paycheck	\$	2.48

RISK MANAGEMENT:

INSURANCE COST per EMPLOYEE:

Workers' Compensation	\$	3,428,580
Auto Liability	\$	159,475
General Liability	\$	2,691,989

GENERAL SUPERINTENDENT:

ENGINEERING:

Total Capital Program Design and		
Construction Contracts Cost Growth		11.4%

ENVIRONMENTAL:

Cost of Typical Industry Sampling Event	\$	1,893.98
---	----	----------

FACILITY MAINTENANCE DEPARTMENT

Cost to set 5/8" water meter	\$	125.50
------------------------------	----	--------

SUPPORT SERVICES:

Average Annual Maintenance Cost	\$	1,430.45
---------------------------------	----	----------

CHIEF CUSTOMER SERVICE OFFICER:

CUSTOMER REVENUE MANAGEMENT/CUSTOMER:

METER ASSURANCE/CUSTOMER EXPERIENCE:

Cost to Read a Meter	\$	2.80
Cost to Render a Bill (Less Meter Reading)	\$	0.89
Cost to Manage a Customer by Phone	\$	4.09
Cost to Manage a Customer by Mail	\$	12.20
Cost to Manage a Walk-in Customer	\$	3.51
Cost to Process a Mail-in Payment	\$	1.25
Cost to Process a Walk-in Payment	\$	4.63

CHIEF FINANCIAL OFFICER:

OFFICE OF CONTROLLER:

Cost to Process a Miscellaneous Invoice	\$	47.07
Cost to Process a Vendor Invoice	\$	16.04

OFFICE OF PROCUREMENT:

Lowest Cost to Process a Sundry Purchase Order	\$	60.00
--	----	-------

WE APPRECIATE YOU!



SERVICE OF EXCELLENCE : As a public utility, we have a duty to serve our city and its visitors. They count on us to perform our jobs well and to strive for excellence in everything we do.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SINGLE AUDIT REPORTS

DECEMBER 31, 2020

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SINGLE AUDIT REPORTS

DECEMBER 31, 2020

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Single Audit Reports

December 31, 2020

Table of Contents

	Page
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the Schedule of Expenditures of Federal Awards	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	9
Summary Schedule of Prior Audit Findings	13

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sewerage and Water Board of New Orleans (the "Board"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Board's Response to Findings

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Postlethwaite & Netterville

New Orleans, Louisiana
June 30, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the Sewerage and Water Board of New Orleans' (the "Board") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2020. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the Board as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated June 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Postlethwaite & Netterville

New Orleans, Louisiana
June 30, 2021

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program Title/Grant Name	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
U.S. Department of Homeland Security:			
Pass-through program from:			
State of Louisiana, Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance	97.036	1792-DR-LA, 1603-DR-LA- 0411, & various others	\$ 28,094,678
Hazard Mitigation Grant Program	97.039	1792-022-0002, 1603-071- 0039, & various others	<u>7,398,674</u>
Total U.S. Department of Homeland Security			<u>35,493,352</u>
Total Federal Awards Expended			<u><u>\$ 35,493,352</u></u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Sewerage and Water Board of New Orleans (the "Board") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Board.

(2) Summary of Significant Accounting Policies

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

(3) Relationship to Basic Financial Statements

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

(4) Bonds Payable to Pass-Through Entity Under Federal Program

The Board entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ loaned the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan was advanced in incremental amounts as project costs were incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bonds, Series 2011. Annual principal payments are due beginning November 1, 2013 and continuing through November 1, 2032. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on May 1, 2012 and are due semi-annually thereafter. As of December 31, 2020, \$5,601,000 is included in bonds payable on the financial statements. This is not a federal loan or loan guarantee program, and as a result, the outstanding liability is not included on the Schedule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

(4) Bonds Payable to Pass-Through Entity Under Federal Program (continued)

The Board entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board up to \$10,000,000 to fund the rehabilitation of existing sanitary sewers, replacement of sanitary sewer service connections, excavation mainline sewer point repairs, full length mainline replacements, and manhole rehabilitation. The loan proceeds are provided to the Board in incremental amounts as project costs are incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bond, Series 2019. Annual principal payments are due beginning June 1, 2022 and continuing through June 1, 2040. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on June 1, 2020 and are due semi-annually thereafter. As of December 31, 2020, \$127,550 is included in bonds payable on the financial statements. There were no drawdowns on this loan in 2020. This is not a federal loan or loan guarantee program, and as a result, the outstanding liability is not included on the Schedule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

(1) Summary of Independent Auditors' Results

Financial Statements

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

Federal Awards

- (d) Internal control over major federal programs:
Material weakness(es) identified: **No**
Significant deficiency(ies) identified: **None reported**
- (e) Type of auditor's report issued on compliance for major federal programs: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **No**
- (g) Identification of major federal program:
CFDA No. 97.036 – Disaster Grants – Public Assistance
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$1,064,801**
- (i) Auditee qualified as a low-risk auditee under the Uniform Guidance: **No**

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

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

2020-001 Customer Accounts, Receivables, and Revenue

Criteria: The Board should have adequate internal controls in place to ensure customer accounts are billed and recorded correctly in the accounting records.

Condition: The Board implemented a new customer billing system in October 2016 which substantially changed the billing processing environment from a once-daily batch update process to a real-time continuous update process. Following this conversion, the Board continued to work through various billing issues which included an increased in estimated bills, a high number of disputed billings, and late billings, which resulted in an increase in the adjustments required to customer accounts including invoice corrections.

The Louisiana Legislative Auditor's Office (the LLA) conducted a performance audit of the Board's customer billing system and issued the report titled "Implementation of New Billing System and Oversight of Billing Process" dated March 19, 2020. The LLA identified certain deficiencies including problems with implementation of the new billing system, inadequate training of employees, timeliness of meter readings, and inaccurate calculation and tracking of free water consumption to ensure that customers eligible for free water will billed for consumption in excess of free water thresholds. On March 17, 2021, the LLA issued a follow-up Performance Audit Services report that included the status of the 11 recommendations made in the 2020 report. Based on the results of this report, the Board has fully implemented 3 of the 11 recommendations. Implementation of the remaining 8 recommendations is in progress.

Context/Cause: (a) Timely reviews of customer billing to identify unusual invoice amounts and consumption to ensure completeness and accuracy of billing and payment activities were not being performed. (b) The Board did not prepare timely and accurate bills when old customers moved out and did not aggressively pursue collection, which caused an increase in receivable reserves/write-offs, and billings were not started on a timely basis when new customers moved in, which delayed collection. (c) The Board relied on manual processes to conduct meter readings which can result in billing errors.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

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

2020-001 Customer Accounts, Receivables, and Revenue (continued)

Due to the billing issues described above, the Board temporarily delayed its normal account collection procedures (which includes service cut-off) related to delinquent accounts, which resulted in slow collection of outstanding balances. In addition, due to the Covid-19 pandemic that started in 2020, the Board ceased normal collection processes in response to emergency declarations with plans to resume in 2021. Under the direction of new management of the Board in late 2018, significant effort and resources were expended. These efforts included: a) the hiring of a third-party consulting firm in order to assess the billing system and identify needed improvements; b) the hiring of external contractors to generate, review and reconcile billing reports to its accounting records; c) emphasis on resolving open customer disputes, d) identifying under billings that may have occurred and issuing corrected invoices; e) re-instituting collection efforts in order to accelerate collections of amounts properly owed to the Board; and f) hiring of additional meter reading personnel.

