



# Sewerage and Water Board

OF NEW ORLEANS, LOUISIANA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2011

## About The Cover

Since 1998, the USEPA requires that all water utilities produce and mail to all citizens a Consumer Confidence Report (CCR). Its purpose is to inform customers of the state of the Board's drinking water. Since 1998 and many years before, the Board's water has met or exceeded all EPA regulations for drinking water. This is an outstanding record, considering the source of New Orleans' water is the Mississippi River. In 2011, the Board produced 49.1 billion gallons of water on the East Bank and 4 billion in Algiers. Those amounts include purified water for drinking, personal needs, fire fighting and commercial and industrial uses. The most current and recent CCRs can be found on the Board's website: [www.swbno.org](http://www.swbno.org) under Documents and Reports. Above is one of four basins where the majority of sediment from the river water is removed. This is the first step in a complex series of mechanical and chemical processes, that produce the Board's purified and high quality water. The sedimentation basin shown is at the Carrollton Water Purification Plant. The Algiers Water Treatment Plant uses similar basins and processes to produce its quality water.

**SEWERAGE AND WATER BOARD  
OF NEW ORLEANS**

**Comprehensive Annual Financial Report  
For The Year Ended  
December 31, 2011**

**Prepared by:  
Finance Administration  
Ethel H. Williams  
Financial Administrator**

## **Mission, Vision, and Values**

***Our mission*** is to provide safe drinking water to everyone in New Orleans; to remove waste water for safe return to the environment; to drain away storm water; to provide water for fire protection; to provide information about products and services; and to do all of this continuously at a reasonable cost to the community.

***Our vision*** is to have the trust and confidence of our customers for reliable and sustainable water services.

***We believe in these values*** as the foundation for how we will perform our mission and pursue our vision:

- We will focus on our customers and stakeholders.
- We will treat each customer and employee with dignity and respect.
- We will value each employee, their work, and their commitment.
- We will be truthful, trustworthy and transparent.
- We will be knowledgeable and diligent in the performance of our duties.
- We will use financial resources prudently.
- We will be accountable for our performance.
- We will continuously improve our performance.
- We will ensure that the systems that provide our services remain viable for future generations.
- We will remain on the job and will be prepared for storms and other risks.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

Comprehensive Annual Financial Report  
Year ended December 31, 2011

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# SEWERAGE AND WATER BOARD OF NEW ORLEANS

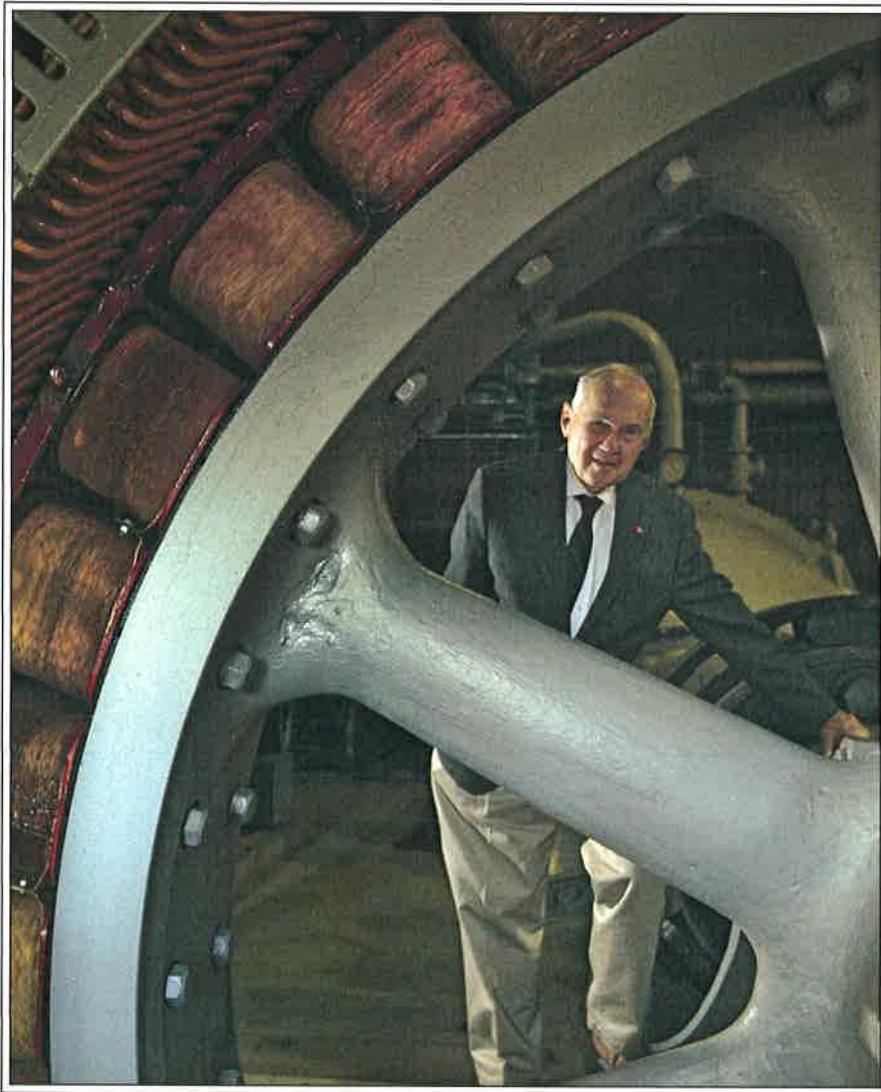
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*Photo Courtesy of  
The Times-Picayune*

### **G. Joseph Sullivan A Remarkable 39 Years of Service To The Sewerage & Water Board**

G. Joseph "Joe" Sullivan, who served as General Superintendent of the Sewerage & Water Board for 36 years, passed away in December of 2011 at the age of 85. For three years he served as General Superintendent Emeritus, working with new Superintendent Joseph R. Becker.

In 1972 Sullivan was appointed general superintendent. He was only the 5th person to occupy this position since 1899.

As general superintendent, he oversaw the expansion of every system at the Board. Mayor Mitchell J. Landrieu, president of the S&WB, said, "The City of New Orleans has lost a great man and a creative engineer who knew the challenges and solutions to the problems of our below-sea-level City better than anyone."

Sullivan led much of the post-Katrina recovery of the Board. With the Corps of Engineers, he worked on construction of flood gates at outfall canals, the restoration of drainage and sewer pumping stations and treatment plants, power plant recovery, water distribution and a myriad of other on-going projects.

In January of 2009, Drainage Pumping Station No. 6 on the 17 St. Canal, the world's largest pumping station, was named in his honor. Under Mr. Sullivan's watch, much of the modern and efficient water, sewer and drainage systems were constructed.

During his career he earned numerous honors and has received many awards for his technical expertise, lifetime accomplishments and contributions to his profession.

His retirement in 2008 brought to an end more than 36 years of hands-on service, leadership and direction to the Board and over 50 years of service within the construction industry.





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

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

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

**625 ST. JOSEPH STREET**  
**NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER**  
**[www.swbnola.org](http://www.swbnola.org)**

April 25, 2012

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

We are pleased to present the Comprehensive Annual Financial Report of the Sewerage and Water Board of New Orleans for the year ended December 31, 2011. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest solely with the Sewerage and Water Board. It is our belief that the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations, and cash flows of the Board's Enterprise and Pension Trust Funds. All disclosures necessary to enable the reader to gain an understanding of the Sewerage and Water Board's financial activities have been included.

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT SECTIONS**

The Comprehensive Annual Financial Report is presented in four (4) major sections: Introductory, Financial, Statistical and Supplemental. The Introductory Section includes the transmittal letter and listings of the officers, members and committees of the Board of Directors. This section also includes the Board's organizational chart and a reproduction of the 2010 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The Financial Section includes the independent auditors' report, along with the basic financial statements, required supplementary information, accompanying notes and other supplementary information. The individual fund statements for the Enterprise and Pension Trust Funds are included. Required supplementary information includes management's discussion and analysis and a schedule of pension funding progress and contributions. The Statistical Section includes selected financial and demographic information, generally in a multi-year presentation. Additional information relative to the Sewerage and Water Board's operations is included in a Supplemental Section.

The independent audit of the financial statements of the Sewerage and Water Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Sewerage and Water Board's separately issued Single Audit Report.

The Sewerage and Water Board meets the criteria for classification as an “other stand-alone government” as described in Governmental Accounting Standards Board Statement No. 14. The reporting entity includes the Enterprise Fund and the Pension Trust Fund. The Enterprise Fund is composed of three (3) independent systems: Water, Sewerage and Drainage. The Board adopted Governmental Accounting Standards Board Statement No. 34 – Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Government in 2002.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Sewerage and Water Board’s MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS**

Sewerage and Water Board of New Orleans is a political subdivision created in 1899 by Louisiana State Statutes. The Board is charged with construction, operation, and maintenance of Water, Sewerage and Drainage Systems for the City of New Orleans. By agreement, approximately 2,550 acres of adjoining Jefferson Parish is served by the Board’s drainage facilities for which Jefferson Parish pays its pro rata share of expenses. In addition, the Board provides sewerage services to Jefferson Parish businesses the majority of which are restaurants located in the West End neighborhood near the Lakefront. Additionally, the Board provides water and sewerage services to the Plaquemines Parish Industrial Park. The Sewerage and Water Board was established as a “special board” operating independently of city government. The Mayor of New Orleans serves as the President of the Board of Directors which is composed of three (3) representatives of the City Council, two (2) representatives of the Board of Liquidation, City Debt and seven (7) appointees as designated by the State statutes.

## **ECONOMIC CONDITION AND OUTLOOK**

The Board’s service area includes the Civil Parish of Orleans in the state of Louisiana and covers 364 square miles. Based on the 2010 census, the population of Orleans Parish was 343,829. Major industries include tourism, oil and gas, transportation, health and other services, such as legal, education and entertainment.

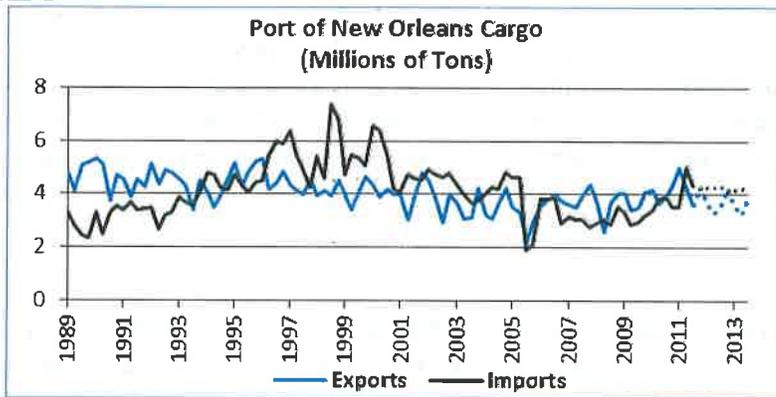
According to the December 2011 issue of the Metropolitan Report, Economic Indicators for the New Orleans Area (UNO Report) the manufacturing employment count stands at just over 32,000 jobs. Although the sector added about 500 jobs when compared to the previous quarter, layoffs at Avondale Shipyard will significantly affect the transportation manufacturing sector. Currently, about 4,000 employees remained at the shipyard, which is expected to be closed by the second half of 2013. Over the last few months, some alternatives have been proposed to stop the shipyard closure. The alternatives include a \$214 million package from the state over the next 10 years if the company keeps the jobs, and a joint venture where a new company, American Feeder Lines, would build ships at Avondale’s site.

Recently, the U.S. Postal Service announced that the processing and distribution center on Loyola Avenue is one of the centers likely to be closed. The restructuring changes in an effort to reduce the Postal Service national operating deficits could happen as early as May 2012. These changes would result on the relocation of 880 jobs and the potential loss of 120 positions, according to the Report.

In the third quarter of 2011, health care and social assistance, including employment in hospitals and ambulatory health care, had a total of 59,000 jobs, a net increase of about 4,000 jobs over the first three quarters of 2011. This industry will continue to grow as the Veterans Hospital is completed and plans for the new Charity Hospital are completed. Professional services had a total of 67,600 jobs in the third quarter, adding nearly 1,700 net jobs in the last three quarters.

Foreign trade tonnage at the Port of New Orleans grew 13% in the first three quarters of 2011. Despite the lower U.S. dollar value, both imports and exports have increased. Imports grew at a faster pace than exports at 16% and 9% respectively. Although this period looks good compared to last two years, the port is still shipping less tonnage than levels common over a decade ago according to the Report (see Figure 1 below).

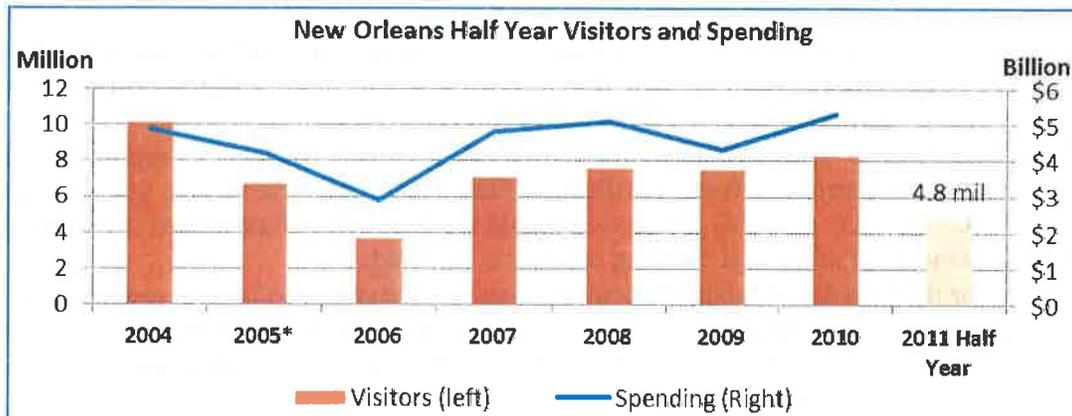
**FIGURE 1**



The New Orleans tourism industry showed signs of continuing recovery through the first half of 2011. 4.8 million visitors came to New Orleans, an increase of 8% compared to the same period the previous year. Visitor spending estimated at \$3.1 billion, represents a growth of 10% compared to the period between January and June 2010. Visitor spending is unadjusted for inflation and excludes gambling and roundtrip transportation expenditures according to the Report (see Figure 2 below).

In the three quarters of 2011, hotel sales were up 10%, while convention room nights were down 7% compared to 2010. It should be noted that the first quarter of last year was an extremely busy time in New Orleans tourism including strong convention bookings and attendance of business visitors. Airport traffic was up about 4% when compared to the same quarter in 2010.

**FIGURE 2**



## **WATER SYSTEM MAJOR INITIATIVES**

### **Carrollton Water Purification Plant**

- Construction for the new sodium hypochlorite storage and feed facility is approximately 90 percent complete. This project, which replaces chlorine delivered in rail cars with sodium hypochlorite, includes bulk storage and pumping facilities for hypochlorite, the addition of a second disinfectant point, and some water plant SCADA system improvements. This project is being financed through the Department of Health and Hospital State Revolving Loan Program and ARRA stimulus funding will result in \$1,000,000 of principal forgiveness for the S&WB. When complete, the Carrollton Plant will no longer house 55 ton rail cars of chlorine, significantly reducing the risk of exposure to the plant staff and the surrounding community and environment to a toxic chlorine release.
- Overhaul of flocculation-sedimentation basin G3 is complete and the basin has been put into service.
- Outstanding repairs include the damaged plugged venturi plumbing and repair or replacement of the pump infrastructure.
- Repairs to the flocculation equipment and mono-rake system in the L4 Basin have been completed.
- The C Basins which serve as disinfection contact basins as well as secondary sedimentation basins were cleaned while remaining in service using a portable dredging unit. This in-situ cleaning, along with some creative disinfection methods allowed the return to service of C5/6 basin providing additional treatment capacity and redundancy. Infiltration issues related to this basin still need to be addressed in the future.

### **Algiers Water Purification Plant**

- Construction and implementation of a new sodium hypochlorite feed system to address the cold water virus inactivation CT calculated deficiencies at this facility were completed providing for a free chlorine disinfection segment in the treatment process. This short-term solution successfully addressed the CT needs.
- A long-term solution of a disinfection contact basin post filtration is still needed. The sodium hypochlorite generation system has been in service since April 2009 and continues to support the daily normal plant needs for disinfectant in the potable water treatment process. To date the system has proven to be a reliable and cost effective alternative to bulk chlorine gas, and has drawn much interest from the consulting community and the industry research community.

### **Water Pumping & Power:**

- The total capacity of the plant is at present 35 MW. Turbine 1 (6 MW) is to be retrofitted with a new governor in 2012. Turbine 4 (20 MW) was repaired and is available for emergency use at an estimated reduced capacity of 12 MW. Design was completed to replace the steam path, rotor and condenser, install 8 transmitters, update the governor control system and replace the turbine with 25Hz motor on the condensate pump. The repair of Turbine 4 was bid in December 2011.
- The local power company has completed construction of a new high-pressure natural gas line into the power plant. The new line will support the new 15 MW, 60 cycle turbine-generator package for emergency 60 cycle power when commercial power is not available.
- The New River Intake Station is operational and has sufficient capacity to supply the raw water requirements for the Carrollton Water Purification Plant. The Oak River Intake Station currently has pumps "B", "C" and "D" available for service should the New River Intake need to be shut down for maintenance issues or if additional pumping capacity is required.
- Specifically for the New River Intake Station, all three raw water pumps have been returned to service. One of the three pumps has been refurbished with new pump bearings, line shaft bearing, couplings etc. whereas the other two pumps have yet to be refurbished. FEMA is funding the repair or replacement of the suction, discharge and check valves.

- The three high lift pump stations are operational. The Claiborne High Lift Pump Station has four pumps in service, two driven with 25 cycle powered electric motors and two with 60 cycle powered electric motors. There are in addition two pumps driven by the DeLaval steam turbines located at the power plant which offer redundancy in unison with the electric driven Claiborne Pumps. One of the two DeLaval steam driven distribution pumps and turbine is currently undergoing reconditioning to be followed by reconditioning of the second pump-turbine package. FEMA is funding the repair of both pump-turbine packages. The Panola Street High Lift Pump Station serves as a backup in the event of an emergency or to offer additional pumping during maintenance outages.

#### **Water Distribution System:**

- In 2011, Echologics began providing system wide leak detection services for the distribution system and with particular emphasis on the transmission mains. Surveys were conducted to identify leaks in water mains for repair or replacement in advance of construction activities planned by various agencies. The vendor also performed emergency surveys to facilitate maintenance activities. Leak detection activities identified to date 789 leaks in the distribution system.
- The leak detection program also utilized Sahara, a tethered in-line acoustic leak detection system for inspecting large diameter transmission mains, as a follow-on to the similar, non-tethered Smartball. Approximately 8,000 of large diameter pipe were inspected with Sahara.
- Over 17,000 work activities occurred in the water system in 2011. These included 345 investigations of water leaks, inspection of 778 water valves, repairs to 11,055 water services lines, 2,021 water mains, 994 valves, 1099 fire hydrants and 23 water manholes. Additionally, staff 2,458 water meters were installed or removed.
- Preventative maintenance of fire hydrants is continuing in coordination with the local fire department. Of the 16,500 fire hydrants mapped, the Board performed preventative maintenance for 2,796.

#### **SEWER SYSTEM MAJOR INITIATIVES**

##### **East Bank Wastewater Treatment Plant:**

- The new Vacuum Swing Adsorption (VSA) oxygen production plant capable of producing 70 tons of oxygen at greater than 93% purity went on-line in July of 2011. This plant is currently producing an average of 40 tons at 94.7% purity for use in the plant's secondary treatment oxygen reactors.
- FEMA has reviewed and approved a sludge dryer system as an alternative method of sludge disposal and backup to the Fluid Bed Incinerator (FBI). This sludge processing equipment is in the preliminary and pre-bid phase of the project. This initiative involves the procurement and installation of a ten (10) dry ton per day sludge dryer to blend into the existing sludge stream prior to incineration. The resulting sludge quality will be greater than 33% Total Solids (TS) allowing for an autogenous burn, which will require fuel only for start ups, greatly reducing diesel and natural gas expenses.
- At present the influent TSS and BOD concentration are approximately 147 milligrams per liter (mg/L) and 105 mg/L, respectively. This is lower than normal concentrations, which is probably the result of a significant increase in the amount of inflow infiltration in the collection system following the hurricane requiring treatment at the plant. Effluent quality has been good over the year, with zero permit violations or process overflows in 2011.
- Currently a wetland assimilation project is under construction. This project entails the construction of two 8-acre cells within a currently degraded urban wetland directly north of the East Bank WWTP. At present cell construction has been completed and each cell will be filled by dredging of adjacent sediment. Neutralized and disinfected biosolids from the treatment plant will be mixed with the dredge material in one of the two cells. 164,000-gallons per day of disinfected effluent will be distributed to

the two cells until soil salinities within each cell near 3 part per thousand at which time seedlings of wetland tree species will be planted. This project will convert 16 acres of degraded wetland into a cypress forest capable of providing a storm buffer for the Lower 9<sup>th</sup> Ward of New Orleans. It will also advance the science of wetland assimilation projects and assess the feasibility of incorporating biosolids into dredged material for wetland restoration.

- The Board was successful in appealing FEMA to fund the mitigation effort to the berm around the wastewater treatment plant. Design of an earthen/structural berm is underway. Construction is tentatively scheduled to begin in early 2012.

#### **West Bank Wastewater Treatment Plant:**

- Rehabilitation of the final clarifiers at the treatment plant were completed in 2011 providing for effluent quality improvement
- BioCat is used instead of hydrogen peroxide for odor control in the collection system. A significant benefit has been realized in the effluent quality of the trickling filter plant since the new chemical does not adversely impact the biofilm in the trickling filter, although the chemical cost is approximately 20% higher than using hydrogen peroxide.

#### **Sewage Pumping and Lift Stations:**

- All the sewer pump stations are operational; however some facilities are continuing to utilize temporary pumps. The majority of the stations require rehabilitation, i.e., electrical repair, bearing replacement, and flood proofing. Approximately 80% of the electrical work has been completed. Pump bearing and pump repair work and flood proofing is ongoing.
- FEMA is funding repairs to the sewer pump stations to pre-Katrina conditions. Designs for the repair and/or replacement to 62 stations are complete. Construction contracts have been awarded and are scheduled to be completed for majority of the stations in 2012 and 2013.
- The Board is proposing that FEMA fund the installation of transfer switches at the sewage pumping stations. The switch will provide the ability for the pumps to be powered by a generator in the event of electrical power loss.

#### **Sewer Collection System:**

- Sewer rehabilitation projects were completed in the Carrollton, Mid-City and Lower Ninth Ward areas.
- Two sewer rehabilitation construction projects in the Lower Ninth Ward were awarded. The projects are being financed through the Department of Environmental Quality State Revolving Loan Program.
- Design projects are continuing for multiple point repair and replacement of sanitary sewers in the Carrollton, Lower Ninth Ward, Mid-City, New Orleans East and South Shore areas. Construction for these projects shall be completed by 2015.
- Construction projects for replacement of sewer mains from manhole to manhole for various sites throughout Orleans Parish were awarded.
- The Board is continuing to coordinate with DOTD and DPW in repair of sewer lines associated with the Submerged Roads Program, SSERP, ESSA and other roadway repair projects as well as routine reconstruction and maintenance.
- Preventative maintenance of the collection system included inspection of 1,018,878 feet of sewer line utilizing closed circuit television and smoke testing, cleaning of 1,066,536 ft. of the sewer system, inspection of 18,446 sewer manholes and repairs to 1,820 sewer breaks. Thirty-three air release valves were inspected and maintained and 168 force main isolation valves were inspected and exercised. Alignment inspection of 102 miles of the force main was also accomplished.
- Cathodic protection survey is performed annually on the 22 systems in place in the collection system. Design is continuing for repairs to the cathodic protection systems damaged as a result of Katrina.

## **DRAINAGE SYSTEM MAJOR INITIATIVES**

### **Pump Stations:**

- The \$58.8 M expansion of Dwyer Road Pumping Station from 125 cfs to 1000 cfs is in the final stages of construction. The project is 100% federally funded and scheduled to be completed in the spring of 2012.
- The replacement of the Elaine Pumping Station was awarded in July 2009. The \$3.2 M Corps project was completed in 2011 and is now in service.

### **Drainage Canals:**

- Florida Avenue Canal Phase I is currently under construction. The \$49.1 M project is 100% federally funded and consists of an open concrete canal within the Florida Avenue right of way between Mazant Street and Drainage Pump Station # 19. Phase I was awarded in January 2010 and scheduled for completion by late 2012. Florida Avenue Canal Phases II and III from Peoples Avenue to Mazant Street are currently under design.
- Other Southeast Louisiana Urban Flood Control Program (SELA) projects under design include Napoleon Avenue Canal Phases II and III from South Claiborne Avenue to Carondelet Street, Claiborne Avenue Canal Phases I and II from Monticello Street to Lowerline Street, Jefferson Avenue Canal Phase I and II and Louisiana Avenue Canal, both from South Claiborne Avenue to Constance Street.

## **FINANCIAL INFORMATION**

The Enterprise Fund's water and sewerage systems are financed by user fees. The unique characteristics of the services provided by the drainage System of New Orleans requires the use of Enterprise Fund accounting in order to obtain a meaningful measure of the cost of providing the services and capital maintenance. On March 21, 2007, the Board approved a series of five annual water rate increases beginning with the first increase on November 1, 2007 followed by four additional increases to be implemented on July 1 of each year, 2008 through 2011. The New Orleans City Council approved the annual water rate increases on October 4, 2007. Revenues from the three- (3) mill, six- (6) mill and nine- (9) mill ad valorem taxes, which are restricted exclusively for drainage services, finance the Drainage System. These ad valorem taxes are the operating revenues of the drainage system.

### **Budgetary Control:**

The Sewerage and Water Board maintains an internal budgetary control through the preparation and monitoring of an annual operating and capital budget for the Water, Sewerage, and Drainage funds. Monthly budget reports are provided to department level managers to assist them in their fiscal responsibilities.

### **General Operations**

The change in net assets for the year ended December 31, 2011 was an increase of approximately \$92.2 million, as opposed to an increase in net assets of approximately \$89.5 million for the year ended December 31, 2010. The Board's total operating revenues increased by 7.3% to approximately \$139.6 million, and total operating expenses decreased by 2.8% to approximately \$170.9 million. Operating and maintenance grants increased in 2011 to \$11.5 million due to operation and maintenance expenditures made during 2011 under the FEMA Disaster Public Assistance grant. The increase in transmission and distribution expenses in 2011 of \$11.3 million or 71.0% is primarily due to an increase in operation and maintenance expenses of \$11.0 million under paving contracts. The decrease in maintenance of general plant in 2011 of \$3.3 million or 11.5% resulted primarily from additional repair and maintenance expenses incurred in 2010.

**Other Information:**

State Statutes and covenants governing outstanding bond issues require an annual audit of the Board's financial records by independent certified public accountants. The accounting firm of Postlethwaite & Netterville was selected by the Board to perform this audit through a competitive bid process. The independent auditors' report on the basic financial statements is included in the Financial Section of the report. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sewerage and Water Board of New Orleans for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

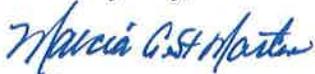
A Certificate of Achievement is valid for a period of one (1) year only. The Sewerage and Water Board of New Orleans has received a Certificate of Achievement for twenty-eight (28) years. We believe our current report continues to conform to the Certification of Achievement Program requirements and we are submitting it to GFOA.

**ACKNOWLEDGMENTS**

The Comprehensive Annual Financial Report was prepared by the dedicated staff of the Director's Office, particularly the Finance Administration and Printing Department. Additionally, we realize that the cooperation of each Department of the Sewerage & Water Board of New Orleans is essential, and we appreciate the willingness to work together toward this endeavor.

We also wish to thank the members of the Board for their interest and support in our efforts to achieve greater fiscal efficiency and accountability.

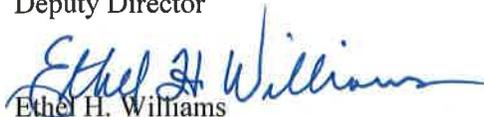
Yours very truly,



Marcia A. St. Martin  
Executive Director



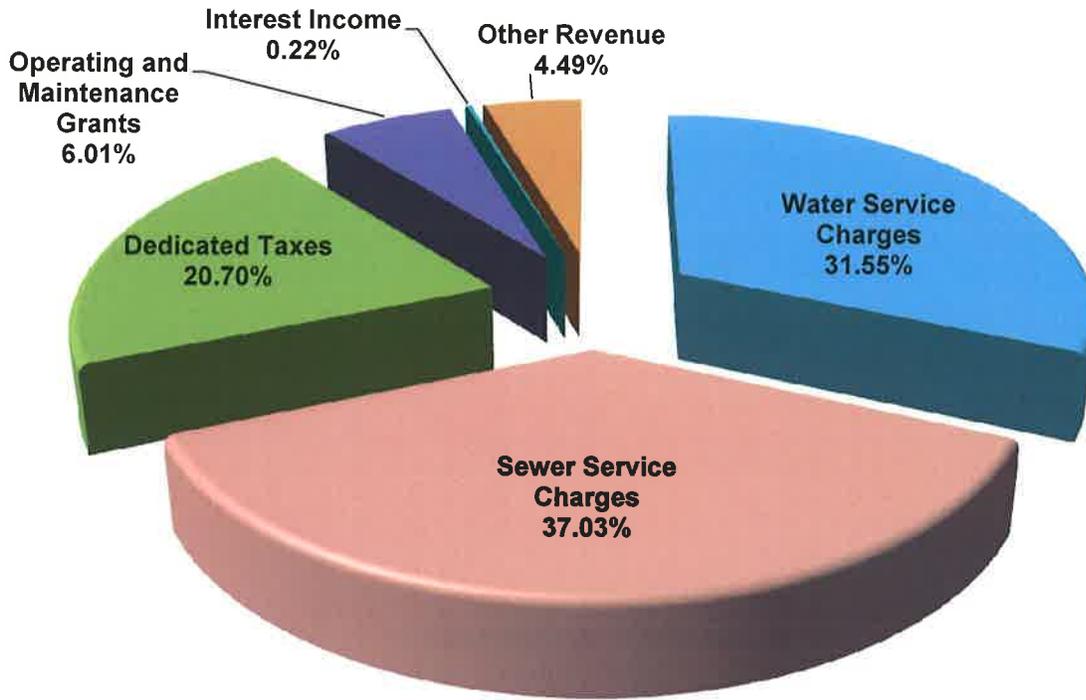
Robert Miller  
Deputy Director



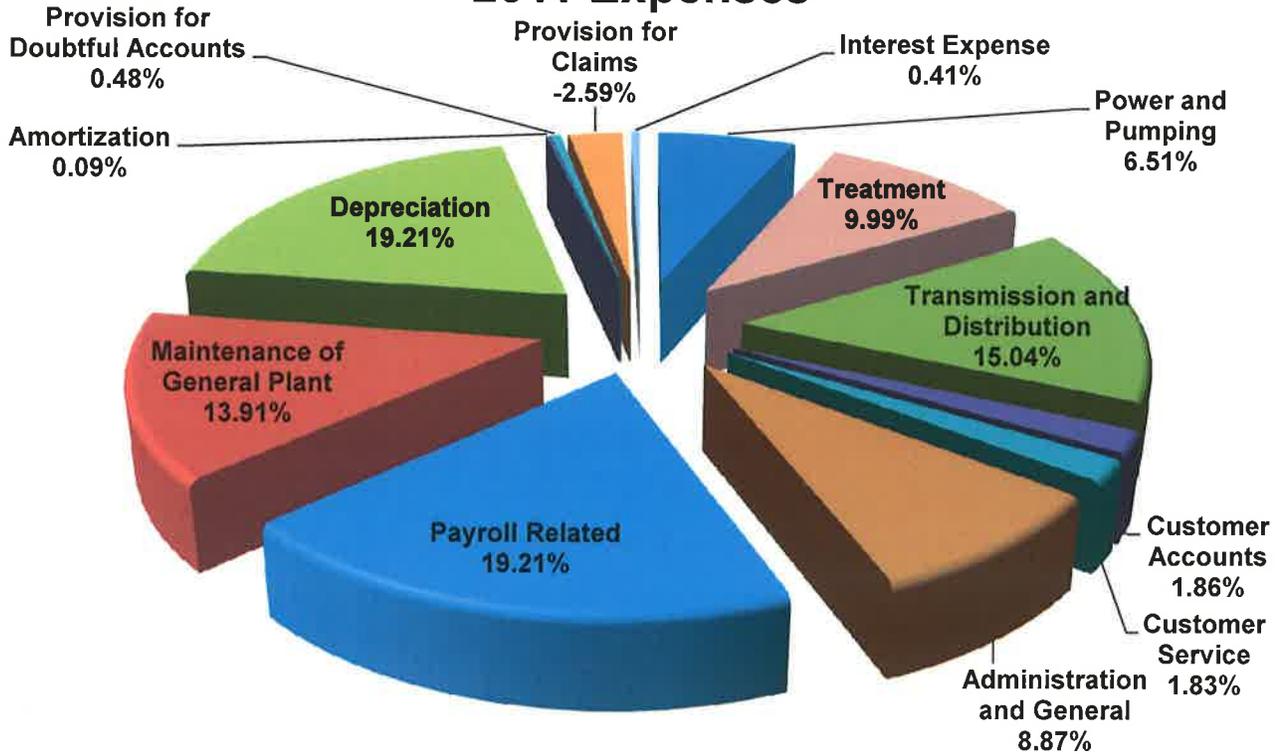
Ethel H. Williams  
Financial Administrator

Sewerage and Water Board of New Orleans

2011 Revenue



2011 Expenses



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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sewerage and Water Board  
of New Orleans, Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Enos*

Executive Director

Committee of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Securities and Exchange Board  
of New Orleans, Louisiana

State Superintendent of Schools

State Board of Education

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December 19, 2011

A Committee of Achievement for Excellence in Financial Reporting is pleased to announce the release of the 2011-2012 Financial Reporting Excellence Award. The award is presented to the financial reporting team of the state agency that has demonstrated the highest level of financial reporting excellence. The award is presented to the financial reporting team of the state agency that has demonstrated the highest level of financial reporting excellence. The award is presented to the financial reporting team of the state agency that has demonstrated the highest level of financial reporting excellence.

