



# A YEAR OF ADAPTABILITY



## SEWERAGE AND WATER BOARD OF NEW ORLEANS ADOPTED 2021 OPERATING & CAPITAL BUDGETS

for the fiscal year ending December 31, 2021

# 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 stormwater to protect our community. Our team of experts do this reliably, continuously, and at a reasonable cost.

# OUR VISION

We seek to earn and hold the trust and confidence of our customers and community by providing reliable and sustainable water services; and being a model utility in the water industry.

# OUR GUIDING PRINCIPLES

## SERVICE 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.



## TEAMWORK

We 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, great teammates.

## WORKPLACE CULTURE

We maintain a positive work environment. We want to be an employer of choice, and a place where employees desire to come to work each day. We are inclusive, treat each other with respect, and value every member of our team.

## SAFETY

We look to each other and protect those we serve. We engage in and abide by safe practices, at all times. We never hesitate to act or speak up when we see an unsafe situation.

## 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 standard.

## HONESTY & INTEGRITY

We serve the public and must earn their trust every day through our professional conduct, being ethical, and transparent in all we do.

## CUSTOMER FOCUS

We provide consistent, high quality customer service in everything we do. We treat each customer, internal or external, with care and respect, and we take their satisfaction as a personal mission.



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## Executive Director's Message



**"There is nothing softer  
or more flexible than  
water..."**

That is an excerpt of a quote by Chinese philosopher Lao Tzu which speaks to the adaptability of water. It's a quote I thought of often in 2020, a year truly like no other, where in order for both society and this utility to endure, the need for adaptability was paramount. It was a year of being flexible, yet strong.

During the COVID-19 global pandemic, water became more crucial than ever. Our mission of health and safety is our top priority in any given year, but especially in the midst of taking precautions against COVID-19. From the early days of the health crisis, it was clear that access to clean water was vital to our customers. That is why we led the charge in putting a water shutoff moratorium in place.

Once again, to say the success of the Sewerage and Water Board is crucial to the quality of life of our customers is an astounding understatement. Our mission to keep New Orleans safe and healthy remains our North Star and more than ever is woven into the lives of everyone in our community.

Just as we hope this year of service served as a model for our fellow utilities, we continue our commitment to once again be a leader for the rest of the water management industry to follow.

As you will see laid out in the following pages of our spending plan, we continue our deliberate steps in major long-term strategies to do just that.

Our first priority must always be to our customers. You will see renewed investments in projects that directly impact your way of life.



In 2021, we welcomed our very first Chief Customer Service Officer whose sole focus is improving every aspect of how our utility touches our customers each day. And with this renewed and dedicated department, we want to ensure each member of our team is delivering the best service experience possible.

We take every effort to minimize the inconveniences that accompany our operations, including to maintain our aging infrastructure and being good neighbors to our residents that surround our facilities.

This year we remain committed to our comprehensive master planning process, listening to our community's needs and remaining flexible as we work together to create and realize a new vision.

We hope to join together in another productive year and trust 2021 will be a “return to a new normal” – whatever that means – with a continued focus on striving to be a model utility for all New Orleans residents.

Yours in service,

Ghassan Korban, PE

Executive Director



## Chief Financial Officer's Message



Greetings to the Honorable Mayor Cantrell, the Board of Directors and the citizens of New Orleans:

While the year 2020 brought many unprecedented challenges, I am thrilled to say that this utility persevered. Therefore, it is my honor to present the adopted 2021 operating and capital budget document for the Sewerage and Water Board of New Orleans.

While the impact of the COVID-19 global pandemic forced us to make some tough decisions and budget cuts, both our operating and capital budgets reflect the highest priorities of this utility which will help ensure we can continue providing the life-sustaining services provided by this agency.

Thanks to the tireless efforts and steadfast leadership of Mayor LaToya Cantrell, we are in position to bring massive upgrades to our power generation systems through a dedicated Entergy substation and a new, state-of-the-art turbine. These monumental changes would not have been possible without ensuring that this utility is on sound financial footing.

I want to thank our Board of Directors for their dedication throughout a challenging year. Your unwavering support and guidance continue to push us to find innovative and creative ways to improve. And most importantly, I want to express my heartfelt thanks to our employees – who refused to falter in the face of a global pandemic – ensuring that our community continued to have access to clean water which undoubtedly provided needed protection from the COVID-19 virus.

Yours in Service,

E. Grey Lewis

Chief Financial Officer, Sewerage and Water Board of New Orleans



# Governance

## About the Board

The Sewerage and Water Board of New Orleans is an independent entity, authorized by the State of Louisiana and governed by an eleven-member Board of Directors. The Board of Directors consists of the Mayor, the Chair of the Public Works, Sanitation and Environment Committee of the New Orleans City Council or their designee, two representatives of the Board of Liquidation, and seven citizen members; five of which represent each of the council districts, two consumer advocates and one of the appointments shall be a retired civil engineer.

Citizen members are appointed by the mayor with the advice and consent of the City Council from a list of nominees submitted by a selection committee comprised of representatives from the following organizations: Dillard University, Loyola University, Tulane University, Xavier University, Delgado Community College, University of New Orleans, Southern University at New Orleans, New Orleans Chamber of Commerce, New Orleans Regional Black Chamber of Commerce, and the Urban League of Greater New Orleans.

Citizen members are required to meet the following requirements: be registered voters in Orleans Parish, shall have been a domiciliary of Orleans Parish for two years previous to their appointment, shall have experience in either architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, community or consumer advocacy, or other pertinent disciplines, and their appointment shall reflect the gender and racial diversity of the city.

The term of office for members appointed to the Sewerage and Water Board of New Orleans is four years and each member shall serve no more than two consecutive terms of office. The Board holds committee and regular meetings once each month, to which the public is invited. A current schedule of meetings can be found on the website: <https://www.swbno.org> under the News & Events page.



## Board of Directors (1/1/2021)



### **Mayor LaToya Cantrell, President**

As 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.



### **Councilmember Jay H. Banks**

Councilmember Banks was selected to represent the City Council on the Board of Directors in 2019. He is the former Director of the Dryades YMCA and currently serves as the Councilman for District B.



### **Robin Barnes**

Representing District B, Ms. Barnes is the Principal at Resilience Resolutions.



### **Alejandra Guzman**

Representing as a Consumer / Community Advocate, Ms. Guzman is the Executive Director of Business Ventures at LSU Health Foundation in New Orleans.



### **Janet Howard**

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



**Ralph Johnson**

Representing the Board of Liquidation, Mr. Johnson is the Chief Financial Officer and VP 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.



## Board Committee Membership

### Finance & Administration Committee

Chair - Poco Sloss  
Janet Howard  
Joseph Peychaud  
Alejandra Guzman  
Ralph Johnson

### Audit Committee

Chair - Tamika Duplessis, Ph.D.  
Robin Barnes  
Joseph Peychaud  
Maurice Sholas  
Alejandra Guzman

### Governance Committee

Chair - Ralph Johnson  
Robin Barnes  
Poco Sloss  
Jay H. Banks  
Janet Howard

### Strategy Committee

Chair – Robin Barnes  
Poco Sloss  
Maurice Sholas  
Janet Howard  
Tamika Duplessis

### Pension Committee

Chair – Joseph Peychaud  
Maurice G. Sholas, M.D., Ph.D.  
Councilmember Jay Banks  
Alejandra Guzman  
Ralph Johnson  
Retiree Trustee Harold Heller  
Employee Trustee Christopher Bergeron  
Employee Trustee Adam Kay  
Employee Trustee Latressia Matthews

### Operations Committee

Chair-Janet Howard  
Tamika Duplessis  
Joseph Peychaud  
Jay Banks  
Maurice Sholas



## ORGANIZATIONAL STRUCTURE

### Senior Leadership



**Ghassan Korban**  
Executive Director



**Christy Harowski**  
Chief Of Staff



**Ron Spooner**  
Interim General Superintendent



**Courtney Barnes**  
Chief of Communications



**E. Grey Lewis**  
Chief Financial Officer



**Yolanda Grinstead**  
Special Counsel



**David Callahan**  
Chief Administrative Officer

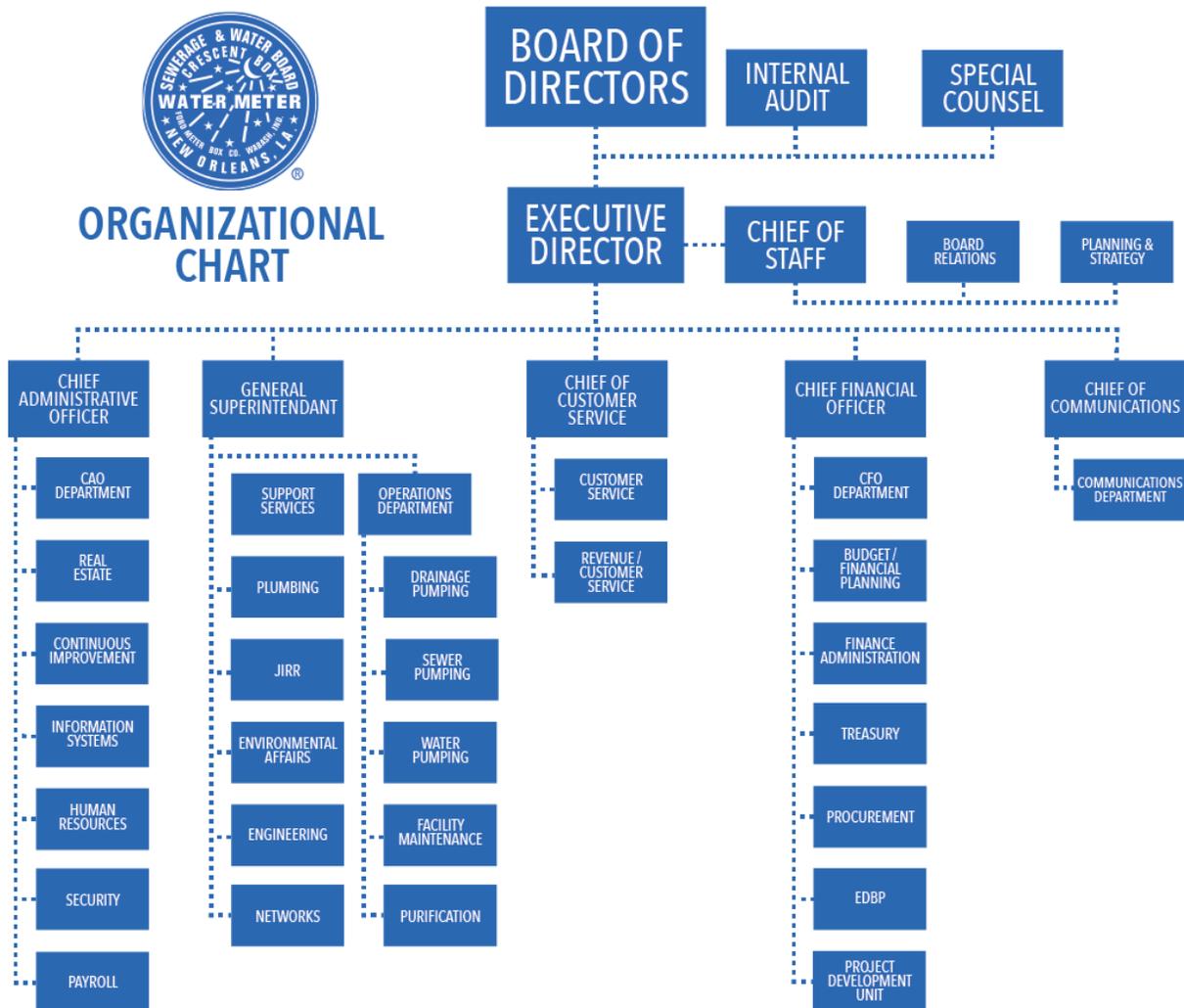


**Rene Gonzalez**  
Chief of Customer Service



## Sewerage and Water Board Organizational Chart

SWBNO is committed to optimizing its organizational structure and ensuring appropriate staffing levels. The current organizational structure is shown below with seven Chief Officers who report to the Executive Director regarding Finance, Administration, Operations, Customer Service, Special Counsel, Communications, and Chief of Staff.





# A Year of Adaptability.

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## INTRODUCTION

Living in a city surrounded by water will undoubtedly present a unique set of challenges for any utility. From having to pump out every single drop of stormwater that falls to more heavy and intense rainfalls that threaten our way of life, the work we do here at the Sewerage and Water Board of New Orleans is critical to ensuring the health and safety of residents.

Last year forced us to double down on our commitment to the family, friends and neighbors we serve every day. In the face of a global pandemic, our employees showed up day in and day out to ensure our customers continued to have safe drinking water, wastewater treatment and stormwater management. We adapted to a new way of life in order to fulfil our mission. As public servants, we knew there was no other way.

Coming off the heels of a pandemic that shook the entire world, our dedication to this great city has never been stronger.

2021 will be a monumental year for this utility as we move toward the future of our power generation resources. The progress we make this year will have an unmistakable impact on the future of this city and agency for decades to come. We are keeping our eyes to the future through continuing major initiatives like our Master Plan, Rate Study and Automated Metering Infrastructure. All of these initiatives are woven together by one singular focus: to serve our customers better.

Through linking and leveraging relationships with our stakeholders – Mayor LaToya Cantrell, community leaders, elected officials at all levels, non-profits and industry experts – there is nothing we can't accomplish.



While there will be challenges along the way, the future of this agency is bright. We will continue to mirror the adaptability and flexibility of the backbone of this utility – water – to chart a clear path forward.

## Priorities

The 2021 budget is our most recent roadmap for the future of this utility. While the COVID-19 pandemic forced us to make tough decisions, it has not and will not cause us to take our eyes off the horizon for the future. Adaptability is now the name of the game and we are more committed than ever to finding creative solutions to continuing our vision for creating a state-of-the-art utility.

### *Automated Metering Infrastructure*

We are now in the midst of a citywide project to convert all our water meters to remote sensors to measure consumption at every customer property. This will greatly enhance the accuracy of our billing data, reduce the chance for error and inject reliability into one of our core missions: customer service.

### *Renewed Commitment to Customer Service*

There is no doubt that billing issues have plagued this utility in recent years. Until Automated Metering Infrastructure is in place, we will continue to face many of the challenges associated with having to manually read over 130,000 meters throughout the City. But we are not sitting idly by. That is why we hired a new Chief Customer Service Officer who has brought a renewed, customer-centric focus to this utility. Through meeting our customers where they are with customer service satellite offices in neighborhoods throughout New Orleans and upgrading software to enable more streamlined bill dispute tracking, we are committed to improving customer experience.

### *Rate Study*

A rate study is now underway to examine the efficacy of our rates for water and sewer service, as well as any innovative funding options for stormwater management.

### *Modernized Power Generation Systems*

Along with challenges brought on by a global pandemic, we also faced critical challenges with our power generation systems. Most crippling was the loss of one of our major turbines during hurricane season. While we are on track to have two of our existing turbines available for service before the 2021 hurricane season, we know that is not enough to ensure a stable future for our system. That is why we are looking to the future and aggressively executing a plan for a West Power Complex that will house a dedicated Entergy substation and a new Turbine, "T7."

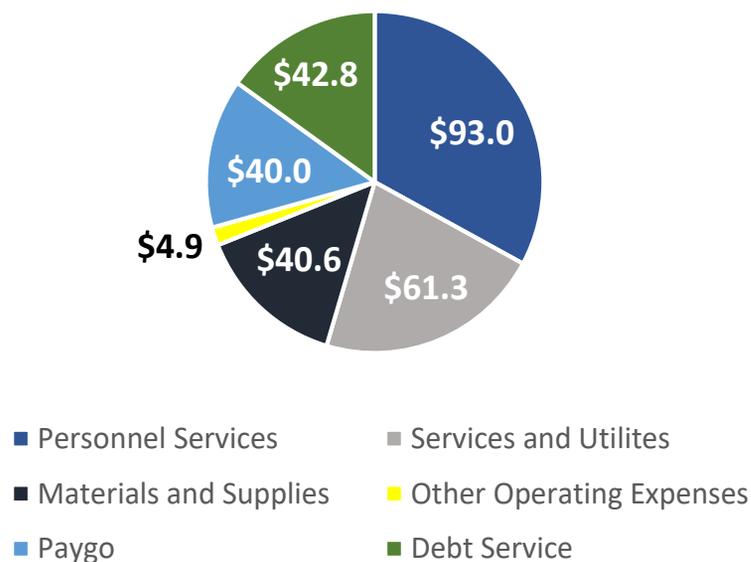


# FINANCIAL OVERVIEW, STRUCTURE AND BUDGET PROCESS

## 2021 OPERATING BUDGET

Like many utilities throughout the nation, SWBNO is challenged to support an expansive and aging infrastructure. This infrastructure, as well as the associated regulatory and staffing needs, has and will continue to increase utility costs. SWBNO's primary funding sources for utility operations and capital projects are the water and sewer rates and drainage millages. Last year, SWBNO completed a series of yearly approved water and sewer rate increases and continued to collect tax revenue for drainage costs.

2021 Operating Expenses (\$282.6 m)



The Board's principal activities of providing water, sewerage, and drainage services are accounted for in a single proprietary fund — the Enterprise Fund. The Enterprise Fund is composed of three (3) independent systems: Water, Sewerage, and Drainage 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.

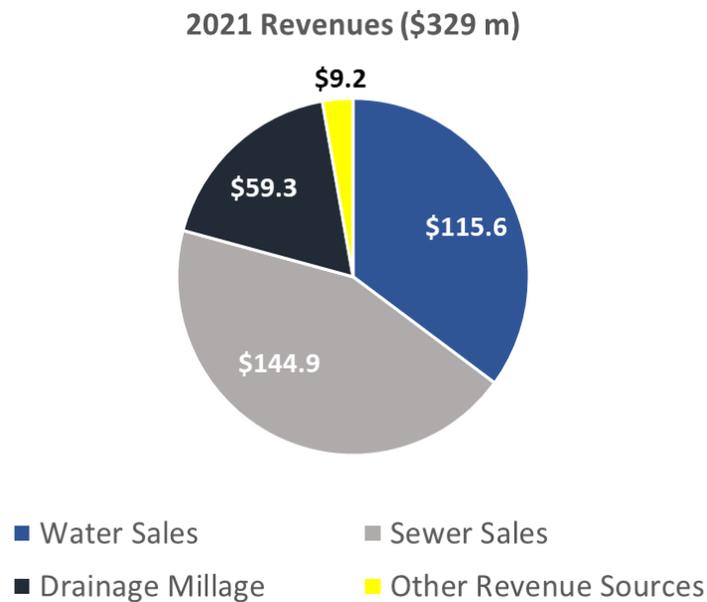
The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses 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 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.

SWBNO has prepared its 2021 Budget on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP). On a GAAP basis, total expenses during 2021 are projected to be about \$401 million. On a cash flow requirement basis, which includes operating and maintenance costs, principal and interest on debt service, and pay-go, SWBNO expects to spend roughly \$282.6 million. Excess revenues above these expenses are required for bond covenant and debt service ratios and may be used for capital reinvestment.



SWBNO expects to recover roughly \$329 million in revenues during 2021. Operating revenues are generated primarily from water and sewer user charges, though SWBNO collects a small amount of other operating revenues from penalties and miscellaneous fees. Non-operating revenues consist of drainage millage collections, interest, and other miscellaneous non-operating revenues.



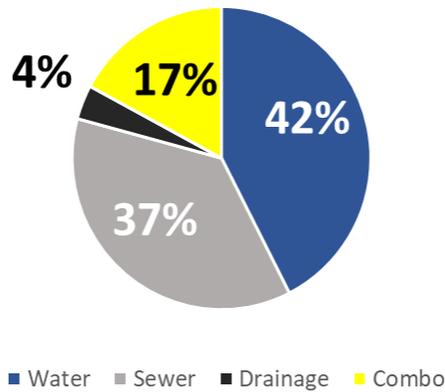
Projected Budgeted Change to Net Position	Water	.	Sewer	.	Drainage
Total Unrestricted and Undesignated	\$ 62,743,488		\$ 89,660,620		\$ 17,708,764
Total Restricted Cash, Cash Equivalents, and Investments	\$ 30,654,712		\$ 113,702,280		\$ 5,000,306
Total Other Assets	\$ 13,255,164		\$ 17,965		\$ 10,400
<b>Total Assets</b>	<b>\$ 106,653,364</b>		<b>\$ 203,380,865</b>		<b>\$ 22,719,470</b>
Total Current Liabilities ( <i>payable from current assets</i> )	\$ 66,566,202		\$ 36,798,958		\$ 21,740,572
Total Current Liabilities ( <i>payable from restricted assets</i> )	\$ 4,873,127		\$ 13,322,475		\$ 1,962,008
<b>Total Liabilities</b>	<b>\$ 71,439,329</b>		<b>\$ 50,121,433</b>		<b>\$ 23,702,580</b>
<b>Preliminary Audited 2020 Net Position</b>	<b>\$ 35,214,035</b>		<b>\$ 153,259,432</b>		<b>\$ (983,110)</b>
Operating Revenues	\$ 116,193,954		\$ 145,520,580		\$ -
Non-Operating Revenues	\$ 2,802,300		\$ 2,001,400		\$ 62,499,500
Allowance for Doubtful Accounts	\$ (15,171,065)		\$ (18,036,645)		\$ -
<b>Total Revenues</b>	<b>\$ 103,825,189</b>		<b>\$ 129,485,335</b>		<b>\$ 62,499,500</b>
Operating Expenses	\$ 77,237,313		\$ 84,835,502		\$ 37,779,361
Debt Service	\$ 13,471,250		\$ 27,284,064		\$ 2,039,100
Pay-Go	\$ 13,000,000		\$ 13,666,667		\$ 13,333,333
<b>Total Expenses</b>	<b>\$ 103,708,563</b>		<b>\$ 125,786,233</b>		<b>\$ 53,151,794</b>
<b>Budgeted Change to Net Position</b>	<b>\$ 116,626</b>		<b>\$ 3,699,102</b>		<b>\$ 9,347,706</b>
<b>Budgeted Ending 2021 Net Position</b>	<b>\$ 35,330,661</b>		<b>\$ 156,958,534</b>		<b>\$ 8,364,596</b>



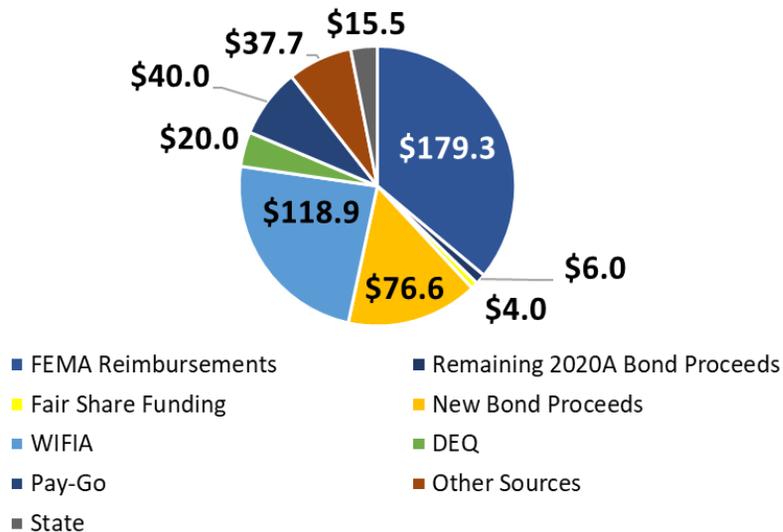
## 2021 CAPITAL BUDGET

The 2021 Capital Budget includes 465 million in capital expenditures based on the needs of water, sewer, and drainage. Capital expenditures are funds used to acquire, upgrade, and maintain physical assets such as property, plants, and equipment with a useful life of one year or more. Financing sources for the 2021 Capital Budget include grant funded and Fair Share projects. Projects identified as “Targeted Funded Projects” are contingent upon receiving funds from identified sources.

2021 Capital Uses (\$465m)



2021 Capital Sources (\$498m)





# BACKGROUND

## ABOUT THE BUDGET PROCESS

SWBNO prepares annual operating budgets and capital budgets for the water, sewer, and drainage systems that align the financial resources to achieve the objectives of the upcoming year's plans, clearly identifying all revenue requirements, planned sources of funds, and financial performance metrics. Any reader who wants to develop a thorough understanding of the budget should begin by reading the introduction and reviewing the financial overview.

The budget document is consistent with the long-term financial plans and likewise based on reasonable assumptions for changes in revenues and expenses.

The budget process begins by assessing revenue billings, projecting millage collections and establishing estimates for funding needed to maintain the existing level of water, sewer, and drainage services. As a part of this process, various assumptions are made regarding the level of personnel services required, increases in the cost of employee benefit programs, including pension, energy and chemical cost drivers, and other major budget items.

After the annual audit report is filed, budget packets are compiled that include information needed to allow departments to review the results from the previous fiscal year and the status of their budget versus actual expenditures in the current fiscal year. Priorities for the budget season are developed with the Executive Director and the budget packets are mailed to the various departments with instructions and timelines for completion. By this time, managers should have reviewed and discussed the operating budget expenditures needed for the upcoming year with their staff. The requests are completed on the forms provided in the budget package and are due to the budget department in September, so that the budget team can review, ask questions, make corrections and provide preliminary recommendations on the alignment of requests with available funding, identified priorities and overall financial accountability. Departments are encouraged to review their position allotments and consider elimination of positions that have been vacant for long periods of time. Each department is also asked to consider how their requests align with identified performance indicators, efficiency measurements, and strategic goals.

All budget requests are discussed during scheduled Budget Hearings which are typically scheduled in October of each year. These hearings include the Executive Director, the Chief Financial Officer, Chief Administrative Officer, Budget Director and department heads with or without their immediate staff (their preference).

Based upon the results of the hearings, the prioritized requests are discussed by the leadership team, with final decisions made by Executive Director. The budget proposal is then submitted to the Finance Committee of the Board of Directors in November with final action requested in December. The 2021 operating and capital budgets were adopted by the SWBNO Board of Directors on December 21, 2020. (A copy of the corresponding resolutions can be found in the Appendix)



## 2021 Operating Budget Preparation Calendar

<b>Dates</b>	<b>Actions</b>
<b>Jul. 16th</b>	CCSR preliminary budget run. (Expensed amount as of June 30, 2020)
<b>Jul. 20th</b>	O&M Budget packages distributed to departments
<b>Aug. 14th</b>	Send hardware and software form request to IT.
<b>Aug. 21st</b>	All O&M Budget request forms should be complete and submitted to budget analyst. See list of analyst and departments under them.
<b>Aug.21st - Aug.28th</b>	Analyst begin work on budget changes.
<b>Aug. 31st</b>	CCSR to run budget with budget changes
<b>Aug. 31st</b>	FNUB110 report is distributed showing budget request. Departments review for accuracy.
<b>Sep. 1st- Sep. 4th</b>	Review changes or corrections. Be ready to provide justification for any changes at the Budget Hearing
<b>Sep. 9th</b>	Redistribute FNUB 110 report to departments (bring copy to budget hearing).
<b>Sep. 14th - Sep. 30th</b>	Budget Hearings
<b>Sep. 30th- Oct. 23rd</b>	Budget changes and corrections are made by analyst.
<b>Oct. 23rd</b>	CCSR is submitted to get updated FNUB 110 report.
<b>Oct. 23rd - Oct. 30th</b>	Continue to review budget for errors or changes.
<b>Nov. 18th</b>	Submit draft of 2021 Recommended Budget to Board members.
<b>Nov. 18th - Dec. 4th</b>	Begin review for production of projected Adopted budget.
<b>Dec. 7th</b>	Submit budget packages for: December 2020 cycle of meetings as an "Action" item.
<b>Dec. 21st</b>	Board votes to adopt 2021 O&M and Capital Budgets.



## THE SEWERAGE AND WATER BOARD, A BRIEF HISTORY

The history of New Orleans has been shaped by water, and SWBNO has played an integral role since its founding in 1899. It merged with the Drainage Commission in 1903 and ever since has cared for the city's water, sewer and drainage systems.

Today, it produces drinking water, cleans wastewater, and moves stormwater for 391,000 residents. The work is massive and complex. On average, our customers consume 112.52 million gallons of water everyday produced at our two water plants in Carrollton and Algiers.

The utility is entering the final stages of a federal mandate to upgrade its sewer system. That will bring greater efficiency and safety to how it collects, treats and returns safely to the environment 147 million gallons of clean water a day through its two treatment plants. We anticipate federal funding to help finance this work through a loan program sponsored by the Environmental Protection Agency (EPA) known as the Water Infrastructure Finance Investment Appropriation (WIFIA).

The drainage system boasts 99 major drainage pumps, 21 constant-duty pumps to manage groundwater intrusion in its canals, 24 pump stations, 200 miles of canals and another 1,500 miles of underground drainage pipes. This infrastructure does not include the hundreds of miles of small-diameter drainage pipes and thousands of catch basins maintained by the City's Department of Public Works.

The growth of stormwater management paced the growth of New Orleans. As new pump stations were built and new canals dug, so expanded the city to its present-day limits between the river and the lake.

SWBNO is unique in that it can produce its own power. Four turbine generators and five electro-motive diesel generators can manufacture 25 Hz electricity, the frequency necessary to instead run those water and drainage pumps built prior to the widespread use of today's modern 60 Hz electricity. This utility has another generator that can produce 15 megawatts of today's frequency of power, too.

These systems are testaments to SWBNO's resiliency. For instance, the first drainage pump station was built in 1900, and it still functions today, with much of its original equipment. So, too, does its power turbines, the first of which dates to President Theodore Roosevelt's administration.

But that longevity comes with a toll. 25Hz power is not standard. Electric power utilities in the United States provide 60Hz power. Consequently, the SWBNO facilities that use 25Hz electricity cannot be supplied by Entergy, the local power utility. No vendors in the US market 25Hz power-generation equipment. Because 25Hz generators must be custom-designed and built, failed equipment cannot be replaced in a timely manner.

Self-generation of 25Hz power is much more expensive than 60Hz power that can be supplied by Entergy. A significant portion of the SWBNO's 25Hz power generation comes from steam-driven turbines. The operation of an aged steam power plant for the typical electrical power



needs of SWBNO is extremely inefficient and results in a much greater carbon footprint compared to purchased 60Hz power.

It has become increasingly difficult to find replacement parts for 25Hz, and the pool of qualified repair technicians is very small. Without parts and the qualified people to make repairs, critical 25Hz equipment cannot be kept in service. The result is a continued loss in resiliency of the 25Hz power-generation system with the passage of time.

A major rainstorm in 2017 revealed that as many as 18 stormwater and groundwater pumps had fallen into disrepair and that the utility's self-generated power supply could produce less than half the megawatts the drainage system needed to function at full capacity.

Roughly half the water distribution system is more than 80 years old and beyond its life expectancy. As a result, our teams respond to water main breaks on a regular basis.

These challenges, however, also create opportunities. Responding to the 2017 flood, we spent 2018 restoring the drainage and power systems to their best conditions in years, if not decades. In 2019, we stabilized our finances and operations; reduced our vacant positions; and began productive discussions of what true progress looks like for SWBNO. In 2020, we were constrained by the COVID-19 pandemic but made sure to put our customer's health and safety first by putting a water shutoff moratorium in place to make sure everyone had access to clean water and providing wastewater treatment and stormwater management.



# OPERATING BUDGETS AND DEPARTMENTAL FOCUS AREAS

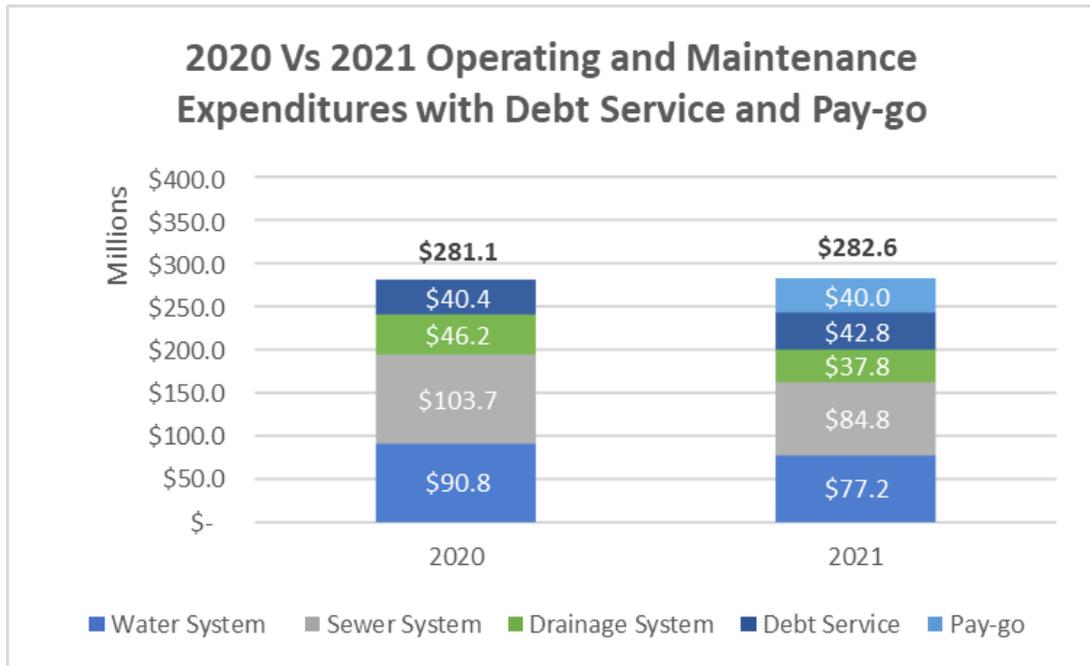
## OPERATING BUDGET

Despite the COVID-19 pandemic and associated fiscal impacts to both revenues and expenditures, the SWBNO is proud to present a legal, balanced budget that meets our obligations. In order to reach a legal, balanced budget, the organization had to make some difficult decisions. A balanced budget refers to a budget in which expenditures do not exceed revenues. The proposed 2021 operating budget was 255 million, which is 15 million more than the 2020 adopted budget. The revenue estimates did not support a budget of this amount; therefore, senior departmental leadership worked closely with executive leadership and the budget team to identify reductions in the 2021 Budget as compared to the 2020 Adopted Budget. Operating budget reductions of approximately \$41 million, or 17 percent, were identified for the 2021 Budget. These reductions are consistent with the City of New Orleans' directive for City departments to identify 20 percent savings in their budget submissions. The primary budget drivers include employee-related expenditures, services and utilities, materials and supplies, special current charges, and furniture and equipment.<sup>1</sup>

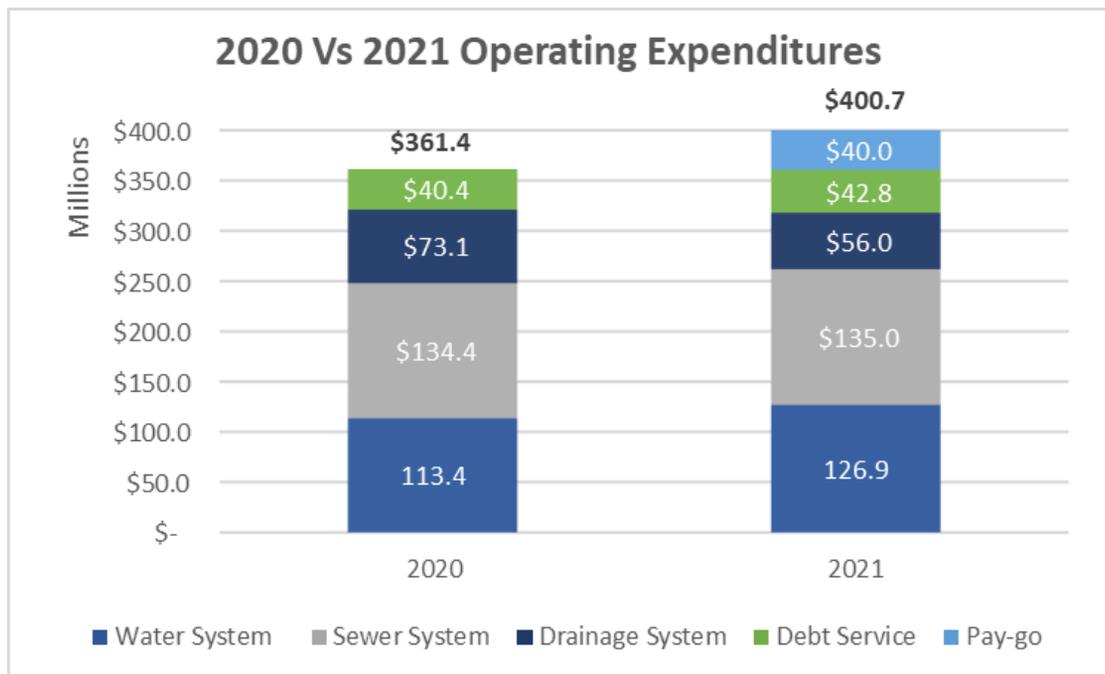
In 2021, the organization is budgeting \$40 million for pay-as-you-go (or “pay-go”) capital spending from system funds. In prior years, a comparable amount was spent on capital needs from surplus system funds, but the amount was not budgeted. Given the uncertainty of the 2021 budget cycle, and the lack of surplus cash reserves, it is important to formally recognize this cost in the budget to ensure these funds are available to improve and maintain our infrastructure.