Effect: Collection of customer account balances remains below pre-billing system implementation rates. Thus, the allowance for doubtful account continues to increase.

Recommendations: The Board should complete implementation of the remaining recommendations from the LLA's performance audit that were not completed as of the LLA's March 17, 2021 status report including the procurement of automatic meter reading technology and equipment and increasing the number of actual meter readings each month to continue to reduce the number of estimated billings.

Views of responsible officials and planned corrective actions:

Management concurred with these findings and has already implemented significant changes as noted in the context/cause discussion. The backlog of customer investigations filed prior to June 22, 2018 was eliminated, and the number of transfer accounts was reduced from a high of over 12,000 to less than 400 on any given day, with the average transfer time now at approximately 2 weeks. Additional tools have been identified including the ability to run monthly billing reports that are reconciled to the general ledger. These billing details can be reviewed for various dollar amounts, usage, estimates versus actuals, number of customers billed, etc. High customer consumption and billings are flagged and reviewed by a team and routing sequencing has been improved to reduced opportunities for reading input errors. Daily billing statistics are provided to the leadership for monitoring purposes.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 2020

2020-001 Customer Accounts, Receivables, and Revenue (continued)

Meter reading staffing was augmented through a temporary staff for several months during the year and additional hiring has occurred along with a process to reexamine the design of meter reading routes. Additionally, an incentive pay plan was put in place for meter readers to promote additional readings and emphasize the need for accuracy at the onset of the process. The new Chief of Customer Service began in January 2021 to focus solely on all aspects of customer service delivery as well as executing on the in process recommendations to address concerns. Free water service places undue financial burden on this utility. We are working with our customers, our state legislators, and other stakeholders to reach an equitable solution to laws and processes that, in some cases, were enacted 40 years ago. Meanwhile, we have designated an internal team with the responsibility of researching these special, statutorily mandated accounts to ensure they are paying what they owe under the law. The Chief Financial Officer is currently responsible for ensuring that this corrective action plan is accomplished.

(3) Findings and questioned costs related to federal awards

None

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended December 31, 2020

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

2019-001, 2018-001, 2017-001 Accounting and Financial Reporting

Criteria: The Sewerage and Water Board should have systems of internal accounting control which ensures the financial statements and schedule of expenditures of federal awards are presented in accordance with U.S. generally accepted accounting principles on a timely basis.

Condition: The Sewerage and Water Board does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements on a timely basis.

Recommendations: The Sewerage and Water Board should evaluate its accounting and financial reporting function. Specifically, the Sewerage and Water Board should consider the following:

- Ensure adequate resources (both number and skill set) are dedicated to the accounting and reporting function.
- Develop and implement policies, procedures, and related controls over account reconciliations and preparation of the financial statements and the schedule of expenditures of federal awards to ensure that accounts are reconciled timely. This process should include timely review of account reconciliations and analyses by someone other than the preparer to verify that there are no errors or significant unidentified variances.
- Major accounts should be reconciled to supporting documentation with minimal or no variances or unresolved differences at least monthly.
- All remaining accounts should be reconciled to supporting documentation with minimal or no variances or unresolved differences at least quarterly. This includes reviewing asset and liability accounts that did not change since the prior period to determine if adjustments are required.
- Ensure that financial data from newer information technology (IT) systems (customer accounts and payroll) is properly transferred to the general ledger system in the correct account and correct general ledger accounts. Reconciliations should be performed at least monthly so that issues are identified and addressed with IT vendors more timely during the year to prevent or reduce the amount of time and research needed to resolve these issues during the audit.
- Adjustments identified as a result of these account reconciliations should be recorded on a timely basis.

Status: Resolved.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended December 31, 2020

2019-002, 2018-002, 2017-002, 2016-001 Customer Accounts, Receivable and Revenue

- Criteria: The Board should have adequate internal controls in place to ensure customer accounts are billed correctly, recorded correctly in the accounting records, collection is appropriately pursued, and an adequate allowance for doubtful accounts is recorded in the financial statements.
- Condition: The Board implemented a new customer billing system in October 2016 which substantially changed the billing processing environment from a once-daily batch update process to a real-time continuous update process. Following this conversion and throughout 2018, customer billings were not always being sent on a timely basis, a high number of disputed billings occurred, and collection of customer accounts deteriorated. These conditions also adversely affected the Board's cash reserve position. Beginning under new management in mid-2018, significant effort and resources were expended to improve the reliability of customer billings, resolve customer billing disputes, and accelerate collection efforts. These efforts included conclusions that a) significant adjustments were required for both the 2017 and 2018 fiscal years to increase the allowance for doubtful accounts; and 2) under billing of certain accounts had also occurred. The new management team also hired a third-party consultant to assess the billing system processes. One of the findings in the report of the consultant was that a significant percentage of system meters could not be read due to reasons such as damaged glass faces and capital expenditures would need to be made to make such meters readable and allow for accurate consumption measurements.
- Recommendations: The Board should evaluate and take appropriate action on the findings of the billing system assessment, specifically the need to replace or repair damaged meter glass faces to allow for the accurate reading of water consumption and, thus, improve the accuracy of billings. The Board should also develop procedures to ensure that unusual customer consumption and billings are reviewed timely and that collection efforts are improved. The Board may need to provide additional training or increase its staffing to reduce its dependency on third-party consultants and contractors. The Board should also reconcile the billing system to the general ledger system on a monthly basis.
- Status: Partially resolved. See finding 2020-001.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended December 31, 2020

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

2019-003, 2018-003 Reconciliation of Construction in Progress (CIP)

- Criteria: The Sewerage and Water Board has a significant number of construction projects in progress. The Board should have systems of internal accounting control, which provide for proper accounting and financial reporting of capital assets, including the proper recording of the completion of construction projects.
- Criteria: The Sewerage and Water Board has a significant number of construction projects in progress. The Board should have systems of internal accounting control, which provide for proper accounting and financial reporting of capital assets, including the proper recording of the completion of construction projects.
- Recommendations: The Board should improve policies, procedures, and related internal controls to ensure that capital assets are properly classified. These controls should include maintaining accurate and complete CIP listings and appropriate review of depreciable asset and CIP balances to ensure proper accounting and financial reporting.
- Status: Resolved.