*John J. ...*

Chairman

*John J. ...*

Secretary



**OFFICERS  
of the  
SEWERAGE AND WATER BOARD  
OF NEW ORLEANS**

December 31, 2011

---

MITCHELL J. LANDRIEU ..... President  
Mayor, City of New Orleans

WILLIAM RAYMOND MANNING ..... President Pro Tem

MARCIA A. ST. MARTIN ..... Executive Director

ROBERT MILLER ..... Deputy Director

JOSEPH BECKER ..... General Superintendent

MADÉLINE F. GODDARD ..... Deputy General Superintendent

GERARD A. VICTOR ..... Special Counsel

**MEMBERS OF  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

December 31, 2011

---

MITCHELL J. LANDRIEU .....	Mayor
MARION BRACY .....	Councilmanic District D
JACQUELYN B. CLARKSON .....	Councilwoman-At-Large
STACY HEAD .....	Councilwoman District B
JON D. JOHNSON .....	Councilman District E
WILLIAM RAYMOND MANNING .....	Board of Liquidation
MARK M. MOODY .....	Board of Liquidation
GLEN PILIE .....	Councilmanic District A
FLORENCE W. SCHORNSTEIN .....	Councilmanic District B
VACANT .....	Councilmanic District C
CHARLES F. WEBB .....	Councilmanic District E
BEVERLY WRIGHT, PhD .....	At-Large Appointment
LOYCE P. WRIGHT .....	At-Large Appointment

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

December 31, 2011

---

**EXECUTIVE COMMITTEE**

GLEN PILIE  
WILLIAM RAYMOND MANNING – Chairperson  
FLORENCE W. SCHORNSTEIN

**FINANCE AND OPERATIONS COMMITTEE**

STACY HEAD  
JON D. JOHNSON  
WILLIAM RAYMOND MANNING – Chairperson  
CHARLES F. WEBB  
LOYCE WRIGHT

**INFRASTRUCTURE COMMITTEE**

MARION BRACY  
JACQUELYN B. CLARKSON  
FLORENCE W. SCHORNSTIEN - Chairperson  
GLEN PILIE  
BEVERLY WRIGHT, PhD

**OPERATIONS COMMITTEE**

MARION BRACY  
FLORENCE W. SCHORNSTEIN  
JON D. JOHNSON, Chairperson  
CHARLES F. WEBB

**PENSION COMMITTEE**

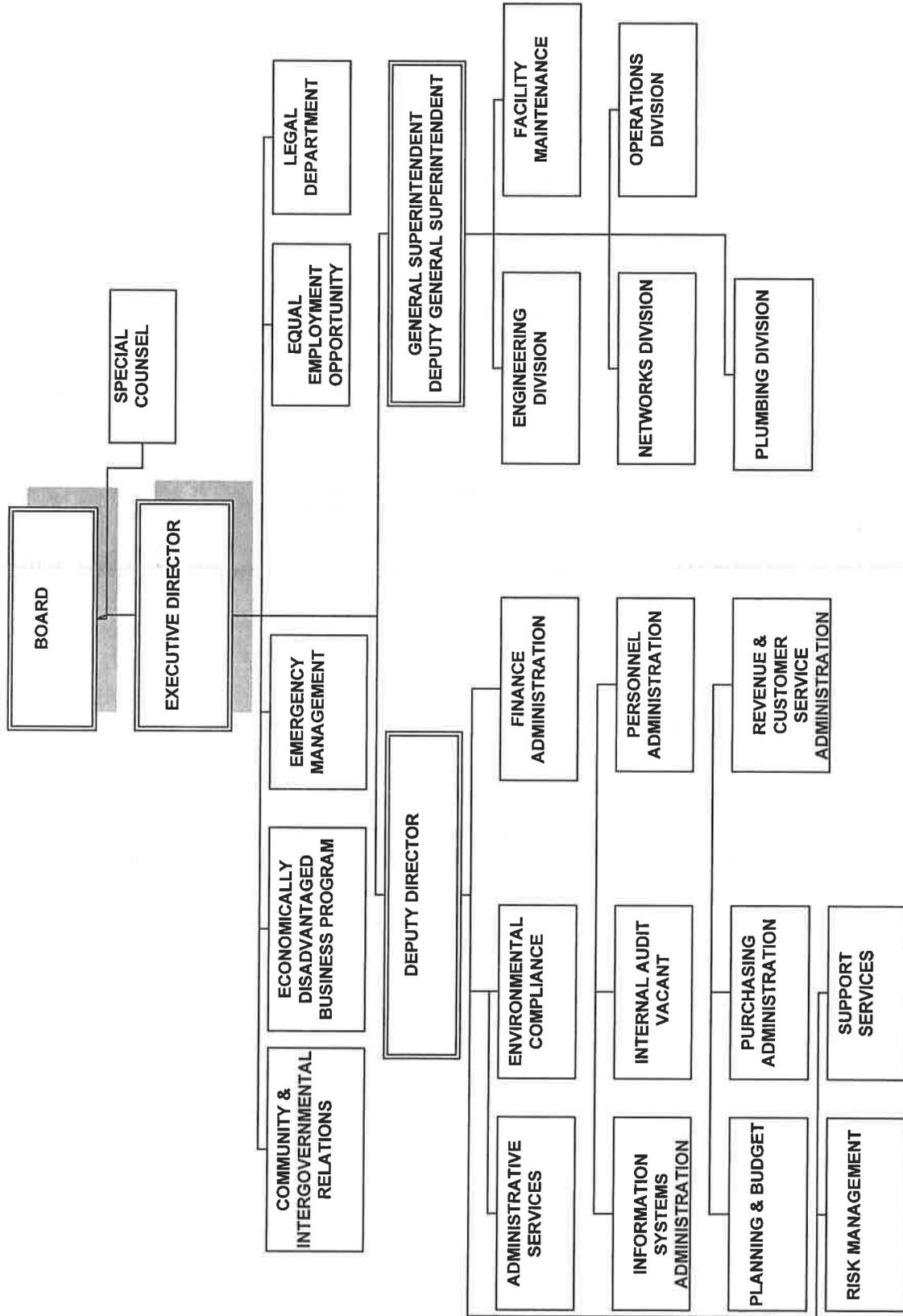
JACQUELYN B. CLARKSON  
STACY HEAD  
HAROLD HELLER  
MARVIN RUSSELL  
WILLIAM RAYMOND MANNING – Chairperson  
GERALD TILTON  
CHARLES F. WEBB  
JOHN WILSON

**PLUMBING COMMITTEE**

JAY ARNOLD  
MARION BRACY  
RONNIE CROSBY  
JIM FINLEY  
GLEN PILIE – Chairperson  
WILLIAM RAYMOND MANNING  
MARK M. MOODY  
BEVERLY WRIGHT, PhD

MICHAEL CONEFRY & COMPANY, ACTUARY

SEWERAGE AND WATER BOARD ORGANIZATION CHART 2011



**THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DIVISION HEADS OF DEPUTY DIRECTOR**

December 31, 2011

**ROBERT MILLER  
DEPUTY DIRECTOR**

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**ADMINISTRATIVE SERVICES**

LYNN COBETTE

**ENVIRONMENTAL COMPLIANCE**

VACANT

**FINANCE ADMINISTRATION**

ETHEL H. WILLIAMS

**INFORMATION SYSTEMS ADMINISTRATION**

MELINDA NELSON

**INTERNAL AUDIT**

VACANT

**PERSONNEL ADMINISTRATION**

KEVIN WALSH

**PLANNING AND BUDGET**

DEXTER JOSEPH

**PURCHASING ADMINISTRATION**

WILLIE M. MINGO, JR.

**REVENUE AND CUSTOMER SERVICES ADMINISTRATION**

JACQUELINE K. SHINE

**RISK MANAGEMENT**

ISIAH CAMERON

**SUPPORT SERVICES**

JOHN WILSON

**THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DIVISION HEADS OF GENERAL SUPERINTENDENT**

December 31, 2011

**JOSEPH BECKER**  
GENERAL SUPERINTENDENT

**MADLINE F. GODDARD**  
DEPUTY GENERAL SUPERINTENDENT

---

**ENGINEERING DIVISION**

JOHN (JACK) HUERKAMP

**FACILITY MAINTENANCE DIVISION**

GABE SIGNORELLI

**NETWORKS DIVISION**

RUDY AUGUST

**OPERATIONS DIVISION**

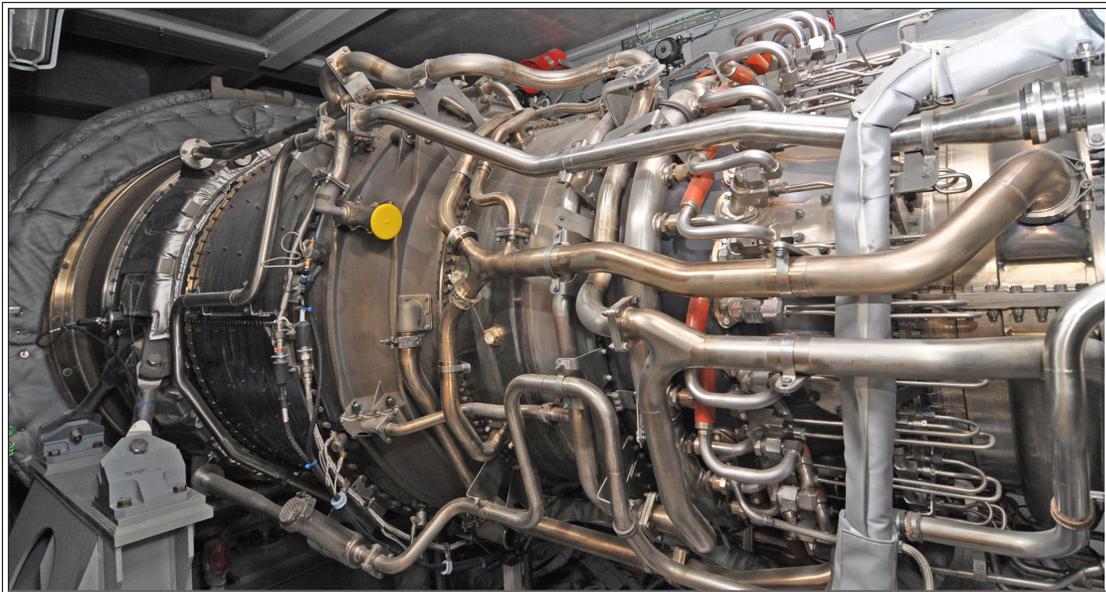
BOB MOEINIAN

**PLUMBING DIVISION**

JAMES J. ARNOLD



The U.S. Army Corps of Engineers and the Sewerage & Water Board is storm-proofing Drainage Pumping Station No. 13 in Algiers so that it can remain operable during and immediately following tropical events. The work will strengthen the existing building, making it safer for S&WB employees that stay on site throughout all weather events. The \$16.5 million project will provide new power to make the station more independent of Entergy power. A new building will house two new diesel-driven generators. Other work adds storm rated windows, wind resistant doors and a new roof. The Corps is paying 100 per cent of the storm-proofing project's cost.



This specially-designed turbine will power a 15-megawatt generator being constructed by the U. S. Army Corps of Engineers. The generator will give the S&WB's Division of Pumping and Power the capability to improve the operation of its drainage, sewerage and water pumping systems in emergencies. The, generator, funded 100% by the Corps, is part of a storm-proofing project for Orleans Parish. The project, located on the grounds of the Carrollton Water Purification Plant, will cost in excess of \$32 million. It is scheduled for completion by mid-2012.

# FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

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

We have audited the basic financial statements of the Sewerage and Water Board of New Orleans (the Board) as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2012, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-3 through II-14 and the schedules of funding progress presented on pages II-56 and II-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's financial statements as a whole. The introductory section, Schedules 1 through 6, the Statistical Information section, and Supplementary Information section are presented for purposes of additional analysis and are not a required part of the financial statements. Schedules 1 through 6 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Statistical Information and Supplementary Information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



New Orleans, Louisiana  
April 25, 2012

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2011**

This section of the Sewerage & Water Board of New Orleans' (the Board) annual financial report presents a discussion and analysis of the Board's financial performance during the fiscal year that ended December 31, 2011. Please read it in conjunction with the Board's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

Recovery from Hurricane Katrina and the resulting flooding continued to be the most significant event to occur during 2011. Repairs to water, sewerage, and drainage systems, building repairs, and vehicle and equipment replacements continued throughout 2011.

#### **Enterprise Fund**

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

##### **2011**

- The Board's additions to its major systems approximated \$151.9 million.
- The SELA project which is a major upgrade to the drainage system by the Corps of Engineers resulted in additions of approximately \$39.6 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants expended totaled approximately \$39.5 million, of which approximately \$28.5 million were capital contributions and approximately \$11 million were for operating and maintenance expenses.

##### **2010**

- The Board's additions to its major systems approximated \$146.3 million.
- The SELA project which is a major upgrade to the drainage system by the Corps of Engineers resulted in additions of approximately \$32.6 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants expended totaled approximately \$17.3 million, of which approximately \$8.6 million were capital contributions and approximately \$8.7 million were for operating and maintenance expenses.

#### **Pension Trust Fund**

##### **2011**

The major highlight in the Board's pension trust fund was the financial performance in the stock market as compared to 2010. The appreciation of the fair market value of investments was \$7.7 million compared to \$19.2 million in 2010. The plan net assets available for benefits had a net increase of \$0.5 million to \$197 million in 2011.

## **2010**

The major highlight in the Board's pension trust fund was the financial performance in the stock market as compared to 2009. The appreciation of the fair market value of investments was \$19.2 million compared to \$29.0 million in 2009. The plan net assets available for benefits increased to \$196.5 million.

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

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

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

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

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

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

The Statement of Net Assets reports the Board's net assets. Net assets - the difference between the Board's assets and liabilities - are one way to measure the Board's financial health or position.

#### **Fund Financial Statements – Pension Trust Fund**

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

## FINANCIAL ANALYSIS OF THE BOARD

### ENTERPRISE FUND

#### 2011 Net Assets

The Board's total assets at December 31, 2011 were approximately \$2.0 billion, a 5.2% increase from December 31, 2010 (see Table A-1).

	2011	2010	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 73,557,121	\$ 91,222,163	\$ (17,665,042)	-19.4%
Restricted assets	124,217,838	114,918,876	9,298,962	8.1%
Property, plant and equipment - net	1,819,352,046	1,710,459,837	108,892,209	6.4%
Other assets	1,987,652	2,074,987	(87,335)	-4.2%
<b>Total assets</b>	<b>\$ 2,019,114,657</b>	<b>\$ 1,918,675,863</b>	<b>\$ 100,438,794</b>	<b>5.2%</b>
Current liabilities	\$ 173,800,803	\$ 154,772,029	\$ 19,028,774	12.3%
Long-term liabilities	348,127,496	358,959,646	(10,832,150)	-3.0%
<b>Total liabilities</b>	<b>521,928,299</b>	<b>513,731,675</b>	<b>8,196,624</b>	<b>1.6%</b>
Net assets:				
Invested in capital assets, net of related debt	1,604,703,877	1,481,320,632	123,383,245	8.3%
Restricted	33,137,542	32,774,880	362,662	1.1%
Unrestricted	(140,655,061)	(109,151,324)	(31,503,737)	28.9%
<b>Total net assets</b>	<b>1,497,186,358</b>	<b>1,404,944,188</b>	<b>92,242,170</b>	<b>6.6%</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,019,114,657</b>	<b>\$ 1,918,675,863</b>	<b>\$ 100,438,794</b>	<b>5.2%</b>

The net increase in total assets of \$100.4 million resulted primarily due to an increase in property, plant, and equipment of \$108.9 million, and an increase of \$9.3 million in restricted assets, of which includes an increase of \$8.7 million in investments restricted for capital projects. Total increase of \$118.2 million is offset by a decrease in current unrestricted assets of \$17.7 million, of which resulted primarily due to an decrease of \$7.8 million in grants receivable. Current liabilities increased by \$19.0 million primarily due to an increase of \$5.0 million in accounts payable and an increase of \$8.1 million in additional borrowing from the State of Louisiana. Furthermore, \$5.7 million of Debt Service Assistance Fund loan payable, which is payable in installments starting May 2012, has been reclassified from long-term liabilities to current liabilities. Long-term liabilities decreased by \$10.8 million primarily due to a decrease of \$15.3 million in bonds payable and a decrease of \$5.7 million in Debt Service Assistance Fund loan payable as described above, offset by an increase of \$7.6 million in other postretirement benefits liability.

## 2010 Net Assets

The Board's total assets at December 31, 2010 were approximately \$1.9 billion, a 4.2% increase from December 31, 2009 (see Table A-2).

	2010	2009	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 91,222,163	\$ 105,596,835	\$ (14,374,672)	-13.6%
Restricted assets	114,918,876	128,818,918	(13,900,042)	-10.8%
Property, plant and equipment - net	1,710,459,837	1,604,392,342	106,067,495	6.6%
Other assets	2,074,987	2,174,276	(99,289)	-4.6%
<b>Total assets</b>	<b>\$ 1,918,675,863</b>	<b>\$ 1,840,982,371</b>	<b>\$ 77,693,492</b>	<b>4.2%</b>
Current liabilities	\$ 154,772,029	\$ 126,535,376	\$ 28,236,653	22.3%
Long-term liabilities	358,959,646	398,993,489	(40,033,843)	-10.0%
<b>Total liabilities</b>	<b>513,731,675</b>	<b>525,528,865</b>	<b>(11,797,190)</b>	<b>-2.2%</b>
Net assets:				
Invested in capital assets, net of related debt	1,481,320,632	1,367,130,463	114,190,169	8.4%
Restricted	32,774,880	30,040,670	2,734,210	9.1%
Unrestricted	(109,151,324)	(81,717,627)	(27,433,697)	33.6%
<b>Total net assets</b>	<b>1,404,944,188</b>	<b>1,315,453,506</b>	<b>89,490,682</b>	<b>6.8%</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,918,675,863</b>	<b>\$ 1,840,982,371</b>	<b>\$ 77,693,492</b>	<b>4.2%</b>

The increase in total assets of \$77.7 million resulted primarily due to an increase in property, plant, and equipment of \$106.1 million, offset by a decrease in investments restricted for capital projects of \$12.1 million. Current liabilities increased by \$28.2 million due to additional borrowings under the Cooperative Endeavor Agreement with the State of Louisiana as described in Note 13 to the financial statements. Long-term liabilities decreased by \$40.0 million in 2010, as compared to 2009 due to the partial forgiveness of the Special Community Disaster Loan granted by the U.S. Department of Homeland Security in the amount of principal of \$36.8 million and accrued interest of \$4.6 million.

## 2011 Changes in Net Assets

The change in net assets for the year ended December 31, 2011 was an increase of approximately \$92.2 million, as opposed to an increase in net assets of approximately \$89.5 million for the year ended December 31, 2010. The Board's total operating revenues increased by 7.3% to approximately \$139.6 million, and total operating expenses decreased by 2.8% to approximately \$170.9 million. The changes in net assets are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues, Expenses and Change in Net Assets				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 131,006,460	\$ 125,360,977	\$ 5,645,483	4.5%
Other	8,581,123	4,702,753	3,878,370	82.5%
<b>Total operating revenues</b>	<b>139,587,583</b>	<b>130,063,730</b>	<b>9,523,853</b>	<b>7.3%</b>
Operating expenses (Table A-3)	170,909,110	175,809,537	(4,900,427)	-2.8%
Operating loss	(31,321,527)	(45,745,807)	14,424,280	31.5%
Non-operating revenues:				
Property taxes	39,232,254	36,550,476	2,681,778	7.3%
Other taxes	316,079	333,795	(17,716)	-5.3%
Operating and maintenance grants	11,479,664	9,367,940	2,111,724	22.5%
Investment expense	(310,008)	(1,413,280)	1,103,272	-78.1%
Other non-operating income (expense)	-	41,438,410	(41,438,410)	100.0%
<b>Total non-operating revenues</b>	<b>50,717,989</b>	<b>86,277,341</b>	<b>(35,559,352)</b>	<b>-41.2%</b>
Income before capital contributions	19,396,462	40,531,534	(21,135,072)	-52.1%
Capital contributions	72,845,708	48,959,148	23,886,560	48.8%
<b>Change in net assets</b>	<b>92,242,170</b>	<b>89,490,682</b>	<b>2,751,488</b>	<b>3.1%</b>
Net assets, beginning of year	1,404,944,188	1,315,453,506	89,490,682	6.8%
Net assets, end of year	\$ 1,497,186,358	\$ 1,404,944,188	\$ 92,242,170	6.6%

Capital contributions from federal grants and construction of Board property was approximately \$72.8 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$33.2 million and approximately \$39.6 million of capital contributions by the Army Corps of Engineers. Operating and maintenance grants increased in 2011 to \$11.5 million due to operation and maintenance expenditures made during 2011 under the FEMA Disaster Public Assistance grant.

Table A-4				
Sewerage & Water Board				
Operating Expenses				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 11,787,614	\$ 12,606,851	\$ (819,237)	-6.5%
Treatment	18,081,523	19,029,752	(948,229)	-5.0%
Transmission and distribution	27,216,035	15,915,361	11,300,674	71.0%
Customer accounts	3,369,643	3,314,887	54,756	1.7%
Customer service	3,320,100	3,386,338	(66,238)	-2.0%
Administration and general	16,054,154	16,060,032	(5,878)	0.0%
Payroll related	34,770,439	33,616,025	1,154,414	3.4%
Maintenance of general plant	25,185,237	28,457,226	(3,271,989)	-11.5%
Depreciation	34,772,279	35,216,611	(444,332)	-1.3%
Amortization	165,080	164,415	665	0.4%
Provision for doubtful accounts	867,460	4,855,325	(3,987,865)	-82.1%
Provision for (benefit of) claims	(4,680,454)	3,186,714	(7,867,168)	-246.9%
<b>Total operating expenses</b>	<b>\$ 170,909,110</b>	<b>\$ 175,809,537</b>	<b>\$ (4,900,427)</b>	<b>-2.8%</b>

The increase in transmission and distribution expenses in 2011 of \$11.3 million or 71.0% is primarily due to an increase in operation and maintenance expenses of \$11.0 million under paving contracts. The decrease in maintenance of general plant in 2011 of \$3.3 million or 11.5% resulted primarily from additional repair and maintenance expenses incurred in 2010. Total maintenance of general plant is comparable to 2009's total of \$24.8 million. Provisions for doubtful accounts decreased by approximately \$4.0 million, or 82.1%, in 2011 as a result of lowered estimates on uncollectible balances and recovery of accounts that were written off in prior years. Provisions for claims decreased by \$7.9 million in 2011 as compared to 2010. Claims expense varies due to the number and severity of the claims during any period. The decrease is primarily due to a decrease in overall claims reserve at year-end in addition to claims payments made during 2011.

## 2010 Changes in Net Assets

The change in net assets for the year ended December 31, 2010 was an increase of approximately \$89.5 million, as opposed to an increase in net assets of approximately \$66.4 million for the year ended December 31, 2009. The Board's total operating revenues increased by 7.4% to approximately \$130.1 million, and total operating expenses increased 3.4% to approximately \$175.8 million. The changes in net assets are detailed in Table A-5; operating expenses are detailed in Table A-6.

	2010	2009	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 125,360,977	\$ 117,264,448	\$ 8,096,529	6.9%
Other	4,702,753	3,814,564	888,189	23.3%
<b>Total operating revenues</b>	<b>130,063,730</b>	<b>121,079,012</b>	<b>8,984,718</b>	<b>7.4%</b>
Operating expenses (Table A-3)	175,809,537	169,991,239	5,818,298	3.4%
Operating loss	(45,745,807)	(48,912,227)	3,166,420	6.5%
Non-operating revenues:				
Property taxes	36,550,476	36,198,099	352,377	1.0%
Other taxes	333,795	371,006	(37,211)	-10.0%
Operating and maintenance grants	9,367,940	19,373,185	(10,005,245)	-51.6%
Investment income (expense)	(1,413,280)	(880,830)	(532,450)	60.4%
Other non-operating income (expense)	41,438,410	-	41,438,410	100.0%
<b>Total non-operating revenues</b>	<b>86,277,341</b>	<b>55,061,460</b>	<b>31,215,881</b>	<b>56.7%</b>
Income before capital contributions	40,531,534	6,149,233	34,382,301	559.1%
Capital contributions	48,959,148	60,298,230	(11,339,082)	-18.8%
<b>Change in net assets</b>	<b>89,490,682</b>	<b>66,447,463</b>	<b>23,043,219</b>	<b>34.7%</b>
Net assets, beginning of year	1,315,453,506	1,249,006,043	66,447,463	5.3%
Net assets, end of year	<b>\$ 1,404,944,188</b>	<b>\$ 1,315,453,506</b>	<b>\$ 89,490,682</b>	<b>6.8%</b>

Capital contributions from federal grants and construction of Board property was approximately \$49.0 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$17.3 million and approximately \$32.7 million of capital contributions by the Army Corps of Engineers. Operating and maintenance grants decreased in 2010 to \$9.4 million due to the reimbursement in 2009 of expenses incurred from 2005 to 2009 for water and sewer system point repairs under the FEMA Disaster Public Assistance grant. Reimbursements in 2010 were for expenses incurred in 2009 and 2010.

	2010	2009	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 12,606,851	\$ 12,950,788	\$ (343,937)	-2.7%
Treatment	19,029,752	19,910,557	(880,805)	-4.4%
Transmission and distribution	15,915,361	21,466,523	(5,551,162)	-25.9%
Customer accounts	3,314,887	3,044,936	269,951	8.9%
Customer service	3,386,338	3,417,239	(30,901)	-0.9%
Administration and general	16,060,032	13,504,125	2,555,907	18.9%
Payroll related	33,616,025	35,085,953	(1,469,928)	-4.2%
Maintenance of general plant	28,457,226	24,828,902	3,628,324	14.6%
Depreciation	35,216,611	34,692,627	523,984	1.5%
Amortization	164,415	140,917	23,498	16.7%
Provision for doubtful accounts	4,855,325	889,812	3,965,513	445.7%
Provision for claims	3,186,714	58,860	3,127,854	5314.1%
Total operating expenses	<u>\$ 175,809,537</u>	<u>\$ 169,991,239</u>	<u>\$ 5,818,298</u>	<u>3.4%</u>

The decrease in transmission and distribution expenses in 2010 of \$5.5 million or 25.9% is primarily due to a decrease in expenses under a paving contract. The increase in maintenance of general plant in 2010 of \$3.6 million or 14.6% resulted primarily from an increase in repairs and maintenance of plants. The increase in Administration and General in 2010 of \$2.6 million or 18.9% resulted primarily from an increase in insurance as well as an increase in the purchase of parts and materials. Provisions for doubtful accounts increased by approximately \$4.0 million, or 445.7%, in 2010 as a result of an increase in new closed accounts in 2010. Provision for claims increased by \$3.1 million in 2010 as compared to 2009. Claims expense varies due to the number and severity of the claims during any period. The increase is due primarily to an increase in reserves recognized during 2010 offset by claims payments made during 2010.

## PENSION TRUST FUND

### **2011 Plan Net Assets**

The Board's total plan net assets of its pension trust fund at December 31, 2011 was approximately \$197.0 million, a 0.2% increase from December 31, 2010 (see table A-7). Total assets increased 0.4% to \$206.1 million.

Plan net assets increased by approximately only \$0.5 million in 2011 primarily due to lower unrealized gains on investments of \$7.7 million in 2011 compared to \$19.2 million gain in 2010.

<b>Table A-7</b>				
<b>Sewerage &amp; Water Board of New Orleans</b>				
<b>Plan Net Assets</b>				
	<b>2011</b>	<b>2010</b>	<b>Increase (Decrease)</b>	<b>Increase (Decrease)</b>
Cash	\$ 1,493,734	\$ 895,812	\$ 597,922	66.7%
Investments	203,410,658	204,209,292	(798,634)	-0.4%
Receivables	78,126	38,896	39,230	100.9%
Other assets	1,111,238	96,285	1,014,953	1054.1%
<b>Total assets</b>	<b>206,093,756</b>	<b>205,240,285</b>	<b>853,471</b>	<b>0.4%</b>
DROP participant payable	9,121,044	8,752,101	368,943	4.2%
<b>Total liabilities</b>	<b>9,121,044</b>	<b>8,752,101</b>	<b>368,943</b>	<b>-4.2%</b>
<b>Plan net assets</b>	<b>\$ 196,972,712</b>	<b>\$ 196,488,184</b>	<b>\$ 484,528</b>	<b>0.2%</b>

### 2010 Plan Net Assets

The Board's total plan net assets of its pension trust fund at December 31, 2010 was approximately \$196.5 million, a 6.3% increase from December 31, 2009 (see table A-8). Total assets increased 7.4% to \$205.2 million.

Plan net assets increased by \$11.7 million in 2010 primarily due to realized and unrealized gains on investments recognized in 2010.

<b>Table A-8</b>				
<b>Sewerage &amp; Water Board of New Orleans</b>				
<b>Plan Net Assets</b>				
	<b>2010</b>	<b>2009</b>	<b>Increase (Decrease)</b>	<b>Increase (Decrease)</b>
Cash	\$ 895,812	\$ 764,400	\$ 131,412	17.2%
Investments	204,209,292	190,173,791	14,035,501	7.4%
Receivables	38,896	38,703	193	0.5%
Other assets	96,285	47,249	49,036	103.8%
<b>Total assets</b>	<b>205,240,285</b>	<b>191,024,143</b>	<b>14,216,142</b>	<b>7.4%</b>
DROP participant payable	8,752,101	6,247,599	2,504,502	40.1%
<b>Total liabilities</b>	<b>8,752,101</b>	<b>6,247,599</b>	<b>2,504,502</b>	<b>-40.1%</b>
<b>Plan net assets</b>	<b>\$ 196,488,184</b>	<b>\$ 184,776,544</b>	<b>\$ 11,711,640</b>	<b>6.3%</b>

## 2011 Changes in Plan Net Assets

	2011	2010	Increase (Decrease)	Increase (Decrease)
<b>Additions:</b>				
Contributions	\$ 7,832,200	\$ 7,186,335	\$ 645,865	9.0%
Net income on investments	8,599,418	19,934,929	(11,335,511)	56.9%
<b>Total additions</b>	<b>16,431,618</b>	<b>27,121,264</b>	<b>(10,689,646)</b>	<b>-39.4%</b>
<b>Deductions:</b>				
Benefits	(11,712,037)	(11,461,132)	(250,905)	2.2%
Employee refunds	(185,810)	(76,656)	(109,154)	142.4%
Employee DROP contributions	(4,049,243)	(3,871,836)	(177,407)	4.6%
<b>Total deductions</b>	<b>(15,947,090)</b>	<b>(15,409,624)</b>	<b>(537,466)</b>	<b>3.5%</b>
<b>Change in net assets</b>	<b>484,528</b>	<b>11,711,640</b>	<b>(11,227,112)</b>	<b>-95.9%</b>
Plan net assets, beginning of year	196,488,184	184,776,544	11,711,640	6.3%
Plan net assets, end of year	<b>\$ 196,972,712</b>	<b>\$ 196,488,184</b>	<b>\$ 484,528</b>	<b>0.2%</b>

Net income on investments decreased by \$11.3 million or 56.9% during 2011 due to decreasing performance of the investment portfolio as compared to 2010. The increase in the change in plan net assets of \$0.5 million resulted primarily from a decrease in unrealized gains on investments compared to 2010 and increase of \$0.5 million in deductions in 2011.

## 2010 Changes in Plan Net Assets

	2010	2009	Increase (Decrease)	Increase (Decrease)
<b>Additions:</b>				
Contributions	\$ 7,186,335	\$ 6,925,168	\$ 261,167	3.8%
Net income on investments	19,934,929	29,699,396	(9,764,467)	32.9%
<b>Total additions</b>	<b>27,121,264</b>	<b>36,624,564</b>	<b>(9,503,300)</b>	<b>-25.9%</b>
<b>Deductions:</b>				
Benefits	(11,461,132)	(11,140,341)	(320,791)	2.9%
Employee refunds	(76,656)	(85,524)	8,868	-10.4%
Employee DROP contributions	(3,871,836)	(3,006,011)	(865,825)	28.8%
<b>Total deductions</b>	<b>(15,409,624)</b>	<b>(14,231,876)</b>	<b>(1,177,748)</b>	<b>8.3%</b>
<b>Change in net assets</b>	<b>11,711,640</b>	<b>22,392,688</b>	<b>(10,681,048)</b>	<b>-47.7%</b>
Plan net assets, beginning of year	184,776,544	162,383,856	22,392,688	13.8%
Plan net assets, end of year	<b>\$ 196,488,184</b>	<b>\$ 184,776,544</b>	<b>\$ 11,711,640</b>	<b>6.3%</b>

Net income on investments decreased by \$9.8 million or 32.9% during 2010 due to decreasing performance in the stock market as compared to 2009. The decrease in the change in plan net assets of \$10.7 million resulted primarily from a decrease in unrealized gains on investments in 2010.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **2011 Capital Assets**

As of December 31, 2011, the Board had invested approximately \$2.53 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2011 totaled approximately \$1.82 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$108.9 million or 6.4% over December 31, 2010.

At December 31, 2011, the Board's budget for its ten year capital improvements program totaled approximately \$3.6 billion including \$813.4 million for water, \$551.7 million for sewerage and \$2.2 billion for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2011, the Board has committed or appropriated \$76.2 million in investments for use in future capital projects and has approximately \$176,000 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2010 is \$1.6 billion, including \$67.4 million for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2011 include the following:

Hurricane Katrina-related Repairs and Replacements  
Southeast Louisiana Flood Control Program  
Sewer System Sanitation Evaluation and Rehabilitation Program  
Drainage Pumping Station #1  
Eastbank Sewer Treatment Plant  
Westbank Sewer Treatment Plant  
Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant

See Note 4 for detailed capital asset activity during 2011.

### **2010 Capital Assets**

As of December 31, 2010, the Board had invested approximately \$2.4 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2010 totaled approximately \$1.7 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$111.1 million or 6.9% over December 31, 2009.

At December 31, 2010, the Board's budget for its five year capital improvements program totaled approximately \$2.9 billion including \$303.9 million for water, \$446.7 million for sewerage and \$2.2 billion for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2010, the Board has committed or appropriated \$68.5 million in investments for use in future capital projects and has approximately \$206,000 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2010 is \$1.6 billion, including \$66.6 million for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2010 include the following:

Hurricane Katrina-related Repairs and Replacements  
Southeast Louisiana Flood Control Program  
Sewer System Sanitation Evaluation and Rehabilitation Program  
Drainage Pumping Station #1  
Eastbank Sewer Treatment Plant  
Westbank Sewer Treatment Plant  
Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant

See Note 4 for detailed capital asset activity during 2010.

### **2011 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds. During 2011, \$15.4 million in principal payments were made.

The Louisiana Department of Health and Hospitals has committed to loan the Board up to \$3.4 million to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The outstanding balance is \$1,503,834 at December 31, 2011.

The Louisiana Department of Environmental Quality has committed to loan the Board up to \$9 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$98,375 at December 31, 2011.

See Note 6 for detailed long term debt activity during 2011.

### **2010 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds. During 2010, \$14.6 million in principal payments were made.

In December 2010, the Board was granted a partial forgiveness of the Special Community Disaster Loan in the amount of \$36,790,000 of principal and \$4,648,410 of accrued interest. In addition, the Board was also granted a 5 year extension.

The Louisiana Department of Health and Hospitals has committed to loan the Board up to \$3.4 million to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The outstanding balance is \$632,842 at December 31, 2010.

See Note 6 for detailed long term debt activity during 2010.

## **ECONOMIC FACTORS AND RATES**

There are continued significant other revenues and expenses which impact the Board. State and federal grants related to the disaster are expected to have a significant impact on 2012 as in the past few years. Total FEMA debris removal, mitigation, and capital replacement grants are expected to exceed \$355 million. Of this amount, approximately \$301 million has been recognized through 2011. FEMA revenues will continue to be recognized as buildings, systems, and other reimbursable assets are repaired or replaced. In 2012, the Board will recognize additional portions of these revenues but much of the construction and replacement will not have been completed and the revenues although measurable may not be readily available due to the delays in actual receipts of FEMA funds.

