



# Sewerage & Water Board of New Orleans, La Adopted 2023 Operating and Capital Budgets

 504-52-WATER

 SWBNO.ORG



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# STRATEGIC FRAMEWORK

## Vision

To be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.

## Mission

Our team of experts serves the people of New Orleans and improves their quality of life by reliably and affordably providing safe drinking water; removing wastewater for safe return to the environment; and draining stormwater to protect our community.

## Core Values



Customer Focused



Transparent & Honest



Accountable



Safety-Minded





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget  
Presentation Award*

PRESENTED TO

**New Orleans Sewer & Water Board  
Louisiana**

For the Fiscal Year Beginning

**January 01, 2022**

*Christopher P. Morill*

**Executive Director**

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **New Orleans Sewer & Water Board, Louisiana**, for its Annual Budget for the fiscal year beginning **January 01, 2022**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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## INTRODUCTION

Founded on a crescent of the Mississippi River, water was - and remains - vital to the existence of New Orleans. It has been a source of challenge, inspiration, and invention. Our essential, sometimes tumultuous relationship with water has and will undoubtedly continue to define us.

The Sewerage and Water Board of New Orleans has been stitched into the fabric of the city for over 120 years. Serving nearly 400,000 residents and the 19 million visitors who chose our city as a destination each year, we continue to provide safe drinking water, collect and treat wastewater, and drain stormwater across the city.

As we enter 2023, SWBNO faces industry-shaping change. Like utilities across the country, we are in the midst of reassessing decades-old assumptions about our operations, technology, and infrastructure. Workforces are evolving. We're driven to explore and adapt to new technologies and ways to communicate. The regulatory landscape challenges us to evaluate our service and safety in even more robust ways. Affordability, equity, and environmental justice shape our plans and actions. And, like many utilities, we grapple with the realities of outdated infrastructure.

As we enter the second year of our Five-Year Strategic Plan, SWBNO is on track to implement projects and provide service improvements that will become our legacy to the next generation. This budget supports capital investments for milestone achievements like the Power Complex, the rollout of a smart metering program, the modernization of our financial system, and an asset management system overhaul. It also includes operational support for ongoing improvement in billing accuracy and field maintenance, especially paving.

If you want to understand an organization's priorities, look at its budget. This 2023 Budget Book defines our focus and commits resources accordingly. Ultimately, it will help us turn aspirations into accomplishments.

## PRIORITIES

In developing the 2023 budget, we reflected on the progress and challenges of 2022. Overall, the state of the utility is stabilizing. We have overcome hurdles in many areas and we enter the new budget year with the guidance of clear, consistent priorities.

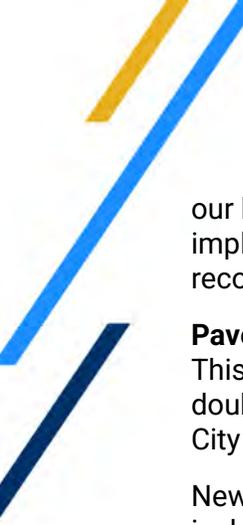
### **Smart Meter Installation**

We are completing a smart metering program over the next three years that will employ a reliable and industry-proven technology to digitally measure water usage at customer homes and businesses. The system securely relays consumption data to SWBNO's billing system for the creation of accurate, timely bills. The information is also available to customers through a web portal, where they can find detailed, online usage information.

Installations will begin once we have completed all the necessary infrastructure and testing and once we received enough meters to begin phased installations. Our teams will gradually install the meters citywide based on meter reading routes.

### **Improving Billing Processes**

The smart metering system will nearly eliminate inaccurate and estimated bills. While we implement the new system, we will continue to refine a new meter reading strategy and improve



our billing dispute process. This year, we will also expand our collections efforts while implementing revisions to our bad debt write-off policy. Together, these changes will help us recover and more accurately track outstanding revenue.

### **Pavement Repairs**

This budget devotes significant resources to resolving lagging field repairs. Our 2023 budget doubles the resources we devote to these maintenance tasks. We have also partnered with the City of New Orleans to dedicate \$8 million to fix an additional 1,200 pavement cuts this year.

New key performance indicators (KPIs) will allow us to track our progress on key metrics, including the number of pavement cuts we address monthly and our backlog reduction. The additional effort and data will result in more transparency around this work.

### **New Federal Regulations**

SWBNO prides itself on meeting or exceeding state and federal drinking water quality standards. In March 2023, the U.S. Environmental Protection Agency released draft National Primary Drinking Water Regulations for six types of fluoroalkyl substances (PFAS). We are also approaching the October 2024 compliance date for the agency's December 2021 Lead and Copper Rule revisions. SWBNO will continue to prepare for timely compliance with both regulations. We will also expand our efforts to educate customers about lead, copper, and PFAS, empowering them to protect themselves from other, non-water sources of exposure (i.e., paint and soil for lead; non-stick, non-stain, and water-resistant consumer products for PFAS).

### **Water Treatment Plant Improvements**

Our primary drinking water treatment plant received its last major renovations in 1959, over 60 years ago. The existing facilities are now beyond their life and in need of repair and replacement. New, more efficient treatment technology has been widely adopted since then, and evolving federal drinking water quality regulations could eventually require treatment process changes. In 2023, we will begin a master planning effort focused on modernizing the Eastbank Water Treatment Plant. In conjunction, we will start identifying potential funding sources and developing a financing plan for the several-hundred-million-dollar project.

### **Workforce Model Development**

In 2023, we aim to develop a workforce model for our unique "One Water" utility. With assistance from the Greater New Orleans Foundation and a subject matter expert consultant, to be selected in the first quarter of 2023, we will identify and analyze existing options used by similar utilities and agencies. The effort will be guided by an internal steering committee comprised of engaged staff and will include substantial input from all areas of the utility. Our goal is to support a high-performing workforce that is skilled, committed, inspired, rewarded, engaged, and accountable.

## MESSAGE FROM THE EXECUTIVE DIRECTOR

In 2022, the Sewerage and Water Board of New Orleans, guided by our Five-Year Strategic Plan, laid the foundation for generational changes to our operations, technology, and infrastructure. We broke ground on a new Power Complex that will give our drinking water and drainage systems power resilience and reliability not seen in decades past. We also launched our transition to smart water meters, which will transform how we manage billing. To improve our billing processes in the meantime, our Customer Service Department implemented a new meter reading strategy and refined our bill dispute process. These recent achievements, among others, will propel our utility forward as we continue implementing our strategic plan.

Of the six focus areas included in our Five-Year Strategic Plan, financial stability is paramount. It challenges us to spend as efficiently as possible and find innovative funding sources. It also encourages us to become more transparent about our finances. Without financial stability, delivering on the other focus areas becomes difficult.

This carefully developed budget book provides a framework through which we can pursue those goals. For example, you will see:

- Continued financial commitment to projects like smart metering and the Power Complex
- Strengthened collections and a new bad debt write-off plan
- A goal of decreasing doubtful accounts by over 40 percent
- Investments in Customer Service
- Doubled resources for field repairs

Real, long-term improvements do not happen without funding. I am proud of the way we use every dollar we find, and I look forward to community conversations this year about our financial needs for the year to come.

Yours in service,



Ghassan Korban, Executive Director, Sewerage and Water Board of New Orleans

## LETTER FROM THE CFO

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

The year 2022 proved to be foundational. With the launch of our Five-Year Strategic Plan and our implementation focus throughout the year, we laid the groundwork for meaningful growth through stabilization efforts.

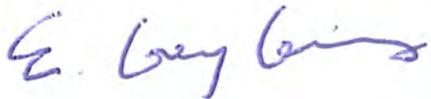
With that, it is my honor to present the adopted 2023 Operating and Capital Budget document for the Sewerage and Water Board of New Orleans.

Last year, SWBNO planned responsibly and weathered global economic disruptions, including high inflation, commodity price spikes, and ongoing supply chain disruptions. We looked for innovative sources of funding, and secured nearly \$500 million in state and federal support. Despite these challenges, we preserved favorable debt coverage ratio in 2022. Our full operating budget included funds available through additional debt or drawing down cash reserves. By operating \$40.6 million below budget, we only spent actual funds available, supporting our longer-term financial stability goals. Additionally, we worked to set aside some operating revenues to support our capital improvement plan.

In the pages to follow, you will see our continued commitment to disciplined spending. Our budgeted operating revenues for fiscal year 2023 remain flat at approximately \$277 million. Budgeted operating expenses are \$359 million, with the cash portion of operating expenses up by \$12.5 million from higher salaries and utilities expenses. The adopted capital budget identified potential project uses of \$518 million in 2023 and funding sources of \$441 million, necessitating certain projects being included in the capital budget pending the identification of additional funding sources.

I am optimistic about the future of this utility. SWBNO appreciates the continued commitment of our staff and our Board of Directors. We also appreciate our customers' patience as we strive to be responsive, increase the resiliency of our infrastructure, and provide high-quality, sustainable services to the City of New Orleans.

Sincerely,



E. Grey Lewis, Chief Financial Officer, Sewerage and Water Board of New Orleans

## THE SEWERAGE AND WATER BOARD, A BRIEF HISTORY

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

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

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

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

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

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

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

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

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



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

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

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

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

These challenges, however, also create opportunities. Responding to the 2017 flood, we spent 2018 restoring the drainage and power systems to their best conditions in decades. In 2019, we stabilized our finances and operations; reduced our vacant positions; and began productive discussions of what true progress looks like for SWBNO. In 2020, we were constrained by the COVID-19 pandemic but made sure to put our customer's health and safety first by putting a water shutoff moratorium in place to make sure everyone had access to clean water and providing wastewater treatment and stormwater management. Even though we were impacted by Hurricane Ida in 2021, we responded to more than 20,000 work orders, treated 56 billion gallons of water for drinking, and closed on a \$275 million WIFIA loan for sewer projects.

Following two challenging years, 2022 brought realignment, focus, and, ultimately, transformation as we slowly exited the pandemic, began seeing each other in the halls again, and launched our first-in-a-generation Five-Year Strategic Plan. Now, in 2023, we will work from the foundations we laid last year to advance projects that will make our systems more reliable and resilient.

## GOVERNANCE

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

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

Citizen members are required to meet the following requirements: 1) be registered voters in Orleans Parish, 2) shall have been a domiciliary of Orleans Parish for two years previous to their appointment, 3) shall have experience in either architecture, environmental quality, finance, accounting, business administration, engineering, law, public health, urban planning, facilities management, public administration, science, construction, business management, community or consumer advocacy, or other pertinent disciplines, 4) and their appointment shall reflect the gender and racial diversity of the city.

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

## BOARD OF DIRECTORS



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

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



### **Tamika Duplessis, Ph.D., President Pro-Tem**

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



### **Freddie King III**

Councilmember King was selected to represent the City Council on the Board of Directors in 2021 and currently serves as the Councilman for District C of the City of New Orleans



### **Robin Barnes**

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



### **Alejandra Guzman**

Representing District A, Ms. Guzman is the Executive Director of Business Ventures at LSU Health Foundation in New Orleans.



**Janet Howard**

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



**Joseph Peychaud**

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



**Lynes R "Poco" Sloss**

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



**Maurice G. Sholas, M.D., Ph.D.**

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



**Carol Markowitz**

Representing the Board of Liquidation, Ms. Johnson is the Chief Operating Officer and Senior VP of Finance at Loyola University New Orleans.

**BOARD COMMITTEE MEMBERSHIP**

**Finance & Administration Committee**

Chair – Poco Sloss  
Janet Howard  
Carol Markowitz  
Joseph Peychaud  
Alejandra Guzman

**Audit Committee**

Chair – Tamika Duplessis, Ph.D.  
Robin Barnes  
Freddie King III  
Maurice Sholas  
Alejandra Guzman

**Governance Committee**

Robin Barnes  
Poco Sloss  
Freddie King III  
Janet Howard

**Strategic Planning Committee**

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

**Pension Committee**

Chair – Joseph Peychaud  
Maurice G. Sholas, M.D., Ph.D.  
Alejandra Guzman  
Ralph Johnson  
Retiree Trustee Jackie Shine  
Employee Trustee Kenneth Davis  
Employee Trustee Mubashir Maqbool  
Employee Trustee Rebecca Johnsey

**Operations Committee**

Chair – Janet Howard  
Tamika Duplessis  
Joseph Peychaud  
Maurice Sholas

# ORGANIZATIONAL STRUCTURE

## SENIOR LEADERSHIP



**Ghassan Korban, PE**  
Executive Director



**Christy Harowski**  
Chief of Staff



**Ron Spooner, PE**  
Interim General  
Superintendent



**Grace Birch**  
Chief of Communications



**Yolanda Grinstead**  
Special Counsel



**E. Grey Lewis**  
Chief Financial Officer



**Rene Gonzalez**  
Chief Customer Service  
Officer



**Dave Callahan**  
Chief Administrative  
Officer

## SEWERAGE AND WATER BOARD ORGANIZATIONAL CHART

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

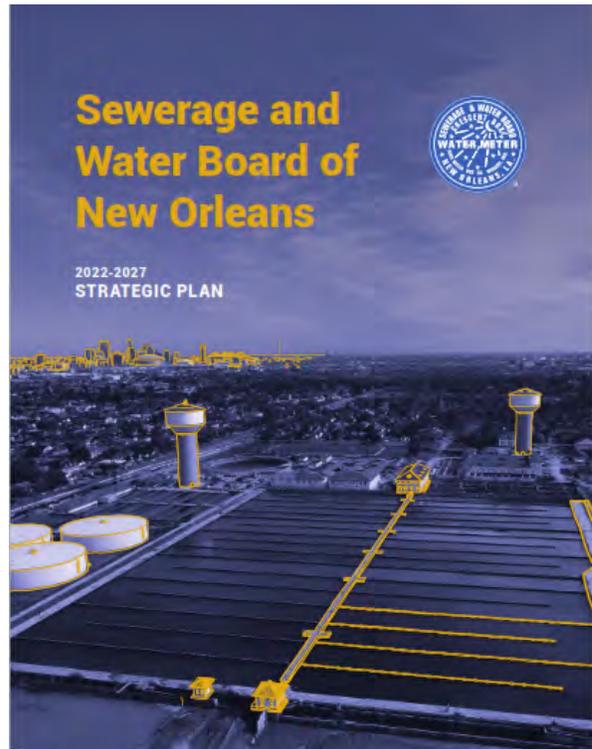


## STRATEGIC PLAN

The Sewerage and Water Board of New Orleans, like many utilities, has long faced challenges: operational, financial, geographic, and workforce-based, to name a few. In 2021, the utility initiated a strategic planning process to serve as a catalyst for organizational change and to guide the next phase of rebuilding the organization for the future. This plan will guide organizational goals, support budget development, and direct progress monitoring in the organization's long-term focus areas.

While the SWBNO did not have a strategic plan prior to this effort, considerable activities were underway across the organization to improve operations, resiliency, and customer satisfaction. Specific goals for the project included:

- 
- Building trust among internal and external stakeholders
  - Developing actionable strategies and measurable objectives
  - Increasing communication and collaboration across the organization
- 



To ensure that existing initiatives and plans were considered within the context of the strategic planning initiative, SWBNO's planning process involved input from a broad group of internal and external stakeholders. Major elements of the engagement process included:

- 
- Interviews and work sessions with SWBNO's Board of Directors and the Board's strategy committee
  - Interviews and work sessions with the Executive Director and leadership team
  - Six employee focus groups and an employee survey with more than 325 respondents
  - Individual and group interviews with key stakeholders, including SWBNO Customer Advisory Committee, Greater New Orleans Foundation, GNO, INC., Water Wise Gulf South, and the Urban Conservancy New Orleans.
- 

After considering all feedback, SWBNO adopted a 5-year Utility Strategic Plan for the first time in a generation in the spring of 2021. In that time, leadership and planning staff have been focused on translating the plan into easily digestible tactics along with key performance indicators to track progress on the plan's six focus areas, or program areas.



SWBNO is committed to the success of the Strategic Plan. Because it is a new endeavor for the utility, SWBNO engaged a consulting firm to assist with implementation efforts. The team coordination and implementation efforts have been evolving during the initial year's tracking and progress evaluation process over the past 18 months and will continue to evolve. This means that SWBNO is enhancing their program, and will produce more robust reporting, even starting with SWBNO's 2024 Budget Book.

### **STRATEGIC FRAMEWORK**

The strategic framework, based on an extensive strategic planning process that considers both SWBNO's present circumstances and its future goals, serves as a blueprint for decision-making moving forward. It contains a vision, mission statement, and values that address SWBNO's current challenges and help ensure continued success in operations and the management of resources and assets.

The Strategic Framework shown in the next pages summarizes the goals and desired outcomes of the plan's implementation. Each item in the Results column has been tied to at least one measurable metric. The program areas, or Focus Areas and Goals are, by design, not specific to departments to promote cross-departmental collaboration necessary to achieve results.

Below is a sample of the metrics collected for the Financial Stability focus areas, and to view Sewerage and Water Board full strategic plan please visit:

<https://www.swbno.org/Projects/Planning>

# STRATEGIC FRAMEWORK

**Vision**  
To be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.

**Mission**  
Our team of experts serves the people of New Orleans and improves their quality of life by reliably and affordably providing safe drinking water; removing wastewater for safe return to the environment; and draining stormwater to protect our community.

**Core Values**  
The SWBNO Team is committed to making these shared values our reality.

**We are:**  
Customer Focused  
Accountable  
Safety Minded  
Transparent and Honest



# FOCUS AREAS

 **Financial Stability**  
Practice strong fiscal stewardship and ensure timely revenue recovery while balancing affordability with investments necessary to deliver critical services

 **Technology Modernization**  
Modernize technology and system integration to improve reliability and efficiency of operations and enhance customer service

 **Workforce Development and Enrichment**  
Support and develop a high-performing team that is skilled, committed, inspired, rewarded, engaged, and accountable

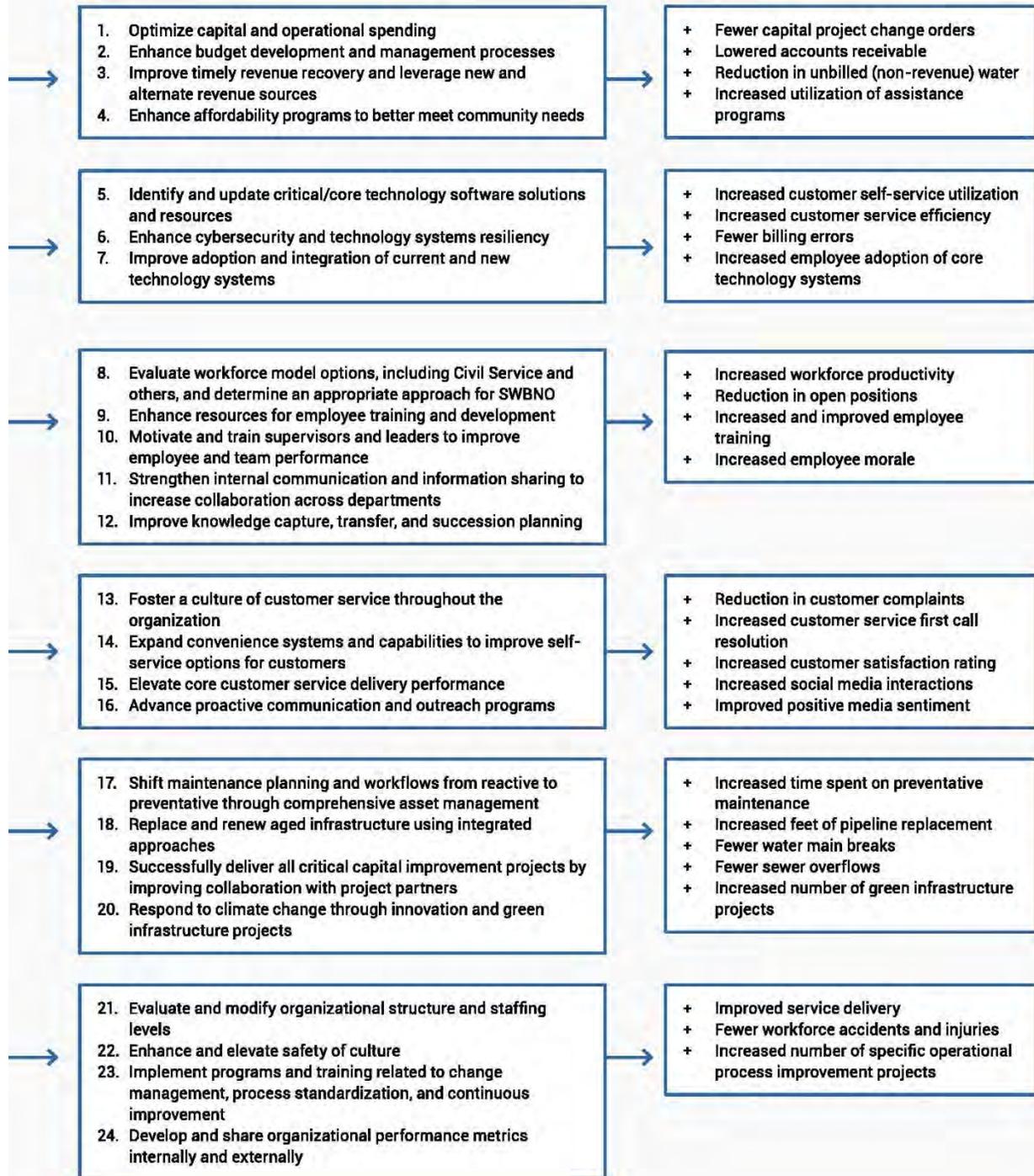
 **Customer Service Excellence and Stakeholder Engagement**  
Continuously meet and exceed the service needs of our customers and proactively communicate and engage stakeholders

 **Infrastructure Resiliency and Reliability**  
Improve efficiency and resiliency of current and future infrastructure by leveraging partnerships and innovative approaches to funding and sustainable design

 **Organizational and Operational Improvement**  
Optimize organizational structure, alignment, and capacity to ensure safe operations and efficient service delivery

## STRATEGIES

## RESULTS

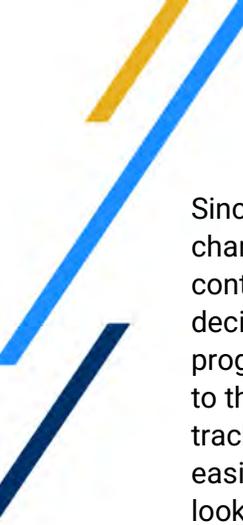


## PERFORMANCE METRICS

SWBNO is holistically evaluating performance by defining success for each focus area, tracking relevant metrics, identifying targets or goals for the desired outcomes, and measuring progress on a grading scale. Below is a table highlighting specific measures, including results for 2022 and targets for future years, related to the six program areas.

### SWBNO Strategic Plan: Program Measures

Goal Area	Metric	2022	Target	2023	2024	2025
Financial Stability	Customer Delinquency Rate (%)	17%	5%	15%	12%	10%
	Aged Accounts Value (\$)	\$61.8M	\$35.0M	\$50.4M	\$40.3M	\$36.4M
	Assistance Programming Utilization Rate (%)	0.14%	3%	1%	1%	1%
	Unaccounted-for Water (%)	75%	45%	65%	60%	55%
	Days Cash on Hand (Water)	178	125			
	Days Cash on Hand (Sewer)	225	125			
	YTD Capital Spend (\$)	\$169.3M	\$382.0M	\$41.9M		
	CIP Change Orders (\$)	\$63.7M	\$0	\$50.0M	\$40.0M	\$30.0M
Technology Modernization	Billing Errors (#)	319	8.8	350	300	200
	E-Bill Enrollment (%)	30%	50%	35%	40%	45%
	IT Training Attendance (#)		N/A			
	Phishing Test Failure Rate (%)	4.3%	<4%			
	Software Help Desk Phone Calls (#)	84	<55	80	70	60
Workforce Development & Enrichment	Accounts per FTE		461			
	MGD Water per FTE		0.23			
	MGD Wastewater per FTE		0.17			
	Open Positions (#)		88	Need to revisit		
	Voluntary Turnover Rate (%)	1.02%	1%	1%	1%	1%
	YTD Employee Training Hours (#)		1072			
Customer Service Excellence & Stakeholder Engagement	Customer Disputes (#)	1094	0	700	650	600
	Avg. Dispute Resolution (days)	69	45	Required by Ordinance		
	Meter Reads (Actual vs. Estimated)	65%	90%			
	Avg. Speed of Answer (min.)	8.27	1.3	5	4	3
	Social Media Followers	16,594	25,000	18,000	20,000	22,000
	Engagement & Outreach Events	136	250	150	200	250
Infrastructure Resiliency & Reliability	Sewerline Renewal & Replacement (miles)	0.03%	2%	Consent Decree		
	Manholes Inspected (%)	2%	25%	Consent Decree		
	Hydrants & Valves Maintained (%)	2%	2%			
	Sewer Lines Inspected or Cleaned (%)	2%	2.00%	Consent Decree		
	Sanitary Sewer Overflows (#)	32	0	Consent Decree		
Organizational & Operational Improvement	OSHA Reportable Injuries (#)	5.5	0			
	Injuries Leading to Absence (#)	2.5	0			
	O&M Cost per Water Account (\$)	\$66	\$36	\$65	\$60	\$55
	O&M Cost per WW Account (\$)	\$79	\$33	\$85	\$80	\$75
	YTD Completed Process Improvement Projects (#)	2	3			



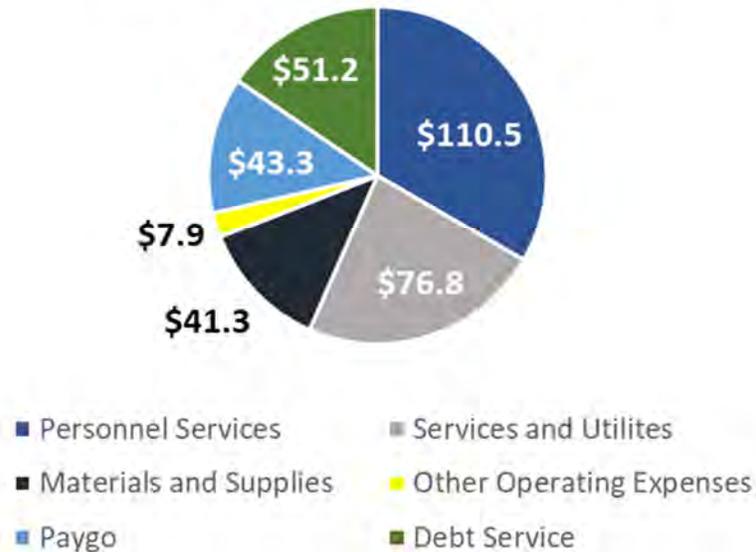
Since the Strategic Plan is relatively new, implementation efforts have been ongoing, including changes and enhancements to metrics identification, tracking, and reporting. This effort is continuing to evolve, and different ways to report and incorporate progress into the fabric and decision-making of the organization are being explored and adopted annually. For example, the program measures in 2022, as listed in the previous table, were tracked by staff and compared to the targets for the current and future years. In 2023, these measures will continue to be tracked but in a new cloud-based tracking tool with dashboard functionality to provide staff easier data entry and leadership more transparency of progress and performance. SWBNO is looking forward to the new and exciting ways the ongoing implementation of the Strategic Plan impacts the utility and ultimately elevates SWBNO's service to its customers.

# FINANCIAL OVERVIEW, STRUCTURE, AND BUDGET PROCESS

## 2023 OPERATING BUDGET

Like many utilities throughout the nation, SWBNO is challenged to support an expansive and aging infrastructure. This infrastructure, as well as the associated regulatory and staffing needs, has and will continue to increase utility costs. SWBNO's primary funding sources for utility operations and capital projects are the water and sewer rates and drainage millages. Three years ago, SWBNO completed a series of yearly approved water and sewer rate increases. The agency is currently under contract with a rate consultant to propose new rates.

2023 Operating Expenses (\$331.1 m)



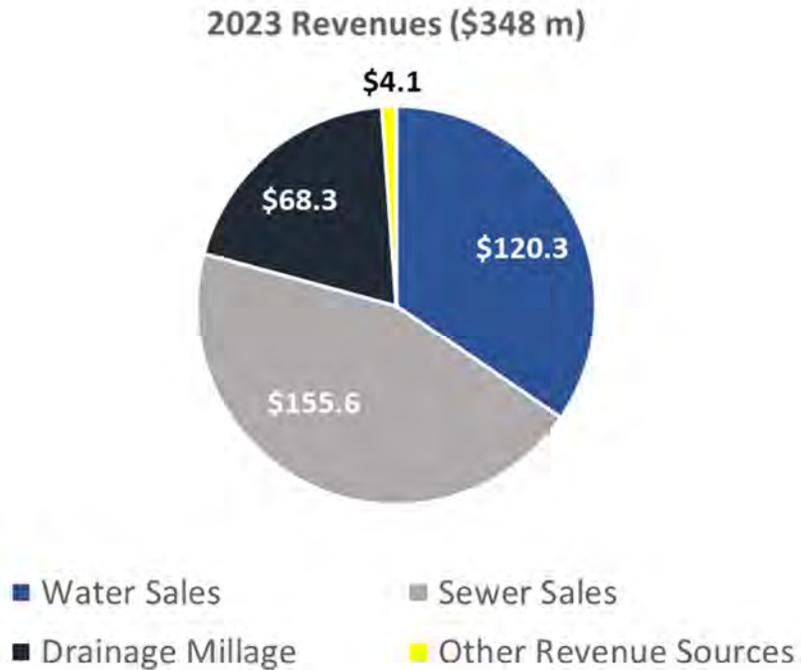
The Board's principal activities of providing water, sewerage, and drainage services are accounted for in a single proprietary fund – the Enterprise Fund. The Enterprise Fund is composed of three (3) independent systems: Water, Sewerage, and Drainage. The Water, Sewerage, and Drainage systems are used to report business activities. Since the Enterprise Fund is the Board's single activity, its financial statements are presented as the Board's government-wide financial statements.

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

All assets and liabilities associated with the operation of the Board are included in the Statements of Net Position. The Statement of Net Position presents financial information on all the Board's assets, liabilities, and deferred inflows/outflows of resources, with the difference

reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

SWBNO has prepared its 2023 Budget on an accrual basis in conformity with Generally Accepted Accounting Principles (GAAP). On a GAAP basis, total expenses during 2023 are projected to be about \$454 million. On a cash flow requirement basis, which includes operating and maintenance costs, principal and interest on debt service, and pay-go, SWBNO expects to spend roughly \$331.1 million. Excess revenues above these expenses are required for bond covenant and debt service ratios and may be used for capital reinvestment.