Line No	Description	2020 Adopted Budget	2021 Adopted Budget	Change	% Change
1	Personnel Services	\$ 111,433,179	\$ 93,049,408	\$ (18,383,771)	(16.50)
2	Services and Utilities	\$ 71,671,512	\$ 61,305,860	\$ (10,365,652)	(14.46)
3	Materials and Supplies	\$ 50,244,763	\$ 40,631,131	\$ (9,613,632)	(19.13)
4	Special Current Charges	\$ 6,162,727	\$ 3,992,796	\$ (2,169,931)	(35.21)
5	Furniture and Equipment	\$ 1,455,403	\$ 872,981	\$ (582,422)	(40.02)
6	TOTALS	\$ 240,967,584	\$ 199,852,176	\$ (41,115,408)	(17.06)
7	Depreciation	\$ 59,632,000	\$ 67,364,042		
8	OPEB Liability (non-cash)	\$ 11,000,000	\$ 11,000,000		
9	Interest	\$ 6,375,000	\$ 6,375,000		
11	Doubtful Accounts	\$ 3,000,000	\$ 33,306,195		
12	Debt Service	\$ 40,386,025	\$ 42,794,414		
13	Pay-go		\$ 40,000,000		
		\$ 361,360,609	\$ 400,691,826		

<sup>1</sup> Employee -related expenses include salaries and wages, health insurance, payroll taxes, merit increases, pension contributions, and other employee-related expenses. Services and utilities expenses include high-pressure gas, low pressure gas, high voltage power, data processing, and other professional services. Materials and supplies expenses include chemicals, fuels, electrical parts, and other professional supplies. Special current charges include damage claims and workers' compensation, and furniture and equipment include expenses such as hand tools and office furniture and fixtures.



SWBNO reviews various non-cash expenses as a component of the budget process. This includes depreciation, amortization, other post-employment benefits and pension liability that are accounted for within the annual financial report and impact the calculation of net position. When considering these expenses, the 2021 operating budget rises to \$400.7 million.





## PERSONNEL

Historically, the organization has carried a large number of “funded vacancies,” or open positions, in the budget. In order to meet budget targets, nearly all funded vacancies were eliminated in the 2021 budget. Available resources will be closely monitored throughout calendar year 2021. Management retains the flexibility to hire critical positions on an as-needed basis to provide essential services to the City’s residents.

	2019	2020	2021
<i>Authorized Positions by Department</i>			
Chief Administrative Officer	64	65	<b>60</b>
Chief Financial Officer	380	93	<b>71</b>
Communications	8	4	<b>3</b>
Chief Customer Service Officer	0	286	<b>257</b>
Executive Director	18	16	<b>9</b>
General Supt. (Operations)	1100	1103	<b>910</b>
Special Counsel/Legal	16	17	<b>10</b>
<b>Total Organization Position Count</b>	<b>1586</b>	<b>1584</b>	<b>1320</b>



## Comparison of Total 2019 Budget, 2020 Budget and 2021 Budget

Line No	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
	<b>Operating Revenues:</b>			
1	Revenues from Charges	\$ 232,158,448	\$ 267,862,902	\$ 260,515,260
2	Other Operating Revenues	\$ 1,092,035	\$ 1,204,832	\$ 1,199,274
3	Adjustment for Uncollectible Accounts*	\$ (3,947,000)	\$ (5,357,000)	\$ -
4	<b>Total Operating Revenues</b>	<b>\$ 229,303,483</b>	<b>\$ 263,710,734</b>	<b>\$ 261,714,534</b>
	<b>Operating Expenses:</b>			
5	Operating & Maintenance Expenses	\$ 231,768,846	\$ 240,967,584	\$ 199,852,176
6	Depreciation & Allowances Expenses (non-cash)	\$ 59,867,000	\$ 69,007,000	\$ 107,045,237
7	OPEB Liability (non-cash)	\$ 10,000,000	\$ 11,000,000	\$ 11,000,000
8	<b>Total Operating Expense</b>	<b>\$ 301,635,846</b>	<b>\$ 320,974,584</b>	<b>\$ 317,897,412</b>
9	<b>Net Operating Income</b>	<b>\$ (72,332,363)</b>	<b>\$ (57,263,850)</b>	<b>\$ (56,182,878)</b>
	<b>Non-Operating Revenues</b>			
10	Tax Revenues	\$ 60,354,046	\$ 65,549,588	\$ 59,278,056
11	Interest Income	\$ -	\$ 1,499,575	\$ 2,546,714
12	Other Non-Operating Revenues	\$ 1,781,544	\$ 3,887,601	\$ 5,112,085
13	FEMA Expense Reimbursement	\$ 4,523,081	\$ 2,523,142	\$ 366,345
14	<b>Total Non-Operating Revenues</b>	<b>\$ 66,658,671</b>	<b>\$ 73,459,905</b>	<b>\$ 67,303,200</b>
	<b>Non-Operating Expenses:</b>			
15	Interest Expense - Series 2011 Bonds	\$ 61,513	\$ 57,380	\$ 53,210
16	Interest Expense - Series 2014 Bonds	\$ 10,256,000	\$ 9,475,025	\$ 8,753,925
17	Interest Expense - Series 2015 Bonds	\$ 9,919,550	\$ 9,888,550	\$ 9,802,750
18	Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ 43,899
19	Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ 153,750
20	Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ 2,892,541
21	LADEQ Loan	\$ -	\$ -	\$ -
22	Go Zone Interest Expense	\$ -	\$ -	\$ 867,542
23	Capitalized Interest	\$ (20,237,063)	\$ (19,420,955)	\$ (22,567,617)
24	<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
25	<b>Net Income</b>	<b>\$ (5,673,692)</b>	<b>\$ 16,196,055</b>	<b>\$ 11,120,321</b>



## DEPARTMENTAL BUDGETS

The 2021 operating expense budget amounts to roughly \$199.9 million (excluding debt service and pay-go). The breakdown by department is shown in the table below.

Department	2020 Budget	2021 Budget	Change
<b>EXECUTIVE DIRECTOR</b>	<b>\$ 3,031,647.00</b>	<b>\$ 1,441,924.00</b>	<b>\$ (1,589,723.00)</b>
Executive Director	\$ 1,436,735.00	\$ 907,428.00	\$ (529,307.00)
Internal Audit	\$ 1,156,495.00	\$ 403,037.00	\$ (753,458.00)
Board Relations	\$ 438,417.00	\$ 131,459.00	\$ (306,958.00)
<b>SPECIAL COUNSEL</b>	<b>\$ 4,589,452.00</b>	<b>\$ 2,417,447.00</b>	<b>\$ (2,172,005.00)</b>
Legal	\$ 3,589,452.00	\$ 2,392,447.00	\$ (1,197,005.00)
Claims	\$ 1,000,000.00	\$ 25,000.00	\$ (975,000.00)
<b>CHIEF ADMINISTRATIVE OFFICER</b>	<b>\$ 49,355,715.00</b>	<b>\$ 44,609,518.00</b>	<b>\$ (4,746,197.00)</b>
Chief Administrative Officer	\$ 448,599.00	\$ 294,829.00	\$ (153,770.00)
Real Estate Administrator	\$ 196,850.00	\$ -	\$ (196,850.00)
Continuous Improvement	\$ 242,738.00	\$ -	\$ (242,738.00)
Info Systems	\$ 13,116,847.00	\$ 10,155,034.00	\$ (2,961,813.00)
Human Resources	\$ 4,531,306.00	\$ 2,063,141.00	\$ (2,468,165.00)
Payroll	\$ 580,840.00	\$ 517,337.00	\$ (63,503.00)
Security	\$ 15,033,035.00	\$ 14,242,919.00	\$ (790,116.00)
Payroll Related	\$ 15,205,500.00	\$ 17,336,258.00	\$ 2,130,758.00
<b>GENERAL SUPERINTENDENT/OPERATIONS</b>	<b>\$ 171,537,950.00</b>	<b>\$ 146,097,712.00</b>	<b>\$ (25,440,238.00)</b>
Department of Operations	\$ 15,961,169.00	\$ 15,300,110.00	\$ (661,059.00)
Facility Maintenance	\$ 17,436,435.00	\$ 15,819,799.00	\$ (1,616,636.00)
Networks	\$ 51,490,636.00	\$ 44,400,897.00	\$ (7,089,739.00)
Purification	\$ 14,325,878.00	\$ 12,667,096.00	\$ (1,658,782.00)
Plumbing	\$ 4,331,268.00	\$ 2,993,161.00	\$ (1,338,107.00)
Drainage Pumping	\$ 15,983,329.00	\$ 11,975,267.00	\$ (4,008,062.00)
Water Pumping	\$ 20,112,859.00	\$ 16,515,998.00	\$ (3,596,861.00)
Sewer Pumping	\$ 4,818,291.00	\$ 3,136,947.00	\$ (1,681,344.00)
Support Services	\$ 14,530,085.00	\$ 12,579,877.00	\$ (1,950,208.00)
JIRR	\$ 2,142,510.00	\$ 1,669,199.00	\$ (473,311.00)
Environmental	\$ 3,944,310.00	\$ 3,355,163.00	\$ (589,147.00)
Engineering	\$ 6,461,180.00	\$ 5,684,198.00	\$ (776,982.00)
<b>CHIEF CUSTOMER SERVICE OFFICER</b>	<b>\$ 15,653,064.00</b>	<b>\$ 12,679,389.00</b>	<b>\$ (2,973,675.00)</b>
Customer Service	\$ 198,110.00	\$ 167,786.00	\$ (30,324.00)
Revenue & Customer Service	\$ 15,454,954.00	\$ 12,511,603.00	\$ (2,943,351.00)
<b>COMMUNICATIONS</b>	<b>\$ 759,143.00</b>	<b>\$ 397,791.00</b>	<b>\$ (361,352.00)</b>
Communications	\$ 759,143.00	\$ 397,791.00	\$ (361,352.00)
<b>CHIEF FINANCIAL OFFICER</b>	<b>\$ 10,429,201.00</b>	<b>\$ 9,713,370.00</b>	<b>\$ (715,831.00)</b>
Chief Financial Officer	\$ 3,643,199.00	\$ 2,774,964.00	\$ (868,235.00)
Budget & Financial Planning	\$ 1,020,958.00	\$ 768,490.00	\$ (252,468.00)
Finance Administration	\$ 3,768,031.00	\$ 2,898,583.00	\$ (869,448.00)
Project Development Unit	\$ 2,527,642.00	\$ 1,911,223.00	\$ (616,419.00)
Procurement	\$ 1,274,606.00	\$ 769,901.00	\$ (504,705.00)
Econ Disadvantage Business Prog	\$ 622,187.00	\$ 587,209.00	\$ (34,978.00)
Treasury	\$ 153,418.00	\$ 3,000.00	\$ (150,418.00)
<b>Overhead</b>	<b>\$ (14,388,588.00)</b>	<b>\$ (17,504,974.00)</b>	<b>\$ (3,116,386.00)</b>
<b>TOTAL</b>	<b>\$ 240,967,584.00</b>	<b>\$ 199,852,177.00</b>	<b>\$ (41,115,407.00)</b>



The following sections highlight the purpose of each Department, as well as their respective priorities and operational budgets for FY 2021.

## EXECUTIVE DIRECTOR

### *Purpose*

The Executive Director's Office oversees all aspects of the Sewerage and Water Board operations.

### *2021 Focus Areas*

**Customer Service-** Through transparency and a commitment to proactive public information, we will continue to enhance all relationships with external customers, including billed customers, other municipal entities, various funding partners, civil service, and civic and community organizations.

**Employee Engagement-** Through the Executive Director's Office, in 2021, there will be a renewed focus on employee engagement through strategic outreach from key leadership. There will also be a concerted effort to ensure all employees are educated on advancement opportunities within the organization.

### *Operational Budget*

<b>Expenditure Category</b>	<b>2019 Expenditure</b>	<b>2020 Budget</b>	<b>2021 Adopted Budget</b>	<b>Change</b>	<b>Change %</b>
PERSONNEL SERVICES	\$720,108	\$1,740,897	\$1,131,624	(\$609,273)	-35.00%
SERVICE & UTILITIES	\$642,971	\$1,112,400	\$230,500	(\$881,900)	-79.28%
MATERIAL & SUPPLIES	\$43,303	\$87,150	\$57,300	(\$29,850)	-34.25%
SPECIAL CURRENT CHARGES	\$2,142	\$30,000	\$5,000	(\$25,000)	-83.33%
FURNITURE & EQUIPMENT	\$0	\$61,200	\$17,500	(\$43,700)	-71.41%
<b>TOTAL FOR ORGANIZATION</b>	<b>\$1,408,524</b>	<b>\$3,031,647</b>	<b>\$1,441,924</b>	<b>(\$1,589,723)</b>	<b>-52.44%</b>



## CHIEF FINANCIAL OFFICER

### Purpose

The Finance Department oversees SWBNO’s strategic sourcing, planning and budgeting, accounting, treasury management, pension program, and the organization’s project delivery program

### 2021 Focus Areas

**Financial Sustainability-** Strengthen the financial position of SWBNO through improved financial reporting and transparency, robust account collection activities, and adherence to bond covenants

**Revenue Enhancements-** Identify capital revenue sources and initiate long-range financial planning efforts and a rate study to support the long-term needs of SWBNO

**Customer Service-** Continue to upgrade the billing system to enhance billing reliability and move forward with implementation of a new, multi-year automated meter reading system

**Technology-** Develop a roadmap of technology systems to enhance operational efficiencies, and select a new financial and procurement system to replace legacy technology

**Compliance-** Strengthen procurement policies and grant compliance to improve recovery of expenditures from federally funded projects

### Operational Budget

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$6,547,228	\$8,752,790	\$6,321,503	(\$2,431,287)	-27.78%
SERVICE & UTILITIES	\$2,421,325	\$3,178,379	\$3,082,385	(\$95,994)	-3.02%
MATERIAL & SUPPLIES	\$79,036	\$162,750	\$116,145	(\$46,605)	-28.64%
SPECIAL CURRENT CHARGES	\$33,479	\$142,312	\$142,312	\$0	0.00%
FURNITURE & EQUIPMENT	\$21,302	\$192,970	\$51,025	(\$141,945)	-73.56%
INTEREST	\$226,142	\$0	\$0	\$0	0
TOTAL FOR ORGANIZATION	\$9,328,512	\$10,429,201	\$9,713,370	(\$715,831)	-21.85%



## CHIEF ADMINISTRATIVE OFFICER

### Purpose

The CAO organization contains several cross organizational service-related functions such as HR/Payroll, Safety, Security, Emergency Management, Risk Management, Information Technology, and yet to be developed Real Estate Administration, and Continuous Improvement.

### 2021 Focus Areas

**Growing the Organizational Culture after COVID-** Continue progress and lead initiatives to improve the overall organizational culture through three lines of effort: leadership culture, safety culture, and customer culture.

**Recruitment/Hiring/Payroll/Training-** Reduce and consistently hold vacancy rate to less than 10%. Continue reducing hiring process times to consistently come well within Civil Service targets. Create a career path/ladder program and move payroll to full electronic timesheet/timekeeping capability, restore H2O Academy training concept.

**Safety/Risk Management-** Strengthen Safety culture to a proactive, preventative position; build Safety Liaison program, accident/incident investigation process, and create a viable data driven safety and risk management system

**Information Technology-** Build a hardened cyber-secure system, grow IT infrastructure to accommodate significant upcoming IT related cross organizational projects and new capabilities.

### Operational Budget

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$18,437,337	\$19,889,025	\$19,721,728	(\$167,297)	-0.84%
SERVICE & UTILITIES	\$17,123,828	\$25,715,800	\$21,712,453	(\$4,003,347)	-15.57%
MATERIAL & SUPPLIES	\$213,221	\$656,550	\$380,500	(\$276,050)	-42.05%
SPECIAL CURRENT CHARGES	\$2,150,589	\$2,322,500	\$2,237,000	(\$85,500)	-3.68%
FURNITURE & EQUIPMENT	\$47,928	\$191,000	\$40,500	(\$150,500)	-78.80%
TOTAL FOR ORGANIZATION	\$37,972,903	\$49,355,715	\$44,609,518	(\$4,746,197)	-9.60%



## COMMUNICATIONS

### Purpose

The Communication Team objective is to obtain and disseminate information to customers, public officials and internal staff that is pertinent to the utility’s daily aim to keep New Orleans safe and healthy. It plays an integral role in public education, swift notification during emergencies and the collection of feedback to inform internal decision-makers. Its duties include media relations, intergovernmental relations, public outreach and coordination of all marketing and education strategies.

### 2021 Focus Areas

**Internal Communications** – As our most vital stakeholders, our employees play an integral role in improving SWBNO. This team will be dedicated to disseminating information among SWBNO’s various departments, collecting information for public outreach purposes, and facilitating opportunities for employees to share the wealth of their experiences with each other. They will also help develop and execute internal communications procedures to address the various emergency and non-emergency scenarios faced by our workforce.

**Public Image Transformation** – Through transparency and proactive communication, this department will focus on improving SWBNO’s public image. Through leveraging partnerships with other SWBNO departments and engaging with a skilled public relations firm, our focus will lie in creating public relations strategies and effective messaging to help restore the public’s trust in this utility’s capabilities and personnel.

### Operational Budget

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$308,457	\$270,300	\$200,572	(\$69,728)	-25.80%
SERVICE & UTILITIES	\$17,250	\$477,843	\$192,219	(\$285,624)	-59.77%
MATERIAL & SUPPLIES	\$5,495	\$6,000	\$3,000	(\$3,000)	-50.00%
FURNITURE & EQUIPMENT	\$0	\$5,000	\$2,000	(\$3,000)	-60.00%
TOTAL FOR ORGANIZATION	\$331,202	\$759,143	\$397,791	(\$361,352)	-47.60%



## GENERAL SUPERINTENDENT

### Purpose

The General Superintendent's Office oversees all aspects of field operations, including water treatment and distribution, sewer treatment and collection, and drainage. The General Superintendent's organization includes approximately 70% of all SWBNO staff, is allocated almost 75% of the O&M budget and is responsible for over 85% of the planned capital projects in 2021.

### 2021 Focus Areas

**Power Plant Upgrades Modernization.** Continue to maintain stable operations by supplying reliable power to Board assets. Initiate key projects related to the Power Master Plan, including a new frequency changer and a new turbine generator.

**Joint Infrastructure Recovery Roads Program.** In collaboration with the City of New Orleans, continue to execute construction projects relative to the post-Katrina settlement received from FEMA. These projects address both water main and sewer line upgrades/repairs.

**Upgrade Carrollton Purification System.** Continue to improve the Carrollton Water Plant Water Purification System to provide a reliable source of drinking water to our customers while meeting the requirements of the Safe Drinking Water Act. Key projects include the continuation of projects at the Claiborne pumping station and completion of the Oak Street River Station pump upgrades, which will improve water pumping reliability at those locations.

**Upgrade Sewer Infrastructure.** Improve the sewer pumping stations and treatment plants to provide collection and treatment services that meet our customers' needs, while also meeting state and federal environmental regulations and the SWBNO Consent Decree. Continue ongoing sewer main rehabilitation projects associated with the EPA Consent Decree.

**Improve Drainage Pumping.** Continue to improve the drainage pumping system to manage storm water throughout the city. Key projects include continuation of Southeast Louisiana (SELA) drainage projects on the Westbank of New Orleans, design for future SELA projects on the Eastbank, and green infrastructure projects around the City.

### Operational Budget

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$66,968,338	\$76,217,346	\$62,818,387	(\$13,398,959)	-17.58%
SERVICE & UTILITIES	\$43,366,816	\$41,102,578	\$40,039,687	(\$1,062,891)	-2.59%
MATERIAL & SUPPLIES	\$35,055,438	\$50,703,601	\$40,987,488	(\$9,716,113)	-19.16%
SPECIAL CURRENT CHARGES	\$1,694,022	\$2,500,000	\$1,500,000	(\$1,000,000)	-40.00%
FURNITURE & EQUIPMENT	\$690,577	\$1,029,925	\$752,150	(\$277,775)	-26.97%
TOTAL FOR ORGANIZATION	\$147,775,191	\$171,553,450	\$146,097,712	(\$25,455,738)	-14.84%



## CHIEF CUSTOMER SERVICE

### Purpose

The Chief Customer Officer will engage with the organization and manage customer relationships, revenue and profit, while creating a persistent focus on the customer journey in the strategies the organization implements. In addition, The Chief Customer Officer will drive the organization to work together to optimize the customer experience and support other leaders in their roles as cultural leaders in efforts related to the transformation journey. Customer Service will handle all customer billing, advocacy and customer engagement, including meter reading and fostering a culture of excellence in customer service throughout the organization and with external stakeholders.

### 2021 Focus Areas

**Customer Service-** Influence cross-organization agreement on way to deliver greatest value to customers.

**Accountability-** In partnership with leaders, drives accountability through cross-company data and metrics

- Facilitate the development of the accountability action chain, establishing the approaches and implementation of research to understand and deliver on customer expectations.
- Work with leaders to identify baseline metrics for tracking interactions with customers to enable development of customer satisfaction related organizational KPI's.
- Drive tracking and reporting to reach reliability in key interactions.
- Influence accountability efforts – when to meet with whom to drive accountability.
- Work with leaders on messaging, reinforcing, recommendations for recognition, and driving organization's culture transformation.

**Recruitment-** Fill needed vacancies across departments within the CS division.

**AMI-** Participate in AMI implementation process.

### Operational Budget

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$10,705,003	\$12,858,019	\$11,140,964	(\$1,717,055)	-13.35%
SERVICE & UTILITIES	\$1,447,688	\$2,220,617	\$1,160,900	(\$1,059,717)	-47.72%
MATERIAL & SUPPLIES	\$206,802	\$202,477	\$195,475	(\$7,002)	-3.46%
SPECIAL CURRENT CHARGES	\$265,400	\$302,000	\$152,000	(\$150,000)	-49.67%
FURNITURE & EQUIPMENT	\$9,642	\$54,950	\$30,050	(\$24,900)	-45.31%
TOTAL FOR ORGANIZATION	\$12,634,535	\$15,638,063	\$12,679,389	(\$2,958,674)	-18.92%



## SPECIAL COUNSEL

### *Purpose*

The Legal Department oversees all legal matters, internal and external, including advising the Board and various departments.

### *2021 Focus Areas*

**Litigation and Regulatory Response.** Continue to manage all litigation, and respond to all local, state and federal regulatory agencies.

**Contracts and Legal Documents.** Continue to review and/or draft all contracts and legal documents for the Board

### *Operational Budget*

Expenditure Category	2019 Expenditure	2020 Budget	2021 Adopted Budget	Change	Change %
PERSONNEL SERVICES	\$1,178,400	\$1,623,452	\$1,196,547	(\$426,905)	-26.30%
SERVICE & UTILITIES	\$1,175,499	\$2,030,000	\$1,105,900	(\$924,100)	-45.52%
MATERIAL & SUPPLIES	\$7,874	\$11,000	\$12,000	\$1,000	9.09%
SPECIAL CURRENT CHARGES	\$130,706	\$900,000	\$100,000	(\$800,000)	-88.89%
FURNITURE & EQUIPMENT	\$515	\$25,000	\$3,000	(\$22,000)	-88.00%
TOTAL FOR ORGANIZATION	\$2,492,994	\$4,589,452	\$2,417,447	(\$2,172,005)	-47.33%

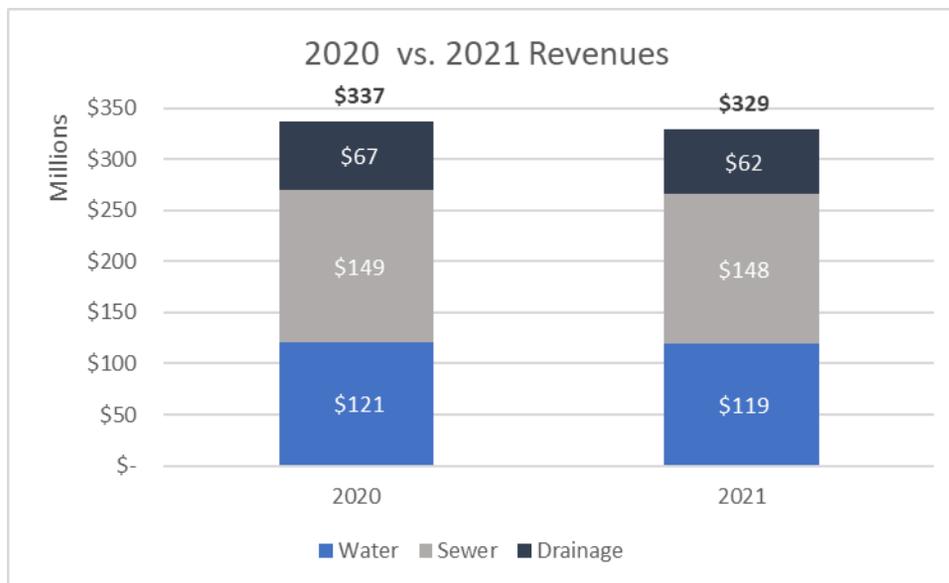
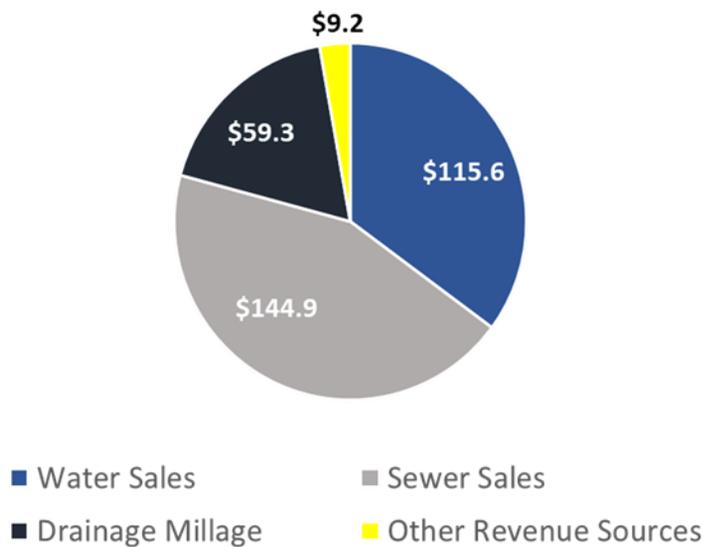


## RATES AND REVENUES

### REVENUES

SWBNO has budgeted to collect roughly \$329 million in revenues during 2021. As shown below, the majority of revenues for SWBNO are derived from water and sewer customer bills (79% projected in 2021) with an additional 18% projected to come from non-revenue drainage millages. By Louisiana State law, water, sewer and drainage revenues are separate and cannot be used to support any other activities. For this reason, each source is tracked separately, and the expenses for each system are carefully recorded so that the correct revenue is used only for the correct expense.

2021 Revenues (\$329 m)



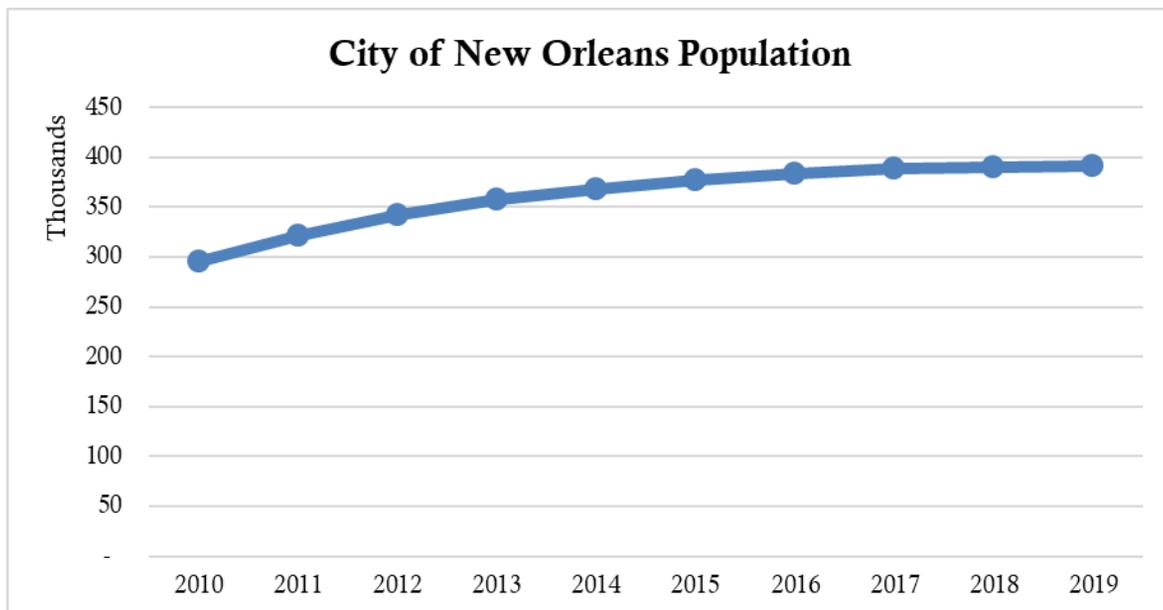


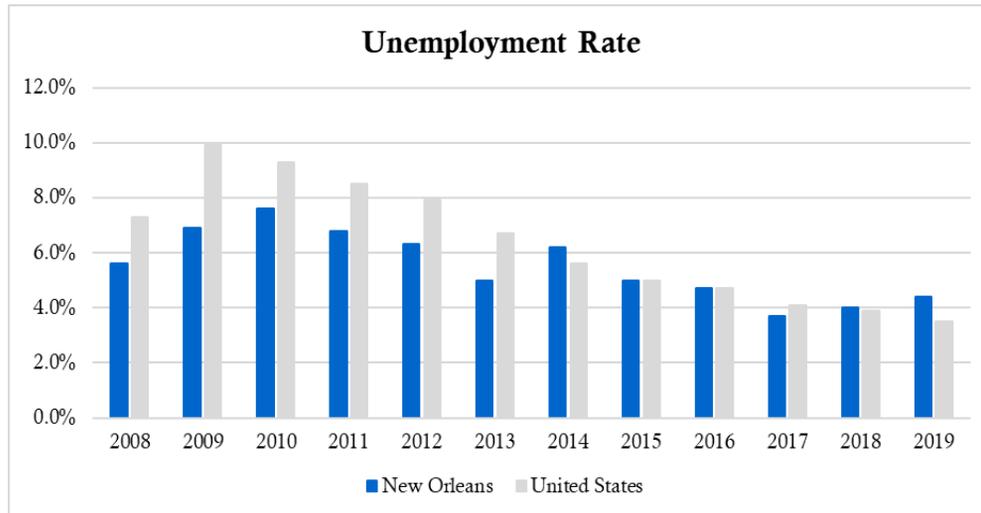
## REGIONAL DEMOGRAPHICS

Anticipated water and sewer rate projections are based upon anticipated water usage. This requires an analysis of the number of customers, their typical water use, and a variety of economic trends such as population changes, unemployment, average income, etc.

The consolidated city-parish of New Orleans is located in the Mississippi River delta and is the most populous city in Louisiana, with just under 400,000 residents in the City and almost 1.3 million in the greater metropolitan area. New Orleans is world-renowned as a traveler destination, and the City is described by many as being the most unique in the United States – a distinction that has surely contributed to the City’s \$5.5 billion tourism and convention industry. Drawing on its extensive cross-cultural and multilingual heritage, New Orleans is a showcase for the region’s distinctive music, creole cuisine, and annual festivals and celebrations. The City also boasts several professional sports teams, has three nationally protected areas, and hosts the annual World Cultural Economic Forum, which promotes cultural and economic development opportunities around the world.

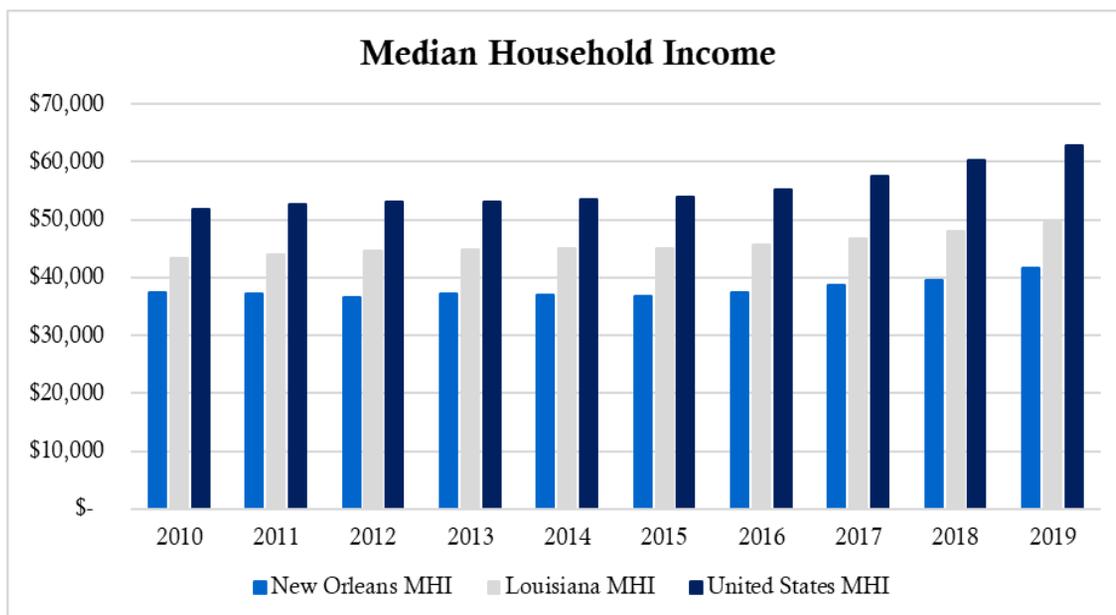
Following Hurricane Katrina in 2005, the City’s population increased substantially as displaced residents began to move back to New Orleans. Since 2010, the growth rate has slowed significantly.





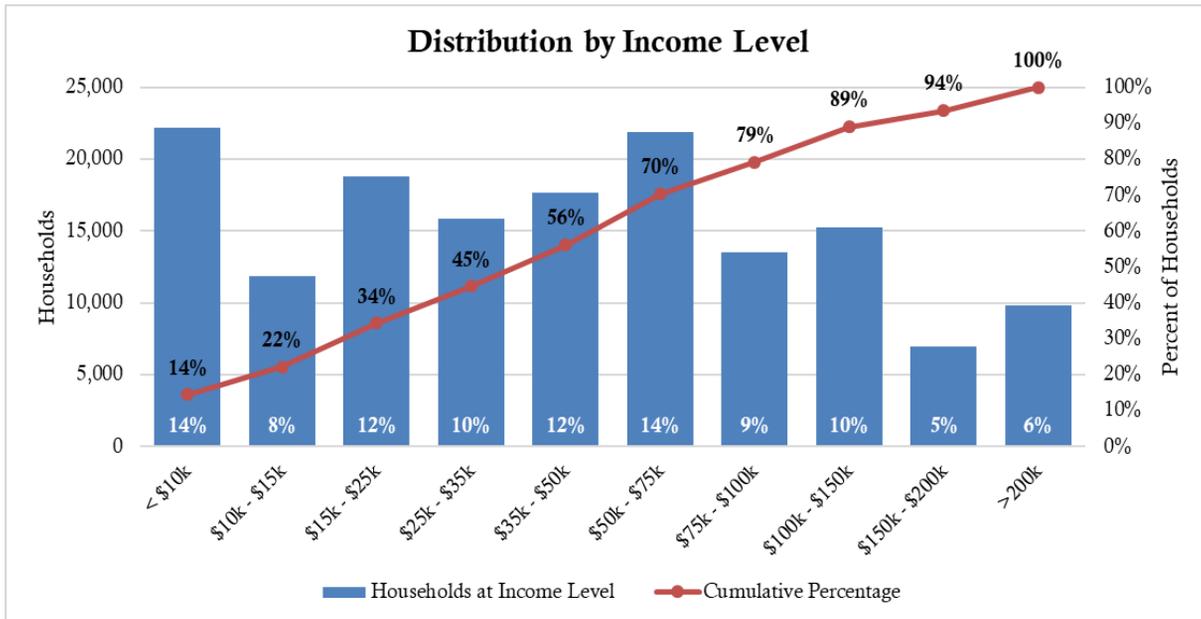
The City’s 2019 unemployment rate was low at 4.4% but compares unfavorably to the national unemployment rate of 3.5%. The largest employment sectors are trade, transportation, and utilities; education and health services; and leisure and hospitality. Some of the City’s largest employers are listed below.