2019-004 Pension Trust Fund Accounting and Financial Reporting

- Criteria: The Sewerage and Water Board should have systems of internal accounting control which ensures the pension trust fund is presented in accordance with U.S. generally accepted accounting principles on a timely basis.
- Condition: The Sewerage and Water Board does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements of the pension trust fund on a timely basis.
- Recommendations: The Sewerage and Water Board should evaluate its accounting and financial reporting function for the pension trust fund. Specifically, the Sewerage and Water Board should consider the following:
- Ensure adequate resources (both number and skill set) are dedicated to the accounting and reporting function.
 - Develop and implement policies, procedures, and related controls over account reconciliations and preparation of the pension fund financial statements to ensure that all accounts are reconciled timely throughout the year. This process should include timely review of account reconciliations and analyses by someone other than the preparer to verify that there are no errors or significant unidentified variances.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended December 31, 2020

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

2019-004 Pension Trust Fund Accounting and Financial Reporting (continued)

- Major accounts of the pension trust fund should be reconciled to supporting documentation with minimal or no variances or unresolved differences at least monthly. All remaining accounts of the pension trust fund should be reconciled to supporting documentation with minimal or no variances or unresolved differences at least quarterly.

Status: Resolved.

**RESOLUTION AUTHORIZING ADOPTION OF
AUDIT COMMITTEE CHARTER**

WHEREAS, the Audit Committee of the Sewerage and Water Board of New Orleans reviewed its existing Charter for necessary updates and compliance with the most recent internal audit legislative and regulatory guidelines; and

WHEREAS, the Audit Committee recommends adoption of the updated Charter as presented at the Committee's October 12, 2021 meeting; and

**NOW THEREFORE BE IT RESOLVED BY THE SEWERAGE AND WATER BOARD
OF NEW ORLEANS:**

That the Audit Committee Charter be and hereby is replaced with the updated Charter presented and approved at the October 12, 2021 meeting of the Audit Committee of the Sewerage and Water Board of New Orleans.

I, Ghassan Korban, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the Regular
Monthly Meeting of said Board, duly called and held,
according to law, on October 20, 2021.

**GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

Sewerage & Water Board of New Orleans



Audit Committee Charter

Date Authorized: TBD

Supersedes all prior versions of this charter

Distribution: Audit Committee

The following document is established to define the role and responsibilities of the Audit Committee of the Board of Directors of the Sewerage & Water Board of New Orleans.

Table of Contents

Governing Authority	2
Introduction.....	2
Purpose	2
Authority	2
Primary Committee Responsibilities	3
Relationship with Internal Auditors	3
Relationship with External Auditors.....	4
Risk Management and Controls	5
Investigative Authority	5
Composition of the Audit Committee	5
Meetings.....	5
Public Comment	6

Governing Authority

This charter is governed by the Sewerage & Water Board of New Orleans' Audit Committee and Board of Directors (the Board).

Introduction

The Audit Committee Charter is required by the International Standards for the Professional Practice of Internal Auditing. The charter is a formal document that provides guidance to the Audit Committee members as to best practices in audit governance. It is not intended to supplant Board actions or policies.

Purpose

The primary purpose of the Committee is to assist the Board of Directors in fulfilling its responsibility to ensure that management achieves organizational objectives while maintaining an effective system of internal control and risk management. The scope of this effort includes oversight of the audit process with a focus on: internal and external financial reporting; the effectiveness and efficiency of operations; compliance with applicable laws, regulations, policies and procedures; review of all contracts awarded by the Executive Director; the safeguarding of assets; and the Board's risk management processes.

Authority

The Audit Committee Charter sets out the authority of the audit committee to carry out the responsibilities established for it by the Board as articulated within the Audit Committee charter.

In discharging its responsibilities, the audit committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The committee will also have unrestricted access to records, data, and reports. If access to requested documents is denied, the Audit Committee will follow a prescribed, Board approved mechanism for resolution of the matter.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. Sewerage and Water Board of New Orleans (SWBNO) management and staff should cooperate with audit committee requests.

Primary Committee Responsibilities

The Committee should review and assess:

- **Risk Management** – The Board’s business risk management process, including the adequacy of the agency’s overall control environment and controls in selected areas representing significant financial and business risk.
- **Annual Reports and Other Major Regulatory Filings** – All major financial reports in advance of filing or distribution.
- **Internal Controls and Regulatory Compliance** – Management’s assessment of the system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, adherence to procurement policies and procedures, legal violations, and noncompliance with the code of conduct.
- **Internal Audit Responsibilities** – The annual audit plan and the process used to develop the plan; Status of activities, significant findings, recommendations, and management’s response.
- **Regulatory Examinations** – The results of examinations by regulatory agencies in terms of important findings, recommendations, and management’s response.
- **External Audit Responsibilities** – Auditor independence and the overall scope and focus of the annual or other audits, including the scope and level of involvement with unaudited information.
- **Financial Reporting and Controls** – Key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor views, and the basis for audit conclusions. Important conclusions on external audit work in advance of the public release of financials.
- **Auditor Recommendations** – Important internal and external auditor recommendations on financial reporting, controls, other matters, and management’s response. The views of management and auditors on the overall quality of annual financial reporting.

Relationship with Internal Auditors

- The Committee shall review and approve the Internal Audit department’s annual audit plan and all major changes to the plan.
- The Committee shall review and discuss with the internal auditors the scope, progress and results of executing the internal audit plan.
- The Committee shall receive reports on the status of significant findings and recommendations, and management’s responses.

- The Committee shall review the Charter, reporting relationship, activities, staffing, organizational structure and credentials of the Internal Audit department.
- The Committee shall review and concur on the appointment, replacement, reassignment or dismissal of the Internal Audit Director, who shall have direct access to the Committee.
- The Committee shall review the annual performance of the internal audit function.

Relationship with External Auditors

- Assess all relationships between the external auditor and the Board to verify the auditors' independence.
- Consult at least once per year with the external auditor regarding the fair presentation of the financial statements, updates in developments affecting external financial reporting, the status of the internal control environment, the effectiveness of management's identification and management of risk, independence of the external auditor, and certain other matters required under generally accepted auditing standards.
- The Committee should be responsible for pre-approving all audit and non-audit services, including the scope of such work performed by the external auditors.
- Following completion of the external audit, review with management, the external auditor, and the Chief Auditor, any issues encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- The Committee shall determine the appropriate funding needed by the Committee for payment of compensation to the external auditor engaged for preparing or issuing audit reports, or performing other audit, review or attest services for Board.
- The Committee shall have the authority to retain outside counsel, accountants, experts and other advisors that it deems appropriate to assist the Committee in performing its functions.
- Review any significant disagreement among management and the external auditor concerning the preparation of the financial statements.
- Meet at least once per year with the external auditor without management present.

Risk Management and Controls

- The Committee shall discuss the Board's policies on risk assessment and risk management, including the risk of fraud.
- The Committee also shall discuss the Board's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- The Committee shall review with senior management the Board's overall antifraud programs and controls.
- The Committee shall discuss with the internal auditors and the external auditors the overall scope and plans for their respective audits, including the adequacy of staffing and budget or compensation.

Investigative Authority

The Committee shall be empowered to investigate any matter brought to its attention with full access to all Board, records and personnel, using special counsel or outside experts when necessary or appropriate.

Composition of the Audit Committee

The Committee shall consist of five members of the Board, to be appointed by the President of the Board. Three members of the audit committee shall constitute a quorum. All members must be independent of the organization.

Meetings

The Committee should meet at least once per calendar quarter. Meetings may be held more often at the discretion of the Committee Chair. In the absence of the Chair or Vice-Chair, a special meeting can be called by two committee members.