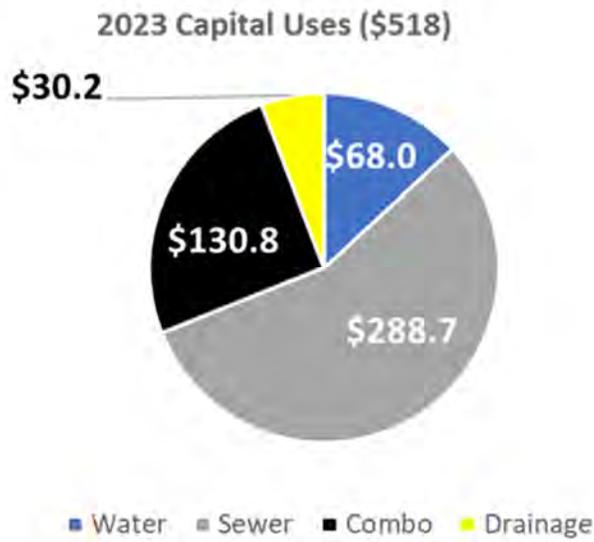


SWBNO expects to recover roughly \$348 million in revenues during 2023. Operating revenues are generated primarily from water and sewer user charges, though SWBNO collects a small amount of other operating revenues from penalties and miscellaneous fees. Non-operating revenues consist of drainage millage collections, interest, and other miscellaneous non-operating revenues.

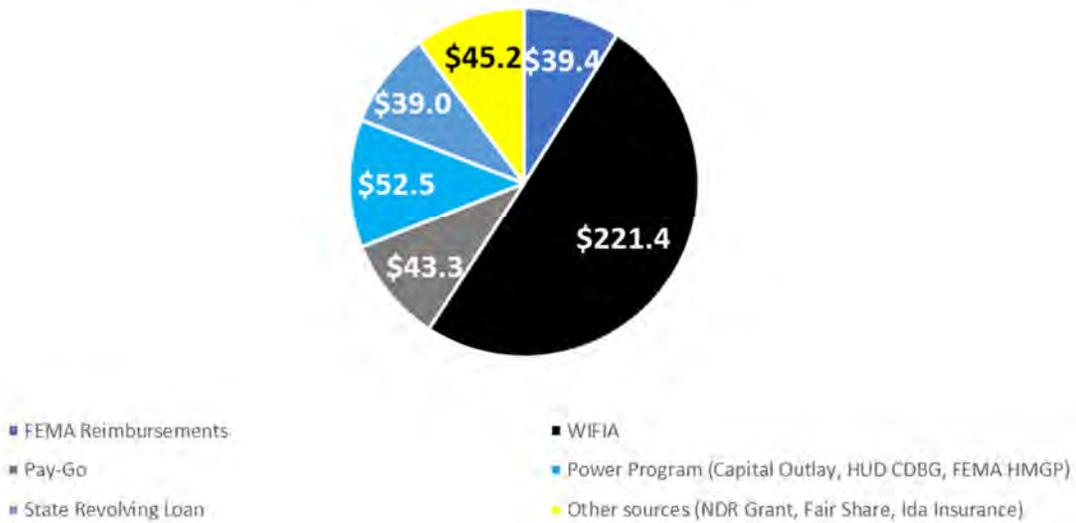
Projected Budgeted Change to Net Position	Water	Sewer	Drainage	Total
Total Unrestricted and Undesignated	\$ 92,681,947	\$ 79,295,507	\$ 48,598,375	\$ 220,575,829
Total Restricted Cash, Cash Equivalents, and Investments	\$ 28,073,078	\$ 97,863,225	\$ 61,039,744	\$ 186,976,047
Total Other Assets	\$ 13,988,071	\$ 17,965	\$ 10,400	\$ 14,016,436
<b>Total Assets for Modified Net Position</b>	<b>\$ 134,743,096</b>	<b>\$ 177,176,697</b>	<b>\$ 109,648,519</b>	<b>\$ 421,568,312</b>
Total Current Liabilities (payable from current assets)	\$ 76,404,381	\$ 45,939,642	\$ 31,157,992	\$ 153,502,015
Total Current Liabilities (payable from restricted assets)	\$ 7,386,749	\$ 13,352,542	\$ 8,428,948	\$ 29,168,239
<b>Total Liabilities for Modified Net Position</b>	<b>\$ 83,791,130</b>	<b>\$ 59,292,184</b>	<b>\$ 39,586,940</b>	<b>\$ 182,670,254</b>
<b>Audited 2022 Modified Net Position</b>	<b>\$ 50,951,966</b>	<b>\$ 117,884,513</b>	<b>\$ 70,061,579</b>	<b>\$ 238,898,058</b>
Operating Revenues	\$ 120,866,286	\$ 156,168,338	\$ -	\$ 277,034,624
Non-Operating Revenues	\$ 1,960,600	\$ 811,400	\$ 68,382,900	\$ 71,154,900
Allowance for Doubtful Accounts	\$ (6,900,000)	\$ (10,200,000)		\$ (17,100,000)
<b>Total Revenues</b>	<b>\$ 115,926,886</b>	<b>\$ 146,779,738</b>	<b>\$ 68,382,900</b>	<b>\$ 331,089,524</b>
Operating Expenses	\$ 92,944,542	\$ 97,640,280	\$ 45,916,824	\$ 236,501,646
Debt Service	\$ 12,737,071	\$ 25,367,381	\$ 13,142,800	\$ 51,247,252
Pay-Go	\$ 10,245,273	\$ 23,772,076	\$ 9,323,276	\$ 43,340,625
<b>Total Expenses</b>	<b>\$ 115,926,886</b>	<b>\$ 146,779,737</b>	<b>\$ 68,382,900</b>	<b>\$ 331,089,523</b>
Budgeted Change to Net Position	\$ -	\$ -	\$ -	\$ -
<b>Budgeted Ending 2022 Modified Net Position</b>	<b>\$ 50,951,966</b>	<b>\$ 117,884,513</b>	<b>\$ 70,061,579</b>	<b>\$ 238,898,058</b>

## 2023 CAPITAL BUDGET

The 2023 Capital Budget includes \$518 million in capital expenditures based on the needs of water, sewer, and drainage. SWBNO defines capital expenditures as any expenditure associated with acquiring, upgrading, and maintaining physical assets with a useful life of one year or more, such as property, plants, and equipment. Financing sources for the 2023 Capital Budget include: existing sewer bonds, Water Infrastructure Finance and Innovation Act loan, Safe Drinking Water and Clean Water loans from the EPA, grants from FEMA and the Corp of Engineers, and SWBNO cash financing or pay-go. Projects identified as “Targeted Funded Projects” are contingent upon receiving funds from identified sources.



### 2023 Capital Sources (\$441m)



## BACKGROUND

### ABOUT THE BUDGET PROCESS

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

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

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

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

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

Based upon the results of the hearings, the prioritized requests are discussed by the leadership team, with final decisions made by Executive Director. The budget proposal is then submitted to the Finance Committee of the Board of Directors in November with final action requested in December. The 2023 operating and capital budgets were adopted by the SWBNO Board of Directors on December 14, 2022. (A copy of the corresponding resolutions can be found in the Appendix)

The Budget Department and SWBNO leadership appropriately designed the annual budget process to project spending needs. Historically, formal budget amendments at SWBNO have been infrequent and usually triggered by extreme weather events. The CFO and Budget Director have the authority to reallocate funds within each system's budget to ensure spending does not exceed the adopted budget. Any additional budget spending above the approved budget appropriation level requires an identified revenue source and the Board of Directors to amend

the budget through a formal resolution. If the need arises, the CFO and Budget Department work with the Executive Director to develop and present an amended budget to the Board for approval.

## 2023 OPERATING BUDGET PREPARATION CALENDAR

<u>Dates</u>	<u>Actions</u>
Aug. 22 <sup>nd</sup>	Once July's financials have been closed, submit CCSR to request for AFIN to be moved from production to training in preparation of starting the new year budget-related Information Systems processes.
Aug. 23 <sup>rd</sup> – Sept. 13 <sup>th</sup>	Analyst begins inputting the preliminary 2023 Requested Budget (FNUB11A) based on an annualization of July YTD expenses (Expensed amounts as of July 31, 2022) in the created training region in AFIN.
Sep. 16 <sup>th</sup>	Submit CCSR to run requested budget (FNUB11A).
Sep. 20 <sup>th</sup>	The FNUB11A report is reviewed by analysts to make sure inputs are correct.
Sep. 22 <sup>nd</sup> – Sep. 23 <sup>rd</sup>	The budget packages are emailed out to managers including: <ul style="list-style-type: none"><li>• FNUB 11A (showing budget requested by analyst)</li><li>• Operating Budget Preparation Calendar</li><li>• Hearing Schedule</li><li>• Position request forms (add or delete)</li><li>• Object Code request (add or delete)</li><li>• Hardware or software request forms (to be sent to the Information Systems Department (Attention: Melinda Nelson by September 28, 2022)</li></ul> All other forms listed above are to be submitted at your budget hearing.
Oct. 3 <sup>rd</sup> – Oct. 21 <sup>st</sup>	Budget Hearings begin (See Hearing Schedule)
Oct. 21 <sup>st</sup> – Oct. 28 <sup>th</sup>	Submitted changes discussed in hearings are made by analyst.
Oct. 31 <sup>st</sup>	CCSR is submitted to request a recommended budget (FNUB110), which transitions the requested budget to the recommended budget. The recommended budget is inclusive of all changes post-budget hearings.
Nov. 1 <sup>st</sup> – Nov. 11 <sup>th</sup>	Continue to review budget for errors, changes, and cuts.
Nov. 15 <sup>th</sup>	Submit draft of 2023 Recommended Budget to Board members.
Nov. 15 <sup>th</sup> – Nov. 30 <sup>th</sup>	Begin review for production of projected Adopted budget.
Dec. 9 <sup>th</sup>	Submit budget packages for: December 2022 cycle of meetings as an "Action item."



**Dec. 14<sup>th</sup>**

Board votes to adopt 2023 Operating & Maintenance Budget.

**Dec. 28<sup>th</sup>**

Submit a CCSR to implement the 2023 Adopted Operating & Maintenance Budget before the commencement of the new year.

## OPERATING BUDGETS AND DEPARTMENTAL FOCUS AREAS

### OPERATING BUDGET

As the primary water provider for over 300,000 residents within the City of New Orleans, the Sewerage and Water Board of New Orleans is responsible for providing clean water to all residents, ensuring the City is adequately drained, and maintaining a sanitary sewerage system. The organization has shown its ability to face adversity. SWBNO has overcome several challenges in the recent past including tropical storms, hurricanes, and COVID-19. In light of these challenges, the organization has continued to uphold its responsibilities to the City's residents through continuously providing them with strong water, sewerage, and drainage systems.

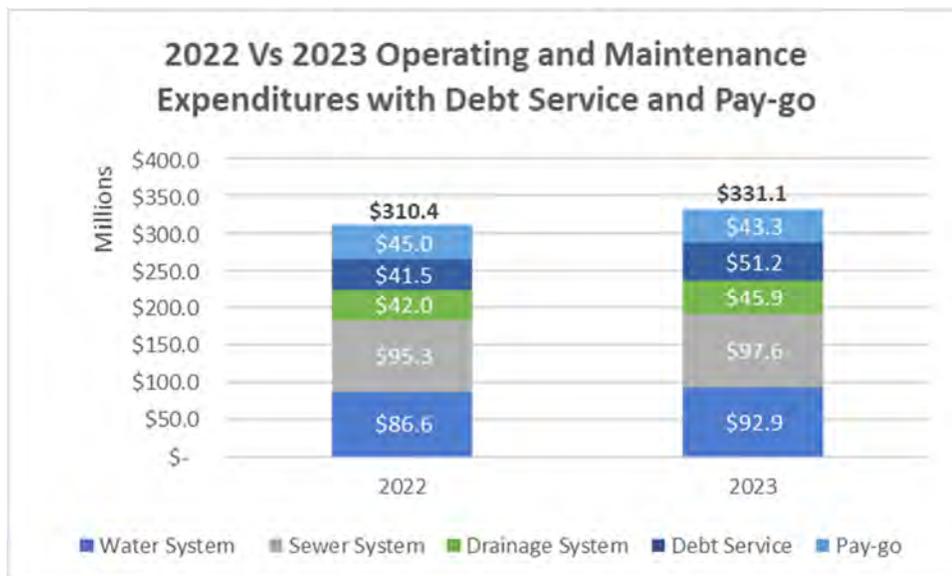
In the present, SWBNO is addressing ways to fund additional projects to make overall improvements to all three systems. To continue meeting the organization's responsibilities, executive leadership has identified several strategic focus areas to guide the organization's planning efforts and priorities. These focus areas include financial stability, technology modernization, infrastructure resilience and reliability through preventative maintenance, and organizational and operational efficiencies to assist departments in budgeting.

As part of the financial stability focus area, SWBNO could not fund all expenditure budget requests while reaching a legally balanced budget. A legally balanced budget is defined as having sufficient net revenues to meet the organization's bond covenants. Senior departmental leadership worked closely with executive leadership and the budget team to adjust departmental budget requests and maintain adequate funding for the advancement of our strategic priorities.

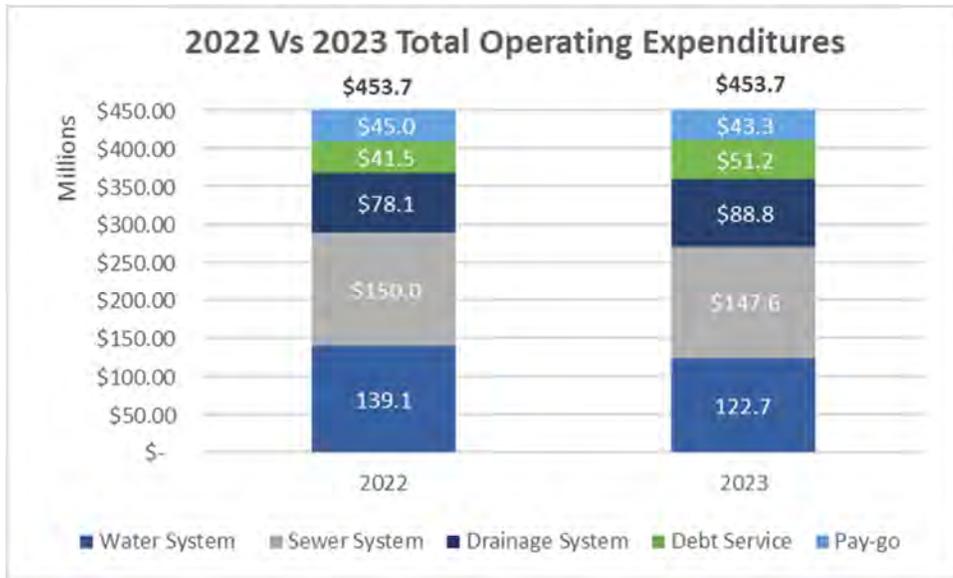
After reductions made to departmental requests, the 2023 Adopted Operating Budget is \$236 million. This is \$12.6 million, or 5.6 percent, higher than the 2022 Adopted Operating Budget. In 2023, the organization is budgeting \$43 million for pay-as-you-go (or "pay-go") capital spending from system funds. Given the uncertainty of the 2023 budget cycle, and the lack of surplus cash reserves, it is important to formally recognize this cost in the budget to ensure these funds are available to improve and maintain our infrastructure.

	2022 Adopted Budget	2023 Adopted Budget	\$ Change	% Change
1 Personnel Services	\$ 106,039,721	\$ 110,539,613	\$ 4,499,892	4.24%
2 Services and Utilities	\$ 70,145,153	\$ 76,789,412	\$ 6,644,259	9.47%
3 Materials and Supplies	\$ 40,748,121	\$ 41,251,785	\$ 503,664	1.24%
4 Special Current Charges	\$ 6,084,868	\$ 7,208,709	\$ 1,123,841	18.47%
5 Furniture and Equipment	\$ 918,247	\$ 712,128	\$ (206,119)	-22.45%
6 TOTALS	\$ 223,936,110	\$ 236,501,647	\$ 12,565,537	5.61%
7 Depreciation	\$ 90,928,314	\$ 83,510,822	\$ (7,417,492)	-8.16%
8 OPEB Liability (non-cash)	\$ 22,000,000	\$ 22,000,000	\$ -	0.00%
9 Doubtful Accounts	\$ 30,350,400	\$ 17,100,000	\$ (13,250,400)	-43.66%
10 Debt Service	\$ 41,460,127	\$ 51,247,252	\$ 9,787,125	23.61%
11 Pay-go	\$ 45,000,000	\$ 43,340,624	\$ (1,659,376)	-3.69%
	\$ 453,674,951	\$ 453,700,345	\$ 25,394	0.01%

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



SWBNO reviews various non-cash expenses as a component of the budget process. This includes depreciation, amortization, other post-employment benefits, and pension liability that are accounted for within the annual financial report and impact the calculation of net position. When considering these expenses, the 2023 operating budget rises to \$453.7 million.



## PERSONNEL

Historically, the organization has carried a large number of “funded vacancies,” or open positions, in the budget. In order to meet budget targets, nearly all funded vacancies were eliminated in the 2021 budget. Available resources have provided the capability to restore the hiring strength of critical positions and will continue to be closely monitored throughout the calendar year 2023.

	2021	2022	2023
<b>Authorized Positions by Department</b>			
Chief Administrative Officer	60	90	86
Chief Financial Officer	71	80	84
Chief Customer Service Officer	257	301	303
Communications	3	7	5
Executive Director	9	13	16
General Supt. Operations	910	1082	1089
Special Counsel/Legard	10	16	18
<b>Total Organization Positon Count</b>	<b>1320</b>	<b>1589</b>	<b>1601</b>

## COMPARISON OF TOTAL 2021 BUDGET, 2022 BUDGET, AND 2023 BUDGET

	A 2021 Budget	B 2022 Budget	C 2023 Budget	
<b>Operating Revenues:</b>				
1	Revenues from Charges	\$ 260,515,260	\$ 275,523,100	\$ 275,876,019
2	Other Operating Revenues	\$ 1,199,274	\$ 1,175,742	\$ 1,158,605
3	Adjustment for Uncollectible Accounts*	\$ -	\$ -	\$ -
4	<b>Total Operating Revenues</b>	<b>\$ 261,714,534</b>	<b>\$ 276,698,842</b>	<b>\$ 277,034,624</b>
<b>Operating Expenses:</b>				
5	Operating & Maintenance Expenses	\$ 199,852,176	\$ 223,936,110	\$ 236,501,647
6	Depreciation & Allowances Expenses (non-cash)	\$ 107,045,237	\$ 121,278,714	\$ 100,610,822
7	OPEB Liability (non-cash)	\$ 11,000,000	\$ 22,000,000	\$ 22,000,000
8	<b>Total Operating Expense</b>	<b>\$ 317,897,412</b>	<b>\$ 367,214,824</b>	<b>\$ 359,112,469</b>
9	<b>Net Operating Income</b>	<b>\$ (56,182,878)</b>	<b>\$ (90,515,982)</b>	<b>\$ (82,077,845)</b>
<b>Non-Operating Revenues</b>				
10	Tax Revenues	\$ 59,278,056	\$ 59,570,000	\$ 68,251,500
11	Interest Income	\$ 2,546,714	\$ 665,700	\$ 527,600
12	Other Non-Operating Revenues	\$ 5,112,085	\$ 2,459,800	\$ 2,375,800
13	FEMA Expense Reimbursement	\$ 366,345	\$ -	\$ -
14	<b>Total Non-Operating Revenues</b>	<b>\$ 67,303,200</b>	<b>\$ 62,695,500</b>	<b>\$ 71,154,900</b>
<b>Non-Operating Expenses:</b>				
15	Interest Expense - Series 2011 Bonds	\$ 53,210	\$ 49,001	\$ 44,755
16	Interest Expense - Series 2014 Bonds	\$ 8,753,925	\$ 1,355,875	\$ 865,500
17	Interest Expense - Series 2015 Bonds	\$ 9,802,750	\$ 1,346,850	\$ 1,217,750
18	Interest Expense - Series 2019 Bonds	\$ 43,899	\$ 74,399	\$ 88,478
19	Interest Expense - Series 2020A Bonds	\$ 153,750	\$ 140,513	\$ 103,800
20	Interest Expense - Series 2020B Bonds	\$ 2,892,541	\$ 2,949,900	\$ 2,949,900
21	Interest Expense - Series 2021 Bonds		\$ 8,759,250	\$ 8,739,747
22	LADEQ Loan	\$ -	\$ -	\$ -
23	Go Zone Interest Expense	\$ 867,542	\$ 738,838	\$ 604,161
24	WIFIA		\$ 545,185	\$ 2,445,435
25	Drainage Tax Bond			\$ 1,770,000
26	SELA			\$ 3,555,100
27	Capitalized Interest	\$ (22,567,617)		\$ -
28	<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ 15,959,811</b>	<b>\$ 19,939,191</b>
29	<b>Net Income</b>	<b>\$ 11,120,321</b>	<b>\$ (43,780,293)</b>	<b>\$ (30,862,136)</b>

\*Adjustment for Uncollectible Accounts is now fully reflected as an expense for the 2023 Budget in order to better align with how the allowance is reflected in the annual audit.

## DEPARTMENTAL BUDGETS

The 2023 operating expense budget amounts to roughly \$236.5 million (excluding debt service and pay-go.) The breakdown by department is shown in the table below:

Department	2022 Budget	2023 Budget	Change
<b>EXECUTIVE DIRECTOR</b>	<b>\$ 1,667,546.00</b>	<b>\$ 1,906,209.00</b>	<b>\$ 238,663.00</b>
Executive Director	\$ 1,171,396.00	\$ 1,310,646.00	\$ 139,250.00
Internal Audit	\$ 353,926.00	\$ 395,625.00	\$ 41,699.00
Board Relations	\$ 142,224.00	\$ 199,938.00	\$ 57,714.00
<b>SPECIAL COUNSEL</b>	<b>\$ 2,925,108.00</b>	<b>\$ 4,448,130.00</b>	<b>\$ 1,523,022.00</b>
Legal	\$ 2,897,108.00	\$ 3,548,130.00	\$ 651,022.00
Claims	\$ 28,000.00	\$ 900,000.00	\$ 872,000.00
<b>CHIEF ADMINISTRATIVE OFFICER</b>	<b>\$ 52,056,406.00</b>	<b>\$ 45,675,578.00</b>	<b>\$ (6,380,828.00)</b>
Chief Administrative Officer	\$ 244,453.00	\$ 247,732.00	\$ 3,279.00
Real Estate Administrator	\$ -	\$ -	\$ -
Info Systems	\$ 11,256,244.00	\$ 11,090,772.00	\$ (165,472.00)
Human Resources	\$ 4,639,637.00	\$ 3,431,602.00	\$ (1,208,035.00)
Payroll	\$ 784,404.00	\$ 627,818.00	\$ (156,586.00)
Security	\$ 18,395,849.00	\$ 16,844,537.00	\$ (1,551,312.00)
Payroll Related	\$ 16,735,819.00	\$ 13,433,117.00	\$ (3,302,702.00)
<b>GENERAL SUPERINTENDENT/OPERATIONS</b>	<b>\$ 151,396,896.00</b>	<b>\$ 175,961,074.00</b>	<b>\$ 24,564,178.00</b>
Department of Operations	\$ 17,358,410.00	\$ 21,205,921.00	\$ 3,847,511.00
Facility Maintenance	\$ 15,339,046.00	\$ 13,372,540.00	\$ (1,966,506.00)
Networks	\$ 44,046,644.00	\$ 44,871,135.00	\$ 824,491.00
Purification	\$ 13,895,002.00	\$ 20,881,302.00	\$ 6,986,300.00
Drainage Pumping	\$ 13,889,265.00	\$ 16,868,515.00	\$ 2,979,250.00
Water Pumping	\$ 19,796,055.00	\$ 25,890,018.00	\$ 6,093,963.00
Sewer Pumping	\$ 3,612,912.00	\$ 5,283,646.00	\$ 1,670,734.00
Support Services	\$ 11,833,717.00	\$ 14,160,102.00	\$ 2,326,385.00
JIRR	\$ 2,421,541.00	\$ 2,965,813.00	\$ 544,272.00
Environmental	\$ 2,887,720.00	\$ 2,808,358.00	\$ (79,362.00)
Engineering	\$ 6,316,584.00	\$ 7,653,724.00	\$ 1,337,140.00
<b>CHIEF CUSTOMER SERVICE OFFICER</b>	<b>\$ 20,779,356.00</b>	<b>\$ 18,637,485.00</b>	<b>\$ (2,141,871.00)</b>
Customer Service	\$ 210,237.00	\$ 222,719.00	\$ 12,482.00
Revenue & Customer Service	\$ 16,966,058.00	\$ 17,398,342.00	\$ 432,284.00
Plumbing	\$ 3,603,061.00	\$ 1,016,424.00	\$ (2,586,637.00)
<b>COMMUNICATIONS</b>	<b>\$ 621,394.00</b>	<b>\$ 664,775.00</b>	<b>\$ 43,381.00</b>
Communications	\$ 621,394.00	\$ 664,775.00	\$ 43,381.00
<b>CHIEF FINANCIAL OFFICER</b>	<b>\$ 14,722,261.00</b>	<b>\$ 11,377,575.00</b>	<b>\$ (3,344,686.00)</b>
Chief Financial Officer	\$ 4,464,571.00	\$ 2,826,249.00	\$ (1,638,322.00)
Budget & Financial Planning	\$ 784,992.00	\$ 949,593.00	\$ 164,601.00
Finance Administration	\$ 3,927,832.00	\$ 3,610,582.00	\$ (317,250.00)
Project Development Unit	\$ 2,257,718.00	\$ 2,040,929.00	\$ (216,789.00)
Procurement	\$ 1,084,651.00	\$ 1,240,694.00	\$ 156,043.00
Econ Disadvantage Business Prog	\$ 702,497.00	\$ 709,528.00	\$ 7,031.00
Treasury	\$ -	\$ -	\$ -
Emergency & Contingency	\$ 1,500,000.00	\$ -	\$ (1,500,000.00)
Overhead	\$ (20,232,857.00)	\$ (22,169,179.00)	\$ (1,936,322.00)
<b>TOTAL</b>	<b>\$ 223,936,110.00</b>	<b>\$ 236,501,647.00</b>	<b>\$ 12,565,537.00</b>

The following sections highlight the purpose of each Department, as well as their respective priorities and operational budgets for FY 2023:

## EXECUTIVE DIRECTOR

### Purpose

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

### 2023 Focus Areas

- **Accountability** – Foster a culture of responsibility by setting and upholding clear expectations for the utility and its employees.
- **Transparency and Honesty** – Build trust among customers, employees, and stakeholders by openly sharing the unique needs and challenges of SWBNO as well as its progress and successes.
- **Resiliency and Reliability** – Continue to focus on proactive improvements to operations and infrastructure to ensure customers have safe and reliable water from a system that can rebound in the face of adversity.
- **Customer Service Excellence**– Continue to enhance relationships with external customers, including billed customers, other municipal entities, various funding partners, civil service, and civic and community organizations.
- **Workforce Engagement** – Improve SWBNO as a workplace by understanding our staff's needs and providing solutions

### 2022 Accomplishments:

- Completed a rate study
- Restructured the General Superintendent's Office to align with industry best practices and facilitate better project delivery
- Filled key positions, such as Chief Audit Executive and Deputy General Superintendent for Engineering
- Completed the second phase of our Water Hammer Hazard Mitigation Project, which involved replacing four pumps at the Claiborne Pumping Station to protect New Orleans' drinking water system
- Broke ground on the SWBNO Power Complex, a more reliable, cost-effective, and cleaner power source for our drinking water and drainage systems
- Invested in improvements to our wastewater treatment infrastructure

### Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$1,063,766	\$1,260,780	\$1,482,755	\$221,975	17.61%
SERVICE & UTILITIES	\$342,972	\$382,000	\$364,600	(\$17,400)	-4.55%

MATERIAL & SUPPLIES	\$14,260	\$19,766	\$28,854	\$9,088	45.98%
SPECIAL CURRENT CHARGES	\$0	\$5,000	\$15,000	\$10,000	200.00%
FURNITURE & EQUIPMENT	\$0	\$0	\$15,000	\$15,000	0.00%
TOTAL FOR ORGANIZATION	\$1,420,998	\$1,667,546	\$1,906,209	\$238,663	14.31%

## SPECIAL COUNSEL

### Purpose

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

### 2023 Focus Areas

- **Litigation and Regulatory Response** – Continue to manage all litigation, and respond to all local, state, and federal regulatory agencies.
- **Contracts and Legal Documents** – Continue to review and/or draft all contracts and legal documents for the Board.

### 2023 Accomplishments:

- Streamlined the processing and execution of Professional Services Agreements, Public Works and Good and Services Contracts by creating a Legal Request Contract Form and email portal. With this new system, contracts are drafted, executed, and distributed within sixty (60) days from receipt of the requests.

### Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$1,186,793	\$1,500,519	\$1,575,767	\$75,248	5.01%
SERVICE & UTILITIES	\$1,158,204	\$1,386,589	\$1,765,363	\$378,774	27.32%
MATERIAL & SUPPLIES	\$7,136	\$12,000	\$14,457	\$2,457	20.48%
SPECIAL CURRENT CHARGES	\$20,893	\$23,000	\$1,091,543	\$1,068,543	4645.84%
FURNITURE & EQUIPMENT	\$366	\$3,000	\$1,000	(\$2,000)	-66.67%
TOTAL FOR ORGANIZATION	\$2,373,392	\$2,925,108	\$4,448,130	\$1,523,022	52.07%

## CHIEF ADMINISTRATIVE OFFICER

### Purpose

The CAO organization contains several cross-organizational, service-related functions such as HR/Payroll, Safety, Security, Emergency Management, Risk Management, and Information

Technology. In the future, the CAO organization will add Real Estate Administration and Continuous Improvement functions under it's umbrella.

### 2023 Focus Areas

- **Accountability** – Ensure objective review of the utility’s operations and programs to ensure work is completed efficiently, while increasing transparency and mitigating risk.
- **Culture** – Continue progress and lead initiatives to improve the overall organizational culture through three lines of effort: leadership culture, safety culture, and customer service culture.
- **Organizational and Operational Improvement** – Evaluate workforce model options and determine an appropriate approach for SWBNO to improve knowledge capture, transfer, and succession planning.
- **Workforce Development and Enrichment** – Enhance resources for employee training and development.
- **Safety/Risk Management** – Strengthen safety efforts to more proactive and preventative measures by infusing safety into every aspect of SWBNO and improving employee training.
- **Technology Modernization** – Enhance cybersecurity and information technology systems resiliency.

### 2022 Accomplishments:

- Began search for Chief Audit Executive to oversee the Internal Audit Department
- Saved over \$4 million in workers’ compensation costs by closing aged claims
- Decreased employee injuries by 6 percent compared to 2021
- Recruited 239 new hires
- Hired a new third-party insurance company through UMR, United Healthcare
- Received approval to give SWBNO employees a series of compensation increases

### Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$14,900,542	\$20,095,468	\$17,870,871	(\$2,224,597)	-11.07%
SERVICE & UTILITIES	\$18,718,792	\$28,194,602	\$24,270,608	(\$3,923,994)	-13.92%
MATERIAL & SUPPLIES	\$550,376	\$675,086	\$441,886	(\$233,200)	-34.54%
SPECIAL CURRENT CHARGES	\$2,958,188	\$2,979,500	\$3,016,963	\$37,463	1.26%
FURNITURE & EQUIPMENT	\$12,355	\$111,750	\$75,250	(\$36,500)	-32.66%
TOTAL FOR ORGANIZATION	\$37,140,253	\$52,056,406	\$45,675,578	(\$6,380,828)	-12.26%

## GENERAL SUPERINTENDENT – OPERATIONS

### Purpose

The General Superintendent's Office oversees all aspects of field operations, including water treatment and distribution, sewer treatment and collection, and drainage.