<b>Company</b>	<b>Employees</b>
Ochsner Health System	16,000
Ochsner Medical Center	7,832
The University of New Orleans	3,425
Harrah’s Casino	2,200
Children’s Hospital	2,139
Tulane University	2,000

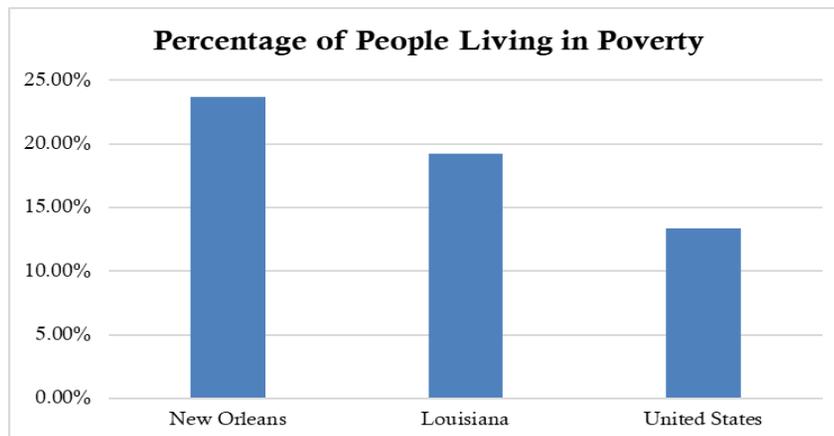




There is significant disparity between the parishes within the state. The US Census Bureau estimates the 2019 median household income (MHI) at \$41,604, which is considerably lower than the MHI for both Louisiana (\$49,469) and the United States (\$62,843).



When household income data is divided into income levels, it highlights the disparity of income among City residents. As shown, an estimated 35% of people in New Orleans earn less than \$25,000 per year.



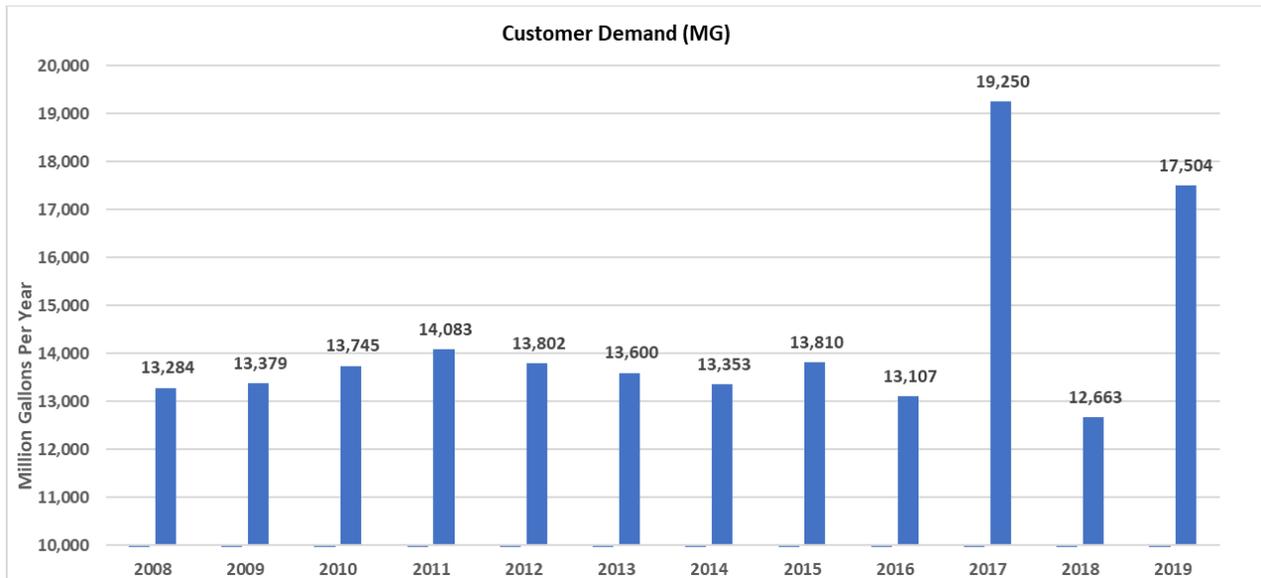
One of the most telling comparisons is the poverty rate. In 2019, the US Census Bureau estimated that a quarter of people in the City live on annual income that falls below the Federal Poverty Level.

Affordability concerns in the utility industry are increasing as rising water and sewer costs continuously outpace growth in wages and inflation. SWBNO recognizes that providing affordable water and service is critical for ratepayers based on the unique set of challenges facing the City of New Orleans.



## CUSTOMER DEMAND

As noted earlier in this section, the City’s population increased by more than 100,000 people between 2008 and 2012 due to residents moving back during the recovery from Hurricane Katrina, and the population has continued to inch upward since then. Due to increasingly efficient plumbing fixtures installed during the rehabilitation of existing homes, a general increase in conservation awareness, and other water-saving efforts, customer demand has remained fairly stable over the last decade, even during the years with the greatest population growth. SWBNO needs to explore and identify all potential revenue sources to meet existing costs.



## RATES, FEES AND CHARGES

Revenue to fund water and sewer utility operations is generated primarily through customer user charges. User charges are the monthly service charge and volumetric rates applied to monthly consumption. Monthly service charges, or meter charges, scale up according to the size of the customer’s meter to reflect the readiness-to-serve, or potential demand on the utility system. Water volumetric rates are applied to the customer’s monthly water consumption to determine the total volumetric charges, and the rate per 1,000 gallons varies based on the amount of water used. Sewer volumetric charges for residential customers are based on 85% of the volume of water used during the month. Commercial customers pay sewer volumetric rates on 100% of the monthly water consumption.

Last year (2020), SWBNO implemented the final rate increase of an eight-year utility rate program that was approved in 2012 and implemented in 2013. The current rate structure and rates reflect a 10% increase from 2019 rates. A new rate study will be completed in 2021.



Meter Size	Water Rates	
	2020	2021
<u>Service Charge (per Month)</u>		
5/8" Meter (1)	\$ 8.69	\$ 8.69
<u>Quantity Charge (per 1,000gal)</u>		
First 3,000 gal	\$ 5.80	\$ 5.80
Next 17,000 gal	9.87	9.87
Next 980,000 gal	7.76	7.76
Over 1,000,000 gal	6.50	6.50

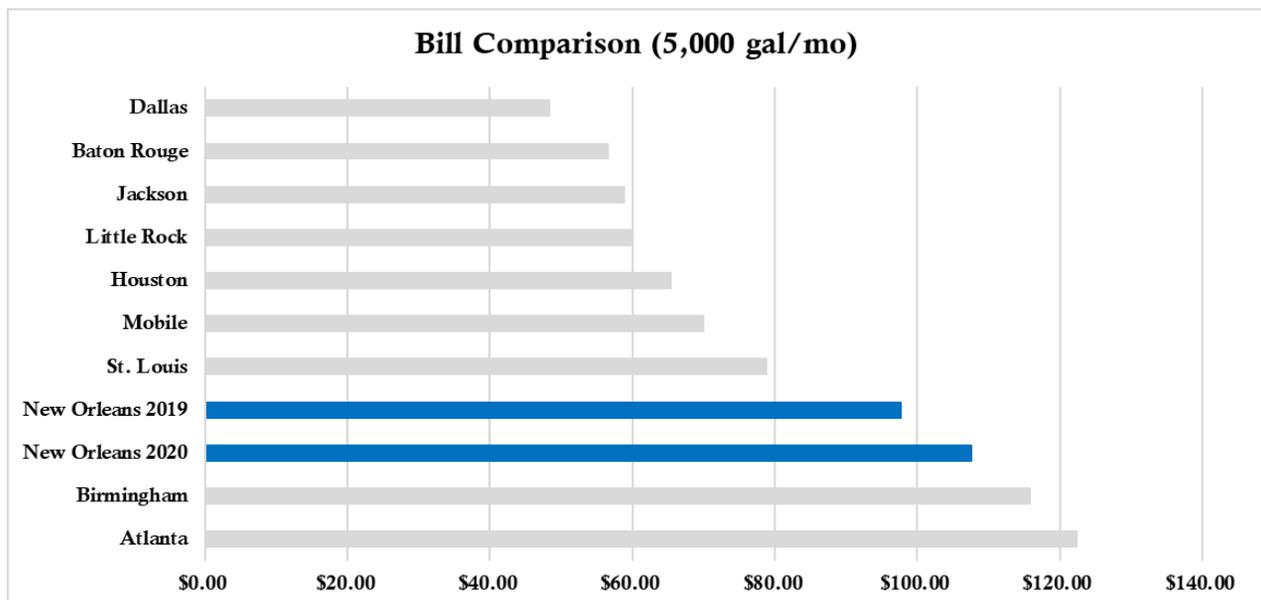
(1) Meter sizes vary by customer. 5/8" meter size is the most common size for residential customers.

Meter Size	Sewer Rates	
	2020	2021
<u>Service Charge (per Month)</u>		
5/8" Meter (1)	\$ 24.87	\$ 24.87
<u>Quantity Charge (per 1,000gal)</u>		
All Consumption (2)	8.66	8.66

(2) For residential customers: consumption is based on 85% of metered water consumption to allow 15% water use for outdoor purposes.

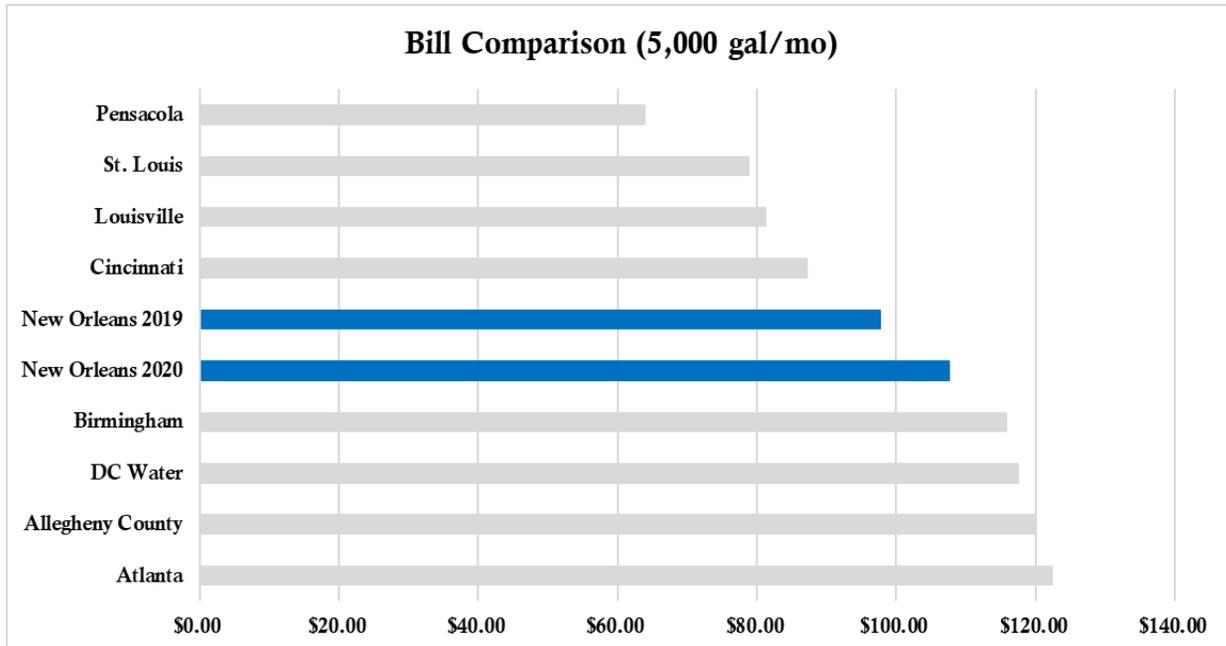
## RATE COMPARISON

The monthly bill analysis shows the 2019 and 2020 typical residential customer water and sewer monthly bill for SWBNO compared to other regional utilities. SWBNO's rates must address geographic and regulatory challenges that not all other regional utilities face.





A different monthly bill analysis is presented that compares SWBNO with utilities that are under federal consent decrees. The most significant challenge for SWBNO is that SWBNO is under a consent decree with the Environmental Protection Agency, which requires heavy investment in infrastructure under constrained timelines. In this analysis the SWBNO customer bills are more representative of the median bill.



## WATER AND SEWER RATE UPDATE

### *Factors Impacting Revenue:*

There are several factors that impact the revenue a utility can generate, including:

- Elasticity
- Downward trend of recent demand
- Conservation
- Billing data concerns and uncollectible
- Affordability
- COVID-19

These factors have influenced the anticipated level of water consumption and sewer demand SWBNO is incorporating into the FY 2021 revenue projections.

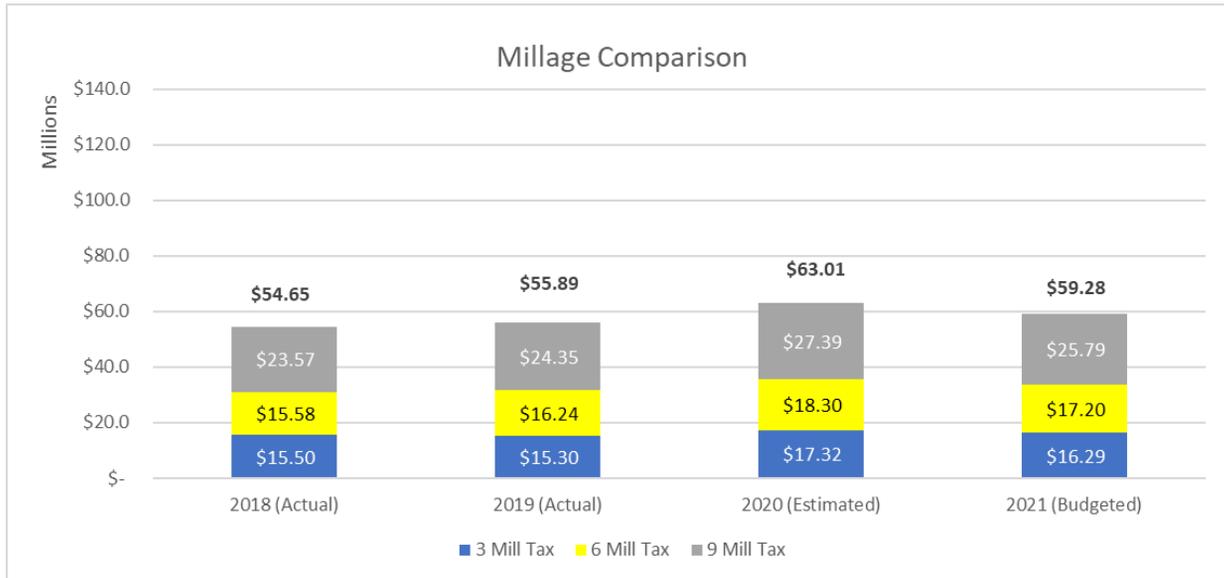
### *Drainage Revenue*

The drainage utility service is funded through ad valorem property taxes:

- Three Mill
- Six Mill
- Nine Mill

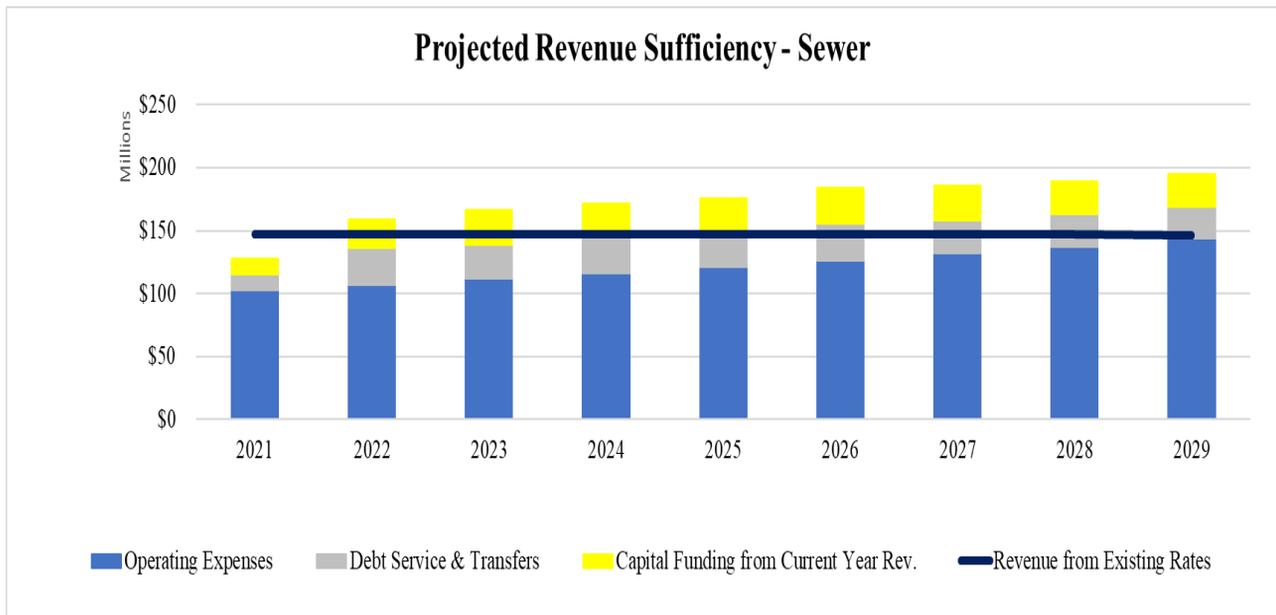
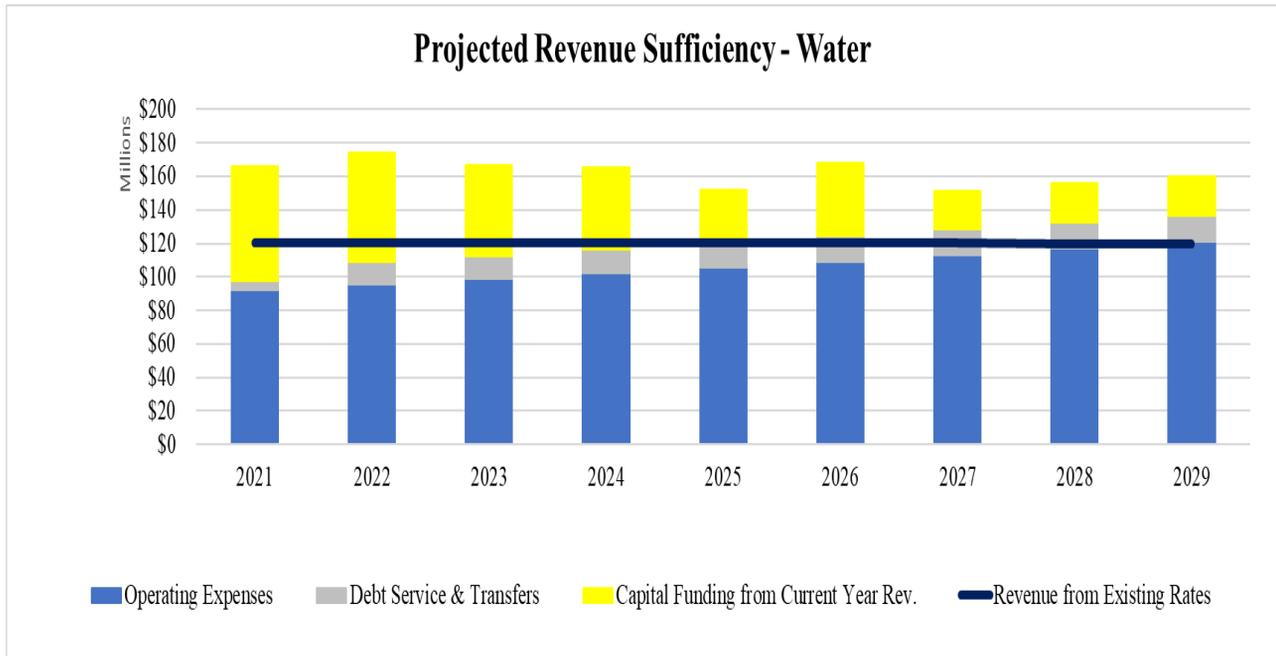


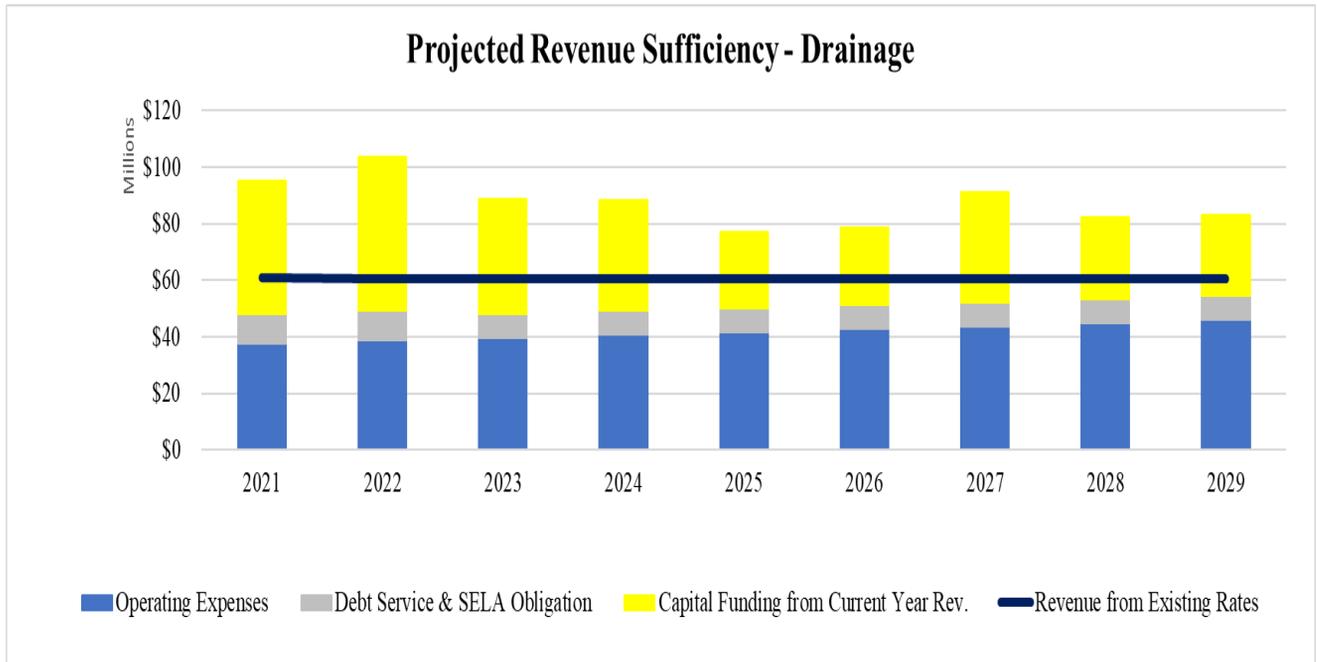
These millages provide the most stable type of revenue. However, this also means that the utility cannot increase revenues through rate adjustments, and thus is limited by the revenue these millages generate. The anticipated revenue for the drainage utility is \$59 million.



**System Revenue Sufficiency**

As shown in the graphic below, growing operating costs and continued reinvestment in the SWBNO’s capital infrastructure will continue to push total utility costs higher through 2029. Without additional revenues, the existing rates will not be sufficient to fully recover system costs in future years and additional rate increases will be required. SWBNO is currently performing both a rate study and affordability study to ensure that rates for 2021 and there after are sufficient to fully recover system costs and do so in an equitable and affordable manner. The magnitude of the future rate increases is unknown at this time, but SWBNO will explore all revenue options to keep rates as affordable as possible while maintaining clean, safe, and reliable water, sewer, and drainage services.





The magnitude of the future rate increases is unknown at this time, but SWBNO will explore all revenue options to keep rates as affordable as possible while maintaining clean, safe, and reliable water, sewer, and drainage services.



## DEBT MANAGEMENT

SWBNO has applied for a loan from the Water Infrastructure Finance and Innovation Act (WIFIA) program administered by the U.S. Environmental Protection Agency (EPA), a federally subsidized loan program to provide long-term, low interest loans for water & wastewater infrastructure projects. The loan is expected to fund sewer system project costs totaling approximately \$257 million. The SWBNO matching requirement of 51% will be met with approximately \$75 million of sewer system revenue bonds, \$42 million Clean Water State Revolving Fund loans from the Louisiana Department of Environmental Quality and \$149 million of federal FEMA reimbursements.

Outstanding debt service for the three systems as of 12/31/2020 are as follows:

<b>System</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>Sewer</b>	<b>318,350,839</b>	<b>188,660,565</b>	<b>507,011,404</b>
<b>Water</b>	<b>189,900,000</b>	<b>146,868,350</b>	<b>336,768,350</b>
<b>Drainage</b>	<b>3,955,000</b>	<b>129,100</b>	<b>4,084,100</b>



## Sewer Debt Service

	Existing DS								
	Series 2011			Series 2014			Series 2015		
	Principal	Interest	DS	Principal	Interest	DS	Principal	Interest	DS
12/31/2021	443,000	53,210	496,210	9,050,000	4,056,325	13,106,325	2,000,000	4,950,000	6,950,000
12/31/2022	447,000	49,001	496,001	7,445,000	3,643,950	11,088,950	2,000,000	4,850,000	6,850,000
12/31/2023	451,000	44,755	495,755	3,920,000	3,359,825	7,279,825	2,000,000	4,750,000	6,750,000
12/31/2024	456,000	40,470	496,470	3,760,000	3,167,825	6,927,825	2,000,000	4,650,000	6,650,000
12/31/2025	460,000	36,138	496,138	1,970,000	3,024,575	4,994,575	2,125,000	4,546,875	6,671,875
12/31/2026	464,000	31,768	495,768	2,070,000	2,923,575	4,993,575	2,235,000	4,437,875	6,672,875
12/31/2027	469,000	27,360	496,360	2,175,000	2,817,450	4,992,450	2,350,000	4,323,250	6,673,250
12/31/2028	473,000	22,905	495,905	2,280,000	2,706,075	4,986,075	2,480,000	4,202,500	6,682,500
12/31/2029	478,000	18,411	496,411	2,395,000	2,589,200	4,984,200	2,610,000	4,075,250	6,685,250
12/31/2030	482,000	13,870	495,870	2,515,000	2,475,881	4,990,881	2,735,000	3,941,625	6,676,625
12/31/2031	487,000	9,291	496,291	2,620,000	2,366,763	4,986,763	2,880,000	3,801,250	6,681,250
12/31/2032	491,000	4,665	495,665	2,735,000	2,252,969	4,987,969	3,025,000	3,653,625	6,678,625
12/31/2033	-	-	-	2,850,000	2,134,288	4,984,288	3,695,000	3,485,625	7,180,625
12/31/2034	-	-	-	2,970,000	2,010,613	4,980,613	3,885,000	3,296,125	7,181,125
12/31/2035	-	-	-	3,095,000	1,870,125	4,965,125	4,100,000	3,096,500	7,196,500
12/31/2036	-	-	-	3,250,000	1,711,500	4,961,500	4,315,000	2,886,125	7,201,125
12/31/2037	-	-	-	3,415,000	1,544,875	4,959,875	4,540,000	2,664,750	7,204,750
12/31/2038	-	-	-	3,585,000	1,369,875	4,954,875	4,775,000	2,431,875	7,206,875
12/31/2039	-	-	-	3,765,000	1,186,125	4,951,125	5,025,000	2,186,875	7,211,875
12/31/2040	-	-	-	3,950,000	993,250	4,943,250	5,290,000	1,929,000	7,219,000
12/31/2041	-	-	-	4,150,000	790,750	4,940,750	5,565,000	1,657,625	7,222,625
12/31/2042	-	-	-	4,360,000	578,000	4,938,000	5,855,000	1,372,125	7,227,125
12/31/2043	-	-	-	4,575,000	354,625	4,929,625	6,165,000	1,071,625	7,236,625
12/31/2044	-	-	-	4,805,000	120,125	4,925,125	6,485,000	755,375	7,240,375
12/31/2045	-	-	-	-	-	-	11,865,000	296,625	12,161,625
12/31/2046	-	-	-	-	-	-	-	-	-
12/31/2047	-	-	-	-	-	-	-	-	-
12/31/2048	-	-	-	-	-	-	-	-	-
12/31/2049	-	-	-	-	-	-	-	-	-
12/31/2050	-	-	-	-	-	-	-	-	-
	5,601,000	351,842	5,952,842	87,705,000	50,048,563	137,753,563	100,000,000	79,312,500	179,312,500



Sewerage & Water Board of New Orleans  
 Adopted 2021 Operating & Capital Budgets

Series 2019* (revised 11/25/2020)			2020A Bonds (Direct Loan)			2020B Bonds (close 12/8/2020)					Total Senior
Principal	Interest	DS	Principal	Interest	DS	Principal	Interest	DS	Principal	Interest	Debt Service
-	43,899	43,899	-	153,750	153,750		2,892,541	2,892,541	11,493,000	12,149,724	23,642,724
456,000	74,399	530,399	1,765,000	140,513	1,905,513		2,949,900	2,949,900	12,113,000	11,707,763	23,820,763
461,000	88,478	549,478	3,130,000	103,800	3,233,800		2,949,900	2,949,900	9,962,000	11,296,758	21,258,758
465,000	84,080	549,080	3,195,000	56,363	3,251,363		2,949,900	2,949,900	9,876,000	10,948,637	20,824,637
470,000	79,639	549,639	2,160,000	16,200	2,176,200		2,949,900	2,949,900	7,185,000	10,653,327	17,838,327
474,000	75,155	549,155				2,000,000	2,899,900	4,899,900	7,243,000	10,368,273	17,611,273
478,000	70,633	548,633	-	-	-	2,580,000	2,785,400	5,365,400	8,052,000	10,024,093	18,076,093
483,000	66,068	549,068	-	-	-	2,590,000	2,656,150	5,246,150	8,306,000	9,653,697	17,959,697
488,000	61,456	549,456	-	-	-	2,600,000	2,526,400	5,126,400	8,571,000	9,270,717	17,841,717
492,000	56,801	548,801	-	-	-	2,610,000	2,396,150	5,006,150	8,834,000	8,884,327	17,718,327
497,000	52,103	549,103	-	-	-	2,620,000	2,265,400	4,885,400	9,104,000	8,494,806	17,598,806
502,000	47,358	549,358	-	-	-	2,635,000	2,134,025	4,769,025	9,388,000	8,092,641	17,480,641
506,000	42,570	548,570	-	-	-	2,645,000	2,002,025	4,647,025	9,696,000	7,664,507	17,360,507
511,000	37,739	548,739	-	-	-	2,660,000	1,869,400	4,529,400	10,026,000	7,213,876	17,239,876
516,000	32,861	548,861	-	-	-	2,660,000	1,749,700	4,409,700	10,371,000	6,749,186	17,120,186
521,000	27,935	548,935	-	-	-	2,650,000	1,643,500	4,293,500	10,736,000	6,269,060	17,005,060
526,000	22,962	548,962	-	-	-	2,635,000	1,537,800	4,172,800	11,116,000	5,770,387	16,886,387
531,000	17,941	548,941	-	-	-	2,620,000	1,432,700	4,052,700	11,511,000	5,252,391	16,763,391
536,000	12,873	548,873	-	-	-	2,605,000	1,328,200	3,933,200	11,931,000	4,714,073	16,645,073
541,000	7,757	548,757	-	-	-	2,590,000	1,224,300	3,814,300	12,371,000	4,154,307	16,525,307
546,000	2,594	548,594	-	-	-	2,585,000	1,107,875	3,692,875	12,846,000	3,558,844	16,404,844
			-	-	-	2,600,000	978,250	3,578,250	12,815,000	2,928,375	15,743,375
			-	-	-	2,610,000	848,000	3,458,000	13,350,000	2,274,250	15,624,250
			-	-	-	2,620,000	717,250	3,337,250	13,910,000	1,592,750	15,502,750
			-	-	-	2,635,000	585,875	3,220,875	14,500,000	882,500	15,382,500
			-	-	-	2,630,000	467,400	3,097,400	2,630,000	467,400	3,097,400
			-	-	-	2,615,000	362,500	2,977,500	2,615,000	362,500	2,977,500
			-	-	-	2,600,000	258,200	2,858,200	2,600,000	258,200	2,858,200
			-	-	-	2,585,000	154,500	2,739,500	2,585,000	154,500	2,739,500
			-	-	-	2,570,000	51,400	2,621,400	2,570,000	51,400	2,621,400
10,000,000	1,005,294	11,005,294	10,250,000	470,625	10,720,625	64,750,000	50,674,441	115,424,441	278,306,000	181,863,264	460,169,264



Total Senior Debt Service	Existing Other Debt			Total Debt Service	Aggregate Existing and Prospective DS		
	Go Zone DS				Principal	Interest	Total Debt Service
	Principal	Interest	DS				
23,642,724	2,773,797	867,542	3,641,339	27,284,064	14,266,797	13,017,266	27,284,064
23,820,763	2,902,502	738,838	3,641,339	27,462,102	15,015,502	12,446,600	27,462,102
21,258,758	3,037,178	604,161	3,641,339	24,900,097	12,999,178	11,900,919	24,900,097
20,824,637	3,178,103	463,236	3,641,339	24,465,976	13,054,103	11,411,874	24,465,976
17,838,327	6,651,134	473,659	7,124,792	24,963,119	13,836,134	11,126,985	24,963,119
17,611,273	6,959,746	322,932	7,282,678	24,893,951	14,202,746	10,691,205	24,893,951
18,076,093	3,231,640	739,318	3,970,958	22,047,051	11,283,640	10,763,411	22,047,051
17,959,697	3,231,640	739,318	3,970,958	21,930,656	11,537,640	10,393,016	21,930,656
17,841,717	3,231,640	739,318	3,970,958	21,812,675	11,802,640	10,010,035	21,812,675
17,718,327	3,231,640	739,318	3,970,958	21,689,285	12,065,640	9,623,645	21,689,285
17,598,806	1,615,820	369,659	1,985,479	19,584,285	10,719,820	8,864,465	19,584,285
17,480,641				17,480,641	9,388,000	8,092,641	17,480,641
17,360,507				17,360,507	9,696,000	7,664,507	17,360,507
17,239,876				17,239,876	10,026,000	7,213,876	17,239,876
17,120,186				17,120,186	10,371,000	6,749,186	17,120,186
17,005,060				17,005,060	10,736,000	6,269,060	17,005,060
16,886,387				16,886,387	11,116,000	5,770,387	16,886,387
16,763,391				16,763,391	11,511,000	5,252,391	16,763,391
16,645,073				16,645,073	11,931,000	4,714,073	16,645,073
16,525,307				16,525,307	12,371,000	4,154,307	16,525,307
16,404,844				16,404,844	12,846,000	3,558,844	16,404,844
15,743,375				15,743,375	12,815,000	2,928,375	15,743,375
15,624,250				15,624,250	13,350,000	2,274,250	15,624,250
15,502,750				15,502,750	13,910,000	1,592,750	15,502,750
15,382,500				15,382,500	14,500,000	882,500	15,382,500
3,097,400				3,097,400	2,630,000	467,400	3,097,400
2,977,500				2,977,500	2,615,000	362,500	2,977,500
2,858,200				2,858,200	2,600,000	258,200	2,858,200
2,739,500				2,739,500	2,585,000	154,500	2,739,500
2,621,400				2,621,400	2,570,000	51,400	2,621,400
460,169,264	40,044,839	6,797,301	46,842,140	507,011,404	318,350,839	188,660,565	507,011,404