Following each meeting, the Committee Chair shall report on the Committee's activities, discussions, and decisions to the Board of Directors.

The Chairman will establish agendas for audit committee meetings in consultation with audit committee members, legal counsel, senior management, and the Chief Auditor.

In the absence of specific rules, policies, or procedures, Robert's Rules of Order, as newly revised, shall be used in conducting a meeting.

Public Comment

The public is invited to attend and give comment on any matter listed on the agenda of the meeting. The time and length of such comments shall be determined by the chair of the Committee meeting.

Sewerage & Water Board of New Orleans Audit Committee Charter

Approved this _____ day of _____, _____.

Special Counsel

Chair Audit Committee

Chair Governance Committee

**RESOLUTION AUTHORIZING ADOPTION OF
INTERNAL AUDIT DEPARTMENT CHARTER**

WHEREAS, the Audit Committee of the Sewerage and Water Board of New Orleans requested that the Internal Audit Department create a departmental Charter to guide its mission and operations in accordance with national standards for public internal auditors; and

WHEREAS, the Audit Committee has reviewed, discussed, and revised the Internal Audit Department's proposed Charter; and

WHEREAS, the Audit Committee finds that the proposed Charter sets forth a framework for successfully performing the functions of a public internal audit department and, accordingly, recommends adoption of the proposed Internal Audit Department Charter; and

**NOW THEREFORE BE IT RESOLVED BY THE SEWERAGE AND WATER BOARD
OF NEW ORLEANS:**

That the Internal Audit Department Charter be and hereby is adopted as presented at the October 12, 2021 meeting of the Audit Committee of the Sewerage and Water Board of New Orleans.

I, Ghassan Korban, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the Regular
Monthly Meeting of said Board, duly called and held,
according to law, on October 20, 2021.

**GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

Sewerage & Water Board of New Orleans

Audit Committee



Internal Audit Charter

Date Authorized: TBD

Supersedes all prior versions of this charter

Distribution: Audit Committee

The following document is established to define the role and responsibilities of the Audit Committee of the Board of Directors of the Sewerage & Water Board of New Orleans.

Table of Contents

Introduction	2
Purpose.....	2
Mission	2
Governing Authority.....	2
Professionalism.....	2
Authority	3
Organization	3
Independence and Objectivity	3
Responsibility	4
Internal Audit Plan	5
Nature of Assurance Services Provided.....	5
Nature of Consulting Services Provided.....	5
Reporting and Monitoring	5
Quality Assurance and Improvement Program.....	6

Introduction

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Sewerage & Water Board of New Orleans (SWBNO). It assists the SWBNO in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, internal control.

Purpose

The purpose Internal Audit activity is to provide independent, objective assurance and consulting services designed to add value and improve the Audit Committee's operations. The Internal Audit department examines and evaluates the organization's activities and their systems of controls to determine whether acceptable policies and procedures are followed, whether legislative requirements and established standards are met; whether resources are used efficiently and economically, whether planned missions are accomplished effectively, and whether the objectives of the organization are being achieved.

Mission

The mission of the Internal Audit activity is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit department helps the Audit Committee accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Governing Authority

The internal audit activity is established by the Audit Committee of the Board of Directors (hereafter referred to as the Audit Committee). The internal audit activity's responsibilities are defined by the Audit Committee as part of their oversight role.

Professionalism

The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Audit Committee.

Organization

The Chief Auditor will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the Executive Director.

The Audit Committee will

- Approve the internal audit charter.
- Approve the risk based internal audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the Chief Auditor on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Chief Auditor.
- Make appropriate inquiries of management and the Chief Auditor to determine whether there is inappropriate scope or resource limitations.

The Chief Auditor will communicate and interact directly with the Audit Committee, including in executive sessions and between Audit Committee meetings as appropriate.

Independence and Objectivity

The internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Auditor will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

Responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organization's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.

- Evaluating specific operations at the request of the Audit Committee or management, as appropriate.

Internal Audit Plan

At least annually, the Chief Auditor will submit to senior management and the Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The Chief Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Audit Committee. The Chief Auditor will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Audit Committee through periodic activity reports.

Nature of Assurance Services Provided

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusion regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter – the process owner, (2) the person or group making the assessment – the internal auditor, and (3) the person or group using the assessment – the user.

Nature of Consulting Services Provided

Consulting services are advisory in nature and are generally performed at the specific request of management. The nature and scope of the consulting engagement are subject to agreement with management. Consulting services generally involve two parties: (1) the person or group offering the advice – the internal auditor, and (2) the person or group seeking and receiving the advice – management. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.

Reporting and Monitoring

A written report will be prepared and issued by the Chief Auditor or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Audit Committee.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within ten days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

The Chief Auditor will periodically report to senior management and the Audit Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Audit Committee.

Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Chief Auditor will communicate to senior management and the Audit Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

Internal Audit Activity Charter

Approved this _____ day of _____, _____.

Chief Auditor

Chairwoman of the Audit Committee/Audit Committee

Executive Director



Performance Audit: SWBNO Take-Home Vehicles

The following report entails a detailed review of the Sewerage and Water Board of New Orleans (SWBNO) Company Vehicle Policy, and adherence to the SWBNO's Company Vehicle Policy, conducted by the Internal Audit Department.

Sewerage & Water Board of New Orleans

Internal Audit Department



Performance Audit Service: SWBNO Take-Home Vehicles

A Performance Evaluation of the Management of the SWBNO's Take-Home Vehicles

The following report entails a detailed review of the Sewerage and Water Board of New Orleans (SWBNO) Take-Home Vehicle usage and agency adherence to the SWBNO's Company Vehicle Policy.

Auditors: Monique Johnson and Cardell Silas



SEWERAGE AND WATER BOARD

Inter-Office Memorandum

Date: 3/10/2021

To: SWBNO Executive Leadership

Copies to: Dr. Tameka Duplessis, Audit Committee Chairwoman

From: Chanté Bivens, Chief Auditor

Subject: SWBNO Take-Home Vehicle Audit

The SWBNO Internal Audit (IA) Department conducted an annual performance audit of the Board-wide management of its take-home vehicles. The purpose of this audit was to ensure adherence to SWBNO Take Home Vehicle Policy No. 94. This audit was conducted to determine if the SWBNO is using public resources effectively and efficiently to minimize loss as it pertains to take-home vehicle privileges.

The auditors wish to thank the employees of the Support Services, EMIS, and Risk Management departments for their assistance and cooperation during the review.

Sincerely,

Chante' Bivens, Chief Auditor
Internal Audit Department

Take-Home Vehicle Audit Report

Table of Contents

Executive Summary.....	4
Historical Information	5
Background.....	6
Audit Objectives.....	7
Scope.....	8
Methodology.....	9
Support Services Departmental Overview.....	10
Findings and Analysis.....	12
Recommendations.....	22

EXECUTIVE SUMMARY

The Sewerage & Water Board of New Orleans (SWBNO) Internal Audit (IA) Department conducted an annual performance audit of the Board-wide management of its take-home vehicles. The purpose of this audit was to ensure adherence to SWBNO Company Vehicle Policy 94, Subsection 2, Take-Home Vehicle Use. This audit was conducted to determine if the SWBNO is using public resources effectively and efficiently to minimize loss as it pertains to take-home vehicle privileges.