On March 21, 2007, the Board approved a series of five annual water rate increases beginning with the first increase on November 1, 2007 followed by four additional increases to be implemented on July 1 of each year, 2008 through 2011. The New Orleans City Council approved the annual water rate increases on October 4, 2007. The last rate increase of 5% was in effect as of July 1, 2011. As of December 31, 2011, there are no further increases scheduled in the near future.

The Board of Directors of the Sewerage and Water Board of New Orleans authorized a comprehensive study of financial requirements in December 2009 and selected a consultant in April 2010 after failing to meet bond covenants for debt service coverage on water revenue bonds in 2008 and on sewer revenue bonds in 2009. The initial project findings and observations were developed by April 2011 and stakeholder meetings were held with board members, city finance department staff, former board members and city council members, and representatives from Bureau of Governmental Research and the Business Council during May through August 2011. The study was released in October 2011 and the Board of Directors of Sewerage and Water Board authorized and notified the City Council and Board of Liquidation in December 2011 of its intent to conduct public hearings about report findings and recommendations including a five-year program of rate changes.

Sewerage and Water Board of New Orleans held three public hearings between January 23 and January 30, 2012 to communicate the financial problems facing the Board, to communicate the plans to address those problems, and to receive feedback from citizens and businesses on solutions to the problems. The hearings were held in full compliance with R.S. 33:4096 (A)(2) and 33:4121 (a)(2) which call for three public hearings and notification in the official journal three times within the week prior to the hearings. Those statutes also provide for a twenty-day waiting period before any action is taken relative to adjustment rates. The Board of Directors will consider recommendations in 2012.

The number of open accounts has increased from approximately 121,000 at the end of 2005 to approximately 125,600 at the end of 2011, an increase of 3.8%. The number of open accounts decreased significantly in 2006 and 2007. However, the number of open accounts increased in 2010 by approximately 5,000 and increased by approximately 2,600 in 2011.

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

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

## **BASIC FINANCIAL STATEMENTS**

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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2011 and 2010**

ASSETS	2011	2010
Noncurrent assets:		
Property, plant and equipment	\$ 2,526,472,267	\$ 2,385,612,966
Less: accumulated depreciation	707,120,221	675,153,129
Property, plant and equipment, net	1,819,352,046	1,710,459,837
Other assets:		
Bond issuance costs	1,936,337	2,023,672
Deposits	51,315	51,315
Total other assets	1,987,652	2,074,987
Total noncurrent assets	1,821,339,698	1,712,534,824
Current assets:		
Unrestricted:		
Cash	16,159,335	17,833,292
Accounts receivable:		
Customers, net of allowance	12,475,783	14,783,324
Taxes	6,895,232	9,555,454
Interest	115	6,983
Grants	26,572,959	34,745,678
Miscellaneous	2,707,930	3,242,477
Inventory of supplies	8,024,117	10,364,695
Prepaid expenses	721,650	690,260
Total unrestricted	73,557,121	91,222,163
Restricted investments:		
Capital projects	76,150,163	68,513,088
Construction funds	175,768	205,792
Debt service reserve	33,137,542	32,774,880
Customer deposits	8,849,159	7,979,978
Health insurance reserve	5,350,225	5,233,138
Other	554,981	212,000
Total restricted	124,217,838	114,918,876
Total current assets	197,774,959	206,141,039
Total assets	\$ 2,019,114,657	\$ 1,918,675,863

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF NET ASSETS**  
**December 31, 2011 and 2010**  
**(Continued)**

NET ASSETS AND LIABILITIES	2011	2010
Net Assets:		
Invested in capital assets, net of related debt	\$ 1,604,703,877	\$ 1,481,320,632
Restricted for debt service	33,137,542	32,774,880
Unrestricted	(140,655,061)	(109,151,324)
Total net assets	1,497,186,358	1,404,944,188
Long-term liabilities:		
Claims payable	2,861,441	4,302,369
Net pension obligation	8,888,332	4,976,053
Other postretirement benefits liability	40,781,954	33,069,087
Bonds payable, net of current maturities	198,674,937	213,984,997
Special Community Disaster loan payable	25,166,747	25,166,747
Debt Service Assistance Fund loan payable, net of current maturities	71,754,085	77,460,393
Total long-term liabilities	348,127,496	358,959,646
Current liabilities (payable from current unrestricted assets):		
Accounts payable	41,212,632	36,228,266
Due to City of New Orleans	107,442	107,414
Due to other governments (Note 13)	67,894,157	59,819,408
Retainers and estimates payable	3,293,968	1,970,811
Due to pension trust fund	127,135	118,517
Accrued salaries	1,255,349	1,229,508
Accrued vacation and sick pay	10,265,830	10,268,334
Claims payable	12,040,040	16,727,962
Debt Service Assistance Fund loan payable	5,711,162	-
Other liabilities	3,719,226	2,955,625
Total current liabilities (payable from current unrestricted assets):	145,626,941	129,425,845
Current liabilities (payable from current restricted assets):		
Accrued interest	2,534,988	941,137
Bonds payable	16,149,000	15,360,000
Retainers and estimates payable	640,715	1,065,069
Customer deposits	8,849,159	7,979,978
Total current liabilities (payable from current restricted assets):	28,173,862	25,346,184
Total current liabilities	173,800,803	154,772,029
Total liabilities	521,928,299	513,731,675
Total net assets and liabilities	\$ 2,019,114,657	\$ 1,918,675,863

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**For the years ended December 31, 2011 and 2010**

	2011	2010
Operating revenues:		
Sales of water and delinquent fees	\$ 59,890,312	\$ 55,079,772
Sewerage service charges	70,358,076	69,534,779
Plumbing inspection and license fees	758,072	746,426
Other revenue	8,581,123	4,702,753
Total operating revenues	139,587,583	130,063,730
Operating Expenses:		
Power and pumping	11,787,614	12,606,851
Treatment	18,081,523	19,029,752
Transmission and distribution	27,216,035	15,915,361
Customer accounts	3,369,643	3,314,887
Customer service	3,320,100	3,386,338
Administration and general	16,054,154	16,060,032
Payroll related	34,770,439	33,616,025
Maintenance of general plant	25,185,237	28,457,226
Depreciation	34,772,279	35,216,611
Amortization	165,080	164,415
Provision for doubtful accounts	867,460	4,855,325
Provision for (benefit of) claims	(4,680,454)	3,186,714
Total operating expenses	170,909,110	175,809,537
Operating loss	(31,321,527)	(45,745,807)
Non-operating revenues (expenses):		
Three-mill tax	11,129,376	10,378,060
Six-mill tax	11,242,927	10,498,580
Nine-mill tax	16,855,081	15,672,791
Two-mill tax	4,870	1,045
Other taxes	316,079	333,795
Operating and maintenance grants	11,479,664	9,367,940
Interest income	426,870	274,323
Interest expense	(736,878)	(1,687,603)
Forgiveness of Community Disaster Loan (Note 6)	-	41,438,410
Total non-operating revenues	50,717,989	86,277,341
Income before capital contributions	19,396,462	40,531,534
Capital contributions	72,845,708	48,959,148
Change in net assets	92,242,170	89,490,682
Net assets, beginning of year, as restated (Note 14)	1,404,944,188	1,315,453,506
Net assets, end of year	\$ 1,497,186,358	\$ 1,404,944,188

See accompanying notes to financial statements.

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

**For the years ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Cash received from customers	\$ 131,688,497	\$ 121,465,940
Cash payments to suppliers for goods and services	(64,804,326)	(58,645,437)
Cash payments to employees for services	(62,177,005)	(60,626,567)
Other revenue	9,873,742	7,047,082
	<u>14,580,908</u>	<u>9,241,018</u>
Cash flows from noncapital financing activities		
Proceeds from property taxes	42,208,555	39,005,383
Proceeds from federal operating and maintenance grants	3,366,850	2,772,396
Cash paid to an other government (Note 13)	-	(2,998,836)
	<u>45,575,405</u>	<u>38,778,943</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(127,102,736)	(132,535,540)
Principal payments on bonds payable	(15,360,000)	(14,605,000)
Proceeds from bonds payable	994,367	632,842
Proceeds from Debt Service Assistance Fund loan	4,854	-
Payments for bond issuance costs	(77,745)	(65,126)
Interest paid on bonds payable	(9,373,299)	(13,104,662)
Proceeds from construction fund, net (Note 13)	8,074,749	33,829,380
Capital contributed by developers and federal grants	89,131,241	58,931,505
	<u>(53,708,569)</u>	<u>(66,916,601)</u>
Cash flows from investing activities		
Payments for purchase of investments	(1,060,300,624)	(940,970,805)
Proceeds from maturities of investments	1,059,091,196	950,605,004
Investment income	308,080	241,879
	<u>(901,348)</u>	<u>9,876,078</u>
Net cash provided by (used in) investing activities		
	<u>5,546,396</u>	<u>(9,020,562)</u>
Net increase (decrease) in cash		
	<u>83,862,020</u>	<u>92,882,582</u>
Cash at the beginning of the year		
	<u>\$ 89,408,416</u>	<u>\$ 83,862,020</u>
Cash at the end of the year		
Reconciliation of cash and restricted cash (Note 2)		
Current assets - cash	\$ 16,159,335	\$ 17,833,292
Restricted assets -cash	73,249,081	66,028,728
	<u>\$ 89,408,416</u>	<u>\$ 83,862,020</u>
Total cash		

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2011 and 2010**  
**(Continued)**

	<u>2011</u>	<u>2010</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities is as follows:		
Operating loss	\$ (31,321,527)	\$ (45,745,807)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation	34,772,279	35,216,611
Provision for (benefit of) claims	(4,680,454)	3,186,714
Provision for doubtful accounts	867,460	4,855,325
Amortization	165,080	164,415
Change in operating assets and liabilities:		
Decrease (increase) in customer receivables	1,440,081	(3,149,693)
Decrease in inventory	2,340,578	2,211,569
Decrease in prepaid expenses and other receivables	503,157	1,598,701
Increase in net pension obligation	3,912,279	3,090,411
Increase (decrease) in accounts payable	285,521	(162,966)
Increase in accrued salaries, due to pension and accrued vacation and sick pay	31,955	413,435
Increase in net other postretirement benefits liability	7,712,867	8,595,026
Decrease in other liabilities	(1,448,368)	(1,032,723)
Net cash provided by operating activities	<u>\$ 14,580,908</u>	<u>\$ 9,241,018</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF PLAN NET ASSETS**  
**PENSION TRUST FUND**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets:</b>		
Cash	\$ 1,493,734	\$ 895,812
<b>Receivables:</b>		
Investment income	55,724	16,664
Employee contributions receivable	22,402	22,232
Due from other fund	1,111,238	96,285
<b>Investments:</b>		
Money market	478,207	437,299
LAMP	9,156,807	8,131,637
Debt securities	73,055,847	70,950,030
Hedge funds	17,450,681	-
Equities	103,269,116	124,690,326
<b>Total assets</b>	<b>206,093,756</b>	<b>205,240,285</b>
<b>Liabilities:</b>		
DROP participants payable	9,121,044	8,752,101
<b>Total liabilities</b>	<b>9,121,044</b>	<b>8,752,101</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 196,972,712</b>	<b>\$ 196,488,184</b>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CHANGES IN PLAN NET ASSETS**  
**PENSION TRUST FUND**  
**For the years ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Additions:</b>		
<b>Contributions:</b>		
Employee contributions	\$ 1,161,996	\$ 1,190,714
Employer contributions	5,436,700	5,146,081
City annuity and other transfers in	1,233,504	849,540
<b>Total contributions</b>	<b>7,832,200</b>	<b>7,186,335</b>
<b>Investment income:</b>		
Interest income	166,176	87,048
Dividend income	1,322,210	1,186,084
Net appreciation	7,697,583	19,206,614
	9,185,969	20,479,746
<b>Less: investment expense</b>	<b>586,551</b>	<b>544,817</b>
<b>Net investment income</b>	<b>8,599,418</b>	<b>19,934,929</b>
<b>Total additions</b>	<b>16,431,618</b>	<b>27,121,264</b>
<b>Deductions:</b>		
Benefits	(11,712,037)	(11,461,132)
Employee refunds	(185,810)	(76,656)
Employee contributions to DROP	(4,049,243)	(3,871,836)
<b>Total deductions</b>	<b>(15,947,090)</b>	<b>(15,409,624)</b>
<b>Change in plan net assets</b>	<b>484,528</b>	<b>11,711,640</b>
Net assets held in trust for pension benefits at beginning of year	196,488,184	184,776,544
Net assets held in trust for pension benefits at end of year	<b>\$ 196,972,712</b>	<b>\$ 196,488,184</b>

See accompanying notes to financial statements.

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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

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## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

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(1) Summary of Significant Accounting Policies

History and Organization

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

In accordance with the Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The rates are based on the actual water consumed and on the costs of maintenance and operation of the water and sewerage systems, including the costs of improvements and replacements. The collections of water and sewerage revenues are to be used by the Board for the maintenance and operation of the systems, the cost of improvements, betterments, and replacements and to provide for the payments of interest and principal on the bonds payable. On March 21, 2007, the Board approved a series of five annual water rate increases beginning with the first increase on November 1, 2007 followed by four additional increases to be implemented on July 1 of each year, 2008 through 2011. The New Orleans City Council approved the annual water rate increases on October 4, 2007.

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

The Board is composed of thirteen members, including the Mayor of the City, one Council Member-at-Large, and two District Council Members selected by the City Council, two members of the Board of Liquidation and seven citizens appointed by the Mayor. The appointed members of the Board serve staggered nine year terms.

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

(A) Reporting Entity

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

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(1) Summary of Significant Accounting Policies (continued)

(A) Reporting Entity (continued)

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

The Board is a stand-alone entity as defined by Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*. The Board is a legally-separate governmental organization that does not have a separately elected governing body and does not meet the definition of a component unit. As a result of a Louisiana Supreme Court decision on March 21, 1994, the Board was declared to be an autonomous or self-governing legal entity, legally independent of the City, State and other governments, created and organized pursuant to Louisiana Revised Statutes 33:4071 as a board, separate and independent of the governing authorities of the City and vested with autonomous or self governing authority. No other government can mandate actions of the Board nor impose specific financial burdens. The Board is fiscally independent to operate under its bond covenant and the provisions of Louisiana Revised Statute provisions.

The City of New Orleans includes the Board as a component unit in the City's financial statements.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

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(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation

The Board's basic financial statements consist of the government-wide statements which include the proprietary fund (the enterprise fund) and the fund financial statements which includes the fiduciary fund (the pension trust fund). The operations of the Board are accounted for in the following fund types:

Proprietary Fund Type

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

The statement of net assets arrangement for a utility reflects the relative importance of the various accounts. "Property, plant and equipment" is the first major category on the asset side, and long-term capitalization categories of net assets are listed first on the liability side. Current assets and current liabilities are assigned a relatively less important position in the center of the statement of net assets, rather than being placed first as in the statement of net assets of commercial and industrial enterprises.

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation (continued)

Fiduciary Fund Type

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

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

The Board applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its enterprise fund and pension trust fund operations unless those pronouncements conflict with or contradict GASB pronouncements.

(C) Basis of Accounting

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

(D) Investments

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

(E) Inventory of Supplies

Inventory is valued at the lower of cost or market. Cost is determined by weighted average cost method.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(1) Summary of Significant Accounting Policies (continued)

(F) Vacation and Sick Pay

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

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

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

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2011 and 2010 is approximately \$14,348,000 and \$14,300,000, respectively. The amount included in the statements of net assets as of December 31, 2011 and 2010 is \$10,265,830 and \$10,268,334, respectively, which represents the annual leave and the converted sick leave since virtually all employees convert their sick leave to cash. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense. The following table summarizes changes in the Board's vacation and sick pay liability.

Year	Beginning of Year Liability	Current Year Earned and Changes in Estimate	Payments	End of Year Liability
2011	\$ 10,268,334	\$ 3,210,423	\$ (3,212,927)	\$ 10,265,830
2010	\$ 10,048,113	\$ 3,676,970	\$ (3,456,749)	\$ 10,268,334

(G) Property, Plant and Equipment

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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(1) Summary of Significant Accounting Policies (continued)

(G) Property, Plant and Equipment (continued)

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

(H) Pension

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

(I) Drainage System

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

(J) Self-Insurance/Risk Management

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

(K) Capital Contributions

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

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(L) Bond Issuance Costs and Refinancing Gains (Losses)

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the life of the bonds. Beginning with fiscal years in 1994 and thereafter, gains and losses associated with refundings and advance refundings are being deferred and amortized based upon the methods used to approximate the interest method over the life of the new bonds or the remaining term on any refunded bond, whichever is shorter. Premiums associated with bond issues are amortized over the interest yield method.

(M) Cash Flows

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

(N) Use of Restricted Assets

When restricted and unrestricted resources are available to cover expenses, unrestricted resources are first applied.

(O) Use of Estimates

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

(P) Net Assets

The Board classifies net assets into three components: invested in capital assets, net of related debt, restricted, and unrestricted. These components are defined as follows:

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

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

Unrestricted – This component reports net assets that do not meet the definition of either of the other two components.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(2) Cash and Investments

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

**Custodial Credit Risk – Deposits –** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2011, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$138,982,459 and certificates of deposit of \$272,516. At December 31, 2010, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$116,491,304 and certificates of deposit of \$10,108,266. The Board's cash bank balances and all certificates of deposit for 2011 and 2010 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

In accordance with GASB 40, unless there is information to the contrary, obligations of the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality.

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

<u>2011</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:			
Cash and money market funds	\$ 16,159,335	\$ 117,940,184	\$ 134,099,519
Certificates of deposit	-	270,652	270,652
	<u>16,159,335</u>	<u>118,210,836</u>	<u>134,370,171</u>
Investments	-	6,007,002	6,007,002
Total cash and investments at fair value	<u>\$ 16,159,335</u>	<u>\$ 124,217,838</u>	<u>\$ 140,377,173</u>

<u>2010</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:			
Cash and money market funds	\$ 17,833,292	\$ 98,803,608	\$ 116,636,900
Certificates of deposit	-	10,108,266	10,108,266
	<u>17,833,292</u>	<u>108,911,874</u>	<u>126,745,166</u>
Investments	-	6,007,002	6,007,002
Total cash and investments at fair value	<u>\$ 17,833,292</u>	<u>\$ 114,918,876</u>	<u>\$ 132,752,168</u>

The composition and carrying value of investments is as follows:

	<u>2011</u>	<u>2010</u>
Enterprise Fund:		
LAMP	\$ <u>6,007,002</u>	\$ <u>6,007,002</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(2) Cash and Investments (continued)

	<u>2011</u>	<u>2010</u>
Pension Trust Fund:		
Money market	\$ 478,207	\$ 437,299
LAMP	9,156,807	8,131,637
Debt Securities	73,055,847	70,950,030
Hedge funds	17,450,681	-
Equities	<u>103,269,116</u>	<u>124,690,326</u>
	<u>\$ 203,410,658</u>	<u>\$ 204,209,292</u>

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to provide immediate access to participants. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value and the value of the position in the external investment pool is the same as the net asset value of the pool shares. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is subject to the regulatory oversight of the state treasurer and LAMP's board of directors. LAMP is not registered with the SEC as an investment company.

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engages in securities lending to broker dealers and other entities for cash collateral that will be returned for the same securities in the future. The cash collateral cannot be liquidated by the Board unless the borrower defaults. Cash collateral is initially pledged at 102.49% of the market value of securities lent and additional collateral is provided by the next business day if the value falls to less than 100% of the market value of the securities lent. No collateral exposure existed at December 31, 2011 and 2010. The value of securities lent at December 31, 2011 and 2010 was \$40,805,211 and \$45,870,932, respectively. The market value of the cash collateral at December 31, 2011 and 2010 was \$41,206,879 and \$46,998,662, respectively.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(2) Cash and Investments (continued)

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

Following are the credit risk ratings of the pension trust fund's investments in debt securities as of December 31, 2011:

<u>Rating</u>	<u>Corporate Bonds</u>	<u>Foreign Government Bonds</u>	<u>Government Bonds and U.S. Treasury Notes</u>	<u>Other</u>	<u>Total</u>	<u>Percentage of Total</u>
AAA	\$ 6,159	\$ 9,799,877	\$ 16,416,370	\$ 3,472,025	\$29,694,431	40.65%
AA+	190,229	72,714	237,116	63,228	563,287	0.77%
AA	-	8,336	20,466,793	690,232	21,165,361	28.97%
AA-	122,283	2,891	23,046	28,261	176,481	0.24%
A+	402,411	62,284	18,874	104,452	588,021	0.80%
A	1,052,319	97,250	6,507	243,964	1,400,040	1.92%
A-	2,461,801	19,271	23,940	41,771	2,546,783	3.49%
BBB+	2,059,547	5,389	-	265,625	2,330,561	3.19%
BBB	3,880,999	597,460	-	386,988	4,865,447	6.66%
BBB-	2,647,619	117,978	-	172,845	2,938,442	4.02%
BB+	978,560	133,763	109,369	24,884	1,246,576	1.71%
BB	630,526	271,238	106,538	211,782	1,220,084	1.67%
BB-	517,220	76,420	-	44,006	637,646	0.87%
B+	416,418	366,083	1,242	37,301	821,044	1.12%
B	386,728	108,271	8,295	125,045	628,339	0.86%
B-	266,278	49,478	-	84,088	399,844	0.55%
CCC+	178,648	-	50,711	46,837	276,196	0.38%
CCC	44,487	-	35,960	111,478	191,925	0.26%
CCC-	9,567	-	-	148,756	158,323	0.22%
CC	2,179	-	-	20,801	22,980	0.03%
C	-	-	-	16,213	16,213	0.02%
D	-	-	14,602	86,132	100,734	0.14%
Not Rated	99,589	262,783	74,751	629,966	1,067,089	1.46%
<b>Total</b>	<b>\$16,353,567</b>	<b>\$12,051,486</b>	<b>\$ 37,594,114</b>	<b>\$ 7,056,680</b>	<b>\$73,055,847</b>	<b>100.00%</b>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(2) Cash and Investments (continued)

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

As of December 31, 2011, the pension trust fund had the following investments in debt securities and maturities:

Investment Type	Duration					Total
	Less Than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 721,618	\$ 8,023,780	\$ 5,869,043	\$ 1,717,753	\$ 21,373	\$ 16,353,567
Foreign Government Bonds	796,396	2,849,951	2,995,207	5,409,932	-	12,051,486
Government Bonds and U.S. Treasury Notes	3,132,683	22,000,038	5,194,764	7,265,188	1,441	37,594,114
Other	2,409,002	3,325,146	245,887	474,501	602,144	7,056,680
<b>Total</b>	<b>\$ 7,059,699</b>	<b>\$36,198,915</b>	<b>\$14,304,901</b>	<b>\$14,867,374</b>	<b>\$ 624,958</b>	<b>\$ 73,055,847</b>

(3) Defined Benefit Pension Plan

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2011 and 2010 was \$29,774,937 and \$29,670,378, respectively; such amounts exclude overtime and standby payroll. Total payroll, including overtime and standby payroll, was \$44,768,936 and \$44,341,167 for the years ended December 31, 2011 and 2010, respectively. At December 31, the PTF membership consisted of:

	<u>2011</u>	<u>2010</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	822	791
Current employees:		
Vested	519	526
Non-vested	333	302
	<u>852</u>	<u>828</u>
<b>Total</b>	<u>1,674</u>	<u>1,619</u>

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(3) Defined Benefit Pension Plan (continued)

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

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

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

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

The Board had attained full funding of the actuarially computed pension liability in 2000. Effective June 19, 2002, however, as a result of the adoption of several plan changes in accordance with the Board's reciprocity agreement with the City of New Orleans, the plan became unfunded. These changes impacted the plan's funding requirements by \$20,333,835, which is being amortized over a 10 year period. Key changes adopted included: (a) amendment to benefit formula; (b) adoption of a "Rule of 80" retirement; (c) change in the years of service required for a terminating employee to qualify for a later separation benefit from 10 years to 5 years; and (d) elimination of the exclusion of the first \$1,200 of earnings from benefits and contributions. At December 31, 2011, the actuarially computed pension liability is unfunded by \$56,371,618.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(3) Defined Benefit Pension Plan (continued)

The annual required contribution for the current year was determined as part of the December 31, 2011 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increase of 5.0% per year. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of assets was determined using a seven-year weighted market average.

The Board's net pension liability for the years ended December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Annual required contribution	\$ 9,815,606	\$ 8,358,739
Interest on net pension obligation	348,324	131,995
Adjustments to annual required contribution	<u>(686,715)</u>	<u>(260,226)</u>
Annual pension cost	9,477,215	8,230,508
Contributions made	<u>(5,564,936)</u>	<u>(5,140,097)</u>
Increase in net pension liability	3,912,279	3,090,411
Net pension liability, beginning of year	<u>4,976,053</u>	<u>1,885,642</u>
Net pension liability, end of year	\$ <u>8,888,332</u>	\$ <u>4,976,053</u>

The net pension liability is being amortized over 10 years as of December 31, 2011, using the level dollar closed method and using the same interest, salary increase and inflation factors as the plan.

Trend information for Board and employee contributions is as follows:

	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Liability) Asset</u>
Fiscal year ending:			
December 31, 2011	\$ 9,477,215	59%	\$ (8,888,332)
December 31, 2010	\$ 8,230,508	62%	\$ (4,976,053)
December 31, 2009	\$ 7,629,267	68%	\$ (1,885,642)

The actuarially determined contribution requirement for the Board was 32.966% for 2011 and 28.172% for 2010. The contribution requirement for employees is 4.0%. The actual Board's and employees' contributions (including contributions for transferred employees from other pension plans) for the years ended December 31 were as follows:

	<u>2011</u>	<u>2010</u>
Employer and other transfers	\$ 6,670,204	\$ 5,995,621
Employee	<u>1,161,996</u>	<u>1,190,714</u>
Total contributions	\$ <u>7,832,200</u>	\$ <u>7,186,335</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(3) Defined Benefit Pension Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan as of December 31, 2011 and 2010, respectively, is based on the most recent actuarial valuation as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ 229,137,699	\$ 285,509,317	\$ 56,371,618	80.26%	\$ 29,774,937	189.55%
2010	\$ 230,298,898	\$ 277,273,632	\$ 46,974,734	83.06%	\$ 29,670,378	158.32%

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

DROP

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits, but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2011 and 2010, 133 and 131 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$9,121,044 and \$8,752,101 as of December 31, 2011 and 2010, respectively.

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

(4) Property, Plant and Equipment

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

Power and pumping stations - buildings	57 years
Power and pumping stations - machinery	40 years
Distribution systems	75 years
Sewerage collection	75 years
Canals and subsurface drains	75 to 100 years
Treatment plants	50 years
Connections and meters	50 years
Power transmission	50 years
General plant	12 years
General buildings	25 years

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

- (4) Property, Plant and Equipment (continued)  
Property, plant and equipment consisted of the following as of December 31:

Cost	2011			
	Beginning Balance	Additions	Deletions	Ending Balance
Real estate rights, non depreciable	\$ 9,425,978	\$ 1,486	\$ -	\$ 9,427,464
Power and pumping stations - buildings	331,021,168	2,259,374	-	333,280,542
Power and pumping stations - machinery	242,771,848	756,768	-	243,528,616
Distribution systems	125,323,381	43,552	(738,245)	124,628,688
Sewerage collection	329,292,709	17,344,273	(1,970,102)	344,666,880
Canals and subsurface drainage	318,060,376	1,223,097	-	319,283,473
Treatment plants	139,681,699	195,347	-	139,877,046
Connections and meters	46,426,256	1,951,838	(81,254)	48,296,840
Power transmission	23,607,668	-	-	23,607,668
General plant	201,908,791	-	(15,586)	201,893,205
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,775,106,421	23,775,735	(2,805,187)	1,796,076,969
Construction in progress	610,506,545	143,664,488	(23,775,735)	730,395,298
Total property, plant and equipment	2,385,612,966	167,440,223	(26,580,922)	2,526,472,267
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings	105,055,703	10,257,844	-	115,313,547
Power and pumping stations - machinery	128,176,937	10,515,942	-	138,692,879
Distribution systems	43,375,489	1,654,016	(738,245)	44,291,260
Sewerage collection	36,601,742	4,584,076	(1,970,102)	39,215,716
Canals and subsurface drainage	62,910,666	3,221,308	-	66,131,974
Treatment plants	50,120,748	2,797,541	-	52,918,289
Connections and meters	28,225,252	965,937	(81,254)	29,109,935
Power transmission	12,887,260	472,153	-	13,359,413
General plant	201,908,791	-	(15,586)	201,893,205
General buildings	5,890,541	303,462	-	6,194,003
Total accumulated depreciation	675,153,129	34,772,279	(2,805,187)	707,120,221
Net property, plant, and equipment	\$ 1,710,459,837	\$ 132,667,944	\$ (23,775,735)	\$ 1,819,352,046

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(4) Property, Plant and Equipment (continued)

Cost	2010			
	Beginning			Ending
	Balance	Additions	Deletions	Balance
Real estate rights, non depreciable	\$ 8,672,558	\$ 753,420	\$ -	\$ 9,425,978
Power and pumping stations - buildings	324,753,695	6,267,473	-	331,021,168
Power and pumping stations - machinery	242,413,811	358,037	-	242,771,848
Distribution systems	123,973,792	2,581,898	(1,232,309)	125,323,381
Sewerage collection	305,592,751	26,058,449	(2,358,491)	329,292,709
Canals and subsurface drainage	310,073,401	7,986,975	-	318,060,376
Treatment plants	135,915,592	3,766,107	-	139,681,699
Connections and meters	45,303,549	1,309,073	(186,366)	46,426,256
Power transmission	23,607,668	-	-	23,607,668
General plant	201,432,502	606,023	(129,734)	201,908,791
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,729,325,866	49,687,455	(3,906,900)	1,775,106,421
Construction in progress	518,909,894	141,284,106	(49,687,455)	610,506,545
Total property, plant and equipment	2,248,235,760	190,971,561	(53,594,355)	2,385,612,966
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings	96,445,428	8,610,275	-	105,055,703
Power and pumping stations - machinery	119,290,238	8,886,699	-	128,176,937
Distribution systems	42,939,809	1,667,989	(1,232,309)	43,375,489
Sewerage collection	34,580,640	4,379,593	(2,358,491)	36,601,742
Canals and subsurface drainage	59,701,589	3,209,077	-	62,910,666
Treatment plants	47,327,114	2,793,634	-	50,120,748
Connections and meters	27,483,093	928,525	(186,366)	28,225,252
Power transmission	12,415,108	472,152	-	12,887,260
General plant	198,073,320	3,965,205	(129,734)	201,908,791
General buildings	5,587,079	303,462	-	5,890,541
Total accumulated depreciation	643,843,418	35,216,611	(3,906,900)	675,153,129
Net property, plant, and equipment	\$ 1,604,392,342	\$ 155,754,950	\$ (49,687,455)	\$ 1,710,459,837

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

(4) Property, Plant and Equipment (continued)

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

	<u>2011</u>		<u>2010</u>
Interest income	\$ 55,951	\$	126,102
Interest expense	(11,020,055)		(11,392,115)
Net interest capitalized	<u>\$ (10,964,104)</u>	\$	<u>(11,266,013)</u>

(5) Customer Receivables

Customer receivables as of December 31 consist of the following:

		<u>Customer</u>	<u>Allowance</u>		<u>Net</u>
		<u>Accounts</u>	<u>for Doubtful</u>		<u>Accounts</u>
					<u>Net</u>
2011	Water	\$ 11,650,661	\$ 4,625,563	\$	7,025,098
	Sewer	<u>9,476,841</u>	<u>4,026,156</u>		<u>5,450,685</u>
		<u>\$ 21,127,502</u>	<u>\$ 8,651,719</u>	\$	<u>12,475,783</u>
2010	Water	\$ 15,313,694	\$ 6,314,224	\$	8,999,470
	Sewer	<u>15,348,256</u>	<u>9,564,402</u>		<u>5,783,854</u>
		<u>\$ 30,661,950</u>	<u>\$ 15,878,626</u>	\$	<u>14,783,324</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(6) Changes in Long-term Obligations

(A) Bonds Payable

Bonds payable consisted of the following as of December 31:

	<u>Principal Balances</u>	
	<u>2011</u>	<u>2010</u>
5.00% to 6.25% sewerage revenue bonds, series 1997 (initial average interest cost 5.36%), due in annual principal installments ranging from \$1,100,000 to \$2,425,000; final payment due June 1, 2017	\$ 12,715,000	\$ 14,460,000
4.125% to 6.125% water revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$625,000 to \$1,220,000; final payment due December 1, 2018	7,460,000	8,345,000
4.125% to 6.000% sewer revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$950,000 to \$1,910,000; final payment due June 1, 2018	11,660,000	13,040,000
4.10% to 6.10% drainage system bonds, series 1998 (initial average interest cost 4.84%), due in annual principal installments ranging from \$370,000 to \$760,000; final payment due December 1, 2018	4,610,000	5,155,000
5.25% to 6.50% sewer revenue bonds, series 2000 (initial average interest cost 5.48%), due in annual principal installments ranging from \$820,000 to \$2,205,000; final payment due June 1, 2020	15,890,000	17,195,000
5.00% to 7.00% sewer revenue bonds, series 2000B (initial average interest cost 5.43%), due in annual principal installments ranging from \$640,000 to \$1,660,000; final payment due June 1, 2020	12,055,000	13,060,000
4.40% to 6.70% sewer revenue bonds, series 2001 (initial average interest cost 5.02%), due in annual principal installments ranging from \$1,100,000 to \$2,455,000; final payment due June 1, 2021	19,985,000	21,530,000
3.00% to 5.00% sewerage service revenue bonds, series 2002 (initial average interest cost 4.36%); due in annual principal installments ranging from \$1,635,000 to \$4,520,000; final payment due June 1, 2022.	38,595,000	41,105,000

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

(6) Changes in Long-term Obligations (continued)

(A) Bonds Payable (continued)

	<b>Principal Balances</b>	
	<b>2011</b>	<b>2010</b>
3.00% to 5.00% water revenue bonds, series 2002 (initial average interest cost 4.57%, due in annual principal installments ranging from \$945,000 to \$3,658,000; final payment due December 1, 2022.	\$ 24,955,000	\$ 26,290,000
3.45% to 6.00% drainage system bonds, series 2002 (initial average interest cost 4.46%), due in annual principal installments ranging from \$510,000 to \$2,155,000; final payment due December 1, 2022.	14,380,000	15,135,000
2.20% to 5.00% sewerage service revenue bonds, series 2003 (initial average interest cost 3.94%); due in annual principal installments ranging from \$140,000 to \$395,000; final payment due June 1, 2023.	3,780,000	4,025,000
3.25% to 6.00% sewerage service revenue bonds, series 2004 (initial average interest cost 4.26%); due in annual principal installments ranging from \$945,000 to \$3,685,000; final payment due June 1, 2024.	24,315,000	25,690,000
3.40% to 6.25% sewerage service revenue refunding bonds, series 2009 (initial average interest cost 6.68%); due in annual principal installments ranging from \$680,000 to \$1,945,000; final payment due June 1, 2029.	21,990,000	22,695,000
2.95% LADHH Loan Revenue bonds, series 2010A; due in certain percentage of total drawdown; final payment due February 1, 2030.	628,127	34,875
2.95% LADHH Loan Revenue bonds, series 2010B; due in certain percentage of total drawdown; final payment due February 1, 2030.	875,707	597,967
0.45% sewerage service subordinate revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032.	98,375	-
	213,992,209	228,357,842
Plus: bond premiums	831,728	987,155
Total	214,823,937	229,344,997
Less: current maturities	(16,149,000)	(15,360,000)
Bond payable, long-term	\$ 198,674,937	\$ 213,984,997

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(B) Bonds Payable (continued)

The changes in long-term debt were as follows:

		<u>2011</u>		<u>2010</u>
Balance, beginning of year	\$	228,357,842	\$	242,330,000
Payments		(15,360,000)		(14,605,000)
Proceeds		994,367		632,842
Balance, end of year	\$	<u>213,992,209</u>	\$	<u>228,357,842</u>

The annual requirements to amortize bonds payable as of December 31, 2011, are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 16,149,000	\$ 10,345,293	\$ 26,494,293
2013	17,043,375	9,574,854	26,618,229
2014	17,797,000	8,728,595	26,525,595
2015	18,683,000	7,833,760	26,516,760
2016	19,635,000	6,894,736	26,529,736
2017-2021	93,131,000	19,672,445	112,803,445
2022-2026	25,686,000	3,872,471	29,558,471
2027-2031	5,867,834	551,489	6,419,323
	<u>\$ 213,992,209</u>	<u>\$ 67,473,643</u>	<u>\$ 281,465,852</u>

The amount of revenue bonds and tax bonds payable as of December 31, 2011, are as follows:

<b>Year</b>	<b>Revenue Bonds</b>	<b>Tax Bonds</b>	<b>Total</b>
2012	\$ 14,789,000	\$ 1,360,000	\$ 16,149,000
2013	15,618,375	1,425,000	17,034,375
2014	16,307,000	1,490,000	17,797,000
2015	17,128,000	1,555,000	18,683,000
2016	18,010,000	1,625,000	19,635,000
2017-2021	83,751,000	9,380,000	93,131,000
2022-2026	23,531,000	2,155,000	25,686,000
2027-2031	5,867,834	-	5,867,834
	<u>\$ 195,002,209</u>	<u>\$ 18,990,000</u>	<u>\$ 213,992,209</u>

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(6) Changes in Long-term Obligations (continued)

(A) Bonds Payable (continued)

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

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund was \$8,280,401 and \$7,943,569 at December 31, 2011 and 2010, respectively; the accumulated balance at December 31, 2011 and 2010 was \$10,564,501 and \$10,290,306 respectively. Monthly deposits to the debt service funds were temporarily suspended due to debt service payments being paid directly by the State of Louisiana through a Cooperative Endeavor Agreement and resumed as of June 2008. See note (6) (D) for additional information.
2. A debt service reserve is required for an amount equal to but not less than fifty percent of the amount required to be credited in said month to the debt service fund until there shall be accumulated in the debt service reserve account the largest amount required in any future calendar year to pay the principal and interest on outstanding bonds, except for the water and sewer bonds. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. There is no debt service reserve required for the 1998 and 2002 drainage 9 mill tax bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund were \$17,136,874 and \$19,236,060 at December 31, 2011 and 2010 respectively; the accumulated balance at December 31, 2011 and 2010 was \$20,092,504.