### Water Debt Service

	Existing DS								
	Series 2014			Series 2015					Total Senior Debt Service
	Principal	Interest	DS	Principal	Interest	DS	Principal	Interest	
12/31/2021	3,070,000	4,613,500	7,683,500	935,000	4,852,750	5,787,750	4,005,000	9,466,250	13,471,250
12/31/2022	3,225,000	4,460,000	7,685,000	970,000	4,815,350	5,785,350	4,195,000	9,275,350	13,470,350
12/31/2023	2,230,000	4,298,750	6,528,750	2,155,000	4,786,250	6,941,250	4,385,000	9,085,000	13,470,000
12/31/2024	2,345,000	4,187,250	6,532,250	2,260,000	4,678,500	6,938,500	4,605,000	8,865,750	13,470,750
12/31/2025	2,460,000	4,070,000	6,530,000	2,375,000	4,565,500	6,940,500	4,835,000	8,635,500	13,470,500
12/31/2026	2,585,000	3,947,000	6,532,000	2,490,000	4,446,750	6,936,750	5,075,000	8,393,750	13,468,750
12/31/2027	2,715,000	3,817,750	6,532,750	2,615,000	4,322,250	6,937,250	5,330,000	8,140,000	13,470,000
12/31/2028	2,850,000	3,682,000	6,532,000	2,750,000	4,191,500	6,941,500	5,600,000	7,873,500	13,473,500
12/31/2029	2,990,000	3,539,500	6,529,500	2,885,000	4,054,000	6,939,000	5,875,000	7,593,500	13,468,500
12/31/2030	3,140,000	3,390,000	6,530,000	3,030,000	3,909,750	6,939,750	6,170,000	7,299,750	13,469,750
12/31/2031	3,300,000	3,233,000	6,533,000	3,180,000	3,758,250	6,938,250	6,480,000	6,991,250	13,471,250
12/31/2032	3,460,000	3,068,000	6,528,000	3,345,000	3,599,250	6,944,250	6,805,000	6,667,250	13,472,250
12/31/2033	3,635,000	2,895,000	6,530,000	3,510,000	3,432,000	6,942,000	7,145,000	6,327,000	13,472,000
12/31/2034	3,820,000	2,713,250	6,533,250	3,680,000	3,256,500	6,936,500	7,500,000	5,969,750	13,469,750
12/31/2035	4,010,000	2,522,250	6,532,250	3,865,000	3,072,500	6,937,500	7,875,000	5,594,750	13,469,750
12/31/2036	4,210,000	2,321,750	6,531,750	4,060,000	2,879,250	6,939,250	8,270,000	5,201,000	13,471,000
12/31/2037	4,420,000	2,111,250	6,531,250	4,265,000	2,676,250	6,941,250	8,685,000	4,787,500	13,472,500
12/31/2038	4,645,000	1,890,250	6,535,250	4,475,000	2,463,000	6,938,000	9,120,000	4,353,250	13,473,250
12/31/2039	4,875,000	1,658,000	6,533,000	4,700,000	2,239,250	6,939,250	9,575,000	3,897,250	13,472,250
12/31/2040	5,120,000	1,414,250	6,534,250	4,930,000	2,004,250	6,934,250	10,050,000	3,418,500	13,468,500
12/31/2041	5,370,000	1,158,250	6,528,250	5,185,000	1,757,750	6,942,750	10,555,000	2,916,000	13,471,000
12/31/2042	5,645,000	889,750	6,534,750	5,435,000	1,498,500	6,933,500	11,080,000	2,388,250	13,468,250
12/31/2043	5,925,000	607,500	6,532,500	5,710,000	1,226,750	6,936,750	11,635,000	1,834,250	13,469,250
12/31/2044	6,225,000	311,250	6,536,250	5,995,000	941,250	6,936,250	12,220,000	1,252,500	13,472,500
12/31/2045	-	-	-	12,830,000	641,500	13,471,500	12,830,000	641,500	13,471,500
12/31/2046	-	-	-	-	-	-	-	-	-
12/31/2047	-	-	-	-	-	-	-	-	-
12/31/2048	-	-	-	-	-	-	-	-	-
12/31/2049	-	-	-	-	-	-	-	-	-
12/31/2050	-	-	-	-	-	-	-	-	-
	92,270,000	66,799,500	159,069,500	97,630,000	80,068,850	177,698,850	189,900,000	146,868,350	336,768,350



## Drainage Debt Service

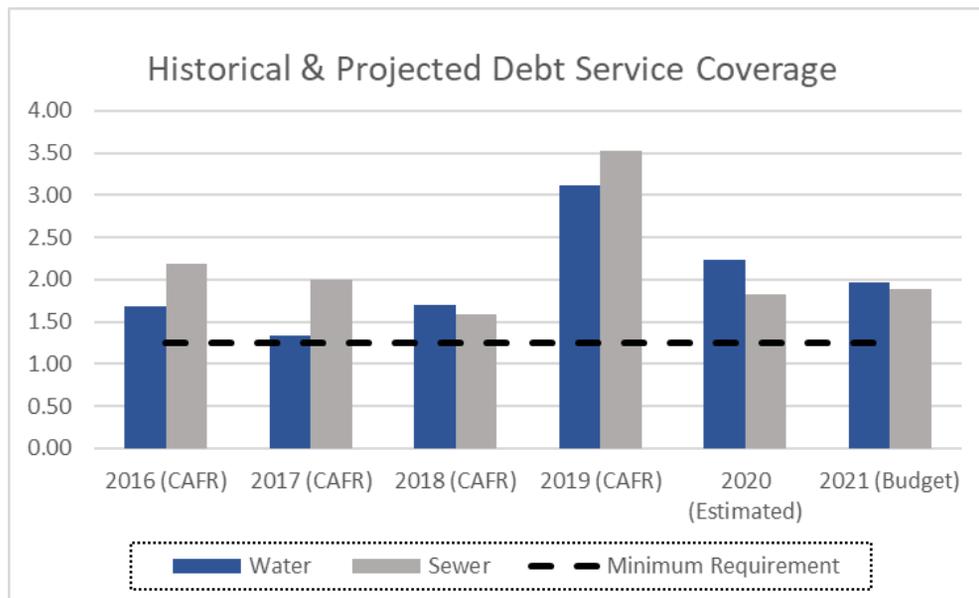
	Existing DS		
	Series 2014		
	Principal	Interest	DS
12/31/2021	1,955,000	84,100	2,039,100
12/31/2022	2,000,000	45,000	2,045,000
	3,955,000	129,100	4,084,100

## Bond Rating and Debt Service Coverage

SWBNO regularly issues debt to support its Capital Improvement Program. The bond rating on the senior lien debt from Standard and Poor (S&P) and Fitch are shown below.

SWBNO Ratings	S&P	Fitch
<b>Sewer</b>	<b>A</b>	<b>BBB+</b>
<b>Water</b>	<b>A-</b>	<b>BBB+</b>
<b>Drainage</b>	<b>AA-</b>	<b>A</b>

One of the most important financial metrics to SWBNO is Debt Service Coverage, which demonstrates the Board’s ability to meet its annual debt obligations. The calculation for Debt Service Coverage is established in SWBNO’s Rate Covenant and is calculated by dividing Funds Available for Debt Service (Adjusted Revenues less Net Operating Expenses) by annual debt service payments. SWBNO is legally required to maintain Debt Service Coverage of 125% with respect to Senior Debt and 110% of aggregate Senior and Subordinate Debt. As shown, historically SWBNO has maintained a strong Debt Service Coverage ratio and is projected to do the same in 2021. Strong levels of Debt Service Coverage are seen favorably by rating agencies and help SWBNO save money on long-term interest costs.





Estimated Fiscal Year 2021 Coverage as of 12/31/2020:

Description	A	B
	Water	Sewerage
<b>Debt Service Coverage Calculation</b>		
<b>Revenues for Debt Service Coverage:</b>		
Total Operating Revenues	\$ 116,193,954	\$ 145,520,580
Total Non-Operating Revenues	\$ 2,802,300	\$ 2,001,400
<b>Total Revenues for Debt Service Coverage</b>	<b>\$ 118,996,254</b>	<b>\$ 147,521,980</b>
<b>Expenses for Debt Service Coverage:</b>		
Operating & Maintenance Expenses	\$ 77,237,313	\$ 84,835,502
Allowance for Doubtful Accounts	\$ 15,171,065	\$ 18,036,645
<b>Total Expenses for Debt Service Coverage</b>	<b>\$ 92,408,378</b>	<b>\$ 102,872,147</b>
<b>Net Revenues Available for Debt Service</b>	<b>\$ 26,587,876</b>	<b>\$ 44,649,833</b>
<b>Debt Service</b>	<b>\$ 13,471,250</b>	<b>\$ 23,642,725</b>
<b>Debt Service Coverage (1.25x Required)</b>	<b>1.97</b>	<b>1.89</b>

### Southeast Louisiana Project

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the “Agreements”) to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana (the “Project”). The Agreements set forth the obligations of the federal government and nonfederal 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%.

Under the Agreements, 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.



Projected Debt Service Requirements as of 12/31/2020:

YEAR	PAYMENT	PRINCIPAL	INTEREST	TOTAL
2021	\$4,947,138.53	\$1,639,498.07	\$3,307,640.46	\$4,947,138.53
2022	\$4,947,138.53	\$1,700,979.25	\$3,246,159.28	\$4,947,138.53
2023	\$9,241,909.16	\$3,188,067.16	\$6,053,842.00	\$9,241,909.16
2024	\$9,241,909.16	\$3,307,619.68	\$5,934,289.48	\$9,241,909.16
2025	\$9,241,909.16	\$3,431,655.42	\$5,810,253.74	\$9,241,909.16
2026	\$9,241,909.16	\$3,560,342.50	\$5,681,566.66	\$9,241,909.16
2027	\$9,241,909.16	\$3,693,855.34	\$5,548,053.82	\$9,241,909.16
2028	\$9,241,909.16	\$3,832,374.92	\$5,409,534.24	\$9,241,909.16
2029	\$9,241,909.16	\$3,976,088.97	\$5,265,820.18	\$9,241,909.16
2030	\$9,241,909.16	\$4,125,192.31	\$5,116,716.85	\$9,241,909.16
2031	\$9,241,909.16	\$4,279,887.02	\$4,962,022.13	\$9,241,909.16
2032	\$9,241,909.16	\$4,440,382.79	\$4,801,526.37	\$9,241,909.16
2033	\$9,241,909.16	\$4,606,897.14	\$4,635,012.02	\$9,241,909.16
2034	\$9,241,909.16	\$4,779,655.78	\$4,462,253.37	\$9,241,909.16
2035	\$9,241,909.16	\$4,958,892.88	\$4,283,016.28	\$9,241,909.16
2036	\$9,241,909.16	\$5,144,851.36	\$4,097,057.80	\$9,241,909.16
2037	\$9,241,909.16	\$5,337,783.28	\$3,904,125.87	\$9,241,909.16
2038	\$9,241,909.16	\$5,537,950.16	\$3,703,959.00	\$9,241,909.16
2039	\$9,241,909.16	\$5,745,623.29	\$3,496,285.87	\$9,241,909.16
2040	\$9,241,909.16	\$5,961,084.16	\$3,280,825.00	\$9,241,909.16
2041	\$9,241,909.16	\$6,184,624.82	\$3,057,284.34	\$9,241,909.16
2042	\$9,241,909.16	\$6,416,548.25	\$2,825,360.91	\$9,241,909.16
2043	\$9,241,909.16	\$6,657,168.81	\$2,584,740.35	\$9,241,909.16
2044	\$9,241,909.16	\$6,906,812.64	\$2,335,096.52	\$9,241,909.16
2045	\$9,241,909.16	\$7,165,818.11	\$2,076,091.05	\$9,241,909.16
2046	\$9,241,909.16	\$7,434,536.29	\$1,807,372.87	\$9,241,909.16
2047	\$9,241,909.16	\$7,713,331.40	\$1,528,577.76	\$9,241,909.16
2048	\$9,241,909.16	\$8,002,581.33	\$1,239,327.83	\$9,241,909.16
2049	\$9,241,909.16	\$8,302,678.13	\$939,231.03	\$9,241,909.16
2050	\$9,241,909.16	\$8,435,216.32	\$627,880.60	\$9,063,096.92
2051	\$4,294,770.63	\$3,989,916.10	\$304,854.53	\$4,294,770.63
2052	\$4,294,770.63	\$3,984,305.28	\$155,232.67	\$4,139,537.96
Total		\$164,442,218.97	\$112,481,010.86	\$276,923,229.83

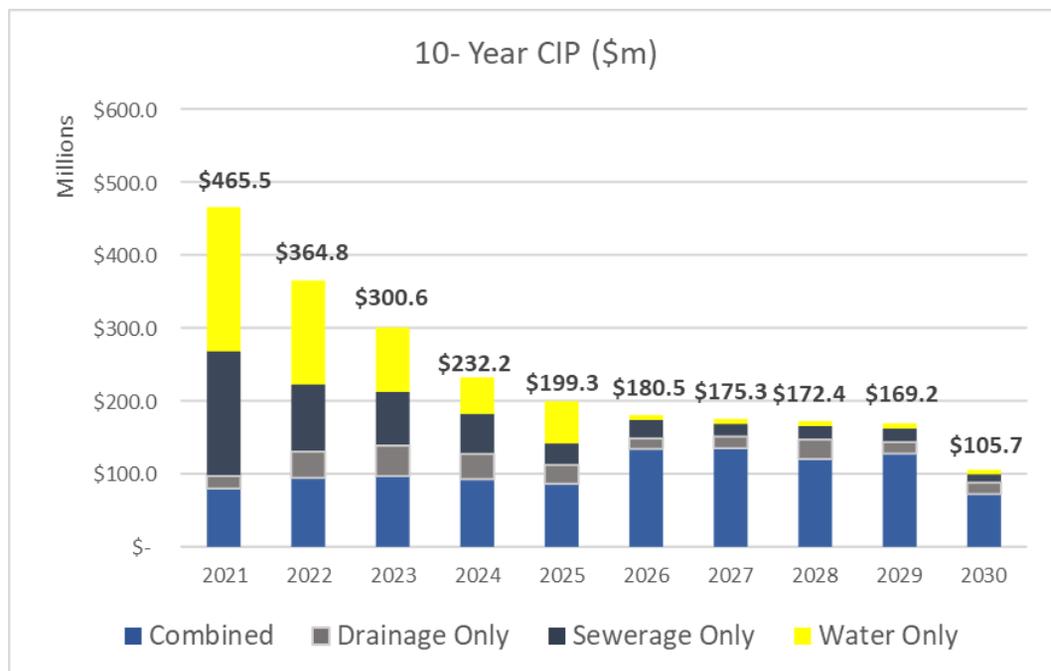


## Capital Program Budget

In addition to operating and maintenance budgets, SWBNO is responsible for supporting a capital program that allows for the repair, rehabilitation, and replacement of water, sewer, and drainage capital assets.

SWBNO has many financial needs in terms of capital improvements. SWBNO has identified needed asset and infrastructure investment that includes \$2 Billion over the next 10 years. As a municipal entity, SWBNO doesn't have access to equity markets, so all projects must be funded through debt issuances, grants, or cash generated from user charges. Debt issuances are an attractive means for raising capital due to the ability to spread payments over many years at a low cost, limiting the impact to SWBNO ratepayers. However, due to the size SWBNO's current debt load, debt issuances must be managed pragmatically to avoid over-leveraging the system. Therefore, the entire program of capital needs cannot be funded in 2021.

Due to limited access to capital resources, SWBNO establishes annual capital budgets by prioritizing all capital projects and determining which projects can and should be funded in each year. Most capital projects included in the 2021 Capital Budget are categorized as either "critical," "urgent," or "necessary."



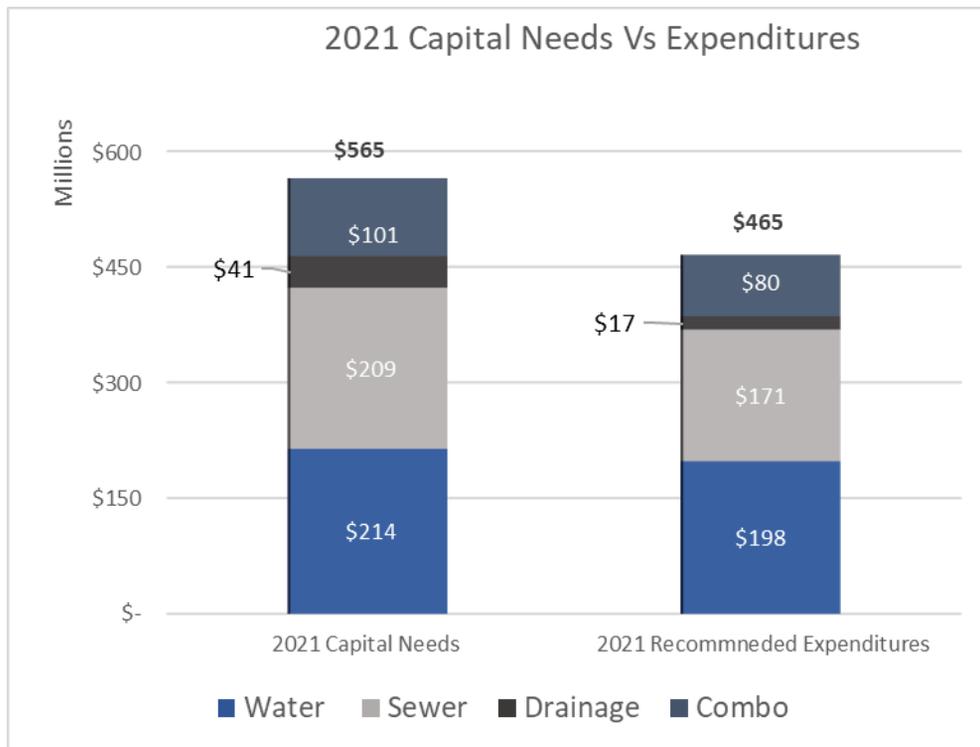
The 2021 Capital Budget includes \$466 million in capital expenditures and provides for the following activities:

- Continue JIRR in conjunction with City of New Orleans DPW.
- 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.



Financing sources for the 2021 Capital Budget include: existing water bonds, Water Infrastructure Finance and Innovation Act loan, Safe Drinking Water and Clean Water loans from the EPA, grants from FEMA and the Corp of Engineers, and SWBNO cash financing.

SWBNO recognizes the vital importance of continuing infrastructure repair and replacement and has updated its long-range capital forecast to address the priority needs of the system. However, only a portion of the capital funding needed in 2021 has been identified. The 10-year Capital Improvement Plan (CIP) is updated annually and contains approximately \$2.4 billion of projects.





## Capital Improvement Budget Program

Line #	SYSTEM	CATEGORY	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	PRIORITY	2021
1	Water	Facilities	Frank Fromherz	Repair/Replacement of New River Intake Fender System	110-00	New River Intake Facility	SWB/Other	Critical	\$ 2,100,000
2	Water	Facilities	Eric Mancuso	Facility maintenance repairs to water purification plants	110-01	CWP	SWB	Critical	\$ 525,000
3	Water	Facilities	Eric Mancuso	Replacement of existing water valves in the plant	110-20	CWP	SWB	Critical	\$ 195,000
4	Water	Facilities	Chad Lavoie	Carrollton Water Plant G and L Basin Monorake Improvements	110-27	CWP	SWB	Critical	\$ 38,000
5	Water	Facilities	Chad Lavoie	Potable Water Quality Sampling Stations	110-29	CWP	SWB	Necessary	\$ 165,000
6	Water	Facilities	Chad Lavoie	Claiborne Filter Gallery Hypochlorite System	110-30	CWP	SWB	Necessary	\$ 160,000
7	Water	Facilities	Chad Lavoie	Water Quality Laboratory Improvements	110-56	CWP	SWB	Critical	\$ 100,000
8	Water	Facilities	Daniel Avalos	Claiborne and Panola Pumping Stations Stormproofing	110-59	CWP	SWB	Desirable	\$ -
9	Water	Facilities	Gerald Pitalo	AWP Filter Gallery Rehabilitation - 1385	110-60	CWP	SWB	Necessary	\$ 360,000
10	Water	Facilities	James Vincent	Purchase of Two New Motors and Variable Frequency Drives for High Lift Pumps A and B at CWP (Contract 6268)	110-61	CWP	SWB	Critical	\$ 750,000
11	Water	Facilities	Matthew Movahed	Modifications to Michoud Water Tower	110-62	Michoud	SWB	Critical	\$ 105,000
12	Water	Facilities	Chris Bergeron	Repairs and improvements to New River Intake Station	112-05	New River Intake Facility	SWB	Necessary	\$ -
13	Water	Facilities	Ryan Battaglia	Dredging of River Station Intakes	112-08	New River Intake Facility	SWB	Critical	\$ 200,000
14	Water	Facilities	Chris Bergeron	Upgrades to Algiers River Station #2	112-09	Algiers	SWB	Urgent	\$ 240,000
15	Water	Facilities	Frank Fromherz	Rehab of filters at Claiborne filter gallery	122-01	CWP	SWB	Necessary	\$ -
16	Water	Facilities	Thomas Moore	Rehab of filters at Sycamore Filter gallery	122-03	CWP	SWB	Urgent	\$ 2,978,500
17	Water	Facilities	Frank Fromherz	Replace G & L Basin Effluent Piping	122-04	CWP	SWB	Urgent	\$ -
18	Water	Facilities	Chad Lavoie	Algiers Water Plant Lime System Improvements	135-01	CWP	SWB	Critical	\$ 255,000
19	Water	Facilities	Chad Lavoie	Carrollton Water Plant Lime System Improvements	135-02	CWP	SWB	Critical	\$ 255,000
20	Water	Facilities	Chris Bergeron	Construction of a new Bulk Chemical Feed and Storage Facility (Contract 1391)	135-08	CWP	SWB	Critical	\$ 215,000
21	Water	Facilities	Adam Kay	CWP Chemical House Control System Upgrade	135-09	CWP	SWB	Urgent	\$ 90,000
22	Water	Facilities	Chris Bergeron	Ground Storage Tanks Structural Repairs and Static Mixing Upgrades	156-00	CWP	SWB	Critical	\$ 300,000
23	Water	Facilities	Chris Bergeron	Assessment and Replacement of Sedimentation Basins at CWP	156-02	CWP	SWB	Urgent	\$ 295,000
24	Water	Facilities	Frank Fromherz	Various improvements to facilities at the Algiers Water Treatment Plant	157-02	Algiers	SWB	Urgent	\$ 300,000
25	Water	Facilities	Chris Bergeron	Water Hammer Hazard Mitigation Program Contingency (Contracts 1376 and 1377)	175-01	CWP	FEMA	Critical	\$ 20,500,000
26	Water	Normal Extensions	Mark Van Hala	Replacement of water distribution system on East Bank FEMA (FEMA PW#21031)	175-13	Citywide	FEMA	Critical	\$ 130,200,000
27	Water	Normal Extensions	Mark Van Hala	JIRR Replacement of Identified ADA Ramps (FEMA PW #21031 and 21032)	175-14	Citywide	FEMA	Critical	\$ 10,712,099
28	Water	Normal Extensions	Mark Van Hala	Additional JIRR Water Line Replacements Required for Street Reconstruction on East Bank	175-15	Citywide	LDH Loan	Critical	\$ 10,500,000
29	Water	Normal Extensions	Mark Van Hala	FEMA JIRR Water Program - Incidentals Associated with City Projects	175-16	Citywide	SWB	Critical	\$ 4,900,000
30	Water	Normal Extensions	Fred Tharp	Normal Extensions and Replacements of Water Mains Citywide	214-00	Citywide	SWB	Critical	\$ 3,000,000



Line #	SYSTEM	CATEGORY	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	PRIORITY	2021
31	Water	Normal Extensions	Fred Tharp	Water Service Line/Metering Installation Force Accts (45/45/10)	214-01	Citywide	SWB	Critical	\$ 125,000
32	Water	Normal Extensions	Fred Tharp	Waterline leak detection	214-03	Citywide	SWB	Desirable	\$ -
33	Water	Normal Extensions	Fred Tharp	Lead Water Service Line Replacement Program	214-04	Citywide	SWB	Urgent	\$ 50,000
34	Water	Normal Extensions	Fred Tharp	Water Main and Major Valve Replacements	216-04	Citywide	SWB	Critical	\$ 2,500,000
35	Water	Normal Extensions	Steven Giang	Normal Extensions and Replacements of Water Mains Citywide (DPW)	239-01	Citywide	SWB/FEMA	Urgent	\$ 4,400,000
36	Water	Normal Extensions	Steven Giang	12" WM Replacement - Algiers Forbay	239-02	Citywide	SWB	Critical	\$ 1,200,000
37	Water	Normal Extensions	Steven Giang	Extension of Water Mains Citywide	239-03	Citywide	SWB	Necessary	\$ 90,000
38	Sewerage	Normal Extensions	Mark Van Hala	Replace Sewer System Associated with JIRR Projects, Consent Decree (FEMA PW #21032)	317-04	Citywide	FEMA/Other	Critical	\$ 79,209,848
39	Sewerage	Normal Extensions	Mark Van Hala	FEMA WIFIA Sewer Program - ESSA	317-05	Citywide	FEMA	Critical	\$ 16,747,939
40	Sewerage	Normal Extensions	Mark Van Hala	WIFIA Sewer Program - Sewer	317-06	Citywide	WIFIA	Critical	\$ 36,400,000
41	Sewerage	Normal Extensions	Steven Giang	Sanitary Sewer Repairs - South Shore Basin	317-07	Citywide	LDEQ	Critical	\$ 5,000,000
42	Sewerage	Normal Extensions	Steven Giang	Sanitary Sewer Program - SSERP Repairs	317-08	Citywide	WIFIA	Critical	\$ 12,000,000
43	Sewerage	Normal Extensions	Steven Giang	Sanitary Sewer Program - ESSA Repairs	317-09	Citywide	FEMA	Critical	\$ 1,800,000
44	Sewerage	Normal Extensions	Steven Giang	Sewer Rehabilitation Program	317-10	Citywide	SWB/WIFIA	Critical	\$ 4,000,000
45	Sewerage	Normal Extensions	Fred Tharp	Rehabilitation of gravity sewers via point repairs, full line replacement, CIPP lining and pavement restoration	318-02	Citywide	SWB	Critical	\$ 3,000,000
46	Sewerage	Normal Extensions	Fred Tharp	Manhole-to-manhole sanitary sewer main replacement at various locations throughout Orleans Parish	318-03	Citywide	SWB	Critical	\$ 2,500,000
47	Sewerage	Normal Extensions	Fred Tharp	New Sewer House Connections	318-04	Citywide	SWB	Critical	\$ 250,000
48	Sewerage	Normal Extensions	Steven Giang	Normal Extensions and Replacements of Sewer Mains Citywide	319-00	Citywide	SWB	Critical	\$ 75,000
49	Sewerage	Normal Extensions	Steven Giang	Sewer Program Management	319-01	Citywide	WIFIA	Critical	\$ 2,000,000
50	Sewerage	Facilities	Chris Bergeron	Misc. Repairs, Upgrades, and Replacements at Various Sewage Pumping Stations	326-00	City-wide	SWB	Urgent	\$ 300,000
51	Sewerage	Facilities	Daniel Avalos	Contract 30109 Sewer Pumping Station A Structural Rehabilitation	326-03	Uptown	SWB	Critical	\$ 600,000
52	Sewerage	Facilities	Daniel Avalos	Design and Engineering Services for SPS A Structural Rehabilitation	326-04	Uptown	SWB	Critical	\$ 150,000
53	Sewerage	Normal Extensions	Steven Giang	Normal Extension and Replacement of Sewer Mains Citywide (dpw)	339-01	Citywide	SWB/WIFIA	Critical	\$ 3,200,000
54	Sewerage	Facilities	Felicia Bergeron	Bio-Reactor Train #4 - Replace Mixers / Cleaning	348-01	EBSTP	SWB	Critical	\$ 1,400,000
55	Sewerage	Facilities	Felicia Bergeron	Sludge Handling Improvements	348-02	EBSTP	SWB	Critical	\$ 650,000
56	Sewerage	Facilities	Felicia Bergeron	Electrical Improvements Phase III - Pump Houses MCCs and Transformers	348-03	EBSTP	SWB	Urgent	\$ 204,053
57	Sewerage	Facilities	Felicia Bergeron	Program Management of Capital Program Projects	348-04	EBSTP	SWB	Necessary	\$ 220,000
58	Sewerage	Facilities	Felicia Bergeron	Replacement of Head Works equipment	348-05	EBSTP	SWB	Urgent	\$ 307,500
59	Sewerage	Facilities	Felicia Bergeron	Clarifier Steelwork and Drive Replacement	348-06	EBSTP	SWB	Necessary	\$ -
60	Sewerage	Facilities	Felicia Bergeron	Addition of Effluent Pump #6 and Sludge Thickener	348-07	EBSTP	SWB	Necessary	\$ -



Line #	SYSTEM	CATEGORY	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	PRIORITY	2021
61	Sewerage	Facilities	Felicia Bergeron	Effluent Force Main to River	348-08	EBSTP	SWB	Necessary	\$ -
62	Sewerage	Facilities	Chris Bergeron	SPS Venetian Isles, SPS Fance, SPS Florida Replacement	348-09	Citywide	SWB	Necessary	\$ -
63	Sewerage	Facilities	Felicia Bergeron	WBWWTP Improvements	381-01	WBSTP	SWB	Urgent	\$ 100,000
64	Sewerage	Normal Extensions	Fred Tharp	Paving of sewer lines	382-00	Citywide	SWB	Urgent	\$ 750,000
65	Drainage	Normal Extensions	David Cappel	Rehabilitation of Underground Drainage Canals	418-00	Citywide	SWB	Urgent	\$ 800,000
66	Drainage	Normal Extensions	Steven Giang	Normal Extension and Replacements drain lines 36" and greater	439-00	Citywide	SWB	Critical	\$ 1,200,000
67	Drainage	Normal Extensions	Mark Van Hala	Replace/Upgrade Drainage System Associated with JIRR FEMA Projects (FEMA PW #21031)	439-01	Citywide	SWB	Critical	\$ 275,000
68	Drainage	SELA	Steven Giang	SELA Projects Estimated 30-Year Payback	471-00	Citywide	SWB	Critical	\$ 3,600,000
69	Drainage	SELA	Steven Giang	SELA Program Management	471-01	Citywide	SWB	Critical	\$ 1,800,000
70	Drainage	Legal	Jason Higginbotham	SELA Claims Management Services	471-02	Citywide	SWB	Urgent	\$ 150,000
71	Drainage	Legal	Steven Giang	SELA Claims Management Service	471-03	Citywide	SWB	Critical	\$ 1,000,000
72	Drainage	SELA	Steven Giang	SELA- Florida Phase IV	471-04	Citywide	SWB	Critical	\$ 500,000
73	Drainage	SELA	Steven Giang	SELA- Algiers Design	471-05	Citywide	SWB	Urgent	\$ 495,000
74	Drainage	SELA	Steven Giang	SELA- 25% SWB Participation Inclusive of 5% Cash Requirement	471-06	Citywide	SWB	Critical	\$ 1,750,000
75	Drainage	Legal	Yolanda Grinstead	SELA Litigation Costs	498-00	Citywide	SWB	Critical	\$ 3,500,000
76	Drainage	Facilities	Gerald Pitalo	Capital Upgrades to Various Drainage Stations - Old City (DPS 2, DPS 3, DPS 4, DPS 5, DPS 6, and DPS 7)	511-01	Citywide	SWB	Urgent	\$ 430,000
77	Drainage	Facilities	Gerald Pitalo	Capital Upgrades to Various Drainage Stations - N.O. East and Algiers (DPS 11, DPS 13, and DPS 15)	511-09	Citywide	SWB	Urgent	\$ 210,000
78	Drainage	Facilities	Eric Mancuso	Replacement of electrical relays at DPS 6	511-17	DPS 6	SWB	Critical	\$ 300,000
79	Drainage	Facilities	Adam Kay	Upgrade and Expansion of SCADA Systems	511-50	Citywide	SWB/Other	Critical	\$ 400,000
80	Drainage	Facilities	Ryan Battaglia	Station D Crane Rail Support	511-51	Citywide	SWB	Urgent	\$ 200,000
81	Drainage	Facilities	Chris Bergeron	Purchase of New Vacuum Pumps at all DPS	511-52	Citywide	SWB	Desirable	\$ 15,000
82	Drainage	Facilities	Chris Bergeron	DPS 20 Dolphin Replacement	511-53	Citywide	SWB	Necessary	\$ -
83	Drainage	Power	Chris Bergeron	Replace DPS 11 Switchgear	511-54	Citywide	SWB	Urgent	\$ -
84	Drainage	Facilities	Chris Bergeron	DPS Screen Cleaner Replacements	511-55	Citywide	SWB	Urgent	\$ 110,000
85	Drainage	Power	James Vincent	Rewind of Constant Duty Pump Motor at Drainage Pumping Station 7	511-56	Citywide	SWB	Critical	\$ 125,000
86	Drainage	Facilities	James Vincent	Rewind of C and D Pump Motor at Drainage Pumping Station 2	511-57	Citywide	SWB	Critical	\$ 200,000
87	Drainage	Facilities	Chris Bergeron	Conversion of Pump D at DPS 12	511-58	Citywide	SWB	Desirable	\$ -
88	Drainage	Facilities	Gerald Pitalo	USACE Stormproofing Project - New Generator	575-00	Citywide	Other	Urgent	\$ -
89	Combo	Power	Frank Fromherz	Construction of CWP West Substation/Demo of C7 C8 Basins	610-02	CWP	SWB/Other	Critical	\$ 7,020,000
90	Combo	Facilities	Gerald Pitalo	Conversion of 25Hz CD Pumps to 60Hz at DPS's	610-03	Citywide	SWB	Urgent	\$ 750,000



Line #	SYSTEM	CATEGORY	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	PRIORITY	2021
91	Combo	Facilities	Kevin Burfect	Boiler Feedwater System Upgrades	613-00	CWP	SWB	Urgent	\$ 475,000
92	Combo	Facilities	Kevin Burfect	Boiler/Steam System Upgrades	613-01	CWP	SWB	Urgent	\$ 750,000
93	Combo	Facilities	James Vincent	Construction of HMGP Projects - 1370A; Modifications/Upgrades of EMD's	676-05	CWP	SWB	FEMA	\$ 5,400,000
94	Combo	Power	James Vincent	Replacement/Upgrade of Electrical Feeder Distribution System	676-09	Citywide	SWB	Urgent	\$ 700,000
95	Combo	Power	Ron Spooner	Power Plant Cooling Water Improvements	676-11	CWP	SWB	Necessary	\$ 850,000
96	Combo	Power	Joe Ladek	Westbank Power Facility Improvements	676-13	Westbank	SWB	Urgent	\$ 215,000
97	Combo	Power	Thomas Moore	Turbine 5 Repairs	676-14	CWP	SWB/Other	Urgent	\$ 3,990,000
98	Combo	Power	Chris Bergeron	Purchase and Installation of Gas Turbine - Generator 7	676-15	CWP	SWB/Other	Critical	\$ 4,500,000
99	Combo	Power	Gerald Pitalo	Purchase and Installation of Static Frequency Changer (SFC)	676-16	CWP	SWB/FEMA	Critical	\$ 12,580,000
100	Combo	Power	Gerald Pitalo	Boiler Room Upgrades	676-17	CWP	SWB	Necessary	\$ 115,000
101	Combo	Power	Ryan Battaglia	25Hz Switchgear for Drainage System	676-18	CWP	SWB	Critical	\$ 225,000
102	Combo	Power	James Vincent	Electrical Upgrades to Sewerage, Water and Drainage Facilities	676-19	Citywide	SWB	Urgent	\$ 475,000
103	Combo	Power	Ron Spooner	HMGP Program Management	676-20	Citywide	SWB	Critical	\$ 1,800,000
104	Combo	Power	Mary Dubourg	Turbine 4 Repairs	676-21	Citywide	SWB	Critical	\$ 750,000
105	Combo	Facilities	Ron Spooner	Resiliency Complex, Infill Building, Headhouse Renovation and Engineering Building Hardening	807-00	CWP	SWB	Desirable	\$ -
106	Combo	Facilities	Kevin Burfect	Boilers: Elevator Replacement	807-01	CWP	SWB	Critical	\$ 650,000
107	Combo	Facilities	Ryan Battaglia	Engineering Building Hardening	807-02	CWP	SWB	Necessary	\$ -
108	Combo	Facilities	Daniel Avalos	General Facility Upgrades	807-03	Citywide	SWB	Necessary	\$ 250,000
109	Combo	Facilities	Terrance Wills	Central Yard: Renovation of old warehouse	807-13	Central Yard	SWB	Necessary	\$ -
110	Combo	Facilities	Terrance Wills	Central Yard: Fuel Island - Provide for installation of canopy and lights	807-17	Central Yard	SWB	Necessary	\$ -
111	Combo	Facilities	Terrance Wills	Central Yard: Fuel Island - Upgrade or replace fuel island	807-18	Central Yard	SWB	Necessary	\$ -
112	Combo	Facilities	Terrance Wills	Repaving of parking lot	807-22	Central Yard/St. Joe's	SWB	Necessary	\$ -
113	Combo	Facilities	Jamie Rowe	St. Joseph Building Roof Repair	807-23	Central Yard/St. Joe's	SWB	Urgent	\$ 641,250
114	Combo	Facilities	Jason Higginbotham	Installation of security cameras and access cards	808-01	Citywide	SWB	Necessary	\$ 101,000
115	Combo	Equipment	Terrance Wills	Vehicle replacement (large trucks, cranes, etc.)	810-01	Citywide	SWB	Critical	\$ 3,750,000
116	Combo	Equipment	Terrance Wills	Heavy construction equipment replacement such as excavators, backhoes, cranes, front end loaders, etc.	810-02	Citywide	SWB	Critical	\$ 2,250,000
117	Combo	Equipment	Jason Higginbotham	Guard Booths	810-03	Citywide	SWB	Necessary	\$ 95,000
118	Combo	Equipment	Terrance Wills	Equipment for Michoud Dumping Site	810-04	Citywide	SWB	Necessary	\$ -
119	Combo	Power	Eric Mancuso	Replacement or Additional Critical Equipment for Maintenance Shops	811-01	CWP	SWB	Urgent	\$ 1,000,000
120	Combo	Facilities	Terrance Wills	Central Yard - Replace existing fuel access system.	812-02	Central Yard	SWB	Necessary	\$ 150,000