SWBNO Board Policy Memorandum No. 94 “Company Vehicle Policy” governs and outlines the procedures pertaining to SWBNO vehicles and equipment. The purpose of the policy is to establish the responsibilities and accountability of SWBNO employees and authorized external drivers regarding the appropriate use of SWBNO vehicles and the authorized use of personal vehicles on Board business. The policy applies to all licensed passenger motor vehicles and other motorized equipment considered the property of the SWBNO.

A performance audit is an objective analysis of sufficient, appropriate evidence to independently assess the performance of an organization, program, activity, or function. Performance audits provide assurance or conclusions to help management reduce costs, facilitate decision-making, and improve services in order to achieve the highest level of excellence in the performance of the Board’s operations. Performance audits encompass a wide variety of objectives, including those related to assessing program effectiveness and results; economy and efficiency; internal controls; compliance with legal or other requirements; and prospective analyses.¹

We would like to highlight that the New Orleans Office of Inspector General (NOLA-OIG) conducted a 2015 audit of the SWBNO Sewerage and Water Board Take-Home Vehicles. The NOLA-OIG initiated a review of SWBNO’s Take-Home vehicle policy following allegations that SWBNO vehicles were repeatedly driven outside of Orleans Parish. In 2015, 48 percent of the 89 employees with take-home vehicles, lived outside of Orleans Parish. Costs associated with providing employees with personal SWBNO vehicle privileges were noted.

The IA Department would like to thank management and staff of the Risk Management Division, Support Services Department, and Information Technology (IT) Department for their time, information, insight, and cooperation during the audit. The recommendations in this audit, if adopted, should further assist with the improvement of processes, internal controls, and reduction of risk exposure.

¹ Comptroller General of the United States, *Government Auditing Standards*, Washington, DC: U.S. Government Accountability Office, 2018, p. 10-11.

HISTORICAL INFORMATION

The SWBNO is a political subdivision created in 1899 by Louisiana State Statute Act No. 6. The Board is independent of City government to construct, operate, and maintain the water, sewerage and drainage systems in the City of New Orleans. The SWBNO Board of Directors include 11 members, including the Mayor to serve as the President of the Board of Directors, two (2) members of the Board of Liquidation, City Debt and seven (7) citizens, as designated by the state statutes.

The SWBNO established a mission to improve the quality of life for the citizens of the City of New Orleans by providing safe drinking water; removing wastewater for safe return to the environment; and draining storm water to protect the community at a reasonable cost.

BACKGROUND

The SWBNO owns a fleet of approximately 371 vehicles.² The SWBNO Support Services Department, Equipment Maintenance Information System (EMIS) Unit purchases and maintains these vehicles and individual SWBNO departments oversee the assignment and use of each vehicle. The SWBNO assigns take-home vehicles to certain SWBNO employees who are required to respond to emergencies when not on duty, also known as being “On-Call”. Currently, each SWBNO department has the authority to request vehicles for take-home use, and there is centralized authority for approving take-home vehicle assignments. Individual departments also have the authority to approve vehicle acquisitions and direct Support Services EMIS Unit to purchase vehicles. EMIS does have the authority to deny the request and review for justification. As of August 18, 2020, the SWBNO has approximately 76 vehicles that SWBNO employees take home on a regular basis. This is a reduction from 89 vehicles as reported in the 2015 New Orleans OIG report.

SWBNO Board Policy Memorandum No. 94 “Company Vehicle Policy” governs and outlines the procedures pertaining to SWBNO vehicles and equipment. The purpose of the policy is to establish the responsibilities and accountability of SWBNO employees and authorized external drivers regarding the appropriate use of SWBNO vehicles and the authorized use of personal vehicles on Board business. The policy applies to all licensed passenger motor vehicles and other motorized equipment considered the property of the SWBNO.

According to Board Policy No. 94, key areas exist within the S&WB. These key areas require a limited number of employees to be available 24hrs/7 days a week. Their availability is linked to the need for a timely and immediate response based upon the activities of the departments supervised and the duties for which they are responsible. Not having use of a take-home vehicle could jeopardize the performance of their duties during critical times. Therefore, per Policy 94, the following positions are authorized take-home vehicles:

- | | |
|-------------------------------------|---------------------------------|
| - Executive Director | - Chief of Engineering |
| - Chief of Facility Maintenance | - Electric Shop Head |
| - General Superintendent | - Chief of Operations |
| - Director of Environmental Affairs | - Welding Shop Head |
| - Emergency Management | - Chief of Network |
| - Director of Support Services | - Engineering Machine Shop Head |
| - Deputy General Superintendent | - Chief of Plumbing |
| - Plant Maintenance Head | - Building Services Supervisor |

² SWBNO Internal Audit: Take-Home Vehicle Audit: Control #: THV-15: SWBNO Full Equipment List

AUDIT OBJECTIVES

We conducted a performance audit review of the SWBNO's Take-Home Vehicles to:

- Evaluate the use and efficiency of the SWBNO's vehicle fleet.
- Determine whether SWBNO assigns take-home vehicles in accordance with Board Policy Memorandum 94.
- Determine whether SWBNO have internal controls to help prevent unauthorized use of a take-home vehicle.
- Determine costs/expenditures related to SWBNO vehicle fuel usage, maintenance, and repairs.

SCOPE

In order to meet audit objectives, a review of relevant documentation, testing, and examinations were conducted. We focused on the SWBNO's oversight of its take-home vehicles from fiscal year 2017 through fiscal year 2020. Efforts to accomplish audit objectives are as followed:

- Determine whether employees authorized for take-home vehicles are full-time On-Call employees, and do not live greater than 40 miles outside of Orleans parish (except critical positions set in Section III, §.C.3).
- Determine whether employees assigned a take-home vehicle are properly charged the Vehicle Use fee.
- Ensure that employees with a take-home vehicle have a valid driver's license and are in compliance, as determined by the Risk Management Department.
- Determine whether take-home vehicles are properly maintained by personnel assigned to the vehicle, and whether maintenance records are retained.
- Determine whether a Master document for take-home vehicles is being properly recorded and updated by the EMIS Supervisor and fleet service managers.
- Identify any potential opportunities to minimize take-home vehicle usage and reduce the number of take-home vehicles.

METHODOLOGY

The following methodology was used in completing the audit:

- Interviewed the SWBNO Interim Support Services Director, Management Development Specialist II (EMIS), Administrative Support Supervisor II (EMIS), Automotive Section Supervisor (Body Shop Manager), Automotive Maintenance Technician (Garage II Manager), and Automotive Maintenance Technician (Garage I Manager)
- Conducted a walkthrough of SWBNO's Central Yard and Carrollton Water Plant locations.
- Reviewed SWBNO Company Vehicle Policy 94 with emphasis on *Section C. Take Home Vehicles*.
- Reviewed required documentation for take home vehicle privileges.
- Reviewed prior external audits conducted pertaining to SWBNO take-home vehicles.
- Identified SWBNO employees who have take-home vehicle privileges.
- Reviewed the processes to obtain approval for take-home vehicle privileges.
- Determined fuel usage and what SWBNO department has the most fuel consumption.