The Board was in compliance with the requirements of its long-term debt agreements for the Water Department for the years ended December 31, 2011 and 2010.

The Board was in compliance with the requirements of its long-term debt agreements for the Sewerage Department for the years ended December 31, 2011 and 2010.

(B) Special Community Disaster Loan Payable

During January 2006, the Board entered into a long-term agreement with the Federal Emergency Management Agency under the Community Disaster Loan Act of 2005 as a result of the major disaster declaration of August 29, 2005 for Hurricane Katrina. The loan was for a term of five years, which may be extended, and shall bear interest at the latest five-year Treasury rate at the time of the closing date of the loan, plus one percent. Simple interest accrues from the date of each disbursement. Payments of principal and interest are deferred until the end of the five year period.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(6) Changes in Long-term Obligations (continued)

(B) Special Community Disaster Loan Payable (continued)

Interest rates and maturity dates for the draw downs were as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>
January 23, 2011	2.66%	\$ 22,298,689
June 21, 2011	3.12%	6,013,905
August 27, 2011	2.93%	33,644,153
		<u>\$ 61,956,747</u>

In December 2010, the Board was granted a partial forgiveness of this loan in the amount of \$36,790,000 of principal and \$4,648,410 of accrued interest. A total of \$41,438,410 is included in forgiveness of debt on the statements of revenues, expenses, and changes in net assets for 2010. In addition, the Board was granted a 5 year extension on the payment date. As of December 31, 2011 and 2010, accrued interest on the loan was approximately \$3.7 million and \$2.9 million, respectively. Interest rate and maturity date for the loan are now as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>
August 27, 2016	2.93%	\$ 25,166,747

Operating revenues are pledged as security for the loan. Debt service requirements relating to the loan due in 2016 include \$25,166,747 of principal and \$3,672,379 of interest.

(C) LADHH Bonds Series 2010

The City entered into an agreement with the Louisiana Department of Health and Hospitals (the Department) whereby the Department has committed to loan the City up to \$3,400,000 to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the Department will be evidenced through the LADHH bonds payable and the City will pay the bonds in 20 principal installments, payable annually beginning no later than 2 years after the Closing Date (February 1, 2010) or 1 year after the completion of the Project. Each annual installment due is based upon a pre-determined percentage of the ultimate amount of the borrowing that is not forgivable (see forgiveness provisions in the following paragraph). The ultimate amount of borrowings is not yet known as of December 31, 2011 as the project is under construction. Principal payments of the amount repayable began February 1, 2011. Interest on the bonds is incurred at the rate of 2.95% and payment thereof began August 1, 2010 and is due semi-annually thereafter.

A portion of the LADHH bonds payable is to be funded with amounts provided under the American Recovery and Reinvestment Act (ARRA). Up to \$1,000,000 of the ARRA Loan can be forgiven. The City received advances of \$2,157,836 as of December 31, 2011. Of this amount, \$629,002 has been forgiven, \$25,000 has been repaid, and the remaining balance of \$1,503,834 is recorded as bonds payable at December 31, 2011. The City received advances of \$667,717 as of December 31, 2010. Of this amount, \$34,875 has been forgiven, and \$632,842 is recorded as bonds payable at December 31, 2010.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(6) Changes in Long-term Obligations (continued)

(D) Sewerage Service Subordinate Revenue Bonds, Series 2011

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ will be evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011. Annual principal payments will be due beginning November 1, 2013 and continuing through November 1, 2032. Interest on the bonds is incurred at the rate of 0.45% and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments begin on May 1, 2012 and are due semi-annually thereafter. As of December 31, 2011, \$98,375 has been drawn down on the loan and is recorded as bonds payable.

(E) Debt Service Assistance

In July 2006, the Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$77,465,247 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan will be made as debt service payments become due. No principal or interest shall be payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64 percent. Principal payments on the bonds begin in July 2012 and the loan will mature in July 2026. Interest is payable semi-annually on January 15 and July 15 beginning January 2012.

The loan may be prepaid without penalty or premium. The Board has the right to request one extension of its obligation to begin payments under the loan not to exceed five years. As of December 31, 2011 and 2010, the Board has drawn down \$77,465,247 and \$77,460,393, respectively, on this agreement.

Debt service requirements relating to the bond are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,688,291	\$ 3,594,387	\$ 7,282,678
2013	3,859,428	3,423,251	7,282,679
2014	4,038,505	3,244,173	7,282,678
2015	4,225,892	3,056,787	7,282,679
2016	4,421,973	2,860,705	7,282,678
2017-2021	25,384,715	11,028,677	36,413,392
2022-2026	31,846,443	4,566,948	36,413,391
	<u>\$ 77,465,247</u>	<u>\$ 31,774,928</u>	<u>\$ 109,240,175</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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(7) Due to City of New Orleans

The Board bills and collects sanitation charges on behalf of the City of New Orleans (the City). The Board is not liable for any uncollected sanitation charges.

Additionally, amounts included in accounts payable due to the City were \$14,715,479 and \$6,680,474 at December 31, 2011 and 2010, respectively.

(8) Property Taxes

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

The assessed value of the property is determined by an elected Assessor. The assessed value for 2011 and 2010 was \$2,766,725,610 and \$2,678,381,864, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2011 and 2010 was \$16.43 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction and extension of the drainage system (except for subsurface systems).

(9) Commitments

(A) Capital Improvements

At December 31, 2011, the Board's budget for its ten year capital improvements program totaled \$3,589,364,000 including \$813,368,000 for water, \$551,707,000 for sewerage and \$2,224,289,000 for drainage.

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2011, the Board has committed or appropriated \$76,150,163 in investments for use in future capital projects and has \$175,768 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2012 is \$1,557,586,000 including \$67,352,000 for projects, which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2011 include the following:

Hurricane Katrina related Repairs and Replacements  
Southeast Louisiana Flood Control Program  
Sewer System Sanitation Evaluation and Rehabilitation Program  
Drainage Pumping Station #1  
Eastbank Sewer Treatment Plant  
Westbank Sewer Treatment Plant  
Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

(9) Commitments (continued)

(B) Self-insurance

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

General liability claims are segregated internally by "claims" and "suits" depending on the scope and type of claim, and are handled by the Office of the Special Counsel and Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The provision for claims for 2011 and 2010 amounted to a decrease of \$4,372,097 and an increase of \$1,411,281 in general liability claims payable, respectively.

Worker's compensation expense provision for 2011 and 2010 amounted to \$1,132,569 and \$1,775,225, respectively.

The hospitalization self-insurance benefits are administered by Blue Cross of Louisiana. The Board's expense provision in excess of employee contributions for 2011 and 2010 was approximately \$13,252,400 and \$12,412,240, respectively, and is included in payroll related expenses.

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

<u>Fiscal Year</u>	<u>Beginning of Year</u>	<u>Current Year Claims and Estimate Change</u>	<u>Claim Payments</u>	<u>End of Year</u>
2011	\$ 21,030,331	\$ 9,348,118	\$ (15,476,968)	\$ 14,901,481
2010	\$ 20,603,791	\$ 13,709,531	\$ (13,282,991)	\$ 21,030,331

The composition of claims payable is as follows:

	<u>2011</u>	<u>2010</u>
Short-term:		
Workers' compensation	\$ 1,085,349	\$ 1,322,421
Health insurance	2,093,499	1,871,499
General liability	<u>8,861,192</u>	<u>13,534,043</u>
Total short-term	<u>12,040,040</u>	<u>16,727,963</u>
Long-term:		
Workers' compensation	<u>2,861,441</u>	<u>4,302,369</u>
Total long-term	<u>2,861,441</u>	<u>4,302,369</u>
Total	<u>\$ 14,901,481</u>	<u>\$ 21,030,332</u>

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(9) Commitments (continued)

(C) Regulatory Matters

The Board, as well as other utilities, is subject to environmental standards imposed by federal, state and local environmental laws and regulations. The Board has entered into a consent decree with the United States which allows the Board to go forward with its major program to repair and rehabilitate the sewerage system. The overall costs of the program are estimated at \$408.2 million over a period ending in 2015. The Board is in compliance with the decree.

The Board is also participating in Federal financial award programs which are subject to financial and compliance audits by various agencies. No disallowed costs have been identified. As part of Federal and other governmental agency funding, the Board is required to match a portion of funding received. The Board believes it has sufficient funds to meet its matching requirements.

(D) Postemployment Healthcare Benefits

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

The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 62 and 10 years of service; age 65 and 5 years of service; age 70 regardless of service; or, if age plus service equals at least 80. Complete plan provisions are contained in the official plan documents. Currently, the Board provides post employment medical benefits to 614 retired employees.

Contribution Rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy - Until 2007, the Board recognized the cost of providing post-employment medical benefits (the Board’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011 and 2010, the Board’s portion of health care funding cost for retired employees totaled \$6,325,076 and \$5,728,065, respectively. Effective January 1, 2007, the Board applies this amount toward the Net OPEB Benefit Obligation as shown in the tables on the following page.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Annual Required Contribution - The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2011</u>	<u>2010</u>
Normal cost	\$ 4,326,296	\$ 4,413,423
30-year UAL amortization amount	10,333,149	10,346,047
Annual required contribution (ARC)	<u>\$ 14,659,445</u>	<u>\$ 14,759,470</u>

Net Post-employment Benefit Obligation - The table below shows the Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	<u>2011</u>	<u>2010</u>
Beginning Net OPEB Obligation	\$ 33,069,087	\$ 24,474,061
Annual required contribution	14,659,445	14,759,470
Interest on Net OPEB Obligation	1,321,464	978,961
ARC Adjustment	<u>(1,942,966)</u>	<u>(1,415,340)</u>
OPEB Cost Contribution	14,037,943	14,323,092
Current year retiree premium	<u>(6,325,076)</u>	<u>(5,728,065)</u>
Change in Net OPEB Obligation	<u>7,712,867</u>	<u>8,595,027</u>
Ending Net OPEB Obligation	<u>\$ 40,781,954</u>	<u>\$ 33,069,087</u>

The following table shows the Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2011	\$ 14,070,394	44.95%	\$ 40,781,954
December 31, 2010	\$ 14,323,092	39.99%	\$ 33,069,087

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Funded Status and Funding Progress - In 2011 and 2010, the Board made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2011, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$178,681,549 which is defined as that portion, as determined by a particular actuarial cost method (the Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2011</u>	<u>2010</u>
Actuarial Accrued Liability (AAL)	\$ 178,681,549	\$ 178,904,131
Actuarial Value of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	\$ <u>178,681,549</u>	\$ <u>178,904,131</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 35,082,005	\$ 34,743,782
UAAL as a percentage of covered payroll	509.33%	514.92%

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Actuarial Value of Plan Assets – Since the OPEB obligation has not as yet been funded, there are not any plan assets. It is anticipated that in future valuations, should funding take place, plan assets will be valued using a smoothed market value method consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%. In addition to age related turnover, it has additionally been assumed that 10% of future eligible retirees will decline coverage upon retirement.

Post employment Benefit Plan Eligibility Requirements - It is assumed that entitlement to benefits will commence five years after earliest eligibility for retirement (D.R.O.P. entry). The five years is to accommodate the anticipated period of the D.R.O.P. Also, if the initial eligibility for D.R.O.P. entry is prior to age 55, an additional one year delay has been assumed, and it has been assumed that members eligible for the "Rule of 80" retirement formula delay three years beyond that earliest retirement date. Medical benefits are provided to employees upon actual retirement. The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 62 and 10 years of service; age 65 and 5 years of service; age 70 regardless of service; or, if age plus service equals at least 80. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate) - GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining the Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The current premium schedules for active and retired are "unblended" rates, as required by GASB 45.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Inflation Rate – Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases – This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases – The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(E) Southeast Louisiana Project

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements (SELA PPA and SELA DPA) with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the Project). The purpose of the Project is to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana. The agreements set forth the obligations of the federal government and non-federal sponsors, including the Board, regarding the construction and the operation, maintenance, repair, rehabilitation, and replacement of the Project. For the projects, the federal government is liable for 65% of the project costs and the non-federal sponsors are liable for the remaining 35%. Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs.

In 2011, the Board has incurred \$5,785,047 for design and relocation expenses relating to the Project. These expenses have been capitalized as construction in progress at December 31, 2011, and the payments will be applied against the 35% costs, as stated in the previous paragraph, upon approval by the Department of Army. Actual construction work of the Project began in January 2012 and is expected to be completed in 2017. At December 31, 2011, the Board has not incurred a liability for the construction of the Project.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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(10) Deferred Compensation Plan

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

(11) Budgets

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

(12) Segment Information

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

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

(12) Segment Information (continued)

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

	<u>Condensed Statements of Net Assets</u>			
	<u>Water</u>		<u>Sewer</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(amounts in thousands)			
<b>Assets:</b>				
Property, plant and equipment	\$ 321,401	\$ 314,000	\$ 764,091	\$ 718,365
Current unrestricted assets	(11,656)	(5,819)	52,359	57,918
Restricted assets	37,138	27,246	45,674	41,253
Other assets	209	228	1,723	1,780
<b>Total assets</b>	<b>\$ 347,092</b>	<b>\$ 335,655</b>	<b>\$ 863,847</b>	<b>\$ 819,316</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	\$ 287,287	\$ 278,543	\$ 602,534	\$ 544,969
Restricted	7,393	7,429	25,644	25,346
Unrestricted	(94,019)	(91,943)	(79,827)	(65,369)
<b>Total net assets</b>	<b>200,661</b>	<b>194,029</b>	<b>548,351</b>	<b>504,946</b>
<b>Liabilities:</b>				
Current	51,599	49,414	72,793	59,284
Current liabilities payable from restricted assets	11,751	10,504	14,882	13,432
Noncurrent liabilities	83,081	81,708	227,821	241,654
<b>Total liabilities</b>	<b>146,431</b>	<b>141,626</b>	<b>315,496</b>	<b>314,370</b>
<b>Total liabilities and net assets</b>	<b>\$ 347,092</b>	<b>\$ 335,655</b>	<b>\$ 863,847</b>	<b>\$ 819,316</b>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

(12) Segment Information (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	Water		Sewer	
	2011	2010	2011	2010
	(amounts in thousands)			
Service charges, pledged against bonds	\$ 64,699	\$ 58,698	\$ 73,782	\$ 70,169
Depreciation expense	(13,793)	(13,948)	(9,907)	(9,979)
Other operating expenses	(66,355)	(61,252)	(42,508)	(46,297)
Operating income (loss)	(15,449)	(16,502)	21,367	13,893
Nonoperating revenues (expenses):				
Investment earnings	47	40	252	67
Other	10,919	24,603	140	17,645
Capital contributions	11,115	23,636	21,646	(7,720)
Total nonoperating revenues (expenses)	22,081	48,279	22,038	9,992
Change in net assets	6,632	31,777	43,405	23,885
Beginning net assets	194,029	162,252	504,946	481,061
Ending net assets	\$ 200,661	\$ 194,029	\$ 548,351	\$ 504,946

Condensed Statements of Cash Flows

	Water		Sewer	
	2011	2010	2011	2010
	(amounts in thousands)			
Net cash provided by (used in):				
Operating activities	\$ (2,646)	\$ 9,221	\$ 35,213	\$ 40,509
Noncapital financing activities	8,758	(2,850)	2,842	2,958
Capital and related financing activities	(3,154)	628	(30,010)	(53,283)
Investing activities	(8,772)	(489)	(7,175)	(1,654)
Net increase (decrease)	(5,814)	6,510	870	(11,470)
Cash and cash equivalents:				
Beginning of year	23,200	16,690	6,148	17,618
End of year	\$ 17,386	\$ 23,200	\$ 7,018	\$ 6,148

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(13) Natural Disaster

As of December 31, 2011 and 2010, the Board has cumulatively received \$235,893,718 and \$190,382,350, respectively, of cash reimbursements from the Federal Emergency Management Agency (FEMA). Included in accounts receivable as of December 31, 2011 and 2010 are \$25,164,758 and \$31,013,507, respectively, of reimbursements due from FEMA. Eligible FEMA grants totaling in excess of \$431 million are in various stages of the approval process and include amounts for system repairs, building repairs, vehicle and equipment repairs and replacements, temporary power, supplies and other costs.

On June 29, 2007, the Board entered into a Cooperative Endeavor Agreement with the State of Louisiana, City of New Orleans, Louisiana, and the Louisiana Public Facilities Authority (LPFA). The LPFA agreed to issue its bonds to provide the cash capital investment to pay for capital improvements of the City of New Orleans and the Board. The establishment of the construction fund permits the Board and City of New Orleans to publicly bid contracts that are subject to a Project Worksheet that has been obligated by FEMA or for which an award letter has been received and encumber such amounts. The State of Louisiana, City of New Orleans, and Sewerage and Water Board agree that as FEMA pays any reimbursement amounts related to projects for which disbursements have been made, or the City or the Sewerage and Water Board receives monies related to the hazard mitigation grant program for which disbursements have been made from the construction fund, the full amount of such projects shall be deposited in the construction fund and used to fund additional projects until all City of New Orleans and Sewerage and Water Board improvements are completed. The total amount made available to the Board under the agreement was \$100,000,000. At December 31, 2011 and 2010, the Board had an outstanding obligation under the agreement of \$67,894,157 and \$59,819,408 included as a liability in due to other governments on the statements of net assets, which represent amounts not yet reimbursed by FEMA and deposited back into the construction fund.

(14) Restatement

The Board identified an overstatement of property, plant and equipment which impacted prior year financial statements due to the capitalization of operating expenditures. The restatement resulted in a decrease in property, plant and equipment and net assets at December 31, 2010 and an increase in maintenance in general plant expenditures for the year ended December 31, 2010 of \$5,018,378.

**REQUIRED SUPPLEMENTARY INFORMATION  
(GASB STATEMENTS NO. 25 AND NO. 45)**

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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**Required Supplementary Information Under GASB Statement No. 25**  
**SCHEDULE OF FUNDING PROGRESS**  
**For the years ended December 31, 2011 and 2010**

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Funded Ratio	Covered Payroll (millions)	Unfunded AAL as a Percentage of payroll
2011	\$ 229,137,699	\$ 285,509,317	\$ 56,371,618	80.26%	29.74	189.55%
2010	230,298,898	277,273,632	46,974,734	83.06%	29.67	158.32%
2009	228,999,660	269,506,028	40,506,368	84.97%	29.95	135.26%
2008	222,598,640	260,616,822	38,018,182	85.41%	29.47	129.02%
2007	223,583,589	245,202,189	21,618,600	91.18%	26.54	81.44%
2006	217,274,416	235,664,407	18,389,991	92.20%	25.93	70.92%
2005	209,829,340	225,544,886	15,715,546	93.03%	30.05	52.30%
2004	204,706,452	218,155,395	13,448,943	93.84%	30.17	44.58%
2003	196,697,432	205,362,089	8,664,657	95.78%	28.44	30.46%
2002	187,892,716	197,323,094	9,430,378	95.22%	29.00	32.52%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
2011	\$ 9,815,493	\$ 5,436,700	55.39%
2010	8,385,788	5,146,081	61.37%
2009	7,591,507	5,247,031	69.12%
2008	7,146,647	4,915,512	68.78%
2007	4,598,587	3,885,124	84.49%
2006	4,073,502	3,343,713	82.08%
2005	4,702,354	3,716,381	79.03%
2004	4,271,797	3,721,034	87.11%
2003	3,193,339	3,391,537	106.21%
2002	3,190,707	2,931,065	91.86%

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**Required Supplementary Information Under GASB Statement No. 45**  
**SCHEDULE OF FUNDING PROGRESS**  
**For the years ended December 31, 2011 and 2010**

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Funded Ratio	Covered Payroll (millions)	Unfunded AAL as a Percentage of payroll
2011	\$ -	\$ 178,681,549	\$ 178,681,549	0.00%	35.08	509.33%
2010	-	178,904,131	178,904,131	0.00%	34.74	514.92%
2009	-	184,174,734	184,174,734	0.00%	33.88	543.56%
2008	-	177,956,339	177,956,339	0.00%	29.47	603.93%
2007	-	147,995,856	147,995,856	0.00%	27.00	548.13%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
2011	\$ 14,659,445	\$ 6,057,637	41.32%
2010	14,759,470	5,728,065	38.81%
2009	15,046,112	5,487,971	36.47%
2008	14,304,620	5,673,616	39.66%
2007	12,818,364	6,143,654	47.93%

See accompanying notes to financial statements.

**SUPPLEMENTARY INFORMATION**

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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF NET ASSETS BY DEPARTMENT**  
**ENTERPRISE FUND**  
 As of December 31, 2011 and 2010

	Water System		Sewerage System		Drainage System		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>ASSETS</b>								
Noncurrent assets:								
Property, plant and equipment	\$ 600,000,137	\$ 579,625,352	\$ 954,826,932	\$ 901,164,321	\$ 971,645,198	\$ 904,823,293	\$ 2,526,472,267	\$ 2,385,612,966
Less: accumulated depreciation	278,598,573	265,624,748	190,736,062	182,798,896	237,785,586	226,729,485	707,120,221	675,153,129
Property, plant, and equipment, net	321,401,564	314,000,604	764,090,870	718,365,425	733,859,612	678,093,808	1,819,352,046	1,710,459,837
Other assets:								
Bond issue costs	185,902	204,568	1,705,110	1,762,161	45,325	56,943	1,936,337	2,023,672
Deposits	22,950	22,950	17,965	17,965	10,400	10,400	51,315	51,315
Total other assets	208,852	227,518	1,723,075	1,780,126	55,725	67,343	1,987,652	2,074,987
Total noncurrent assets	321,610,416	314,228,122	765,813,945	720,145,551	733,915,337	678,161,151	1,821,339,698	1,712,534,824
Current assets:								
Unrestricted:								
Cash	9,645,067	15,681,990	2,083,063	(1,682,636)	4,431,205	3,833,938	16,159,335	17,833,292
Accounts receivable:								
Customers, net of allowance	7,025,098	8,999,470	5,450,685	5,783,854	6,895,232	9,555,454	12,475,783	14,783,324
Taxes	-	-	-	-	-	-	6,895,232	9,555,454
Interest	-	2,289	115	2,405	-	2,289	115	6,983
Grants	18,209,589	18,599,225	3,107,616	10,664,009	5,255,754	5,482,444	26,572,959	34,745,678
Miscellaneous	882,473	1,025,003	380,709	313,402	1,444,748	1,904,072	2,707,930	3,242,477
Due from (to) other internal departments	(52,506,013)	(57,426,789)	38,744,535	40,380,136	13,761,478	17,046,653	-	-
Inventory of supplies	4,668,654	6,889,126	2,327,909	2,200,868	1,027,554	1,274,701	8,024,117	10,364,695
Prepaid expenses	418,677	410,432	264,095	255,850	38,878	23,978	721,650	690,260
Total unrestricted	(11,656,455)	(5,819,254)	52,358,727	57,917,888	32,854,849	39,123,529	73,557,121	91,222,163
Restricted investments:								
Capital projects	18,591,740	9,938,654	18,056,220	13,941,709	39,502,203	44,632,725	76,150,163	68,513,088
Construction funds	18,914	60,544	143,743	141,170	13,111	4,078	175,768	205,792
Debt service reserve	7,393,084	7,428,697	25,643,883	25,346,183	100,575	-	33,137,542	32,774,880
Customer deposits	8,849,159	7,979,978	-	-	-	-	8,849,159	7,979,978
Health insurance reserve	1,848,223	1,744,003	1,751,558	1,745,131	1,750,444	1,744,004	5,350,225	5,233,138
Other	436,981	94,000	79,000	79,000	39,000	39,000	554,981	212,000
Total restricted	37,138,101	27,245,876	45,674,404	41,253,193	41,405,333	46,419,807	124,217,838	114,918,876
Total current assets	25,481,646	21,426,622	98,033,131	99,171,081	74,260,182	85,543,336	197,774,959	206,141,039
Total assets	\$ 347,092,062	\$ 335,654,744	\$ 863,847,076	\$ 819,316,632	\$ 808,175,519	\$ 763,704,487	\$ 2,019,114,657	\$ 1,918,675,863

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
 SCHEDULE OF NET ASSETS BY DEPARTMENT, CONTINUED  
 ENTERPRISE FUND  
 As of December 31, 2011 and 2010

	Water System		Sewerage System		Drainage System		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>NET ASSETS AND LIABILITIES</b>								
Net assets:								
Invested in capital assets, net of related debt	\$ 287,286,958	\$ 278,543,348	\$ 602,534,196	\$ 544,969,398	\$ 714,882,723	\$ 657,807,886	\$ 1,604,703,877	\$ 1,481,320,632
Restricted for debt service	7,393,084	7,428,697	25,643,883	25,346,183	100,575	-	33,137,542	32,774,880
Unrestricted	(94,018,650)	(91,943,249)	(79,827,568)	(65,369,513)	33,191,157	48,161,438	(140,655,061)	(109,151,324)
<b>Total net assets</b>	<b>200,661,392</b>	<b>194,028,796</b>	<b>548,350,511</b>	<b>504,946,068</b>	<b>748,174,455</b>	<b>705,969,324</b>	<b>1,497,186,358</b>	<b>1,404,944,188</b>
Long-term liabilities:								
Claims payable	953,814	1,434,123	953,813	1,434,123	953,814	1,434,123	2,861,441	4,302,369
Net pension obligation	2,867,620	1,563,527	2,997,566	1,693,473	3,023,146	1,719,053	8,888,332	4,976,053
Other postretirement benefits liability	16,035,150	13,464,195	13,056,803	10,485,847	11,690,001	9,119,045	40,781,954	33,069,087
Bonds payable, net of current maturities	31,744,520	33,272,800	149,300,417	161,722,197	17,630,000	18,990,000	198,674,937	213,984,997
Special Community Disaster loan payable	25,166,747	25,166,747	-	-	-	-	25,166,747	25,166,747
Debt Service Assistance Fund loan payable, net of current maturities	6,313,375	6,807,041	61,513,148	66,318,237	3,927,562	4,335,115	71,754,085	77,460,393
<b>Total long-term liabilities</b>	<b>83,081,226</b>	<b>81,708,433</b>	<b>227,821,747</b>	<b>241,653,877</b>	<b>37,224,523</b>	<b>35,597,336</b>	<b>348,127,496</b>	<b>358,959,646</b>
Current liabilities (payable from current assets):								
Accounts payable	14,586,058	17,661,329	15,755,527	13,959,903	10,871,047	4,607,034	41,212,632	36,228,266
Due to City of New Orleans	107,442	107,414	-	-	-	-	107,442	107,414
Due to other governments	22,020,099	19,032,236	43,588,415	37,109,245	2,285,643	3,677,927	67,894,157	59,819,408
Retainers and estimates payable	1,602,446	765,411	1,522,348	1,173,324	169,174	32,076	3,293,968	1,970,811
Due to other fund	62,296	58,073	29,241	27,259	35,598	33,185	127,135	118,517
Accrued salaries	623,734	603,640	299,498	282,940	332,117	342,928	1,255,349	1,229,508
Accrued vacation and sick pay	4,398,319	4,399,771	3,293,503	3,337,895	2,574,008	2,530,668	10,265,830	10,268,334
Claims payable	3,995,631	3,832,495	3,484,733	3,391,425	4,559,676	9,504,042	12,040,040	16,727,962
Debt Service Assistance Fund loan payable	493,666	493,666	4,809,943	-	407,553	-	5,711,162	-
Other liabilities	3,709,314	2,953,195	9,912	2,430	-	-	3,719,226	2,955,625
<b>Total Current liabilities (payable from current assets):</b>	<b>51,599,005</b>	<b>49,413,564</b>	<b>72,793,120</b>	<b>59,284,421</b>	<b>21,234,816</b>	<b>20,727,860</b>	<b>145,626,941</b>	<b>129,425,845</b>
Current liabilities (payable from restricted assets):								
Accrued interest	281,159	140,468	2,091,131	725,929	162,698	74,740	2,534,988	941,137
Bonds payable	2,389,000	2,245,000	12,400,000	11,815,000	1,360,000	1,300,000	16,149,000	15,360,000
Retainers and estimates payable	231,121	138,505	390,567	891,337	19,027	55,227	640,715	1,065,069
Customer deposits	8,849,159	7,979,978	-	-	-	-	8,849,159	7,979,978
<b>Total Current liabilities (payable from restricted assets):</b>	<b>11,750,439</b>	<b>10,503,951</b>	<b>14,881,698</b>	<b>13,432,266</b>	<b>1,541,725</b>	<b>1,409,967</b>	<b>28,173,862</b>	<b>25,346,184</b>
<b>Total current liabilities</b>	<b>63,349,444</b>	<b>59,917,515</b>	<b>87,674,818</b>	<b>72,716,687</b>	<b>22,776,541</b>	<b>22,137,827</b>	<b>173,800,803</b>	<b>154,772,029</b>
<b>Total liabilities</b>	<b>146,430,670</b>	<b>141,625,948</b>	<b>315,496,565</b>	<b>314,370,564</b>	<b>60,001,064</b>	<b>57,735,163</b>	<b>521,928,299</b>	<b>513,731,675</b>
<b>Total fund equity and liabilities</b>	<b>\$ 347,092,062</b>	<b>\$ 335,654,744</b>	<b>\$ 863,847,076</b>	<b>\$ 819,316,632</b>	<b>\$ 808,175,519</b>	<b>\$ 763,704,487</b>	<b>\$ 2,019,114,657</b>	<b>\$ 1,918,675,863</b>

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BY DEPARTMENT**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2011 and 2010**