Sewerage & Water Board of New Orleans  
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Line #	SYSTEM	CATEGORY	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	PRIORITY	2021
121	Combo	Software	Melinda Nelson	New Development-IT contractors	812-03	Citywide	SWB	Critical	\$ 2,000,000
122	Combo	Software	Melinda Nelson	Financial Software Implementation	812-06	Citywide	SWB	Critical	\$ 2,500,000
123	Combo	Software	Melinda Nelson	Miscellaneous Software Projects	812-07	Citywide	SWB	Necessary	\$ 40,000
124	Combo	Software	Melinda Nelson	Asset Management System	812-08	Citywide	SWB	Critical	\$ 1,500,000
125	Combo	Software	Melinda Nelson	Verint Software Implementation	812-09	Citywide	SWB	Critical	\$ 400,000
126	Combo	Other	Dexter Joseph	Capital Budget Overhead	820-00	Citywide	SWB	Necessary	\$ 10,000,000
127	Combo	Equipment	Eric Mancuso	Purchase of Water Meters	823-00	CWP	SWB	Critical	\$ 2,000,000
128	Combo	Equipment	Terrance Wills	Furnishing brass water service fittings, meter boxes, and meter box parts	824-00	Central Yard	SWB	Critical	\$ 2,168,000
129	Combo	Equipment	Tamika Hyde	Automated Meter Infrastructure	825-00	Citywide	SWB	Urgent	\$ 2,000,000
130	Combo	Other	Chris Bergeron	Power Master Plan Phase 1	826-01	Citywide	SWB	Urgent	\$ 1,000,000
131	Combo	Other	Chris Bergeron	Power Master Plan Phase 2A	826-02	Citywide	SWB	Urgent	\$ -
132	Combo	Other	Chris Bergeron	Power Master Plan Phase 2B	826-03	Citywide	SWB	Urgent	\$ -
133	Combo	Other	Chris Bergeron	Power Master Plan Phase 2C	826-04	Citywide	SWB	Urgent	\$ -
134	Combo	Other	Chris Bergeron	Power Master Plan Phase 2D	826-05	Citywide	SWB	Urgent	\$ -
135	Combo	Software	Melinda Nelson	SCADA Projects	843-00	Citywide	SWB	Critical	\$ 241,650
136	Combo	Equipment	Terrance Wills	Vehicle replacement (small and medium trucks, cars, etc.)	843-01	Citywide	SWB	Critical	\$ 2,250,000
137	Combo	Hardware	Melinda Nelson	3 D Printer	843-02	CWP/Fac Mnt.	SWB	Necessary	\$ -
138	Combo	Hardware	Melinda Nelson	Replacement UPS and Tape Drive for Mainframe Servers, Storage, etc.	843-03	Citywide	SWB	Necessary	\$ -
139	Combo	Hardware	Melinda Nelson	Duplicate Data Center at Carrollton	843-04	Citywide	SWB	Urgent	\$ 327,700
140	Combo	Hardware	Melinda Nelson	Miscellaneous Equipment	843-05	Citywide	SWB	Critical	\$ 964,500
141	Combo	Equipment	Terrance Wills	Miscellaneous Equipment	843-06	Citywide	SWB	Necessary	\$ 112,500
142	Combo	Equipment	Jason Higginbotham	Hardware for the Alert Us emergency system	843-08	Citywide	SWB	Necessary	\$ 60,000
143	Combo	Facilities	Terrance Wills	Lighting	843-09	Citywide	SWB	Necessary	\$ 125,000
144	Combo	Facilities	Terrance Wills	Fencing	843-10	Citywide	SWB	Necessary	\$ 125,000
145	Combo	Hardware	Melinda Nelson	Central Control Recording Device	843-15	Citywide	SWB	Urgent	\$ 30,000
146	Combo	Power	Eric Mancuso	Facility Maintenance Relay & Test Equipment	843-19	Citywide	SWB	Urgent	\$ 60,000
147	Combo	Hardware	Melinda Nelson	Network Infrastructure	843-20	Citywide	SWB	Critical	\$ 322,250
148	Combo	Hardware	Melinda Nelson	PC's and peripherals	843-24	Citywide	SWB	Necessary	\$ 150,000
149	Combo	Hardware	Melinda Nelson	Audio Visual Projects	843-26	Citywide	SWB	Urgent	\$ 25,000
150	Combo	Software	Adam Kay	Upgrade and Expansion of City Wide SCADA Systems	843-27	Citywide	SWB	Necessary	\$ 220,000
151	Combo	Normal Extensions	Terrance Wills	Purchase of Fire Hydrants	862-00	Citywide	SWB	Critical	\$ 1,000,000
152	Combo	Facilities	Ann Wilson	Green Infrastructure Project	879-00	Citywide	SWB	Necessary	\$ 658,471
153	Combo	Facilities	Ann Wilson	Sampling Infrastructure	881-01	Citywide	SWB	Necessary	\$ -
									\$ 465,490,260



Estimated 2021 Capital Sources		
	Amount	System(s)
FEMA Reimbursements	\$179,281,000	Water/Sewer
Remaining 2020A Bond Proceeds	\$6,000,000	Sewer
Fair Share Funding	\$4,000,000	Water/Drainage
New Bond Proceeds	\$76,605,402	Sewer
WIFIA	\$118,864,000	Sewer
DEQ	\$20,000,000	Sewer
Pay-Go	\$40,000,000	All
Power Program	\$37,700,000	Drainage
State	\$15,525,000	Drainage
<b>TOTAL</b>	<b>\$497,975,402</b>	

System	Sources by System	2021 Capital Budget	Difference
Water*	\$87,045,733	218,489,930	<b>(\$131,444,196)</b>
Sewer	\$342,371,336	188,632,679	<b>\$153,738,657</b>
Drainage	\$68,558,333	58,367,652	<b>\$10,190,682</b>
<b>TOTAL</b>	<b>\$497,975,402</b>	<b>\$465,490,260</b>	<b>\$32,485,143</b>



## Expenditures By System

### Expenditures

By Louisiana State Law, SWBNO is responsible for maintaining three separate operating systems:

- Water System
- Sewer System
- Drainage System

Revenues for each system can only be expended on the cost related to the applicable system; therefore, expenditures are budgeted and tracked separately for each system. This section provides detailed operating budgets for each system.



*2021 Total Operating and Maintenance Budget by Department and System Detail*

Code	Department	Water	Sewerage	Drainage	Total
<b>I. <u>Executive Director</u></b>					
0010	Executive Director	\$ 272,228	\$ 453,714	\$ 181,486	\$ 907,428
0250	Board Relations	\$ 52,584	\$ 52,584	\$ 26,292	\$ 131,459
0260	Records Management	\$ -	\$ -	\$ -	\$ -
0082	Internal Audit	\$ 161,215	\$ 161,215	\$ 80,607	\$ 403,037
	<b>Total Executive Director</b>	\$ 486,027	\$ 667,512	\$ 288,385	\$ 1,441,924
<b>II. <u>Special Counsel</u></b>					
0020	Legal Department	\$ 687,734	\$ 1,146,224	\$ 458,489	\$ 2,292,447
0022	Customer Review Officer	\$ 50,000	\$ 50,000	\$ -	\$ 100,000
0966	Drainage Damage Claims	\$ -	\$ -	\$ 25,000	\$ 25,000
0967	Water Damage Claims	\$ -	\$ -	\$ -	\$ -
0968	Sewerage Damage Claims	\$ -	\$ -	\$ -	\$ -
	<b>Total Special Counsel</b>	\$ 737,734	\$ 1,196,224	\$ 483,489	\$ 2,417,447
<b>III. <u>Communications</u></b>					
0013	Communications	\$ 159,116	\$ 159,116	\$ 79,558	\$ 397,791
0030	Community Relations	\$ -	\$ -	\$ -	\$ -
	<b>Total Communications</b>	\$ 159,116	\$ 159,116	\$ 79,558	\$ 397,791
<b>IV. <u>Chief Customer Service</u></b>					
0019	Chief Customer Service Officer	\$ 67,114	\$ 67,114	\$ 33,557	\$ 167,785
	<b>Total Chief Customer Service Officer</b>	\$ 67,114	\$ 67,114	\$ 33,557	\$ 167,785
<b><u>Revenue</u></b>					
0500	Revenue & Customer Service Admin.	\$ 383,546	\$ 383,546	\$ -	\$ 767,091
0501	Customer Relations	\$ 154,290	\$ 154,290	\$ -	\$ 308,580
0902	Water Service Assistance Program	\$ 75,000	\$ 75,000	\$ -	\$ 150,000
0502	Revenue Administration - Mailroom	\$ 422,324	\$ 422,324	\$ -	\$ 844,648
0503	Customer Accounts Review	\$ 53,343	\$ 53,343	\$ -	\$ 106,685
	<b>Total Revenue</b>	\$ 1,088,502	\$ 1,088,502	\$ -	\$ 2,177,004
<b><u>Billing &amp; Accounts</u></b>					
0506	Sanitation	\$ 109,220	\$ 109,220	\$ -	\$ 218,439
0510	Billings	\$ 46,891	\$ 46,891	\$ -	\$ 93,781
0511	Billing Review & Commercial Accts	\$ 435,303	\$ 435,303	\$ -	\$ 870,605
0512	Bill Adjustments	\$ 408,028	\$ 408,028	\$ -	\$ 816,056
0519	Credits & Collections	\$ 171,486	\$ 171,486	\$ -	\$ 342,971
	<b>Total Billing &amp; Accounts</b>	\$ 1,170,926	\$ 1,170,926	\$ -	\$ 2,341,852



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
<b>Customer Service</b>					
0520	Cashier	\$ 399,258	\$ 399,258	\$ -	\$ 798,516
0530	Customer Service Administration	\$ 65,294	\$ 65,294	\$ -	\$ 130,588
0531	Customer Service -Walk Ins	\$ 388,131	\$ 388,131	\$ -	\$ 776,261
0532	Customer Service - Westbank Office	\$ 36,250	\$ 36,250	\$ -	\$ 72,500
0533	Customer Service Telephone	\$ 480,046	\$ 480,046	\$ -	\$ 960,092
0534	Customer Service-Mail Resolving	\$ 179,617	\$ 179,617	\$ -	\$ 359,233
0535	Emergency Telephone Center	\$ 122,118	\$ 122,118	\$ 61,059	\$ 305,296
0536	Service Request Contract Center	\$ 85,416	\$ 85,416	\$ 42,708	\$ 213,539
	<b>Total Customer Service</b>	\$ 1,756,129	\$ 1,756,129	\$ 103,767	\$ 3,616,025
<b>Meter Service</b>					
0540	Meter Reading & Investigations	\$ 2,188,361	\$ 2,188,361	\$ -	\$ 4,376,722
	<b>Total Meter Service</b>	\$ 2,188,361	\$ 2,188,361	\$ -	\$ 4,376,722
	<b>Total Chief Customer Service Officer</b>	\$ 6,271,032	\$ 6,271,032	\$ 137,324	\$ 12,679,388
<b>V. Chief Administrative Officer</b>					
<b>Chief Administrative Officer</b>					
0017	Chief Administrative Officer	\$ 117,932	\$ 117,932	\$ 58,966	\$ 294,829
	<b>Total Chief Administrative Officer</b>	\$ 117,932	\$ 117,932	\$ 58,966	\$ 294,829
<b>Real Estate Administrator</b>					
0018	Real Estate Administrator	\$ -	\$ -	\$ -	\$ -
	<b>Total Real Estate Administrator</b>	\$ -	\$ -	\$ -	\$ -
<b>Continuous Improvement</b>					
0012	Continuous Improvement	\$ -	\$ -	\$ -	\$ -
	<b>Total Continuous Improvement</b>	\$ -	\$ -	\$ -	\$ -
<b>Information Systems</b>					
0405	Information Systems	\$ 34,972	\$ 69,943	\$ 34,972	\$ 139,886
0450	Computer Center	\$ 2,503,462	\$ 5,006,924	\$ 2,503,462	\$ 10,013,848
0460	Records and Data Management	\$ 325	\$ 650	\$ 325	\$ 1,300
	<b>Total Information Systems</b>	\$ 2,538,759	\$ 5,077,517	\$ 2,538,759	\$ 10,155,034
<b>Human Resources</b>					
0200	Human Resource Administration	\$ 55,904	\$ 55,904	\$ 27,952	\$ 139,759
0210	Recruitment & Classifications	\$ 315,300	\$ 315,300	\$ 157,650	\$ 788,251
0220	Medical Operations	\$ 24,000	\$ 24,000	\$ 12,000	\$ 60,000
0230	Training	\$ 163,349	\$ 163,349	\$ 81,675	\$ 408,373
0240	Benefits Administration	\$ 120,035	\$ 120,035	\$ 60,018	\$ 300,088
0050	Office of Equal Employment Opportunity	\$ 146,668	\$ 146,668	\$ 73,334	\$ 366,670
	<b>Total Human Resources</b>	\$ 825,256	\$ 825,256	\$ 412,628	\$ 2,063,141
<b>Human Resources-Payroll Related</b>					
9300	Hospitalization - Board's Contribution	\$ 6,104,048	\$ 6,104,048	\$ 3,052,024	\$ 15,260,119
9350	Employee Life Ins Contributions	\$ 30,456	\$ 30,456	\$ 15,228	\$ 76,139



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
9500	LUTA (Unemployment Tax)	\$ -	\$ -	\$ -	\$ -
9999	Terminal Leave	\$ 800,000	\$ 800,000	\$ 400,000	\$ 2,000,000
	<b>Total Human Resources-Payroll Related</b>	\$ 6,934,503	\$ 6,934,503	\$ 3,467,252	\$ 17,336,258
0011	Security Department	\$ 1,789,442	\$ 1,789,442	\$ 894,721	\$ 4,473,605
0055	Office of Emergency Management	\$ 208,895	\$ 208,895	\$ 104,448	\$ 522,238
0081	Office of Risk Management	\$ 344,573	\$ 344,573	\$ 172,286	\$ 861,432
0084	Safety Department	\$ 244,658	\$ 244,658	\$ 122,329	\$ 611,644
0944	Fleet Liability	\$ 140,000	\$ 140,000	\$ 70,000	\$ 350,000
0960	General Insurance	\$ 1,660,000	\$ 1,660,000	\$ 830,000	\$ 4,150,000
9550	Worker's Compensation	\$ 61,200	\$ 61,200	\$ 30,600	\$ 153,000
9960	Temporary Total Disability	\$ 948,600	\$ 948,600	\$ 474,300	\$ 2,371,500
9961	Permanent Partial Disability	\$ 224,200	\$ 224,200	\$ 112,100	\$ 560,500
9962	Permanent Total Disability	\$ 75,600	\$ 75,600	\$ 37,800	\$ 189,000
	<b>Total Security</b>	\$ 5,697,168	\$ 5,697,168	\$ 2,848,584	\$ 14,242,919
	<b>Payroll</b>				
0320	Payroll	\$ 206,935	\$ 206,935	\$ 103,467	\$ 517,337
	<b>Total Payroll</b>	\$ 206,935	\$ 206,935	\$ 103,467	\$ 517,337
	<b>Total Chief Administrative Officer</b>	\$ 16,320,552	\$ 18,859,311	\$ 9,429,655	\$ 44,609,518
<b>VI.</b>	<b>General Superintendent/Operations</b>				
1000	General Superintendent	\$ 158,489	\$ 264,149	\$ 105,660	\$ 528,298
3000	Chief of Operations	\$ 26,962	\$ 44,936	\$ 17,974	\$ 89,872
3300	Superintendent Sewerage Treatment	\$ -	\$ 14,681,940	\$ -	\$ 14,681,940
	<b>Total Department of Operations</b>	\$ 185,451	\$ 14,991,025	\$ 123,634	\$ 15,300,110
	<b>JIRR</b>				
0015	JIRR	\$ 500,760	\$ 834,600	\$ 333,840	\$ 1,669,199
	<b>Total JIRR</b>	\$ 500,760	\$ 834,600	\$ 333,840	\$ 1,669,199
	<b>Environmental Compliance</b>				
0070	Environmental Compliance	\$ 671,033	\$ 1,677,582	\$ 1,006,549	\$ 3,355,163
	<b>Total Environmental Compliance</b>	\$ 671,033	\$ 1,677,582	\$ 1,006,549	\$ 3,355,163
	<b>Support Services</b>				
0800	Director of Support Services	\$ 131,085	\$ 262,171	\$ 262,171	\$ 655,427
0801	Administration Building - St. Charles	\$ 225,804	\$ 225,804	\$ 112,902	\$ 564,511
0805	CDL Training Unit	\$ 44,440	\$ 44,440	\$ 22,220	\$ 111,100
0811	Building Maintenance	\$ 607,607	\$ 607,607	\$ 303,804	\$ 1,519,018
0815	Grounds Maintenance	\$ 880,235	\$ 880,235	\$ 440,117	\$ 2,200,587
0820	Canal Maintenance & Dredging	\$ -	\$ -	\$ -	\$ -
0830	Equipment Mtce. Information Systems	\$ 162,177	\$ 162,177	\$ 81,088	\$ 405,442
0840	Central Yard Garage	\$ 1,689,799	\$ 1,689,799	\$ 844,900	\$ 4,224,498
0841	Satellite Garage	\$ 358,765	\$ 358,765	\$ 179,382	\$ 896,912
0845	Body Shop	\$ 339,329	\$ 339,329	\$ 169,665	\$ 848,323
0850	Warehouse and Grounds	\$ 461,624	\$ 461,624	\$ 230,812	\$ 1,154,059
0852	Hauling	\$ -	\$ -	\$ -	\$ -
	<b>Total Support Services</b>	\$ 4,900,865	\$ 5,031,951	\$ 2,647,061	\$ 12,579,877



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
	<u>Drainage Pumping</u>				
2100	Superintendent - Drainage Pumping	\$ -	\$ -	\$ 1,376,995	\$ 1,376,995
2200	Central Control	\$ -	\$ -	\$ 979,472	\$ 979,472
2300	Drainage Pumping Supervisor	\$ -	\$ -	\$ 438,158	\$ 438,158
2301	Unmanned DPS Maintenance	\$ -	\$ -	\$ 266,972	\$ 266,972
2302	DPS Maintenance - Employees	\$ -	\$ -	\$ 196,674	\$ 196,674
2310	Old City	\$ -	\$ -	\$ 3,545,941	\$ 3,545,941
2311	Station #1	\$ -	\$ -	\$ 75,600	\$ 75,600
2312	Station #2	\$ -	\$ -	\$ 8,390	\$ 8,390
2313	Station #3	\$ -	\$ -	\$ 11,000	\$ 11,000
2314	Station #4	\$ -	\$ -	\$ 41,000	\$ 41,000
2315	Station #5	\$ -	\$ -	\$ 12,200	\$ 12,200
2316	Station #6	\$ -	\$ -	\$ 184,300	\$ 184,300
2317	Station #7	\$ -	\$ -	\$ 80,800	\$ 80,800
2319	Station #19	\$ -	\$ -	\$ 162,700	\$ 162,700
2320	Algiers Drainage Operations	\$ -	\$ -	\$ 789,423	\$ 789,423
2321	Station #11	\$ -	\$ -	\$ 276,927	\$ 276,927
2330	Unmanned Drainage Stations	\$ -	\$ -	\$ 780,815	\$ 780,815
2331	Citrus #10	\$ -	\$ -	\$ 31,600	\$ 31,600
2332	Station #12	\$ -	\$ -	\$ 2,800	\$ 2,800
2333	Grant	\$ -	\$ -	\$ 54,100	\$ 54,100
2334	Jahncke #14	\$ -	\$ -	\$ 67,700	\$ 67,700
2335	Intra-Coastal #15	\$ -	\$ -	\$ 140,350	\$ 140,350
2336	St. Charles #16	\$ -	\$ -	\$ 33,950	\$ 33,950
2337	Elaine	\$ -	\$ -	\$ 10,000	\$ 10,000
2338	Maxent #18	\$ -	\$ -	\$ 13,500	\$ 13,500
2339	Dwyer	\$ -	\$ -	\$ 40,000	\$ 40,000
2340	Carrollton Frequency Changer	\$ -	\$ -	\$ 45,400	\$ 45,400
2341	AMID Drainage Pumping Station	\$ -	\$ -	\$ 18,200	\$ 18,200
2342	I-10 Underpass DPS	\$ -	\$ -	\$ 73,300	\$ 73,300
2343	Pritchard DPS	\$ -	\$ -	\$ 16,100	\$ 16,100
2347	Station D	\$ -	\$ -	\$ 686,700	\$ 686,700
2348	Underpass Station	\$ -	\$ -	\$ 14,200	\$ 14,200
2350	Permanent Pump Station Operation	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
	<u>Total Drainage Pumping</u>	\$ -	\$ -	\$ 11,975,267	\$ 11,975,267
	<u>Sewerage Pumping</u>				
2400	Sewerage Pumping Supervisor	\$ -	\$ 1,354,546	\$ -	\$ 1,354,546
2401	Sewer PS Maintenance - Employees	\$ -	\$ 166,541	\$ -	\$ 166,541
2411	Station A	\$ -	\$ 564,200	\$ -	\$ 564,200
2412	Automatic Stations-Algiers	\$ -	\$ 273,760	\$ -	\$ 273,760
2413	Maintenance Sewer Stations-Algiers	\$ -	\$ 11,700	\$ -	\$ 11,700
2430	Automatic Stations	\$ -	\$ 766,200	\$ -	\$ 766,200
	<u>Total Sewerage Pumping</u>	\$ -	\$ 3,136,947	\$ -	\$ 3,136,947



2021 Total Operating and Maintenance Budget by Department and System and Detail (continue)

Code	Department	Water	Sewerage	Drainage	Total
<b>Water Pumping and Power</b>					
3100	Superintendent	\$ 539,647	\$ 899,412	\$ 359,765	\$ 1,798,823
3102	Shift Employees N.O. River Intake	\$ 938,575	\$ -	\$ -	\$ 938,575
3103	Intake Maintenance/N.O. River Station	\$ 146,572	\$ -	\$ -	\$ 146,572
3111	Boiler Operations	\$ 590,976	\$ 590,976	\$ 295,488	\$ 1,477,441
3112	Boiler Room Maintenance Employees	\$ 344,950	\$ 344,950	\$ 172,475	\$ 862,376
3113	Drainage High Pressure Gas	\$ -	\$ -	\$ 1,350,000	\$ 1,350,000
3114	Water High Pressure Gas	\$ 4,725,000	\$ -	\$ -	\$ 4,725,000
3115	Sewer High Pressure Gas	\$ -	\$ 875,000	\$ -	\$ 875,000
3130	Pumping Operations	\$ 1,284,949	\$ -	\$ -	\$ 1,284,949
3131	Water Pumping Maintenance Personnel	\$ 138,680	\$ -	\$ -	\$ 138,680
3135	Steam Turbine Generators	\$ 311,068	\$ 311,068	\$ 155,534	\$ 777,670
3136	Gas Turbine Generators	\$ 179,960	\$ 179,960	\$ 89,980	\$ 449,900
3137	Maintenance Employees for Generators	\$ -	\$ 171,432	\$ 171,432	\$ 342,864
3150	Station C	\$ -	\$ 723,219	\$ -	\$ 723,219
3151	Minor Maintenance Employees Station C	\$ -	\$ 473,638	\$ -	\$ 473,638
3152	Materials & Supplies-O&M Algiers Station	\$ 151,291	\$ -	\$ -	\$ 151,291
<b>Total Water Pumping &amp; Power</b>		\$ 9,351,669	\$ 4,569,655	\$ 2,594,674	\$ 16,515,998
<b>Purification</b>					
3200	Superintendent-Purification	\$ 313,568	\$ -	\$ -	\$ 313,568
3210	Laboratory	\$ 876,952	\$ -	\$ -	\$ 876,952
3220	Carrollton (Supervisor)	\$ 265,727	\$ -	\$ -	\$ 265,727
3221	Chemical House	\$ 1,009,888	\$ -	\$ -	\$ 1,009,888
3222	Dorr Unit	\$ 159,352	\$ -	\$ -	\$ 159,352
3223	Maintenance and Relief-MWP	\$ 560,595	\$ -	\$ -	\$ 560,595
3224	Chemicals (New Orleans)	\$ 5,153,800	\$ -	\$ -	\$ 5,153,800
3225	Reservoir Washing-Labor	\$ -	\$ -	\$ -	\$ -
3226	Sycamore Filters	\$ 753,004	\$ -	\$ -	\$ 753,004
3227	Mtce Employees/Sycamore Filters	\$ 642,419	\$ -	\$ -	\$ 642,419
3228	Mtce Employees/Claiborne Filters	\$ 145,680	\$ -	\$ -	\$ 145,680
3229	Claiborne Filters	\$ 377,097	\$ -	\$ -	\$ 377,097
3231	Water Tower	\$ 10,815	\$ -	\$ -	\$ 10,815
3240	Algiers (Supervisor)	\$ 142,010	\$ -	\$ -	\$ 142,010
3241	Maintenance & Relief-AWP	\$ 339,907	\$ -	\$ -	\$ 339,907
3242	Head House	\$ 780,817	\$ -	\$ -	\$ 780,817
3243	Filter #2	\$ 442,420	\$ -	\$ -	\$ 442,420
3244	Chemicals (Algiers)	\$ 693,045	\$ -	\$ -	\$ 693,045
<b>Total Purification</b>		\$ 12,667,096	\$ -	\$ -	\$ 12,667,096
<b>Facility Maintenance</b>					
4000	Chief of Facility Maintenance	\$ 68,737	\$ 114,562	\$ 45,825	\$ 229,124
4100	Electrical Maintenance Superintendent	\$ 580,493	\$ 967,489	\$ 386,995	\$ 1,934,977
4110	Outside System	\$ 223,645	\$ 372,742	\$ 149,097	\$ 745,484
4120	In Plant System	\$ 184,947	\$ 308,245	\$ 123,298	\$ 616,489
4130	Communications	\$ 185,258	\$ 308,763	\$ 123,505	\$ 617,525
4260	Plant Maintenance	\$ 1,332,728	\$ 2,221,214	\$ 888,485	\$ 4,442,427
4270	Meter Repairs	\$ 406,926	\$ 406,926	\$ -	\$ 813,851
4300	Mechanical Maintenance Superintendent	\$ 892,621	\$ 1,487,702	\$ 595,081	\$ 2,975,404
4310	Carrollton	\$ 276,806	\$ 461,344	\$ 184,538	\$ 922,688
4320	Field Crews	\$ 318,597	\$ 530,995	\$ 212,398	\$ 1,061,989
4330	Welding & Fabrication	\$ 323,849	\$ 539,748	\$ 215,899	\$ 1,079,495
4340	Diesel/Emer Pwr Maint- Tech Svc	\$ 114,104	\$ 190,173	\$ 76,069	\$ 380,346
<b>Total Facility Maintenance</b>		\$ 4,908,710	\$ 7,909,900	\$ 3,001,190	\$ 15,819,799



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
<b>Networks</b>					
6000	Chief of Networks	\$ 215,293	\$ 215,293	\$ 107,647	\$ 538,233
6001	Zone One	\$ 1,543,712	\$ 1,543,712	\$ 771,856	\$ 3,859,281
6002	Zone Two	\$ 1,194,716	\$ 1,194,716	\$ 597,358	\$ 2,986,790
6003	Zone Three	\$ 1,197,239	\$ 1,197,239	\$ 598,619	\$ 2,993,097
6004	Zone Four	\$ 1,098,892	\$ 1,098,892	\$ 549,446	\$ 2,747,231
6005	Zone Five	\$ 1,105,482	\$ 1,105,482	\$ 552,741	\$ 2,763,705
6006	Zone Six	\$ 1,061,486	\$ 1,061,486	\$ 530,743	\$ 2,653,715
6007	Zone Seven	\$ 1,116,062	\$ 1,116,062	\$ 558,031	\$ 2,790,156
6008	Sewer Contracts	\$ -	\$ 236,500	\$ -	\$ 236,500
6010	Field Service Center	\$ 569,994	\$ 569,994	\$ 284,997	\$ 1,424,985
6430	Leak Detections	\$ 140,000	\$ 140,000	\$ 70,000	\$ 350,000
6460	Valve & Hydrant Maint	\$ 51,000	\$ -	\$ -	\$ 51,000
6470	House Connections	\$ 25,400	\$ -	\$ -	\$ 25,400
6500	Network's Technical Services	\$ 631,362	\$ 631,362	\$ 315,681	\$ 1,578,404
6523	Catch Basin Cleaning	\$ -	\$ -	\$ 1,077,400	\$ 1,077,400
6600	OPSB	\$ -	\$ -	\$ -	\$ -
6611	Rigid Paving	\$ 312,500	\$ 312,500	\$ -	\$ 625,000
6612	Asphalt Paving	\$ 162,500	\$ 162,500	\$ -	\$ 325,000
6620	Non-FEMA Water Paving & Point Repair	\$ 8,875,000	\$ -	\$ -	\$ 8,875,000
6621	Non-FEMA Sewer Paving & Point Repair	\$ -	\$ 8,500,000	\$ -	\$ 8,500,000
<b>Total Networks</b>		\$ 19,300,639	\$ 19,085,739	\$ 6,014,519	\$ 44,400,897
<b>Engineering</b>					
7000	Chief of Engineering	\$ 55,712	\$ 92,853	\$ 37,141	\$ 185,706
7010	Scada / Hydraulic Engineering	\$ 100,217	\$ 167,029	\$ 66,812	\$ 334,058
7100	Mechanical Engineering	\$ 410,746	\$ 684,576	\$ 273,830	\$ 1,369,152
7200	Electrical Engineering	\$ 211,548	\$ 352,581	\$ 141,032	\$ 705,161
7210	Cathodic Protection	\$ 25,439	\$ 42,399	\$ 16,959	\$ 84,797
7300	Construction & Inspection	\$ 160,421	\$ 267,368	\$ 106,947	\$ 534,735
7310	Engineering Field Inspection	\$ 238,289	\$ 397,148	\$ 158,859	\$ 794,295
7400	Network Engineering	\$ 184,698	\$ 307,830	\$ 123,132	\$ 615,659
7500	Civil Engineering	\$ 198,259	\$ 330,431	\$ 132,172	\$ 660,862
7800	Drainage Engineering	\$ -	\$ -	\$ 399,773	\$ 399,773
<b>Total Engineering</b>		\$ 1,585,328	\$ 2,642,213	\$ 1,456,658	\$ 5,684,198
<b>Plumbing</b>					
8000	Plumbing	\$ 1,361,351	\$ 1,361,351	\$ -	\$ 2,722,702
8010	Cross Connection Control	\$ 150	\$ 150	\$ -	\$ 300
8100	House Connections	\$ 77,801	\$ 77,801	\$ -	\$ 155,601
8200	Field/Account Review Unit	\$ 57,279	\$ 57,279	\$ -	\$ 114,558
<b>Total Plumbing</b>		\$ 1,496,581	\$ 1,496,581	\$ -	\$ 2,993,161
<b>Total General Superintendent/Operations</b>		\$ 55,568,130	\$ 61,376,190	\$ 29,153,392	\$ 146,097,712



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
VII.	Chief Financial Officer				
	<u>Chief Financial Officer</u>				
0014	Chief Financial Officer	\$ 669,796	\$ 1,116,326	\$ 446,530	\$ 2,232,652
0016	Office of Chief Investment Officer	\$ -	\$ -	\$ -	\$ -
0937	Professional Memberships and Dues	\$ 7,500	\$ 12,500	\$ 5,000	\$ 25,000
0984	New Strategic Initiatives	\$ 42,694	\$ 71,156	\$ 28,462	\$ 142,312
9450	Compensation Changes	\$ 112,500	\$ 187,500	\$ 75,000	\$ 375,000
		\$ 832,489	\$ 1,387,482	\$ 554,993	\$ 2,774,964
	<u>EDBP</u>				
0040	Economically Disadvantaged Business Prog.	\$ 234,884	\$ 234,884	\$ 117,442	\$ 587,209
	<u>Total EDBP</u>	\$ 234,884	\$ 234,884	\$ 117,442	\$ 587,209
	<u>Planning and Budget</u>				
0060	Planning & Budget	\$ 307,396	\$ 307,396	\$ 153,698	\$ 768,490
	<u>Total Planning &amp; Budget</u>	\$ 307,396	\$ 307,396	\$ 153,698	\$ 768,490
	<u>Project Delivery Unit</u>				
0065	Project Delivery Unit	\$ 573,367	\$ 955,612	\$ 382,245	\$ 1,911,223
	<u>Project Delivery Unit</u>	\$ 573,367	\$ 955,612	\$ 382,245	\$ 1,911,223
	<u>Treasury</u>				
0066	Treasury	\$ 1,200	\$ 1,200	\$ 600	\$ 3,000
	<u>Total Treasury</u>	\$ 1,200	\$ 1,200	\$ 600	\$ 3,000
	<u>Finance</u>				
0083	Inventory Control	\$ 24,357	\$ 24,357	\$ 12,179	\$ 60,893
0300	Finance Administration	\$ 517,977	\$ 517,977	\$ 258,988	\$ 1,294,942
0340	Customer Accounting	\$ 28,881	\$ 28,881	\$ 14,441	\$ 72,203
0350	Accounting	\$ 568,218	\$ 568,218	\$ 284,109	\$ 1,420,545
0910	<u>Pension Related Expense</u>	\$ 20,000	\$ 20,000	\$ 10,000	\$ 50,000
	<u>Total Finance</u>	\$ 1,159,433	\$ 1,159,433	\$ 579,717	\$ 2,898,583
	<u>Purchasing</u>				
0700	Purchasing	\$ 219,898	\$ 219,898	\$ 109,949	\$ 549,746
0710	<u>Printing</u>	\$ 88,062	\$ 88,062	\$ 44,031	\$ 220,155
	<u>Total Purchasing</u>	\$ 307,960	\$ 307,960	\$ 153,980	\$ 769,901
	<u>Adjustment</u>				
	Board Employer's Pension Contribution	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
	<u>Total Chief Financial Officer</u>	\$ 3,416,729	\$ 4,353,967	\$ 1,942,674	\$ 9,713,370



2021 Total Operating and Maintenance Budget by Department and System Detail(continue)

Code	Department	Water	Sewerage	Drainage	Total
<b>VIII. Overhead Allocation</b>					
0996	Water O/H CP#820	\$ (5,722,008)	\$ -	\$ -	\$ (5,722,008)
0997	Drainage O/H CP#820	\$ -	\$ -	\$ (3,735,116)	\$ (3,735,116)
0998	Sewerage O/H CP#820	\$ -	\$ (8,047,850)	\$ -	\$ (8,047,850)
	<b>Total Overhead</b>	\$ (5,722,008)	\$ (8,047,850)	\$ (3,735,116)	\$ (17,504,974)
<b>Total Operating and Maintenance</b>					
		\$ 77,237,313	\$ 84,835,502	\$ 37,779,361	\$ 199,852,176
<b>IX. Other Operating Expenses</b>					
5001	Drainage Non-Cash Expense	\$ -	\$ -	\$ 14,524,159	\$ 14,524,159
5002	Water Non-Cash Expense	\$ 45,990,879	\$ -	\$ -	\$ 45,990,879
5003	Sewerage Non-Cash Expense	\$ -	\$ 46,530,199	\$ -	\$ 46,530,199
	<b>Total Depreciation &amp; Allowance Expenses (Non-Cash)</b>	\$ 45,990,879	\$ 46,530,199	\$ 14,524,159	\$ 107,045,237
9100	OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
	<b>Total OPEB Liability (non-cash)</b>	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
<b>Total Other Non-Cash Expenses</b>					
		\$ 49,657,545	\$ 50,196,866	\$ 18,190,826	\$ 118,045,237
<b>Total 2021 Operating Expenses</b>		\$126,894,858	\$135,032,368	\$55,970,187	\$317,897,413

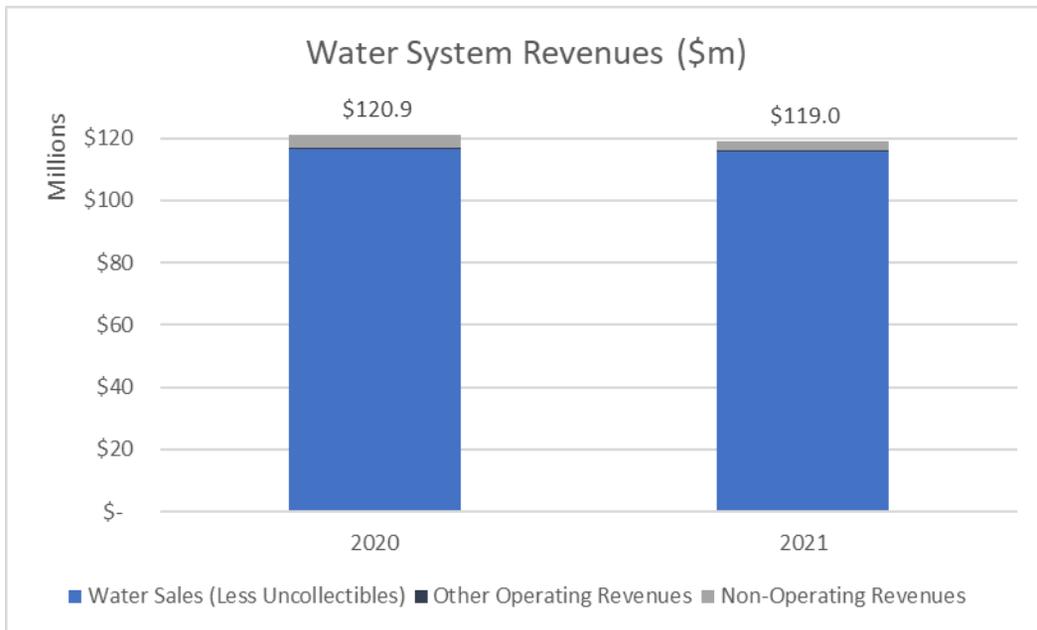


## Water Fund

Water System revenue is comprised of three main categories:

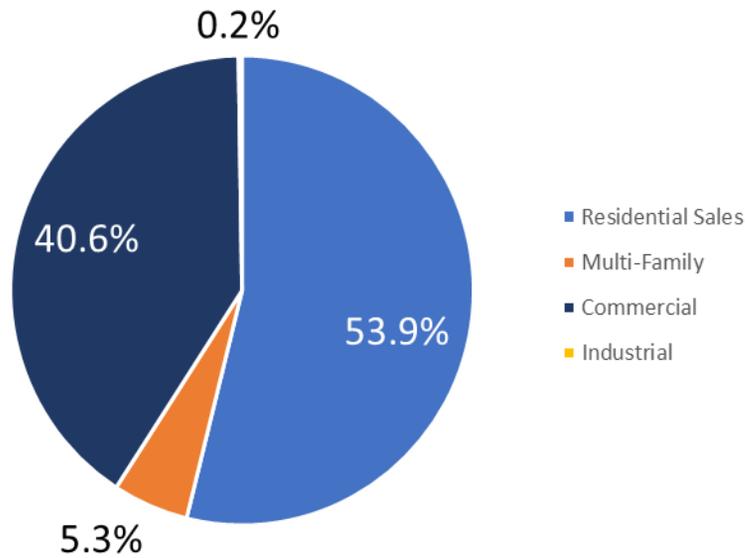
- Water Sales (User Charges)
- Other Operating Revenue
- Non-Operating Revenue.