### 2023 Focus Areas

- **Infrastructure Resiliency** – Improve efficiency and resiliency of current and future infrastructure by leveraging partnerships and innovative approaches to funding and sustainable design.
  - Utilize recently awarded WIFIA loan funding to upgrade sewer infrastructure and stay on track for Consent Decree deadlines.
  - Continue to execute Joint Infrastructure Recovery Roads projects in collaboration with the City of New Orleans.
  - Continue to improve the drainage pumping system to manage storm water throughout the city, including Southeast Louisiana (SELA) drainage projects and green infrastructure.
  - Continue to maintain stable operations by supplying reliable power to Board assets and continue to implement key projects related to the Power Complex.
- **Field Repairs** – Improve resolution time for field repairs by committing more resources.
  - Coordinate with the Communications Department to improve customer noticing and relations.
  - Partner with the Department of Public Works to maximize funds and capacity.
  - Procure a new asset management system.
- **Lead and Copper Rule Revisions** – Work toward compliance with the revised Lead and Copper Rule and educate the community to protect customers and their drinking water.
  - Continue lead service line inventory process.
  - Begin planning for replacements.
  - Collaborate with the Communications Department to develop a robust communication plan.
  - Coordinate with the smart meter project team to address impacts on the program's rollout.
- **PFAS Monitoring** – Stay up to date on the unprecedented territory of the Environmental Protection Agency's new draft PFAS regulations and prepare for implementation.
  - Continue monitoring new PFAS regulations.
  - Participate in the EPA's monitoring program for 29 different PFAS.
  - Collaborate with the Communications Department to educate staff and customers.
  - Begin to explore funding and water treatment options.

- **Water Treatment Plant Improvements** – Begin a master planning effort focused on modernizing the Eastbank Water Treatment Plant.
- **Workforce Development** – Implement an Infrastructure Project Manager training series and fill critical vacancies to continue progressing with our key projects and programs.

### 2022 Accomplishments:

- Provided uninterrupted citywide water service (zero citywide precautionary boil water advisories)
- Completed search for a Deputy General Superintendent to improve maintenance escalation processes
- Treated 58 billion gallons of drinking water
- \$11.5 million in approved wastewater treatment plant projects
- Broke ground on the SWBNO Power Complex and coordinated agreements with Entergy for the substation
- Initiated Phase III of the Water Hammer Hazard Mitigation Program
- Hosted Homeland Security Secretary Alejandro Mayorkas and Department of Homeland Security staff for a tour of the Carrollton Water Treatment Plant
- Completed 8,500 sewer system work orders

### Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$68,086,015	\$70,512,683	\$78,789,515	\$8,276,832	11.74%
SERVICE & UTILITIES	\$42,208,803	\$39,951,790	\$53,270,259	\$13,318,469	33.34%
MATERIAL & SUPPLIES	\$30,792,251	\$38,593,898	\$41,664,525	\$3,070,627	7.96%
SPECIAL CURRENT CHARGES	\$1,917,742	\$1,500,000	\$1,500,000	\$0	0.00%
FURNITURE & EQUIPMENT	\$799,270	\$838,525	\$736,775	(\$101,750)	-12.13%
TOTAL FOR ORGANIZATION	\$143,804,081	\$151,396,896	\$175,961,074	\$24,564,178	16.23%

## CHIEF CUSTOMER SERVICE

### Purpose

The Customer Service Department manages customer relationships and revenue collection. Its staff is responsible for creating and delivering a positive customer journey through the organization.

## 2023 Focus Areas

- **Customer Service Excellence** – Foster a culture of excellence in customer service throughout the organization and elevate core customer service delivery performance.
  - Expand convenience systems and capabilities to improve self-service options for customers and to provide customers with a more reliable and pleasant experience.
  - Complete integration of Verint, a customer relationship management software, into our Customer Service Call Center systems to improve customer experiences.
- **Improved Billing Processes** – Implement an action plan to improve our utility’s billing policies and streamline processes.
  - Continue the new meter reading strategy that alternates actual reads and estimates every other month, which allows the Billing Department to use more accurate reads as a foundation.
  - **Continue upgrading the billing system to enhance billing reliability.**
  - Improve the accuracy of bill estimates with more recent and more frequent actual meter reads.
  - Monitor the new bill delivery system to ensure continuous improvement.
  - Build internal capacity to better manage billing processes and to triage billing disputes.
  - Continue collaborating with the New Orleans City Council Billing Advisory Committee.
- **Smart Meter Implementation** – Continue implementing smart meters and the accompanying customer portal, which will empower customers to better manage their water use.
- **Accountability** – Continue to drive accountability through cross-company data and metrics.
  - Continue to develop the accountability action chain, establishing the approaches and implementation of research to understand and deliver on customer expectations.
  - Continue tracking departmental KPIs and use results to drive improvements in the customer experience and reach reliability in key interactions.
  - Work with leaders on messaging, reinforcing, recommendations for recognition, and driving the organization’s culture transformation.
- **Workforce Development and Enrichment** – Conduct Customer Service Leadership workshops to ensure managers and supervisors possess the necessary technical, behavioral, and mindset skills required to contribute to organizational goals and employee success.

## 2022 Accomplishments:

- Implemented a new meter reading strategy that improved actual read rate to 95 percent
- Closed over 11,800 water work orders

- Serviced customers through over 520,000 interactions
- Set up over 12,000 payment plans
- Distributed over \$3 million in Emergency Rental Assistance Program and Low-Income Household Water Assistance Program funds
- Procured Verint, a new software to improve call center efficiencies

## Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$11,567,804	\$13,437,270	\$15,390,458	\$1,953,188	14.54%
SERVICE & UTILITIES	\$4,208,986	\$4,457,409	\$2,810,710	(\$1,646,699)	-36.94%
MATERIAL & SUPPLIES	\$3,025,907	\$2,672,127	\$158,867	(\$2,513,260)	-94.05%
SPECIAL CURRENT CHARGES	\$214,223	\$187,300	\$253,000	\$65,700	35.08%
FURNITURE & EQUIPMENT	\$12,520	\$25,250	\$24,450	(\$800)	-3.17%
TOTAL FOR ORGANIZATION	\$19,029,440	\$20,779,356	\$18,637,485	(\$2,141,871)	-10.31%

## CHIEF COMMUNICATIONS

### Purpose

The Communication Department disseminates information to customers, public officials, and internal staff to support the utility's daily aim to keep New Orleans safe and healthy. It plays an integral role in public education, swift notification during emergencies, and the collection of feedback to inform internal decision-makers.

### 2023 Focus Areas

- **Workforce Development** – Continue to fill key vacancies in the Communications Department to support consistent communications with customers and the SWBNO workforce.
- **Regulatory Compliance** – Develop robust communication efforts that meet federal and state requirements for public engagement to ensure SWBNO remains compliant.
- **Building Trust Internally and Externally** – Improve SWBNO's public image and provide grounds for restored public trust in the utility's capabilities and personnel through transparency, proactive communication and education, strategic messaging, and public relations efforts.
  - Strengthen internal communication and information-sharing to increase collaboration among departments.
  - Host and participate in more in-person and in-neighborhood customer engagement.

- Continue strengthening relationships with the City of New Orleans, elected officials, and other stakeholders to better serve customers.
- Elevate media relations efforts to garner fair coverage and share positive stories.
- Update the website as a trusted and up-to-date resource with a pleasant user experience.
- **Support Operations** – Collaborate with departments across the utility to provide communications support that ensures awareness and adoption across internal and external audiences.
  - Continue updating standard operating processes and procedures for emergency and routine communication tasks that take place throughout the organization.
  - Continue developing initiative-specific communication plans on topics including but not limited to hurricane preparation, freeze preparation, and backflow prevention.

### 2022 Accomplishments:

- Hosted 65 community meetings and events
- Hired a Community Outreach Specialist to focus on construction outreach
- Completed a three-year Communications Department Plan
- Updated precautionary boil water advisory communications protocol and other standard operating procedures
- Hosted the largest Water Industry Conference in North America

### Operational Budget

EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$277,187	\$591,144	\$450,654	(\$140,490)	-23.77%
SERVICE & UTILITIES	\$92,490	\$27,500	\$211,421	\$183,921	668.80%
MATERIAL & SUPPLIES	\$1,682	\$2,750	\$2,700	(\$50)	-1.82%
FURNITURE & EQUIPMENT	\$0	\$0	\$0	\$0	0.00%
TOTAL FOR ORGANIZATION	\$371,359	\$621,394	\$664,775	\$43,381	6.98%

## CHIEF FINANCIAL OFFICER

### Purpose

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

## 2023 Focus Areas

- **Financial Stability** – Practice strong fiscal stewardship and ensure timely revenue recovery while balancing customer affordability with investments necessary to deliver critical successes.
- **Stronger Collections** – Recover more of the past-due money owed to SWBNO by hiring a collections manager to improve processes, enforcing multi-unit customer payments, and implementing a new bad debt write-off plan for greater transparency on the realizability of receivables.
- **Revenue Enhancement** – Secure new capital revenue sources and improve collection efforts
- **Technology Modernization** – Finalize the selection of and implement a new financial and procurement system to replace legacy technology.
- **Compliance** – Strengthen procurement policies and grant compliance to improve recovery of expenditures from federally-funded projects.

## 2022 Accomplishments:

- Stabilized collections after extended moratoriums on water turnoffs ended in late 2021 with an increase in the overall general collections and eligible customers benefitting from the government’s Low Income Household Water Assistance Program (LIHWAP) payments of approximately \$1.5 million
- Received \$499 million from innovative funding sources, such as the Water Infrastructure Finance and Innovation Act, Low Income Household Water Assistance Program, Housing and Urban Development, Clean Water State Revolving Fund, Capital Outlay, Fair Share, and CNO Funds.
- Preserved a favorable debt coverage ratio on the year by operating \$40.6 million below budget

## Operational Budget

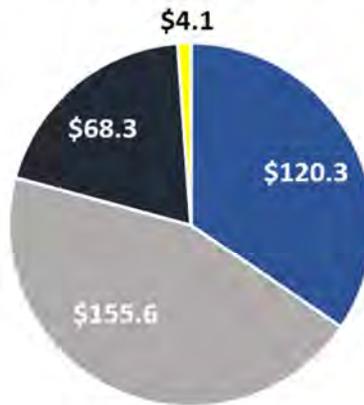
EXPENDITURE CATEGORY	2021 EXPENDITURE	2022 ADOPTED BUDGET	2023 ADOPTED BUDGET	CHANGE	CHANGE %
TOTAL SALARIES	\$5,630,700	\$9,675,628	\$6,863,698	(\$2,811,930)	-29.06%
SERVICE & UTILITIES	\$3,147,243	\$3,371,663	\$2,826,301	(\$545,362)	-16.17%
MATERIAL & SUPPLIES	\$44,080	\$102,558	\$145,476	\$42,918	41.85%
SPECIAL CURRENT CHARGES	\$38,035	\$1,572,312	\$1,542,000	(\$30,312)	-1.93%
FURNITURE & EQUIPMENT	\$4,179	\$100	\$100	\$0	0.00%
TOTAL FOR ORGANIZATION	\$8,864,237	\$14,722,261	\$11,377,575	(\$3,344,686)	-22.72%

# RATES, REVENUES, AND DEMOGRAPHICS

## REVENUES

SWBNO has budgeted to collect roughly \$348 million in revenues during 2023. As shown below, the majority of revenues for SWBNO are derived from water and sewer customer bills (79% projected in 2023) with an additional 19.6% projected to come from non-revenue drainage millages. By Louisiana State law, water, sewer, and drainage revenues are separate and cannot be used to support any other activities. For this reason, each source is tracked separately, and the expenses for each system are carefully recorded so that the correct revenue is used only for the correct expense.

2023 Revenues (\$348 m)



- Water Sales
- Sewer Sales
- Drainage Millage
- Other Revenue Sources

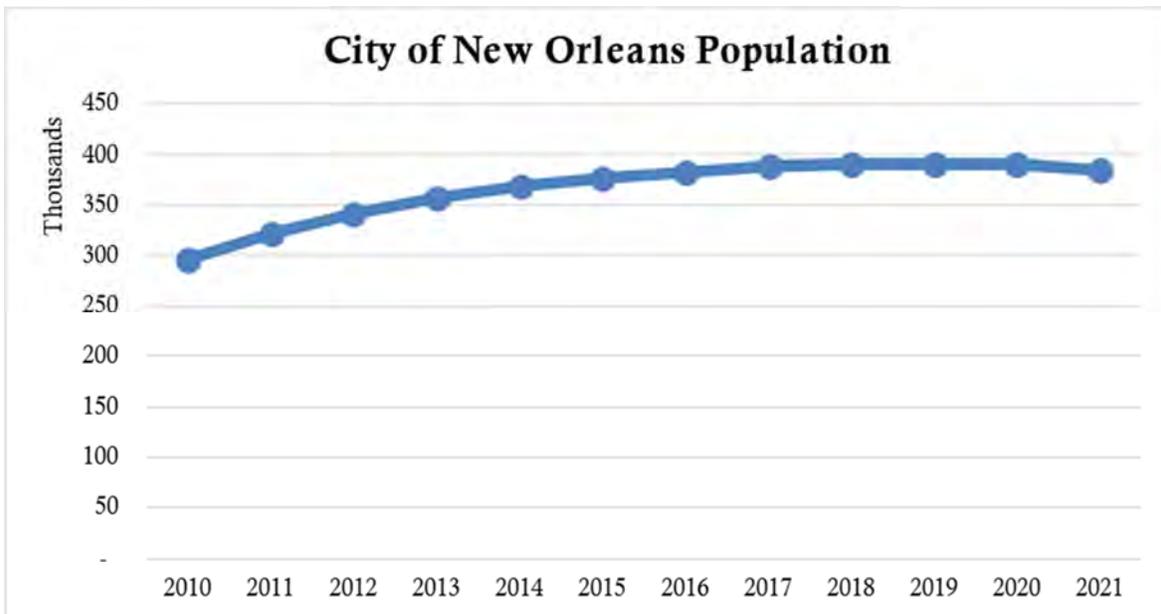


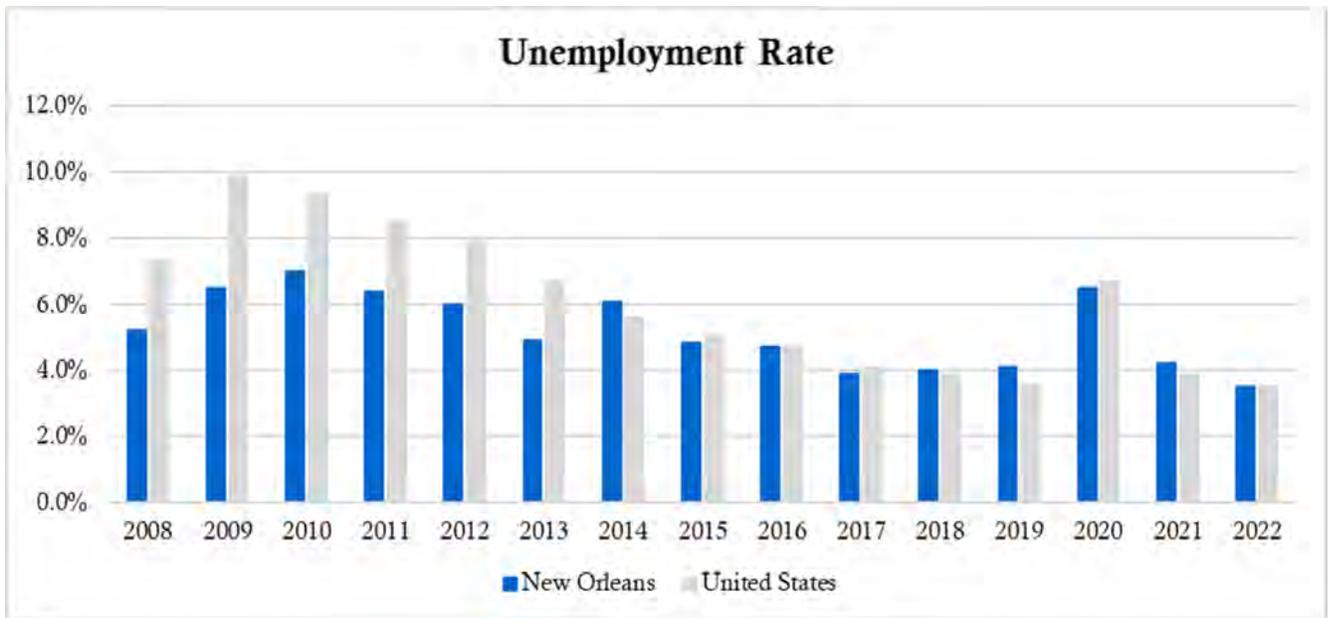
## REGIONAL DEMOGRAPHICS

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

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

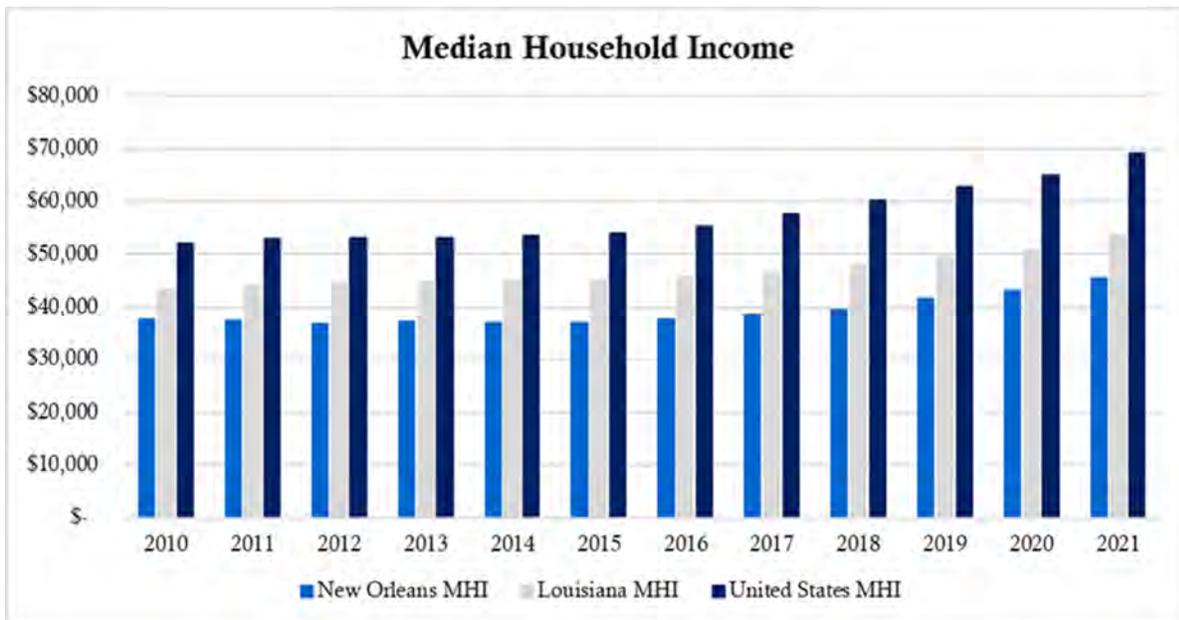
Following Hurricane Katrina in 2005, the City’s population increased substantially as displaced residents began to move back to New Orleans. Since 2010, the growth rate has slowed significantly.



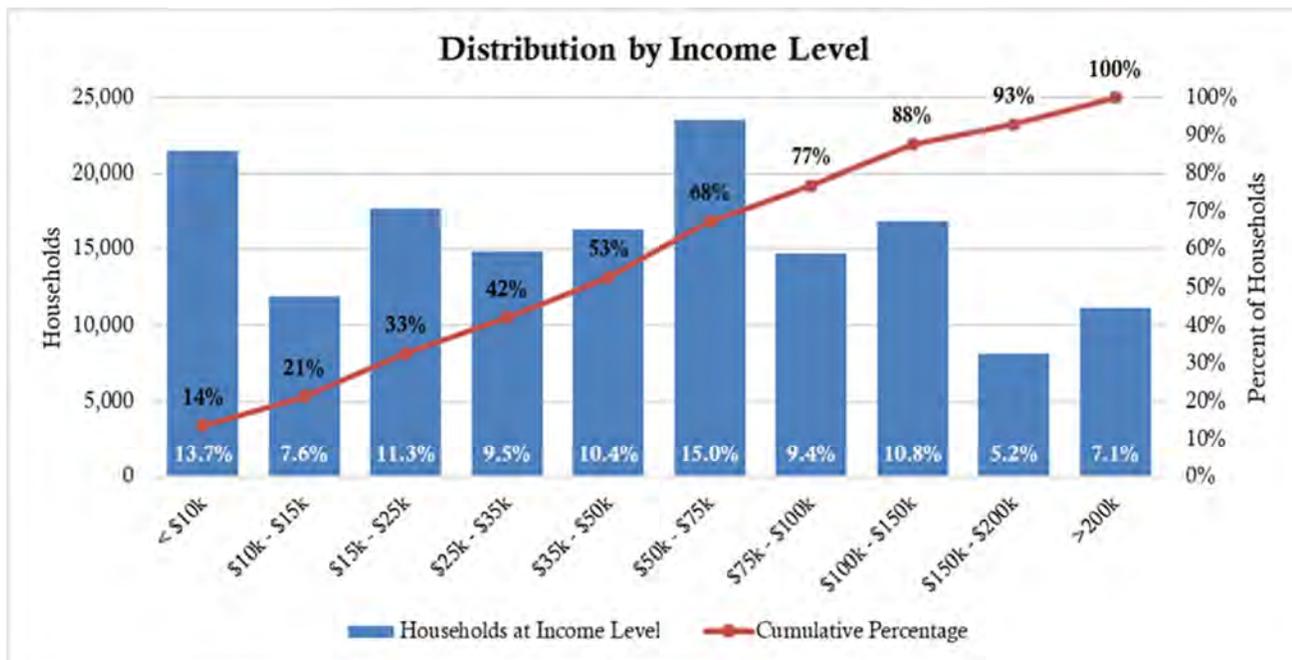


The City’s 2022 unemployment rate was low at 3.5%, which is on par with the national rate. The largest employment sectors are trade, transportation, and utilities; education and health services; and leisure and hospitality. Some of the City’s largest employers are listed below.

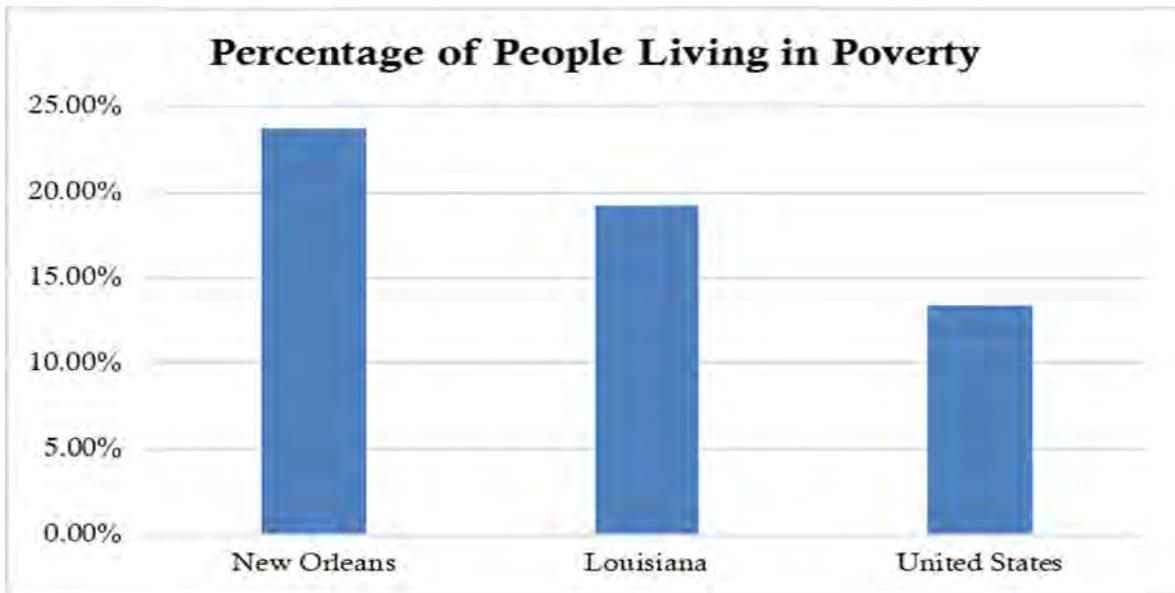
Company	Employees
Ochsner Health System	16,000
Ochsner Medical Center	7,832
The University of New Orleans	3,425
Harrah’s Casino	2,200
Children’s Hospital	2,139
Tulane University	2,000



There is a significant disparity between the parishes within the state. The US Census Bureau estimates the 2021 median household income (MHI) at \$45,594, which is considerably lower than the MHI for both Louisiana (\$53,571) and the United States (\$69,021).



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

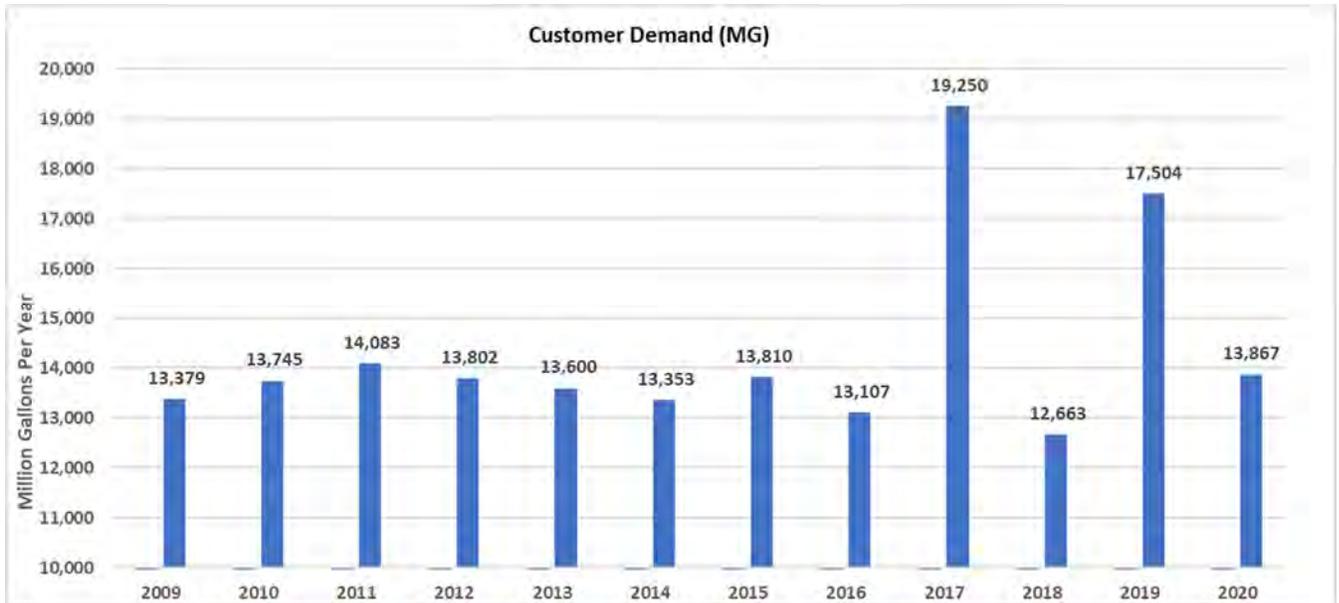


One of the most telling comparisons is the poverty rate. In 2021, the US Census Bureau estimated that a quarter of people in the city live on an annual income that falls below the Federal Poverty Level.

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

## CUSTOMER DEMAND

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



## RATES, FEES, AND CHARGES

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

In 2020, SWBNO implemented the final rate increase of an eight-year utility rate program that was approved in 2012 and implemented in 2013. The current rate structure and rates reflect a 10% increase from 2019 rates. A new rate study will be completed in 2023.