SWBNO SUPPORT SERVICES DEPARTMENTAL OVERVIEW

The Support Services department encompasses, Engineering, Administration, and City-wide CDL Training, Plant Maintenance, Engineering, Public Works & Maintenance, EMIS and Maintenance, and Warehouse and Supply Maintenance. Support Services provides services to all SWBNO campuses except Carrollton Water Plant (CWP). At the beginning of this review, Terrance Wills was Interim Director of Support Services since the retiring of former Director John Wilson in January 2020. Mr. Wills was responsible for daily operations of the department. By the end of the audit, David Cappel was appointed Interim Director of the department. Support Services is located at 2901 Eads Street, 2nd Floor Office Suite of Garage II in New Orleans, Louisiana.

Equipment Management Information Systems (EMIS), a division of Support Services, manages EMIS and assignments. EMIS is managed by Alana Jones, Administrative Support Supervisor II. The department procures company vehicles and equipment, manages vehicle maintenance and assignments, and administrative responsibilities (break tags, insurance, etc.).

According to the Support Services department organizational chart, there are two vacant positions: Management Development Supervisor I (Assistant Director of Support Services) and Management Development Specialist II (Support Services Admin).

Exhibit 1: SWBNO Support Services and EMIS Departmental Staff

Employee	Job Title
Terrance Wills	Interim Director of Support Services
Yolonda Moton	Management Development Specialist II (EMIS)
Alana Jones	Administrative Support Supervisor II (EMIS)
Rick Mumme	Automotive Section Supervisor (Body Shop)
Joe Warren	Automotive Maintenance Technician (Garage II)
Jeff Conrad	Automotive Maintenance Technician (Garage I)

IA conducted interviews with the above referenced staff members of Support Services (see Exhibit 1) to obtain an understanding of respective roles pertaining to SWBNO take-home vehicle assignment and maintenance procedures.

IA spoke with supervisors and managers of the sampled drivers about maintenance, visual and operational check logs for each vehicle. Although this is not a requirement of the Policy Memorandum 94, some departmental managers require drivers to perform daily visual checks to ensure vehicles are in optimal

operational condition. All managers interviewed believe that a formal vehicle maintenance log will benefit the preservation of SWBNO vehicles.

One (1) interviewee conveyed a desire to have the fuel island attendee reestablished at Carrollton Water Plant (CWP). Past fuel island attendees would assist drivers with small preventive safety and maintenance measures such as vehicle fluids, tire checks, lights, etc. Reestablishing the CWP fuel island attendee would prevent the need to travel to Central Yard to seek Garage I maintenance which would reduce the mechanic workload and allow for additional increased manpower hours available to repair other SWBNO vehicles and equipment. During the audit, Garage mechanics expressed the increased workload due to a back log of SWBNO vehicles and equipment needing repairs due to budget constraints.

FINDINGS AND ANALYSIS

GPS Tracking System

In July 2020, SWBNO embarked on procuring a new, more reliable GPS system. The previous GPS system was offline and unresponsive for some time. This forced the department to search for a replacement system. Below are status updates:

- The Risk Management department is executing procurement for a state GPS vendor; implementation date has not been determined.
- Support Services added “How’s My Driving” stickers to the back of SWBNO vehicles. Through this service, citizens may submit comments and voice concerns through the Customer Service departments. If complaints are made and warrant further action, complaints will be forwarded to the SWBNO Security department for investigation. Complaint severity dictates the urgency of corrective action according to the SWBNO’s Progressive Disciplinary Policy.

At the close of the audit, a GPS tracking system for SWBNO was not in place due to budget constraints. Attempts to contract another GPS vendor have seized due to financial stipulations. (See Recommendation R.1.1)

Fuel Usage

Fuel Usage is a vital function to the services provided by SWBNO. SWBNO’s fuel provider Fuel It is a division of Lard Oil of Louisiana. The IA department reviewed fuel usage of SWBNO from January 2018 to June 2020. Below is a fuel report entailing the annual fuel usage in gallons used by department for years 2018-2020 (See Exhibit 2):

Exhibit 2: SWBNO Annual Fuel Usage by Department

SWBNO Department	2018 Gals. Used	2019 Gals. Used	2020 (Jan.-Jun.) Gals. Used
Networks	113,980.60	183,744.00	142,023.80
No Dept. Listed	162,439.80	24,624.00	1,364.80
Support Services	13,195.90	26,616.50	18,004.70
Grounds Maintenance	9,092.60	17,367.80	14,612.60
Meter Reading	12,527.20	16,353.10	11,536.50

Source: Fuel It Report produced by Mike Dougay

Of the 43 departments with fuel card authorization, the departments listed in Exhibit 2 have the highest fuel usage. On average, SWBNO uses 244,674.63 gallons of fuel annually. Fuel costs are determined by OPIS New Orleans Index. According to the SWBNO fuel vendor, vehicles reported under “No Dept. Listed” have been added to the fuel card system, but vehicle numbers and departments have not been reported to Fuel It (Lard Oil). This information should be added for better tracking and reporting purposes (See Recommendation R.2.1).

Take-Home Vehicle Process

The assignment of a SWBNO take-home vehicle requires an employee maintain full-time status and live within forty (40) miles of Orleans Parish unless otherwise approved. Take-home vehicles are processed through the Support Services Administration department. Emergency response employees are granted special recommendation consideration at the discretion of the employees supervisor and Support Services Director. The take-home vehicle process is as follows:

- The employee and departmental supervisor submit a “S&WB Vehicle Take-Home Recommendation Form” to the Support Services Director.
- The Support Services Director review and verify the following:
 1. Ensure employee is full time and domiciled within forty (40) miles of Orleans Parish
 - i. Domicile is defined in City Code, Part II, Chapter 2, Article X, Sec 2-972.
 2. Ensure the recommendation form is complete and verify reasoning for take-home vehicle
 3. Valid driver license and clean driving record
 - i. Risk Management designated staff runs the employee’s driver’s license number and request the driving record from the Louisiana Department of Motor Vehicles
- If approved, the Support Services Director assigns the employee a vehicle number and a key fob. A key fob is used to track vehicle information and its whereabouts.
 4. If the employee does not want to incur the vehicle usage fee, he or she may choose to leave their take-home vehicle at a gated SWBNO location after completion of a workday.
- The assigned employee is then added to the master document by the EMIS Supervisor.

The IA team requested the master document for take-home vehicles. The EMIS Supervisor provided IA with the take-home vehicle master document. The document revealed that seventy-six (76) SWBNO employees have take-home vehicle privileges. IA tested twenty-five (25) employees using interval sampling method.

IA determined that all employees sampled were full-time employees and lived within 40 miles of Orleans Parish. IA could not confirm whether all employees were given the On-Call designation. Take-Home Vehicle Recommendation Forms were not properly denoted with “on-call” designation to determine “on-call” employee status. Of the sampled employees, IA could not determine whether the employee chose the alternative take-home vehicle privilege or regular take-home privilege (see Recommendation R.3.1).