Revenue to fund water operations is largely from user charge revenue, or water sales. In fact, water sales revenue was 96% of the total water revenue in the 2020 budget and is at 97% for the 2021 budget. Other operating and non-operating account for approximately \$3.4 million in revenue in addition to water sales.



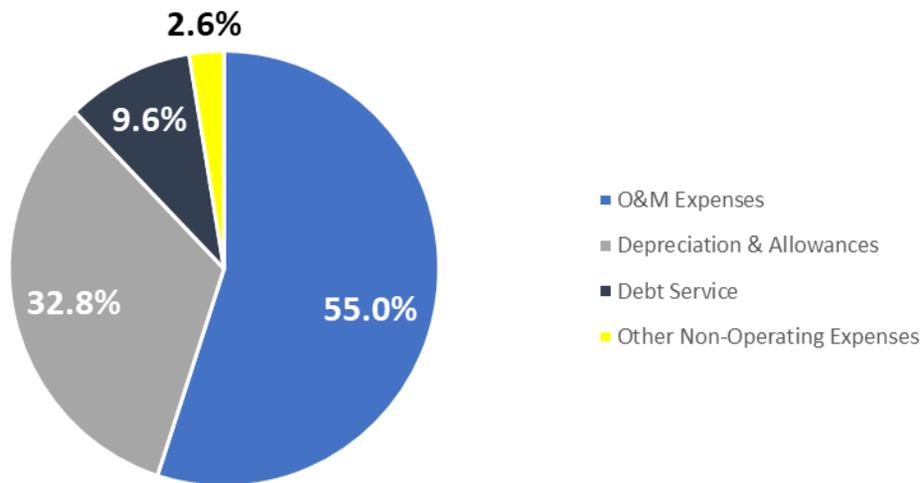


### 2021 Projected Water Sales by Class



The vast majority of SWBNO’s customer accounts are residential but revenue recovery by class results in approximately 59.2% of water sales revenue from residential customers and 40.8 % from non-residential customers.

### Total 2021 Water System Expenses



O&M Expenses	\$ 77,237,313	55.0%
Depreciation & Allowances	\$ 45,990,879	32.8%
Debt Service	\$ 13,471,250	9.6%
Other Non-Operating Expenses	\$ 3,666,667	2.6%
<b>Total Water Expense</b>	<b>\$ 140,366,108</b>	<b>100%</b>



More than 55% of the total water fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

<b>Water O&amp;M Expense Breakdown</b>	<b>2021</b>	<b>%</b>
Executive Director	\$ 486,027	0.6%
Special Counsel	\$ 737,734	1.0%
Chief Administrative Officer	\$ 16,320,552	21.1%
Communications	\$ 159,116	0.2%
General Supt./Operations	\$ 55,568,130	71.9%
Chief Financial Officer	\$ 3,416,729	4.4%
Chief Customer Service Officer	\$ 6,271,032	8.1%
Overhead	\$ (5,722,008)	-7.4%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 77,237,313</b>	<b>100.0%</b>

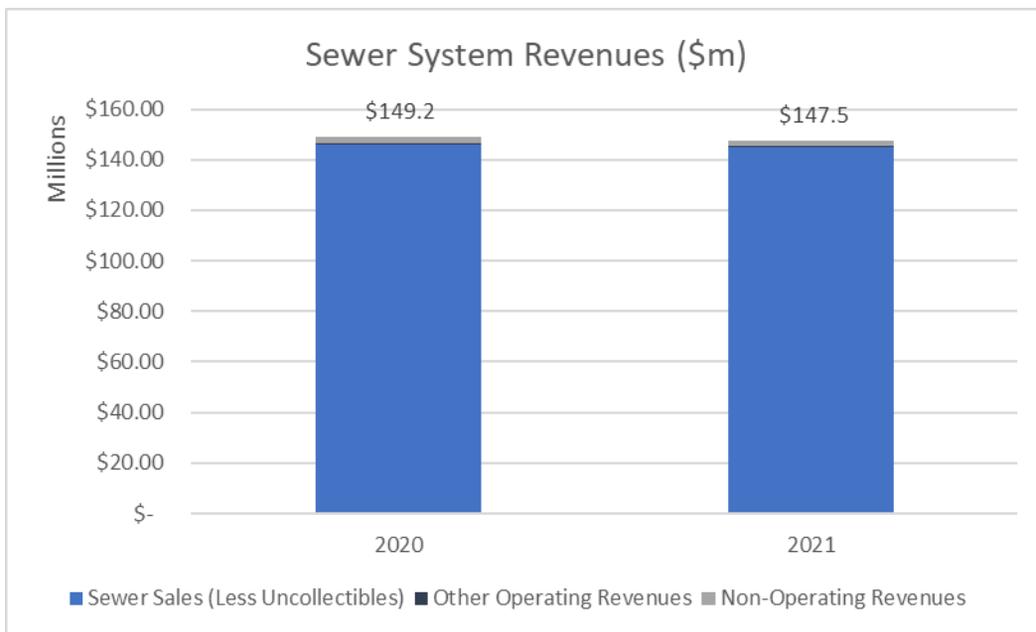


## Sewer Fund

Like the Water System, Sewer System revenue is comprised of three main categories:

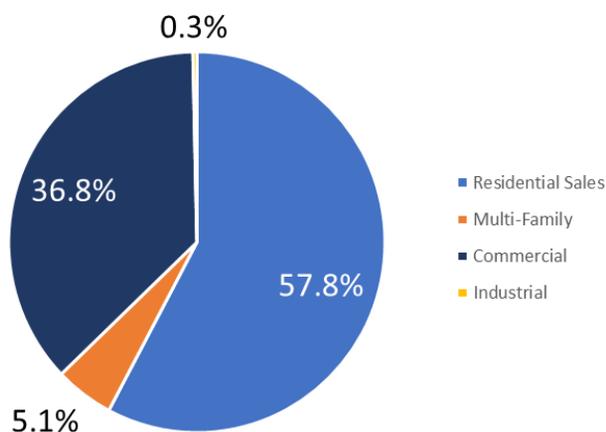
- Sewer Sales (User Charges)
- Other Operating Revenue
- Non-Operating Revenue.

Revenue to fund sewer operations is largely from user charge revenue, or sewer sales. In fact, sewer sales revenue was 98% of the total sewer revenue in both the 2020 budget and the 2021 budget. Other operating and non-operating account for approximately \$2.6 million in revenue in addition to sewer sales.



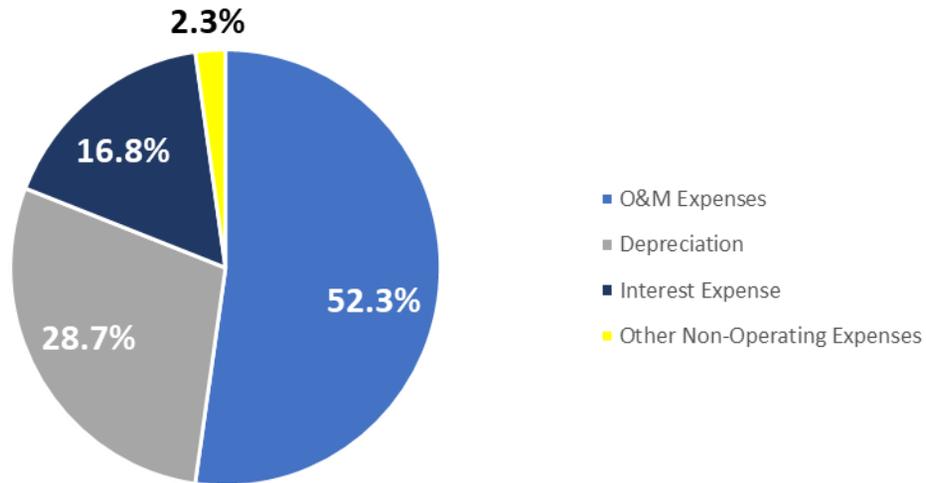
The vast majority of SWBNO’s customer accounts are residential but revenue recovery by class results in approximately 62.9% of sewer sales revenue from residential customers and 37.1% from non-residential customers.

2021 Projected Sewer Sales by Class





### Total 2021 Sewer System Expenses



More than 52% of the total sewer fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

Total Operating & Maintenance	\$ 84,835,502.00	52.3%
Debt Service	\$ 27,284,063.50	16.8%
Depreciation & Allowance Expense	\$ 46,530,199.05	28.7%
OPEB Liability (non-cash)	\$ 3,666,666.67	2.3%
<b>Total Expense</b>	<b>\$ 162,316,431.22</b>	<b>100.0%</b>

Sewer O&M Expense Breakdown	2021	%
Executive Director	\$ 667,512.40	0.8%
Special Counsel	\$ 1,196,223.50	1.4%
Chief Administrative Officer	\$ 18,859,310.60	22.2%
Communications	\$ 159,116.40	0.2%
General Supt./Operations	\$ 61,376,190.40	72.3%
Chief Financial Officer	\$ 4,353,966.70	5.1%
Chief Customer Service Officer	\$ 6,271,032.00	7.4%
Overhead	\$ (8,047,850.00)	-9.5%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 84,835,502.00</b>	<b>100.0%</b>

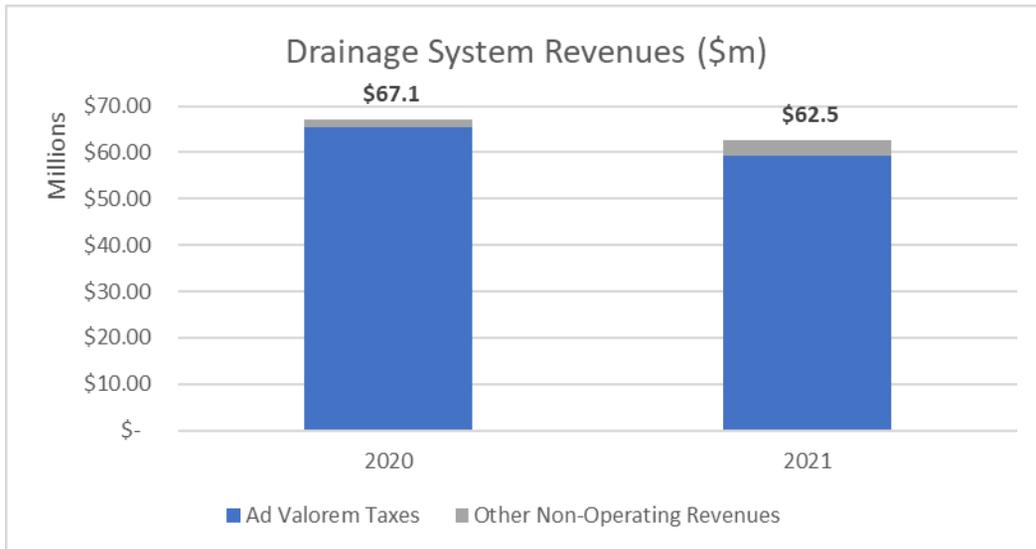


## Drainage Fund

Drainage System revenue is comprised of two main categories:

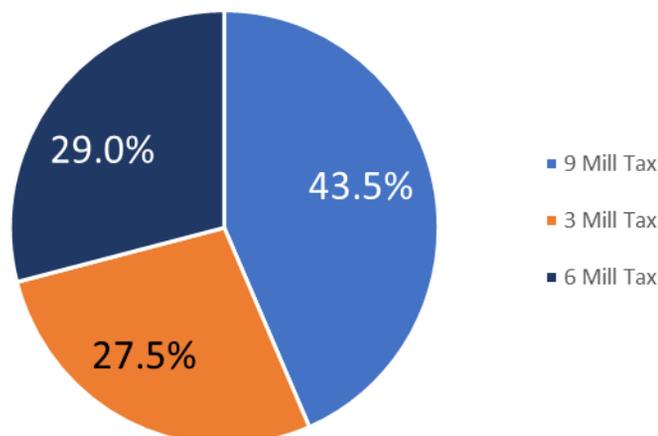
- Ad Valorem Taxes.
- Non-Operating Revenue.

Revenue to fund drainage operations is largely from ad valorem taxes. In fact, ad valorem tax revenue was 98% of the total drainage revenue in the 2020 budget and 95% in the 2021 budget. Other non-operating revenues account for approximately \$3.2 million in revenue in addition to ad valorem taxes.



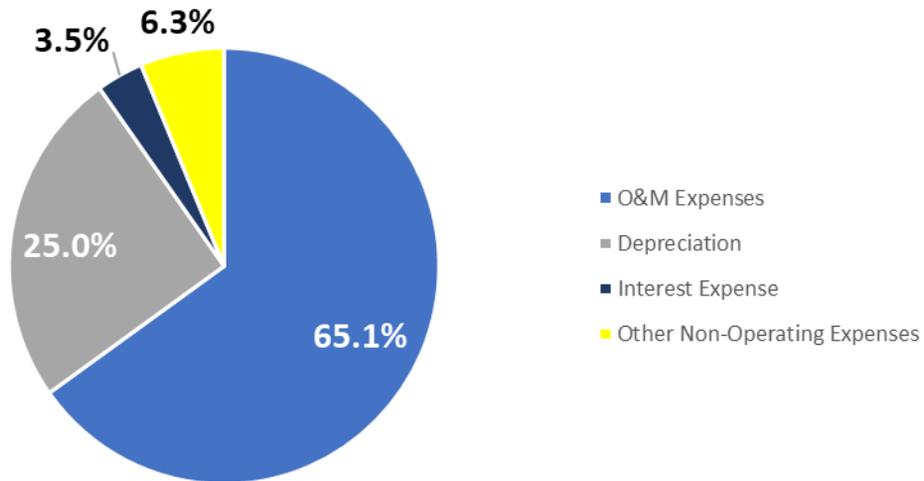
Ad valorem taxes are assessed on a 9 mill, 6 mill, and 3 mill basis. As shown, the 9 mill group accounts for almost half of the drainage system revenues.

### 2021 Projected Drainage Revenue





### Total 2021 Drainage System Expenses



More than 65% of the total drainage fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

O&M Expenses	\$ 37,779,361	65.1%
Depreciation	\$ 14,524,159	25.0%
Interest Expense	\$ 2,039,100	3.5%
Other Non-Operating Expenses	\$ 3,666,667	6.3%
<b>Total Expense</b>	<b>\$ 58,009,287</b>	<b>100.00%</b>

<b>Drainage O&amp;M Expense Breakdown</b>	<b>2021</b>	<b>%</b>
Executive Director	\$ 288,385	0.8%
Special Counsel	\$ 483,489	1.3%
Chief Administrative Officer	\$ 9,429,655	25.0%
Communications	\$ 79,558	0.2%
General Supt./Operations	\$ 29,153,392	77.2%
Chief Financial Officer	\$ 1,942,674	5.1%
Chief Customer Service Officer	\$ 137,324	0.4%
Overhead	\$ (3,735,116)	-9.9%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 37,779,361</b>	<b>100.00%</b>



## Operating and Maintenance Expense Summary by Division and System

		A	B	C	D
Division		Water	Sewerage	Drainage	2021 Adopted
1	Executive Director	\$ 486,027	\$ 667,512	\$ 288,385	\$ 1,441,924
2	Special Counsel	\$ 737,734	\$ 1,196,224	\$ 483,489	\$ 2,417,447
3	Chief Administrative Officer	\$ 16,320,552	\$ 18,859,311	\$ 9,429,655	\$ 44,609,518
4	Communications	\$ 159,116	\$ 159,116	\$ 79,558	\$ 397,791
5	General Supt./Operations	\$ 55,568,130	\$ 61,376,190	\$ 29,153,392	\$ 146,097,712
6	Chief Financial Officer	\$ 3,416,729	\$ 4,353,967	\$ 1,942,674	\$ 9,713,370
7	Chief Customer Service Officer	\$ 6,271,032	\$ 6,271,032	\$ 137,324	\$ 12,679,388
8	Overhead	\$ (5,722,008)	\$ (8,047,850)	\$ (3,735,116)	\$ (17,504,974)
9	<b>Total Operating &amp; Maintenance</b>	<b>\$ 77,237,313</b>	<b>\$ 84,835,502</b>	<b>\$ 37,779,361</b>	<b>\$ 199,852,176</b>
10	Debt Service	\$ 13,471,250	\$ 27,284,064	\$ 2,039,100	\$ 42,794,414
11	Depreciation & Allowance Expenses (non-cash)	\$ 45,990,879	\$ 46,530,199	\$ 14,524,159	\$ 107,045,237
12	OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
13	<b>Total Expense</b>	<b>\$ 140,366,108</b>	<b>\$ 162,316,431</b>	<b>\$ 58,009,287</b>	<b>\$ 360,691,826</b>



## 2021 Operating Budget By System

	A	B	C	D	
	Water	Sewerage	Drainage	Total	
<b>Operating Revenues:</b>					
1	Revenues from Charges	\$ 115,626,250	\$ 144,889,010	\$ -	\$ 260,515,260
2	Other Operating Revenues	\$ 567,704	\$ 631,570	\$ -	\$ 1,199,274
3	<b>Total Operating Revenues</b>	<b>\$ 116,193,954</b>	<b>\$ 145,520,580</b>	<b>\$ -</b>	<b>\$ 261,714,534</b>
<b>Operating Expenses:</b>					
4	Operating & Maintenance Expenses	\$ 77,237,313	\$ 84,835,502	\$ 37,779,361	\$ 199,852,176
5	Depreciation & Allowances Expenses (not)	\$ 45,990,879	\$ 46,530,199	\$ 14,524,159	\$ 107,045,237
6	OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
7	<b>Total Operating Expense</b>	<b>\$ 126,894,858</b>	<b>\$ 135,032,368</b>	<b>\$ 55,970,187</b>	<b>\$ 317,897,412</b>
8	<b>Net Operating Income</b>	<b>\$ (10,700,904)</b>	<b>\$ 10,488,212</b>	<b>\$ (55,970,187)</b>	<b>\$ (56,182,878)</b>
<b>Non-Operating Revenues (Expenses)</b>					
9	Tax Revenues	\$ -	\$ -	\$ 59,278,056	\$ 59,278,056
10	Interest Income	\$ 1,076,700	\$ 1,298,000	\$ 172,014	\$ 2,546,714
11	Other Non-Operating Revenues	\$ 1,725,600	\$ 703,400	\$ 2,683,085	\$ 5,112,085
12	FEMA Expense Reimbursement	\$ -	\$ -	\$ 366,345	\$ 366,345
13	<b>Total Non-Operating Revenues</b>	<b>\$ 2,802,300</b>	<b>\$ 2,001,400</b>	<b>\$ 62,499,500</b>	<b>\$ 67,303,200</b>
<b>Non-Operating Expenses:</b>					
14	Interest Expense - Series 2011 Bonds	\$ -	\$ 53,210	\$ -	\$ 53,210
15	Interest Expense - Series 2014 Bonds	\$ 4,613,500	\$ 4,056,325	\$ 84,100	\$ 8,753,925
16	Interest Expense - Series 2015 Bonds	\$ 4,852,750	\$ 4,950,000	\$ -	\$ 9,802,750
17	Interest Expense - Series 2019 Bonds	\$ -	\$ 43,899	\$ -	\$ 43,899
18	Interest Expense - Series 2020A Bonds	\$ -	\$ 153,750	\$ -	\$ 153,750
19	Interest Expense - Series 2020B Bonds	\$ -	\$ 2,892,541	\$ -	\$ 2,892,541
20	LADEQ Loan	\$ -	\$ -	\$ -	\$ -
21	Go Zone Interest Expense	\$ -	\$ 867,542	\$ -	\$ 867,542
22	Capitalized Interest	\$ (9,466,250)	\$ (13,017,267)	\$ (84,100)	\$ (22,567,617)
23	<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
24	<b>Net Income</b>	<b>\$ (7,898,604)</b>	<b>\$ 12,489,612</b>	<b>\$ 6,529,313</b>	<b>\$ 11,120,321</b>
<b>Debt Service Coverage Calculation</b>					
<b>Revenues for Debt Service Coverage:</b>					
25	Total Operating Revenues	\$ 116,193,954	\$ 145,520,580		
26	Total Non-Operating Revenues	\$ 2,802,300	\$ 2,001,400		
27	<b>Total Revenues for Debt Service Coverage</b>	<b>\$ 118,996,254</b>	<b>\$ 147,521,980</b>		
<b>Expenses for Debt Service Coverage:</b>					
28	Operating & Maintenance Expenses	\$ 77,237,313	\$ 84,835,502		
29	Allowance for Doubtful Accounts	\$ 15,171,065	\$ 18,036,645		
30	<b>Total Expenses for Debt Service Coverage</b>	<b>\$ 92,408,378</b>	<b>\$ 102,872,147</b>		
31	<b>Net Revenues Available for Debt Service</b>	<b>\$ 26,587,876</b>	<b>\$ 44,649,833</b>		
32	<b>Debt Service</b>	<b>\$ 13,471,250</b>	<b>\$ 23,642,725</b>		
33	<b>Debt Service Coverage (1.25x Required)</b>	<b>1.97</b>	<b>1.89</b>		



**Comparison 2019, 2020, 2021 Budget (Water)**

Line No.	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
	<b>Operating Revenues:</b>			
1	Revenues from Charges	\$ 104,392,601	\$ 118,952,385	\$ 115,626,250
2	Other Operating Revenues	\$ 565,047	\$ 569,995	\$ 567,704
3	Adjustment for Uncollectible Accounts*	\$ (1,775,000)	\$ (2,379,000)	\$ -
4	<b>Total Operating Revenues</b>	<b>\$ 103,182,648</b>	<b>\$ 117,143,380</b>	<b>\$ 116,193,954</b>
	<b>Operating Expenses:</b>			
5	Operating & Maintenance Expenses	\$ 83,348,880	\$ 90,801,009	\$ 77,237,313
6	Depreciation & Allowances Expenses (non-cash)	\$ 15,957,000	\$ 18,932,000	\$ 45,990,879
7	OPEB Liability (non-cash)	\$ 3,333,333	\$ 3,666,667	\$ 3,666,667
8	<b>Total Operating Expenses</b>	<b>\$ 102,639,213</b>	<b>\$ 113,399,676</b>	<b>\$ 126,894,858</b>
9	<b>Net Operating Income</b>	<b>\$ 543,435</b>	<b>\$ 3,743,704</b>	<b>\$ (10,700,904)</b>
	<b>Non-Operating Revenues (Expenses):</b>			
10	Tax Revenues	\$ -	\$ -	\$ -
11	Interest Income	\$ -	\$ 526,861	\$ 1,076,700
12	Other Non-Operating Revenues	\$ 1,249,075	\$ 2,500,984	\$ 1,725,600
13	FEMA Expense Reimbursement	\$ 1,356,924	\$ 756,943	\$ -
14	<b>Total Non-Operating Revenues</b>	<b>\$ 2,605,999</b>	<b>\$ 3,784,788</b>	<b>\$ 2,802,300</b>
	<b>Non-Operating Expenses:</b>			
15	Interest Expense - Series 2011 Bonds	\$ -	\$ -	\$ -
16	Interest Expense - Series 2014 Bonds	\$ 4,900,000	\$ 4,760,000	\$ 4,613,500
17	Interest Expense - Series 2015 Bonds	\$ 4,919,550	\$ 4,888,550	\$ 4,852,750
18	Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ -
19	Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ -
20	Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ -
21	LADEQ Loan			
22	Go Zone Interest Expense	\$ -	\$ -	\$ -
23	Capitalized Interest	\$ (9,819,550)	\$ (9,648,550)	\$ (9,466,250)
24	<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
25	<b>Net Income</b>	<b>\$ 3,149,434</b>	<b>\$ 7,528,492</b>	<b>\$ (7,898,604)</b>

\*Adjustment for Uncollectible Accounts is now fully reflected as an expense for the 2021 Budget in order to better align with how the allowance is reflected in the annual audit.



## Water System Operating Revenues

Line No.	Account	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
		<b>Water Sales</b>			
1	4001	Residential Sales	\$ 53,002,900	\$ 62,240,400	\$ 61,830,700
2	4004	Residential Multi-Family Sales	\$ 5,119,800	\$ 5,807,400	\$ 6,083,000
3	4007	Commercial Sales	\$ 44,475,500	\$ 49,338,300	\$ 46,622,000
4	4010	Industrial Sales	\$ 276,300	\$ 256,400	\$ 275,400
5	4028	Sewer Allowance	\$ 1,994	\$ 2,138	\$ 2,150
6	4012	Delinquent Fee - Water	\$ 1,516,107	\$ 1,307,747	\$ 813,000
7		<b>Total Water Sales</b>	<b>\$ 104,392,601</b>	<b>\$ 118,952,385</b>	<b>\$ 115,626,250</b>
8		Adjustment for Uncollectible Accounts*	\$ (1,775,000)	\$ (2,379,000)	\$ -
9		<b>Total Adjustment for Uncollectible Accounts</b>	<b>\$ (1,775,000)</b>	<b>\$ (2,379,000)</b>	<b>\$ -</b>
		<b>Revenue Sharing</b>			
10	4019	State Revenue Sharing	\$ 193,327	\$ 259,591	\$ 260,626
11		<b>Total Revenue Sharing</b>	<b>\$ 193,327</b>	<b>\$ 259,591</b>	<b>\$ 260,626</b>
		<b>Plumbing Inspection and License Fees</b>			
12	4022	Plumbing Inspection Fees	\$ 299,544	\$ 294,068	\$ 292,149
13	4025	Plumbing License Fees	\$ 19,143	\$ 16,336	\$ 14,929
14		<b>Total Plumbing Fees</b>	<b>\$ 318,687</b>	<b>\$ 310,404</b>	<b>\$ 307,078</b>
		<b>Miscellaneous Revenues</b>			
15		Other Revenue	\$ 53,033	\$ -	\$ -
16		Interest from Bond Reserve Fund	\$ -	\$ -	\$ -
17		<b>Total Miscellaneous Revenues</b>	<b>\$ 53,033</b>	<b>\$ -</b>	<b>\$ -</b>
18		<b>Total Water Other Operating Revenues</b>	<b>\$ 565,047</b>	<b>\$ 569,995</b>	<b>\$ 567,704</b>
19		<b>Total Water System Operating Revenues</b>	<b>\$ 103,182,648</b>	<b>\$ 117,143,380</b>	<b>\$ 116,193,954</b>

\*Adjustment for Uncollectible Accounts is now fully reflected as an expense for the 2021 Budget



## Water System Non-Operating Revenues

Line No.	Account	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
		<b>Interest Income</b>			
1	7001	Interest		\$ -	\$ -
2	7005	Excess Reser. Fund Interest	\$ -	\$ -	\$ 112,100
2	7009	Interest WRB	\$ -	\$ 311,696	\$ -
3	7010	Restricted Int. WRB	\$ -	\$ -	\$ 38,100
4	7011	Interest income (LGIP)	\$ -	\$ 41,664	\$ 38,000
5	7015	Interest Income Bond Premium	\$ -	\$ -	\$ 712,900
6	7041	Interest Customer Deposits LGIP	\$ -	\$ 52,388	\$ 47,800
7	7047	Interest Income Customer DP MM	\$ -	\$ 100,843	\$ 110,400
8	7050	Interest Income Health Reserve	\$ -	\$ 20,271	\$ 17,400
9	7052	Interest Income Water Sys MM	\$ -	\$ -	\$ -
10		<b>Total Interest Income</b>	\$ -	\$ 526,861	\$ 1,076,700
		<b>Other Income</b>			
11	7101	NSF Fees	\$ 45,210	\$ 63,450	\$ 59,800
12	4019	Non-Operating Revenues	\$ -	\$ -	\$ -
13	7105	Reconnect/Reset Fees	\$ 95,979	\$ 732,852	\$ 192,900
14	7205	Rental Income/Property	\$ 61,697	\$ 61,000	\$ 66,400
15	7501	Gain/Loss	\$ -	\$ -	\$ -
16	7506	Damage/NE	\$ 68,838	\$ 573,166	\$ 219,800
17	7509	Delinquent Account Charge	\$ 140	\$ -	\$ -
18	7514	Sales of Plans & Specs	\$ -	\$ -	\$ -
19	7521	Reimb Printing/Copies Charges	\$ 6,746	\$ 2,211	\$ 2,400
20	7525	Transfer from Revolving Fund	\$ -	\$ -	\$ -
21	7527	Admin Fees/FEMA	\$ -	\$ 14,280	\$ 23,800
22	7528	Sanitation Admin Fee	\$ 873,786	\$ 978,097	\$ 1,075,100
23	7531	State Vend Comp Sales Tax	\$ -	\$ -	\$ -
24	7534	Manage Competition RFP Fee	\$ -	\$ -	\$ -
25	7537	Vendor Compensation Sales Tax	\$ 6,924	\$ 22,305	\$ 30,500
26	7539	Retiree Drug Subsidy	\$ 2,141	\$ -	\$ -
27	7550	S&WB Logo	\$ 218	\$ 1,023	\$ 2,000
28	7565	Legal Settlement	\$ 1,511	\$ 15,889	\$ 9,000
29	7590	Citation Administration Fees	\$ 3,637	\$ 14,765	\$ 20,000
30	7592	Vehicle Usage	\$ 10,812	\$ 19,411	\$ 22,800
31	7594	O & M Contrib. from Fema - Point I	\$ -	\$ -	\$ -
32	7995	Life Insurance Employees	\$ 12,578	\$ 1,030	\$ -
33	7997	Travel Reimbursement	\$ 1,747	\$ 974	\$ 1,100
34	7999	Blue Cross Reimb/Transfer	\$ 57,112	\$ 530	\$ -
35		<b>Total Other Income</b>	\$ 1,249,076	\$ 2,500,984	\$ 1,725,600
		<b>Reimbursements</b>			
36	7585	FEMA Expen. Reimb./Misc Revenue	\$ 1,356,924	\$ 756,943	\$ -
37		<b>Total Reimbursements</b>	\$ 1,356,924	\$ 756,943	\$ -
38		<b>Total Water Non-Operating Revenue</b>	\$ 2,606,000	\$ 3,784,788	\$ 2,802,300



### Comparison 2019, 2020, 2021 Budget (Sewer)

Line No.	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
	<b>Operating Revenues:</b>			
1	Revenues from Charges	\$ 127,765,847	\$ 148,910,517	\$ 144,889,010
2	Other Operating Revenues	\$ 526,988	\$ 634,837	\$ 631,570
3	Adjustment for Uncollectible Accounts*	\$ (2,172,000)	\$ (2,978,000)	\$ -
4	<b>Total Operating Revenues</b>	<b>\$ 126,120,835</b>	<b>\$ 146,567,354</b>	<b>\$ 145,520,580</b>
	<b>Operating Expenses:</b>			
5	Operating & Maintenance Expenses	\$ 92,279,316	\$ 103,653,966	\$ 84,835,502
6	Depreciation & Allowances Expenses (non- cash)	\$ 22,360,000	\$ 27,125,000	\$ 46,530,199
7	OPEB Liability (non-cash)	\$ 3,333,333	\$ 3,666,667	\$ 3,666,667
8	<b>Total Operating Expenses</b>	<b>\$ 117,972,649</b>	<b>\$ 134,445,633</b>	<b>\$ 135,032,368</b>
9	<b>Net Operating Income</b>	<b>\$ 8,148,186</b>	<b>\$ 12,121,721</b>	<b>\$ 10,488,212</b>
	<b>Non-Operating Revenues (Expenses):</b>			
10	Tax Revenues	\$ -	\$ -	\$ -
11	Interest Income	\$ -	\$ 468,683	\$ 1,298,000
12	Other Non-Operating Revenues	\$ 512,545	\$ 873,669	\$ 703,400
13	FEMA Expense Reimbursement	\$ 2,261,541	\$ 1,261,571	\$ -
14	<b>Total Non-Operating Revenues</b>	<b>\$ 2,774,086</b>	<b>\$ 2,603,923</b>	<b>\$ 2,001,400</b>
	<b>Non-Operating Expenses:</b>			
15	Interest Expense - Series 2011 Bonds	\$ 61,513	\$ 57,380	\$ 53,210
16	Interest Expense - Series 2014 Bonds	\$ 5,142,450	\$ 4,574,075	\$ 4,056,325
17	Interest Expense - Series 2015 Bonds	\$ 5,000,000	\$ 5,000,000	\$ 4,950,000
18	Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ 43,899
19	Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ 153,750
20	Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ 2,892,541
21	LADEQ Loan	\$ -	\$ -	\$ -
22	Go Zone Interest Expense	\$ -	\$ -	\$ 867,542
23	Capitalized Interest	\$ (10,203,963)	\$ (9,631,455)	\$ (13,017,267)
24	<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
25	<b>Net Income</b>	<b>\$ 10,922,272</b>	<b>\$ 14,725,644</b>	<b>\$ 12,489,612</b>