	Water System		Sewerage System		Drainage System		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Operating revenues:</b>								
Sales of water and delinquent fees	\$ 59,890,312	\$ 55,079,772	\$ -	\$ -	\$ -	\$ -	\$ 59,890,312	\$ 55,079,772
Sewerage service charges	-	-	70,358,076	69,534,779	-	-	70,358,076	69,534,779
Plumbing inspection and license fees	379,036	373,213	379,036	373,213	-	-	758,072	746,426
Other revenues	4,429,221	3,245,693	3,044,483	260,785	1,107,419	1,196,275	8,581,123	4,702,753
<b>Total operating revenues</b>	<b>64,698,569</b>	<b>58,698,678</b>	<b>73,781,595</b>	<b>70,168,777</b>	<b>1,107,419</b>	<b>1,196,275</b>	<b>139,587,583</b>	<b>130,063,730</b>
<b>Operating Expenses:</b>								
Power and pumping	3,912,898	4,176,876	2,554,371	2,797,723	5,320,345	5,632,252	11,787,614	12,606,851
Treatment	7,127,633	7,810,325	10,953,890	11,219,427	-	-	18,081,523	19,029,752
Transmission and distribution	18,217,656	6,995,089	7,116,146	6,914,020	1,882,233	2,006,252	27,216,035	15,915,361
Customer accounts	1,663,538	1,642,543	1,663,534	1,642,538	42,571	29,806	3,369,643	3,314,887
Customer service	1,660,052	1,693,171	1,660,048	1,693,167	-	-	3,320,100	3,386,338
Administration and general	7,091,120	6,932,782	3,841,388	4,789,797	5,121,646	4,337,453	16,054,154	16,060,032
Payroll related	13,354,243	12,937,992	11,496,836	11,083,024	9,919,360	9,595,009	34,770,439	33,616,025
Maintenance of general plant	11,529,390	15,177,778	3,861,581	3,638,180	9,794,266	9,641,268	25,185,237	28,457,226
Depreciation	13,793,325	13,948,178	9,907,267	9,978,797	11,071,687	11,289,616	34,772,279	35,216,611
Amortization	18,666	18,666	134,795	134,130	11,619	11,619	165,080	164,415
Provision for doubtful accounts	1,658,080	3,053,826	(801,413)	1,801,499	10,793	-	867,460	4,855,325
Provision for claims	120,697	813,654	25,847	583,421	(4,826,998)	1,789,639	(4,680,454)	3,186,714
<b>Total operating expenses</b>	<b>80,147,298</b>	<b>75,200,900</b>	<b>52,414,290</b>	<b>56,275,723</b>	<b>38,347,522</b>	<b>44,332,914</b>	<b>170,909,110</b>	<b>175,809,537</b>
<b>Operating income (loss)</b>	<b>(15,448,729)</b>	<b>(16,502,222)</b>	<b>21,367,305</b>	<b>13,893,054</b>	<b>(37,240,103)</b>	<b>(43,136,639)</b>	<b>(31,321,527)</b>	<b>(45,745,807)</b>
<b>Non-operating revenues (expenses):</b>								
Three-mill tax	-	-	-	-	11,129,376	10,378,060	11,129,376	10,378,060
Six-mill tax	-	-	-	-	11,242,927	10,498,580	11,242,927	10,498,580
Nine-mill tax	-	-	-	-	16,855,081	15,672,791	16,855,081	15,672,791
Two-mill tax	-	-	-	-	4,870	1,045	4,870	1,045
Other taxes	140,655	148,528	175,424	185,267	-	-	316,079	333,795
Operating and maintenance grants	11,514,936	6,251,855	(35,272)	2,957,463	-	158,622	11,479,664	9,367,940
Interest income	46,557	39,692	251,742	67,465	128,571	167,166	426,870	274,323
Interest expense	(736,878)	(1,687,603)	-	-	-	-	(736,878)	(1,687,603)
Forgiveness of Community Disaster Loan (Note 6)	-	19,890,437	-	14,503,443	-	7,044,530	-	41,438,410
<b>Total non-operating revenues</b>	<b>10,965,270</b>	<b>24,642,909</b>	<b>391,894</b>	<b>17,713,638</b>	<b>39,360,825</b>	<b>43,920,794</b>	<b>50,717,989</b>	<b>86,277,341</b>
<b>Income before capital contributions</b>	<b>(4,483,459)</b>	<b>8,140,687</b>	<b>21,759,199</b>	<b>31,606,692</b>	<b>2,120,722</b>	<b>784,155</b>	<b>19,396,462</b>	<b>40,531,534</b>
<b>Capital contributions</b>	<b>11,116,055</b>	<b>23,636,562</b>	<b>21,645,244</b>	<b>(7,721,824)</b>	<b>40,084,409</b>	<b>33,044,410</b>	<b>72,845,708</b>	<b>48,959,148</b>
<b>Change in net assets</b>	<b>6,632,596</b>	<b>31,777,249</b>	<b>43,404,443</b>	<b>23,884,868</b>	<b>42,205,131</b>	<b>33,828,565</b>	<b>92,242,170</b>	<b>89,490,682</b>
<b>Net assets, beginning of year, as restated (Note 14)</b>	<b>194,028,796</b>	<b>162,251,547</b>	<b>504,946,068</b>	<b>481,061,200</b>	<b>705,969,324</b>	<b>672,140,759</b>	<b>1,404,944,188</b>	<b>1,315,455,506</b>
<b>Net assets, end of year</b>	<b>\$ 200,661,392</b>	<b>\$ 194,028,796</b>	<b>\$ 548,350,511</b>	<b>\$ 504,946,068</b>	<b>\$ 748,174,455</b>	<b>\$ 705,969,324</b>	<b>\$ 1,497,186,358</b>	<b>\$ 1,404,944,188</b>

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT**  
**As of December 31, 2011 and 2010**

	2011			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 1,716,892	\$ 4,812,434	\$ 9,427,464
Power and pumping stations - buildings	58,142,041	42,946,421	232,192,080	333,280,542
Power and pumping stations - machinery	114,173,118	29,677,840	99,677,658	243,528,616
Distribution systems	124,628,688	-	-	124,628,688
Sewerage collection	-	344,666,880	-	344,666,880
Canals and subsurface drainage	-	-	319,283,473	319,283,473
Treatment plants	-	139,877,046	-	139,877,046
Connections and meters	36,170,075	12,126,765	-	48,296,840
Power transmission	7,479,863	5,006,170	11,121,635	23,607,668
General plant	91,395,400	60,953,290	49,544,515	201,893,205
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
<b>Total property, plant and equipment in service</b>	<b>437,412,871</b>	<b>638,064,629</b>	<b>720,599,469</b>	<b>1,796,076,969</b>
Construction in progress	162,587,266	316,762,303	251,045,729	730,395,298
<b>Total property, plant and equipment</b>	<b>600,000,137</b>	<b>954,826,932</b>	<b>971,645,198</b>	<b>2,526,472,267</b>
Accumulated depreciation	278,598,573	190,736,062	237,785,586	707,120,221
<b>Net property, plant and equipment</b>	<b>\$ 321,401,564</b>	<b>\$ 764,090,870</b>	<b>\$ 733,859,612</b>	<b>\$ 1,819,352,046</b>
	<b>2010</b>			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 1,716,892	\$ 4,810,948	\$ 9,425,978
Power and pumping stations - buildings	58,131,001	42,287,733	230,602,434	331,021,168
Power and pumping stations - machinery	113,899,502	29,648,930	99,223,416	242,771,848
Distribution systems	125,323,381	-	-	125,323,381
Sewerage collection	-	329,292,709	-	329,292,709
Canals and subsurface drainage	-	-	318,060,376	318,060,376
Treatment plants	-	139,681,699	-	139,681,699
Connections and meters	34,300,910	12,125,346	-	46,426,256
Power transmission	7,479,863	5,006,170	11,121,635	23,607,668
General plant	91,395,400	60,953,290	49,560,101	201,908,791
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
<b>Total property, plant and equipment in service</b>	<b>435,953,743</b>	<b>621,806,094</b>	<b>717,346,584</b>	<b>1,775,106,421</b>
Construction in progress	143,671,609	279,358,227	187,476,709	610,506,545
<b>Total property, plant and equipment</b>	<b>579,625,352</b>	<b>901,164,321</b>	<b>904,823,293</b>	<b>2,385,612,966</b>
Accumulated depreciation	265,624,748	182,798,896	226,729,485	675,153,129
<b>Net property, plant and equipment</b>	<b>\$ 314,000,604</b>	<b>\$ 718,365,425</b>	<b>\$ 678,093,808</b>	<b>\$ 1,710,459,837</b>

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF BONDS PAYABLE**  
 For the year ended December 31, 2011

	Annual Interest Rates	Interest Payment Dates	Issue Date	Final Maturity Date	Outstanding as of 12/31/2010	New Debt in 2011	Payments in 2011	Outstanding as of 12/31/2011
Drainage System Bonds, 1998 (9-Mills)	4.84%	(6/1;12/1)	12/01/98	12/01/18	\$ 5,155,000	\$ -	\$ 545,000	\$ 4,610,000
Drainage System Bonds, 2002 (9-Mills)	4.46%	(6/1;12/1)	10/01/02	12/01/22	15,135,000	-	755,000	14,380,000
					<u>20,290,000</u>	<u>-</u>	<u>1,300,000</u>	<u>18,990,000</u>
Sewer Revenue Bonds, 1997	5.36%	(6/1;12/1)	06/01/97	06/01/17	14,460,000	-	1,745,000	12,715,000
Sewer Revenue Bonds, 1998	4.82%	(6/1;12/1)	12/01/98	06/01/18	13,040,000	-	1,380,000	11,660,000
Sewer Revenue Bonds, 2000	5.48%	(6/1;12/1)	05/01/00	06/01/20	17,195,000	-	1,305,000	15,890,000
Sewer Revenue Bonds, 2000-B	5.43%	(6/1;12/1)	11/01/00	06/01/20	13,060,000	-	1,005,000	12,055,000
Sewer Revenue Bonds, 2001	5.02%	(6/1;12/1)	12/01/01	06/01/21	21,530,000	-	1,545,000	19,985,000
Sewer Revenue Bonds, 2002	4.36%	(6/1;12/1)	12/01/02	06/01/22	41,105,000	-	2,510,000	38,595,000
Sewer Revenue Bonds, 2003	3.94%	(6/1;12/1)	12/03/03	06/01/23	4,025,000	-	245,000	3,780,000
Sewer Revenue Bonds, 2004	4.26%	(6/1;12/1)	12/01/04	06/01/24	25,690,000	-	1,375,000	24,315,000
Sewer Revenue Bonds, 2009	6.68%	(6/1;12/1)	12/01/09	06/01/29	22,695,000	-	705,000	21,990,000
Sewer Revenue Bonds, 2011	0.95%	(1/1-12/1)	12/01/11	12/01/32	-	98,375	-	98,375
					<u>172,800,000</u>	<u>98,375</u>	<u>11,815,000</u>	<u>161,083,375</u>
Water Revenue Bonds, 1998	4.82%	(6/1;12/1)	12/01/98	12/01/18	8,345,000	-	885,000	7,460,000
Water Revenue Bonds, 2002	4.57%	(6/1;12/1)	10/01/02	12/01/22	26,290,000	-	1,335,000	24,955,000
LADHH Loan Revenue Bonds, 2010A	2.95%	(2/1)	02/11/10	02/01/30	34,875	594,252	1,000	628,127
LADHH Loan Revenue Bonds, 2010B	2.95%	(2/1)	02/11/10	02/01/50	597,967	301,740	24,000	875,707
					<u>35,267,842</u>	<u>895,992</u>	<u>2,245,000</u>	<u>33,918,834</u>
<b>TOTAL</b>					<u>\$ 228,357,842</u>	<u>\$ 994,367</u>	<u>\$ 15,360,000</u>	<u>\$ 213,992,209</u>

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**DEBT SERVICE AND DEBT SERVICE RESERVE**  
**REQUIRED BY BOND RESOLUTION**  
**For the year ended December 31, 2011**

	Debt Service Account					Debt Service Reserve Accounts			
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	LADHH Loan Revenue Bonds	LADEQ Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 1,108,247	\$ 9,182,059	\$ -	\$ 2,392,070	\$ -	\$ 12,682,376	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504
Cash receipts:									
Bond proceeds and accrued interest	-	-	-	-	98,375	98,375	-	-	-
Transfers from operating cash and debt service reserve	3,919,592	20,599,226	2,297,467	6,655	-	26,822,940	-	-	-
Excess debt service reserve fund applied to BANS 2006 Maturity	-	-	-	5,153	-	5,153	-	-	-
Total cash and investments	5,027,839	29,781,285	2,297,467	2,403,878	98,375	39,608,844	3,928,380	16,164,124	20,092,504
Cash disbursements:									
Principal and interest payments, cost of issuance and transfers	3,922,467	20,322,155	2,196,892	44,545	77,747	26,563,806	-	-	-
Total cash disbursements	3,922,467	20,322,155	2,196,892	44,545	77,747	26,563,806	-	-	-
Cash and investments at end of year	\$ 1,105,372	\$ 9,459,130	\$ 100,575	\$ 2,359,333	\$ 20,628	\$ 13,045,038	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT**  
For the year ended December 31, 2011

	Beginning of Year	Current Year Claims and Estimate Change	Payments	End of Year
<b><u>WATER</u></b>				
Short-term:				
Workers' compensation	\$ 440,807	\$ 857,831	\$ 936,854	\$ 361,784
Health insurance	623,833	4,964,274	4,890,274	697,833
General liability	2,767,855	223,483	55,324	2,936,014
Total short-term	<u>3,832,495</u>	<u>6,045,588</u>	<u>5,882,452</u>	<u>3,995,631</u>
Long-term:				
Workers' compensation	1,434,123	(480,309)	-	953,814
Total long-term	<u>1,434,123</u>	<u>(480,309)</u>	<u>-</u>	<u>953,814</u>
Total	<u>\$ 5,266,618</u>	<u>\$ 5,565,279</u>	<u>\$ 5,882,452</u>	<u>\$ 4,949,445</u>
<b><u>SEWERAGE</u></b>				
Short-term:				
Workers' compensation	\$ 440,807	\$ 857,834	\$ 936,859	\$ 361,782
Health insurance	623,833	4,147,953	4,073,953	697,833
General liability	2,326,785	128,632	30,300	2,425,117
Total short-term	<u>3,391,425</u>	<u>5,134,419</u>	<u>5,041,112</u>	<u>3,484,732</u>
Long-term:				
Workers' compensation	1,434,123	(480,309)	-	953,814
Total long-term	<u>1,434,123</u>	<u>(480,309)</u>	<u>-</u>	<u>953,814</u>
Total	<u>\$ 4,825,548</u>	<u>\$ 4,654,110</u>	<u>\$ 5,041,112</u>	<u>\$ 4,438,546</u>
<b><u>DRAINAGE</u></b>				
Short-term:				
Workers' compensation	\$ 440,807	\$ 857,831	\$ 936,855	\$ 361,783
Health insurance	623,833	3,475,413	3,401,413	697,833
General liability	8,439,403	(4,724,212)	215,131	3,500,060
Total short-term	<u>9,504,043</u>	<u>(390,968)</u>	<u>4,553,399</u>	<u>4,559,676</u>
Long-term:				
Workers' compensation	1,434,123	(480,309)	-	953,814
Total long-term	<u>1,434,123</u>	<u>(480,309)</u>	<u>-</u>	<u>953,814</u>
Total	<u>\$ 10,938,166</u>	<u>\$ (871,277)</u>	<u>\$ 4,553,399</u>	<u>\$ 5,513,490</u>
<b><u>TOTAL</u></b>				
Short-term:				
Workers' compensation	\$ 1,322,421	\$ 2,573,496	\$ 2,810,568	\$ 1,085,349
Health insurance	1,871,499	12,587,640	12,365,640	2,093,499
General liability	13,534,043	(4,372,097)	300,755	8,861,191
Total short-term	<u>16,727,963</u>	<u>10,789,039</u>	<u>15,476,963</u>	<u>12,040,039</u>
Long-term:				
Workers' compensation	4,302,369	(1,440,927)	-	2,861,442
Total long-term	<u>4,302,369</u>	<u>(1,440,927)</u>	<u>-</u>	<u>2,861,442</u>
Total	<u>\$ 21,030,332</u>	<u>\$ 9,348,112</u>	<u>\$ 15,476,963</u>	<u>\$ 14,901,481</u>

See independent auditors' report.

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The Sewerage & Water Board's staff is constantly developing and exploring new processes to improve its operations. One such project is underway at the Carrollton Water Purification Plant. The Sodium Hypochlorite Bulk Storage/Feed Facility is set for completion in April of 2012. It will eliminate the need for transporting chlorine by rail and storing it on the plant grounds. Instead, the Board will use the safer sodium hypochlorite for disinfectant in the purification process and easily store it in a nearby facility. This chemical increases safety for surrounding neighborhoods and Board employees.



The men and women of the Board's Welding and Fabrication Shop have the capability and expertise to manufacture parts for some of the aging, yet reliable Board systems. Many of the parts are either no longer made or too expensive to job out or buy "from the shelf." So the work of the Shop not only re-create parts to exacting specifications, but its team of craftsmen can also save money for the Board.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SUMMARY OF STATISTICAL INFORMATION**  
**December 31, 2011**  
**(Unaudited)**

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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

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

	Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Business-type activities</b>										
Invested in capital assets -										
net of related debt	\$ 1,604,703,877	\$ 1,481,320,632	\$ 1,367,130,463	\$ 1,306,085,162	\$ 1,265,078,240	\$ 1,191,197,682	\$ 1,092,139,700	\$ 1,085,354,440	\$ 1,041,213,409	\$ 967,763,496
Restricted For:										
Debt service	33,137,542	32,774,880	30,040,670	32,075,521	27,986,164	26,803,911	21,768,747	28,817,876	25,349,292	23,291,960
Capital projects	(140,655,061)	(109,151,324)	(81,717,627)	(89,154,640)	(7,414,567)	3,614,224	41,752,104	65,900,450	70,994,095	76,158,913
Total restricted for net assets	(107,517,519)	(76,376,444)	(51,676,957)	(57,079,119)	20,571,597	30,418,135	63,520,851	94,718,326	96,343,387	99,450,873
Total business-type activities net assets	\$ 1,497,186,358	\$ 1,404,944,188	\$ 1,315,453,506	\$ 1,249,006,043	\$ 1,285,649,837	\$ 1,221,615,817	\$ 1,155,660,551	\$ 1,180,072,766	\$ 1,137,556,796	\$ 1,067,214,369

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

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Operating revenues:</b>										
Sales of water and delinquent fees	\$ 59,890,312	\$ 55,079,772	\$ 50,677,054	\$ 43,995,732	\$ 37,795,522	\$ 33,799,760	\$ 38,721,266	\$ 54,234,144	\$ 54,997,831	\$ 53,413,048
Sewerage service charges	70,358,076	69,534,779	66,102,946	61,877,246	68,304,547	62,657,636	57,329,963	72,252,114	62,328,695	53,455,291
Plumbing inspection and license fees	758,072	746,426	484,448	590,604	542,340	590,242	175,260	231,147	215,642	219,370
Other revenue	8,581,123	4,702,753	3,814,564	2,487,983	2,927,070	3,290,683	3,171,703	3,343,868	2,095,805	1,814,951
<b>Total operating revenues</b>	<b>139,587,583</b>	<b>130,063,730</b>	<b>121,079,012</b>	<b>108,951,565</b>	<b>109,569,479</b>	<b>100,338,321</b>	<b>99,404,192</b>	<b>130,063,273</b>	<b>119,637,973</b>	<b>108,902,660</b>
<b>Operating Expenses:</b>										
Power and pumping	11,787,614	12,606,851	12,950,788	14,178,641	13,041,954	11,576,640	11,818,104	22,334,434	19,539,095	16,255,368
Treatment	18,081,523	19,029,752	19,910,557	18,243,782	16,280,975	13,518,870	13,736,515	17,131,922	17,075,547	15,515,582
Transmission and distribution	27,216,035	15,915,361	21,466,523	18,994,209	19,832,226	13,845,793	18,432,531	20,824,308	20,324,308	18,233,083
Customer accounts	3,369,643	3,314,887	3,044,936	2,719,594	2,290,092	1,910,612	2,413,631	2,625,751	2,513,486	2,384,744
Customer service	3,320,100	3,386,338	3,417,239	3,323,696	2,670,145	2,265,250	2,645,604	2,855,631	2,821,025	2,731,763
Administration and general	16,054,154	16,060,032	13,504,125	15,173,190	14,899,028	13,714,644	12,130,773	14,978,964	12,534,252	14,463,064
Payroll related	34,770,439	33,616,025	35,085,953	31,549,622	28,259,815	17,914,694	19,780,248	18,794,864	16,697,287	16,073,673
Maintenance of general plant	25,185,237	28,457,226	24,828,902	33,455,074	26,993,626	23,344,667	27,991,450	10,764,556	10,563,936	10,020,846
Depreciation	34,772,279	35,216,611	34,692,628	31,546,017	25,377,733	28,703,469	39,187,670	38,600,928	35,480,955	34,551,459
Amortization	165,080	164,415	140,917	158,019	158,019	208,045	360,445	295,156	188,128	130,304
Provision for doubtful accounts	867,460	4,855,325	889,811	(12,225,825)	12,613,283	22,355,906	6,582,465	2,718,176	1,884,751	1,842,958
Provision for claims	(4,680,454)	3,186,714	58,860	387,465	(2,448,965)	2,658,657	7,289,990	2,886,894	3,673,192	4,934,366
<b>Total operating expenses</b>	<b>170,909,110</b>	<b>175,809,537</b>	<b>169,991,239</b>	<b>157,703,484</b>	<b>159,967,931</b>	<b>152,017,247</b>	<b>162,369,426</b>	<b>154,833,957</b>	<b>143,095,962</b>	<b>137,137,210</b>
<b>Operating loss</b>	<b>(31,321,527)</b>	<b>(45,745,807)</b>	<b>(48,912,227)</b>	<b>(48,751,919)</b>	<b>(50,398,452)</b>	<b>(51,678,926)</b>	<b>(62,965,234)</b>	<b>(24,770,684)</b>	<b>(23,457,989)</b>	<b>(28,234,550)</b>
<b>Non-operating revenues (expenses):</b>										
Two-mill tax	4,870	1,045	-	-	120	3,699	1,407	5,192	7,423	5,058
Three-mill tax	11,129,376	10,378,060	10,302,545	11,294,822	10,381,155	9,682,028	12,990,040	12,199,559	11,031,057	10,312,636
Six-mill tax	11,242,927	10,498,580	10,410,524	11,406,561	10,513,559	9,803,052	13,152,643	12,352,092	11,169,139	10,567,048
Nine-mill tax	16,855,081	15,672,791	15,485,030	17,001,253	15,773,070	13,686,249	19,707,787	18,508,104	16,735,885	15,946,585
Other taxes	316,079	333,795	371,006	515,735	443,122	634,321	631,818	744,322	-	792,883
Operating and maintenance grants	11,479,664	9,367,940	19,373,185	1,777,188	9,338,528	35,013,143	9,338,528	-	-	-
Interest income	426,870	274,323	885,723	3,545,564	5,826,769	4,115,003	3,291,489	1,552,425	1,031,593	1,616,307
Hurricane gain	-	-	-	-	205,995	2,303,397	(55,909,262)	-	-	-
Interest expense	(736,878)	(1,687,603)	(1,766,553)	(1,720,030)	(2,443,612)	(252,435)	(2,992)	-	-	-
Forgiveness of Community Disaster Loan	-	41,438,410	-	-	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>50,717,989</b>	<b>86,277,341</b>	<b>55,061,460</b>	<b>42,039,732</b>	<b>42,477,366</b>	<b>74,988,457</b>	<b>3,201,458</b>	<b>45,161,694</b>	<b>40,745,760</b>	<b>39,240,517</b>
<b>Income (loss) before capital contributions</b>	<b>19,396,462</b>	<b>40,531,534</b>	<b>6,167,233</b>	<b>(6,712,187)</b>	<b>(7,921,086)</b>	<b>23,309,531</b>	<b>(59,763,776)</b>	<b>20,391,010</b>	<b>17,287,771</b>	<b>11,005,967</b>
<b>Capital contributions</b>	<b>72,845,708</b>	<b>48,959,148</b>	<b>60,298,230</b>	<b>(29,931,607)</b>	<b>71,955,106</b>	<b>42,645,735</b>	<b>35,351,561</b>	<b>22,124,960</b>	<b>53,054,656</b>	<b>35,785,907</b>
<b>Change in net assets</b>	<b>92,242,170</b>	<b>89,490,682</b>	<b>66,447,463</b>	<b>(36,643,794)</b>	<b>64,034,020</b>	<b>65,955,266</b>	<b>(24,412,215)</b>	<b>42,515,970</b>	<b>70,342,427</b>	<b>46,791,874</b>
<b>Net assets:</b>										
Beginning of year	1,404,944,188	1,315,453,506	1,249,006,043	1,285,649,837	1,221,618,817	1,155,660,551	1,180,072,766	1,137,556,796	1,067,214,369	1,020,422,495
End of year	\$ 1,497,186,358	\$ 1,404,944,188	\$ 1,315,453,506	\$ 1,249,006,043	\$ 1,285,649,837	\$ 1,221,618,817	\$ 1,155,660,551	\$ 1,180,072,766	\$ 1,137,556,796	\$ 1,067,214,369

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

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

Revenues	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Charges for service	\$ 107,087,709	\$ 117,542,168	\$ 126,719,405	\$ 96,232,489	\$ 97,047,638	\$ 106,642,409	\$ 106,463,582	\$ 117,264,448	\$ 125,360,977	\$ 131,006,460	
Dedicated taxes	36,826,269	38,936,081	43,059,755	45,850,470	33,171,329	36,667,784	39,702,436	36,198,099	36,549,431	39,227,384	
Two-mill tax	5,058	7,423	5,192	1,407	3,699	120	-	-	1,045	4,870	
Interest on investments	1,616,307	1,031,593	1,352,425	3,291,489	4,115,003	5,826,769	3,545,564	885,723	274,323	426,870	
Other taxes and revenue	2,607,834	2,866,468	4,088,190	13,142,049	38,938,147	5,147,380	2,999,745	23,558,755	55,842,898	20,376,866	
	<u>\$ 148,143,177</u>	<u>\$ 160,383,733</u>	<u>\$ 175,224,967</u>	<u>\$ 158,517,904</u>	<u>\$ 173,275,816</u>	<u>\$ 154,284,462</u>	<u>\$ 152,711,327</u>	<u>\$ 177,907,025</u>	<u>\$ 218,028,674</u>	<u>\$ 191,042,450</u>	
Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Personnel services*	\$ 47,719,045	\$ 49,759,541	\$ 52,956,446	\$ 58,322,684	\$ 49,118,747	\$ 61,421,931	\$ 68,605,280	\$ 74,540,678	\$ 72,725,464	\$ 73,834,142	
Services and utilities	40,228,571	46,120,890	48,738,878	45,606,037	43,170,196	52,966,504	56,428,567	50,787,395	47,123,394	42,417,785	
Materials and supplies	7,730,507	5,988,505	8,637,479	5,020,134	5,649,827	9,879,426	12,603,961	8,880,950	12,535,610	23,532,818	
Depreciation and amortization	34,681,763	35,669,083	38,896,084	39,548,115	29,063,914	25,535,752	31,704,036	34,833,545	35,381,030	34,937,359	
Provision for doubtful accounts	1,842,958	1,884,751	2,718,176	6,582,465	22,355,906	12,613,283	(12,225,825)	889,811	4,855,325	867,460	
Provision for claims	4,934,366	3,673,192	2,886,894	7,289,990	2,658,657	(2,448,965)	587,465	58,860	3,186,714	(4,680,454)	
Hurricane Loss	-	-	-	55,909,262	(2,303,397)	(205,995)	-	-	-	-	-
Interest	-	-	-	2,993	252,435	2,443,612	1,720,030	1,766,553	1,687,603	736,878	
	<u>\$ 137,137,210</u>	<u>\$ 143,095,962</u>	<u>\$ 154,833,957</u>	<u>\$ 218,281,680</u>	<u>\$ 149,966,285</u>	<u>\$ 162,205,548</u>	<u>\$ 159,423,514</u>	<u>\$ 171,757,792</u>	<u>\$ 177,497,140</u>	<u>\$ 171,645,988</u>	

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

Fiscal Year	Net Assessed Value		Total Net Assessed Value	Total Estimated Actual Value (1)	Ratio of Total Net Assessed to Total Estimated Actual Value
	Real Estate	Personal Property			
2002	1,231,764	619,368	1,851,132	14,687,067	12.6%
2003	1,248,743	650,595	1,899,338	15,040,781	12.6%
2004	1,423,261	679,826	2,103,087	16,731,518	12.6%
2005	1,492,750	620,797	2,113,547	16,774,183	12.6%
2006	1,103,604	565,287	1,668,891	13,245,167	12.6%
2007	1,362,097	483,200	1,845,297	14,645,214	12.6%
2008	2,004,624	539,492	2,544,116	20,698,664	12.3%
2009	2,042,426	557,039	2,599,465	21,974,841	11.8%
2010	2,489,813	387,334	2,877,147	21,974,841	13.1%
2011	2,584,334	385,700	2,970,034	21,974,841 (2)	13.5%

Source: City of New Orleans

(1) Amounts are net of the homestead exemption.

(2) Latest date available for total estimated actual value is 2009.

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

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

Fiscal Year	City of New Orleans	Orleans Levee Board	Orleans Levee District		Orleans Parish School Board	Sewerage & Water Board of New Orleans	Audubon Park & Zoo	Total
			Eastbank	Westbank				
2002	77.09	12.01	0***	0***	52.98	22.59**	4.55	169.97
2003	78.59	12.01	0***	0***	52.83	22.59**	4.55	171.32
2004	78.59	12.76	0***	0***	52.80	22.59**	4.55	171.29
2005	78.59	12.76	0***	0***	52.80	22.59**	4.55	171.29
2006	89.89	12.76	0***	0***	58.55	22.59**	4.55	188.34
2007	82.39	12.76	0***	0***	52.90	22.59**	4.55	175.19
2008	61.34	0***	9.65	9.28	38.47	16.43**	3.31	129.20
2009	61.34	0***	10.95	9.28	38.47	16.03**	3.31	130.10
2010	64.31	0***	11.67	12.76	44.12	16.43**	3.31	140.93
2011	72.05	0***	11.67	12.76	44.12	16.43**	3.31	148.67

Source: City of New Orleans

\*The Homestead Exemption is not allowed for the new 9-Mill Police and Fire Tax.

\*\*3 mills adopted in 1967 Expires in 2017

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

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

\*\*\*Special millage beginning in 2008 and no longer City-wide.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**TEN LARGEST TAXPAYERS**  
**December 31, 2011 and Nine Years Ago**  
**(Unaudited)**

Name of Taxpayer	Type of Business	2011 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Utility	84,317,730	3.06%
AT&T	Telephone Utility	53,603,130	1.95%
Harrah's Entertainment	Casino	41,061,430	1.49%
Capital One Bank	Bank	28,517,480	1.03%
International Reivercenter	Shopping Mall; Hotel	17,466,490	0.63%
Whitney Bank	Bank	17,009,680	0.62%
JP Morgan Chase Bank	Bank	15,311,260	0.56%
W H Holdings LLC	Commercial Real Estate	15,000,650	0.54%
C S & M Associates	Commercial Real Estate	14,653,300	0.53%
Marriott Hotel Properties	Hotel	14,101,306	0.51%
		<u>\$ 301,042,456</u>	<u>10.92%</u>

Name of Taxpayer	Type of Business	2002 (*) Assessed Value	Percentage of Total Assessed Value
Entergy Service	Utility	\$ 75,365,530	4.16%
BellSouth Telecommunications	Telephone Utility	60,994,780	3.37%
Hibernia National Bank	Bank	42,610,750	2.35%
Bank One	Bank	32,623,813	1.80%
Whitney National Bank	Bank	24,145,763	1.33%
Harrah's Entertainment	Casino	23,945,540	1.32%
Tenet	Health & Hospital	18,318,865	1.01%
International River Center	Shopping Mall; Hotel	14,241,180	0.79%
Marriott Hotel Properties	Hotel	13,727,520	0.76%
C S & M Associates	Commerical Real Estate	11,462,858	0.63%
		<u>\$ 317,436,599</u>	<u>17.52%</u>

(\*) The latest date available for the Ten Largest Taxpayers in the City of New Orleans is for the year ended December 31, 2002.

Source: City of New Orleans

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

Fiscal Year	Total Levied	Collected Through December 31, 2011		Balance Outstanding December 31, 2011		Collected during 2011
		Amount	Percent	Amount	Percent	Amount
<b>Real Estate Taxes:</b>						
2002	214,088	211,627	98.85	2,461	1.15	128
2003	217,039	214,658	98.90	2,381	1.10	48
2004	247,328	244,212	98.74	3,116	1.26	72
2005	267,327	262,927	98.35	4,400	1.65	169
2006	219,991	216,541	98.43	3,450	1.57	348
2007	250,462	244,845	97.76	5,617	2.24	672
2008	269,746	264,267	97.97	5,479	2.03	1,034
2009	275,869	270,133	97.92	5,736	2.08	1,751
2010	309,800	301,806	97.42	7,994	2.58	10,728
2011	339,370	320,437	94.42	18,933	5.58	320,437
<b>Personal Property Taxes:</b>						
2002	* 105,378	96,730	91.79	8,648	8.21	-
2003	* 110,691	103,756	93.73	6,935	6.27	-
2004	* 115,676	109,234	94.43	6,442	5.57	-
2005	* 106,354	100,809	94.79	5,545	5.21	-
2006	99,477	95,157	95.66	4,320	4.34	474
2007	82,046	77,967	95.03	4,079	4.97	407
2008	67,548	64,074	94.86	3,474	5.14	739
2009	69,935	66,424	94.98	3,511	5.02	875
2010	74,530	70,199	94.19	4,331	5.81	1,691
2011	78,996	74,204	93.93	4,792	6.07	74,204

\* 2005 and prior personal property receivables were considered prescribed and no longer legally enforceable during 2011.

Source: City of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**WATER AND SEWER RATES**  
**Last Six Fiscal Years**  
**(Unaudited)**

Year	Water					Sewer	
	Rate per 1,000 Gallons					Monthly Base Rate	Rate per 1,000 Gallons
	Monthly Base Rate	First 3,000 Gallons	Next 17,000 Gallons	Next 980,000 Gallons	All Gallons Over 1,000,000		
2006	\$ 3.50	\$ 2.31	\$ 2.31	\$ 2.07	\$ 1.59	\$ 11.60	\$ 4.04
2007	\$ 3.50	\$ 1.94	\$ 3.31	\$ 2.60	\$ 2.19	\$ 11.60	\$ 4.04
2008	\$ 3.50	\$ 2.35	\$ 4.01	\$ 3.15	\$ 2.65	\$ 11.60	\$ 4.04
2009	\$ 3.70	\$ 2.47	\$ 4.21	\$ 3.31	\$ 2.78	\$ 11.60	\$ 4.04
2010	\$ 3.90	\$ 2.59	\$ 4.42	\$ 3.48	\$ 2.92	\$ 11.60	\$ 4.04
2011	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04

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

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

Fiscal Year	Personal Income (1) (in thousands)	Population (2)	Revenue Bonds	Special Tax Bonds	LDHH Bonds	Special		Debt Service		Capital Leases Payable	Total Debt	Percentage of Personal Income	Debt per Capita
						Community Disaster Loan Payable	Loan	Assistance Fund	Loan				
2006	\$ 12,739,309	208,548	\$ 258,047,868	\$ 24,905,000	\$ -	\$ 46,011,566	\$ 40,494,073	\$ 2,760,672	\$ 372,219,179	3.42%	\$ 1,785		
2007	\$ 14,831,565	288,113	\$ 246,907,968	\$ 23,835,000	\$ -	\$ 61,956,747	\$ 64,655,122	\$ 104,445	\$ 397,459,282	3.73%	\$ 1,380		
2008	\$ 15,802,534	336,644	\$ 235,216,902	\$ 22,710,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 397,344,042	3.98%	\$ 1,180		
2009	\$ 15,260,613	354,850	\$ 221,958,521	\$ 21,525,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 382,900,661	3.99%	\$ 1,079		
2010	\$ 15,260,613	347,907	\$ 208,422,155	\$ 20,290,000	\$ 632,842	\$ 25,166,747	\$ 77,460,393	\$ -	\$ 331,972,137	4.60%	\$ 954		
2011	\$ 15,260,613 (3)	360,740	\$ 193,498,375	\$ 18,990,000	\$ 1,503,834	\$ 25,166,747	\$ 77,465,247	\$ -	\$ 316,624,203	4.82%	\$ 878		

(1) Source: Bureau of Economic Analysis.

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

(3) Most recent available is 2009.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
December 31, 2011  
(Unaudited)**

	<u>Net Outstanding Debt</u>	<u>Percentage Overlapping</u>	<u>Overlapping Debt</u>
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	<u>\$ 18,990,000</u>	<u>100%</u>	<u>\$ 18,990,000</u>
Overlapping debt:			
City of New Orleans	572,903,556	100%	572,903,556
Audubon Park Commission	31,895,000	100%	\$ 31,895,000
Orleans Parish School Board (1)	106,719,192	100%	\$ 106,719,192
Orleans Levee District (1)	<u>3,120,000</u>	<u>100%</u>	<u>\$ 3,120,000</u>
Total overlapping debt	<u>714,637,748</u>	<u>100%</u>	<u>714,637,748</u>
Total direct and overlapping debt	<u><u>\$ 733,627,748</u></u>	<u><u>100%</u></u>	<u><u>\$ 733,627,748</u></u>

(1) The fiscal year of the Orleans Parish School Board and Orleans Levee District ends on June 30th; overlapping debt is based on June 30, 2011 financial information.