Meter Size	Water Rates	
	2022	2023

### Service Charge (perMonth)

	\$	\$
5/8" Meter (1)	8.69	8.69

### Quantity Charge (per 1,000gal)

	\$	\$
First 3,000 gal	5.80	5.80
Next 17,000 gal	9.87	9.87
Next 980,000 gal	7.76	7.76
Over 1,000,000 gal	6.50	6.50

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

Meter Size	Sewer Rates	
	2022	2023

### Service Charge (per Month)

5/8" Meter (1)	\$ 24.87	\$ 24.87
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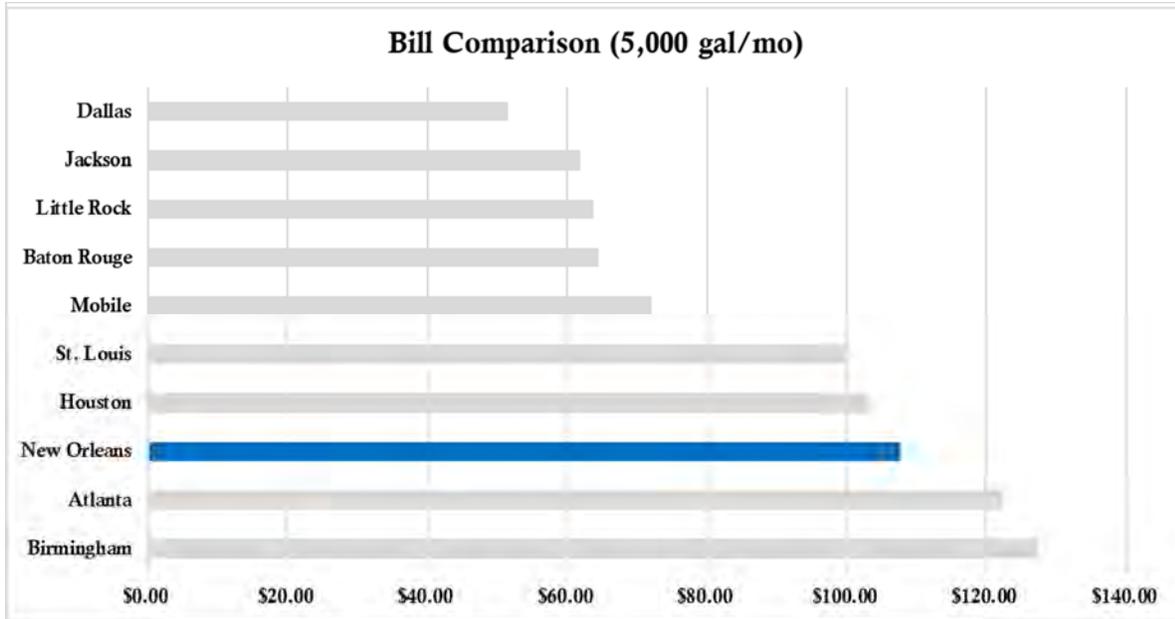
### Quantity Charge (per 1,000gal)

All Consumption (2)	8.66	8.66
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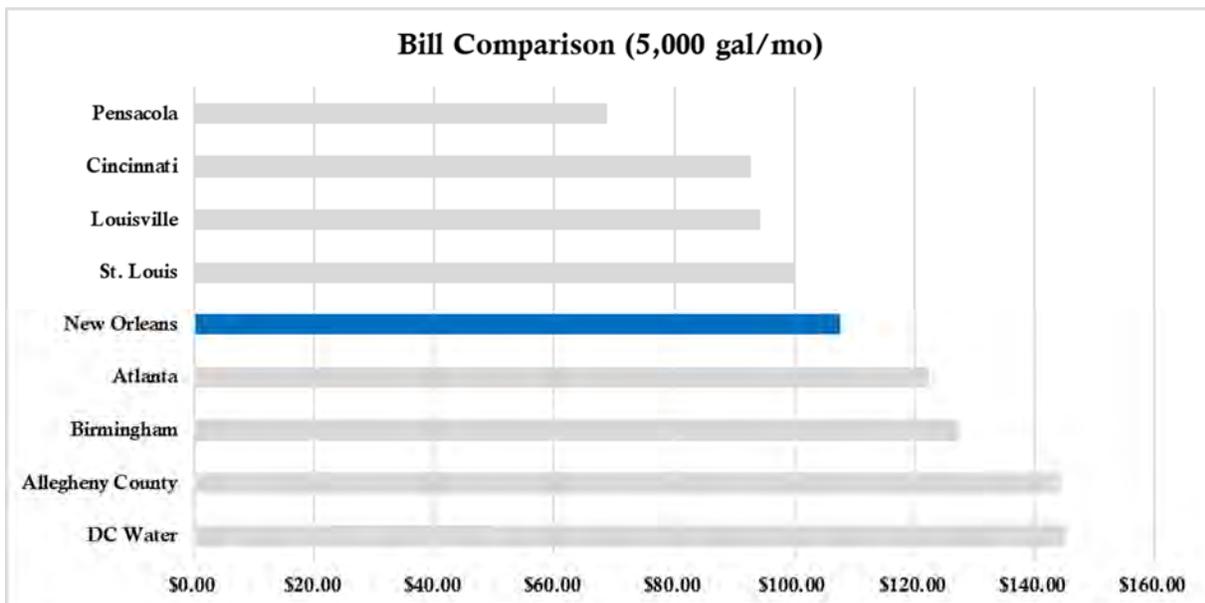
(2) For residential customers: consumption is based on 85% of metered water consumption to allow 15% water use for outdoor purposes.

## RATE COMPARISON

The monthly bill analysis shows the 2022 typical residential customer water and sewer monthly bill for SWBNO compared to other regional utilities. SWBNO's rates must address geographic and regulatory challenges that not all other regional utilities face.



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



## WATER AND SEWER RATE UPDATE

### Factors Impacting Revenue:

Several factors impact the revenue a utility can generate, including:

- Elasticity
- The downward trend of recent demand
- Conservation
- Billing data concerns and uncollectible
- Affordability

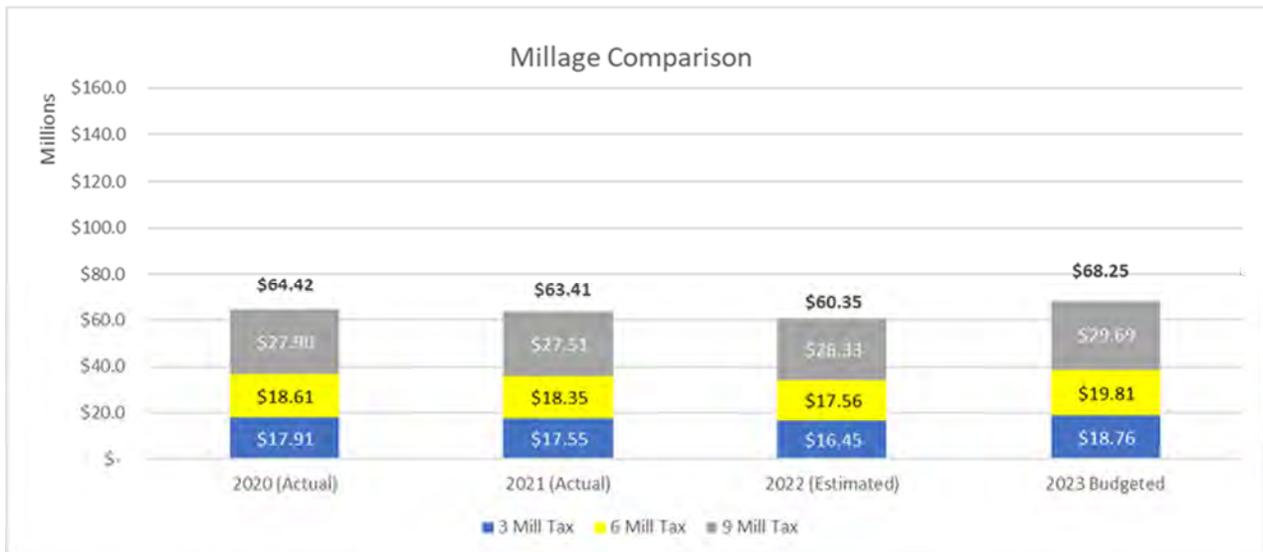
These factors have influenced the anticipated level of water consumption and sewer demand SWBNO is incorporating into the FY 2023 revenue projections.

## DRAINAGE REVENUE

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

- Three Mill
- Six Mill
- Nine Mill

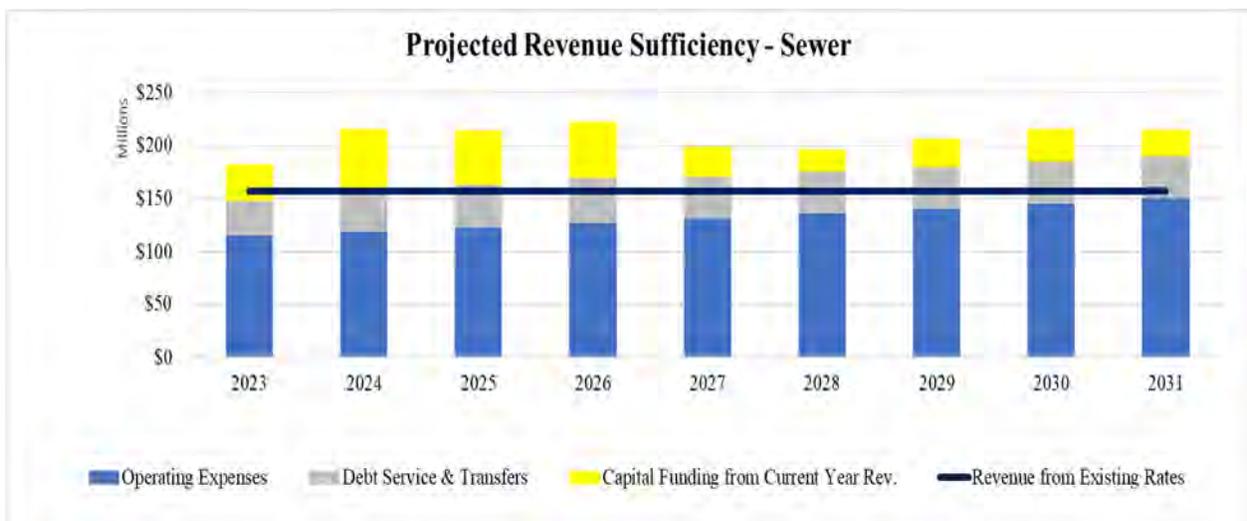
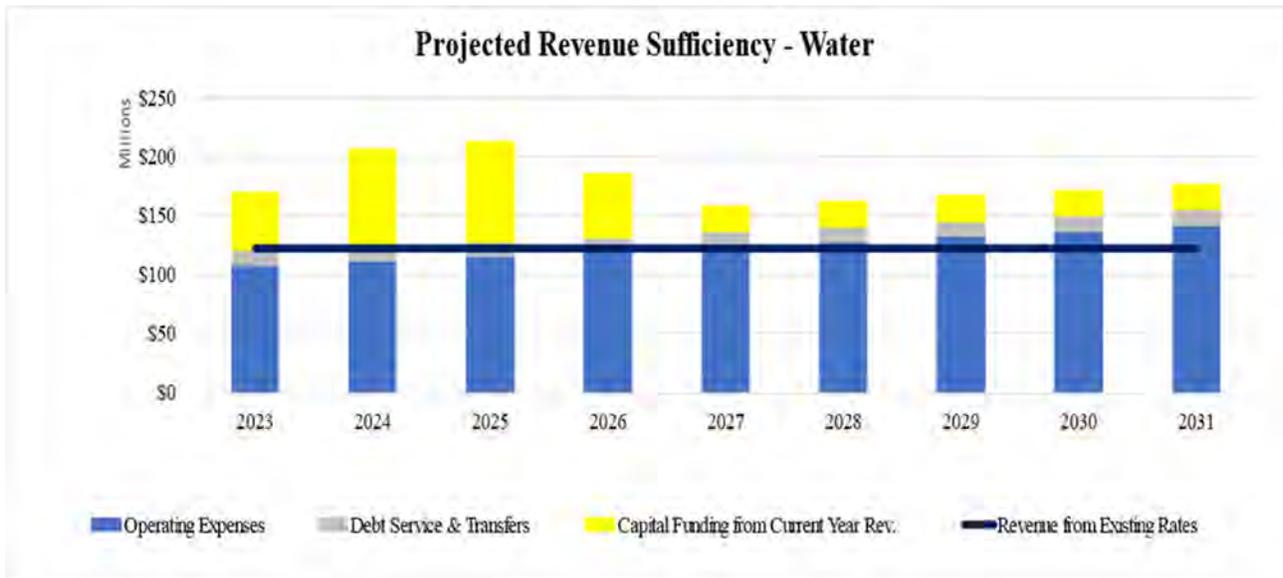
These millages provide the most stable type of revenue. However, this also means that the utility cannot increase revenues through rate adjustments, and thus is limited by the revenue these millages generate. The anticipated revenue for the drainage utility is \$68 million.

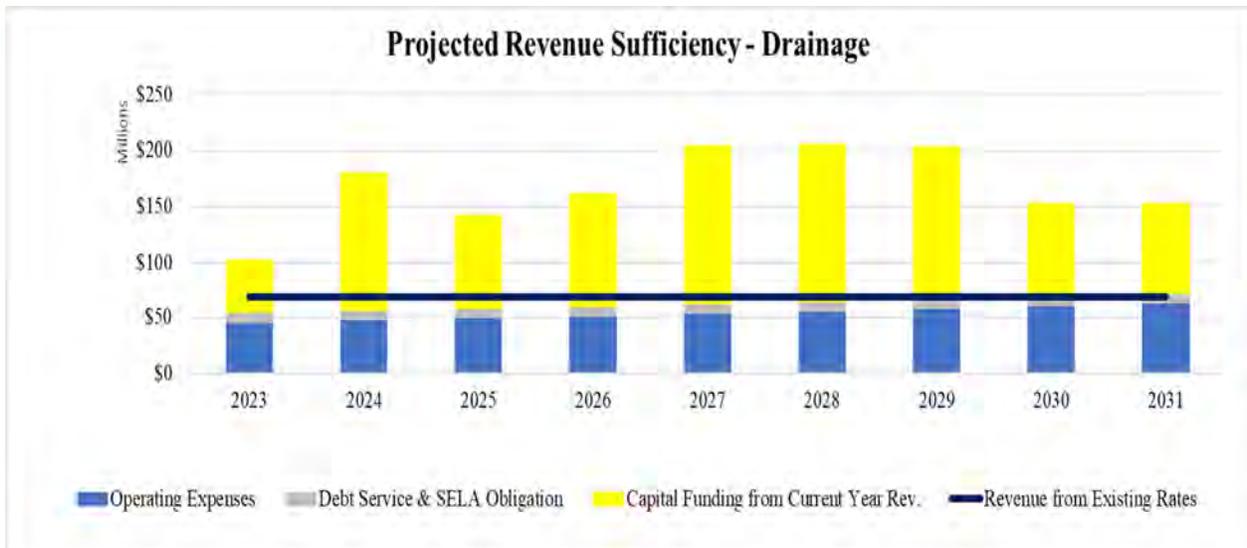


## SYSTEM REVENUE SUFFICIENCY

As shown in the graphic below, growing operating costs and continued reinvestment in the SWBNO's capital infrastructure will continue to push total utility costs higher through 2031.

Without additional revenues, the existing rates will not be sufficient to fully recover system costs in future years and additional rate increases will be required. SWBNO is currently performing both a rate study and an affordability study to ensure that rates for 2023 and thereafter are sufficient to fully recover system costs and do so equitably and affordably. The magnitude of the future rate increases is unknown at this time, but SWBNO will explore all revenue options to keep rates as affordable as possible while maintaining clean, safe, and reliable water, sewer, and drainage services.





## DEBT MANAGEMENT

SWBNO regularly issues debt to support its Capital Improvement Program. In 2021, SWBNO closed on a \$275 million WIFIA loan that allows the utility to better serve the people of New Orleans by meeting the remaining obligations of the Consent Decree and protecting the environment. EPA estimates SWBNO will save \$100 million in financing costs over the life of the WIFIA loan versus traditional bond financing.

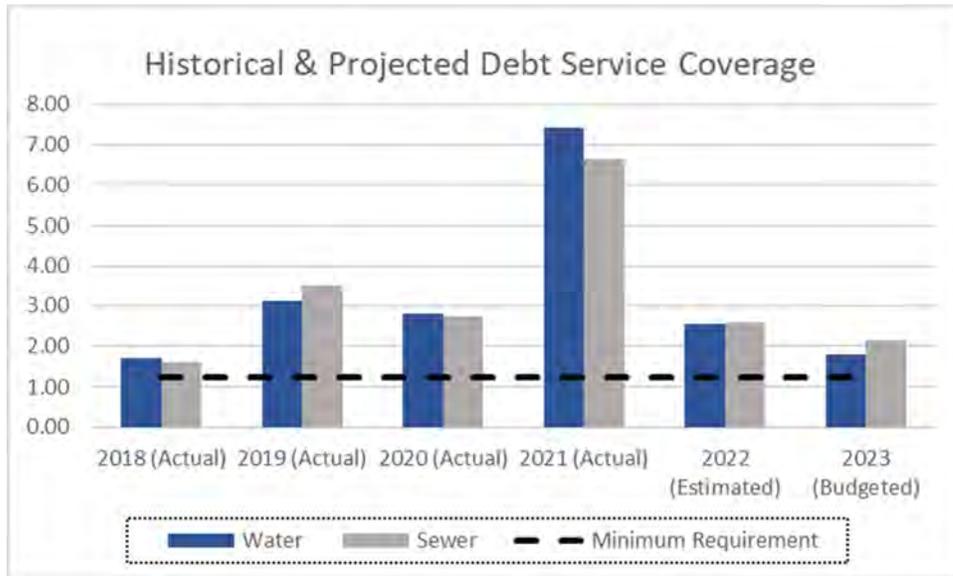
## BOND RATING AND DEBT SERVICE COVERAGE

The bond rating on the senior lien debt from Standard and Poor (S&P) and Fitch are shown below.

SWBNO Ratings	S&P	Fitch
Sewer	A	BBB+
Water	A-	BBB+
Drainage	AA-	A

One of the most important financial metrics to SWBNO is Debt Service Coverage, which demonstrates the Board’s ability to meet its annual debt obligations. The calculation for Debt Service Coverage is established in the General Bond Resolutions related to the debt issuances

and is calculated by dividing Funds Available for Debt Service (Adjusted Revenues less Net Operating Expenses) by annual debt service payments. SWBNO is legally required to maintain Debt Service Coverage of 125% with respect to Senior Debt and 110% of aggregate Senior and Subordinate Debt. As shown, historically SWBNO has maintained a strong Debt Service Coverage ratio and is projected to do the same in 2023. Strong levels of Debt Service Coverage are seen favorably by rating agencies and help SWBNO save money on long-term interest costs.



**Estimated Fiscal Year 2022 Coverage as of 12/31/2022:**

Revenues for Debt Service Coverage:		
Total Operating Revenues	\$ 120,866,286	\$ 156,168,338
Total Non-Operating Revenues	\$ 1,960,600	\$ 811,400
<b>Total Revenues for Debt Service Coverage</b>	<b>\$ 122,826,886</b>	<b>\$ 156,979,738</b>
Expenses for Debt Service Coverage:		
Operating & Maintenance Expenses	\$ 92,944,542	\$ 97,640,280
Allowance for Doubtful Accounts	\$ 6,900,000	\$ 10,200,000
<b>Total Expenses for Debt Service Coverage</b>	<b>\$ 99,844,542</b>	<b>\$ 107,840,280</b>
<b>Net Revenues Available for Debt Service</b>	<b>\$ 22,982,344</b>	<b>\$ 49,139,458</b>
<b>Debt Service</b>	<b>\$ 12,740,989</b>	<b>\$ 22,921,376</b>
<b>Debt Service Coverage (1.25x Required)</b>	<b>1.80</b>	<b>2.14</b>

As of December 31, 2022, SWBNO's outstanding debt service totaled \$1.2 billion, not including SELA. The outstanding debt service for each system is shown in the table below:

<b>System</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>Sewer</b>	\$ 604,188,540.00	\$ 244,206,120.00	\$ <b>848,394,660.00</b>
<b>Water</b>	\$ 216,065,000.00	\$ 77,281,939.00	\$ <b>293,346,939.00</b>
<b>Drainage</b>	\$ 45,000,000.00	\$ 5,538,555.00	\$ <b>50,538,555.00</b>
<b>Total</b>	\$ <b>865,253,540.00</b>	\$ <b>327,026,614.00</b>	\$ <b>1,192,280,154.00</b>

## SEWER DEBT SERVICE

	Series 2011 (DEQ)			Series 2014			Series 2015		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	451,000	44,755	495,755	3,920,000	384,500	4,304,500	2,000,000	485,500	2,485,500
12/31/2024	456,000	40,470	496,470	3,760,000	192,500	3,952,500	2,000,000	385,500	2,385,500
12/31/2025	460,000	36,138	496,138	1,970,000	49,250	2,019,250	2,125,000	282,375	2,407,375
12/31/2026	464,000	31,768	495,768	-	-	-	2,235,000	173,375	2,408,375
12/31/2027	469,000	27,360	496,360	-	-	-	2,350,000	58,750	2,408,750
12/31/2028	473,000	22,905	495,905	-	-	-	-	-	-
12/31/2029	478,000	18,411	496,411	-	-	-	-	-	-
12/31/2030	482,000	13,870	495,870	-	-	-	-	-	-
12/31/2031	487,000	9,291	496,291	-	-	-	-	-	-
12/31/2032	491,000	4,665	495,665	-	-	-	-	-	-
12/31/2033	-	-	-	-	-	-	-	-	-
12/31/2034	-	-	-	-	-	-	-	-	-
12/31/2035	-	-	-	-	-	-	-	-	-
12/31/2036	-	-	-	-	-	-	-	-	-
12/31/2037	-	-	-	-	-	-	-	-	-
12/31/2038	-	-	-	-	-	-	-	-	-
12/31/2039	-	-	-	-	-	-	-	-	-
12/31/2040	-	-	-	-	-	-	-	-	-
12/31/2041	-	-	-	-	-	-	-	-	-
12/31/2042	-	-	-	-	-	-	-	-	-
12/31/2043	-	-	-	-	-	-	-	-	-
12/31/2044	-	-	-	-	-	-	-	-	-
12/31/2045	-	-	-	-	-	-	-	-	-
12/31/2046	-	-	-	-	-	-	-	-	-
12/31/2047	-	-	-	-	-	-	-	-	-
12/31/2048	-	-	-	-	-	-	-	-	-
12/31/2049	-	-	-	-	-	-	-	-	-
12/31/2050	-	-	-	-	-	-	-	-	-
12/31/2051	-	-	-	-	-	-	-	-	-
12/31/2052	-	-	-	-	-	-	-	-	-
12/31/2053	-	-	-	-	-	-	-	-	-
12/31/2054	-	-	-	-	-	-	-	-	-
12/31/2055	-	-	-	-	-	-	-	-	-
12/31/2056	-	-	-	-	-	-	-	-	-
12/31/2057	-	-	-	-	-	-	-	-	-
	4,711,000	249,632	4,960,632	9,650,000	626,250	10,276,250	10,710,000	1,385,500	12,095,500

**SEWER DEBT SERVICE (CONT.)**

	Series 2019 (DEQ)			Series 2020A			Series 2020B		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	461,000	88,478	549,478	3,130,000	103,800	3,233,800	-	2,949,900	2,949,900
12/31/2024	465,000	84,080	549,080	3,195,000	56,363	3,251,363	-	2,949,900	2,949,900
12/31/2025	470,000	79,639	549,639	2,160,000	16,200	2,176,200	-	2,949,900	2,949,900
12/31/2026	474,000	75,155	549,155	-	-	-	2,000,000	2,899,900	4,899,900
12/31/2027	478,000	70,633	548,633	-	-	-	2,580,000	2,785,400	5,365,400
12/31/2028	483,000	66,068	549,068	-	-	-	2,590,000	2,656,150	5,246,150
12/31/2029	488,000	61,456	549,456	-	-	-	2,600,000	2,526,400	5,126,400
12/31/2030	492,000	56,801	548,801	-	-	-	2,610,000	2,396,150	5,006,150
12/31/2031	497,000	52,103	549,103	-	-	-	2,620,000	2,265,400	4,885,400
12/31/2032	502,000	47,358	549,358	-	-	-	2,635,000	2,134,025	4,769,025
12/31/2033	506,000	42,570	548,570	-	-	-	2,645,000	2,002,025	4,647,025
12/31/2034	511,000	37,739	548,739	-	-	-	2,660,000	1,869,400	4,529,400
12/31/2035	516,000	32,861	548,861	-	-	-	2,660,000	1,749,700	4,409,700
12/31/2036	521,000	27,935	548,935	-	-	-	2,650,000	1,643,500	4,293,500
12/31/2037	526,000	22,962	548,962	-	-	-	2,635,000	1,537,800	4,172,800
12/31/2038	531,000	17,941	548,941	-	-	-	2,620,000	1,432,700	4,052,700
12/31/2039	536,000	12,873	548,873	-	-	-	2,605,000	1,328,200	3,933,200
12/31/2040	541,000	7,757	548,757	-	-	-	2,590,000	1,224,300	3,814,300
12/31/2041	546,000	2,594	548,594	-	-	-	2,585,000	1,107,875	3,692,875
12/31/2042	-	-	-	-	-	-	2,600,000	978,250	3,578,250
12/31/2043	-	-	-	-	-	-	2,610,000	848,000	3,458,000
12/31/2044	-	-	-	-	-	-	2,620,000	717,250	3,337,250
12/31/2045	-	-	-	-	-	-	2,635,000	585,875	3,220,875
12/31/2046	-	-	-	-	-	-	2,630,000	467,400	3,097,400
12/31/2047	-	-	-	-	-	-	2,615,000	362,500	2,977,500
12/31/2048	-	-	-	-	-	-	2,600,000	258,200	2,858,200
12/31/2049	-	-	-	-	-	-	2,585,000	154,500	2,739,500
12/31/2050	-	-	-	-	-	-	2,570,000	51,400	2,621,400
12/31/2051	-	-	-	-	-	-			
12/31/2052	-	-	-	-	-	-			
12/31/2053	-	-	-	-	-	-			
12/31/2054	-	-	-	-	-	-			
12/31/2055	-	-	-	-	-	-			
12/31/2056	-	-	-	-	-	-			
12/31/2057	-	-	-	-	-	-			
	9,544,000	886,996	10,430,996	8,485,000	176,363	8,661,363	64,750,000	44,832,000	109,582,000

**SEWER DEBT SEVICE (CONT.)**

	Series 2021			WFIA (EPA)			Series 2022 (DEQ)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	2,345,000	4,112,008	6,457,008	-	1,327,420	1,327,420		99,788	99,788
12/31/2024	2,355,000	4,100,207	6,455,207	-	3,762,792	3,762,792	507,000	108,846	615,846
12/31/2025	2,375,000	4,083,677	6,458,677	-	4,741,771	4,741,771	512,000	104,006	616,006
12/31/2026	4,425,000	4,052,886	8,477,886	-	5,087,500	5,087,500	517,000	99,118	616,118
12/31/2027	4,470,000	4,004,669	8,474,669	-	5,087,500	5,087,500	522,000	94,183	616,183
12/31/2028	6,955,000	3,928,650	10,883,650	-	5,087,500	5,087,500	527,000	89,200	616,200
12/31/2029	7,065,000	3,821,683	10,886,683	-	5,087,500	5,087,500	532,000	84,170	616,170
12/31/2030	7,185,000	3,699,373	10,884,373	-	5,087,500	5,087,500	536,000	79,097	615,097
12/31/2031	7,325,000	3,565,774	10,890,774	2,365,000	5,087,500	7,452,500	542,000	73,977	615,977
12/31/2032	7,465,000	3,422,202	10,887,202	4,427,500	5,043,748	9,471,248	547,000	68,804	615,804
12/31/2033	8,120,000	3,262,993	11,382,993	4,510,000	4,961,839	9,471,839	552,000	63,584	615,584
12/31/2034	8,290,000	3,087,282	11,377,282	4,592,500	4,878,404	9,470,904	557,000	58,316	615,316
12/31/2035	8,480,000	2,901,446	11,381,446	4,702,500	4,793,443	9,495,943	563,000	52,996	615,996
12/31/2036	8,675,000	2,707,056	11,382,056	4,785,000	4,706,446	9,491,446	568,000	47,624	615,624
12/31/2037	8,900,000	2,481,348	11,381,348	4,895,000	4,617,924	9,512,924	573,000	42,204	615,204
12/31/2038	9,150,000	2,225,128	11,375,128	5,005,000	4,527,366	9,532,366	579,000	36,732	615,732
12/31/2039	9,415,000	1,961,598	11,376,598	5,115,000	4,434,774	9,549,774	584,000	31,208	615,208
12/31/2040	9,685,000	1,690,474	11,375,474	5,225,000	4,340,146	9,565,146	590,000	25,631	615,631
12/31/2041	9,965,000	1,411,542	11,376,542	5,197,500	4,243,484	9,440,984	595,000	20,002	615,002
12/31/2042	10,260,000	1,119,318	11,379,318	5,692,500	4,147,330	9,839,830	601,000	14,321	615,321
12/31/2043	10,565,000	813,295	11,378,295	5,692,500	4,042,019	9,734,519	606,000	5,733	611,733
12/31/2044	10,880,000	498,161	11,378,161	5,720,000	3,936,708	9,656,708			-
12/31/2045	11,510,000	169,139	11,679,139	5,170,000	3,830,888	9,000,888			-
12/31/2046	-	-	-	16,527,500	3,735,243	20,262,743			-
12/31/2047	-	-	-	16,582,500	3,429,484	20,011,984			-
12/31/2048	-	-	-	16,610,000	3,122,708	19,732,708			-
12/31/2049	-	-	-	16,692,500	2,815,423	19,507,923			-
12/31/2050	-	-	-	16,747,500	2,506,611	19,254,111			-
12/31/2051	-	-	-	19,222,500	2,196,783	21,419,283			-
12/31/2052	-	-	-	19,250,000	1,841,166	21,091,166			-
12/31/2053	-	-	-	19,305,000	1,485,041	20,790,041			-
12/31/2054	-	-	-	19,360,000	1,127,899	20,487,899			-
12/31/2055	-	-	-	19,415,000	769,739	20,184,739			-
12/31/2056	-	-	-	14,795,000	410,561	15,205,561			-
12/31/2057	-	-	-	7,397,500	136,854	7,534,354			-
	175,860,000	63,119,910	238,979,910	275,000,000	126,439,010	401,439,010	11,110,000	1,299,538	12,409,538

**SEWER DEBT SERVICE (CONT.)**

	Senior Bonds			GoZone			Total Sewer System Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	12,307,000	9,596,149	21,903,149	3,037,178	604,161	3,641,339	15,344,178	10,200,311	25,544,488
12/31/2024	12,738,000	11,680,658	24,418,658	3,178,103	463,236	3,641,339	15,916,103	12,143,894	28,059,997
12/31/2025	10,072,000	12,342,955	22,414,955	6,651,134	473,659	7,124,792	16,723,134	12,816,614	29,539,747
12/31/2026	10,115,000	12,419,702	22,534,702	6,959,746	322,932	7,282,678	17,074,746	12,742,634	29,817,380
12/31/2027	10,869,000	12,128,494	22,997,494	3,231,640	739,318	3,970,958	14,100,640	12,867,813	26,968,453
12/31/2028	11,028,000	11,850,472	22,878,472	3,231,640	739,318	3,970,958	14,259,640	12,589,791	26,849,431
12/31/2029	11,163,000	11,599,620	22,762,620	3,231,640	739,318	3,970,958	14,394,640	12,338,938	26,733,578
12/31/2030	11,305,000	11,332,791	22,637,791	3,231,640	739,318	3,970,958	14,536,640	12,072,109	26,608,749
12/31/2031	13,836,000	11,054,044	24,890,044	1,615,820	369,659	1,985,479	15,451,820	11,423,703	26,875,523
12/31/2032	16,067,500	10,720,800	26,788,300	-	-	-	16,067,500	10,720,800	26,788,300
12/31/2033	16,333,000	10,333,010	26,666,010	-	-	-	16,333,000	10,333,010	26,666,010
12/31/2034	16,610,500	9,931,140	26,541,640	-	-	-	16,610,500	9,931,140	26,541,640
12/31/2035	16,921,500	9,530,445	26,451,945	-	-	-	16,921,500	9,530,445	26,451,945
12/31/2036	17,199,000	9,132,560	26,331,560	-	-	-	17,199,000	9,132,560	26,331,560
12/31/2037	17,529,000	8,702,237	26,231,237	-	-	-	17,529,000	8,702,237	26,231,237
12/31/2038	17,885,000	8,239,867	26,124,867	-	-	-	17,885,000	8,239,867	26,124,867
12/31/2039	18,255,000	7,768,652	26,023,652	-	-	-	18,255,000	7,768,652	26,023,652
12/31/2040	18,631,000	7,288,308	25,919,308	-	-	-	18,631,000	7,288,308	25,919,308
12/31/2041	18,888,500	6,785,497	25,673,997	-	-	-	18,888,500	6,785,497	25,673,997
12/31/2042	19,153,500	6,259,219	25,412,719	-	-	-	19,153,500	6,259,219	25,412,719
12/31/2043	19,473,500	5,709,047	25,182,547	-	-	-	19,473,500	5,709,047	25,182,547
12/31/2044	19,220,000	5,152,118	24,372,118	-	-	-	19,220,000	5,152,118	24,372,118
12/31/2045	19,315,000	4,585,902	23,900,902	-	-	-	19,315,000	4,585,902	23,900,902
12/31/2046	19,157,500	4,202,643	23,360,143	-	-	-	19,157,500	4,202,643	23,360,143
12/31/2047	19,197,500	3,791,984	22,989,484	-	-	-	19,197,500	3,791,984	22,989,484
12/31/2048	19,210,000	3,380,908	22,590,908	-	-	-	19,210,000	3,380,908	22,590,908
12/31/2049	19,277,500	2,969,923	22,247,423	-	-	-	19,277,500	2,969,923	22,247,423
12/31/2050	19,317,500	2,558,011	21,875,511	-	-	-	19,317,500	2,558,011	21,875,511
12/31/2051	19,222,500	2,196,783	21,419,283	-	-	-	19,222,500	2,196,783	21,419,283
12/31/2052	19,250,000	1,841,166	21,091,166	-	-	-	19,250,000	1,841,166	21,091,166
12/31/2053	19,305,000	1,485,041	20,790,041	-	-	-	19,305,000	1,485,041	20,790,041
12/31/2054	19,360,000	1,127,899	20,487,899	-	-	-	19,360,000	1,127,899	20,487,899
12/31/2055	19,415,000	769,739	20,184,739	-	-	-	19,415,000	769,739	20,184,739
12/31/2056	14,795,000	410,561	15,205,561	-	-	-	14,795,000	410,561	15,205,561
12/31/2057	7,397,500	136,854	7,534,354	-	-	-	7,397,500	136,854	7,534,354
	<b>569,820,000</b>	<b>239,015,198</b>	<b>808,835,198</b>	<b>34,368,540</b>	<b>5,190,921</b>	<b>39,559,461</b>	<b>604,188,540</b>	<b>244,206,120</b>	<b>848,394,660</b>