\*Adjustment for Uncollectible Accounts is now fully reflected as an expense for the 2021 Budget



## 2021 Sewer System Operating Revenues

Line No.	Account	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
		<b>Sewerage Sales</b>			
1	4002	Residential Sales	\$ 70,220,900	\$ 80,397,700	\$ 83,174,000
2	4005	Residential Multi-Family Sales	\$ 6,059,300	\$ 7,134,200	\$ 7,287,800
3	4008	Commercial Sales	\$ 49,253,900	\$ 59,575,600	\$ 53,068,300
4	4011	Industrial Sales	\$ 704,200	\$ 526,000	\$ 486,800
5	4028	Sewer Allowance	\$ 1,919	\$ 2,075	\$ 2,110
6	4132	Excess Strength Charge	\$ -	\$ -	\$ -
7	4013	Delinquent Fee Sewer	\$ 1,525,628	\$ 1,274,942	\$ 870,000
8		<b>Total Sewer Sales</b>	<b>\$ 127,765,847</b>	<b>\$ 148,910,517</b>	<b>\$ 144,889,010</b>
9		Adjustment for Uncollectible Accounts*	\$ (2,172,000)	\$ (2,978,000)	\$ -
10		<b>Total Adjustment for Uncollectible Accounts</b>	<b>\$ (2,172,000)</b>	<b>\$ (2,978,000)</b>	<b>\$ -</b>
		<b>Revenue Sharing</b>			
11		State Revenue Sharing	\$ 241,116	\$ 323,759	\$ 325,051
12		<b>Total State Revenue Sharing Fees</b>	<b>\$ 241,116</b>	<b>\$ 323,759</b>	<b>\$ 325,051</b>
		<b>Plumbing Inspection and License Fees</b>			
13	4022	Plumbing Inspection Fees	\$ 271,114	\$ 293,892	\$ 289,122
14	4025	Plumbing License Fees	\$ 14,758	\$ 17,186	\$ 17,397
15		<b>Total Plumbing Fees</b>	<b>\$ 285,872</b>	<b>\$ 311,078</b>	<b>\$ 306,519</b>
		<b>Other Revenues</b>			
16		Other Revenues	\$ -	\$ -	\$ -
17		<b>Total Other Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
18		<b>Total Sewerage Other Operating Revenues</b>	<b>\$ 526,988</b>	<b>\$ 634,837</b>	<b>\$ 631,570</b>
19		<b>Total Sewerage Operating Revenues</b>	<b>\$ 126,120,835</b>	<b>\$ 146,567,354</b>	<b>\$ 145,520,580</b>

\*Adjustment for Uncollectible Accounts is now fully reflected as an expense for the 2021 Budget



## Sewer System Non-Operating Revenues

Line No.	Account	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
		<b>Interest Income</b>			
1	7001	Interest Income	\$ -	\$ -	\$ -
2	7005	Excess Reserve Fund Interest	\$ -	\$ 418,309	\$ 160,200
3	7011	Interest Income LGIP	\$ -	\$ 919	\$ 800
4	7015	Interest Income Bond Premium	\$ -	\$ -	\$ 990,700
5	7017	Interest SSRB New	\$ -	\$ 32	\$ 46,900
6	7019	Restricted Int SSRB	\$ -	\$ -	\$ 57,400
7	7023	Restricted Int DEQ	\$ -	\$ 7,441	\$ 4,800
8	7048	Interest Income Sewer Sys MM	\$ -	\$ 25,779	\$ 23,600
9	7050	Interest Income Health Reserve	\$ -	\$ 16,203	\$ 13,600
10		<b>Total Interest Income</b>	\$ -	\$ 468,683	\$1,298,000
		<b>Other Income</b>			
11	7101	NSF Fees	\$ -	\$ -	\$ -
12	4019	Non-Operating Revenues	\$ -	\$ -	\$ -
13	7105	Reconnect/Reset Fees	\$ -	\$ -	\$ -
14	7205	Rental Income Property	\$ -	\$ 23,711	\$ 21,300
15	7506	Reimbursement Damage/Networks	\$ -	\$ -	\$ -
16	7525	Transfer from Revolving Fund	\$ -	\$ -	\$ -
17	7527	Administrative Fees	\$ -	\$ 33,900	\$ 28,400
18	7539	Retiree Drug Subsidy	\$ -	\$ -	\$ -
19	7545	Waste Disposal Fees	\$ 404,766	\$ 716,447	\$ 530,700
20	7546	Grease Trap Permit Fees	\$ 76,080	\$ 72,730	\$ 91,600
21	7590	Citation Admin Fees	\$ 547	\$ 400	\$ 2,800
22	7592	Vehicle Usage	\$ 15,743	\$ 25,391	\$ 28,600
23	7995	Life Insurance Employees	\$ 15,409	\$ 1,090	\$ -
24		<b>Total Other Income</b>	\$ 512,545	\$ 873,669	\$ 703,400
		<b>Reimbursements</b>			
25	7585	FEMA Expense Reimbursement	\$2,261,541	\$1,261,571	\$ -
26		<b>Total Reimbursement</b>	\$2,261,541	\$1,261,571	\$ -
27		<b>Total Sewerage Non-Operating Revenues</b>	\$2,774,086	\$2,603,923	\$2,001,400



### Comparison 2019,2020,2021 Budget (Drainage)

Line No.	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
	<b>Operating Revenues:</b>			
1	Revenues from Charges	\$ -	\$ -	\$ -
2	Other Operating Revenues	\$ -	\$ -	\$ -
3	<b>Total Operating Revenues</b>	\$ -	\$ -	\$ -
	<b>Operating Expenses:</b>			
4	Operating & Maintenance Expenses	\$ 56,140,649	\$ 46,512,609	\$ 37,779,361
5	Depreciation & Allowances Expenses (non-cash)	\$ 21,550,000	\$ 39,333,626	\$ 14,524,159
6	OPEB Liability (non-cash)	\$ 3,333,333	\$ 3,666,667	\$ 3,666,667
7	<b>Total Operating Expenses</b>	\$ 81,023,982	\$ 89,512,902	\$ 55,970,187
8	<b>Net Operating Income</b>	\$ (81,023,982)	\$ (89,512,902)	\$ (55,970,187)
	<b>Non-Operating Revenues (Expenses):</b>			
9	Tax Revenues	\$ 60,354,046	\$ 65,549,588	\$ 59,278,056
10	Interest Income	\$ -	\$ 504,031	\$ 172,014
11	Other Non-Operating Revenues	\$ 19,924	\$ 512,948	\$ 2,683,085
12	FEMA Expense Reimbursement	\$ 904,616	\$ 504,628	\$ 366,345
13	FEMA Force Accounts Reimbursement	\$ -		
14	<b>Total Non-Operating Revenues</b>	\$ 61,278,586	\$ 67,071,195	\$ 62,499,500
	<b>Non-Operating Expenses:</b>			
15	Interest Expense - Series 2011 Bonds	\$ -	\$ -	\$ -
16	Interest Expense - Series 2014 Bonds	\$ 213,550	\$ 140,950	\$ 84,100
17	Interest Expense - Series 2015 Bonds	\$ -	\$ -	\$ -
18	Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ -
19	Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ -
20	Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ -
21	LADEQ Loan	\$ -	\$ -	\$ -
22	Go Zone Interest Expense	\$ -	\$ -	\$ -
23	Capitalized Interest	\$ (213,550)	\$ (140,950)	\$ (84,100)
24	<b>Total Non-Operating Expenses</b>	\$ -	\$ -	\$ -



## 2021 Drainage Non-Operating Revenues

Line No.	Account	Description	A 2019 Budget	B 2020 Budget	C 2021 Budget
		<b>Ad Valorem Taxes</b>			
1	4130	9 Mill Tax	\$ 26,253,824	\$ 28,513,869	\$ 25,785,772
2	4310	3 Mill Tax	\$ 17,514,945	\$ 18,013,011	\$ 16,289,595
3	4320	6 Mill Tax	\$ 16,585,277	\$ 19,022,708	\$ 17,202,689
4		<b>Total Ad Valorem Tax</b>	\$ 60,354,046	\$ 65,549,588	\$ 59,278,056
		<b>Interest Income</b>			
5	7001	Interest	\$ -		\$ -
6	7015	Interest Income Bond Premium	\$ -		\$ 34,442
7	7020	Restricted Int SELA	\$ -	\$ 351,969	\$ -
8	7025	Interest Drainage O&M	\$ -		\$ 154
9	7029	Interest Drainage System 3 Mill	\$ -	\$ 17,160	\$ 40,214
10	7033	Interest Drainage System 6 Mill	\$ -	\$ 52,472	\$ 28,756
11	7037	Interest Drainage System 9 Mill	\$ -	\$ 66,238	\$ 61,803
12	7045	Interest Income DOM MM	\$ -		\$ 1,384
13	7050	Interest Income Health Reserve	\$ -	\$ 16,193	\$ 5,261
14		<b>Total Interest Income</b>	\$ -	\$ 504,031	\$ 172,014
		<b>Other Income</b>			
15	7205	Rental Income/Property	\$ 3,048	\$ 2,286	\$ 2,438
16	7401	Two Mill (3.65) Tax	\$ 275	\$ 35	\$ -
17	7501	Other Income	\$ -		\$ -
18	7504	Reimbursement DPS # 6 & 11	\$ -	\$ 490,272	\$ 1,420,585
19	7525	Tran Revo	\$ -		\$ -
20	7527	Administrative Fees	\$ -	\$ 4,833	\$ 2,085
21	7539	Retiree Drug Subsidy	\$ -		\$ -
22	7545	Waste Disposal Fees	\$ -		\$ -
23	7565	Legal Settlement	\$ -		\$ -
24	7590	Citation Admin Fees	\$ 273	\$ 200	\$ -
25	7592	Vehicle Usage	\$ 8,453	\$ 14,815	\$ 12,519
26	7995	Life Insurance Employer	\$ 7,875	\$ 507	\$ 8,708
27	9006	Fair Share	\$ -	\$ -	\$ 1,236,750
28		<b>Total Other Income</b>	\$ 19,924	\$ 512,948	\$ 2,683,085
		<b>Reimbursements</b>			
29	7585	FEMA Expense Reimbursement	\$ 904,616	\$ 504,628	\$ 366,345
30		<b>Total Reimbursement</b>	\$ 904,616	\$ 504,628	\$ 366,345
31		<b>Total Drainage Other Operating Revenues</b>	\$ 924,540	\$ 1,521,607	\$ 3,221,444
32		<b>Total Drainage Non-Operating Revenues</b>	\$ 61,278,586	\$ 67,071,195	\$ 62,499,500



## Glossary

**Accrual Accounting:** An accounting method that records revenues and expenses when they are incurred, regardless of when cash is exchanged. The term "accrual" refers to any individual entry recording revenue or expense in the absence of a cash transaction.

**Accrued Liability:** An entity's obligation to pay for goods and services that have been provided for which invoices have not yet been received.

**Ad Valorem Tax:** A tax based on the assessed value of an item, such as real estate or personal property.

**Allocable Cost:** A cost is allocable to a project if goods or services involved are chargeable or assignable in accordance with the relative benefits received by the projects.

**Annualization:** A predictive tool that estimates the amount or rate of something for an entire year, based on data from part of a year.

**Balanced Budget:** Budget when revenues are equal to or greater than total expenses.

**Board of Liquidation City Debt:** Has the power to issue bonds in any manner permitted by state or municipal law and the City Charter and to manage its affairs, under the City Charter on behalf of the City of New Orleans, in accordance with the provisions of applicable state or municipal law.

**Budget Variance Report:** A financial performance report that presents the difference between the budgeted or baseline amount of expense or revenue and the actual amount. The budget variance is favorable when the actual revenue is higher than the budget or when the actual expense is less than the budget.

**Capital budget:** The planning process used to determine whether an organization's long-term investments such as new machinery, replacement of machinery, new plants, new products, and research development projects are worth the funding of cash through the firm's capitalization structure.

**Chart of Accounts:** A listing of all accounts used in the general ledger of an organization.

**Comprehensive Annual Financial Report:** A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).



**Debt Service Coverage Ratio:** A measurement of the cash flow available to pay current debt obligations. Debt Service Coverage will be calculated in accordance with SWBNO's Indenture.

**Enterprise Fund:** Fund that may be used to report any activity for which a fee is charged to external users for goods and services.

**Fiscal Year:** A one-year period that companies and governments use for financial reporting and budgeting.

**Government Account Standards Board (GASB):** The source of generally accepted accounting principles used by state and local governments in the United States.

**Master Indenture of Trust:** Also known as "Indenture", a governing agreement in a bond contract between a bond issuer and a trustee that represents the bondholders' interest by outlining the borrowing mechanics and covenants that affect every obligated group member on all debt financing.

**Millage Rate:** The property tax rate payable in New Orleans, Louisiana for each \$1,000 of assessed value of a property. The rate is calculated by dividing the property value by 1,000 and then multiplying the result by the millage rate.

**National Association of Regulatory Utility Commissioners:** The national association representing the state public service commissioners who regulate essential utility services, including energy, telecommunications, and water.

**Net Position:** Difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

**Non-Operating Revenues:** Value of the revenue that is derived from activities not related to the organization's core operations during the reporting period.

**Operating Budget:** An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/sub functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operation including reimbursable work or services for others.

**Operating Cash Reserve Calculation:** The annual operating cash reserve amount will be calculated based upon the requirements contained with the SWBNO Indenture, excluding any debt service reserve funds. While the reserve goal is 180 days of cash on hand for all systems, the Indenture requirement is 90 days for both the water and sewer systems and there is no Indenture cash reserve requirement for the drainage system.

**Statement of Cash Flows:** A financial statement that summarizes the amount of cash and cash equivalents entering and leaving an entity.



**Statement of Changes in Net Assets:** Details the change between the current and prior period for net asset balances.

**Statement of Revenues and Expenses:** Also known as the profit and loss statement, this financial statement primarily focuses on company's revenues and expenses during a particular period.

**Straight Line Depreciation:** The process of expensing an asset over a longer period of time. It is calculated by dividing the difference between an asset's cost and its expected salvage value by the number of years it is expected to be used.

**SWBNO:** Sewerage and Water Board of New Orleans



# Appendices

## Appendix A: Financial Policy



## Policy Summary

This Finance Policy sets forth the financial management practices of the Sewerage & Water Board of New Orleans (SWBNO). It has been developed in alignment with best practices, and to promote financial resiliency and continuity. The financial policy of SWBNO provides a framework within which staff can operate to realize the agency's strategic intent, promote long-term thinking while still enhance innovation and adoption of public financial management best practices. Accordingly, the SWBNO will:

- Work to achieve financial stability through a standardized set of practices and procedures;
- Maintain operating cash reserves goals equivalent to a target of 180 days of prior year audit operations and maintenance costs but no less than the reserve requirements contained in SWBNO's general bond resolutions;
- Maintain senior debt service coverage of 125 percent;
- Obtain the highest possible investment grade bond rates to ensure the lowest practical cost of debt necessary to finance SWBNO's long-term capital program;
- Create and update annually a ten-year financial plan for approval of the Board of Directors; and
- Develop a sound investment policy.

## Definitions

**Accrued Liability:** An entity's obligation to pay for goods and services that have been provided for which invoices have not yet been received.

**Allocable Cost:** A cost is allocable to a project if goods or services involved are chargeable or assignable in accordance with the relative benefits received by the projects.

**Balanced budget:** Budget where expenditures do not exceed revenues.

**Board of Liquidation City Debt:** Has the power to administer the issuance of bonds by the SWBNO in any manner permitted by state or municipal law and the City Charter and to manage its affairs, under the City Charter on behalf of the City of New Orleans, in accordance with the provisions of applicable state or municipal law.

**Budget Variance Report:** A financial performance report that presents the difference between the budgeted or baseline amount of expense or revenue and the actual amount. The budget variance is favorable when the actual revenue is higher than the budget or when the actual expense is less than the budget.

**Capital Budget:** The planning and prioritization process used to identify the financing strategy for the SWBNO's long term capital investments such as new machinery, replacement of machinery, new plants, new products, and research development projects.

**Chart of Accounts:** A listing of all accounts used in the general ledger.

**Comprehensive Annual Financial Report:** A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

**Debt Service Coverage Ratio:** A measurement of the cash flow available to pay current debt obligations. Debt Service Coverage will be calculated in accordance with SWBNO's



General Bond Resolution.

**Government Finance Officers Association (GFOA):** GFOA recommends all entities identify, track and communicate performance measures to monitor financial and budgetary status, service delivery, program outcomes and community conditions.

**Government Account Standards Board (GASB):** The source of generally accepted accounting principles used by state and local governments in the United States.

**Millage Rate:** The property tax rate payable in New Orleans, Louisiana for each \$1,000 of assessed value of a property. The rate is calculated by dividing the property value by 1,000 and then multiplying the result by the millage rate.

**National Association of Regulatory Utility Commissioners:** The national association representing the state public service commissioners who regulate essential utility services, including energy, telecommunications, and water.

**Operating Budget:** An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/subfunctional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operation including reimbursable work or services for others.

**Operating Cash Reserve Calculation:** The annual operating cash reserve amount will be calculated based upon the requirements contained with the SWBNO General Bond Resolution, excluding any debt service reserve funds. While the reserve goal is 180 days of cash on hand for all systems, the General Bond Resolution requirement is 90 days for each of the water and sewer systems. There is no liquidity requirement in the current Resolution for the drainage system.

**Statement of Cash Flows:** A financial statement that summarizes the amount of cash and cash equivalents entering and leaving an entity.

**Statement of Changes in Net Assets:** Details the change between the current and prior period for net asset balances.

**Statement of Revenues and Expenses:** Also known as the profit and loss statement, this financial statement primarily focuses on company's revenues and expenses during a particular period.

**Straight Line Depreciation:** An alternative of expensing an asset over a longer period of time. It is calculated by dividing the difference between an asset's cost and its expected salvage value by the number of years by the asset's useful life.

## Policy

### Financial Planning

The SWBNO will develop and update annually a ten-year financial plan that identifies the financial resources needed to achieve the objectives of the strategic plan; identify options for creation of resources; identify shortages between what is needed and what may be funded; and, describe the consequences of under-funding. This financial plan will be based on the following principles:

- The capital requirements for the financial plan will be based on management's understanding of all facilities that will be needed during the ten-year planning horizon.



- The SWBNO will endeavor to provide a reasonable balance between operational objectives and risks with ratepayer impacts.
- The financial plans will identify reasonable assumptions for changes in revenues and expenses.
- The financial plan will project revenues, expenses, and assets for the next ten years in detail adequate to compute standard financial ratios for liquidity, efficiency, and debt service coverage.
- The financial plan will identify the amounts and timing of contemplated rate increases, millage increases, and debt issues.
- The financial plan will be reviewed annually and updated when conditions materially change.
- The financial plan will be reviewed by an outside expert for completeness and reasonableness at least once every five years.

The SWBNO will develop and implement a plan and policy for the establishment of revenue rates and fees and coordinate with the City and the Board of Liquidation City Debt to implement such policy.

## Financial Budgeting

The SWBNO will prepare annual operating budgets and capital budgets for the water, sewer and drainage systems that align the financial resources to achieve the objectives of the upcoming year's plans, clearly identifying all revenue requirements, planned sources of funds, and financial performance metrics.

The budget documents will be consistent with the long-term financial plans and likewise will be based on reasonable assumptions for changes in revenues and expenses. The document will be published annually in a format that meets the criteria for the Distinguished Budget Presentation Award Program established by the Government Finance Officers Association

## Financial Accounting

The SWBNO will use a chart of accounts consisting of object codes, organization codes and activity codes that is compatible with the Uniform System of Accounts for Class A Water Utilities published by the National Association of Regulatory Utility Commissioners. Management will ensure the reasonableness of estimates and assumptions that affect the reported amounts of assets and liabilities.

Investments will be reported at fair value at year-end. Gains or losses on dispositions will be determined using the specific identification method. Materials and supplies inventories will be stated at the lower of average cost or market at the end of each fiscal year.

Property, plant and equipment are carried at historical cost. The Board will capitalize moveable equipment with a value of \$10,000 or greater, as well as stationary, network and other equipment with a value of \$5,000 or greater and all real estate. The cost of additions to capital includes contracted work, direct labor, materials, and allocable cost.



Contributed capital assets will be recorded at their estimated fair value at the date of donation. The Board will apply the straight-line method of depreciation to the estimated useful lives of the various classes of depreciable property or as required by the accounting standards applied by the auditors.

Annual pension contribution costs will be approved by the Board of Directors within the annual budget process based upon recommended actuarially computed contributions using the entry age normal cost method.

The accrued liability for various types of claims will be based upon an estimate by management of the eventual loss on the claims arising prior to year-end, including claims incurred but not yet reported as well as estimates of both future payments of losses and related claims adjustment and expense. Estimated expenses and recoveries will be based upon a case-by-case review.

SWBNO will create and maintain an accounting manual to provide guidance for all SWBNO personnel.

## Financial Reporting

The SWBNO will prepare an audited Statement of Revenues, Expenses, and Changes in Net Assets, a Statement of Net Assets, and a Statement of Cash Flows on an annual basis for the water, sewerage, and drainage systems. Quarterly, unaudited financial statements will be produced for review by the Board of Directors as well as to support any financial planning or debt issuance activities.

The financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America and in line with guidance established by the Governmental Accounting Standards Board. Any variations adopted will be identified within the annual audit.

The financial statements will be prepared on the accrual basis of accounting. SWBNO will publish annual audited financial statements in a Comprehensive Annual Financial Report that meet criteria for excellence established by the Government Finance Officers Association. The report will include a discussion of the Board's activities by the Executive Director. The report will also include management's discussion and analysis of the financial results, as well as any other supplemental information needed to ensure understanding by the reader of the financial report. The report will include footnotes that adequately describe the accounting policies and practices.

The Board will review monthly financial reports that include budget to actual comparisons (excluding non-cash items) by system type and a cashflow report. These reports will be distributed on a timely basis with management comments discussing and analyzing the results. The reporting will compare current period results with previous period results as well as budgeted results. Unusual or one-time revenues and expenses will be clearly identified and explained. These reports are not financial statements, but may reflect certain information included in financial statements.

The Board will prepare its financial reports as a Business Type Activity.



## Responsibilities

The Budget Manager is responsible for Financial Planning and Budgeting, subject to the approval of the Executive Director and the Board of Directors

The Controller is responsible for Financial Accounting and timely and accurate Reporting.

The Treasurer is responsible for cashflow reporting and investment management.

The Executive Director will identify to the Board of Directors any and all occasions when SWBNO is not in compliance with this policy and will develop and present a plan to the Board of Directors within sixty days to restore full compliance within one year.

The Board of Directors will promptly notify the Board of Liquidation City Debt of any changes to this policy.

The Chief Financial Officer (CFO) shall review this policy no less than every five (5) years.



## Appendix B: Millage Roll Back Resolution

R-165-2019

### ROLL BACK OF SEWERAGE AND WATER BOARD MILLAGES

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

**WHEREAS**, the quadrennial reassessment has been done and because the total value of property for 2020 is greater than the value for 2019 the Louisiana Constitution mandates a millage adjustment for 2020 to obtain the same revenue as in 2019:

**NOW, THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that it hereby requests the Council of the City of New Orleans to set its Ad Valorem tax millage as follows for 2020:

1. Three Mill Tax (Adjusted) - LA Revised Statute 33:4124  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.46 mills to 4.08 mills; and
2. Six Mill Tax (Adjusted) - LA Revised Statute 33:4137  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.71 mills to 4.31 mills; and
3. Nine Mill Tax (Adjusted) - LA Revised Statute 33:4147  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 7.06 mills to 6.45 mills.

**BE IT FURTHER RESOLVED** by the Sewerage and Water Board of New Orleans that if the Louisiana Legislative Auditor, in the performance of its duties set forth in Article VII, Section 23 of the Louisiana Constitution of 1974, as amended, calculates the adjusted millages to be different than those set forth in the foregoing sections, then the adjusted millages set forth in the foregoing sections shall be automatically amended to equal those calculated by the Louisiana Legislative Auditor.

---

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 a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 16, 2019.

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



## Appendix C: Millage Roll Forward Resolution

R-166-2019

### ROLL FORWARD OF SEWERAGE AND WATER BOARD MILLAGES

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

**WHEREAS**, the public hearing was held on October 16, 2019; and

**WHEREAS**, the Sewerage and Water Board has previously requested that the Council of the City of New Orleans to roll back the Millage rate for Ad Valorem taxes on behalf of itself to obtain the same revenue as in 2019; and

**WHEREAS**, the Sewerage and Water Board of New Orleans does desire to increase its millage for 2020 back to the same millage rates as were in effect in 2019, as allowed by law;

**NOW, THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that it hereby requests the Council of the City of New Orleans to set its Ad Valorem tax millage as follows for 2020:

1. Three Mill Tax (Adjusted) - LA Revised Statute 33:4124  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.08 mills to 4.46 mills; and
2. Six Mill Tax (Adjusted) - LA Revised Statute 33:4137  
For the operation and maintenance of the drainage system of the City of New Orleans and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 4.31 mills to 4.71 mills; and
3. Nine Mill Tax (Adjusted) - LA Revised Statute 33:4147  
For the operation and maintenance of the drainage system of the City of New Orleans, and for the construction and extension of said drainage systems, excluding subsurface drainage systems and their appurtenances: adjust from 6.45 to 7.06 mills.

---

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 a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 16, 2019.

---



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



## Appendix D: Water System 2015 Bonds Approval

R-118-2015

### SEWERAGE AND WATER BOARD OF NEW ORLEANS

#### PRELIMINARY APPROVAL FOR 2015 WATER SYSTEM BONDS

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

#### RESOLUTION

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

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

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

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

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

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

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



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

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

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

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

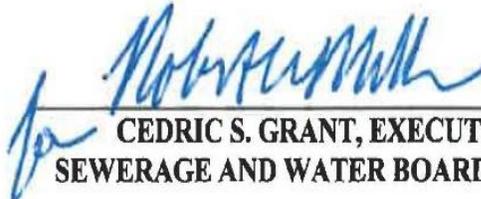
This resolution having been submitted to a vote, the vote thereon was as follows:



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

And the resolution was declared adopted on this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
 \_\_\_\_\_  
 I, Cedric S. Grant, Executive Director,  
 Sewerage and Water Board of New Orleans, do hereby  
 certify that the above and foregoing is a true and  
 correct copy of a Resolution adopted at the Regular  
 Monthly Meeting of said Board, duly called and held,  
 according to law, on \_\_\_\_\_, 2015.

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



## Appendix E: Sewerage System 2015 Bonds Approval

R-119-2015

### SEWERAGE AND WATER BOARD OF NEW ORLEANS

#### PRELIMINARY APPROVAL FOR 2015 SEWERAGE SYSTEM BONDS

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

#### RESOLUTION

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

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

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

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

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

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

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



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

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

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

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

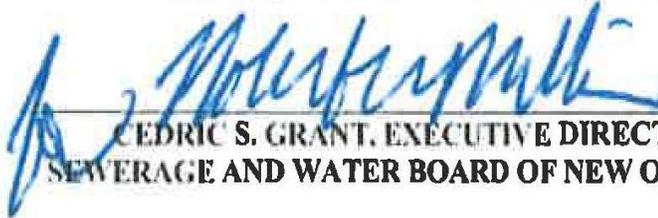
This resolution having been submitted to a vote, the vote thereon was as follows:



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

And the resolution was declared adopted on this \_\_\_\_ day of \_\_\_\_\_, 2015.

I, Cedric S. Grant, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a Resolution adopted at the Regular  
Monthly Meeting of said Board, duly called and held,  
according to law, on \_\_\_\_\_, 2015.

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



## Appendix F: Sewer Service User Charge Resolution

R-182-2012

### SEWERAGE AND WATER BOARD OF NEW ORLEANS

#### RESOLUTION SETTING SEWER SERVICE USER CHARGES

A resolution fixing the rates to be charged private users of the sewerage system of the Sewerage and Water Board of New Orleans, so as to cover the cost of maintenance and operation of the public sewage disposal system, cost of improvements, extensions, betterments and repairs to said system, the establishment of a replacement fund, and the revenues required to be raised annually to ensure the proper development of said sewerage system and the payment of principal and interest of sewerage service revenue bonds, including payments required to be made into sinking funds and debt service reserve funds.

WHEREAS, under the provisions of Sections 4121 through 4123, inclusive, of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), the Sewerage and Water Board of New Orleans (the "Board") is authorized to fix the rates to be charged private users of the sewerage system, so as to cover the maintenance and operation of the public sewage disposal system, cost of improvements, extensions, betterments and repairs to said system, the establishment of a replacement fund, and the revenues required to be raised annually to ensure the proper development of said sewerage system and the payment of principal and interest of sewerage service revenue bonds, including payments required to be made into sinking funds and debt service reserve funds; and

WHEREAS, due to the effects of deferred operations and maintenance expenditures and the need for capital improvements to the sewerage and sewage treatment and disposal system of the Board, revenues under existing schedules of sewerage service charges are no longer adequate to meet operating, maintenance and capital requirements of the sewerage system; and

WHEREAS, it has become incumbent upon the Board to increase sewerage service charges, and to the serious nature of such a step, the firm of Raftelis Financial Consultants, was employed for the purpose of developing a long-term financial plan and rate study and giving its recommendations; and

WHEREAS, under the recommendations of said financial consultants, it now becomes necessary to exercise the authority granted to the Board under the provisions of the Act to increase sewerage service charges so as to provide revenues sufficient to pay the operating, maintenance and capital requirements of the sewerage system; and

WHEREAS, prior to taking any decisive action in connection with sewerage service charges, and at least thirty days before setting rates, the Board notified the Board of Liquidation, City Debt and the City Council of New Orleans of its intention, and thereafter held three public hearings to discuss the proposed new charges which public hearings were held on the following dates and times and locations:

January 23, 2012	6:00 PM	YMCA, 2220 Oretha Castle Haley Blvd
January 26, 2012	6:00 PM	City Council Chambers, 1300 Perdido Street
January 30, 2012	6:00 PM	Lindy Boggs Conference Center, 2043 Lakeshore Drive

and the public was notified of the hearings in "The Times-Picayune" within the week prior to each such meeting, and



WHEREAS, the Board also held three additional public meetings to discuss the proposed new charges which public hearings were held on the following dates and times and locations:

February 6, 2012	6:00 PM	Behrman Memorial Center, 2529 General Meyer Avenue
February 7, 2012	6:00 PM	Household of Faith Church, 9300 I-10 Service Road
February 9, 2012	6:00 PM	Bethel A.M.E Church, 1437 Caffin Avenue

and the public was notified of the meetings in "The Times-Picayune" within the week prior to each such meeting, and

WHEREAS, copies of the proposed sewerage service charges were on file in the office of the Office of Community and Intergovernmental Relations of the Board, and available to all interested persons, as set forth in the public notices of said meetings, and after hearing all interested persons appearing at the meetings, and considering their comments, as well as written communications received by the Board pertaining to said proposed sewerage service charges; and after due discussion and deliberation, and giving due consideration to the report of Raftelis Financial Consultants, as required by the covenants relating to the outstanding sewerage service revenue bonds, the Board has concluded that sewerage service charges should be revised and fixed in order to provide sufficient revenues to cover the costs described above, and

NOW, THEREFORE, BE IT RESOLVED by the Sewerage and Water Board of New Orleans, that the following schedule of charges and surcharges be adopted for private users of the sewerage system commencing January 1, 2013, consisting of (i) a Readiness-to-Serve Charge, (ii) a Volume Charge, and (iii) an Excessive Strength Surcharge on customers whose sewage effluent exceeds normal limitations, as follows:

**Readiness to Service Charge:**

Meter Size (Inches)	Monthly Readiness to Service Charge (\$)								
	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
5/8	12.76	14.04	15.44	16.98	18.68	20.55	22.61	24.87	27.34
3/4	18.15	19.97	21.97	24.17	26.59	29.25	32.18	35.40	38.93
1	25.85	28.44	31.28	34.41	37.85	41.64	45.80	50.38	55.38
1 1/2	47.58	52.34	57.57	63.33	69.66	76.63	84.29	92.72	101.93
2	69.58	76.54	84.19	92.61	101.87	112.06	123.27	135.60	149.16
3	165.00	181.50	199.65	219.62	241.58	265.74	292.31	321.54	353.54
4	275.00	302.50	332.75	366.03	402.63	442.89	487.18	535.90	588.16
6	550.00	605.00	665.50	732.05	805.26	885.79	974.37	1,071.81	1,178.21
8	825.00	907.50	998.25	1,098.08	1,207.89	1,328.68	1,461.55	1,607.71	1,768.16
10	1,100.00	1,210.00	1,331.00	1,464.10	1,610.51	1,771.56	1,948.72	2,143.59	2,358.16
12	1,265.00	1,391.50	1,530.65	1,683.72	1,852.09	2,037.30	2,241.03	2,465.13	2,710.62
16	1,705.00	1,875.50	2,063.05	2,269.36	2,496.30	2,745.93	3,020.52	3,322.57	3,654.06

**Volume Charge:**

	Volume Charge (\$)								
	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021
Per 1,000 Gallons	4.44	4.88	5.37	5.91	6.50	7.15	7.87	8.66	9.50



**Excessive Strength Surcharge:**

$$S = V_s \times 8.34 \times \{[\text{BOD Unit Charge} \times (\text{BOD} - 285)] + [\text{SS Unit Charge} \times (\text{SS} - 395)]\}$$

S = Surcharge in dollars

V<sub>s</sub> = Volume in thousand gallons

8.34 = Pounds per gallon of water

BOD = Biochemical oxygen demand strength index in parts per million or milligrams per liter by weight

285 = Allowed BOD strength in parts per million or milligrams per liter by weight

SS = Suspended solids strength index in parts per million or milligrams per liter by weight

395 = Allowed SS strength in parts per million or milligrams per liter by weight

**BOD Unit Charge in dollars per pound:**

	Total Charge (\$)							
	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020
BOD Unit Charge	0.29	0.32	0.35	0.39	0.43	0.47	0.52	0.57

**SS Unit Charge in dollars per pound:**

	Total Charge (\$)							
	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020
SS Unit Charge	0.17	0.19	0.21	0.23	0.25	0.28	0.31	0.34

BE IT FURTHER RESOLVED that in the event that the effective date of an increase in charges or surcharges falls during a customer's billing cycle, then the increases shall be pro-rated and billed only with respect to the number of days in the billing cycle which fall on or after the effective dates set forth above.

I, Marcia A. St. Martin, 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 Wednesday, November 14, 2012.

MARCIA A. ST. MARTIN  
 EXECUTIVE DIRECTOR

SEWERAGE AND WATER BOARD OF NEW ORLEANS



## Appendix G: 2020 Operating & Capital Budget Appropriations Resolution

R-147-2020

### **2021 Operating Budget and 2021 Capital Budget Blanket Appropriations December 21, 2020**

**WHEREAS**, as authorized by Louisiana R.S. 33:4083 that all funds received by the Board from water rates, and from the city by appropriation from its treasury, shall be deposited to the credit of the Board as collected, with fiscal agent of the city, and shall be paid out except upon duly adopted resolution of appropriation, and;

**WHEREAS**, Louisiana R.S. 33: 4094 specifically outlines the procedure for disbursement of Board funds on deposit with the Board of Liquidation, City Debt,

**NOW, THEREFORE, BE IT RESOLVED**, by the Sewerage and Water Board of New Orleans, that this resolution of appropriation is adopted to authorize and empower the disbursement of funds as identified in its 2021 Operation Budget and 2021 Capital Budget, by those designated parties, both within the Board as specified by its by-laws and by and through warrants drawn on the Board of Liquidation, City Debt.