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

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Service Requirement*		Total	Coverage
				Principal	Interest		
2002	55,870,142	45,801,952	10,068,190	1,050,000	782,068	1,832,068	5.50
2003	57,550,818	47,886,711	9,664,107	2,020,000	2,490,059	4,510,059	2.14
2004	57,955,617	51,749,138	6,206,479	1,575,000	2,177,094	3,752,094	1.65
2005	40,716,893	53,450,918	(12,734,025)	1,655,000	2,110,155	3,765,155	(3.38)
2006	36,378,265	41,970,320	(5,592,055)	1,735,000	2,032,524	3,767,524	(1.48)
2007	35,098,826	58,708,774	(23,609,948)	1,820,000	1,980,068	3,800,068	(6.21)
2008	47,435,375	66,989,084	(19,553,709)	1,920,000	1,917,131	3,837,131	(5.10)
2009	70,211,761	51,983,869	18,227,892	2,115,000	1,771,268	3,886,268	4.69
2010	77,837,538	58,180,206	19,657,332	2,220,000	1,685,618	3,905,618	5.03
2011	73,802,442	64,677,227	9,125,215	2,325,000	1,592,393	3,917,393	2.33

\* Payments are based on future payments subsequent to the year of calculation.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
REVENUE BONDS DEBT SERVICE COVERAGE**

**SEWER BONDS**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Service Requirements*			Coverage
				Principal	Interest	Total	
2002	54,195,717	31,418,205	22,777,512	4,250,000	6,766,471	11,016,471	1.96
2003	60,837,820	38,579,473	22,258,347	6,245,000	8,988,665	15,233,665	2.07
2004	72,434,733	39,459,105	32,975,628	6,715,000	10,343,878	17,058,878	1.46
2005	58,494,963	33,072,494	25,422,469	8,265,000	9,873,999	18,138,999	1.93
2006	63,907,388	33,435,068	30,472,320	8,685,000	9,453,651	18,138,651	1.40
2007	64,750,010	38,899,024	25,850,986	9,130,000	10,211,257	19,341,257	1.68
2008	70,836,988	42,135,587	28,701,401	15,035,000	3,326,538	18,361,538	1.56
2009	69,501,438	49,879,875	19,621,563	11,255,000	9,058,968	20,313,968	0.97
2010	87,569,727	44,361,297	43,208,430	11,815,000	8,435,057	20,250,057	2.13
2011	77,657,707	43,173,641	34,484,066	12,400,000	7,862,687	20,262,687	1.70

\* Debt services requirements excludes BANS.

\* Payments are based on future payments subsequent to the year of calculation.

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

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)
2006	208,548	\$ 12,739,309	\$ 61,086	4.30%
2007	288,113	\$ 14,831,565	\$ 51,478	3.50%
2008	336,644	\$ 15,802,534	\$ 46,941	4.40%
2009	354,850	\$ 15,260,613	\$ 35,507	6.80%
2010	347,907	\$ 15,260,613	\$ 35,507	8.50%
2011	360,740	\$ 15,260,613 (4)	\$ 38,578	7.30%

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

(2) Source: Estimates- Bureau of Economic Analysis.

(3) Source: U.S. Bureau of Labor Statistics.

(4) Most recent available is 2009.

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

Rank / Number of Employees

	2002	2003	2004 *	2005 *	2006	2007	2008	2009	2010	2011
Acme Truck Line Inc.						8 / 250				
Al Copeland Investments							10 / 2,000	7 / 2,000	7 / 2,000	8 / 2,500
Bally's Casino Lakeshore Resort	9 / 623	9 / 623								9 / 2,200
Boh Bros. Construction										
Boomtown Casino Westbank					9 / 790	6 / 781				
Capital One Bank N.A.	7 / 1,100	8 / 1,100								
City of New Orleans							9 / 2,150	6 / 2,150	6 / 2,150	
Dow Chemical Company							5 / 3,500			
East Jefferson General Hospital							6 / 3,150	8 / 2,000	8 / 2,000	
Harrah's New Orleans Casino					3 / 4,500		8 / 2,200	5 / 2,200	5 / 2,200	7 / 2,700
Hilton New Orleans								10 / 1,400	10 / 1,400	
Hope Haven Center						10 / 150				
Houma Industries						9 / 160				
JCC Holding Co. LLC					4 / 4,000					
Lockheed Martin Manned Space Systems	2 / 2,000	2 / 2,000			5 / 2,000	2 / 2,832	7 / 2,832	4 / 2,832	4 / 2,832	2 / 7,000
LSU Health Sciences Center New Orleans							3 / 5,000			
Meadowcrest Hospital	10 / 498	10 / 457								
Methodist Hospital	6 / 1,116	7 / 1,116								
NASA Michoud										
Northrup Grumman Avondale	1 / 6,000	1 / 6,071			1 / 6,000	1 / 5,400	2 / 5,400	2 / 5,400	2 / 5,400	10 / 2,000
Ochsner Medical Institutions / Health System	5 / 1,199	6 / 1,199			6 / 2,000		1 / 9,107	1 / 9,107	1 / 9,107	3 / 6,000
Regional Transit Authority	8 / 975	5 / 1,200			10 / 750	7 / 750				1 / 9,800
Superior Energy Services, Inc.						5 / 1,165				
Textron Marine & Land Systems					2 / 5,000		4 / 4,410	3 / 4,410	3 / 4,410	4 / 5,000
Tulane University										6 / 3,114
University of New Orleans										5 / 4,000
US Post Office										
USDA, National Finance Center	3 / 1,900	3 / 1,900			8 / 1250	4 / 1,300				
West Jefferson Medical Center	4 / 1,829	4 / 1,829			7 / 1,904	3 / 1,654				

Source: Greater New Orleans Inc. and Regional Economic Alliance.

\* These years are unavailable.

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

Year	Water	Sewer	Drainage	Total
2002	\$ 11,540,814	\$ 43,269,622	\$ 57,048,889 (1)	\$ 111,859,325
2003	\$ 14,531,801	\$ 49,419,442	\$ 64,155,080	\$ 128,106,323
2004	\$ 15,772,218	\$ 67,424,755	\$ 38,407,889	\$ 121,604,862
2005	\$ 10,380,889	\$ 46,550,580	\$ 23,709,553	\$ 80,641,022
2006	\$ 36,481,683	\$ 49,891,752	\$ 19,515,232	\$ 105,888,667
2007	\$ 19,053,142	\$ 56,093,058	\$ 16,250,996	\$ 91,397,196
2008	\$ 19,938,659	\$ 25,608,236	\$ 28,592,805	\$ 74,139,700
2009	\$ 22,465,931	\$ 56,010,946	\$ 47,185,424	\$ 125,662,301
2010	\$ 32,248,119	\$ 58,682,400	\$ 51,465,065	\$ 142,395,584
2011	\$ 20,374,785	\$ 53,662,611	\$ 66,821,905	\$ 140,859,301

(1) Includes contributed assets

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF FUTURE DEBT PAYMENTS  
December 31, 2011  
(Unaudited)

		<b>Water Revenue Bonds</b>		
		<u>Series</u> <u>1998</u>	<u>Series</u> <u>2002</u>	<u>All Bond</u> <u>Issues</u>
2012	Principal	925,000	1,400,000	2,325,000
	Interest	358,643	1,233,750	1,592,393
2013	Principal	965,000	1,470,000	2,435,000
	Interest	315,630	1,177,750	1,493,380
2014	Principal	1,015,000	1,530,000	2,545,000
	Interest	269,793	1,104,250	1,374,043
2015	Principal	1,060,000	1,595,000	2,655,000
	Interest	221,580	1,027,750	1,249,330
2016	Principal	1,110,000	1,665,000	2,775,000
	Interest	170,700	948,000	1,118,700
2017	Principal	1,165,000	1,740,000	2,905,000
	Interest	116,865	864,750	981,615
2018	Principal	1,220,000	1,820,000	3,040,000
	Interest	59,780	777,750	837,530
2019	Principal		3,195,000	3,195,000
	Interest		686,750	686,750
2020	Principal		3,345,000	3,345,000
	Interest		527,000	527,000
2021	Principal		3,510,000	3,510,000
	Interest		359,750	359,750
2022	Principal		3,685,000	3,685,000
	Interest		184,250	184,250
Total Principal		7,460,000	24,955,000	32,415,000
Total Interest		1,512,991	8,891,750	10,404,741
Total Future Debt Payments		<u>\$ 8,972,991</u>	<u>\$ 33,846,750</u>	<u>\$ 42,819,741</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**December 31, 2011**  
**(Unaudited)**

	Series 1997	Series 1998	Series 2000A	Series 2000B	Series 2001	Series 2002	Series 2003	Series 2004	Series 2009	All Bond Issues
2012	Principal 1,840,000 Interest 632,128	1,445,000 530,194	1,385,000 826,984	1,060,000 619,355	1,615,000 960,092	2,645,000 1,863,625	250,000 150,721	1,430,000 1,004,100	730,000 1,275,488	12,400,000 7,862,687
2013	Principal 1,940,000 Interest 552,903	1,510,000 461,294	1,465,000 750,391	1,120,000 564,295	1,685,000 881,700	2,790,000 1,727,750	260,000 137,971	1,485,000 948,481	765,000 1,243,675	13,020,000 7,248,461
2014	Principal 2,050,000 Interest 426,884	1,585,000 388,165	1,555,000 669,228	1,185,000 504,925	1,760,000 798,140	2,945,000 1,584,375	270,000 126,611	1,545,000 880,156	800,000 1,206,463	13,695,000 6,584,947
2015	Principal 2,170,000 Interest 313,200	1,655,000 310,801	1,645,000 583,228	1,255,000 440,858	1,840,000 709,940	3,110,000 1,433,000	280,000 116,676	1,605,000 809,431	845,000 1,164,281	14,405,000 5,881,416
2016	Principal 2,290,000 Interest 192,780	1,735,000 228,791	1,745,000 492,122	1,325,000 371,825	1,930,000 616,610	3,280,000 1,273,250	290,000 106,091	1,680,000 743,731	890,000 1,117,625	15,165,000 5,142,826
2017	Principal 2,425,000 Interest 65,475	1,820,000 141,000	1,850,000 394,350	1,400,000 297,550	2,020,000 517,860	3,460,000 1,104,750	305,000 94,672	1,755,000 675,931	940,000 1,066,713	15,975,000 4,337,401
2018	Principal 1,910,000 Interest 47,750	1,910,000 47,750	1,960,000 289,575	1,480,000 218,350	2,120,000 414,360	3,650,000 927,000	315,000 82,463	1,835,000 603,231	995,000 1,011,669	14,265,000 3,594,398
2019	Principal 2,080,000 Interest 178,475	2,080,000 178,475	2,225,000 304,344	1,570,000 134,475	2,225,000 304,344	3,850,000 739,500	330,000 69,563	1,915,000 527,034	1,055,000 931,413	13,025,000 2,904,803
2020	Principal 2,205,000 Interest 60,638	2,205,000 60,638	2,335,000 187,494	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2021	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2022	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2023	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2024	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2025	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2026	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2027	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2028	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
2029	Principal 2,163,370 Interest 14,878,370	2,163,370 14,878,370	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	13,725,000 2,222,579
Total Principal	12,715,000	11,660,000	15,890,000	12,055,000	19,985,000	38,595,000	3,780,000	24,315,000	21,990,000	160,985,000
Total Interest	2,163,370	2,107,995	4,244,991	3,197,283	5,454,370	11,641,125	1,015,693	7,471,716	14,145,131	51,441,674
Total Future Debt Payments	\$ 14,878,370	\$ 13,767,995	\$ 20,134,991	\$ 15,252,283	\$ 25,439,370	\$ 50,236,125	\$ 4,795,693	\$ 31,786,716	\$ 36,135,131	\$ 212,426,674

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**December 31, 2011**  
**(Unaudited)**

		<b>Drainage Special Tax Bonds</b>		
		<b>Series 1998</b>	<b>Series 2002</b>	<b>All Bond Issues</b>
2012	Principal	570,000	790,000	1,360,000
	Interest	224,786	621,263	846,049
2013	Principal	595,000	830,000	1,425,000
	Interest	198,280	593,218	791,498
2014	Principal	625,000	865,000	1,490,000
	Interest	170,018	560,018	730,036
2015	Principal	655,000	900,000	1,555,000
	Interest	140,018	525,418	665,436
2016	Principal	685,000	940,000	1,625,000
	Interest	108,250	489,418	597,668
2017	Principal	720,000	985,000	1,705,000
	Interest	74,000	450,878	524,878
2018	Principal	760,000	1,030,000	1,790,000
	Interest	38,000	38,000	76,000
2019	Principal		1,870,000	1,870,000
	Interest		365,218	365,218
2020	Principal		1,960,000	1,960,000
	Interest		282,938	282,938
2021	Principal		2,055,000	2,055,000
	Interest		194,738	194,738
2022	Principal		2,155,000	2,155,000
	Interest		100,208	100,208
Total Principal		4,610,000	14,380,000	18,990,000
Total Interest		953,352	4,221,310	5,174,662
Total Future Debt Payments		<u>\$ 5,563,352</u>	<u>\$ 18,601,310</u>	<u>\$ 24,164,662</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
December 31, 2011  
(Unaudited)

		All Departments			
		Water	Sewer	Drainage	Total
2012	Principal	2,325,000	12,400,000	1,360,000	16,085,000
	Interest	1,592,393	7,862,687	846,049	10,301,129
2013	Principal	2,435,000	13,020,000	1,425,000	16,880,000
	Interest	1,493,380	7,248,460	791,498	9,533,338
2014	Principal	2,545,000	13,695,000	1,490,000	17,730,000
	Interest	1,374,043	6,584,947	730,036	8,689,026
2015	Principal	2,655,000	14,405,000	1,555,000	18,615,000
	Interest	1,249,330	5,881,416	665,436	7,796,182
2016	Principal	2,775,000	15,165,000	1,625,000	19,565,000
	Interest	1,118,700	5,142,825	597,668	6,859,193
2017	Principal	2,905,000	15,975,000	1,705,000	20,585,000
	Interest	981,615	4,357,401	524,878	5,863,894
2018	Principal	3,040,000	14,265,000	1,790,000	19,095,000
	Interest	837,530	3,594,398	76,000	4,507,928
2019	Principal	3,195,000	13,025,000	1,870,000	18,090,000
	Interest	686,750	2,904,803	365,218	3,956,771
2020	Principal	3,345,000	13,725,000	1,960,000	19,030,000
	Interest	527,000	2,222,578	282,938	3,032,516
2021	Principal	3,510,000	10,390,000	2,055,000	15,955,000
	Interest	359,750	1,611,499	194,738	2,165,987
2022	Principal	3,685,000	8,375,000	2,155,000	14,215,000
	Interest	184,250	1,143,888	100,208	1,428,346
2023	Principal		4,060,000		4,060,000
	Interest		835,328		835,328
2024	Principal		3,860,000		3,860,000
	Interest		636,600		636,600
2025	Principal		1,515,000		1,515,000
	Interest		491,719		491,719
2026	Principal		1,615,000		1,615,000
	Interest		393,906		393,906
2027	Principal		1,720,000		1,720,000
	Interest		289,688		289,688
2028	Principal		1,830,000		1,830,000
	Interest		178,750		178,750
2029	Principal		1,945,000		1,945,000
	Interest		60,781		60,781
Total Principal		32,415,000	160,985,000	18,990,000	212,390,000
Total Interest		10,404,741	51,441,674	5,174,662	67,021,077
Total Future Debt Payments		<u>\$ 42,819,741</u>	<u>\$ 212,426,674</u>	<u>\$ 24,164,662</u>	<u>\$ 279,411,077</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	New Commercial Construction (1)		New Residential Construction (1)		Bank deposits (2) (in thousands)	Estimated actual property value (3) (in thousands)
	Number of units	Value (in thousands)	Number of units	Value (in thousands)		
2002	305	76,057	2,371	133,259	7,858,864	15,426,274
2003	304	66,458	2,902	153,649	8,256,119	15,040,871
2004	1,397	354,716	2,576	167,353	9,416,433	16,731,518
2005	176	329,401	555	76,400	8,951,961	16,774,183
2006	473	139,866	667	95,552	11,252,684	13,245,167
2007	2,044	506,281	1,427	182,729	10,062,454	14,645,214
2008	1,929	550,895	1,215	160,387	10,553,556	20,698,664
2009	364	220,748	1,862	227,714	10,480,561	21,974,841
2010	349	549,906	1,102	160,331	12,175,831	
2011	365	266,981	1,047	161,875	10,024,118	

(1) City of New Orleans (2004 latest year for which information is available).

(2) Summary of Deposits (as of September 30, 2011) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

(3) Source: City of New Orleans - Latest date available 2009

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Six Fiscal Years**  
**(Unaudited)**

	Year					
	2006	2007	2008	2009	2010	2011
<b>Water:</b>						
Water lines (miles)	1,582	1,583	1,586	1,587	1,590	1,597
Water manholes	29,576	29,632	29,673	29,741	29,957	30,150
Water valves	29,219	29,246	29,255	29,277	29,366	29,611
Fire hydrants	22,771	22,780	22,785	22,894	22,989	23,045
<b>Sewer:</b>						
Sewers lines (miles)	1,486	1,503	1,507	1,512	1,518	1,519
Sewer manholes	22,829	22,922	22,974	22,998	23,047	22,977

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**NUMBER OF ACTIVE EMPLOYEES**  
**Last Five Fiscal Years**

<u>Year</u>	<u>Number of Active Employees</u>
2011	994
2010	974
2009	964
2008	940
2007	899

Source: Sewerage and Water Board of New Orleans.



Representatives sporting a new look are greeting customers visiting the two Service Centers-one in the Main Building and the other in Algiers. For the first time, they are wearing stylish career uniforms that enhance the Board's professional image. The reps are sporting navy blue blazers with the Board's "Crescent Cover" logo, navy slacks or skirts, yellow or blue shirts and colorful scarves.



The S&WB has been providing drainage, sewerage, water and power generation since the late 1890s. It has expanded its operations through new construction and has spent millions of dollars to upgrade every one of its facilities, even after the devastation of Hurricane Katrina. The skyline of the city is a reminder that the Board has provided excellent service to the citizens and for numerous special events that can tremendously boost the city's population and quality of life services.



SEWERAGE AND WATER BOARD OF NEW ORLEANS

2011 ACTUAL CAPITAL EXPENDITURES

WATER DEPARTMENT

C.P.#      WATERWORKS

135	Improvement of Chemical System	\$	298,845.54
156	Advance Water Treatment		1410804.86
175	Water Hurricane Recovery Bonds		8,992,913.62
	TOTAL WATERWORKS	\$	10,702,564.02

WATER DISTRIBUTION

214	Normal Extension & Replacement	\$	1,739,309.12
239	Mains DPW Contracts		2,625,433.66
	TOTAL WATER DISTRIBUTION	\$	4,364,742.78

GENERAL BUDGET

800	Water Share of General Budget Items		4,358,801.92
	GENERAL BUDGET	\$	4,358,801.92
	TOTAL WATER DEPARTMENT	\$	19,426,108.72

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2011 ACTUAL CAPITAL EXPENDITURES

SEWERAGE DEPARTMENT

<u>C.P.#</u>	<u>SEWERAGE SYSTEM</u>		
317	Normal Extensions & Replacement of Gravity Mains	\$	2,904,544.46
318	Rehabilitation Gravity Sewer System		2,333,816.76
326	Extensions & Replacement to Sewer Pumping Stations		158,275.14
339	Main in Streets Dept. Contracts		4,240,848.51
348	Normal Extensions & Replacements		1,263,655.68
368	Wetlands assimilation Project		1,177,741.11
375	Sewerage Hurricane Recovery Bonds		29,091,185.70
381	Modification & Extension of WBSTP to 20/50 MGD		-
	TOTAL SEWERAGE SYSTEM	\$	<u>41,170,067.36</u>

GENERAL BUDGET

800	Sewerage Share of General Budget Items		4,666,201.39
	TOTAL GENERAL BUDGET	\$	<u>4,666,201.39</u>
	TOTAL SEWERAGE DEPARTMENT	\$	<u><u>45,836,268.75</u></u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2011 ACTUAL CAPITAL EXPENDITURES

DRAINAGE DEPARTMENT

<u>C.P.#</u>	<u>CANALS</u>	
418	Normal Extension & Replacements	\$ 119,605.95
439	Major Drainage Participation in DPW Projects	3,107,401.37
466	Louisiana Avenue Canal	117,117.00
471	SELA Program Management	1,203,468.98
476	Hollygrove Canals (SELA-A)	137,771.07
478	S. Claiborne-Lowerline to Monticello Street	3,093,694.49
486	Napoleon Avenue Canal Improvements (SELA-B)	7,210,698.72
496	General DeGaulle Canal (SELA-C)	78,721.96
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)	385,415.00
498	Dwyer Intake Canal (St. Charles to Dwyer (DPS))(SELA-A)	303,904.03
499	Jefferson Avenue Canal	1,281,696.56
	TOTAL DRAINAGE CANALS	\$ 17,039,495.13
	<u>PUMPING STATIONS</u>	
511	Normal Extension & Rep./Stations	\$ 5,236,451.45
554	Expansion of Dwyer DPS (SELA-A)	515.65
575	Drainage Hurricane Recovery Bonds	657,813.46
	TOTAL DRAINAGE PUMPING STATIONS	\$ 5,894,780.56
	<u>GENERAL BUDGET</u>	
800	Drainage Share of General Budget Items	3,543,745.05
	GENERAL BUDGET	\$ 3,543,745.05
	TOTAL DRAINAGE DEPARTMENT	\$ 26,478,020.74

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

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**2011 ACTUAL CAPITAL EXPENDITURES**

**GENERAL BUDGET ITEMS**

<u>C.P.#</u>	<u>General Budget Items</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
803	Property Acquisition	\$ -	\$ -	\$ 41,741.88	\$ 41,741.88
812	Computer Systems Development	53,627.31	53,590.90	54,528.75	161,746.96
820	Overhead Charged to Capital	3,413,817.30	\$3,747,859.28	3,333,228.13	10,494,904.71
823	Purchase of Water Meters	750,904.40	750,904.36	\$ -	1,501,808.76
843	Minor Equipment Purchases	34,028.51	34,028.55	34,427.99	102,485.05
875	General Budget Items Hurricane Recovery Bonds	106,424.40	79,818.30	79,818.30	266,061.00
	<b>TOTAL GENERAL BUDGET ITEMS</b>	<u><u>\$ 4,358,801.92</u></u>	<u><u>\$4,666,201.39</u></u>	<u><u>\$ 3,543,745.05</u></u>	<u><u>\$ 12,568,748.36</u></u>

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

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**ANALYSIS OF PUMPING AND POWER DEPARTMENT  
POWER PURCHASED AND PRODUCED  
NATURAL GAS AND FUEL OIL CONSUMED  
TEN YEARS 2002 THROUGH 2011**

YEAR	ELECTRIC POWER PURCHASED		ELECTRIC & STEAM POWER GENERATED BY THE S&WB		NATURAL GAS & FUEL OIL USED TO GENERATE ELECTRIC & STEAM POWER			
	KW-HRS	\$ AMOUNT	KW-HRS	\$ AMOUNT	NATURAL GAS		FUEL OIL	
					MCF	\$ AMOUNT	GALLONS	\$ AMOUNT
2002	67,060,158	\$ 5,057,628.66	37,576,656	\$ 6,371,819.12	1,455,440	\$ 6,370,341	1,739	\$ 1,478.00
2003	63,393,258	\$ 4,213,376.00	37,952,434	\$ 9,228,925.00	1,322,240	\$ 9,214,066	17,481	\$ 14,859.00
2004	63,393,258	\$ 5,100,645.61	37,845,120	\$ 11,851,909.33	1,346,750	\$ 11,850,932	1,149	\$ 977.00
2005	56,511,639	\$ 5,038,729.15	32,232,480	\$ 15,857,909.84	1,442,440	\$ 15,834,817	27,168	\$ 23,093.00
2006	67,474,620	\$ 7,371,028.93	37,464,720	\$ 14,587,879.51	1,285,200	\$ 14,587,701	211	\$ 179.00
2007	68,574,205	\$ 7,278,339.03	39,421,440	\$ 15,138,652.93	1,464,900	\$ 15,131,635	1,464	\$ 7,018.00
2008	62,579,355	\$ 7,051,655.00	40,407,984	\$ 19,125,396.84	1,535,660	\$ 18,895,716	85,222	\$ 229,680.70
2009	67,889,778	\$ 6,422,589.30	37,716,720	\$ 10,651,093.69	1,449,540	\$ 10,651,094	0	\$ 0.00
2010	70,609,461	\$ 6,653,752.17	39,090,720	\$ 9,719,013.29	1,332,770	\$ 9,669,414	12,883	\$ 49,599.55
2011	70,049,094	\$ 6,180,372.91	27,351,600	\$ 10,721,624.09	1,552,330	\$ 10,721,356	315	\$ 267.75
<b>TOTALS</b>	<b>657,534,826</b>	<b>\$60,368,116.76</b>	<b>367,059,874</b>	<b>\$ 123,254,223.64</b>	<b>14,187,270</b>	<b>\$ 122,927,072</b>	<b>147,632</b>	<b>\$ 327,152.00</b>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**POWER PURCHASED AND PRODUCED  
NATURAL GAS AND FUEL OIL CONSUMED - 2011**

	<b>KW-HOURS</b>	<b>COST</b>
ELECTRIC POWER PURCHASED	70,049,094	\$6,180,372.91
ELECTRIC AND STEAM POWER GENERATED BY THE S&WB *	27,351,600	\$10,721,624.09
TOTAL	97,400,694	\$16,901,997.00

NOTE: \* NATURAL GAS CONSUMED IN OPERATION WAS 1,332,770 MCF AT A COST OF \$9,352,456.  
FUEL OIL CONSUMED WAS 12,883 GALLONS AT A COST OF \$49,600.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### Gallon Meter - Pay Water Consumption - 2011

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<u>Month</u>	<u>Consumption</u>
January	1,083,695,400
February	1,083,037,600
March	1,115,314,700
April	1,111,396,600
May	1,224,240,400
June	1,303,959,700
July	1,329,517,600
August	1,111,592,500
September	1,220,178,600
October	1,296,934,600
November	1,114,146,600
December	<u>1,088,671,000</u>
Gross Total	<u><u>14,082,685,300</u></u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**MONTHLY WATER CHARGES COLLECTED - 2011**

**As of December 31, 2011**

<u>Months</u>	<u>Water Service Charges &amp; Fees</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	4,393,838.17	78,810.75	4,472,648.92
February	5,010,973.13	84,487.21	5,095,460.34
March	5,596,097.40	93,569.68	5,689,667.08
April	4,987,101.09	81,160.27	5,068,261.36
May	4,940,817.85	85,783.11	5,026,600.96
June	5,987,375.56	96,147.36	6,083,522.92
July	5,480,778.33	84,824.95	5,565,603.28
August	5,902,528.37	100,775.60	6,003,303.97
September	5,229,983.32	99,572.76	5,329,556.08
October	5,527,175.79	80,329.51	5,607,505.30
November	5,349,993.68	84,394.90	5,434,388.58
December	5,026,073.96	86,809.97	5,112,883.93
	<u>\$63,432,736.65</u>	<u>\$1,056,666.07</u>	<u>\$64,489,402.72</u>

**MONTHLY SEWERAGE CHARGES COLLECTED - 2011**

<u>Months</u>	<u>Sewerage Service Charges</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	5,341,819.53	52,656.35	5,394,475.88
February	5,737,488.00	56,437.03	5,793,925.03
March	6,327,156.61	62,502.52	6,389,659.13
April	5,543,682.57	54,217.58	5,597,900.15
May	5,779,616.31	57,305.22	5,836,921.53
June	6,479,050.56	64,222.70	6,543,273.26
July	5,892,300.77	56,661.78	5,948,962.55
August	6,576,211.33	67,308.19	6,643,519.52
September	5,525,590.83	66,506.92	5,592,097.75
October	6,095,900.81	53,663.27	6,149,564.08
November	5,907,258.38	56,376.58	5,963,634.96
December	5,605,603.04	57,984.99	5,663,588.03
	<u>\$70,811,678.74</u>	<u>\$705,843.13</u>	<u>\$71,517,521.87</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE I**  
As of December 31, 2011

**CARROLLTON TURBIDITIES**

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Maximum	248	165	320	274	282	13	15	19	8.3	10	0.39	0.90	0.78	0.26	0.22
Minimum	3	7	5	5	11	1.0	1.0	1.1	1.1	1.0	0.09	0.09	0.09	0.07	0.08
Average	66	67	71	71	51	4.1	4.9	3.1	3.2	2.9	0.14	0.13	0.14	0.13	0.13

**TABLE II**

**CARROLLTON ALKALINITIES**  
**PARTS PER MILLION**

	River					Effluent Settling Reservoirs					Filters				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Maximum	173	183	185	212	163	167	171	175	202	165	182	202	200	225	195
Minimum	86	78	83	93	83	66	63	72	76	66	78	71	80	98	88
Average	124	117	121	143	125	114	107	114	135	115	131	124	134	155	135

**TABLE II A**

**CARROLLTON HARDNESS**  
**PARTS PER MILLION**

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Maximum	86	70	91	84	105	90	76	92	91	83	230	250	211	238	220	240	250	227	278	238
Minimum	10	4	0	0	17	12	15	0	0	26	113	114	110	116	115	120	114	130	140	132
Average	47	38	33	36	47	54	50	40	41	55	171	155	153	178	172	186	175	173	195	191

**TABLE III**

**CARROLLTON BACTERIAL CHARACTERISTICS**  
**TOTAL COLIFORM ANALYSIS**

2011	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	2,900	0	36
Minimum (Colonies / 100 ml)	110	0	0
Average (colonies / 100 ml)	680	0	0
Number of Samples	359	365	2,446
Number of Samples Negative	0	365	2,442
Number of Samples Positive	359	0	4*

\* None of these 4 total coliform positive samples was *E. coli* positive, and none resulted in a violation of the Total Coliform Rule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-A

PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR  
ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	64	156	
February	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	35	135	
March	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	53	163	
April	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	38	142	
May	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	282	151	
June	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	40	88	
July	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	126	110	
August	Max. Min. Avg.	0.00	0.00	0	0.00	0	0.00	0	0.00	69	121	
September	Max. Min. Avg.	327.83	91.08	0	0.00	9,861	3.87	11,408	4.94	87	160	2.7
October	Max. Min. Avg.	2,747.29	78.92	0	0.00	91,365	3.63	102,629	3.91	13	134	1.6
November	Max. Min. Avg.	2,720.46	92.54	0	0.00	90,268	4.48	101,439	4.25	28	145	2.0
December	Max. Min. Avg.	2,729.17	85.13	0	0.00	104,176	3.99	116,995	5.04	25	153	4.8
Total		8,524.75	247.67	0	0.00	295,670	4.42	332,472	4.49	17	143	2.2
General	Max. Min. Avg.	2,747.29 327.83 2,723.56	93.83 56.00 88.80	0 0 0	0.00 0.00 0.00	104,176 9,861 94,463	4.72 4.16 4.16	116,995 11,408 106,221	5.30 3.82 4.68	282 11 51	163 83 125	6.1 1.0 2.5

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-B

PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR  
ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max.		88.63		0.00		3.58		4.03	64	156	7.0
	Min.	2,609.08	79.83	0	0.00	66,819	2.85	75,984	3.28	19	122	1.9
	Avg.		84.16		0.00		3.07		3.49	35	135	3.5
February	Max.		85.46		0.00		3.13		3.53	53	163	10.0
	Min.	2,338.08	81.33	0	0.00	57,550	2.51	64,642	2.78	30	120	2.1
	Avg.		83.50		0.00		2.95		3.31	38	142	3.5
March	Max.		82.54		0.00		3.61		4.05	282	151	5.4
	Min.	2,452.25	75.54	0	0.00	66,778	2.41	75,167	2.71	40	88	1.8
	Avg.		79.00		0.00		3.01		3.37	126	110	3.3
April	Max.		81.63		0.00		3.58		4.02	69	121	3.8
	Min.	2,354.00	75.79	0	0.00	67,848	3.33	75,921	3.73	27	91	1.3
	Avg.		78.47		0.00		3.46		3.87	51	105	2.2
May	Max.		82.54		0.00		4.17		4.67	91	108	5.8
	Min.	2,434.08	75.08	0	0.00	76,201	4.09	85,196	4.56	39	83	2.0
	Avg.		75.25		0.00		4.13		4.61	62	93	3.4
June	Max.		86.75		0.00		4.29		4.81	61	150	4.2
	Min.	2,461.38	76.67	0	0.00	81,298	3.30	91,586	3.69	28	99	1.7
	Avg.		81.61		0.00		3.94		4.43	44	114	2.5
July	Max.		87.42		0.00		4.99		5.62	103	149	5.4
	Min.	2,558.58	74.71	0	0.00	89,741	3.23	100,954	3.64	28	125	1.1
	Avg.		82.53		0.00		4.21		4.74	53	135	2.9
August	Max.		88.96		0.00		5.61		6.08	64	158	4.1
	Min.	2,562.46	76.38	0	0.00	103,095	4.52	115,802	5.08	20	140	1.4
	Avg.		78.43		0.00		4.73		5.31	41	149	2.9
September	Max.		89.63		0.00		5.25		6.26	87	160	4.2
	Min.	2,229.21	33.79	0	0.00	77,795	3.60	88,003	4.09	13	134	1.7
	Avg.		82.56		0.00		4.18		4.75	28	145	3.0
October	Max.		0.00		0.00		0.00		0.00	25	153	
	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	11	134	
	Avg.		0.00		0.00		0.00		0.00	17	143	
November	Max.		0.00		0.00		0.00		0.00	82	148	
	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	11	120	
	Avg.		0.00		0.00		0.00		0.00	23	133	
December	Max.		0.00		0.00		0.00		0.00	116	126	
	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	42	83	
	Avg.		0.00		0.00		0.00		0.00	84	98	
Total		21,999.13		0		687,126		773,255				
General	Max.		89.63		0.00		5.61		6.26	282	163	10.0
	Min.	2,609.08	74.71	0	0.00	103,095	2.41	115,802	2.71	11	83	1.1
	Avg.		81.78		0.00		3.75		4.21	51	125	3.0