## WATER DEBT SERVICE

	Series 2014			Series 2015		
	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	2,230,000	481,000	2,711,000	2,155,000	732,250	2,887,250
12/31/2024	2,345,000	369,500	2,714,500	2,260,000	624,500	2,884,500
12/31/2025	2,460,000	252,250	2,712,250	2,375,000	511,500	2,886,500
12/31/2026	2,585,000	129,250	2,714,250	2,490,000	392,750	2,882,750
12/31/2027	-	-	-	2,615,000	268,250	2,883,250
12/31/2028	-	-	-	2,750,000	137,500	2,887,500
12/31/2029	-	-	-	-	-	-
12/31/2030	-	-	-	-	-	-
12/31/2031	-	-	-	-	-	-
12/31/2032	-	-	-	-	-	-
12/31/2033	-	-	-	-	-	-
12/31/2034	-	-	-	-	-	-
12/31/2035	-	-	-	-	-	-
12/31/2036	-	-	-	-	-	-
12/31/2037	-	-	-	-	-	-
12/31/2038	-	-	-	-	-	-
12/31/2039	-	-	-	-	-	-
12/31/2040	-	-	-	-	-	-
12/31/2041	-	-	-	-	-	-
12/31/2042	-	-	-	-	-	-
12/31/2043	-	-	-	-	-	-
12/31/2044	-	-	-	-	-	-
12/31/2045	-	-	-	-	-	-
12/31/2046	-	-	-	-	-	-
12/31/2047	-	-	-	-	-	-
12/31/2048	-	-	-	-	-	-
12/31/2049	-	-	-	-	-	-
12/31/2050	-	-	-	-	-	-
	9,620,000	1,232,000	10,852,000	14,645,000	2,666,750	17,311,750

**WATER DEBT SERVICE (CONT.)**

	Series 2021			Senior Bonds		
	Principal	Interest	Total	Principal	Interest	Total
12/31/2023	2,515,000	4,627,739	7,142,739	6,900,000	5,840,989	12,740,989
12/31/2024	2,525,000	4,616,045	7,141,045	7,130,000	5,610,045	12,740,045
12/31/2025	2,540,000	4,599,910	7,139,910	7,375,000	5,363,660	12,738,660
12/31/2026	2,565,000	4,578,117	7,143,117	7,640,000	5,100,117	12,740,117
12/31/2027	5,300,000	4,552,261	9,852,261	7,915,000	4,820,511	12,735,511
12/31/2028	5,370,000	4,485,534	9,855,534	8,120,000	4,623,034	12,743,034
12/31/2029	8,330,000	4,407,186	12,737,186	8,330,000	4,407,186	12,737,186
12/31/2030	8,475,000	4,266,332	12,741,332	8,475,000	4,266,332	12,741,332
12/31/2031	8,630,000	4,110,301	12,740,301	8,630,000	4,110,301	12,740,301
12/31/2032	8,800,000	3,942,793	12,742,793	8,800,000	3,942,793	12,742,793
12/31/2033	8,980,000	3,763,185	12,743,185	8,980,000	3,763,185	12,743,185
12/31/2034	9,170,000	3,570,923	12,740,923	9,170,000	3,570,923	12,740,923
12/31/2035	9,375,000	3,365,423	12,740,423	9,375,000	3,365,423	12,740,423
12/31/2036	9,590,000	3,150,642	12,740,642	9,590,000	3,150,642	12,740,642
12/31/2037	9,810,000	2,926,140	12,736,140	9,810,000	2,926,140	12,736,140
12/31/2038	10,095,000	2,642,729	12,737,729	10,095,000	2,642,729	12,737,729
12/31/2039	10,380,000	2,351,085	12,731,085	10,380,000	2,351,085	12,731,085
12/31/2040	10,675,000	2,051,207	12,726,207	10,675,000	2,051,207	12,726,207
12/31/2041	10,990,000	1,742,806	12,732,806	10,990,000	1,742,806	12,732,806
12/31/2042	11,305,000	1,425,305	12,730,305	11,305,000	1,425,305	12,730,305
12/31/2043	11,645,000	1,087,398	12,732,398	11,645,000	1,087,398	12,732,398
12/31/2044	11,995,000	739,329	12,734,329	11,995,000	739,329	12,734,329
12/31/2045	12,740,000	380,799	13,120,799	12,740,000	380,799	13,120,799
12/31/2046	-	-	-	-	-	-
12/31/2047	-	-	-	-	-	-
12/31/2048	-	-	-	-	-	-
12/31/2049	-	-	-	-	-	-
12/31/2050	-	-	-	-	-	-
	<b>191,800,000</b>	<b>73,383,189</b>	<b>265,183,189</b>	<b>216,065,000</b>	<b>77,281,939</b>	<b>293,346,939</b>

## DRAINAGE DEBT SERVICE

	Series 2022		
	Principal	Interest	Total
12/31/2023	8,310,000	1,778,850	10,088,850
12/31/2024	8,640,000	1,474,938	10,114,938
12/31/2025	8,985,000	1,127,610	10,112,610
12/31/2026	9,345,000	766,413	10,111,413
12/31/2027	9,720,000	390,744	10,110,744
12/31/2028			-
12/31/2029	-	-	-
12/31/2030	-	-	-
12/31/2031	-	-	-
12/31/2032	-	-	-
12/31/2033	-	-	-
12/31/2034	-	-	-
12/31/2035	-	-	-
12/31/2036	-	-	-
12/31/2037	-	-	-
12/31/2038	-	-	-
12/31/2039	-	-	-
12/31/2040	-	-	-
12/31/2041	-	-	-
12/31/2042	-	-	-
12/31/2043	-	-	-
12/31/2044	-	-	-
12/31/2045	-	-	-
12/31/2046	-	-	-
12/31/2047	-	-	-
12/31/2048	-	-	-
12/31/2049	-	-	-
12/31/2050	-	-	-
	45,000,000	5,538,555	50,538,555

### Southeast Louisiana Project

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

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

**Projected Debt Service Requirements as of 12/31/2022:**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>2023</b>	\$ 1,971,460	\$ 3,555,100	\$ 5,526,560
<b>2024</b>	\$ 2,045,390	\$ 3,481,170	\$ 5,526,560
<b>2025</b>	\$ 2,122,092	\$ 3,404,468	\$ 5,526,560
<b>2026-20230</b>	\$ 11,865,523	\$ 15,767,277	\$ 27,632,800
<b>2031-2035</b>	\$ 14,263,543	\$ 13,369,257	\$ 27,632,800
<b>2036-2040</b>	\$ 17,146,202	\$ 10,486,598	\$ 27,632,800
<b>2041-2045</b>	\$ 20,611,446	\$ 7,021,354	\$ 27,632,800
<b>2046-2050</b>	\$ 24,777,015	\$ 2,855,785	\$ 27,632,800
	\$ 94,802,670	\$ 59,941,010	\$ 154,743,680
	\$ 122,426,310	Florida basin projected - completion expected in 2028 at earliest	
	<b>\$ 217,228,980</b>	Southeast Louisiana Project Liability	

## **CAPITAL PROGRAM BUDGET**

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

Due to limited access to capital resources, SWBNO establishes annual capital budgets by prioritizing all capital projects and determining which projects can and should be funded each year. Most capital projects included in the 2023 Capital Budget are categorized as either “critical,” “urgent,” or “necessary.”

SWBNO has many financial needs in terms of capital improvements. SWBNO has identified needed asset and infrastructure investment that includes \$2 billion over the next 10 years. As a municipal entity, SWBNO does not have access to equity markets, so all projects must be funded through debt issuances, grants, or cash generated from user charges. Debt issuances are an attractive means for raising capital due to the ability to spread payments over many years at a low cost, limiting the impact on SWBNO ratepayers. However, due to the size of SWBNO’s current debt load, debt issuances must be managed pragmatically to avoid over-leveraging the system. Therefore, the entire program of capital needs cannot be funded in 2023.

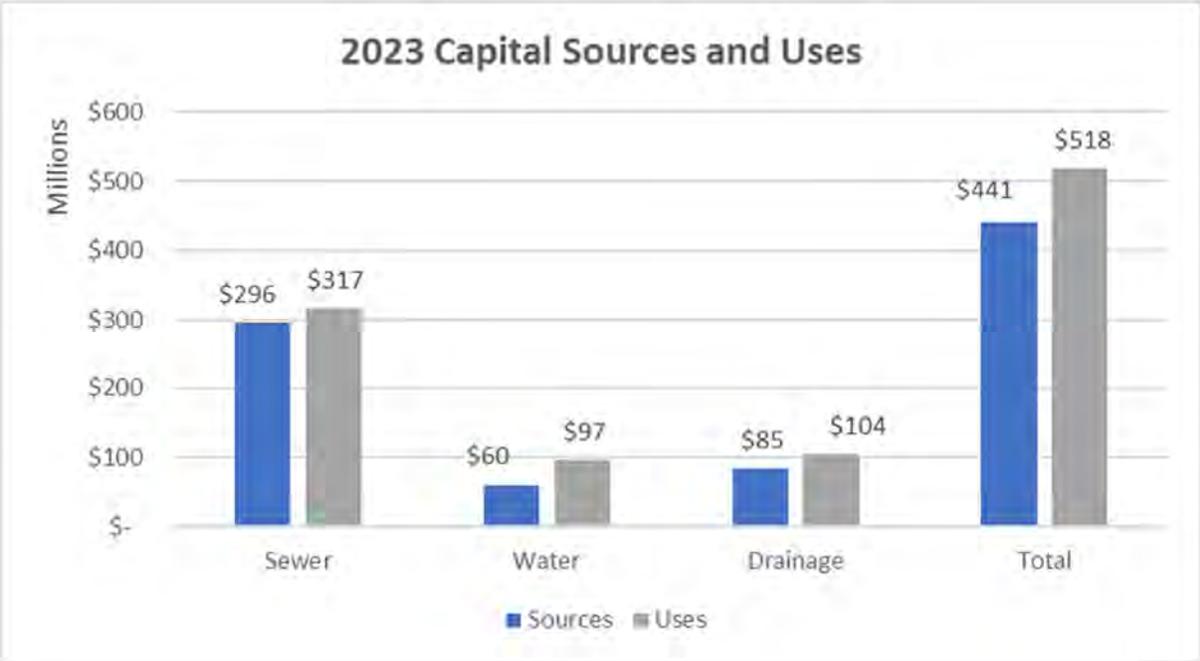


The 2023 Capital Budget includes \$518 million in capital expenditures and provides for the following activities:

- Continue the Joint Infrastructure Recovery Request (JIRR) Programs in conjunction with the City of New Orleans DPW.
- Comply with regulatory requirements under the Sewer Consent Decree.
- Rehabilitate and upgrade facilities at the Carrollton Water Plant.
- Participate in drainage system improvements in coordination with SELA Program.
- Continue the Automated Meter Infrastructure project.

Financing sources for the 2023 Capital Budget include: existing sewer bonds, Water Infrastructure Finance and Innovation Act loan, Safe Drinking Water and Clean Water loans from the EPA, grants from FEMA and the Corp of Engineers, and SWBNO cash financing or pay-go.

SWBNO recognizes the vital importance of continuing infrastructure repair and replacement and has updated its long-range capital forecast to address the priority needs of the system. The 10-year Capital Improvement Plan (CIP) is updated annually and contains approximately \$2.4 billion of projects.



## Capital Improvement Budget Program

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
1	Water	Facilities	Operations	Frank Fromherz	Repair/Replacement of New River Intake Fender System	110-00	New River Intake Facility	SWB	\$ 6,000,000
2	Water	Facilities	Operations	Eric Mancuso	Facility maintenance repairs to water purification plants	110-01	CWP	SWB	\$ 1,500,000
3	Water	Facilities	Operations	Chad Lavoie	Carrollton Water Plant G and L Basin Monorake Improvements	110-27	CWP	SWB	\$ 1,000,000
4	Water	Facilities	Operations	Chad Lavoie	Potable Water Quality Sampling Stations	110-29	CWP	SWB	\$ 165,000
5	Water	Facilities	Operations	Chad Lavoie	Water Quality Laboratory Improvements	110-56	CWP	SWB	\$ 200,000
6	Water	Facilities	Operations	Daniel Avalos	Claiborne and Panola Pumping Stations Stormproofing	110-59	CWP	SWB	\$ 500,000
7	Water	Facilities	Operations	Chris Bergeron	AWP Filter Gallery Rehabilitation - 1385	110-60	CWP	SWB	\$ 600,000
8	Water	Facilities	Operations	James Vincent	Purchase of Two New Motors and Variable Frequency Drives for High Lift Pumps A and B at CWP (Contract 6268)	110-61	CWP	SWB	\$ 500,000
9	Water	Facilities	Operations	David Hingle	Modifications to Michoud Water Tower	110-62	Michoud	SWB	\$ 200,000
10	Water	Facilities	Operations	Steven Giang	Sludge to the river from CWP	110-63	CWP	SWB	\$ 100,000
11	Water	Facilities	Operations	Chris Bergeron	Repairs and improvements to New River Intake Station	112-05	New River Intake Facility	SWB	\$ 500,000
12	Water	Facilities	Operations	Ryan Battaglia	Dredging of River Station	112-08	New River Intake Facility	SWB	\$ 250,000
13	Water	Facilities	Operations	Chris Bergeron	Upgrades to Algiers River Station #2	112-09	Algiers	SWB	\$ 100,000
14	Water	Facilities	Operations	Frank Fromherz	Rehab of filters at Claiborne filter gallery	122-01	CWP	SWB	\$ -
15	Water	Facilities	Operations	Thomas Moore	Rehab of filters at Sycamore Filter gallery	122-03	CWP	SWB/Fair Share	\$ 3,500,000
16	Water	Facilities	Operations	Frank Fromherz	Replace G & L Basin Effluent Piping	122-04	CWP	SWB	\$ -
17	Water	Facilities	Operations	Chad Lavoie	Carrollton and Algiers Water Plant Lime System Improvements	135-01	CWP	SWB	\$ 300,000
18	Water	Facilities	Operations	Chris Bergeron	Construction of a new Bulk Chemical Feed and Storage Facility (Contract 1391)	135-08	CWP	SWB, WSC, Fair Share	\$ 5,000,000
19	Water	Facilities	Operations	Chris Bergeron	Various improvements to facilities at CWP Water Treatment Plant	135-09	CWP	SWB	\$ 250,000
20	Water	Facilities	Operations	Chris Bergeron	Ground Storage Tanks Structural Repairs and Static Mixing Upgrades	156-00	CWP	SWB	\$ 1,000,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
21	Water	Facilities	Operations	Chris Bergeron	Assessment and Replacement of Sedimentation Basins at CWP	156-02	CWP	SWB	\$ 250,000
22	Water	Facilities	Operations	Frank Fromherz	Various improvements to facilities at the Algiers Water Treatment Plant	157-02	Algiers	SWB	\$ 750,000
23	Water	Facilities	Operations	Chris Bergeron	Water Hammer Hazard Mitigation Program Contingency (Contracts 1376 and 1377)	175-01	CWP	FEMA	\$ 5,000,000
24	Water	Normal Extensions	Operations	Mark Van Hala	Replacement of water distribution system on East Bank FEMA (FEMA PW#21031) Used as WIFIA Match	175-13	Citywide	FEMA	\$ 19,997,329
25	Water	Normal Extensions	Operations	Mark Van Hala	JIRR Replacement of Identified ADA Ramps (FEMA PW #21031) Used as WIFIA Match	175-14	Citywide	FEMA	\$ 1,101,141
26	Water	Normal Extensions	Operations	Mark Van Hala	Additional JIRR Water Line Replacements Required for Street Reconstruction - Used as WIFIA Match	176-00	Citywide	SWB	\$ -
27	Water	Normal Extensions	Operations	Mark Van Hala	FEMA JIRR Water Program - Incidentals Associated with City Projects - Used as WIFIA Match	176-01	Citywide	SWB	\$ 1,390,498
28	Water	Normal Extensions	Operations	Ashraf Abdelbaqi	Normal Extensions and Replacements of Water Mains Citywide	214-00	Citywide	SWB	\$ 3,000,000
29	Water	Normal Extensions	Operations	Ashraf Abdelbaqi	Water Service Line/Metering Installation Force Accts	214-01	Citywide	SWB	\$ 500,000
30	Water	Normal Extensions	Operations	Ashraf Abdelbaqi	Lead Water Service Line Replacement Program	214-04	Citywide	SWB	\$ 500,000
31	Water	Normal Extensions	Operations	Ashraf Abdelbaqi	Water Main and Major Valve Replacements	216-04	Citywide	SWB	\$ 3,000,000
32	Water	Normal Extensions	Operations	Steven Giang	Normal Extensions and Replacements of Water Mains Citywide and Max Pave 2019 (DPW)	239-01	Citywide	SWB	\$ 8,000,000
33	Water	Normal Extensions	Operations	Steven Giang	12" WM Replacement - Algiers Forbay	239-02	Citywide	WSP	\$ 2,500,000
34	Water	Normal Extensions	Operations	Steven Giang	Extension of Water Mains Citywide	239-03	Citywide	SWB	\$ 300,000
35	Sewerage	Normal Extensions	Operations	Mark Van Hala	Replace Sewer System Associated with JIRR Projects, Consent Decree - SSERP - WIFIA	317-04	Citywide	WIFIA	\$ 27,593,819
36	Sewerage	Normal Extensions	Operations	Mark Van Hala	FEMA Sewer Program - ESSA - Used as WIFIA Match	317-05	Citywide	FEMA	\$ 4,294,452
37	Sewerage	Normal Extensions	Operations	Mark Van Hala	WIFIA Sewer Program - JIRR Waves 3&4	317-06	Citywide	WIFIA	\$ 8,550,643
38	Sewerage	Normal Extensions	Operations	Steven Giang	Sanitary Sewer Program - SSERP Repairs	317-08	Citywide	WIFIA	\$ 140,000,000
39	Sewerage	Normal Extensions	Operations	Steven Giang	Sanitary Sewer Program - ESSA Repairs	317-09	Citywide	WIFIA / DPW	\$ 20,000,000
40	Sewerage	Normal Extensions	Operations	Steven Giang	Sewer Rehabilitation Program	317-10	Citywide	WIFIA	\$ 15,000,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
41	Sewerage	Normal Extensions	Operations	Ashraf Abdelbaqi	Rehabilitation of gravity sewers via point repairs, full line replacement, CIPP lining and pavement restoration	318-02	Citywide	SWB	\$ 3,000,000
42	Sewerage	Normal Extensions	Operations	Ashraf Abdelbaqi	Manhole-to-manhole sanitary sewer main replacement at various locations throughout Orleans Parish	318-03	Citywide	SWB	\$ 3,000,000
43	Sewerage	Normal Extensions	Operations	Ashraf Abdelbaqi	New Sewer House Connections	318-04	Citywide	SWB	\$ 750,000
44	Sewerage	Normal Extensions	Operations	Steven Giang	Normal Extensions and Replacements of Sewer Mains Citywide (DPW projects)	319-00	Citywide	SWB	\$ 500,000
45	Sewerage	Normal Extensions	Operations	Steven Giang	Sewer Program Management	319-01	Citywide	WIFIA	\$ 7,500,000
46	Sewerage	Facilities	Operations	Chris Bergeron	Misc. Repairs, Upgrades, and Replacements at Various Sewage Pumping Stations	326-00	City-wide	SWB	\$ 1,500,000
47	Sewerage	Facilities	Operations	Chris Bergeron	Generators and Portable Pumps for Sewer Pumping Stations	326-01	City-wide	FEMA	\$ 6,000,000
48	Sewerage	Facilities	Operations	Daniel Avalos	Station A repairs	326-03	Uptown	SWB	\$ 400,000
49	Sewerage	Normal Extensions	Operations	Frank Fromherz	Repair Force Main Supports over DPS 3 Forebay	326-05	Citywide	SWB	\$ 750,000
50	Sewerage	Normal Extensions	Operations	Steven Giang	Normal Extension and Replacement of Sewer Mains Citywide and Max Pave 2019 (DPW)	339-01	Citywide	SWB/WIFIA	\$ 4,000,000
51	Sewerage	Facilities	Operations	Felicia Bergeron	Phase 1 Improvements Project	348-01	EBSTP	LDEQ	\$ 24,000,000
52	Sewerage	Facilities	Operations	Felicia Bergeron	Sludge Handling Improvements	348-02	EBSTP	SWB	\$ 1,200,000
53	Sewerage	Facilities	Operations	Felicia Bergeron	Electrical / Control Improvements	348-03	EBSTP	SWB	\$ 2,000,000
54	Sewerage	Facilities	Operations	Felicia Bergeron	Program Management of Capital Program Projects	348-04	EBSTP	SWB	\$ 500,000
55	Sewerage	Facilities	Operations	Felicia Bergeron	Replacement of Head Works equipment	348-05	EBSTP	SWB	\$ -
56	Sewerage	Facilities	Operations	Felicia Bergeron	Clarifier Steelwork and Drive Replacement	348-06	EBSTP	SWB	\$ -
57	Sewerage	Facilities	Operations	Felicia Bergeron	Addition of Effluent Pump #6	348-07	EBSTP	SWB	\$ -
58	Sewerage	Facilities	Operations	Felicia Bergeron	Biosolids Incineration and Air Emission Controls Project	348-08	EBSTP	SWB	\$ 200,000
59	Sewerage	Facilities	Operations	Felicia Bergeron	Hazard Mitigation	348-09	EBSTP	FEMA/SWB	\$ -
60	Sewerage	Facilities	Operations	Felicia Bergeron	Emergency Hurricane Ida Repairs	348-10	EBSTP	FEMA/SWB	\$ 2,000,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
61	Sewerage	Facilities	Operations	Felicia Bergeron	WBWWTP Improvements and Westbank Collection System	381-01	WBSTP	LDEQ	\$ 15,000,000
62	Sewerage	Normal Extensions	Operations	Ashraf Abdelbaqi	Paving of sewer lines	382-00	Citywide	SWB	\$ 1,000,000
63	Drainage	Normal Extensions	Operations	David Cappel	Rehabilitation of Underground Drainage Canals	418-00	Citywide	SWB	\$ 500,000
64	Drainage	Normal Extensions	Operations	Steven Giang	Normal Extension and Replacements drain lines 36" and greater	439-00	Citywide	SWB	\$ 2,000,000
65	Drainage	Normal Extensions	Operations	Mark Van Hala	Replace/Upgrade Drainage System Associated with JIRR FEMA Projects (FEMA PW #21031)	439-01	Citywide	SWB	\$ 920,000
66	Drainage	SELA	Operations	Steven Giang	SELA Projects Estimated 30-Year Payback	471-00	Citywide	SWB	\$ 5,600,000
67	Drainage	SELA	Operations	Steven Giang	SELA Program Management	471-01	Citywide	SWB	\$ 2,400,000
68	Drainage	Legal	Chief Administrative Officer	Jason Higginbotham	SELA Claims Management Services - Investigative and Claims (Algiers/Florida)	471-02	Citywide	SWB	\$ 750,000
69	Drainage	Legal	Special Counsel	Yolanda Grinstead	SELA Claims Management Service	471-03	Citywide	SWB	\$ -
70	Drainage	SELA	Operations	Steven Giang	SELA- Florida Phase IV	471-04	Citywide	SWB	\$ 1,500,000
71	Drainage	SELA	Operations	Steven Giang	SELA- Algiers Program	471-05	Citywide	SWB	\$ 1,500,000
72	Drainage	SELA	Operations	Steven Giang	SELA- 25% SWB Participation Inclusive of 5% Cash Requirement	471-06	Citywide	SWB	\$ 2,500,000
73	Drainage	SELA	Operations	Steven Giang	SELA Orleans/London Basin Design	471-07	Citywide	SWB	\$ 100,000
74	Drainage	SELA	Special Counsel	Yolanda Grinstead	Florida Avenue Canal - DPS # 19 to Peoples (SELA)	497-00	Citywide	SWB	\$ 750,000
75	Drainage	Legal	Special Counsel	Yolanda Grinstead	SELA Litigation Costs	498-00	Citywide	SWB	\$ 1,000,000
76	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 1 and 2	511-01	Citywide	SWB	\$ 500,000
77	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 3 and 4	511-02	Citywide	SWB	\$ 500,000
78	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 5 and 19	511-03	Citywide	SWB	\$ 500,000
79	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 6 and 12	511-04	Citywide	SWB	\$ 500,000
80	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 11 and 13	511-05	Citywide	SWB	\$ 500,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
81	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to DPS 7	511-06	Citywide	SWB	\$ 500,000
82	Drainage	Facilities	Operations	Chris Bergeron	Capital Upgrades to Various Drainage Stations - N.O. East	511-09	Citywide	SWB	\$ 2,285,000
83	Drainage	Facilities	Operations	Celso Antunez	Electrical Improvements at various facilities	511-17	DPS 6	SWB	\$ 750,000
84	Drainage	Facilities	Operations	Ryan Battaglia	Station D Crane Rail Support	511-51	Citywide	SWB	\$ 800,000
85	Drainage	Facilities	Operations	Chris Bergeron	DPS Screen Cleaner Replacements	511-55	Citywide	SWB	\$ 1,500,000
86	Drainage	Power	Operations	Celso Antunez	Rewind of Constant Duty Pump Motor at Drainage Pumping Stations 2 and 7	511-56	Citywide	SWB	\$ 750,000
87	Drainage	Facilities	Operations	Chris Bergeron	Backup generators at Drainage Pump Stations (in conjunction with USACE)	576-00	Citywide	USACE (100%)	\$ -
88	Drainage	Facilities	Operations	Ann Wilson	Green Infrastructure Project	580-00	Citywide	SWB	\$ -
89	Drainage	Facilities	Operations	Ann Wilson	Sampling Infrastructure	581-00	Citywide	SWB	\$ 200,000
90	Combo	Power	Operations	Frank Fromherz	Construction of CWP West Substation/Demo of C7 C8 Basins	610-02	CWP	SWB	\$ -
91	Combo	Facilities	Operations	Eric Mancuso	Boiler/Steam System Upgrades	613-00	CWP	SWB	\$ 100,000
92	Combo	Facilities	Operations	Celso Antunez	Construction of HMGP Projects - 1370A; Modifications/Upgrades of EMD's	676-05	CWP	FEMA	\$ -
93	Combo	Facilities	Operations	Chris Bergeron	HMGP Upgrades to Turbine 6 and Contract 1368 Construction	676-06	CWP	HMGP	\$ -
94	Combo	Power	Operations	Chris Bergeron	Purchase and Installation of Static Frequency Changer (SFC) 1, 2, and 3	676-16	CWP	SWB/FEMA and City Bond	\$ 5,300,000
95	Combo	Power	Operations	Chris Bergeron	Transformer 3 Modifications and SFC Install/Electrical Connection	676-17	CWP	SWB/Fair Share/HUD/Capital Outlay	\$ 24,100,000
96	Combo	Power	Operations	Celso Antunez	Replacement/Upgrade of Electrical Feeder Distribution System	677-01	Citywide	SWB	\$ 2,000,000
97	Combo	Power	Operations	Ron Spooner	Power Plant Cooling Water Improvements	677-02	CWP	SWB	\$ 250,000
98	Combo	Power	Operations	Joe Ladek	Westbank Power Facility Improvements	677-03	Westbank	SWB	\$ 250,000
99	Combo	Power	Operations	Thomas Moore	Turbine 5 Repairs	677-04	CWP	SWB	\$ 1,000,000
100	Combo	Power	Operations	Chris Bergeron	Purchase and Installation of Gas Turbine - Generator 7	677-05	CWP	SWB/HUD/Fair Share	\$ 13,600,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
101	Combo	Power	Operations	Celso Antunez	25Hz Switchgear for Drainage System	677-07	CWP	SWB	\$ 250,000
102	Combo	Power	Operations	Celso Antunez	Electrical Upgrades to Sewerage, Water and Drainage Facilities	677-08	Citywide	SWB	\$ 1,500,000
103	Combo	Power	Operations	Ron Spooner	HMGP Program Management	677-09	Citywide	SWB	\$ 200,000
104	Combo	Power	Operations	Chris Bergeron	Steam Turbine Repairs and Modifications	677-10	Citywide	SWB	\$ 500,000
105	Combo	Facilities	Operations	Chris Bergeron	Resiliency Complex, Infill Building, Headhouse Renovation and Engineering Building Hardening	807-00	CWP	SWB	\$ 150,000
106	Combo	Facilities	Operations	Ron Spooner	Boilers: Elevator Replacement	807-01	CWP	SWB	\$ 400,000
107	Combo	Facilities	Operations	Ryan Battaglia	Engineering Building Hardening	807-02	CWP	SWB	\$ 250,000
108	Combo	Facilities	Operations	Daniel Avalos	General Facility Upgrades	807-03	Citywide	SWB	\$ 1,000,000
109	Combo	Facilities	Operations	David Cappel	Central Yard - Various Upgrades to Facilities	807-13	Central Yard	SWB	\$ 300,000
110	Combo	Facilities	Operations	David Cappel	Central Yard Fuel Island Upgrades	807-17	Central Yard	SWB	\$ 1,000,000
111	Combo	Facilities	Operations	Ryan Battaglia	St. Joseph Building Upgrades	807-23	St Joseph St	SWB	\$ 1,500,000
112	Combo	Facilities	Chief Administrative Officer	Jason Higginbotham	Installation of security cameras and access cards	808-01	Citywide	SWB	\$ 300,000
113	Combo	Facilities	Operations	Ron Spooner	Installation of Backup generators at other SWBNO facilities	808-02	St Joe/ Central Yard	SWB	\$ 500,000
114	Combo	Equipment	Operations	David Cappel	Vehicle replacement (large trucks, cranes, etc.)	810-01	Citywide	SWB	\$ 1,000,000
115	Combo	Equipment	Operations	David Cappel	Heavy construction equipment replacement such as excavators, backhoes, cranes, front end loaders, etc.	810-02	Citywide	SWB	\$ 3,000,000
116	Combo	Equipment	Chief Administrative Officer	Jason Higginbotham	Guard Booths	810-03	Citywide	SWB	\$ 95,000
117	Combo	Equipment	Operations	David Cappel	Equipment for Michoud Dumping Site	810-04	Citywide	SWB	\$ 400,000
118	Combo	Equipment	Chief Administrative Officer	Jason Higginbotham	Notification and Safety Info Sign	810-05	Citywide	SWB	\$ -
119	Combo	Facilities	Operations	Kaitlin Tymrak	Radio Tower Improvements	810-06	CWP	SWB	\$ -
120	Combo	Power	Operations	Eric Mancuso	Replacement or Additional Critical Equipment for Maintenance Shops	811-01	CWP	SWB	\$ 500,000