---

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 said  
Board, duly called and held, according to the  
law on December 21, 2020

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



## Appendix H: 2020 Operating Budget Resolution

R-149-2020

### 2021 OPERATING BUDGET

**WHEREAS**, the Sewerage and Water Board has reviewed the Recommended 2021 Operating Budget of which **\$77,237,313** is from the Water Department, **\$84,835,502** is from the Sewerage Department, and **\$37,779,361** is for the Drainage Department for a Total Operation and Maintenance (O&M) Expense Budget of **\$199,852,176**; and

**WHEREAS**, it is the intent of the Board that the Executive Director maintain budgetary controls; and

**WHEREAS**, the authorized expenditure categories for 2021 are:

<u>EXPENDITURE CATEGORIES</u>	<u>2021 BUDGET</u>
Personnel Services	\$93,049,408
Services and Utilities	61,305,860
Material and Supplies	40,631,131
Special Current Charges	3,992,796
Furniture and Equipment	<u>872,981</u>
<b>TOTAL Operation and Maintenance Expense</b>	<b>\$199,852,176</b>
<b>Debt Service</b>	<b>\$ 42,794,414</b>
<b>Pay-Go</b>	<b><u>\$ 40,000,000</u></b>
<b>O&amp;M with Debt Service and Pay-Go</b>	<b>\$282,646,590</b>

**NOW THEREFORE BE IT RESOLVED** that the Sewerage and Water Board of New Orleans does hereby approve the 2021 O&M Expense Budget with Debt Service and Pay-Go in the amount of **\$282,646,590**.

---

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 Meeting of the said Board,  
duly called and held, according to law, on  
December 21, 2020.

  
\_\_\_\_\_  
**Ghassan Korban**  
**EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## Appendix I: 2020 Capital Budget Resolution

**R-150-2020**

### **ADOPTION OF 2021 CAPITAL BUDGET**

**WHEREAS**, the recommended 2021 Capital Budget for the water, sewerage, and drainage systems is **\$465,490,260**; and

**WHEREAS**, identified funding is projected to be available through system revenues, taxes, reserves, bond proceeds, grant funds, and participation by others to finance the Capital Budget are **\$497,975,402**;

**WHEREAS**, the portion of the recommended 2021 Capital Budget requiring funding for the drainage system during 2021 is **\$58,367,652** of which funds have been identified of **\$68,558,333**, resulting in a surplus of funding totaling **\$10,190,682**; and

**WHEREAS**, the portion of the recommended 2021 Capital Budget requiring funding for the water system during 2021 is **\$218,489,930** of which funds have been identified of **\$87,045,733** resulting in a deferral of projects totaling **\$131,444,196**, unless other sources of funding are identified; and

**WHEREAS**, the portion of the recommended 2021 Capital Budget requiring funding for the sewerage system during 2021 is **\$188,632,679** of which funds have been identified of **\$342,371,336**, resulting in a surplus of funding totaling **\$153,738,656**; and

**WHEREAS**, the recommended 2021-2030 Capital Improvement Program is **\$2,040,772,094**;

**NOW THEREFORE BE IT RESOLVED** that the Sewerage and Water Board of New Orleans does hereby adopt the 2021 Total Capital Budget of **\$465,490,260** with funding totaling **\$497,975,402**; and

**BE IT FURTHER RESOLVED** that the Sewerage and Water Board does hereby accept the 2021-2030 Capital Improvement Program.

---

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 Meeting of the said Board,  
duly called and held, according to law, on  
December 21, 2020.

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**Ghassan Korban**  
**EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## Appendix J: Water Revenue Bonds Approval Resolution

R-196-2019

### RESOLUTION AUTHORIZING PRELIMINARY APPROVAL FOR WATER REVENUE BONDS

**WHEREAS**, the Sewerage and Water Board of New Orleans (the "Sewerage and Water Board") is authorized to issue in the name of the City of New Orleans, Louisiana (the "City"), bonds payable solely out of the revenues derived from water rates for purposes relating to the water system of the City, pursuant to the provisions of Section 4096 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"); and

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

**WHEREAS**, all Water Revenue Bonds of the City are administered by the Board of Liquidation, City Debt (the "Board of Liquidation"); and

**WHEREAS**, the City proposes that the Bonds will be issued in the manner prescribed by and under the authority of the Act (as defined in the General Bond Resolution) and other constitutional and statutory authority; and

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

**WHEREAS**, prior to the issuance of the Bonds, the Sewerage and Water Board intends to expend its own funds on projects for the water system of the City, and reasonably expects to reimburse said expenditures from the proceeds of the bonds; and

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

SECTION 1. **Preliminary Approval of Bonds.** Pursuant to the provisions of the Act, preliminary approval is given to the issuance of not exceeding Sixty Million Dollars (\$60,000,000) of Taxable Water Revenue Bonds of the City of New Orleans, Louisiana (the "Bonds"), to be issued for the purpose of paying a portion of the Cost of Capital Improvements (as defined in the General Bond Resolution), and paying the costs of issuance associated therewith. The Bonds shall be issued in one or more series, shall bear interest at a rate or rates not exceeding two and forty-five hundredths percent (2.45%) per annum, to be determined by subsequent resolution of the Board of Liquidation at the time of the sale of the Bonds, and shall mature no later than twenty-two (22) years from the date thereof. As provided in the Act, the Bonds are to be payable out of revenues derived from water rates for purposes relating to the water system of the City (the "Water System"), after provision has been made for the payment from said revenues of the costs of operating and maintaining the Water System. The Bonds shall be issued on a parity with the City's outstanding Water Revenue and Refunding Bonds, Series 2014 and Water Revenue Bonds, Series



2015; provided, however, that the Sewerage and Water Board and Board of Liquidation may provide in subsequent resolutions that the Bonds are to be issued on a subordinate lien basis, subject to any terms or provisions with respect to such lien as may be necessary or appropriate.

SECTION 1. **State Bond Commission.** Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for approval of the issuance and sale of the Bonds, and co-bond counsel are directed to make application to the State Bond Commission in accordance with the foregoing on behalf of the Sewerage and Water Board.

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

SECTION 4. **Request for Approval.** A certified copy of this resolution shall be furnished to the Council of the City and the Board of Liquidation. The Sewerage and Water Board hereby requests that the Council of the City and the Board of Liquidation approve this resolution and any other resolutions of the Sewerage and Water Board providing for the issuance of the Bonds, if required by law.

SECTION 5. **Authorization.** The President and the Executive Director of the Sewerage and Water Board be and they are hereby authorized and directed to take all further action as may be necessary and appropriate to effectuate and implement this Resolution.

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I, Ghassan Korban, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board duly called and held, according to law, on November 20, 2019.

**Ghassan Korban  
Executive Director**

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## Appendix K: Sewerage Service Revenue Bonds Resolution

R-197-2019

### RESOLUTION AUTHORIZING PRELIMINARY APPROVAL FOR SEWERAGE SERVICE REVENUE BONDS

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

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

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

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

**WHEREAS**, prior to the issuance of the Bonds, the Sewerage and Water Board intends to expend its own funds on projects for the sewerage system of the City, and reasonably expects to reimburse said expenditures from the proceeds of the Bonds;

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

**SECTION 1. Preliminary Approval of Bonds.** Pursuant to the provisions of Section 4121 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), preliminary approval is given to the issuance of not exceeding Seventy-Five Million Dollars (\$75,000,000) of Sewerage Service Revenue Bonds (the "Bonds") of the City of New Orleans, Louisiana (the "Bonds"), to be issued for the purpose of paying a portion of the Cost of Capital Improvements (as defined in the General Bond Resolution), funding a debt service reserve fund, if required, and paying the costs of issuance associated therewith. The Bonds shall be issued in one or more series, shall bear interest at a rate or rates not to exceed six percent (6.00%) per annum, to be determined by subsequent resolution of the Board of Liquidation at the time of the sale of the Bonds, and shall mature no later than thirty (30) years from the date thereof. The Bonds shall be issued in fully registered form and shall have such additional terms and provisions as may be determined by the Sewerage and Water



Board and the Board of Liquidation at the time of issuance and sale of the Bonds. The Bonds are to be payable out of revenues derived from sewerage service charges for purposes related to the sewerage system of the City (the "Sewerage System"), after provision has been made for the payment from said revenues of the costs of operating and maintaining the Sewerage System, all as more fully provided in the Act and the General Bond Resolution. The Sewerage Service Revenue Bonds shall be issued on a parity with the City's outstanding (i) Sewerage Service Revenue Bonds, Series 2011, (ii) Sewerage Service Revenue and Refunding Bonds, Series 2014, (iii) Sewerage Service Revenue Bonds, Series 2015, and (iv) Sewerage Service Revenue Bonds, Series 2019.

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

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

SECTION 3. **Request for Approval.** A certified copy of this resolution shall be furnished to the Council of the City and the Board of Liquidation. The Sewerage and Water Board hereby requests that the Council of the City and the Board of Liquidation approve this resolution and any other resolutions of the Sewerage and Water Board providing for the issuance of the Bonds, if required by law.

SECTION 4. **Authorization.** The President and the Executive Director of the Sewerage and Water Board be and they are hereby authorized and directed to take all further action as may be necessary and appropriate to effectuate and implement this Resolution.

SECTION 5. **Intent to Reimburse.** Prior to the issuance of the Bonds, the Sewerage and Water Board will expend its own funds on deposit in the Revenue Fund maintained pursuant to the General Bond Resolution on projects for the Sewer System. Upon issuance of the Bonds, the Sewerage and Water Board reasonably expects to reimburse itself for said expenditures from the proceeds of the Bonds. Any such allocation of the proceeds of the Bonds will be with respect to capital expenditures [as defined in Treasury Regulation 1.150-1(h)] and will be made upon the delivery of the Bonds and in accordance with said Regulation.



This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

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I, Ghassan Korban, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the Regular Meeting of the said Board duly called and held, according to law, on November 20, 2019.

  
**Ghassan Korban**  
**Executive Director**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## Appendix L: WIFIA Authorization Resolution

**R- 107-2019**

### **RESOLUTION AUTHORIZING APPLICATION TO THE U.S. ENVIRONMENTAL PROTECTION AGENCY**

**WHEREAS** the Sewerage and Water Board of New Orleans has undertaken a multi-year program, the Sewer System Evaluation and Rehabilitation Program (SSERP), to identify and address structural and mechanical deficiencies in the wastewater collection system and to ensure that the system has adequate capacity; and

**WHEREAS** these improvements, currently estimated to cost \$499.1 million over a ten year period, are required to comply with Section XV-Clean Water Act Remedial Measures: Comprehensive Collection System Remedial Program of the Consent Decree between the Sewerage and Water Board of New Orleans and the United States Environmental Protection Agency (EPA) which was signed June 1998; and

**WHEREAS** two necessary sewer rate increases were approved between 1998 and 2002 to fund the Sewer System Evaluation and Rehabilitation Program (SSERP). While the Sewerage and Water Board has worked diligently to minimize the financial impact on ratepayers, additional funds will be needed to continue the program on schedule; and

**WHEREAS** the Water Infrastructure Finance and Innovation Act (WIFIA) program administered by the United States Environmental Protection Agency (EPA) was designed to accelerate investment in our nation's water and wastewater infrastructure by providing long term, low-cost, supplemental credit assistance under customized terms to creditworthy water and wastewater projects of national and regional significance; and

**WHEREAS** loans to fund the remainder of the SSERP may be available through the WIFIA program; and

**WHEREAS** funding the remainder of SSERP projects through a WIFIA loan would allow the Sewerage and Water Board to be strategic in its use of existing funds for other high-priority needs; and:

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

The Chief Financial Officer of the Sewerage and Water Board is hereby authorized to submit a WIFIA Loan Application (pre-application and application) in the maximum amount of \$120 million to the EPA on behalf of the Sewerage and Water Board for the purpose of placing sewerage system rehabilitation projects on the Project Priority List for funding through the WIFIA loan program. The Chief Financial Officer is further authorized to furnish additional information as may reasonably be requested in connection with the pre-application(s) and/or application.

**BE IT FURTHER RESOLVED** the Chief Financial Officer is hereby designated as the Official Project Representative for the District for any project that may result from the submission of the pre-application(s) and/or application.



---

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 Meeting of the said Board,  
duly called and held, according to law, on  
June 19, 2019.

A handwritten signature in black ink, appearing to read "Ghassan Korban", is written over a horizontal line.

**Ghassan Korban**  
**EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**



## Appendix M: 2019 Sewerage Revenue Bond Resolution

R-133-2019

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THIRD SUPPLEMENTAL SEWERAGE SERVICE  
REVENUE BOND RESOLUTION

adopted on [August 21], 2019

by the

SEWERAGE AND WATER BOARD OF NEW ORLEANS

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IN CONNECTION WITH THE ISSUANCE OF

NOT EXCEEDING \$25,000,000

SEWERAGE SERVICE REVENUE BOND, SERIES 2019

OF THE

CITY OF NEW ORLEANS, LOUISIANA

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R-133-2019

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**THIRD SUPPLEMENTAL SEWERAGE SERVICE REVENUE BOND RESOLUTION**  
**AUTHORIZING THE ISSUANCE OF**  
**SEWERAGE SERVICE REVENUE BOND, SERIES 2019**

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

A Third Supplemental Resolution authorizing the issuance of a Sewerage Service Revenue Bond, Series 2019, of the City of New Orleans, Louisiana, in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000) in accordance with the terms of the General Sewerage Service Revenue Bond Resolution; prescribing the form and certain terms and conditions of said Series 2019 Bond; and providing for other matters in connection therewith.

**WHEREAS**, the United States of America, pursuant to the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code (the "Federal Act"), is authorized to make capitalization grants to states to be used for the purpose of establishing a water pollution control revolving fund for providing assistance (i) for construction of treatment works (as defined in Section 1292 of the Federal Act) which are publicly owned, (ii) for implementing a management program under Section 1329 of the Federal Act and (iii) for developing and implementing a conservation and management plan under Section 1330 of the Federal Act; and

**WHEREAS**, in order to be eligible to receive such capitalization grants, a state must establish a water pollution control revolving loan fund to be administered by an instrumentality of the state with such powers and limitations as may be required to operate such fund in accordance with the requirements and objectives of the Federal Act; and

**WHEREAS**, the State of Louisiana (the "State"), pursuant to Chapter 14, Subchapter II of Title 30 of the Louisiana Revised Statutes of 1950, as amended, specifically La. R.S. 30:2301, et seq. (the "State Act"), has established a Clean Water State Revolving Fund (the "State Revolving Fund") in the custody of the Louisiana Department of Environmental Quality (the "Department") to be used for the purpose of providing financial assistance for the improvement of wastewater treatment facilities in the State, as more fully described in Section 2302 of the State Act, and has authorized the Department to administer the State Revolving Fund in accordance with applicable federal and state law; and

**WHEREAS**, on May 21, 2014, the Sewerage and Water Board of New Orleans (the "Board") adopted a General Sewerage Service Revenue Bond Resolution entitled "A resolution authorizing the issuance from time to time of Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, providing for the general terms, form, manner of payment and security



for payment of said bonds, providing for the issuance of a series of Sewerage Service Revenue and Refunding Bonds, and providing for other matters in connection therewith" (the "General Bond Resolution"), in which the Board authorized the issuance from time to time of Sewerage Service Revenue Bonds under the Act and other constitutional and statutory authority; and

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

**WHEREAS**, pursuant to the provisions of the General Bond Resolution and the Second Supplemental Sewerage Service Revenue Bond Resolution adopted by the Board on October 21, 2015 (the "Second Supplemental Resolution"), the Board authorized the issuance of the City of New Orleans, Louisiana Sewerage Service Revenue Bonds, Series 2015 (the "Series 2015 Bonds") as Common Debt Service Reserve Secured Bonds on a parity with the Series 2011 Bonds and the Series 2014 Bonds, and set forth certain details in connection with the issuance of the Series 2015 Bonds; and

**WHEREAS**, capitalized terms used herein and not specifically defined herein shall have the meanings assigned to them in the General Bond Resolution as supplemented to date; and

**WHEREAS**, the Board, acting in the name of the City of New Orleans, Louisiana (the "City"), has made application to the Department for a loan from the State Revolving Fund for the purpose of paying Costs of Capital Improvements; and

**WHEREAS**, it is now the desire of this Board to authorize the issuance of the City's Sewerage Service Revenue Bond, Series 2019 (the "Series 2019 Bond") in the maximum principal amount of Twenty-Five Million Dollars (\$25,000,000), for the purposes of paying Costs of Capital Improvements approved by the Department (the "Project") and paying costs incurred in connection therewith; and

**WHEREAS**, in accordance with Section 1383(g) of the Federal Act, the Department has established a priority list under Section 1296 of the Federal Act, and the Project is on such list; and

**WHEREAS**, the Department has approved the Board's application for a loan from the State Revolving Fund to finance the Project; and

**WHEREAS**, in accordance with the Act and Section 4.03 of the General Bond Resolution, the Board now desires to adopt this Third Supplemental Resolution in order to provide for the issuance of the Series 2019 Bond as a series of Additional Bonds to pay the Cost of Capital Improvements; prescribing the form and certain terms and conditions of said Series 2019 Bond; and providing for other matters in connection therewith;



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

## ARTICLE I

### DEFINITIONS AND FINDINGS

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

**"Administrative Fee"** means the annual fee equal to one-half of one percent (0.5%) *per annum* of the outstanding principal amount of the Series 2019 Bond, or such lesser amount as the Department may approve from time to time, which shall be payable each year in two equal semi-annual installments on each Interest Payment Date and calculated in the same manner as interest is calculated on the Series 2019 Bond.

**"Completion Date"** means the earlier of (i) the date of the final disbursement of the purchase price of the Series 2019 Bond to the Board, or (ii) the date the operation of the Project is initiated or capable of being initiated, as certified by an Authorized Officer in accordance with the Loan Agreement.

**"Delivery Date"** means the date on which the Series 2019 Bond is delivered to the Department and the first installment of the purchase price therefor is paid by the Department.

**"Department"** means the Louisiana Department of Environmental Quality, an executive department and agency of the State, and any successor to the duties and functions thereof.

**"Federal Act"** means the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code, and other statutory and regulatory authority amendatory or supplemental thereto.

**"Interest Payment Date"** means each June 1 and December 1 of each year on which interest on the Series 2019 Bond is payable, the first of which shall occur after the delivery of the Series 2019 Bond to the Department and which shall occur semi-annually thereafter until the Series 2019 Bond is paid in full.

**"Loan Agreement"** means the Loan and Pledge Agreement to be entered into by and between the Department and the City prior to the delivery of the Series 2019 Bond which will contain certain additional agreements relating to the Series 2019 Bond and the Project, which Loan Agreement shall be in substantially the form attached as **Exhibit B** to this Third Supplemental Resolution.

**"Outstanding Parity Bonds"** shall mean the City's outstanding (i) Sewerage Service Revenue Bonds, Series 2011, (ii) Sewerage Service Revenue and Refunding Bonds, Series 2014, and (iii) Sewer Service Revenue Bonds, Series 2015.



**"Paying Agent"** with respect to the Series 2019 Bond means the Secretary of the Board of Liquidation, City Debt, who shall also serve as registrar with respect to the Series 2019 Bond, or any successor Paying Agent which shall have assumed such responsibilities pursuant to the General Bond Resolution.

**"Principal Payment Date"** means June 1 of each year in which principal of the Series 2019 Bond is due, with the first payment date to be not later than one year after the completion of the Project and the final payment date to fall nineteen years from the first principal payment date thereafter for a total of twenty (20) consecutive annual payment dates, provided that in no event shall the final maturity of the Series 2019 Bond be more than twenty-two (22) years from the Delivery Date.

**"Project"** means the Capital Improvements being financed with the proceeds of the Series 2019 Bond, consisting of those Capital Improvements authorized by the Department.

**"State"** means the State of Louisiana.

**"State Loan Fund"** means the Clean Water State Revolving Fund established by the State pursuant to Subtitle II, Chapter 14 of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 30:2301, *et seq.*) in the custody of the Department, which is to be used for the purpose of providing financial assistance for the improvement of wastewater treatment facilities in the State, as more fully described in La. R.S. 30:2302.

**"Series 2019 Bond"** shall mean the City's Sewerage Service Revenue Bond, Series 2019, authorized to be issued by this Third Supplemental Resolution in an amount not to exceed Twenty-Five Million Dollars (\$25,000,000).

**"Series 2019 Bond Debt Service Reserve Requirement"** shall mean an amount equal to one-half (½) of the highest Annual Debt Service due on the Series 2019 Bond in any succeeding Fiscal Year, which shall include any Administrative Fee due on the Series 2019 Bond.

**"Third Supplemental Resolution"** shall mean this resolution of the Board, authorizing the issuance of the Series 2019 Bond.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF SERIES 2019 BOND

#### SECTION 2.01 Authorization.

(a) In compliance with and under the authority of the Act and the General Bond Resolution, and subject to the approval of the Louisiana State Bond Commission, there is hereby authorized the incurring of an indebtedness and issuance of revenue bonds in an aggregate principal amount of not exceeding Twenty-Five Million Dollars (\$25,000,000) for, on behalf of and in the name of the City, for the purpose of paying the Costs of the Project and paying Costs of Issuance of the Series 2019 Bond. The aforesaid indebtedness shall be represented by the Series 2019 Bond to be designated "City of New Orleans, Louisiana, Sewerage Service Revenue



Bond, Series 2019" (the "Series 2019 Bond"). The Series 2019 Bond is Senior Debt under the General Bond Resolution.

(b) The Series 2019 Bond shall be a fixed rate bond, payable as to interest and Administrative Fee on each Interest Payment Date. The Series 2019 Bond shall bear interest at a rate of forty-five hundredths of one percent (0.45%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date, or such lower rate as may be in effect for loans from the State Loan Fund or offered by the Department to the Board at the Delivery Date. In addition to interest at the rate set forth above, at any time that the Department owns the Series 2019 Bond, the Board will pay the Administrative Fee to the Department on each Interest Payment Date. In the event (i) the Department owns any Series 2019 Bond or the Department has pledged or assigned any Series 2019 Bond in connection with the State Loan Fund and (ii) the Administrative Fee payable by the Board to the Department under the terms of the Loan Agreement is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the Series 2019 Bond shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

(c) The Series 2019 Bond shall be issued as a Separate Series Debt Service Reserve Secured Bond.

(d) The Series 2019 Bond, equally with the Outstanding Parity Bonds, is equally and ratably secured by the Pledge of Net Revenues, as set forth in Section 4.02 of the General Bond Resolution.

(e) The Series 2019 Bond shall be initially issued in the form of a single fully registered bond numbered R-1, shall be dated the date of delivery thereof and shall be in substantially the form attached hereto as **Exhibit A**.

(f) The Series 2019 Bond shall mature in twenty (20) installments of principal, payable annually on each June 1 as set forth below (each of which shall be a Principal Payment Date), and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the outstanding principal amount of the Series 2019 Bond on the day before the applicable Principal Payment Date:



<u>Date</u> <u>(June 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(June 1)</u>	<u>Percentage</u> <u>of Principal</u>
2021	4.564%	2031	9.580%
2022	4.827	2032	10.696
2023	5.120	2033	12.090
2024	5.448	2034	13.884
2025	5.817	2035	16.275
2026	6.235	2036	19.624
2027	6.712	2037	24.647
2028	7.264	2038	33.019
2029	7.907	2039	49.764
2030	8.667	2040	100.000

In the event that the Completion Date of the Project is on or after June 1, 2021, the principal payment schedule set forth above may be adjusted so that each payment shall be due on June 1 of the year that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the Delivery Date. To exercise the option to defer the principal repayment schedule, the Board must so notify the Department in writing prior to December 1, 2020, and certify that the Completion Date will not have occurred prior to June 1, 2021.

(g) The principal, interest and Administrative Fee on the Series 2019 Bond shall be payable by check mailed to the registered Owner of the Series 2019 Bond (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent for such purpose, provided that payment of the final installment of principal on the Series 2019 Bond shall be made only upon presentation and surrender of the Series 2019 Bond to the Paying Agent.

**SECTION 2.02 Loan Agreement and Commitment Agreement.** The Board recognizes that the Series 2019 Bond will be sold to the Department pursuant to its State Revolving Fund. In connection with this sale, the Board, the City, the Board of Liquidation and the Department will enter into the Loan Agreement presented by the Department to the City and the Board pertaining to the Series 2019 Bond and the Project, which Loan Agreement shall be substantially in the form attached as **Exhibit B** hereto. The Authorized Officers are hereby authorized to execute such Loan Agreement on behalf of and under the seal of the Board in substantially the form attached as **Exhibit B** hereto with such changes, additions and deletions as shall in the sole opinion of the Authorized Officers, upon advice of Bond Counsel and counsel to the Board, be deemed, the form and contents of which Loan Agreement are hereby approved by this Board. Prior to the delivery of the Series 2019 Bond and acting upon advice of Bond Counsel, the Board will enter into the Loan Agreement with such changes, additions and deletions as may be deemed appropriate by the Executive Director upon advice of Bond Counsel and counsel to the Board, and the Executive Director of the Board and President Pro-Tem of the Board are directed to execute such Loan Agreement on behalf of the Board. So long as the Department owns any portion of the Series 2019 Bond, then to the extent that any provision of this resolution is inconsistent with or contrary to any provision of the Loan Agreement, the applicable provision of



the Loan Agreement shall control. As shall be provided in the Loan Agreement, the Board shall comply with certain provisions of the Loan Agreement, as specified therein, regardless of whether or not the Department is the Owner and regardless of any prepayment or defeasance of the Series 2019 Bond prior to its final stated maturity.

With the advice of Bond Counsel and Counsel to the Board, the Executive Director and/or the President Pro-Tem are further authorized and directed to execute on behalf of the Board a Commitment Agreement by and among the Department, the Board, the City and the Board of Liquidation, which the Department may require as a prerequisite to the execution of the Loan Agreement, said Commitment Agreement to be substantially in the form of the Commitment Agreement on file with the Executive Director.

SECTION 2.03 **Form of Series 2019 Bond.** The Series 2019 Bond shall be substantially in the form attached hereto as **Exhibit A.**

### ARTICLE III

#### REDEMPTION FEATURES OF SERIES 2019 BOND

SECTION 3.01 **Optional Redemption.** The principal of the Series 2019 Bond is subject to prepayment at the option of the Board at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date, and in such case the remaining principal of the Series 2019 Bond, if any, shall continue to mature in installments calculated using the percentages shown in Section 2.01(f) above.

Official notice of such call of the Series 2019 Bond for prepayment shall be given by means of first class mail, postage prepaid, by notice deposited in the United States Mail not less than twenty (20) days prior to the prepayment date addressed to the Owner of such Series 2019 Bond to be prepaid at his address as shown on the registration books of the Paying Agent, which notice may be waived by any such Owner.

SECTION 3.02 **Assignment, Transfer or Sale by the Department.** The Board hereby approves and consents to any assignment, transfer or sale of the Loan Agreement and/or the Series 2019 Bond by the Department including but not limited to any such assignment or transfer in connection with the issuance by or on behalf of the Department of bonds, notes or other debt obligations. The Board hereby further approves and consents to any assignment or pledge by the Department of payments due from the Board pursuant to this Loan Agreement and the Series 2019 Bond as security or partial security for the payment of principal and interest on such bonds, notes or other debt obligations issued by or on behalf of the Department. The Board agrees to cooperate with the Department in accomplishing any such assignment, including execution of any additional certificates or documents as may be reasonably required by the Department.

SECTION 3.03 **Assignment, Transfer or Sale by the Board.** While the Series 2019 Bond is outstanding, neither the Loan Agreement nor the Project may be assigned, transferred or sold by the Board for any reason, unless the following conditions shall be satisfied:

- (a) the Department shall have approved said assignment, transfer or sale in writing;



(b) the assignee or transferee shall be a governmental unit within the meaning of Section 141(c) of the Code, unless the Department shall have received the opinion described in (d) below notwithstanding the fact that the assignee or transferee is not a governmental unit, and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Board's duties, covenants, agreements and obligations under this Loan Agreement;

(c) immediately after such assignment, transfer or sale, the assignee or transferee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Board hereunder or under the General Bond Resolution, as amended or supplemented;

(d) if applicable, the Department shall have received an opinion of its bond counsel to the effect that such assignment, transfer or sale will not or would not adversely affect the exclusion of interest on the Series 2019 Bond from gross income for federal income tax purposes under the Code;

(e) if applicable, the Department shall have received an opinion of its bond counsel to the effect that such assignment, transfer or sale will not adversely affect the exclusion of interest on any bonds, notes, or other debt obligations issued by or on behalf of the Department from gross income for federal income tax purposes under the Code or affect the ability of the Department to repay or cause to be repaid any such bonds, notes or other debt obligations; and

(f) the Department shall receive an opinion of its counsel to the effect that such assignment, transfer or sale will not violate the provisions of any agreement entered into by the Department with, or condition of any grant received by the Department from, the United States of America relating to any capitalization grant received by the Department or the State under the Federal Act or the regulations thereunder.

No assignment, transfer or sale shall relieve the Board from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Board shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

#### ARTICLE IV

##### APPLICATION OF PROCEEDS OF THE SERIES 2019 BOND; CREATION OF SERIES DEBT SERVICE RESERVE ACCOUNT

SECTION 4.01 **Construction Fund.** The Board shall cause the Board of Liquidation to deposit and set aside all of the proceeds of the Series 2019 Bond, which shall be paid in installments by the Department in the manner set forth in the Loan Agreement, in the Construction Fund. The funds in the Construction Fund shall be used solely for the purpose of paying Costs of the Project and Costs of Issuance in the manner set forth in the Loan Agreement and pursuant to Article VI of the General Bond Resolution.

SECTION 4.02 **Reserve Account.** There is hereby established and shall be maintained with the Board of Liquidation the Series 2019 Bond Debt Service Reserve Account (the "Series



2019 Bond Reserve Account") in the Reserve Fund. The Series 2019 Bond Reserve Account shall be the Series Debt Service Reserve Account for the Series 2019 Bond. The Board shall make monthly deposits into the Series 2019 Bond Reserve Account in the priority established pursuant to Section 7.04 of the General Bond Resolution such that an amount equal to the 2019 Bond Debt Service Reserve Requirement is on deposit in the Series 2019 Bond Reserve Account within a period not exceeding five (5) years from the Delivery Date of the Series 2019 Bond, and thereafter there shall be maintained in the Series 2019 Bond Reserve Account an amount equal to the Series 2019 Bond Debt Service Reserve Requirement. The Series 2019 Bond Reserve Account shall be maintained for the benefit of the Owners of the Series 2019 Bond as set forth in Section 7.06 of the General Bond Resolution. The Series 2019 Bond is not a Common Debt Service Reserve Secured Bond; any Owner of the Series 2019 Bond is entitled solely to benefit from the Series 2019 Bond Reserve Account.

## ARTICLE V

### SALE OF SERIES 2019 BOND

SECTION 5.01 **Sale of Series 2019 Bond**. The Series 2019 Bond is awarded to and sold to the Department at a price of par under the terms and conditions set forth in the Loan Agreement, and after their execution the Series 2019 Bond shall be delivered to the Department or its agents or assigns, upon receipt by the Board of the agreed first advance of the purchase price of the Series 2019 Bond. The Board has determined to sell the Series 2019 Bond at a private sale without necessity of publication of a notice of sale. It is understood that the purchase price of the Series 2019 Bond will be paid by the Department to the Board in installments, in the manner and under the terms and conditions set forth in the Loan Agreement.

SECTION 5.02 **Authorized Officers**. The Executive Director and the President and the President Pro-Tem of the Board, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the General Bond Resolution.

## ARTICLE VI

### EXECUTION AND DELIVERY OF SERIES 2019 BOND

SECTION 6.01 **Execution/Delivery**. The President of this Board is hereby authorized and the Mayor of the City and the President and Secretary of the Board of Liquidation are requested to sign in their official capacities and deliver the Series 2019 Bond in the form set forth in Exhibit A hereto, including any changes, additions and deletions thereto approved by bond counsel, in definitive form, as printed bonds, and to execute and deliver any and all additional proofs, instruments and certificates required by or provided for in the General Bond Resolution, this Third Supplemental Resolution, or the Series 2019 Bond, and perform such other acts as may otherwise be required to effectuate the financing herein provided for. The signatures authorized hereinabove as so executed shall be deemed conclusive evidence of the due exercise of the authority vested in such officers hereunder, and shall be sufficient to create binding obligations of the Board.



## ARTICLE VII

### MISCELLANEOUS PROVISIONS

SECTION 7.01 **Davis-Bacon Wage Rate Requirements.** The Board agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the Project that is funded in whole or in part with proceeds of the Series 2019 Bond shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Board as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code, and as further described in Section 6.04 of the Loan Agreement.

SECTION 7.02 **Use of American Iron and Steel Products.** In order to comply with Title IV, Division G of the Consolidated Appropriations Act, 2018 (Public Law 115-141) the Board agrees that all of the iron and steel, products used in the portion of the Project that is funded in whole or in part with the Series 2019 Bond shall be produced in the United States, subject to the conditions set forth in the Loan Agreement.

SECTION 7.03 **Parties Interested Herein.** Nothing in this Third Supplemental Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Board and the Owners of the Series 2019 Bond any right, remedy or claim under or by reason of this Third Supplemental Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Third Supplemental Resolution contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board and the Owners of the Series 2019 Bond.

SECTION 7.04 **Effect of Partial Invalidity.** In case any one or more of the provisions of the General Bond Resolution or this Third Supplemental Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect other provisions of the General Bond Resolution or this Third Supplemental Resolution, but the General Bond Resolution and this Third Supplemental Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

SECTION 7.05 **Effect of Covenants.** All covenants, stipulations, obligations and agreements of the Board contained in this Third Supplemental Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent permitted by the Constitution and laws of the State of Louisiana.

SECTION 7.06 **Disclosure Under S.E.C. Rule 15c2-12.** The Board hereby acknowledges and agrees that even though the Series 2019 Bond is initially exempt from the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule") pursuant to section (d)(1) and/or other exemptions to the Rule, in the event the Department should transfer the Series 2019 Bond or the Series 2019 Bond become a source of repayment of "municipal securities" sold through a "primary offering" (as both terms are defined and used in the Rule), it is possible that the Board could constitute an "obligated person" as defined and used in the Rule. In that case, the Board agrees to comply with the



continuing disclosure requirements of the Rule upon notification by the Department of the Board's obligation to do so.

SECTION 7.07 **Reserved.**

SECTION 7.08 **Section Headings.** The headings of the various Sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 7.09 **Conflicts.** All resolutions and orders or parts thereof in conflict herewith as they are applicable to the Series 2019 Bond, to the extent of such conflict and only with respect to their applicability to the Series 2019 Bond, shall be superseded by the applicable provisions of this Third Supplemental Resolution.

SECTION 7.10 **Publication.** A copy of this Third Supplemental Resolution shall be published as soon as practicable after its adoption in one issue of the official journal of the City, and it shall not be necessary to publish the exhibits hereto if the exhibits are made available for public inspection at reasonable times and that fact is stated in the publication. For a period of thirty (30) days from the date of publication, any person in interest may contest the legality of this Third Supplemental Resolution and of any provision hereof made for the security and payment of the Series 2019 Bond. After the expiration of said thirty (30) days, no one shall have any cause or right of action to test the regularity, formality, legality or effectiveness of this Third Supplemental Resolution and the provisions hereof or of the Series 2019 Bond for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Series 2019 Bond within the thirty days, the authority to issue the bonds and to provide for the payment thereof, and the legality thereof and of all of this Third Supplemental Resolution shall be conclusively presumed, and no court shall thereafter have authority to inquire into such matters.

SECTION 7.11 **Maintenance of Funds and Accounts.** The Board acknowledges that it will maintain with the fiscal agent banks and under the custody of the Board of Liquidation so long as the Series 2019 Bond is outstanding the Funds and Accounts provided for in Section 7.03 of the General Bond Resolution.

SECTION 7.12 **Cooperation with Department.** At any time the Department owns any of the Series 2019 Bond, the Board will cooperate with the Department in the observance and performance of the respective duties, covenants, obligations and agreements of the Board and the Department under the Loan Agreement.

SECTION 7.13 **Implementation of Rate Increases.** The Board acknowledges and agrees that the Series 2019 Bond is being issued in anticipation of and in reliance on rate increases approved by the Board, the Board of Liquidation and the City Council of the City through the year 2020, and timely implementation of such rate increases as heretofore adopted constitutes a contract with the Owners.

SECTION 7.14 **Effective Date.** This Third Supplemental Resolution shall become effective immediately.



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

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Jay H. Banks	_____	_____	_____	_____
Robin Barnes	_____	_____	_____	_____
Tamika Duplessis, Ph. D	_____	_____	_____	_____
Alejandra Guzman	_____	_____	_____	_____
Janet Howard	_____	_____	_____	_____
Ralph Johnson	_____	_____	_____	_____
Joseph Peychaud	_____	_____	_____	_____
VACANCY	_____	_____	_____	_____
Lynes R. "Poco" Sloss	_____	_____	_____	_____
Maurice G. Sholas	_____	_____	_____	_____

And the resolution was declared adopted on this \_\_\_\_ day of August, 2019.