Key Fobs

A key fob is used to track SWBNO vehicle information and its whereabouts. The Support Services department is no longer responsible for the issuance of key fobs. The Risk Management department now handles the issuance of key fobs. IA was informed by the Risk Management Department that Key Fob Request Forms were not formally implemented until December 2019. Before the formal implementation, the key fob requestor’s supervisor would email the Risk Management Manager a copy of the employee’s name and driver’s license. The Risk Manager Dept. requests the employee driving history from the Louisiana Department of Motor Vehicles. If the employee has a clean driving record, the Risk Manager informs the supervisor and the Support Services Manager to issue a key fob.

Master Document

The IA team requested the master document for the list of take-home vehicles. Although the scope of duties of the EMIS supervisor’s department may vary somewhat because of the differences in the size and use of vehicle fleet, all Fleet Service Managers in conjunction with the EMIS Supervisor must:

Create and maintain one master document that details the following information for all department vehicles:

1. Vehicle description (year, make, model, and color)
2. License plate number (if applicable)
3. Vehicle identification number (VIN)
4. City asset number
5. Name of the employee assigned to the vehicle, whether that employee is authorized for take-home use of that vehicle, and if so, the justification for the take-home assignment.

6. Certification that the vehicle is appropriately marked by SWBNO Policy Memorandum No 94.
7. Certification that SWBNO Policy Memorandum No. 94, the vehicle registration document, and the self-insurance letter are contained in the vehicle.
8. Certification that the employee has proven possession of a current and valid Louisiana driver's license.
9. Certification that the employee has provided proof of personal insurance on a yearly basis, including take-home vehicles.
10. Last seven digits of the fuel card assigned to the vehicle.

While analyzing the master document, IA found that the list was incomplete. The document did not contain the justification for take-home vehicle assignment and items six (6) through ten (10) mentioned above. IA determined that the master document is not properly kept between the Fleet Service Managers and the EMIS Supervisor. There is a lack of communication between the Fleet Service Managers and the EMIS Supervisor. The master document does not have all the information required as mentioned in SWBNO Policy Memorandum 94. (See Recommendation R.4.1)

The EMIS Supervisor explained the following rationale for the missing Master Document information:

- SWBNO employees resign or transfer to other departments without notifying the EMIS department.
- Although EMIS periodically email departments to ensure insurance cards, brake tags, and vehicle registrations are valid, some departments are slow to respond and provide updates.
- The SWBNO Claims department should maintain an up-to-date record of the driver's license and proof of insurance on a yearly basis.

Exhibit 3: Take-Home Vehicle Process Verification/Compliance Status Sample

Employee	SWBNO Department	Domicile	Policy Compliance Status?
Employee 1	Electric Shop		No (Missing Application/ No Vehicle Usage Payroll Deduction)
Employee 2	Welding Shop	St. Tammany	No (No Vehicle Usage Payroll Deduction)
Employee 3	Electric Shop/Facility Maintenance		No (Missing Application/No Vehicle Usage Payroll Deduction)
Employee 4	Electric Shop	St. Bernard	No (No Vehicle Usage Payroll Deduction)
Employee 5	Environmental Compliance		No (Missing Application)
Employee 6	Electric Shop	Jefferson	Yes
Employee 7	Facility Maintenance		No (Missing Application/No Vehicle Usage Payroll Deduction)
Employee 8	CY-Station D		No (Missing Application/ No Vehicle Usage Payroll Deduction)
Employee 9	Machine Shop	Jefferson	No (Invalid Driver's Lic.)
Employee 10	Meter Repair		No (Missing Application)
Employee 11	Warehouse& Grounds		No (Missing Application)
Employee 12	Networks	Jefferson	No (No Vehicle Usage Payroll Deduction)
Employee 13	Networks	Orleans	Yes
Employee 14	Machine Shop	Jefferson	Yes
Employee 15	Sewerage	Orleans	Yes
Employee 16	Electric Shop	St. Bernard	Yes
Employee 17	Electric Shop	St. Bernard	Yes
Employee 18	Machine Shop	Orleans	Yes
Employee 19	Pumping & Power Dept.	Orleans	Yes
Employee 20	Networks	Orleans	Yes
Employee 21	Networks	Orleans	Yes
Employee 22	Networks	Jefferson	Yes
Employee 23	Networks		No (Missing Application/No Vehicle Usage Payroll Deduction)
Employee 24	Networks	Orleans	Yes
Employee 25	Networks	St. John the Baptist	No (No Vehicle Usage Payroll Deduction)

Vehicle Take-Home Recommendation Form & Driving Record Validation

To receive a SWBNO take-home vehicle an employee's supervisor must submit to the Support Services Manager a "SWBNO Vehicle Take-Home Recommendation Form. The IA department requested the "SWBNO Vehicle Take-Home Recommendation Form" for the twenty-five (25) randomly sampled employees from the EMIS Take-Home Equipment List. Of the twenty-five (25) requested forms, Support Services provided seventeen (17) forms and the eight (8) could not be provided due to the unavailability of those forms (see Exhibit 3: Take-Home Vehicle Process Verification Sample/Compliance Status).

From analysis of the SWBNO Vehicle Take-Home Recommendation forms, IA found the information documented on the forms to be generic in nature which was noted in the previous 2015 Take-Home Vehicle Audit report conducted by the NOLA-OIG. IA also found several Take-Home Recommendation forms were incomplete yet approved. The forms also lacked sufficient documentation to validate the amount of times an employee has been required to report for an emergency or deemed as on-call.

IA determined that the Take-Home Recommendation forms are incomplete and not all employees in possession of a take-home vehicle have forms on file. (See Recommendation R.5.1)

In accordance with SWBNO Policy Memorandum 94; Section III; §. A:

"Prior to operation of any vehicle on behalf of and/or in the performance of Board duties or responsibilities an individual must have a valid Louisiana driver's license, which is not suspended or revoked, and appropriate for the type of vehicle he or she will operate."

Of the sampled twenty-five (25) employees, only one (1) employee did not have a valid driver's license on file with the Risk Management department.

IA determined that not all employees had valid driver's licenses and driving records on file with the Risk Management department. (See Recommendation R.5.1)

Vehicle Usage Charge (Payroll Deduction)

In accordance with SWBNO Policy Memorandum No. 94 Section III.C.4, SWBNO employees who are domiciled within Orleans Parish or less than 20 miles of Orleans Parish should be charged a payroll deduction of \$48.08 per bi-weekly pay period and employees who domicile over 20 miles should be charged a payroll deduction of \$144.24 per bi-weekly pay period. In an interview with the Payroll department, it was revealed that the payroll deductions are labeled code "VH20" (less than 20 miles) and "VH20+" (over 20 miles). The IA team mapped, via Google Maps, each employee's domicile outside Orleans Parish to verify that the

employee's domicile address abides with the policy. IA confirmed that all sampled ten (10) employees with an application on file domiciled outside Orleans Parish, met the policy mileage requirements. Only one (1) sampled employee resides more than 20 miles outside of Orleans Parish.