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
121	Combo	Software	Chief Administrative Officer	Melinda Nelson	New Development-IT contractors	812-03	Citywide	SWB	\$ 2,000,000
122	Combo	Software	Chief Administrative Officer	Melinda Nelson	Financial Software Implementation	812-06	Citywide	SWB	\$ 2,640,000
123	Combo	Software	Chief Administrative Officer	Melinda Nelson	Miscellaneous Software Projects	812-07	Citywide	SWB	\$ 105,000
124	Combo	Software	Chief Administrative Officer	Melinda Nelson	Asset Management System	812-08	Citywide	SWB	\$ 2,500,000
125	Combo	Software	Chief Administrative Officer	Melinda Nelson	Verint Software Implementation	812-09	Citywide	SWB	\$ 225,000
126	Combo	Software	Chief Administrative Officer	Melinda Nelson	Procore Software for PDU and JIRR	812-10	Citywide	SWB	\$ 100,000
127	Combo	Other	Chief Financial Officer	LaTressia Matthews	Capital Budget Overhead	820-00	Citywide	SWB	\$ 22,200,000
128	Combo	Equipment	Operations	Eric Mancuso	Purchase of Water Meters	823-00	CWP	SWB	\$ 300,000
129	Combo	Equipment	Operations	David Cappel	Furnishing brass water service fittings, meter boxes, and meter box parts	824-00	Central Yard	SWB	\$ 2,000,000
130	Combo	Equipment	Operations	Rebecca Johnsey	Automated Meter Infrastructure	825-00	Citywide	SWB/Fair Share	\$ 20,577,820
131	Combo	Other	Operations	Kaitlin Tymrak	West Power Complex	826-01	Citywide	SWB/Capital Outlay/Fair Share/FEMA	\$ 12,250,000
132	Combo	Other	Operations	Chris Bergeron	Power Master Plan	826-02	Citywide	SWB	\$ -
133	Combo	Software	Chief Administrative Officer	Melinda Nelson	SCADA Projects	843-00	Citywide	SWB	\$ 353,050
134	Combo	Equipment	Operations	David Cappel	Vehicle replacement (small and medium trucks, cars, etc.)	843-01	Citywide	SWB	\$ 1,500,000
135	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Mainframe Infrastructure: Data Center Printer	843-03	Citywide	SWB	\$ 50,000
136	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Servers, Storage, etc.	843-04	Citywide	SWB	\$ 665,000
137	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Duplicate Data Center at Carrollton	843-05	Citywide	SWB	\$ 530,000
138	Combo	Equipment	Operations	David Cappel	Miscellaneous Equipment	843-06	Citywide	SWB	\$ 300,000
139	Combo	Equipment	Chief Administrative Officer	Jason Higginbotham	Hardware for the Alert Us emergency system	843-08	Citywide	SWB	\$ 75,000
140	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Central Control Recording Device	843-15	Citywide	SWB	\$ -

Line #	SYSTEM	CATEGORY	DIVISION	PROJECT MANAGER	PROJECT DESCRIPTION	CP#	LOCATION	FUND SOURCE	2023
141	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Network Infrastructure	843-20	Citywide	SWB	\$ 610,000
142	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	PC's and peripherals	843-24	Citywide	SWB	\$ 186,000
143	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	West Power Complex IT Equipment	843-25	Citywide	SWB	\$ 40,000
144	Combo	Hardware	Chief Administrative Officer	Melinda Nelson	Audio Visual Projects	843-26	Citywide	SWB	\$ 87,500
145	Combo	Software	Operations	Joseph Watkins	Upgrade and Expansion of City-Wide SCADA Systems	843-27	Citywide	SWB	\$ 250,000
146	Drainage	Facilities	Operations	Rebecca Johnsey	Drainage SCADA improvements	843-28	Citywide	SWB/NDR Grant	\$ 1,400,000
147	Combo	Normal Extensions	Operations	David Cappel	Purchase of Fire Hydrants	862-00	Citywide	SWB	\$ 1,800,000
								<b>Total</b>	<b>\$517,687,252</b>

## CAPITAL BUDGET SOURCES AND USES BY SYSTEM

Sources	Sewer	Water	Drainage	Total
WIFIA Program	\$ 221,444,462	\$ -	\$ -	\$ 221,444,462
State Revolving Loan Fund (proposed)	\$ 39,000,000	\$ -	\$ -	\$ 39,000,000
FEMA Grant - JIRR	\$ 4,294,452	\$ 21,098,470	\$ -	\$ 25,392,922
FEMA Grants - Other	\$ 7,000,000	\$ 7,000,000	\$ -	\$ 14,000,000
Fair Share Funding	\$ -	\$ 6,833,333	\$ 16,599,152	\$ 23,432,485
Other Capital Project Funds	\$ 10,288,910	\$ 10,288,910	\$ -	\$ 20,577,820
West Power Complex - (Capital Outlay, HUD CDBG, FEMA HMGP, Drainage Tax Bond, Fair Share Funding)	\$ -	\$ -	\$ 52,476,307	\$ 52,476,307
Other Grant	\$ -	\$ -	\$ 1,166,000	\$ 1,166,000
Pay-Go Cash Financing	\$ 14,446,875	\$ 14,446,875	\$ 14,446,875	\$ 43,340,624
<b>Total Sources</b>	<b>\$ 296,474,699</b>	<b>\$ 59,667,588</b>	<b>\$ 84,688,334</b>	<b>\$ 440,830,621</b>

Uses	Sewer	Water	Drainage	Total
WIFIA Program	\$ (221,444,462)	\$ -	\$ -	\$ (221,444,462)
Wastewater Treatment Plants	\$ (39,000,000)	\$ -	\$ -	\$ (39,000,000)
FEMA - JIRR	\$ (4,294,452)	\$ (21,098,470)	\$ -	\$ (25,392,922)
FEMA Grants - Other	\$ (7,000,000)	\$ (7,000,000)	\$ -	\$ (14,000,000)
Bulk Chemical Storage and Filter Gallery Projects	\$ -	\$ (6,833,333)	\$ -	\$ (6,833,333)
Smart Metering	\$ (10,288,910)	\$ (10,288,910)	\$ -	\$ (20,577,820)
West Power Complex	\$ -	\$ -	\$ (52,476,307)	\$ (52,476,307)
Drainage SCADA Improvements	\$ -	\$ -	\$ (1,166,000)	\$ (1,166,000)
All Other Capital Projects <sup>2</sup>	\$ (34,540,703)	\$ (51,742,338)	\$ (50,513,366)	\$ (136,796,407)
<b>Total Uses</b>	<b>\$ (316,568,527)</b>	<b>\$ (96,963,051)</b>	<b>\$ (104,155,673)</b>	<b>\$ (517,687,252)</b>



## OPERATING AND MAINTENANCE EXPENDITURES BY SYSTEM

### EXPENDITURES

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

- Water System
- Sewer System
- Drainage System

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

## 2023 TOTAL OPERATING AND MAINTENANCE BUDGET BY DEPARTMENT AND SYSTEM DETAIL

Code	Department	Water	Sewerage	Drainage	Total
<b>I. <u>Executive Director</u></b>					
0010	Executive Director	\$ 393,194	\$ 655,323	\$ 262,129	\$ 1,310,646
0250	Board Relations	\$ 79,975	\$ 79,975	\$ 39,988	\$ 199,938
0260	Records Management	\$ -	\$ -	\$ -	\$ -
0082	Internal Audit	\$ 158,250	\$ 158,250	\$ 79,125	\$ 395,625
0012	Continuous Improvement	\$ -	\$ -	\$ -	\$ -
	<b>Total Executive Director</b>	\$ 631,419	\$ 893,548	\$ 381,242	\$ 1,906,209
<b>II. <u>Special Counsel</u></b>					
0020	Legal Department	\$ 1,004,439	\$ 1,674,065	\$ 669,626	\$ 3,348,130
0022	Customer Review Officer	\$ 100,000	\$ 100,000	\$ -	\$ 200,000
0966	Drainage Damage Claims	\$ -	\$ -	\$ 300,000	\$ 300,000
0967	Water Damage Claims	\$ 300,000	\$ -	\$ -	\$ 300,000
0968	Sewerage Damage Claims	\$ -	\$ 300,000	\$ -	\$ 300,000
	<b>Total Special Counsel</b>	\$ 1,404,439	\$ 2,074,065	\$ 969,626	\$ 4,448,130
<b>III. <u>Communications</u></b>					
0013	Communications	\$ 265,910	\$ 265,910	\$ 132,955	\$ 664,775
0030	Community Relations	\$ -	\$ -	\$ -	\$ -
	<b>Total Communications</b>	\$ 265,910	\$ 265,910	\$ 132,955	\$ 664,775
<b>IV. <u>Chief Customer Service</u></b>					
0019	Chief Customer Service Officer	\$ 89,088	\$ 89,088	\$ 44,544	\$ 222,719
	<b>Total Chief Customer Service Officer</b>	\$ 89,088	\$ 89,088	\$ 44,544	\$ 222,719
<b><u>Revenue</u></b>					
0500	Revenue & Customer Service Admin.	\$ 353,835	\$ 353,835	\$ -	\$ 707,670
0501	Customer Relations	\$ 27,038	\$ 27,038	\$ -	\$ 54,076
0902	Water Service Assistance Program	\$ 147,500	\$ 147,500	\$ -	\$ 295,000
0502	Revenue Administration - Mailroom	\$ 518,389	\$ 518,389	\$ -	\$ 1,036,777
0503	Customer Accounts Review	\$ 66,252	\$ 66,252	\$ -	\$ 132,503
	<b>Total Revenue</b>	\$ 1,113,013	\$ 1,113,013	\$ -	\$ 2,226,026
<b><u>Billing &amp; Accounts</u></b>					
0506	Sanitation	\$ 103,247	\$ 103,247	\$ -	\$ 206,494
0510	Billings	\$ 24,984	\$ 24,984	\$ -	\$ 49,967
0511	Billing Review & Commercial Accts	\$ 502,496	\$ 502,496	\$ -	\$ 1,004,991
0512	Bill Adjustments	\$ 374,730	\$ 374,730	\$ -	\$ 749,459
0519	Credits & Collections	\$ 993,267	\$ 993,267	\$ -	\$ 1,986,533
	<b>Total Billing &amp; Accounts</b>	\$ 1,998,722	\$ 1,998,722	\$ -	\$ 3,997,444

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
<b>Customer Service</b>					
0520	Cashier	\$ 467,252	\$ 467,252	\$ -	\$ 934,503
0530	Customer Service Administration	\$ 37,556	\$ 37,556	\$ -	\$ 75,112
0531	Customer Service -Walk Ins	\$ 571,578	\$ 571,578	\$ -	\$ 1,143,156
0532	Customer Service - Westbank Office	\$ 41,281	\$ 41,281	\$ -	\$ 82,562
0533	Customer Service Telephone	\$ 790,686	\$ 790,686	\$ -	\$ 1,581,372
0534	Customer Service-Mail Resolving	\$ 171,756	\$ 171,756	\$ -	\$ 343,512
0535	Emergency Telephone Center	\$ 127,765	\$ 127,765	\$ 63,883	\$ 319,413
0536	Service Request Contract Center	\$ 83,392	\$ 83,392	\$ 41,696	\$ 208,480
	<b>Total Customer Service</b>	\$ 2,291,266	\$ 2,291,266	\$ 105,579	\$ 4,688,110
<b>Meter Service</b>					
0540	Meter Reading & Investigations	\$ 3,243,381	\$ 3,243,381	\$ -	\$ 6,486,762
	<b>Total Meter Service</b>	\$ 3,243,381	\$ 3,243,381	\$ -	\$ 6,486,762
<b>Plumbing</b>					
8000	Plumbing	\$ 327,271	\$ 327,271	\$ -	\$ 654,541
8010	Cross Connection Control	\$ 26,761	\$ 26,761	\$ -	\$ 53,521
8100	House Connections	\$ 106,472	\$ 106,472	\$ -	\$ 212,944
8200	Field/Account Review Unit	\$ 47,709	\$ 47,709	\$ -	\$ 95,418
	<b>Total Plumbing</b>	\$ 508,212	\$ 508,212	\$ -	\$ 1,016,424
	<b>Total Chief Customer Service Officer</b>	\$ 9,243,681	\$ 9,243,681	\$ 150,122	\$ 18,637,485
<b>V. Chief Administrative Officer</b>					
<b>Chief Administrative Officer</b>					
0017	Chief Administrative Officer	\$ 99,093	\$ 99,093	\$ 49,546	\$ 247,732
	<b>Total Chief Administrative Officer</b>	\$ 99,093	\$ 99,093	\$ 49,546	\$ 247,732
<b>Real Estate Administrator</b>					
0018	Real Estate Administrator	\$ -	\$ -	\$ -	\$ -
	<b>Total Real Estate Administrator</b>	\$ -	\$ -	\$ -	\$ -
<b>Information Systems</b>					
0405	Information Systems	\$ 37,761	\$ 75,523	\$ 37,761	\$ 151,045
0450	Computer Center	\$ 2,734,558	\$ 5,469,116	\$ 2,734,558	\$ 10,938,232
0460	Records and Data Management	\$ 374	\$ 748	\$ 374	\$ 1,495
	<b>Total Information Systems</b>	\$ 2,772,693	\$ 5,545,386	\$ 2,772,693	\$ 11,090,772
<b>Human Resources</b>					
0200	Human Resource Administration	\$ 24,474	\$ 24,474	\$ 12,237	\$ 61,186
0210	Recruitment & Classifications	\$ 393,027	\$ 393,027	\$ 196,513	\$ 982,567
0220	Medical Operations	\$ 18,000	\$ 18,000	\$ 9,000	\$ 45,000
0230	Training	\$ 570,238	\$ 570,238	\$ 285,119	\$ 1,425,596
0240	Benefits Administration	\$ 213,103	\$ 213,103	\$ 106,551	\$ 532,757
0050	Office of Equal Employment Opportunity	\$ 152,798	\$ 152,798	\$ 76,399	\$ 381,996
	<b>Total Human Resources</b>	\$ 1,371,641	\$ 1,371,641	\$ 685,820	\$ 3,429,102

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
	<b>Human Resources-Payroll Related</b>				
9300	Hospitalization - Board's Contribution	\$ 5,033,986	\$ 5,033,986	\$ 2,516,993	\$ 12,584,965
9350	Employee Life Ins Contributions	\$ 29,261	\$ 29,261	\$ 14,630	\$ 73,152
9500	LUTA (Unemployment Tax)	\$ 1,000	\$ 1,000	\$ 500	\$ 2,500
9999	Terminal Leave	\$ 310,000	\$ 310,000	\$ 155,000	\$ 775,000
	<b>Total Human Resources-Payroll Related</b>	\$ 5,374,247	\$ 5,374,247	\$ 2,687,123	\$ 13,435,617
0011	Security Department	\$ 2,071,192	\$ 2,071,192	\$ 1,035,596	\$ 5,177,980
0055	Office of Emergency Management	\$ 332,256	\$ 332,256	\$ 166,128	\$ 830,641
0081	Office of Risk Management	\$ 406,069	\$ 406,069	\$ 203,035	\$ 1,015,173
0084	Safety Department	\$ 287,512	\$ 287,512	\$ 143,756	\$ 718,780
0944	Fleet Liability	\$ 88,000	\$ 88,000	\$ 44,000	\$ 220,000
0960	General Insurance	\$ 1,880,000	\$ 1,880,000	\$ 940,000	\$ 4,700,000
9550	Worker's Compensation	\$ 88,385	\$ 88,385	\$ 44,193	\$ 220,963
9960	Temporary Total Disability	\$ 1,053,200	\$ 1,053,200	\$ 526,600	\$ 2,633,000
9961	Permanent Partial Disability	\$ 296,200	\$ 296,200	\$ 148,100	\$ 740,500
9962	Permanent Total Disability	\$ 235,000	\$ 235,000	\$ 117,500	\$ 587,500
	<b>Total Security</b>	\$ 6,737,815	\$ 6,737,815	\$ 3,368,907	\$ 16,844,537
0320	Payroll	\$ 251,127	\$ 251,127	\$ 125,564	\$ 627,818
	<b>Total Payroll</b>	\$ 251,127	\$ 251,127	\$ 125,564	\$ 627,818
	<b>Total Chief Administrative Officer</b>	\$ 16,606,615	\$ 19,379,308	\$ 9,689,654	\$ 45,675,578
<b>VI.</b>	<b>General Superintendent/Operations</b>				
1000	General Superintendent	\$ 412,783	\$ 687,972	\$ 275,189	\$ 1,375,943
1100	Business Service/Program Management	\$ 273,557	\$ 455,928	\$ 182,371	\$ 911,856
3000	Chief of Operations	\$ 37,542	\$ 62,570	\$ 25,028	\$ 125,140
3050	Maintenance Engineering	\$ 112,957	\$ 188,262	\$ 75,305	\$ 376,524
3300	Superintendent Sewerage Treatment	\$ -	\$ 18,416,458	\$ -	\$ 18,416,458
	<b>Total Department of Operations</b>	\$ 836,839	\$ 19,811,190	\$ 557,893	\$ 21,205,921
	<b>JIRR</b>				
0015	JIRR	\$ 889,744	\$ 1,482,907	\$ 593,163	\$ 2,965,813
	<b>Total JIRR</b>	\$ 889,744	\$ 1,482,907	\$ 593,163	\$ 2,965,813
	<b>Environmental Compliance</b>				
0070	Environmental Compliance	\$ 561,672	\$ 1,404,179	\$ 842,507	\$ 2,808,358
	<b>Total Environmental Compliance</b>	\$ 561,672	\$ 1,404,179	\$ 842,507	\$ 2,808,358
	<b>Support Services</b>				
0800	Director of Support Services	\$ 124,363	\$ 248,725	\$ 248,725	\$ 621,813
0801	Administration Building - St. Charles	\$ 437,030	\$ 437,030	\$ 218,515	\$ 1,092,574
0805	CDL Training Unit	\$ 229,801	\$ 229,801	\$ 114,900	\$ 574,502
0811	Building Maintenance	\$ 654,773	\$ 654,773	\$ 327,386	\$ 1,636,932
0815	Grounds Maintenance	\$ 1,130,864	\$ 1,130,864	\$ 565,432	\$ 2,827,160
0820	Canal Maintenance & Dredging	\$ -	\$ -	\$ 162,711	\$ 162,711

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
0830	Equipment Mtce. Information Systems	\$ 194,501	\$ 194,501	\$ 97,251	\$ 486,253
0840	Central Yard Garage	\$ 1,484,116	\$ 1,484,116	\$ 742,058	\$ 3,710,289
0841	Satellite Garage	\$ 355,156	\$ 355,156	\$ 177,578	\$ 887,889
0845	Body Shop	\$ 331,890	\$ 331,890	\$ 165,945	\$ 829,724
0850	Warehouse and Grounds	\$ 532,102	\$ 532,102	\$ 266,051	\$ 1,330,255
0852	Hauling	\$ -	\$ -	\$ -	\$ -
	<b>Total Support Services</b>	\$ 5,474,594	\$ 5,598,956	\$ 3,086,552	\$ 14,160,102
	<b>Drainage Pumping</b>				
2100	Superintendent - Drainage Pumping	\$ -	\$ -	\$ 1,329,127	\$ 1,329,127
2200	Central Control	\$ -	\$ -	\$ 1,141,248	\$ 1,141,248
2300	Drainage Pumping Supervisor	\$ -	\$ -	\$ 517,269	\$ 517,269
2301	Unmanned DPS Maintenance	\$ -	\$ -	\$ 399,756	\$ 399,756
2302	DPS Maintenance - Employees	\$ -	\$ -	\$ 234,971	\$ 234,971
2310	Old City	\$ -	\$ -	\$ 4,782,305	\$ 4,782,305
2311	Station #1	\$ -	\$ -	\$ 163,674	\$ 163,674
2312	Station #2	\$ -	\$ -	\$ 16,379	\$ 16,379
2313	Station #3	\$ -	\$ -	\$ 21,384	\$ 21,384
2314	Station #4	\$ -	\$ -	\$ 82,537	\$ 82,537
2315	Station #5	\$ -	\$ -	\$ 24,761	\$ 24,761
2316	Station #6	\$ -	\$ -	\$ 354,532	\$ 354,532
2317	Station #7	\$ -	\$ -	\$ 171,974	\$ 171,974
2319	Station #19	\$ -	\$ -	\$ 301,148	\$ 301,148
2320	Algiers Drainage Operations	\$ -	\$ -	\$ 1,421,263	\$ 1,421,263
2321	Station #11	\$ -	\$ -	\$ 642,495	\$ 642,495
2330	Unmanned Drainage Stations	\$ -	\$ -	\$ 484,523	\$ 484,523
2331	Citrus #10	\$ -	\$ -	\$ 91,829	\$ 91,829
2332	Station #12	\$ -	\$ -	\$ 5,604	\$ 5,604
2333	Grant	\$ -	\$ -	\$ 152,982	\$ 152,982
2334	Jahncke #14	\$ -	\$ -	\$ 154,282	\$ 154,282
2335	Intra-Coastal #15	\$ -	\$ -	\$ 575,858	\$ 575,858
2336	St. Charles #16	\$ -	\$ -	\$ 115,363	\$ 115,363
2337	Elaine	\$ -	\$ -	\$ 24,561	\$ 24,561
2338	Maxent #18	\$ -	\$ -	\$ 30,576	\$ 30,576
2339	Dwyer	\$ -	\$ -	\$ 101,921	\$ 101,921
2340	Carrollton Frequency Changer	\$ -	\$ -	\$ 336,740	\$ 336,740
2341	AMID Drainage Pumping Station	\$ -	\$ -	\$ 58,176	\$ 58,176
2342	I-10 Underpass DPS	\$ -	\$ -	\$ 142,461	\$ 142,461
2343	Pritchard DPS	\$ -	\$ -	\$ 31,988	\$ 31,988
2347	Station D	\$ -	\$ -	\$ 1,429,667	\$ 1,429,667
2348	Underpass Station	\$ -	\$ -	\$ 27,161	\$ 27,161
2350	Permanent Pump Station Operation	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
	<b>Total Drainage Pumping</b>	\$ -	\$ -	\$ 16,868,515	\$ 16,868,515
	<b>Sewerage Pumping</b>				
2400	Sewerage Pumping Supervisor	\$ -	\$ 1,672,425	\$ -	\$ 1,672,425
2401	Sewer PS Maintenance - Employees	\$ -	\$ 227,639	\$ -	\$ 227,639
2411	Station A	\$ -	\$ 1,056,826	\$ -	\$ 1,056,826
2412	Automatic Stations-Algiers	\$ -	\$ 510,144	\$ -	\$ 510,144
2413	Maintenance Sewer Stations-Algiers	\$ -	\$ 21,600	\$ -	\$ 21,600

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
2430	Automatic Stations	\$ -	\$ 1,795,012	\$ -	\$ 1,795,012
	<b>Total Sewerage Pumping</b>	\$ -	\$ 5,283,646	\$ -	\$ 5,283,646
	<b>Water Pumping and Power</b>				
3100	Superintendent	\$ 1,312,628	\$ 2,187,714	\$ 875,086	\$ 4,375,428
3102	Shift Employees N.O. River Intake	\$ 1,298,788	\$ -	\$ -	\$ 1,298,788
3103	Intake Maintenance/N.O. River Station	\$ 112,048	\$ -	\$ -	\$ 112,048
3111	Boiler Operations	\$ 627,928	\$ 627,928	\$ 313,964	\$ 1,569,821
3112	Boiler Room Maintenance Employees	\$ 360,668	\$ 360,668	\$ 180,334	\$ 901,671
3113	Drainage High Pressure Gas	\$ -	\$ -	\$ 2,140,343	\$ 2,140,343
3114	Water High Pressure Gas	\$ 9,445,903	\$ -	\$ -	\$ 9,445,903
3115	Sewer High Pressure Gas	\$ -	\$ 611,527	\$ -	\$ 611,527
3130	Pumping Operations	\$ 1,484,267	\$ -	\$ -	\$ 1,484,267
3131	Water Pumping Maintenance Personnel	\$ 109,043	\$ -	\$ -	\$ 109,043
3135	Steam Turbine Generators	\$ 447,023	\$ 447,023	\$ 223,512	\$ 1,117,558
3136	Gas Turbine Generators	\$ 198,631	\$ 198,631	\$ 99,315	\$ 496,577
3137	Maintenance Employees for Generators	\$ -	\$ 288,055	\$ 288,055	\$ 576,110
3150	Station C	\$ -	\$ 894,580	\$ -	\$ 894,580
3151	Minor Maintenance Employees Station C	\$ -	\$ 525,921	\$ -	\$ 525,921
3152	Materials & Supplies-O&M Algiers Station	\$ 230,433	\$ -	\$ -	\$ 230,433
	<b>Total Water Pumping &amp; Power</b>	\$ 15,627,361	\$ 6,142,048	\$ 4,120,609	\$ 25,890,018
	<b>Purification</b>				
3200	Superintendent-Purification	\$ 425,095	\$ -	\$ -	\$ 425,095
3210	Laboratory	\$ 1,221,456	\$ -	\$ -	\$ 1,221,456
3220	Carrollton (Supervisor)	\$ 275,356	\$ -	\$ -	\$ 275,356
3221	Chemical House	\$ 1,086,553	\$ -	\$ -	\$ 1,086,553
3222	Dorr Unit	\$ 134,556	\$ -	\$ -	\$ 134,556
3223	Maintenance and Relief-MWP	\$ 682,312	\$ -	\$ -	\$ 682,312
3224	Chemicals (New Orleans)	\$ 11,401,000	\$ -	\$ -	\$ 11,401,000
3225	Reservoir Washing-Labor	\$ -	\$ -	\$ -	\$ -
3226	Sycamore Filters	\$ 740,581	\$ -	\$ -	\$ 740,581
3227	Mtce Employees/Sycamore Filters	\$ 897,599	\$ -	\$ -	\$ 897,599
3228	Mtce Employees/Claiborne Filters	\$ 194,583	\$ -	\$ -	\$ 194,583
3229	Claiborne Filters	\$ 467,930	\$ -	\$ -	\$ 467,930
3231	Water Tower	\$ 3,366	\$ -	\$ -	\$ 3,366
3240	Algiers (Supervisor)	\$ 130,237	\$ -	\$ -	\$ 130,237
3241	Maintenance & Relief-AWP	\$ 469,534	\$ -	\$ -	\$ 469,534
3242	Head House	\$ 715,916	\$ -	\$ -	\$ 715,916
3243	Filter #2	\$ 652,228	\$ -	\$ -	\$ 652,228
3244	Chemicals (Algiers)	\$ 1,383,000	\$ -	\$ -	\$ 1,383,000
	<b>Total Purification</b>	\$ 20,881,302	\$ -	\$ -	\$ 20,881,302
	<b>Facility Maintenance</b>				
4000	Chief of Facility Maintenance	\$ 145,569	\$ 242,615	\$ 97,046	\$ 485,229
4100	Electrical Maintenance Superintendent	\$ 503,015	\$ 838,358	\$ 335,343	\$ 1,676,715
4110	Outside System	\$ 300,448	\$ 500,747	\$ 200,299	\$ 1,001,493
4120	In Plant System	\$ 179,105	\$ 298,509	\$ 119,403	\$ 597,017
4130	Communications	\$ 204,682	\$ 341,136	\$ 136,454	\$ 682,272
4260	Plant Maintenance	\$ 956,273	\$ 1,593,789	\$ 637,516	\$ 3,187,578