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-C

PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR  
ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max.		62.08		0.00		3.65		4.10	64	156	6.3
	Min.	1,865.21	58.29	0	0.00	50,535	2.81	56,658	3.09	19	122	2.3
	Avg.		60.17		0.00		3.25		3.64	35	135	3.6
February	Max.	1,654.46	61.42	0	0.00	46,622	3.63	52,441	4.07	53	163	5.9
	Min.		58.21		0.00		2.93		3.32	30	120	2.4
	Avg.		59.50		0.00		3.48		3.91	38	142	3.4
March	Max.	1,795.96	60.42	0	0.00	58,400	4.67	66,135	5.24	282	151	8.7
	Min.		55.58		0.00		3.88		4.45	40	88	2.0
	Avg.		57.67		0.00		4.22		4.78	126	110	3.7
April	Max.	1,704.88	59.00	0	0.00	47,710	4.46	53,701	5.01	69	121	4.2
	Min.		54.04		0.00		2.27		3.33	27	91	1.6
	Avg.		56.83		0.00		3.36		3.78	51	105	2.8
May	Max.	1,688.71	61.38	0	0.00	52,727	4.49	59,494	5.08	91	108	6.3
	Min.		49.33		0.00		2.98		3.33	39	83	2.0
	Avg.		56.29		0.00		3.75		4.23	62	93	3.7
June	Max.	1,811.29	66.42	0	0.00	61,974	4.52	70,239	5.13	61	150	3.0
	Min.		55.54		0.00		3.79		4.29	28	99	1.7
	Avg.		60.25		0.00		4.17		4.73	44	114	2.1
July	Max.	1,768.08	64.83	0	0.00	57,319	4.82	65,019	5.47	103	149	4.1
	Min.		47.25		0.00		3.36		3.82	28	125	1.2
	Avg.		57.03		0.00		3.90		4.43	53	135	2.6
August	Max.	1,701.83	57.88	0	0.00	61,621	5.94	69,824	6.67	64	158	3.3
	Min.		51.79		0.00		3.74		4.26	20	140	1.3
	Avg.		54.90		0.00		4.34		4.92	41	149	2.4
September	Max.	1,629.96	60.96	0	0.00	48,945	4.69	55,146	5.29	87	160	4.0
	Min.		48.88		0.00		3.48		3.91	13	134	1.9
	Avg.		54.33		0.00		3.50		4.07	28	145	2.7
October	Max.	1,654.83	60.71	0	0.00	48,982	4.01	55,505	4.55	25	153	3.5
	Min.		47.71		0.00		3.10		3.89	11	134	1.3
	Avg.		52.32		0.00		3.68		4.20	17	143	2.1
November	Max.	1,433.58	52.42	0	0.00	43,946	4.04	49,514	4.55	82	148	2.4
	Min.		43.46		0.00		3.33		3.76	11	120	1.0
	Avg.		47.79		0.00		3.68		4.15	23	133	1.7
December	Max.	1,569.00	57.46	0	0.00	58,533	5.04	66,838	5.65	116	126	5.6
	Min.		46.67		0.00		3.53		4.01	42	83	1.9
	Avg.		50.61		0.00		4.48		5.11	84	98	3.4
Total		20,277.79		0		637,313		720,514				
General	Max.	1,865.21	66.42	0	0.00	61,974	5.94	70,239	6.67	282	163	8.7
	Min.	1,433.58	43.46	0	0.00	43,946	2.27	49,514	3.09	11	83	1.0
	Avg.	1,689.82	55.56	0	0.00	53,109	3.77	60,043	4.26	51	125	2.8

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-D

PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR  
ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13
Month	Max. Min. Avg.	Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	64	156	
February	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	53	163	
March	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	282	151	
April	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	69	121	
May	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	91	108	
June	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	61	150	
July	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	103	149	
August	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	64	158	
September	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	87	160	
October	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	25	153	
November	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	11	134	
December	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	23	143	
Total	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	84	98	
General	0.00 0.00 0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	282	163	
										11	83	
										51	125	

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-E

MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total pounds of Polymer used at Intake	Total Pounds of Polymer used in Plant	Total Pounds of Fluoride (100%) used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Total Pounds of Lime Used During Month	Lime Parts per Million	Total Pounds of Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Ammonia Parts Per Million	Total Pounds of Polyphos Used During Month	Polyphos Parts Per Million	Alkalinity of Filtered Water Parts Per Million (OFE)	Estimated High Lift Pumpage
	Max.	4,474.32	148.88	0	117,354	13,992	0.42	132,642	585,351	19.92	174,504	4.87	45,133	1.32	17,629	0.52	167	150.00
	Min.	144.33	140.96	0	117,354	13,992	0.36	132,642	585,351	10.35	174,504	4.39	45,133	1.12	17,629	0.40	121	4,307.92
	Avg.	3,992.60	145.46	0	104,172	12,394	0.51	117,083	602,463	20.41	160,168	4.92	40,152	1.23	16,580	0.54	179	138.97
February	Max.	3,992.60	138.42	0	104,172	12,394	0.39	117,083	602,463	20.41	160,168	4.92	40,152	1.23	16,580	0.54	179	136.52
	Min.	142.59	142.59	0	104,172	12,394	0.42	117,083	602,463	11.09	160,168	4.70	40,152	1.18	16,580	0.44	119	3,551.12
	Avg.	4,248.22	142.00	0	125,178	14,931	0.50	141,302	431,586	22.45	169,753	4.66	44,618	1.21	18,062	0.50	155	126.83
March	Max.	4,248.22	129.38	0	125,178	14,931	0.38	141,302	431,586	11.09	169,753	4.66	44,618	1.17	18,062	0.48	93	115.40
	Min.	137.04	137.04	0	125,178	14,931	0.44	141,302	431,586	9.20	169,753	4.79	44,618	1.26	17,595	0.51	123	147.64
	Avg.	4,058.87	131.79	0	115,558	15,492	0.51	129,622	395,452	14.15	165,029	5.30	44,042	1.46	17,595	0.54	140	141.60
April	Max.	4,058.87	131.79	0	115,558	15,492	0.36	129,622	395,452	8.82	165,029	4.61	44,042	1.21	17,595	0.50	102	4,058.88
	Min.	135.30	135.30	0	115,558	15,492	0.46	129,622	395,452	11.69	165,029	4.88	44,042	1.30	17,595	0.52	120	129.84
	Avg.	4,183.82	140.63	0	128,928	19,740	0.61	144,690	418,221	12.89	183,610	5.52	49,042	1.47	18,256	0.55	125	135.30
May	Max.	4,183.82	140.63	0	128,928	19,740	0.41	144,690	418,221	8.82	183,610	5.06	49,042	1.35	18,256	0.50	88	4,390.72
	Min.	134.96	134.96	0	143,272	21,256	0.54	161,825	517,124	11.99	203,193	5.26	51,222	1.41	19,129	0.52	102	131.76
	Avg.	4,272.68	149.17	0	143,272	21,256	0.63	161,825	517,124	17.05	203,193	7.04	51,222	1.64	19,129	0.59	161	152.40
June	Max.	4,272.68	137.13	0	143,272	21,256	0.43	161,825	517,124	11.25	203,193	5.06	51,222	1.26	19,129	0.50	100	4,392.44
	Min.	142.42	142.42	0	147,059	21,273	0.58	165,973	638,272	14.53	232,271	5.70	51,222	1.44	17,907	0.54	125	141.24
	Avg.	4,326.69	149.63	0	147,059	21,273	0.67	165,973	638,272	20.86	232,271	7.11	52,905	1.65	17,907	0.56	165	146.41
July	Max.	4,326.69	131.50	0	147,059	21,273	0.46	165,973	638,272	14.86	232,271	5.54	52,905	1.34	17,907	0.43	126	4,310.00
	Min.	139.57	139.57	0	164,716	13,755	0.59	185,626	815,988	17.75	222,408	6.44	49,879	1.47	16,068	0.50	144	130.56
	Avg.	4,272.17	144.67	0	164,716	13,755	0.47	185,626	815,988	28.10	222,408	6.62	49,879	1.47	16,068	0.54	195	139.03
August	Max.	4,272.17	129.54	0	164,716	13,755	0.27	185,626	815,988	14.50	222,408	4.78	49,879	1.34	16,068	0.41	140	4,307.44
	Min.	137.81	137.81	0	136,601	13,201	0.38	154,557	1,039,370	22.43	214,862	6.25	47,765	1.40	17,896	0.48	156	129.52
	Avg.	4,187.01	150.83	0	136,601	13,201	0.48	154,557	1,039,370	38.77	214,862	6.81	47,765	1.51	17,896	0.57	160	138.95
September	Max.	4,187.01	127.17	0	136,601	13,201	0.29	154,557	1,039,370	21.63	214,862	5.65	47,765	1.26	17,896	0.42	130	4,274.80
	Min.	139.57	139.57	0	140,347	14,734	0.37	158,134	1,105,105	29.70	204,365	6.16	35,802	1.37	16,429	0.51	150	128.28
	Avg.	4,402.13	144.54	0	140,347	14,734	0.45	158,134	1,105,105	35.40	204,365	7.11	35,802	1.51	16,429	0.57	160	142.49
October	Max.	4,402.13	132.25	0	140,347	14,734	0.41	158,134	1,105,105	23.23	204,365	4.82	43,524	1.05	19,297	0.44	130	4,341.60
	Min.	142.00	142.00	0	134,214	16,127	0.41	150,953	1,011,979	30.08	170,468	5.56	35,802	1.18	16,079	0.53	145	126.52
	Avg.	4,154.06	133.38	0	134,214	16,127	0.49	150,953	1,011,979	37.40	170,468	6.04	35,802	1.07	16,079	0.60	152	144.72
November	Max.	4,154.06	133.38	0	134,214	16,127	0.41	150,953	1,011,979	21.89	170,468	4.47	35,802	0.97	16,079	0.33	110	133.40
	Min.	138.47	138.47	0	162,709	18,333	0.46	183,834	978,155	29.18	173,761	4.92	34,798	1.03	18,763	0.46	135	139.58
	Avg.	4,298.21	143.13	0	162,709	18,333	0.55	183,834	978,155	28.86	173,761	5.26	34,798	1.06	18,763	0.56	141	140.80
December	Max.	4,298.21	135.33	0	162,709	18,333	0.49	183,834	978,155	26.17	173,761	4.55	34,798	0.91	18,763	0.39	100	130.20
	Min.	138.65	138.65	0	1,620,108	195,228	0.52	1,826,241	8,539,066	27.29	2,274,392	4.85	538,882	0.97	213,262	0.52	121	4,228.12
	Avg.	50,870.78	148.88	0	1,620,108	195,228	0.52	1,826,241	8,539,066	27.29	2,274,392	4.85	538,882	0.97	213,262	0.52	121	136.39
Total	Max.	4,474.32	150.83	0	1,620,108	195,228	0.67	1,826,241	8,539,066	38.77	2,274,392	7.11	538,882	1.65	213,262	0.60	195	50,454.2
	Min.	3,992.60	127.17	0	104,172	12,394	0.27	117,083	395,452	8.82	160,168	4.39	34,798	0.91	16,068	0.33	88	4,392.44
	Avg.	4,239.23	139.37	0	135,009	16,269	0.46	152,187	711,589	20.13	189,533	5.36	44,907	1.27	17,772	0.50	135	4,204.52
General	Max.	4,474.32	150.83	0	1,620,108	195,228	0.67	1,826,241	8,539,066	38.77	2,274,392	7.11	538,882	1.65	213,262	0.60	195	4,392.44
	Min.	3,992.60	127.17	0	104,172	12,394	0.27	117,083	395,452	8.82	160,168	4.39	34,798	0.91	16,068	0.33	88	4,392.44
	Avg.	4,239.23	139.37	0	135,009	16,269	0.46	152,187	711,589	20.13	189,533	5.36	44,907	1.27	17,772	0.50	135	4,204.52

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE V

PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2011

1 Month	2 Max. Min. Avg.	3 Low Lift Total Million Gallons of Water Treated During Month	4 Amount of Water Treated Million Gallons Per 24 Hours	5 Total Pounds of Polyelec- trolyte Used During Month	6 Polyelec- trolyte Parts Per Million	7 Total Pounds of Fluoride (100%) Used During Month	8 Fluoride Parts Per Million	9 Total Pounds of Pure Iron (Fe) used During Month	10 Pure Iron (Fe) Parts Per Million	11 Total Pounds of Lime Used During Month	12 Lime Parts Per Million	13 Total Pounds of Anhydrous Ammonia Used During Month	14 Anhydrous Ammonia Parts Per Million	15 Total Pounds Chlorine Used During Month	16 Chlorine Parts Per Million	17 Total Pounds Polyphos- phate Used During Month	18 Polyphos- phate Parts Per Million	19 NTU Turbidity of Clarifier Effluent	20 PPM Clear-Well Alkalinity of Filter Effluent	21 High Lift Pumpage		
																				Total M.G.D.	M.G.D.	
January	Max. 360.08 Min. 320.66 Avg. 340.37	14.16 10.08 11.62	4.06 3.99 4.04	12,132 10,811 11,471	4.06 3.99 4.04	948 972 960	0.37 0.25 0.32	15,252 14,180 14,716	6.30 4.49 4.94	225,253 178,632 201,942	112.55 50.10 74.89	3,077 2,721 2,899	1.13 0.90 1.02	16,373 14,839 15,584	6.88 5.01 5.46	1,617 1,613 1,615	0.80 0.25 0.54	3.7 0.5 2.3	110 45 79			13.83 9.74 10.48
February	Max. 320.66 Min. 338.26 Avg. 329.46	12.00 10.00 11.45	4.07 3.99 4.04	10,811 11,391 11,100	4.07 3.99 4.03	972 1,098 1,040	0.45 0.28 0.37	14,180 15,397 14,788	6.29 4.72 5.31	178,632 149,572 165,114	91.30 45.02 67.17	2,721 3,055 3,025	1.08 0.98 1.02	14,839 16,503 14,913	7.35 6.03 5.54	1,613 1,854 1,866	0.77 0.43 0.61	11.0 5.8 2.5	120 90 94			11.03 9.26 10.32
March	Max. 338.26 Min. 330.69 Avg. 334.47	12.00 10.00 11.02	4.07 3.99 4.03	11,391 11,120 12,088	4.07 3.99 4.03	1,098 1,193 1,500	0.49 0.27 0.32	15,397 16,140 18,422	6.33 3.96 5.48	149,572 165,114 168,093	94.96 29.96 53.03	3,055 3,025 3,354	1.11 1.05 1.08	16,503 14,913 16,390	6.03 5.44 5.50	1,854 1,866 2,134	0.80 0.41 0.6	5.8 0.6 1.9	90 57 76			10.60 8.63 9.51
April	Max. 330.69 Min. 358.57 Avg. 344.63	13.66 10.00 11.57	4.07 3.99 4.04	11,120 12,088 12,783	4.07 3.99 4.04	1,193 1,500 1,866	0.55 0.32 0.44	16,140 18,422 18,641	7.48 4.56 5.96	165,114 168,093 250,624	79.87 46.08 59.75	3,025 3,354 3,478	1.14 1.06 1.10	14,913 16,390 15,520	5.76 4.88 5.50	1,866 2,134 2,117	1.10 0.50 0.61	24.0 0.4 1.8	92 47 65			11.21 8.73 10.00
May	Max. 358.57 Min. 380.00 Avg. 369.28	13.33 10.00 11.94	4.06 3.99 4.03	12,088 12,783 11,264	4.06 3.99 4.03	1,500 1,866 1,732	0.60 0.34 0.44	18,422 18,641 17,689	7.75 5.95 5.77	168,093 250,624 339,169	70.02 41.38 72.94	3,354 3,478 3,883	1.25 0.95 1.26	16,390 15,520 15,520	6.01 4.89 5.03	2,134 2,117 2,117	1.00 0.50 0.69	6.6 0.2 1.8	88 48 51			12.03 9.55 11.36
June	Max. 380.00 Min. 370.17 Avg. 375.08	15.50 10.00 11.94	4.07 3.99 4.03	12,783 11,264 13,541	4.07 3.99 4.03	1,866 1,732 1,786	0.71 0.39 0.57	18,641 17,689 14,702	7.52 4.84 5.96	250,624 339,169 328,405	105.37 56.98 77.23	3,478 3,883 4,609	1.27 0.92 1.10	15,520 15,520 18,440	6.83 4.17 4.81	2,117 1,916 2,333	1.20 0.26 0.57	3.8 0.5 1.9	48 80 73			14.59 11.20 10.13
July	Max. 370.17 Min. 379.67 Avg. 374.92	13.75 10.00 11.94	4.08 3.99 4.03	11,264 13,541 13,464	4.08 3.99 4.03	1,732 1,786 1,483	0.71 0.39 0.57	17,689 14,702 15,947	5.04 5.77 4.70	339,169 328,405 242,118	148.47 72.94 110.18	3,883 4,609 4,050	1.38 1.06 1.26	2,117 2,333 16,207	5.46 4.26 5.03	2,117 2,333 2,200	1.07 0.34 0.59	3.7 0.8 1.1	71 39 60			12.85 10.39 10.25
August	Max. 379.67 Min. 349.16 Avg. 364.41	14.00 10.00 12.25	5.03 3.56 4.27	13,541 13,464 13,491	5.03 3.56 4.27	1,786 1,483 1,435	0.78 0.43 0.57	14,702 15,947 17,212	6.82 3.37 4.70	328,405 242,118 266,186	130.48 79.95 103.80	4,609 4,050 4,080	1.60 1.20 1.46	18,440 16,207 16,384	6.42 4.81 5.82	2,333 2,200 2,200	1.16 0.57 0.76	9.8 0.6 1.2	73 44 68			13.05 10.13 11.69
September	Max. 349.16 Min. 358.49 Avg. 353.82	14.00 10.00 11.64	5.12 4.48 4.63	13,464 13,491 13,920	5.12 4.48 4.63	1,483 1,435 1,745	0.69 0.39 0.49	15,947 17,212 17,074	6.96 5.53 5.83	242,118 266,186 241,259	109.97 57.66 83.34	4,050 4,080 3,347	1.63 1.15 1.39	16,207 16,384 13,385	6.82 4.57 5.49	2,200 2,200 2,067	1.20 0.59 0.75	15.9 1.1 5.7	85 60 68			12.23 10.25 11.07
October	Max. 358.49 Min. 369.49 Avg. 364.04	14.00 10.00 11.56	4.55 4.50 4.51	13,491 13,920 13,826	4.55 4.50 4.51	1,745 1,435 1,983	0.82 0.34 0.58	17,074 17,378 162,833	7.03 3.23 5.66	241,259 241,259 162,833	96.67 60.02 78.14	3,347 3,347 2,944	1.21 1.01 1.09	13,385 13,385 14,537	4.84 4.01 4.45	2,067 2,067 1,900	1.16 0.55 0.80	11.2 0.7 6.1	86 59 83			13.05 10.19 11.53
November	Max. 369.49 Min. 365.36 Avg. 367.42	16.83 10.00 12.32	4.57 4.48 4.54	13,920 13,826 14,831	4.57 4.48 4.54	1,983 1,464 1,571	0.89 0.43 0.66	17,378 16,501 198,014	7.88 4.67 5.81	162,833 226,438 2,717,258	88.79 35.85 53.57	2,944 4,633 41,633	1.06 0.93 0.97	14,537 18,440 188,419	5.34 4.45 4.77	1,900 2,333 23,817	0.80 0.25 0.63	6.1 0.5 2.2	83 54 69			12.30 10.63 11.40
December	Max. 4,280.60 Min. 380.00 Avg. 320.66	4,280.60 16.83 320.66	4.54 5.12 3.16	14,831 13,920 10,811	4.54 5.12 3.16	1,571 1,983 948	0.66 0.89 0.25	198,014 18,641 14,160	5.81 7.88 5.55	2,717,258 339,169 149,572	53.57 148.47 29.96	41,633 4,609 2,721	0.97 1.76 0.90	188,419 18,440 13,385	4.77 7.35 4.01	23,817 2,333 1,613	0.63 1.20 0.25	2.2 24.0 0.2	69 120 39			11.40 14.59 8.63
General	Max. 380.00 Min. 358.72 Avg. 369.36	380.00 16.83 358.72	5.12 3.16 4.20	13,920 10,811 12,486	5.12 3.16 4.20	1,983 948 1,464	0.89 0.25 0.49	18,641 14,160 16,501	7.88 5.55 5.55	339,169 149,572 226,438	148.47 29.96 76.11	4,609 2,721 3,469	1.76 0.90 1.17	18,440 13,385 15,702	7.35 4.01 5.28	2,333 1,613 1,985	1.20 0.25 0.67	24.0 0.2 2.9	120 39 69			14.59 8.63 10.97

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-A

MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS  
FOR THE YEAR ENDING: December 31, 2011

1 Month	2 Total Million Gallons Water Filtered During Month		3 Total Number of Runs		4 Length of Runs in Hours		5 Million Gallons of Water Filtered Per Run		6 Million Gallons Per Day Per Filter		7 Total Amount in Million Gallons of Wash Water Used		8 Million Gallons of Wash Water Used Per Run		9 Percentage of Wash Water Used Per Run		10 Million Gallons Filtered Per Acre Per Day		11
	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	
January	Max.	1,830,102	2,495,158	93	82	170	167	27,600	37,706	2,827	4,896	27,600	70,700	0.297	0.862	2.13	3.73	86,064	81,239
	Min.					164	136	21,880	23,121							1.36	2.29		
	Avg.					167	149	19,673	30,429							1.51	2.83		
February	Max.	1,725,380	1,795,361	88	72	168	162	26,100	33,334	2,828	4,041	26,100	58,800	0.297	0.817	2.13	4.05	86,088	67,062
	Min.					114	138	20,875	20,180							1.42	2.45		
	Avg.					166	148	19,607	24,936							1.51	3.28		
March	Max.	1,906,875	2,105,845	101	76	168	170	30,300	34,316	2,716	4,416	30,300	62,000	0.300	0.816	2.18	3.87	82,671	73,284
	Min.					165	137	21,000	21,100							1.43	2.38		
	Avg.					167	151	18,880	27,708							1.59	2.94		
April	Max.	1,807,341	2,239,979	92	78	168	160	27,600	33,541	2,823	4,731	27,600	62,300	0.300	0.799	2.17	3.22	85,939	78,501
	Min.					166	137	21,000	24,828							1.43	2.38		
	Avg.					167	146	19,645	28,718							1.53	2.78		
May	Max.	1,902,081	2,444,290	97	80	171	163	29,100	35,366	2,825	4,951	29,100	63,100	0.300	0.769	2.21	4.34	86,005	82,162
	Min.					163	137	21,375	18,171							1.40	3.12		
	Avg.					167	148	19,609	30,554							1.53	2.58		
June	Max.	1,892,617	2,496,232	98	74	169	168	21,721	38,137	2,820	5,645	36,600	64,560	0.373	0.872	3.73	4.60	85,853	93,672
	Min.					120	139	10,000	19,958							1.72	2.29		
	Avg.					164	143	19,312	33,733							1.93	2.59		
July	Max.	1,881,145	2,452,725	93	80	216	175	27,000	37,401	2,939	4,839	44,900	64,100	0.483	0.801	4.08	3.33	89,466	80,304
	Min.					71	139	11,841	24,026							1.79	2.14		
	Avg.					165	152	20,227	30,659							2.39	2.61		
August	Max.	1,867,422	2,453,069	102	78	170	167	21,250	37,121	2,631	5,111	44,000	62,400	0.431	0.800	5.56	3.80	80,091	84,819
	Min.					163	120	7,753	21,058							2.03	2.16		
	Avg.					167	148	18,308	31,450							2.36	2.54		
September	Max.	1,846,777	2,352,147	96	80	168	167	21,000	34,791	2,769	5,041	42,000	66,400	0.438	0.830	3.20	7.01	84,276	83,654
	Min.					154	54	13,667	11,841							2.08	2.39		
	Avg.					167	140	19,237	29,402							2.27	2.82		
October	Max.	1,720,634	2,674,905	93	78	172	171	21,500	40,875	2,663	5,265	42,900	63,240	0.461	0.811	3.42	2.88	81,072	87,362
	Min.					162	141	13,500	28,170							2.15	1.98		
	Avg.					167	156	18,501	34,294							2.49	2.36		
November	Max.	1,706,388	2,514,860	96	78	168	168	21,000	39,280	2,555	5,298	46,100	62,500	0.480	0.801	3.45	3.95	77,763	87,918
	Min.					167	101	13,917	20,294							2.29	2.04		
	Avg.					167	146	17,775	32,242							2.70	2.49		
December	Max.	1,720,688	2,429,466	92	84	173	192	21,625	46,617	2,692	5,140	40,700	65,200	0.442	0.776	3.66	7.50	81,931	85,299
	Min.					161	57	12,083	10,346							2.05	1.67		
	Avg.					167	135	18,703	28,922							2.37	2.68		
Total		21,807,450	28,454,037	1,141	940			437,900	765,300										
General	Max.	1,906,875	2,674,905	102	84	216	192	30,300	46,617	2,939	5,645	46,100	70,700	0.483	0.872	5.56	7.50	89,466	83,672
	Min.	1,706,388	1,795,361	88	72	71	54	7,753	10,346	2,555	4,041	26,100	58,800	0.297	0.776	1.36	1.67	77,763	67,062
	Avg.	1,817,288	2,371,170	95	78	167	147	19,123	30,254	2,757	4,948	36,492	63,775	0.384	0.815	2.02	2.71	83,635	82,106

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-B

MONTHLY SUMMARY OF ALGIERS FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2011

1	2	3	4	5	6	7	8	9	10
Month	Total Million Gallons Water Filtered During Month of Runs	Total Number of Runs	Length of Runs in Hours	Million Gallons of Water Filtered Per Run	Million Gallons Per Day Per Filter	Total Amount in Million Gallons of Wash Water Used	Million Gallons of Wash Water Used Per Run	Percentage of Wash Water Used Per Run	
January	Max. 358.02 Min. 164 Avg. 168	51	170	7.084	0.97	6.62	0.130	2.26 1.83 1.91	
February	Max. 319.77 Min. 164 Avg. 166	48	169	7.042	0.97	5.19	0.108	2.13 1.53 1.62	
March	Max. 336.15 Min. 164 Avg. 167	57	170	7.084	0.93	6.45	0.113	2.37 1.60 1.76	
April	Max. 339.05 Min. 163 Avg. 167	48	169	7.000	0.91	5.62	0.117	2.94 1.67 1.84	
May	Max. 356.41 Min. 164 Avg. 168	54	172	7.167	0.95	6.16	0.123	2.45 1.72 1.85	
June	Max. 376.44 Min. 164 Avg. 167	54	170	8.792	1.05	6.67	0.123	2.02 1.40 1.68	
July	Max. 367.35 Min. 162 Avg. 167	48	162	8.356	0.99	5.90	0.123	2.41 1.47 1.78	
August	Max. 376.49 Min. 162 Avg. 167	57	177	8.104	1.01	7.46	0.131	2.09 1.61 1.86	
September	Max. 346.60 Min. 164 Avg. 167	51	170	7.125	0.98	6.61	0.130	2.27 1.82 1.91	
October	Max. 356.49 Min. 165 Avg. 167	51	170	7.167	0.96	6.62	0.130	2.42 1.81 1.94	
November	Max. 367.58 Min. 144 Avg. 168	54	191	8.376	1.01	7.40	0.137	2.32 1.64 1.93	
December	Max. 361.57 Min. 163 Avg. 167	51	170	7.605	0.98	6.56	0.129	2.34 1.69 1.88	
Total	4261.92	624				77.26	1.49		
General	Max. 376.49 Min. 319.77 Avg. 355.16	57 48 52	191 144 168	8.792 3.980 6.830	1.05 0.91 0.98	7.46 5.19 6.44	0.137 0.108 0.124	2.94 1.40 1.81	

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE VII**

**FIVE YEAR ANALYSIS COMPOSITE DATA (2007 - 2011) FOR NEW ORLEANS  
DRINKING WATER PURIFICATION SYSTEM  
As of December 31, 2011**

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	121	78	126	227	78	135
Total Hardness (ppm as CaCO <sub>3</sub> )	250	110	166	270	122	184
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	105	0	40	120	0	49
Calcium Hardness (ppm as CaCO <sub>3</sub> )	187	70	116	204	75	134
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	104	0	50	164	2	50
Nephelometric Turbidity (NTU)	320	2.5	65	0.32	0.06	0.13
pH	8.40	7.15	7.86	9.53	7.22	8.82
Chloride (ppm)	82	10	41	83	14	42
Fluoride (ppm)	0.58	0.09	0.25	1.25	0.16	0.73
Total Dissolved Solids (ppm)	490	88	255	410	114	229
Total Suspended Solids (ppm)	215	7	84	-----	-----	-----
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.8	0.0	0.3
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	5.7	0.0	3.1
Ammonia (ppm as N)	-----	-----	-----	0.73	0.00	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2	1.1	1.7
Conductivity (µS/cm)	610	177	356	650	185	402
Temperature (°F)	90	37	66	90	41	73
Aluminum (ppm) *	-----	-----	-----	0.08	0.00	0.02
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.001
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.9	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.02	0.00	0.01
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	8.8	3.3	6.0
Sodium (ppm) *	-----	-----	-----	41.8	17.0	26.8
Haloacetic Acids (HAA5) (ppb)	-----	-----	-----	28.0	0.0	18.0
Total Organic Carbon (ppm)	5.0	3.1	4.0	4.1	2.2	3.0
Total Trihalomethanes (ppb)	1.8	0.0	0.0	43.6	7.9	26.2
1, 2-Dichloroethane (ppb)	0.2	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	1.8	0.0	0.0	32.1	5.2	17.7
Carbon Tetrachloride (ppb)	0.1	0.0	0.0	2.1	0.0	0.0
Bromodichloromethane (ppb)	0.2	0.0	0.0	12.8	0.6	7.1
Tetrachloroethene (ppb)	0.1	0.0	0.0	0.1	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.6	0.0	0.0	1.8	0.0	0.0
Total Coliforms (CFUs/100 ml)	11200	44	900	36	0	0
Fecal Coliforms (CFUs/100 ml)	4100	7	120	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals. Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory. All other results are from testing by the S&WB Water Quality Laboratory. Lead and Copper results are from 2008 and 2010; testing is only required triennially. Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by DHH to be classified as a "DHH-OPH Certified Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid. The S&WB Laboratory is certified by DHH for Total Coliform and Fecal Coliform testing.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE VIII  
As of December 31, 2011**

**CARROLLTON OPERATION**

<b>CHEMICAL</b>	<b>CHEMICAL COST</b>	<b>CHEMICAL COST PER MILLION GALLONS</b>
Lime	\$639,413	\$12.57
Ferric Coagulant	\$1,082,024	\$21.27
Chlorine & Sodium Hypochlorite	\$965,565	\$18.98
Sodium Polyphosphate	\$100,618	\$1.98
Polyelectrolyte	\$487,714	\$9.59
Fluoride	\$304,624	\$5.99
Ammonia	\$280,311	\$5.51
Carbon	\$0	\$0.00
<b>TOTAL CHEMICALS</b>	<b>\$3,860,269</b>	<b>\$75.88</b>

Purification Plant Operating Cost:

Total Water Treated in 2011: 50,870,780,000 Gallons

**TOTAL COST  
PER MILLION GALLONS**

<b>YEAR</b>	<b>TOTAL WATER TREATED IN MILLION GALLONS</b>	<b>OPERATING COST</b>	<b>TOTAL COST PER MILLION GALLONS</b>
2011	50,870.78	\$7,342,571	\$144.34
2010	50,040.84	\$7,868,284	\$157.24
2009	50,515.38	\$7,672,872	\$151.89
2008	48,867.31	\$8,283,745	\$169.52
2007	48,931.79	\$6,499,521	\$132.83

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE IX  
As of December 31, 2011**

**ALGIERS OPERATION**

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$244,542	\$57.13
Ferric Coagulant	\$116,925	\$27.32
Sodium Hypochlorite	\$79,877	\$18.66
Sodium Polyphosphate	\$23,859	\$5.57
Polyelectrolyte	\$44,205	\$10.33
Fluoride (100%)	\$26,513	\$6.19
Ammonia	\$27,244	\$6.36
Carbon	\$0	\$0.00
<b>TOTAL CHEMICALS</b>	<b>\$563,166</b>	<b>\$131.56</b>

Purification Plant Operating Cost:

Total Water Treated in 2011: 4,280,600,000 Gallons

**TOTAL COST  
PER MILLION GALLONS**

YEAR	TOTAL WATER TREATED IN MILLION	OPERATING COST	TOTAL COST PER MILLION GALLONS
2011	4,280.60	\$1,834,511	\$428.56
2010	4,105.81	\$1,995,926	\$486.12
2009	3,935.84	\$1,894,092	\$481.24
2008	3,788.95	\$2,029,729	\$535.70
2007	4,427.16	\$1,700,033	\$384.00
2006	4,261.05	\$1,435,527	\$336.90

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE X  
As of December 31, 2011  
SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS  
DOOR MONORAKE CONVENTIONAL SYSTEM  
2011**

Total Million Gallons Water Treated	30,523.88
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	6,622
Total Million Gallons Wet Sludge Withdrawn from Basins	765.80
Average Percent solids in Wet Sludge	0.21
Total Million Gallons Water Used in withdrawing Sludge	765.14
Percent of Total Water Treated Used in Withdrawing Wet Sludge	2.51

**TABLE X-A  
SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS  
DOOR MONORAKE CONVENTIONAL SYSTEM  
2011**

Total Million Gallons Water Treated	20,277.79
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	5,822
Total Million Gallons Wet Sludge Withdrawn from Basins	362.96
Average Percent solids in Wet Sludge	0.38
Total Million Gallons Water Used in withdrawing Sludge	362.37
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.79

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XI  
DRINKING WATER PURIFICATION SYSTEM  
2011 ANALYSIS DATA FOR NEW ORLEANS  
As of December 31, 2011

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	163	83	125	180	82	134
Total Hardness (ppm as CaCO <sub>3</sub> )	220	115	172	270	122	191
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	105	17	47	120	14	56
Calcium Hardness (ppm as CaCO <sub>3</sub> )	187	70	125	191	91	143
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	97	1	48	114	2	48
Nephelometric Turbidity (NTU)	282	11	51	0.22	0.07	0.13
pH	8.19	7.38	7.88	9.53	7.70	8.89
Chloride (ppm)	53	15	34	55	17	37
Fluoride (ppm)	0.47	0.10	0.27	1.17	0.53	0.80
Total Dissolved Solids (ppm)	490	158	296	410	131	279
Total Suspended Solids (ppm)	131	15	62	-----	-----	-----
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.4	0.1	0.3
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	4.8	0.0	3.3
Ammonia (ppm as N)	-----	-----	-----	0.33	0.01	0.12
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2	2	2
Sulfate (ppm) *	-----	-----	-----	0	0	0
Conductivity (µS/cm)	610	243	456	627	293	502
Temperature (°F)	90	40	65	40	53	72
Aluminum (ppm) *	-----	-----	-----	0.01	0.01	0.01
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.000	0.000	0.000
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.3	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.00	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	8.8	8.8	8.8
Sodium (ppm) *	-----	-----	-----	41.8	41.8	41.8
Cyanide (ppb) *	-----	-----	-----	0.0	0.0	0.0
Haloacetic Acids (HAAs) (ppb)	-----	-----	-----	25	14	19.3
Total Organic Carbon (ppm)	4.2	3.4	3.8	3.4	2.6	2.95
Total Trihalomethanes (ppb)	0.0	0.0	0.0	43.3	14.1	27.5
1, 2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	0.0	0.0	0.0	31.1	8.7	17.7
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	12.5	0.6	7.7
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Total Coliforms (CFUs/100 ml)	2900	110	680	36	0	0
Fecal Coliforms (CFUs/100 ml)	220	0	40	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals.

Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory.

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

Lead and Copper results are from 2010.