To confirm each employee was being both charged the payroll deduction and the correct deduction amount, the IA team requested a list of all employees who are currently being deducted a vehicle usage charge. IA analyzed the list of employees and discovered that several sampled employees were not being charged either payroll deduction. Of the twenty-five (25) sampled employees, thirteen (13) employees received the payroll deduction "VH20". Four (4) of the ten (10) sampled employees who domicile outside the parish had no payroll deduction. The sampled employee who domiciled greater than 20 miles of the parish did not have a payroll deduction.

Additionally, the IA team reviewed the Payroll department's Vehicle Usage Charge Report to determine if report is current and accurate. Currently only (fifty-six) 56 SWBNO employees are charged a vehicle usage fee. According to Support Services and EMIS, SWBNO is currently providing take-home vehicles to seventy-six (76) employees. Of the fifty-six (56) employees on the Payroll department's take-home deduction eligibility report, only forty-three (43) are properly authorized employees with take-home vehicle privileges, per EMIS' equipment list. Thirteen (13) employees listed on payroll report are NOT authorized nor accounted for per Support Services authorization process list and twenty-nine (29) on the EMIS's equipment list are not being charged any vehicle usage fees.

IA determined that there is a lack of communication between the Payroll department and EMIS/Support Services. Employees are erroneously charged vehicle usage fees and some employees with take-home vehicles are not charged vehicle usage fees. This lack of communication is concerning due to SWBNO not recouping the expenses for take-home vehicles. (See Recommendation R.6.1)

Vehicle Maintenance

In accordance with SWBNO Policy Memorandum No. 94 Section III, §. K., Item 1, the take-home vehicle operator is responsible for the upkeep of maintenance for the assigned take-home vehicle. Garage I perform preventative maintenance on all take-home vehicles. Preventative maintenance consists of a routine examination of the vehicle general functions (lights, front end, brakes, wipers, etc.) and an oil change. Major engine vehicle repairs are outsourced.

To determine if the operators comply with SWBNO Policy Memorandum 94, the IA team requested the Vehicle Maintenance reports for the previous two maintenance periods from the SWBNO Garage I Manager. According to the Garage I Manager, all SWBNO vehicles are scheduled for routine preventative maintenance every 3,000 miles for gasoline engine vehicles and every 1,500 miles for diesel engine

vehicles. Preventative maintenance mileage reminders are posted in the form of stickers in the top driver side corner of the vehicles. IA noted that Garage 1 Manager stated oil used by the SWBNO to maintain vehicle is designed to last up to 5,000 miles before oil needs to be changed. Upon review of the records, IA found that although the employees brought vehicles in for preventative maintenance, the employees did not follow Garage 1 Manager guidelines for preventative maintenance.

Analyzing Vehicle Maintenance reports, IA found that six (6) out of the twenty-five (25) sampled employees received service for preventative maintenance at the recommended mileage. Eight (8) employees received service over the recommended mileage (3,000 miles) but under the expected life of the oil (5,000) miles. Nine (9) of the employees received preventative maintenance over the five (5) thousand (5,000 miles) oil life. One (1) employee was receiving preventative maintenance from a third-party maintenance shop. The employee paid expense out of pocket.

Four (4) vehicles had extreme excessive mileage between preventative maintenance visits (Vehicle #158, #161, #178, #265). These vehicles were 4,000 miles or more over the oil mileage life. Vehicle #265 had 17,117 miles between preventative maintenances.

IA determined that the employees assigned take-home vehicles are not properly performing preventative maintenance to ensure vehicles are properly operating. (See Recommendation R.7.1)

Exhibit 4: Percentage of SWBNO Take-Home Vehicles by Department

SWBNO Department	# of Take-Home Vehicles	Percent of Total Take-Home Vehicles
Executive Director	1	1.3
Facility Maintenance	20	26.3
Environmental Affairs	2	2.6
Pumping & Power	3	3.9
Operations	13	17.1
Engineering CA&I	1	1.3
Plumbing	1	1.3
EMIS 0805	5	6.5
Emergency Management – CWP 0055	1	1.3
Welding Shop – CWP 4330	2	2.6
Electrical Engineering 4120	5	6.5
Electric Shop – CWP 4130	1	1.3
Grounds Maintenance 0815	1	1.3
Meter Shop 4270	2	2.6
CY – Zone 1 6001	4	5.2
CY – Zone 2 6002	3	3.9
CY – Zone 3 6003	4	5.2
CY – Zone 4	1	1.3
CY – Zone 5	2	2.6
CY – Zone 6 6006	3	3.9
CY – Zone 7	1	1.3
Departmental Total	76	100%

INTERNAL AUDIT CONCERNS (DISCLOSURE ITEMS)

In order to comply with IIA standards, the IA must disclose any and all information related or un-related to the audit conducted that was discovered or mentioned during the audit process. As the responsibility and duty of this department, IA has chosen to implement a special “disclosure items” section to note additional concerns discovered or mentioned during the audit.

It was reported to IA that SWBNO’s tire vendor “allegedly” has been submitting several monthly invoices for excessive amounts without proper documentation. Some invoices include charges for repeat vehicle tire replacement which do not seem reasonable to the standard tire life. Additionally, the tire vendor seems to submit invoices for the total of their yearly contract amount divided by the calendar months. For example, if the tire vendor has been granted an annual contract amount of \$120,000, they will submit invoices for \$10,000 monthly in order to reap full contract benefit although billed work was allegedly not performed.

RECOMMENDATIONS

After conducting the performance audit, the auditors recommend the following:

R.1.1 – SWBNO should acquire a GPS tracking system which collaborates with key fobs. This would allow for tracking of Board vehicles, adherence to the SWBNO Policy Memorandum No. 94, and accountability purposes.

R.2.1 – To properly track and mitigate financial risk to the SWBNO, Support Services and EMIS should routinely monitor fuel and maintenance expenses of Board vehicles for significant variances and report such instances to Senior Management.

R.3.1 – To reduce SWBNO vehicle usage costs, employees who do not respond to emergencies/on-call and are not in key areas/positions outlined in Policy Memorandum No. 94 should leave assigned SWBNO vehicles at a centralized location at the end of their work day instead of utilizing take-home vehicle privileges. This minor gesture may reduce the cost of fuel and maintenance visits; and increase the useful life of vehicle tires.

R.4.1 – Support Services/ EMIS should maintain and routinely update the master document/log of SWBNO take-home vehicles weekly. It is imperative that Support Services/EMIS work with all SWBNO departments to maintain a record of take-home vehicles and employees operating such vehicles to reduce costs associated with employees operating SWBNO vehicles without proper authorization. If it is determined that employees with take-home vehicles are not responding to emergencies after a monthly review of such log, there should be a reconsideration of such privileges.

R.5.1 – Support Services and Risk Management departments should work collaboratively and collectively to ensure valid drivers with the appropriate driving designations as required by the Louisiana Department of Motor Vehicles are operating SWBNO vehicles and equipment.

R.6.1 - EMIS should coordinate with the Payroll department to ensure all SWBNO employees in possession of a take-home vehicle are charged the appropriate take-home fee in accordance with SWBNO Policy Memorandum No. 94.

R.7.1 – Support Services should procure Fleet Management System software to allow for proper fleet management and vehicle maintenance reporting. Support Service should also develop vehicle abuse reports and work with SWBNO management to develop effective corrective action plans for insubordinate drivers.