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
4270	Meter Repairs	\$ 484,405	\$ 484,405	\$ -	\$ 968,810
4300	Mechanical Maintenance Superintendent	\$ 371,426	\$ 619,044	\$ 247,617	\$ 1,238,087
4310	Carrollton	\$ 349,970	\$ 583,283	\$ 233,313	\$ 1,166,566
4320	Field Crews	\$ 251,241	\$ 418,735	\$ 167,494	\$ 837,470
4330	Welding & Fabrication	\$ 347,375	\$ 578,958	\$ 231,583	\$ 1,157,915
4340	Diesel/Emer Pwr Maint- Tech Svc	\$ 112,016	\$ 186,694	\$ 74,678	\$ 373,388
	<b>Total Facility Maintenance</b>	\$ 4,205,524	\$ 6,686,270	\$ 2,480,746	\$ 13,372,540
	<b>Networks</b>				
6000	Chief of Networks	\$ 446,862	\$ 446,862	\$ 223,431	\$ 1,117,154
6001	Zone One	\$ 1,609,309	\$ 1,609,309	\$ 804,654	\$ 4,023,272
6002	Zone Two	\$ 1,602,367	\$ 1,602,367	\$ 801,184	\$ 4,005,918
6003	Zone Three	\$ 1,423,197	\$ 1,423,197	\$ 711,598	\$ 3,557,992
6004	Zone Four	\$ 1,119,636	\$ 1,119,636	\$ 559,818	\$ 2,799,089
6005	Zone Five	\$ 1,266,190	\$ 1,266,190	\$ 633,095	\$ 3,165,475
6006	Zone Six	\$ 1,316,428	\$ 1,316,428	\$ 658,214	\$ 3,291,071
6007	Zone Seven	\$ 890,331	\$ 890,331	\$ 445,165	\$ 2,225,827
6008	Sewer Contracts	\$ -	\$ 1,622,278	\$ -	\$ 1,622,278
6010	Field Service Center	\$ 663,365	\$ 663,365	\$ 331,683	\$ 1,658,413
6430	Leak Detections	\$ 90,000	\$ 90,000	\$ 45,000	\$ 225,000
6460	Valve & Hydrant Maint	\$ 42,707	\$ -	\$ -	\$ 42,707
6470	House Connections	\$ 19,400	\$ -	\$ -	\$ 19,400
6500	Network's Technical Services	\$ 840,456	\$ 840,456	\$ 420,228	\$ 2,101,139
6523	Catch Basin Cleaning	\$ -	\$ -	\$ 711,400	\$ 711,400
6600	OPSB	\$ -	\$ -	\$ -	\$ -
6611	Rigid Paving	\$ 190,000	\$ 190,000	\$ -	\$ 380,000
6612	Asphalt Paving	\$ 50,000	\$ 50,000	\$ -	\$ 100,000
6620	Non-FEMA Water Paving & Point Repair	\$ 5,525,000	\$ -	\$ -	\$ 5,525,000
6621	Non-FEMA Sewer Paving & Point Repair	\$ -	\$ 8,300,000	\$ -	\$ 8,300,000
	<b>Total Networks</b>	\$ 17,095,247	\$ 21,430,418	\$ 6,345,470	\$ 44,871,135
	<b>Engineering</b>				
7000	Chief of Engineering	\$ 136,634	\$ 227,724	\$ 91,090	\$ 455,448
7010	Scada / Hydraulic Engineering	\$ 254,714	\$ 424,523	\$ 169,809	\$ 849,046
7100	Mechanical Engineering	\$ 468,205	\$ 780,342	\$ 312,137	\$ 1,560,684
7200	Electrical Engineering	\$ 228,416	\$ 380,694	\$ 152,277	\$ 761,387
7210	Cathodic Protection	\$ 13,673	\$ 22,788	\$ 9,115	\$ 45,576
7300	Construction & Inspection	\$ 129,790	\$ 216,316	\$ 86,526	\$ 432,632
7310	Engineering Field Inspection	\$ 257,432	\$ 429,053	\$ 171,621	\$ 858,105
7400	Network Engineering	\$ 384,796	\$ 641,327	\$ 256,531	\$ 1,282,654
7500	Civil Engineering	\$ 282,459	\$ 470,766	\$ 188,306	\$ 941,531
7800	Drainage Engineering	\$ -	\$ -	\$ 466,661	\$ 466,661
	<b>Total Engineering</b>	\$ 2,156,119	\$ 3,593,532	\$ 1,904,074	\$ 7,653,724
	<b>Total General Superintendent/Operations</b>	\$ 67,728,401	\$ 71,433,145	\$ 36,799,528	\$ 175,961,074
<b>VII.</b>	<b>Chief Financial Officer</b>				

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
	<b>Chief Financial Officer</b>				
0014	Chief Financial Officer	\$ 347,775	\$ 579,625	\$ 231,850	\$ 1,159,249
0016	Office of Chief Investment Officer	\$ -	\$ -	\$ -	\$ -
0937	Professional Memberships and Dues	\$ 24,000	\$ 40,000	\$ 16,000	\$ 80,000
0984	New Strategic Initiatives	\$ 26,100	\$ 43,500	\$ 17,400	\$ 87,000
9450	Compensation Changes	\$ -	\$ -	\$ -	\$ -
		\$ 397,875	\$ 663,125	\$ 265,250	\$ 1,326,249
	<b>EDBP</b>				
0040	Economically Disadvantaged Business Prog.	\$ 283,811	\$ 283,811	\$ 141,906	\$ 709,528
	<b>Total EDBP</b>	\$ 283,811	\$ 283,811	\$ 141,906	\$ 709,528
	<b>Planning and Budget</b>				
0060	Planning & Budget	\$ 379,837	\$ 379,837	\$ 189,919	\$ 949,593
	<b>Total Planning &amp; Budget</b>	\$ 379,837	\$ 379,837	\$ 189,919	\$ 949,593
	<b>Project Delivery Unit</b>				
0065	Project Delivery Unit	\$ 612,279	\$ 1,020,465	\$ 408,186	\$ 2,040,929
	<b>Project Delivery Unit</b>	\$ 612,279	\$ 1,020,465	\$ 408,186	\$ 2,040,929
	<b>Treasury</b>				
0066	Treasury	\$ -	\$ -	\$ -	\$ -
	<b>Total Treasury</b>	\$ -	\$ -	\$ -	\$ -
	<b>Finance</b>				
0083	Inventory Control	\$ 75,076	\$ 75,076	\$ 37,538	\$ 187,689
0300	Finance Administration	\$ 786,357	\$ 786,357	\$ 393,179	\$ 1,965,893
0340	Customer Accounting	\$ 82,248	\$ 82,248	\$ 41,124	\$ 205,620
0350	Accounting	\$ 500,552	\$ 500,552	\$ 250,276	\$ 1,251,380
0910	Pension Related Expense	\$ -	\$ -	\$ -	\$ -
	<b>Total Finance</b>	\$ 1,444,233	\$ 1,444,233	\$ 722,116	\$ 3,610,582
	<b>Purchasing</b>				
0700	Purchasing	\$ 361,126	\$ 361,126	\$ 180,563	\$ 902,816
0710	Printing	\$ 92,490	\$ 92,490	\$ 46,245	\$ 231,225
0720	Travel	\$ 42,661	\$ 42,661	\$ 21,331	\$ 106,653
	<b>Total Purchasing</b>	\$ 496,278	\$ 496,278	\$ 248,139	\$ 1,240,694
0901	Emergency and Contingency	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,500,000
	<b>Total Emergency and Contingency</b>	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,500,000
	<b>Total Chief Financial Officer</b>	\$ 4,114,312	\$ 4,787,748	\$ 2,475,515	\$ 11,377,575

## 2023 Total Operating and Maintenance Budget by Department and System Detail (cont.)

Code	Department	Water	Sewerage	Drainage	Total
<b>VIII. Overhead Allocation</b>					
0996	Water O/H CP#820	\$ (7,050,236)	\$ -	\$ -	\$ (7,050,236)
0997	Drainage O/H CP#820	\$ -	\$ -	\$ (4,681,818)	\$ (4,681,818)
0998	Sewerage O/H CP#820	\$ -	\$ (10,437,125)	\$ -	\$ (10,437,125)
	<b>Total Overhead</b>	\$ (7,050,236)	\$ (10,437,125)	\$ (4,681,818)	\$ (22,169,179)
	<b>Total Operating and Maintenance</b>	\$ 92,944,542	\$ 97,640,280	\$ 45,916,824	\$ 236,501,647
<b>IX. Other Operating Expenses</b>					
5001	Drainage Non-Cash Expense	\$ -	\$ -	\$ 35,531,001	\$ 35,531,001
5002	Water Non-Cash Expense	\$ 22,468,073	\$ -	\$ -	\$ 22,468,073
5003	Sewerage Non-Cash Expense	\$ -	\$ 42,611,748	\$ -	\$ 42,611,748
	<b>Total Depreciation &amp; Allowance Expenses (Non-Cash)</b>	\$ 22,468,073	\$ 42,611,748	\$ 35,531,001	\$ 100,610,822
9100	OPEB Liability (non-cash)	\$ 7,333,333	\$ 7,333,333	\$ 7,333,333	\$ 22,000,000
	<b>Total OPEB Liability (non-cash)</b>	\$ 7,333,333	\$ 7,333,333	\$ 7,333,333	\$ 22,000,000
	<b>Total Other Non-Cash Expenses</b>	\$ 29,801,406	\$ 49,945,081	\$ 42,864,334	\$ 122,610,822
<b>Non Operating Expenses</b>					
	Drainage Interest			\$ 5,325,100	
	Water Interest	\$ 5,840,989			
	Sewer Intetrest		\$ 8,773,102		
	<b>Total Non Operating Expenses</b>	\$ 5,840,989	\$ 8,773,102	\$ 5,325,100	
<b>Total 2023 Operating Expenses</b>		\$128,586,938	\$156,358,464	\$94,106,259	\$379,051,660

## WATER FUND

Water System revenue is comprised of three main categories:

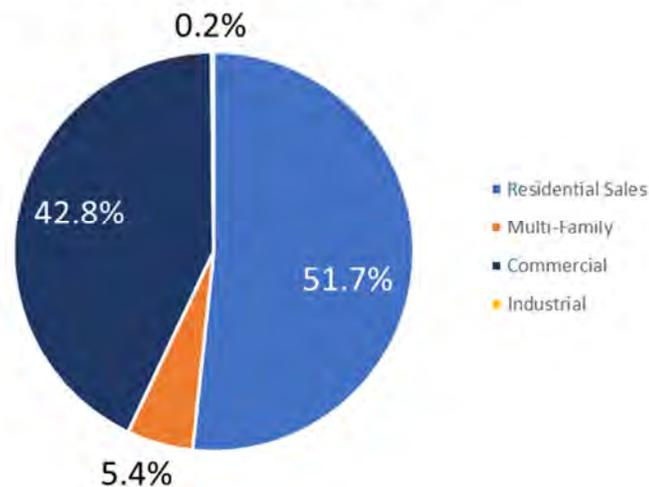
- Water Sales (User Charges)
- Other Operating Revenue
- Non-Operating Revenue.

Revenue to fund water operations is largely from user charge revenue, or water sales. In fact, water sales revenue was 98% of the total water revenue in both the 2022 and 2023 budgets.. Other operating and non-operating account for approximately \$2.5 million in revenue in addition to water sales.

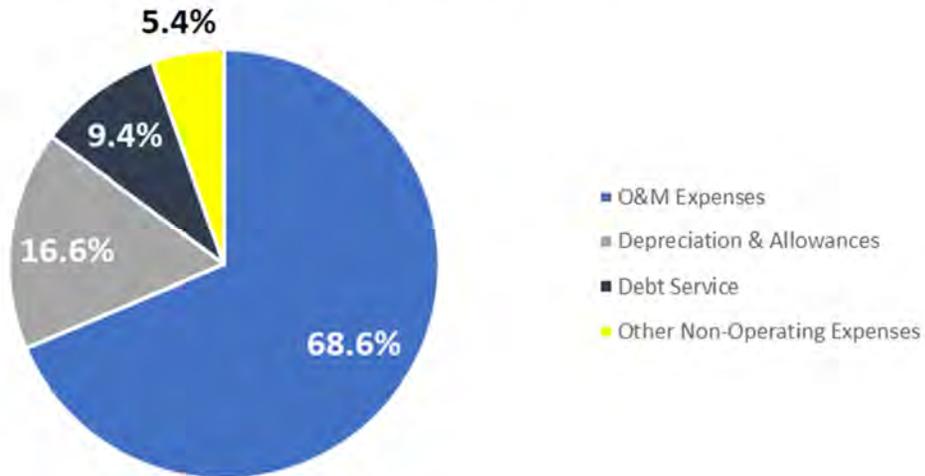


The vast majority of SWBNO's customer accounts are residential but revenue recovery by class results in approximately 57% of water sales revenue from residential customers and 43 % from non-residential customers.

2023 Projected Water Sales by Class



### Total 2023 Water System Expenses



O&M Expenses	\$ 92,944,542	68.6%
Depreciation & Allowances	\$ 22,468,073	16.6%
Debt Service	\$ 12,737,071	9.4%
Other Non-Operating Expenses	\$ 7,333,333	5.4%
<b>Total Water Expense</b>	<b>\$ 135,483,020</b>	<b>100%</b>

More than 69% of the total water fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

Water O&M Expense Breakdown	2023	%
Executive Director	\$ 631,419	0.7%
Special Counsel	\$ 1,404,439	1.5%
Chief Administrative Officer	\$ 16,606,615	17.9%
Communications	\$ 265,910	0.3%
General Supt./Operations	\$ 67,728,401	72.9%
Chief Financial Officer	\$ 4,114,312	4.4%
Chief Customer Service Officer	\$ 9,243,681	9.9%
Overhead	\$ (7,050,236)	-7.6%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 92,944,542</b>	<b>100.0%</b>

## SEWER FUND

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

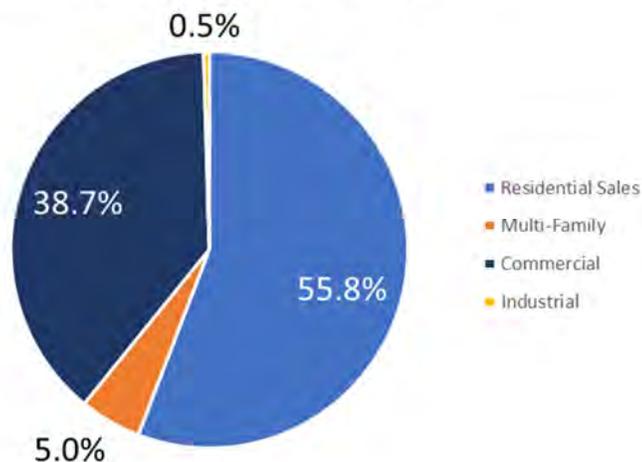
- Sewer Sales (User Charges)
- Other Operating Revenue
- Non-Operating Revenue.

Revenue to fund sewer operations is largely from user charge revenue, or sewer sales. In fact, sewer sales revenue was 99% of the total sewer revenue in both the 2022 and 2023 budgets. Other operating and non-operating account for approximately \$1.4 million in revenue in addition to sewer sales.

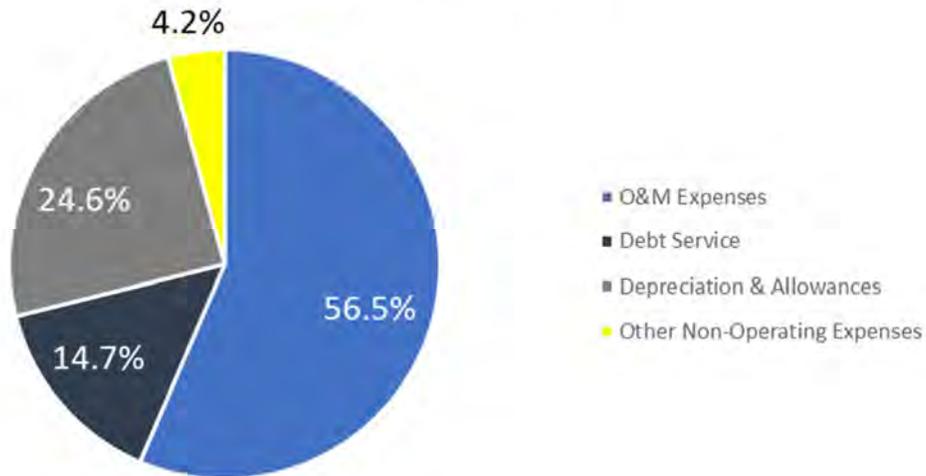


The vast majority of SWBNO's customer accounts are residential but revenue recovery by class results in approximately 60.8% of sewer sales revenue from residential customers and 39.2% from non-residential customers.

2023 Projected Sewer Sales by Class



### Total 2023 Sewer System Expenses



O&M Expenses	\$ 97,640,280	56.5%
Debt Service	\$ 25,367,381	14.7%
Depreciation & Allowances	\$ 42,611,748	24.6%
Other Non-Operating Expenses	\$ 7,333,333	4.2%
<b>Total Expense</b>	<b>\$ 172,952,743</b>	<b>100.0%</b>

More than 57% of the total sewer fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

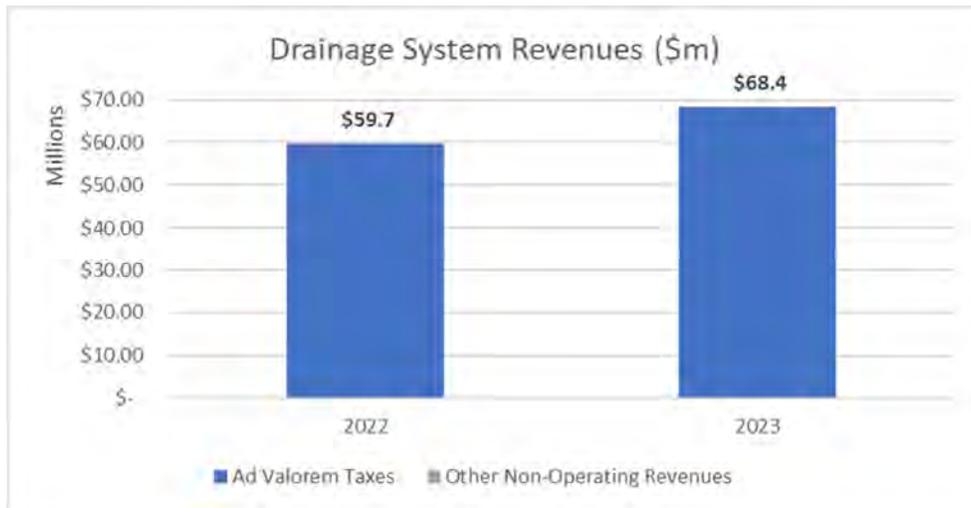
Sewer O&M Expense Breakdown	2023	%
Executive Director	\$ 893,548	0.9%
Special Counsel	\$ 2,074,065	2.1%
Chief Administrative Officer	\$ 19,379,308	19.8%
Communications	\$ 265,910	0.3%
General Supt./Operations	\$ 71,433,145	73.2%
Chief Financial Officer	\$ 4,787,748	4.9%
Chief Customer Service Officer	\$ 9,243,681	9.5%
Overhead	\$ (10,437,125)	-10.7%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 97,640,280</b>	<b>100.0%</b>

## DRAINAGE FUND

Drainage System revenue is comprised of two main categories:

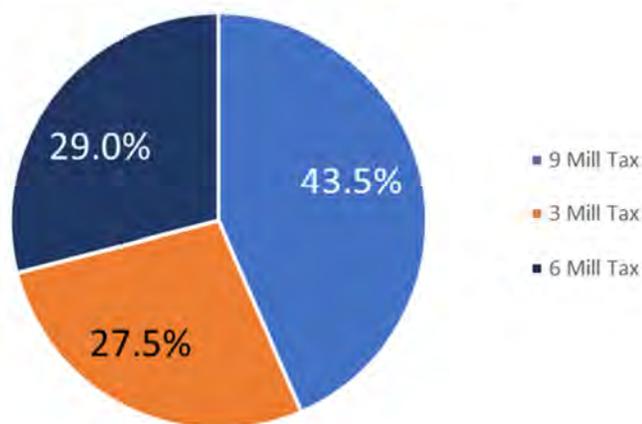
- Ad Valorem Taxes.
- Non-Operating Revenue.

Revenue to fund drainage operations is largely from ad valorem taxes. In fact, ad valorem tax revenue was 99% of the total drainage revenue in both the 2022 and 2023 budgets.. Other non-operating revenues account for approximately \$131.4 thousand in revenue in addition to ad valorem taxes.

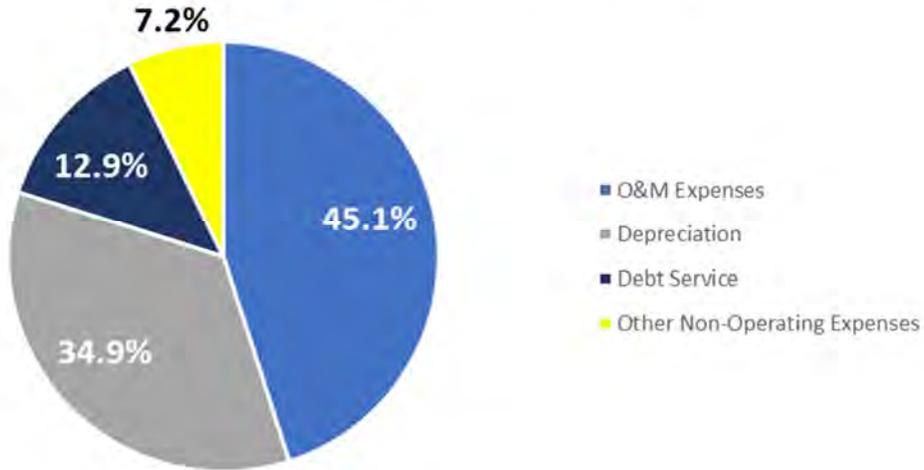


Ad valorem taxes are assessed on a 9 mill, 6 mill, and 3 mill basis. As shown, the 9 mill group accounts for almost half of the drainage system revenues.

### 2023 Projected Drainage Revenue



### Total 2023 Drainage System Expenses



O&M Expenses	\$ 45,916,824	45.1%
Depreciation	\$ 35,531,001	34.9%
Debt Service	\$ 13,142,800	12.9%
Other Non-Operating Expenses	\$ 7,333,333	7.2%
<b>Total Expense</b>	<b>\$ 101,923,958</b>	<b>100.00%</b>

More than 45% of the total drainage fund budget is dedicated to operations and maintenance. The O&M budget is comprised of several department operations, as shown in the included table.

<b>Drainage O&amp;M Expense Breakdown</b>	<b>2023</b>	<b>%</b>
Executive Director	\$ 381,242	0.8%
Special Counsel	\$ 969,626	2.1%
Chief Administrative Officer	\$ 9,689,654	21.1%
Communications	\$ 132,955	0.3%
General Supt./Operations	\$ 36,799,528	80.1%
Chief Financial Officer	\$ 2,475,515	5.4%
Chief Customer Service Officer	\$ 150,122	0.3%
Overhead	\$ (4,681,818)	-10.2%
<b>Total Operating &amp; Maintenance</b>	<b>\$ 45,916,824</b>	<b>100.00%</b>

## OPERATING AND MAINTENANCE EXPENSE SUMMARY BY DIVISION AND SYSTEM

Division	A Water	B Sewerage	C Drainage	D 2023 Adopted
Executive Director	\$ 631,419	\$ 893,548	\$ 381,242	\$ 1,906,209
Special Counsel	\$ 1,404,439	\$ 2,074,065	\$ 969,626	\$ 4,448,130
Chief Administrative Officer	\$ 16,606,615	\$ 19,379,308	\$ 9,689,654	\$ 45,675,578
Communications	\$ 265,910	\$ 265,910	\$ 132,955	\$ 664,775
General Supt./Operations	\$ 67,728,401	\$ 71,433,145	\$ 36,799,528	\$ 175,961,074
Chief Financial Officer	\$ 4,114,312	\$ 4,787,748	\$ 2,475,515	\$ 11,377,575
Chief Customer Service Officer	\$ 9,243,681	\$ 9,243,681	\$ 150,122	\$ 18,637,485
Overhead	\$ (7,050,236)	\$ (10,437,125)	\$ (4,681,818)	\$ (22,169,179)
<b>Total Operating &amp; Maintenance</b>	<b>\$ 92,944,542</b>	<b>\$ 97,640,280</b>	<b>\$ 45,916,824</b>	<b>\$ 236,501,647</b>
Debt Service	\$ 12,737,071	\$ 25,367,381	\$ 13,142,800	\$ 51,247,252
Depreciation & Allowance Expenses (non-cash)	\$ 22,468,073	\$ 42,611,748	\$ 35,531,001	\$ 100,610,822
OPEB Liability (non-cash)	\$ 7,333,333	\$ 7,333,333	\$ 7,333,333	\$ 22,000,000
<b>Total Expense</b>	<b>\$ 135,483,020</b>	<b>\$ 172,952,743</b>	<b>\$ 101,923,959</b>	<b>\$ 410,359,721</b>

## 2023 OPERATING BUDGET BY SYSTEM

Description	A Water	B Sewerage	C Drainage	D Total
<b>Operating Revenues:</b>				
Revenues from Charges	\$ 120,318,448	\$ 155,557,571	\$ -	\$ 275,876,019
Other Operating Revenues	\$ 547,838	\$ 610,767	\$ -	\$ 1,158,605
<b>Total Operating Revenues</b>	<b>\$ 120,866,286</b>	<b>\$ 156,168,338</b>	<b>\$ -</b>	<b>\$ 277,034,624</b>
<b>Operating Expenses:</b>				
Operating & Maintenance Expenses	\$ 92,944,542	\$ 97,640,280	\$ 45,916,824	\$ 236,501,647
Depreciation & Allowances Expenses (non-cash)	\$ 22,468,073	\$ 42,611,748	\$ 35,531,001	\$ 100,610,822
OPEB Liability (non-cash)	\$ 7,333,333	\$ 7,333,333	\$ 7,333,333	\$ 22,000,000
<b>Total Operating Expense</b>	<b>\$ 122,745,949</b>	<b>\$ 147,585,362</b>	<b>\$ 88,781,159</b>	<b>\$ 359,112,469</b>
<b>Net Operating Income</b>	<b>\$ (1,879,663)</b>	<b>\$ 8,582,976</b>	<b>\$ (88,781,159)</b>	<b>\$ (82,077,845)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Tax Revenues	\$ -	\$ -	\$ 68,251,500	\$ 68,251,500
Interest Income	\$ 263,200	\$ 160,300	\$ 104,100	\$ 527,600
Other Non-Operating Revenues	\$ 1,697,400	\$ 651,100	\$ 27,300	\$ 2,375,800
FEMA Expense Reimbursement	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Operating Revenues</b>	<b>\$ 1,960,600</b>	<b>\$ 811,400</b>	<b>\$ 68,382,900</b>	<b>\$ 71,154,900</b>
<b>Non-Operating Expenses:</b>				
Interest Expense - Series 2011 Bonds	\$ -	\$ 44,755	\$ -	\$ 44,755
Interest Expense - Series 2014 Bonds	\$ 481,000	\$ 384,500	\$ -	\$ 865,500
Interest Expense - Series 2015 Bonds	\$ 732,250	\$ 485,500	\$ -	\$ 1,217,750
Interest Expense - Series 2019 Bonds	\$ -	\$ 88,478	\$ -	\$ 88,478
Interest Expense - Series 2020A Bonds	\$ -	\$ 103,800	\$ -	\$ 103,800
Interest Expense - Series 2020B Bonds	\$ -	\$ 2,949,900	\$ -	\$ 2,949,900
Interest Expense - Series 2021 bonds	\$ 4,627,739	\$ 4,112,008	\$ -	\$ 8,739,747
LADEQ Loan	\$ -	\$ -	\$ -	\$ -
Go Zone Interest Expense	\$ -	\$ 604,161	\$ -	\$ 604,161
WIFIA	\$ -	\$ -	\$ -	\$ -
Drainage Tax Bond	\$ -	\$ -	\$ 1,770,000	\$ 1,770,000
SELA	\$ -	\$ -	\$ 3,555,100	\$ 3,555,100
Capitalized Interest	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Operating Expenses</b>	<b>\$ 5,840,989.00</b>	<b>\$ 8,773,102</b>	<b>\$ 5,325,100</b>	<b>\$ 19,939,191</b>
<b>Net Income</b>	<b>\$ (5,760,052)</b>	<b>\$ 621,274</b>	<b>\$ (25,723,359)</b>	<b>\$ (30,862,136)</b>
<b>Debt Service Coverage Calculation</b>				
<b>Revenues for Debt Service Coverage:</b>				
Total Operating Revenues	\$ 120,866,286	\$ 156,168,338	\$ -	\$ 277,034,624
Total Non-Operating Revenues	\$ 1,960,600	\$ 811,400	\$ -	\$ 2,772,000
<b>Total Revenues for Debt Service Coverage</b>	<b>\$ 122,826,886</b>	<b>\$ 156,979,738</b>	<b>\$ -</b>	<b>\$ 279,806,624</b>
<b>Expenses for Debt Service Coverage:</b>				
Operating & Maintenance Expenses	\$ 92,944,542	\$ 97,640,280	\$ -	\$ 190,584,822
Allowance for Doubtful Accounts	\$ 6,900,000	\$ 10,200,000	\$ -	\$ 17,100,000
<b>Total Expenses for Debt Service Coverage</b>	<b>\$ 99,844,542</b>	<b>\$ 107,840,280</b>	<b>\$ -</b>	<b>\$ 207,684,822</b>
<b>Net Revenues Available for Debt Service</b>	<b>\$ 22,982,344</b>	<b>\$ 49,139,458</b>	<b>\$ -</b>	<b>\$ 72,121,802</b>
<b>Debt Service</b>	<b>\$ 12,740,989</b>	<b>\$ 22,921,376</b>	<b>\$ -</b>	<b>\$ 35,662,365</b>
<b>Debt Service Coverage (1.25x Required)</b>	<b>1.80</b>	<b>2.14</b>	<b>-</b>	<b>1.97</b>

## COMPARISON OF 2021,2022,2023 BUDGET (WATER)

Description	B 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Operating Revenues:</b>			
Revenues from Charges	\$ 115,626,250	\$ 121,302,817	\$ 120,318,448
Other Operating Revenues	\$ 567,704	\$ 556,623	\$ 547,838
Adjustment for Uncollectible Accounts*	\$ -	\$ -	\$ -
<b>Total Operating Revenues</b>	<b>\$ 116,193,954</b>	<b>\$ 121,859,440</b>	<b>\$ 120,866,286</b>
<b>Operating Expenses:</b>			
Operating & Maintenance Expenses	\$ 77,237,313	\$ 86,602,279	\$ 92,944,542
Depreciation & Allowances Expenses (non-cash)	\$ 45,990,879	\$ 45,196,737	\$ 22,468,073
OPEB Liability (non-cash)	\$ 3,666,667	\$ 7,333,333	\$ 7,333,333
<b>Total Operating Expenses</b>	<b>\$ 126,894,857</b>	<b>\$ 139,132,349</b>	<b>\$ 122,745,949</b>
<b>Net Operating Income</b>	<b>\$ (10,700,903)</b>	<b>\$ (17,272,909)</b>	<b>\$ (1,879,663)</b>
<b>Non-Operating Revenues (Expenses):</b>			
Tax Revenues	\$ -	\$ -	\$ -
Interest Income	\$ 1,076,700	\$ 329,100	\$ 263,200
Other Non-Operating Revenues	\$ 1,725,600	\$ 1,729,700	\$ 1,697,400
FEMA Expense Reimbursement	\$ -	\$ -	\$ -
<b>Total Non-Operating Revenues</b>	<b>\$ 2,802,300</b>	<b>\$ 2,058,800</b>	<b>\$ 1,960,600</b>
<b>Non-Operating Expenses:</b>			
Interest Expense - Series 2011 Bonds	\$ -		
Interest Expense - Series 2014 Bonds	\$ 4,613,500	\$ 642,250	\$ 481,000
Interest Expense - Series 2015 Bonds	\$ 4,852,750	\$ 761,350	\$ 732,250
Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2021 Bonds		\$ 4,638,114	\$ 4,627,739
LADEQ Loan			
Go Zone Interest Expense	\$ -	\$ -	\$ -
Capitalized Interest	\$ (9,466,250)	\$ -	\$ -
<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ 6,041,714</b>	<b>\$ 5,840,989</b>
<b>Net Income</b>	<b>\$ (7,898,603)</b>	<b>\$ (21,255,823)</b>	<b>\$ (5,760,052)</b>