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

The S&WB Laboratory is certified by DHH for Total Coliform and Fecal Coliform testing.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE XII**

**EXTRACTS FROM TABLES IV-E AND V  
As of December 31, 2011  
20 Year Period, 1992 to 2011 Inclusive  
Maximum, Minimum, and Average Amount of  
Water Treated Per Day  
(M.G. per 24 Hours)**

YEAR	CARROLLTON			ALGIERS		
	MAX.	MIN.	AVG.	MAX.	MIN.	AVG.
1992	139.00	97.00	115.22	13.88	8.00	9.88
1993	140.38	103.25	117.41	15.42	7.62	10.18
1994	128.88	103.88	113.71	17.00	8.00	11.47
1995	142.83	104.67	121.40	18.14	9.00	11.55
1996	198.42	91.59	128.97	18.27	9.00	11.47
1997	156.53	112.70	128.73	18.83	9.58	12.06
1998	152.96	98.48	126.86	22.96	12.00	12.36
1999	168.25	122.55	140.26	22.00	8.90	15.19
2000	152.50	126.71	128.10	18.83	7.58	12.13
2001	153.93	107.75	126.70	15.76	6.00	10.90
2002	128.67	87.00	106.63	14.00	6.66	9.80
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.17	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25
2011	150.83	127.17	139.37	16.83	10.00	11.73

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE XIII**

**Monthly Temperature (Degrees Farenheit) of the  
Mississippi River Water at the Carrollton Plant  
As of December 31, 2011**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
January	45	48	49	49	50	52	50	50	41	43
February	46	48	47	48	51	47	53	46	41	43
March	49	51	54	51	55	56	55	51	48	51
April	56	60	62	62	63	63	63	58	62	61
May	67	70	71	71	74	71	68	69	71	68
June	74	73	79	81	83	79	77	79	81	80
July	82	79	83	85	86	82	80	85	85	84
August	84	81	84	88	88	85	82	84	86	87
September	82	80	81	*	86	82	78	81	83	80
October	73	73	74	76	78	75	71	70	72	72
November	62	65	65	66	63	63	63	59	61	62
December	53	53	53	51	54	58	55	49	50	50
Maximum	85	83	87	90	90	89	85	86	89	90
Minimum	42	46	45	42	46	40	42	42	37	40
Average	64	64	67	66	69	68	66	65	65	65

Ten Year Period

Maximum: 90  
Minimum: 37  
Average: 66

\* Data not available for  
September 2005 due  
to hurricane Katrina.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**TABLE XIV**

**Monthly Temperature (Degrees Farenheit) of the  
Tap Water at the Carrollton Plant  
As of December 31, 2011**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
January	65	67	66	61	61
February	64	69	65	61	60
March	70	71	68	66	67
April	72	72	70	70	71
May	76	76	74	76	73
June	76	81	78	80	79
July	79	83	80	82	82
August	78	80	78	84	85
September	77	80	77	80	80
October	77	78	74	75	76
November	74	72	69	66	69
December	71	68	65	60	63
Maxiumum	85	86	88	88	90
Minimum	58	59	51	41	44
Average	73	75	72	72	72

Five Year Period

Maximum: 90  
Minimum: 41  
Average: 73

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**New Orleans West Bank Sewerage Treatment Plant  
As of December 31, 2011**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2011
<b>Plant Eff Flow (MGD)</b>													
Average	9,407	9,844	10,421	7,677	6,516	7,603	14,376	8,39	11,913	6,964	7,114	7,32	8,96
Maximum	14,000	16,863	25,871	12,8	7,933	12,999	33,385	12,999	35,80	7,762	9,92	8,63	35,80
<b>INFLUENT BOD (mg/L)</b>													
Average	107	97.7	83.1	103.4	135.8	107.3	74.8	87.8	73.6	115.2	127.5	140.6	104.48
Daily Maximum	199	143	138	156	200	235	151	153	112	188	231	224	235
<b>INFLUENT TSS (mg/L)</b>													
Average	96.5	88.5	101	117.8	113.5	120.6	100.2	97.7	71	107.2	136.5	121	105.96
Daily Maximum	202	156	178	208	212	254	212	180	152	367	358	274	367
<b>INFLUENT BOD (lbs/day)</b>													
Average	8,308	7,600	7,131	6,299	7,346	6,756	7,241	6,091	6,168	6,714	7,637	8,548	7,153
Daily Maximum	15,153	10,531	19,452	8,138	11,237	14,852	12,931	9,662	9,399	11,270	13,384	12,987	19,452
<b>INFLUENT TSS (lbs/day)</b>													
Average	7,617	6,816	8,796	7,250	61,557	7,613	12,533	6,888	6,274	6,232	8,346	7,345	12,272
Daily Maximum	15,381	11,073	24,099	13,449	11,912	14,695	46,465	11,408	15,273	21,343	21,334	15,843	46,465
<b>EFFLUENT BOD (mg/L)</b>													
Average	12.3	11.9	11.4	7	8.4	7.5	6	5.3	6.1	5.8	8.4	9.8	8.33
Weekly Maximum	14	13	14	11	9	11	9	6	7	6	9	11	14
<b>EFFLUENT TSS (mg/L)</b>													
Average	9.9	10.4	11	8	6.3	5.6	8	5.3	6.4	5.7	7.2	8	7.65
Weekly Maximum	11	12	14	12	7	6	9	6	9	6	8	9	14
<b>EFFLUENT BOD (lbs/day)</b>													
Average	972	939	1,080	446	450	527	730	380	598	337	499	597	629
Weekly Maximum	1,150	1,299	1,622	1,228	506	707	1,536	565	1,044	380	584	703	1,622
<b>EFFLUENT TSS (lbs/day)</b>													
Average	797	823	1,126	482	336	372	1,119	375	722	330	427	486	616
Weekly Maximum	903.3	1,199	1,684	1,340	394	385	1,680	562	1,342	396	516	575	1,684
<b>EFFLUENT CL2 (mg/L)</b>													
Average	1.28	1.22	1.15	1.13	1.23	1.14	1.07	1.2	1.12	1.33	1.33	1.0	1.18
Maximum	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.40
<b>EFFLUENT COLIFORM (col/100-ml)</b>													
Average (Geo)	2	2	2	4	4	3	5	2	3	2	2	2	2.75
Weekly Maximum (Geo)	2	2	2	10	9	4	15	3	5	2	2	3	15.00
<b>EFFLUENT pH (su)</b>													
Minimum	6.97	7.14	7.1	6.74	6.7	6.73	6.75	6.83	6.69	6.67	6.8	6.91	6.67
Maximum	7.62	7.7	7.64	7.41	7.2	7.16	8	7.53	7.58	7.19	7.23	7.24	8.00
<b>DISPOSED SLUDGE (dry tons)</b>													
Average per day	3.0	2.3	3.3	3.1	2.4	2.6	3.3	3.2	3.4	3.5	2.5	2.8	3.0
Total	92.3	65.1	101.6	94.0	74.6	79.1	103.8	99.9	100.6	108.9	73.6	87.0	1,081
<b>ELECTRICITY (kwhr)</b>													
Average per day	10,207	10,337	11,036	9,583	8,984	9,432	12,343	10,583	10,418	8,925	8,916	9,129	9,991
Total (kwhr)	285,784	299,782	364,191	285,746	260,549	282,949	394,961	285,746	333,395	240,965	294,212	283,006	3,611,276
<b>RAINFALL (inches)</b>													
TOTAL Precipitation (inch)	4.09	1.65	10.48	0.38	0.81	4.73	13.03	1.64	13.27	0.27	3.2	1.34	54.89

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**New Orleans East Bank Sewerage Treatment Plant  
As of December 31, 2011**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2011
<b>Plant EF Flow (MGD)</b>													
Average	88,216	85.2	98.4	81.53	74,294	80,267	108,581	81,274	104,457	73,016	79.2	75,261	86
Maximum	126.6	128.6	171.7	103.4	89.9	112	164.7	112.9	223.2	81.8	107.4	92.3	223
<b>INFLUENT BOD (mg/L)</b>													
Average	116	132.9	113.2	105.7	128.2	97.4	93.2	77.5	84.6	105	98	111.8	105
Daily Maximum	262	251	194	265	218	183	167	124	146	324	144	198	324
<b>INFLUENT TSS (mg/L)</b>													
Average	133.4	149.7	187.9	144.2	161.8	158	158.6	112.2	139.1	144.5	122.9	151.6	147
Daily Maximum	248	242	296	280	274	292	278	398	262	326	220	238	398
<b>INFLUENT BOD (lbs/day)</b>													
Average	85,891	94,427	91,076	72,490	87,259	66,262	85,131	55,643	70,056	65,788	65,078	74,596	76,125
Daily Maximum	192,724	172,491	149,728	184,543	163,449	118,587	189,557	93,149	133,550	177,802	97,156	135,194	192,724
<b>INFLUENT TSS (lbs/day)</b>													
Average	100,226	104,915	155,422	98,613	108,468	110,652	148,614	79,672	120,643	91,132	82,612	100,544	108,459
Daily Maximum	217,890	181,725	389,520	187,944	211,257	218,827	294,426	238,000	245,286	202,125	200,876	172,454	389,520
<b>EFFLUENT BOD (mg/L)</b>													
Average	23.9	18.2	18	19.3	18.1	17.9	20.6	14.9	13.6	21.5	21.3	25.8	19.4
Weekly Maximum	28	22	22	20	20	19	26	22	17	23	27	27	28.0
<b>EFFLUENT TSS (mg/L)</b>													
Average	20.3	17.4	22.7	21.9	16.6	14	17.5	11.7	10.6	19.2	13.9	12.5	16.5
Weekly Maximum	25	25	24	31	20	16	23	22	12	25	17	19	31.0
<b>EFFLUENT BOD (lbs/day)</b>													
Average	17,673	13,200	14,945	13,115	11,294	11,987	17,991	10,393	11,559	13,013	14,094	16,192	13,788
Weekly Maximum	21,551	18,956	21,780	18,605	12,903	13,005	28,889	16,919	18,407	15,252	19,295	19,073	28,889
<b>EFFLUENT TSS (lbs/day)</b>													
Average	15,327	12,832	19,434	14,965	10,342	9,417	16,821	8,348	9,955	11,554	9,287	7,847	12,177
Weekly Maximum	19,242	21,541	20,809	28,898	12,903	10,952	25,556	16,985	12,993	16,579	12,149	13,422	28,838
<b>EFFLUENT CL2 (mg/L)</b>													
Average	0.49	0.48	0.48	0.48	0.47	0.48	0.48	0.48	0.46	0.48	0.48	0.48	0.48
Daily Maximum	0.46	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.50
<b>EFFLUENT COLIFORM (col/100-ml)</b>													
Average (Geo)	17	2	2	3	9	4	5	11	20	4	7	12	8
Weekly Maximum (Geo)	19.7	12	4	12	66	10	20	90	300	16	38	67	300
<b>EFFLUENT pH (su)</b>													
Minimum	6.69	6.73	6.72	6.73	6.61	6.55	6.72	6.70	6.8	6.78	6.72	6.67	6.55
Maximum	7.01	6.97	6.89	6.87	6.78	6.75	6.95	6.9	7.1	7.31	6.87	6.84	7.31
<b>DISPOSED SLUDGE (dry tons)</b>													
Average per day	20.2	23.0	25.1	18.4	18.1	26.2	28.5	24.1	13.4	14.9	25.6	22.4	21.66
Total	625.8	644.1	779.0	551.1	559.8	786.5	884.6	747.1	403.1	462.9	768.8	693.8	7,907
<b>ELECTRICITY (kwhr)</b>													
Average per day	55,819	55,500	54,194	49,000	49,587	64,400	65,462	61,239	62,865	59,071	63,135	58,800	56,256
Total (kwhr)	1,730,400	1,554,000	1,680,000	1,470,000	1,537,200	1,932,000	1,898,400	1,898,400	1,948,800	1,831,200	1,957,200	1,705,200	21,142,800
<b>RAINFALL (inches)</b>													
TOTAL Precipitation (incht)	4.09	1.65	10.48	0.38	0.81	4.73	13.03	1.64	13.27	0.27	3.20	1.34	54.89

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ANNUAL REPORT 2011 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2011**  
**SEWER TABULATION NUMBER 1**  
**SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2011**

**SEWER LINES DISCARDED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2011 (FEET)	BUILT IN 2011 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2011 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2011 (MILES)
8,013,825.2	43,807.5	51,515.9	8,021,533.6	1,519.230

**SEWER MANHOLES REMOVED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION	REMOVED IN 2011	BUILT IN 2011	REMAINING IN THE SYSTEM AS OF 12/31/2011
23,047	118	48	22,977

**DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2011**

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
6" P.V.C.	11,471.7	4,211.2	15,682.9	2.970
8" DUCTILE IRON	236.5	190.2	426.7	0.081
8" P.V.C.	17,230.8	5,892.3	23,123.1	4.379
10" P.V.C.	989.0	173.5	1,162.5	0.220
12" P.V.C.	291.2	15.8	307.0	0.058
15" P.V.C.	1,014.0	357.7	1,371.7	0.260
16" P.V.C.	74.1	0.0	74.1	0.014
18" P.V.C.	2,020.3	0.0	2,020.3	0.383
21" P.V.C.	1,188.3	0.0	1,188.3	0.225
24" DUCTILE IRON	450.0	82.0	532.0	0.101
24" P.V.C.	5,132.3	95.0	5,227.3	0.990
30" STEEL	280.0	0.0	280.0	0.053
36" STEEL	120.0	0.0	120.0	0.023
<b>TOTAL SEWER LINES CONSTRUCTED IN 2011</b>	<b>40,498.2</b>	<b>11,017.7</b>	<b>51,515.9</b>	<b>9.757</b>
<b>SEWER MANHOLES CONSTRUCTED IN 2011</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL MANHOLES BUILT IN 2011</b>	
	26	22	48	

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANNUAL REPORT 2011 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2011  
SEWER TABULATION NUMBER 2

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

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2010	DESTROYED OR ABANDONED IN 2011	BUILT IN 2011	NOW REMAINING IN THE SYSTEM AS OF 12/31/2011
24" Reinforced Concrete	28,377.0	1,808.0		26,569.0
24" Asbestos Cement	4,924.2			4,924.2
24" P.V.C.	543.3		5,227.3	5,770.6
21" Reinforced Concrete	13,403.0	1,843.3		11,559.7
21" P.V.C.	3,610.1		1,188.3	4,798.4
20" Ductile Iron Pipe	2,135.2			2,135.2
18" P.V.C.	15,869.5		2,020.3	17,889.8
16" Steel	120.0			120.0
16" Asbestos Cement	28,460.9			28,460.9
16" P.V.C.	2,673.1		74.1	2,747.2
15" Vitrified Clay	101,573.0	1,091.1		100,481.9
15" P.V.C.	10,886.2		1,371.7	12,257.9
15" Plastic Truss	1,766.8			1,766.8
12" Vitrified Clay	110,515.1	460.0		110,055.1
12" P.V.C.	64,267.9		307.0	64,574.9
10" Vitrified Clay	164,330.7	239.7		164,091.0
10" Steel	130.0			130.0
10" Concrete	51,740.3	460.0		51,280.3
10" Asbestos Cement	4,356.2			4,356.2
10" P.V.C.	124,235.3		1,162.5	125,397.8
10" Plastic Truss	5,214.5			5,214.5
8" Terra Cotta	339,949.6	3,439.1		336,510.5
8" Vitrified Clay	4,315,180.1	16,355.5		4,298,824.6
8" Cast Iron	32,509.2	299.0		32,210.2
8" Ductile Iron	350.0	28.0	426.7	748.7
8" Concrete	286,588.0	5,887.4		280,700.6
8" Asbestos Cement	3,887.9			3,887.9
8" P.V.C.	412,541.7	2,120.8	23,123.1	433,544.0
8" Plastic Truss	68,643.3			68,643.3
8" Plastic	704,832.5	4,051.1		700,781.4
6" Terra Cotta	933.5			933.5
6" Vitrified Clay	84,331.6	518.1		83,813.5
6" Cast Iron	4,204.4			4,204.4
6" Concrete	411.9	411.9		0.0
6" Asbestos Cement	4,493.9			4,493.9
6" P.V.C.	214,332.4	671.9	15,682.9	229,343.4
6" Plastic Truss	6,044.1	170.0		5,874.1
6" Plastic	368,451.5	2,473.7		365,977.8
4" Cast Iron	874.2			874.2
4" Ductile Iron	180.4			180.4
4" P.V.C.	6,836.9			6,836.9
4" Plastic	126.0			126.0
<b>Total Linear Feet</b>	<b>8,013,825.2</b>	<b>43,807.5</b>	<b>51,515.9</b>	<b>8,021,533.6</b>
<b>Total Miles</b>	<b>1,517,770</b>	<b>8.297</b>	<b>9.757</b>	<b>1,519,230</b>

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2010	DESTROYED OR ABANDONED IN 2011	BUILT IN 2011	NOW REMAINING IN THE SYSTEM AS OF 12/31/2011
72" Steel	29,182.4			29,182.4
68" Steel	9,061.9			9,061.9
66" Steel	28,979.7			28,979.7
66" Concrete	13,740.7			13,740.7
60" Steel	2,577.7			2,577.7
60" Concrete	722.8			722.8
57" Concrete	1,766.8			1,766.8
54" Steel	44,014.5			44,014.5
54" Concrete	7,030.4			7,030.4
51" Concrete	755.9			755.9
50" Steel	135.0			135.0
48" Steel	21,147.2			21,147.2
48" Concrete	10,127.6			10,127.6
48" Fiberglass Reinforced	10,900.2			10,900.2
48" P.V.C.	3,663.4			3,663.4
45" Concrete	3,048.4			3,048.4
42" Steel	3,580.2			3,580.2
42" Concrete	19,121.2			19,121.2
39" Brick	832.8			832.8
39" Concrete	4,410.6			4,410.6
36" Vitrified Clay	2,239.1			2,239.1
36" Cast Iron	541.0	110.0		431.0
36" Steel	442.6		120.0	562.6
36" Prestressed Concrete	11,273.0			11,273.0
36" Reinforced Concrete	9,392.7			9,392.7
36" P.V.C.	10,950.0			10,950.0
33" Brick	3,150.4			3,150.4
33" Vitrified Clay	562.3			562.3
33" Reinforced Concrete	1,381.4			1,381.4
30" Brick	2,763.0			2,763.0
30" Vitrified Clay	11,732.2			11,732.2
30" Cast Iron	4,305.9			4,305.9
30" Steel	3,255.2		280.0	3,535.2
30" Prestressed Concrete	484.0			484.0
30" Reinforced Concrete	33,920.5			33,920.5
30" Fiberglass Reinforced	16,400.0			16,400.0
30" P.V.C.	996.0			996.0
27" Vitrified Clay	24,449.4			24,449.4
27" Reinforced Concrete	13,390.4			13,390.4
27" P.V.C.	3,177.0			3,177.0
24" Vitrified Clay	31,572.2			31,572.2
24" Cast Iron	17,638.1	1,368.9		16,269.2
24" Ductile Iron	87.0		532.0	619.0
24" Steel	87.0			87.0

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANNUAL REPORT 2011 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2011**

**WATER TABULATION NUMBER 1**

**WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2011**

**WATER LINES DISCARDED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2011 (FEET)	BUILT IN 2011 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2011 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2011 (MILES)
8,397,537.0	57,053.0	90,774.8	8,431,258.8	1,596.829

**WATER MANHOLES REMOVED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION	REMOVED IN 2011	BUILT IN 2011	REMAINING IN THE SYSTEM AS OF 12/31/2011
29,957	55	248	30,150

**WATER VALVES REMOVED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION	REMOVED IN 2011	INSTALLED IN 2011	REMAINING IN THE SYSTEM AS OF 12/31/2011
29,366	79	185	29,472

**FIRE HYDRANTS REMOVED AND INSTALLED IN 2011**

ORIGINAL CONSTRUCTION	REMOVED IN 2011	INSTALLED IN 2011	REMAINING IN THE SYSTEM AS OF 12/31/2011
22,989	85	141	23,045

**DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2011**

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
2" P.V.C.	0.0	4,347.5	4,347.5	0.823
4" DUCTILE IRON	0.0	235.4	235.4	0.045
4" P.V.C.	0.0	973.7	973.7	0.184
6" DUCTILE IRON	40.0	416.6	456.6	0.086
6" P.V.C.	3,111.2	2,147.1	5,258.3	0.996
8" DUCTILE IRON	4,222.1	665.2	4,887.3	0.926
8" P.V.C.	44,218.5	11,321.9	55,540.4	10.519
10" P.V.C.	0.0	755.0	755.0	0.143
12" DUCTILE IRON	1,144.8	28.7	1,173.5	0.222
12" P.V.C.	13,804.5	469.3	14,273.8	2.703
16" DUCTILE IRON	0.0	439.0	439.0	0.083
16" P.V.C.	1,186.6	1,133.2	2,319.8	0.439
30" STEEL	0.0	114.5	114.5	0.022
<b>TOTAL WATER LINES CONSTRUCTED IN 2011</b>	<b>67,727.7</b>	<b>23,047.1</b>	<b>90,774.8</b>	<b>17.192</b>
<b>WATER MANHOLES CONSTRUCTED IN 2011</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL MANHOLES BUILT IN 2011</b>	
	121	127	248	
<b>WATER VALVES INSTALLED IN 2011</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL WATER VALVES INSTALLED IN 2011</b>	
	106	94	200	
<b>FIRE HYDRANTS INSTALLED IN 2011</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL FIRE HYDRANTS INSTALLED IN 2011</b>	
	123	18	141	

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ANNUAL REPORT 2011 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2011**

**WATER TABULATION NUMBER 2**

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

WATER LINES					
SIZE	MATERIAL	TOTAL LENGTH IN SYSTEM AS OF 12/31/2010	DESTROYED OR ABANDONED IN 2011	BUILT IN 2011	NOW REMAINING IN THE SYSTEM AS OF 12/31/2011
54"	Concrete Pipe	7,535.1			7,535.1
50"	Steel Pipe	88,484.8			88,484.8
48"	Cast Iron Pipe	12,759.3			12,759.3
48"	Steel Pipe	36,835.1			36,835.1
48"	Concrete Pipe	4,982.9			4,982.9
43"	Cast Iron Pipe	11,170.1			11,170.1
42"	Cast Iron Pipe	4,349.6			4,349.6
42"	Concrete Pipe	9,361.9			9,361.9
36"	Cast Iron Pipe	4,523.3			4,523.3
36"	Steel Pipe	16,761.2			16,761.2
36"	Concrete Pipe	37,374.7			37,374.7
36"	Prestressed Concrete	675.0			675.0
30"	Cast Iron Pipe	60,840.1			60,840.1
30"	Ductile Iron Pipe	35.0			35.0
30"	Steel Pipe	19,748.6		114.5	19,863.1
30"	Concrete Pipe	72,724.2			72,724.2
30"	Prestressed Concrete	36,654.4			36,654.4
30"	Reinforced Concrete	3,919.6			3,919.6
30"	P.V.C. Pipe	1,483.1			1,483.1
24"	Cast Iron Pipe	30,480.2			30,480.2
24"	Concrete Pipe	4,062.5			4,062.5
21"	P.V.C. Pipe	10,270.5			10,270.5
20"	Cast Iron Pipe	91,999.1			91,999.1
20"	Ductile Iron Pipe	13,212.1			13,212.1
20"	Concrete Pipe	18,755.8			18,755.8
20"	Prestressed Concrete	212.5			212.5
20"	Asbestos Cement	12,688.0			12,688.0
18"	Reinforced Concrete	970.5			970.5
16"	Cast Iron Pipe	117,482.1			117,482.1
16"	Ductile Iron Pipe	3,288.3		439.0	3,727.3
16"	Concrete Pipe	5,681.6			5,681.6
16"	Asbestos Cement	66,344.2			66,344.2
16"	P.V.C. Pipe	8,257.6		2,319.8	10,577.4
15"	Reinforced Concrete	1,069.3			1,069.3
12"	Cast Iron Pipe	798,355.9	2,181.0		796,174.9
12"	Ductile Iron Pipe	16,501.1		1,173.5	17,674.6
12"	Steel Pipe	1,272.9			1,272.9
12"	Asbestos Cement	361,521.7			361,521.7
12"	P.V.C. Pipe	176,940.4		14,273.8	191,214.2
10"	Cast Iron Pipe	10,356.7			10,356.7
10"	Ductile Iron Pipe	610.0			610.0
10"	Asbestos Cement	12,763.6			12,763.6
10"	P.V.C. Pipe	3,534.0		755.0	4,289.0
8"	Cast Iron Pipe	137,571.9	572.0		136,999.9
8"	Ductile Iron Pipe	27,253.5		4,887.3	32,140.8
8"	Asbestos Cement	711,696.9			711,696.9
8"	P.V.C. Pipe	504,315.8	1,937.0	55,540.4	557,919.2
8"	Plastic Pipe	318,036.5			318,036.5
6"	Cast Iron Pipe	2,743,365.4	44,810.0		2,698,555.4
6"	Ductile Iron Pipe	21,523.5		456.6	21,980.1
6"	Asbestos Cement	1,054,030.6	5,449.8		1,048,580.8
6"	P.V.C. Pipe	385,135.2		5,258.3	390,393.5
6"	Plastic Pipe	121,385.5			121,385.5
4"	Cast Iron Pipe	19,454.1	465.5		18,988.6
4"	Ductile Iron Pipe	1,859.2		235.4	2,094.6
4"	Asbestos Cement	29,455.3	369.5		29,085.8
4"	P.V.C. Pipe	11,327.6		973.7	12,301.3
4"	Plastic Pipe	3,237.1			3,237.1
3"	Galvanized Pipe	3,361.7			3,361.7
2"	Cast Iron Pipe	20,592.1	1,268.2		19,323.9
2"	Galvanized Pipe	9,620.0			9,620.0
2"	P.V.C. Pipe	72,119.9		4,347.5	76,467.4
1"	Steel Pipe	5,346.6			5,346.6
<b>Total Linear Feet</b>		<b>8,397,537.0</b>	<b>57,053.0</b>	<b>90,774.8</b>	<b>8,431,258.8</b>
<b>Total Miles</b>		<b>1,590,443</b>	<b>10.805</b>	<b>17.192</b>	<b>1,596,829</b>

VALVES				
SIZE	EXISTING IN SYSTEM AS OF 12/31/2010	REMOVED IN 2011	INSTALLED IN 2011	REMAINING IN SYSTEM AS OF 12/31/2011
48"	16			16
42"	4			4
36"	18			18
30"	65			65
24"	39			39
20"	133			133
16"	190		3	193
14"	3			3
12"	2,294	4	18	2,308
10"	65			65
8"	6,436	2	128	6,562
6"	12,932	32	36	12,936
4"	7,171	41		7,130
<b>Total</b>	<b>29,366</b>	<b>79</b>	<b>185</b>	<b>29,472</b>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Table of Rainfall in New Orleans  
Last Ten Years

YEAR No.	YEAR	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		ANNUAL AVERAGE	EXCESS OR DEFICIT
		AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE		
2002	total	3.97	3.97	2.23	6.20	4.77	10.97	3.50	14.47	2.27	16.74	5.49	22.23	5.83	28.06	5.63	33.69	22.42	56.11	9.78	65.89	3.99	69.88	4.98	74.86	6.24	15.53
109	avg.	508.30	496.56	1,007.13	566.98	1,574.11	524.62	2,105.69	523.92	2,629.65	600.01	3,237.70	702.89	3,940.59	640.50	4,580.84	626.42	5,207.04	345.46	5,552.50	403.47	5,955.93	510.08	6,466.46	59.33	5.16	
2003	total	0.12	0.12	0.08	0.20	0.65	10.85	5.39	16.24	2.32	18.56	47.79	36.35	9.17	45.52	3.53	49.05	2.50	51.55	3.24	54.79	3.01	57.80	2.11	61.91	5.16	2.56
110	avg.	508.42	502.64	1,013.33	571.63	1,584.96	530.01	2,121.93	526.24	2,648.21	617.80	3,274.05	712.06	3,986.11	643.58	4,629.69	628.92	5,258.39	348.70	5,607.29	408.48	6,018.83	572.19	6,528.37	59.35	3.46	
2004	total	3.34	3.34	8.10	11.44	0.99	12.43	8.30	20.73	7.38	28.11	10.31	38.42	4.78	43.20	4.18	47.38	1.07	48.45	5.55	54.00	6.08	60.08	2.76	62.84	5.24	3.46
111	avg.	511.76	510.74	1,024.77	572.62	1,597.39	538.31	2,142.66	533.62	2,676.32	628.11	3,312.47	716.84	4,029.31	647.76	4,677.07	629.99	5,307.04	354.25	5,661.29	414.56	6,078.91	514.95	6,591.21	59.38	3.19	
2005	total	4.58	4.58	4.60	9.23	5.16	14.39	6.48	23.02	4.01	27.03	4.29	31.32	11.62	42.94	14.55	57.49	0.86	58.35	0.06	58.41	1.23	59.64	2.96	62.60	5.22	3.19
112	avg.	515.41	519.77	1,037.45	576.48	1,613.93	544.79	2,165.68	537.63	2,703.35	632.40	3,343.79	728.46	4,072.25	662.31	4,734.56	630.85	5,365.39	354.31	5,719.70	415.79	6,138.55	517.91	6,653.81	59.41	-13.43	
2006	total	2.60	2.60	2.72	5.32	0.25	5.57	3.16	8.73	0.76	9.49	2.16	11.65	8.40	20.05	6.40	26.45	2.89	29.34	3.03	32.37	2.94	35.31	10.55	45.86	3.82	-13.43
113	avg.	518.01	522.49	1,042.77	576.73	1,619.50	547.95	2,174.41	538.39	2,712.84	634.56	3,355.44	736.86	4,092.30	668.71	4,761.01	633.74	5,394.73	357.94	5,752.07	418.73	6,173.86	528.46	6,699.67	59.29	-6.11	
2007	total	4.12	4.12	1.81	5.93	1.38	7.31	1.81	9.12	8.51	17.63	4.43	22.06	7.66	29.72	1.64	31.36	4.42	35.78	11.62	47.40	3.71	51.11	4.52	53.13	4.43	-6.11
114	avg.	522.13	524.30	1,048.70	578.11	1,626.81	549.76	2,183.53	546.90	2,730.47	638.99	3,377.50	744.52	4,122.02	670.35	4,792.37	638.16	5,430.51	368.96	5,799.47	419.94	6,222.47	532.98	6,752.80	59.24	2.27	
2008	total	6.32	6.32	5.64	11.96	2.57	14.53	7.88	22.41	7.76	30.17	6.52	36.69	3.91	40.60	7.77	48.37	7.87	56.24	1.36	57.60	2.06	59.66	1.86	61.52	5.13	2.27
115	avg.	528.45	529.94	1,060.66	580.68	1,641.34	557.64	2,205.94	554.66	2,760.64	645.51	3,414.19	748.43	4,162.62	678.12	4,840.74	646.03	5,486.75	370.32	5,857.07	422.00	6,282.13	534.84	6,814.32	59.25	5.11	
2009	total	5.16	5.16	2.97	8.13	6.17	14.30	1.21	15.51	2.46	17.96	2.40	20.36	3.82	24.18	4.62	28.80	7.45	36.25	7.57	43.82	0.78	44.60	19.81	64.41	5.37	5.11
116	avg.	533.61	532.91	1,068.79	586.85	1,655.64	588.85	2,221.45	557.12	2,778.60	647.91	3,434.55	752.25	4,186.80	682.74	4,869.54	653.48	5,523.00	377.89	5,900.89	422.78	6,326.73	554.65	6,878.73	59.30	-10.72	
2010	total	4.60	4.60	4.59	9.21	5.06	14.27	4.82	19.15	4.80	23.95	5.59	29.61	6.48	36.09	5.89	41.98	5.63	47.61	3.26	50.87	3.64	54.54	4.78	59.28	4.04	-10.72
117	avg.	1.75	5.91	7.66	2.74	10.40	2.97	13.37	6.12	19.49	7.24	26.73	5.62	32.35	9.58	41.93	2.26	44.19	3.99	44.58	2.32	46.90	1.58	48.49	4.04	-10.72	
2011	total	535.36	538.82	1,076.45	589.59	1,686.04	561.82	2,234.81	563.24	2,798.09	655.15	3,461.28	757.87	4,219.15	692.32	4,911.47	655.74	5,567.19	378.29	5,945.47	425.10	6,373.64	556.23	6,927.21	59.21	-17.02	
118	avg.	4.98	4.61	9.20	5.04	14.24	4.80	19.10	4.81	23.92	5.60	29.58	6.48	36.06	5.92	41.98	5.60	47.58	3.23	50.82	3.63	54.48	4.75	59.21	3.50	-17.02	
2012	total	2.99	1.59	4.59	6.49	11.08	1.67	11.35	0.90	12.25	4.18	16.42	11.48	27.91	1.57	29.48	9.99	39.47	0.14	39.61	1.66	41.27	0.78	42.04	3.50	-17.02	
119	avg.	538.35	540.42	1,081.04	596.08	1,677.12	562.09	2,246.17	564.13	2,810.34	659.33	3,477.71	769.35	4,247.06	693.89	4,940.95	665.73	5,606.66	378.43	5,985.08	426.76	6,414.91	557.00	6,969.26	59.26	-53.49	
2013	total	1.74	3.38	5.12	5.12	5.12	23.82	4.76	19.04	4.78	23.82	5.59	29.47	6.52	35.99	5.88	41.87	5.64	47.51	3.21	50.72	3.62	54.36	4.72	59.06	0.43	-53.49
119	avg.	540.09	543.79	1,086.16	596.08	1,682.23	562.09	2,251.28	564.13	2,815.46	659.33	3,482.82	769.35	4,252.17	693.89	4,946.07	665.73	5,611.71	378.43	5,990.20	426.76	6,420.02	557.00	6,974.37	59.26	-53.49	
2014	total	4.54	4.57	9.13	5.01	14.14	4.72	18.92	4.74	23.66	5.54	29.27	6.47	35.73	5.83	41.56	5.59	47.16	3.18	50.34	3.59	53.95	4.68	58.61	5.13	-53.49	

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## COST OF OPERATIONS IDENTIFICATION PROGRAM BENCHMARKING 2011

### ADMINISTRATIVE SERVICES DEPARTMENT

#### Insurance Cost per Employee:

Workers' Compensation	\$	1,900.94
Auto Liability	\$	371.44
General Liability	\$	72.76

### ENGINEERING DEPARTMENT

Total Capital Program Design and Construction Contracts Cost Growth		6.1%
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### ENVIRONMENTAL DEPARTMENT

Cost of Typical Industry Sampling Event	\$	628.89
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### FACILITY MAINTENANCE DEPARTMENT

Cost to set 5/8" water meter	\$	94.59
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### MANAGEMENT SERVICES DEPARTMENT

#### FINANCE:

Cost to Process a Miscellaneous Invoice	\$	35.66
Cost to Process a Vendor Invoice	\$	13.02
Cost to Process a Paycheck	\$	5.67

#### INFORMATION SYSTEM:

Cost to Image a Document	\$	0.33
Cost to Retrieve a Document	\$	1.58

#### PERSONNEL:

Cost to Hire an Employee	\$	154.36
Cost to complete a Voluntary - Employee Termination	\$	19.85
Employee Turnover Rate		10.06%
Cost to Train an Employee	\$	224.84

#### PURCHASING:

Cost to Process a Sundry Purchase Order	\$	45.63
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#### REVENUE:

Cost to Read a Meter	\$	1.12
Cost to Render a Bill (Less Meter Reading)	\$	0.78
Cost to Manage a Customer by Phone	\$	2.80
Cost to Manage a Customer by Mail	\$	2.97
Cost to Manage a Walk-in Customer	\$	4.84
Cost to Process a Mail-in Payment	\$	0.38
Cost to Process a Walk-in Payment	\$	1.71

### SUPPORT SERVICES DEPARTMENT

Average Annual Maintenance Cost	\$	1,500.00
Per Piece of Equipment		20%