## WATER SYSTEM OPERATING REVENUES, 2021-2023 BUDGETED

Account	Description	A 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Water Sales</b>				
4001	Residential Sales	\$ 61,830,700	\$ 60,835,100	\$60,768,500
4004	Residential Multi-Family Sales	\$ 6,083,000	\$ 6,043,200	\$ 6,293,200
4007	Commercial Sales	\$ 46,622,000	\$ 50,647,200	\$ 50,297,100
4010	Industrial Sales	\$ 275,400	\$ 223,200	\$ 191,000
4028	Sewer Allowance	\$ 2,150	\$ 2,117	\$ 2,063
	Gross WCA "New Revenues"		\$ 1,926,000	\$ 1,050,585
4012	Delinquent Fee - Water	\$ 813,000	\$ 1,626,000	\$ 1,716,000
	<b>Total Water Sales</b>	<b>\$ 115,626,250</b>	<b>\$ 121,302,817</b>	<b>\$ 120,318,448</b>
<b>Adjustment for Uncollectible Accounts*</b>				
		\$ -	\$ -	\$ -
	<b>Total Adjustment for Uncollectible Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue Sharing</b>				
4019	State Revenue Sharing	\$ 260,626	\$ 261,325	\$261,795
	<b>Total Revenue Sharing</b>	<b>\$ 260,626</b>	<b>\$ 261,325</b>	<b>\$ 261,795</b>
<b>Plumbing Inspection and License Fees</b>				
4022	Plumbing Inspection Fees	\$ 292,149	\$ 280,128	\$270,892
4025	Plumbing License Fees	\$ 14,929	\$ 15,170	\$ 15,151
	<b>Total Plumbing Fees</b>	<b>\$ 307,078</b>	<b>\$ 295,298</b>	<b>\$ 286,043</b>
<b>Miscellaneous Revenues</b>				
	Other Revenue	\$ -	\$ -	\$ -
	Interest from Bond Reserve Fund	\$ -	\$ -	\$ -
	<b>Total Miscellaneous Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Water Other Operating Revenues</b>	<b>\$ 567,704</b>	<b>\$ 556,623</b>	<b>\$ 547,838</b>
	<b>Total Water System Operating Revenues</b>	<b>\$ 116,193,954</b>	<b>\$ 121,859,440</b>	<b>\$ 120,866,286</b>

## WATER SYSTEM NON-OPERATING REVENUES, 2021-2023 BUDGETED

Account	Description	B 2021 Budget	C 2022 Budget	C 2023 Budget
<b>Interest Income</b>				
7001	Interest	\$ -	\$ -	\$0
7005	Excess Reser. Fund Interest	\$ 112,100	\$ 118,700	\$ 91,400
7009	Interest WRB	\$ -	\$ -	\$ -
7010	Restricted Int. WRB	\$ 38,100	\$ -	\$ -
7011	Interest income (LGIP)	\$ 38,000	\$ 37,300	\$ 30,100
7015	Interest Income Bond Premium	\$ 712,900	\$ -	\$ -
7041	Interest Customer Deposits LGIP	\$ 47,800	\$ 46,900	\$ 37,800
7047	Interest Income Customer DP MM	\$ 110,400	\$ 109,000	\$ 89,600
7050	Interest Income Health Reserve	\$ 17,400	\$ 17,200	\$ 14,300
7052	Interest Income Water Sys MM	\$ -	\$ -	\$ -
	<b>Total Interest Income</b>	<b>\$ 1,076,700</b>	<b>\$ 329,100</b>	<b>\$ 263,200</b>
<b>Other Income</b>				
7101	NSF Fees	\$ 59,800	\$ 59,200	\$54,800
4019	Non-Operating Revenues	\$ -	\$ -	\$ -
7105	Reconnect/Reset Fees	\$ 192,900	\$ 182,500	\$ 306,900
7205	Rental Income/Property	\$ 66,400	\$ 65,600	\$ 67,900
7501	Gain/Loss	\$ -	\$ -	\$ -
7506	Damage/NE	\$ 219,800	\$ 219,800	\$ -
7509	Delinquent Account Charge	\$ -	\$ -	\$ -
7514	Sales of Plans & Specs	\$ -	\$ -	\$ -
7521	Reimb Printing/Copies Charges	\$ 2,400	\$ 2,400	\$ 2,200
7525	Transfer from Revolving Fund	\$ -	\$ -	\$ -
7527	Admin Fees/FEMA	\$ 23,800	\$ 36,200	\$ 108,900
7528	Sanitation Admin Fee	\$ 1,075,100	\$ 1,070,300	\$ 1,059,400
7531	State Vend Comp Sales Tax	\$ -	\$ -	\$ -
7534	Manage Competition RFP Fee	\$ -	\$ -	\$ -
7537	Vendor Compensation Sales Tax	\$ 30,500	\$ 30,500	\$ 30,500
7539	Retiree Drug Subsidy	\$ -	\$ -	\$ -
7550	S&WB Logo	\$ 2,000	\$ 2,000	\$ 2,400
7565	Legal Settlement	\$ 9,000	\$ 9,000	\$ 8,500
7590	Citation Administration Fees	\$ 20,000	\$ 28,700	\$ 33,400
7592	Vehicle Usage	\$ 22,800	\$ 22,600	\$ 21,500
7594	O & M Contrib. from Fema - Point Repairs	\$ -	\$ -	\$ -
7995	Life Insurance Employees	\$ -	\$ -	\$ -
7997	Travel Reimbursement	\$ 1,100	\$ 900	\$ 1,000
7999	Blue Cross Reimb/Transfer	\$ -	\$ -	\$ -
	<b>Total Other Income</b>	<b>\$ 1,725,600</b>	<b>\$ 1,729,700</b>	<b>\$ 1,697,400</b>
<b>Reimbursements</b>				
7585	FEMA Expen. Reimb./Misc Revenue Other	\$ -	\$ -	\$ -
	<b>Total Reimbursements</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Water Non-Operating Revenues</b>	<b>\$ 2,802,300</b>	<b>\$ 2,058,800</b>	<b>\$ 1,960,600</b>

## COMPARISON OF 2021,2022,2023 BUDGET (SEWER)

Description	A 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Operating Revenues:</b>			
Revenues from Charges	\$ 144,889,010	\$ 154,220,283	\$ 155,557,571
Other Operating Revenues	\$ 631,570	\$ 619,119	\$ 610,767
Adjustment for Uncollectible Accounts*	\$ -	\$ -	\$ -
<b>Total Operating Revenues</b>	<b>\$ 145,520,580</b>	<b>\$ 154,839,402</b>	<b>\$ 156,168,338</b>
<b>Operating Expenses:</b>			
Operating & Maintenance Expenses	\$ 84,835,502	\$ 95,286,786	\$ 97,640,280
Depreciation & Allowances Expenses (non-cash)	\$ 46,530,199	\$ 47,355,287	\$ 42,611,748
OPEB Liability (non-cash)	\$ 3,666,667	\$ 7,333,333	\$ 7,333,333
<b>Total Operating Expenses</b>	<b>\$ 135,032,368</b>	<b>\$ 149,975,406</b>	<b>\$ 147,585,362</b>
<b>Net Operating Income</b>	<b>\$ 10,488,212</b>	<b>\$ 4,863,996</b>	<b>\$ 8,582,976</b>
<b>Non-Operating Revenues (Expenses):</b>			
Tax Revenues	\$ -	\$ -	\$ -
Interest Income	\$ 1,298,000	\$ 213,400	\$ 160,300
Other Non-Operating Revenues	\$ 703,400	\$ 701,700	\$ 651,100
FEMA Expense Reimbursement	\$ -	\$ -	\$ -
<b>Total Non-Operating Revenues</b>	<b>\$ 2,001,400</b>	<b>\$ 915,100</b>	<b>\$ 811,400</b>
<b>Non-Operating Expenses:</b>			
Interest Expense - Series 2011 Bonds	\$ 53,210	\$ 49,001	\$ 44,755
Interest Expense - Series 2014 Bonds	\$ 4,056,325	\$ 668,625	\$ 384,500
Interest Expense - Series 2015 Bonds	\$ 4,950,000	\$ 585,500	\$ 485,500
Interest Expense - Series 2019 Bonds	\$ 43,899	\$ 74,399	\$ 88,478
Interest Expense - Series 2020A Bonds	\$ 153,750	\$ 140,513	\$ 103,800
Interest Expense - Series 2020B Bonds	\$ 2,892,541	\$ 2,949,900	\$ 2,949,900
Interest Expense - Series 2021 Bonds		\$ 4,121,136	\$ 4,112,008
LADEQ Loan	\$ -	\$ -	\$ -
Go Zone Interest Expense	\$ 867,542	\$ 738,838	\$ 604,161
WIFIA		\$ 545,185	\$ -
Capitalized Interest	\$ (13,017,267)		
<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ 9,873,097</b>	<b>\$ 8,773,102</b>
<b>Net Income</b>	<b>\$ 12,489,612</b>	<b>\$ (4,094,001)</b>	<b>\$ 621,274</b>

## SEWER SYSTEM OPERATING REVENUES, 2021-2023 BUDGETED

Account	Description	A 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Sewerage Sales</b>				
4002	Residential Sales	\$ 83,174,000	\$ 83,210,800	\$84,913,800
4005	Residential Multi-Family Sales	\$ 7,287,800	\$ 7,220,700	\$ 7,633,500
4008	Commercial Sales	\$ 53,068,300	\$ 58,613,900	\$ 58,831,300
4011	Industrial Sales	\$ 486,800	\$ 543,800	\$ 704,100
4028	Sewer Allowance	\$ 2,110	\$ 2,083	\$ 1,993
4132	Excess Strength Charge	\$ -	\$ -	\$ -
	Gross WCA "New Revenues"		\$ 2,889,000	\$ 1,575,878
4013	Delinquent Fee Sewer	\$ 870,000	\$ 1,740,000	\$ 1,897,000
	<b>Total Sewer Sales</b>	<b>\$ 144,889,010</b>	<b>\$ 154,220,283</b>	<b>\$ 155,557,571</b>
	Adjustment for Uncollectible Accounts*	\$ -	\$ -	\$ -
	<b>Total Adjustment for Uncollectible Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue Sharing</b>				
	State Revenue Sharing	\$ 325,051	\$ 325,922	\$326,509
	<b>Total State Revenue Sharing Fees</b>	<b>\$ 325,051</b>	<b>\$ 325,922</b>	<b>\$ 326,509</b>
<b>Plumbing Inspection and License Fees</b>				
4022	Plumbing Inspection Fees	\$ 289,122	\$ 276,004	\$267,271
4025	Plumbing License Fees	\$ 17,397	\$ 17,193	\$ 16,987
	<b>Total Plumbing Fees</b>	<b>\$ 306,519</b>	<b>\$ 293,197</b>	<b>\$ 284,258</b>
<b>Other Revenues</b>				
	Other Revenues	\$ -	\$ -	\$ -
	<b>Total Other Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Sewerage Other Operating Revenues</b>	<b>\$ 631,570</b>	<b>\$ 619,119</b>	<b>\$ 610,767</b>
	<b>Total Sewerage Operating Revenues</b>	<b>\$ 145,520,580</b>	<b>\$ 154,839,402</b>	<b>\$ 156,168,338</b>

## SEWER SYSTEM NON-OPERATING REVENUES, 2021-2023 BUDGETED

Account	Description	A 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Interest Income</b>				
7001	Interest Income	\$ -	\$ 2,700	\$ 2,600
7005	Excess Reserve Fund Interest	\$ 160,200	\$ 167,900	\$ 129,200
7011	Interest Income LGIP	\$ 800	\$ 800	\$ 700
7015	Interest Income Bond Premium	\$ 990,700	\$ -	\$ -
7017	Interest SSRB New	\$ 46,900	\$ -	\$ -
7019	Restricted Int SSRB	\$ 57,400	\$ -	\$ -
7023	Restricted Int DEQ	\$ 4,800	\$ 5,100	\$ -
7048	Interest Income Sewer Sys MM	\$ 23,600	\$ 23,100	\$ 16,400
7050	Interest Income Health Reserve	\$ 13,600	\$ 13,800	\$ 11,400
	<b>Total Interest Income</b>	<b>\$ 1,298,000</b>	<b>\$ 213,400</b>	<b>\$ 160,300</b>
<b>Other Income</b>				
7101	NSF Fees	\$ -	\$ -	\$ 0
4019	Non-Operating Revenues	\$ -	\$ -	\$ -
7105	Reconnect/Reset Fees	\$ -	\$ -	\$ -
7205	Rental Income Property	\$ 21,300	\$ 21,300	\$ 28,100
7506	Reimbursement Damage/Networks	\$ -	\$ -	\$ -
7525	Transfer from Revolving Fund	\$ -	\$ -	\$ -
7527	Administrative Fees	\$ 28,400	\$ 28,200	\$ 27,200
7539	Retiree Drug Subsidy	\$ -	\$ -	\$ -
7545	Waste Disposal Fees	\$ 530,700	\$ 531,300	\$ 474,900
7546	Grease Trap Permit Fees	\$ 91,600	\$ 90,300	\$ 94,400
7590	Citation Admin Fees	\$ 2,800	\$ 2,800	\$ -
7592	Vehicle Usage	\$ 28,600	\$ 27,800	\$ 26,500
7995	Life Insurance Employees	\$ -	\$ -	\$ -
	<b>Total Other Income</b>	<b>\$ 703,400</b>	<b>\$ 701,700</b>	<b>\$ 651,100</b>
<b>Reimbursements</b>				
7585	FEMA Expense Reimbursement	\$ -	\$ -	\$ -
	<b>Total Reimbursement</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Sewerage Non-Operating Revenues</b>	<b>\$ 2,001,400</b>	<b>\$ 915,100</b>	<b>\$ 811,400</b>

## COMPARISON OF 2021, 2022, 2023 BUDGET (DRAINAGE)

	A 2021 Budget	B 2022 Budget	C 2023 Drainage
<b>Operating Revenues:</b>			
Revenues from Charges	\$ -	\$ -	\$ -
Other Operating Revenues	\$ -	\$ -	\$ -
<b>Total Operating Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses:</b>			
Operating & Maintenance Expenses	\$ 37,779,361	\$ 42,047,045	\$ 45,916,824
Depreciation & Allowances Expenses (non-cash)	\$ 14,524,158	\$ 28,726,690	\$ 35,531,001
OPEB Liability (non-cash)	\$ 3,666,666	\$ 7,333,333	\$ 7,333,333
<b>Total Operating Expenses</b>	<b>\$ 55,970,185</b>	<b>\$ 78,107,068</b>	<b>\$ 88,781,159</b>
<b>Net Operating Income</b>	<b>\$ (55,970,185)</b>	<b>\$ (78,107,068)</b>	<b>\$ (88,781,159)</b>
<b>Non-Operating Revenues (Expenses):</b>			
Tax Revenues	\$ 59,278,055	\$ 59,570,000	\$ 68,251,500
Interest Income	\$ 172,014	\$ 123,200	\$ 104,100
Other Non-Operating Revenues	\$ 2,683,085	\$ 28,400	\$ 27,300
FEMA Expense Reimbursement	\$ 366,344	\$ -	\$ -
FEMA Force Accounts Reimbursement			
<b>Total Non-Operating Revenues</b>	<b>\$ 62,499,498</b>	<b>\$ 59,721,600</b>	<b>\$ 68,382,900</b>
<b>Non-Operating Expenses:</b>			
Interest Expense - Series 2011 Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2014 Bonds	\$ 84,100	\$ 45,000	
Interest Expense - Series 2015 Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2019 Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2020A Bonds	\$ -	\$ -	\$ -
Interest Expense - Series 2020B Bonds	\$ -	\$ -	\$ -
LADEQ Loan	\$ -	\$ -	\$ -
Drainage Tax Bond			\$ 1,770,000
SELA			\$ 3,555,100
Go Zone Interest Expense	\$ -	\$ -	\$ -
Capitalized Interest	\$ (84,100)	\$ -	\$ -
<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 5,325,100</b>
<b>Net Income</b>	<b>\$ 6,529,313</b>	<b>\$ (18,430,468)</b>	<b>\$ (25,723,359)</b>

## DRAINAGE NON-OPERATING REVENUES, 2021-2023 BUDGETED

Account	Description	A 2021 Budget	B 2022 Budget	C 2023 Budget
<b>Ad Valorem Taxes</b>				
4130	9 Mill Tax	\$ 25,785,772	\$ 25,887,000	\$ 29,689,200
4310	3 Mill Tax	\$ 16,289,595	\$ 16,413,000	\$18,755,500
4320	6 Mill Tax	\$ 17,202,689	\$ 17,270,000	\$ 19,806,800
	<b>Total Ad Valorem Tax</b>	<b>\$ 59,278,056</b>	<b>\$ 59,570,000</b>	<b>\$ 68,251,500</b>
<b>Interest Income</b>				
7001	Interest	\$ -	\$ -	\$0
7015	Interest Income Bond Premium	\$ 34,442	\$ -	\$ -
7020	Restricted Int SELA	\$ -	\$ -	\$ -
7025	Interest Drainage O&M	\$ 154	\$ 400	\$ 300
7029	Interest Drainage System 3 Mill	\$ 40,214	\$ 22,700	\$ 19,200
7033	Interest Drainage System 6 Mill	\$ 28,756	\$ 34,500	\$ 29,200
7037	Interest Drainage System 9 Mill	\$ 61,803	\$ 51,800	\$ 44,000
7045	Interest Income DOMMM	\$ 1,384	\$ -	\$ -
7050	Interest Income Health Reserve	\$ 5,261	\$ 13,800	\$ 11,400
	<b>Total Interest Income</b>	<b>\$ 172,014</b>	<b>\$ 123,200</b>	<b>\$ 104,100</b>
<b>Other Income</b>				
7205	Rental Income/Property	\$ 2,438	\$ 2,900	\$2,900
7401	Two Mill (3.65) Tax	\$ -	\$ 1,000	\$ 900
7501	Other Income	\$ -	\$ -	\$ -
7504	Reimbursement DPS # 6 & 11	\$ 1,420,585	\$ -	\$ -
7525	Tran Revo	\$ -	\$ -	\$ -
7527	Administrative Fees	\$ 2,085	\$ 7,900	\$ 8,200
7539	Retiree Drug Subsidy	\$ -	\$ -	\$ -
7545	Waste Disposal Fees	\$ -	\$ -	\$ -
7565	Legal Settlement	\$ -	\$ -	\$ -
7590	Citation Admin Fees	\$ -	\$ -	\$ -
7592	Vehicle Usage	\$ 12,519	\$ 16,600	\$ 15,300
7995	Life Insurance Employer	\$ 8,708	\$ -	\$ -
9006	Fair Share	\$ 1,236,750	\$ -	\$ -
	<b>Total Other Income</b>	<b>\$ 2,683,085</b>	<b>\$ 28,400</b>	<b>\$ 27,300</b>
<b>Reimbursements</b>				
7585	FEMA Expense Reimbursement	\$ 366,345	\$ -	\$ -
	<b>Total Reimbursement</b>	<b>\$ 366,345</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Drainage Other Operating Revenues</b>	<b>\$ 3,221,444</b>	<b>\$ 151,600</b>	<b>\$ 131,400</b>
	<b>Total Drainage Non-Operating Revenues</b>	<b>\$ 62,499,500</b>	<b>\$ 59,721,600</b>	<b>\$ 68,382,900</b>

## GLOSSARY

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

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

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

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

**Amortization:** an accounting technique used to periodically lower the book value of a loan or an intangible asset over a set period of time. Concerning a loan, amortization focuses on spreading out loan payments over time. When applied to an asset, amortization is similar to depreciation.

**Appropriation:** is when money is set aside money for a specific and particular purpose or purposes. A company or a government appropriates funds in order to delegate cash for the necessities of its operations.

**Audit:** The process of examining an organization's (or individual's) financial records to determine if they are accurate and in accordance with any applicable rules (including accepted accounting standards), regulations, and laws.

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

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

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

**Bonds:** A bond is a fixed-income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer.

**Budget:** An estimation of revenue and expenses over a specified future period of time.

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

**Capital:** Refers to the financial resources that businesses can use to fund their operations like cash, machinery, equipment and other resources.

**Capital assets:** Property that is expected to generate value over a long period of time, such as a building, machinery, and vehicles.

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

**Capital Expenditure:** Any expenditure associated with acquiring, upgrading, and maintaining physical assets with a useful life of one year or more, such as property, plants, and equipment

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

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

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

**Depreciation:** Accounting method used to allocate the cost of a tangible or physical asset over its useful life.

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

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

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

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

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

**Modified Accrual:** Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: Revenues are not recognized until they are measurable and available and (2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when the liability is first incurred.

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

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



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

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

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

**Proprietary Fund:** Funds that focus on the determination of operating income, changes in net position, financial position, and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.

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

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

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

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

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

## APPENDIX A

### FINANCIAL POLICY

#### Policy Summary

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

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

### POLICY

#### Financial Planning

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

- The capital requirements for the financial plan will be based on management's understanding of all facilities that will be needed during the ten-year planning horizon.
- The SWBNO will endeavor to provide a reasonable balance between operational objectives and risks with ratepayer impacts.
- The financial plans will identify reasonable assumptions for changes in revenues and expenses.
- The financial plan will project revenues, expenses, and assets for the next ten years in detail adequate to compute standard financial ratios for liquidity, efficiency, and debt service coverage.
- The financial plan will identify the amounts and timing of contemplated rate increases, millage increases, and debt issues.

- The financial plan will be reviewed annually and updated when conditions materially change.
- The financial plan will be reviewed by an outside expert for completeness and reasonableness at least once every five years.

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

### **Financial Budgeting**

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

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

### **Financial Accounting**

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

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

Property, plant and equipment are carried at historical cost. The Board will capitalize moveable equipment with a value of \$10,000 or greater, as well as stationary, network and other equipment with a value of \$5,000 or greater and all real estate. The cost of additions to capital includes contracted work, direct labor, materials, and allocable cost. Contributed capital assets will be recorded at their estimated fair value at the date of donation. The Board will apply the straight-line method of depreciation to the estimated useful lives of the various classes of depreciable property or as required by the accounting standards applied by the auditors.

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

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

related claims adjustment and expense. Estimated expenses and recoveries will be based upon a case-by-case review.

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

### **Financial Reporting**

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

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

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

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

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

### **RESPONSIBILITIES**

The Budget Manager is responsible for Financial Planning and Budgeting, subject to the approval of the Executive Director and the Board of Directors. The Controller is responsible for Financial Accounting and timely and accurate Reporting. The Treasurer is responsible for cashflow reporting and investment management.

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

The Board of Directors will promptly notify the Board of Liquidation City Debt of any changes to this policy. The Chief Financial Officer (CFO) shall review this policy no less than every five (5) years.

# APPENDIX B

R-165-2019

## ROLL BACK OF SEWERAGE AND WATER BOARD MILLAGES

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

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

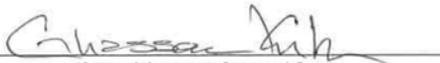
**NOW, THEREFORE, BE IT RESOLVED** by the Sewerage and Water Board of New Orleans that it hereby requests the Council of the City of New Orleans to set its Ad Valorem tax millage as follows for 2020:

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

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

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do  
hereby certify that the above and foregoing  
is a true and correct copy of a resolution  
adopted at a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 16, 2019.



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

## APPENDIX C

R-166-2019

### ROLL FORWARD OF SEWERAGE AND WATER BOARD MILLAGES

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

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

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

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

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

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

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do  
hereby certify that the above and foregoing  
is a true and correct copy of a resolution  
adopted at a Regular Monthly Meeting of  
said Board, duly called and held, according  
to law on October 16, 2019.

---



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

## APPENDIX D

R-118-2015

### SEWERAGE AND WATER BOARD OF NEW ORLEANS PRELIMINARY APPROVAL FOR 2015 WATER SYSTEM BONDS

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

#### RESOLUTION

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

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

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

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

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

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

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

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

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

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

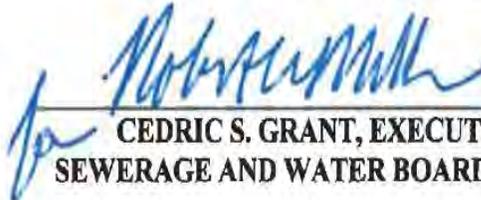
SECTION 3. Intent to Reimburse. Prior to the issuance of the Bonds, the Sewerage and Water Board will expend its own funds on projects for the water System of the City. Upon issuance of the Bonds, the Sewerage and Water Board reasonably expects to reimburse itself for said expenditures from the proceeds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

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

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

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

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

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

# APPENDIX E

R-119-2015

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### PRELIMINARY APPROVAL FOR 2015 SEWERAGE SYSTEM BONDS

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

#### RESOLUTION

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

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

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

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

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

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

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

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

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

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

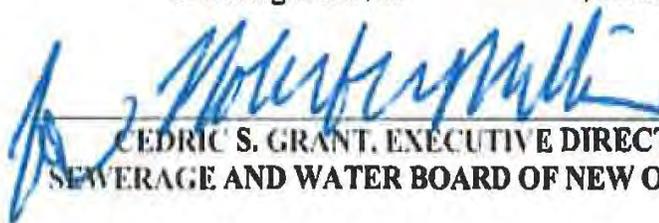
**SECTION 3. Intent to Reimburse.** Prior to the issuance of the Bonds, the Sewerage and Water Board will expend its own funds on projects for the sewer System of the City. Upon issuance of the Bonds, the Sewerage and Water Board reasonably expects to reimburse itself for said expenditures from the proceeds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

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

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

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

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

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

# APPENDIX F

R-182-2012

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### RESOLUTION SETTING SEWER SERVICE USER CHARGES

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

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

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

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

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

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

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

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

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

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

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

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

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

**Readiness to Service Charge:**

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

**Volume Charge:**

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

**Excessive Strength Surcharge:**

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

S = Surcharge in dollars

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

8.34 = Pounds per gallon of water

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

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

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

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

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

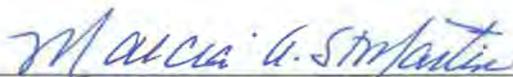
	Total Charge (\$)							
	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020
BOD Unit Charge	0.29	0.32	0.35	0.39	0.43	0.47	0.52	0.57

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

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

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

I, Marcia A. St. Martin, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a Resolution adopted at the Regular Monthly Meeting of said Board, duly called and held, according to law, on Wednesday, November 14, 2012.



MARCIA A. ST. MARTIN  
EXECUTIVE DIRECTOR

SEWERAGE AND WATER BOARD OF NEW ORLEANS

## APPENDIX G

R-147-2020

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

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

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

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

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans  
do hereby certify that the above and foregoing  
is a true and correct copy of a Resolution said  
Board, duly called and held, according to the  
law on December 21, 2020



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

# APPENDIX H

R-149-2020

## 2021 OPERATING BUDGET

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

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

WHEREAS, the authorized expenditure categories for 2021 are:

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

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

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
December 21, 2020.

  
Ghassan Korban  
EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

# APPENDIX I

R-150-2020

## ADOPTION OF 2021 CAPITAL BUDGET

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

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

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

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

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

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

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

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

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
December 21, 2020.



---

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

# APPENDIX J

R-182-2022

## 2023 OPERATING BUDGET

WHEREAS, the Sewerage and Water Board has reviewed the Recommended 2023 Operating Budget of which \$92,944,542 is from the Water Department, \$97,640,280 is from the Sewerage Department, and \$45,916,824 is for the Drainage Department for a Total Operation and Maintenance (O&M) Expense Budget of \$236,501,647; and

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

WHEREAS, the authorized expenditure categories for 2023 are:

<u>EXPENDITURE CATEGORIES</u>	<u>2023 BUDGET</u>
Personnel Services	\$110,539,613
Services and Utilities	76,789,412
Material and Supplies	41,251,785
Special Current Charges	7,208,709
Furniture and Equipment	712,128
<b>TOTAL Operation and Maintenance Expense</b>	<b>236,501,647</b>
Debt Service	51,247,252
Pay-Go	43,340,624
<b>O&amp;M with Debt Service and Pay-Go</b>	<b>\$331,089,523</b>

NOW THEREFORE BE IT RESOLVED that the Sewerage and Water Board of New Orleans does hereby approve the 2023 O&M Expense Budget with Debt Service and Pay-Go in the amount of \$331,089,523.

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
December 14, 2022.



Ghassan Korban  
EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

**2022 OPERATING BUDGET**

**WHEREAS**, the Sewerage and Water Board has reviewed the Recommended 2022 Operating Budget of which **\$86,602,279** is from the Water Department, **\$95,286,786** is from the Sewerage Department, and **\$42,047,045** is for the Drainage Department for a Total Operation and Maintenance (O&M) Expense Budget of **\$223,936,110**; and

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

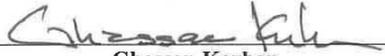
**WHEREAS**, the authorized expenditure categories for 2022 are:

<b><u>EXPENDITURE CATEGORIES</u></b>	<b><u>2022 BUDGET</u></b>
Personnel Services	\$106,039,721
Services and Utilities	70,145,153
Material and Supplies	40,748,121
Special Current Charges	6,084,868
Furniture and Equipment	918,247
<b>TOTAL Operation and Maintenance Expense</b>	<b>223,936,110</b>
<b>Debt Service</b>	<b>41,460,127</b>
<b>Pay-Go</b>	<b>45,000,000</b>
<b>O&amp;M with Debt Service and Pay-Go</b>	<b>\$310,396,237</b>

**NOW THEREFORE BE IT RESOLVED** that the Sewerage and Water Board of New Orleans does hereby approve the 2022 O&M Expense Budget with Debt Service and Pay-Go in the amount of **\$310,396,237**.

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
December 15, 2021.

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

# APPENDIX K

R-136-2021

## ADOPTION OF 2022 CAPITAL BUDGET

**WHEREAS**, the recommended 2022 Capital Budget for the water, sewerage, and drainage systems is **\$532,228,838**; and

**WHEREAS**, identified funding is projected to be available through system revenues, taxes, reserves, bond proceeds, grant funds, and participation by others to finance the Capital Budget are **\$382,627,666**;

**WHEREAS**, the portion of the recommended 2022 Capital Budget requiring funding for the drainage system during 2022 is **\$76,610,995** of which funds have been identified of **\$59,971,774**, resulting in a deferral of projects totaling **\$16,639,221**, unless other sources of funding are identified; and

**WHEREAS**, the portion of the recommended 2022 Capital Budget requiring funding for the water system during 2022 is **\$236,085,805** of which funds have been identified of **\$182,495,133** resulting in a deferral of projects totaling **\$53,590,672**, unless other sources of funding are identified; and

**WHEREAS**, the portion of the recommended 2022 Capital Budget requiring funding for the sewerage system during 2022 is **\$219,532,038** of which funds have been identified of **\$140,160,759**, resulting in a deferral of projects totaling **\$79,371,279**, unless other sources of funding are identified; and

**WHEREAS**, the recommended 2022-2031 Capital Improvement Program is **\$2,557,167,765**;

**NOW THEREFORE BE IT RESOLVED** that the Sewerage and Water Board of New Orleans does hereby adopt the 2022 Total Capital Budget of **\$532,228,838** with funding totaling **\$382,627,666**; and

**BE IT FURTHER RESOLVED** that the Sewerage and Water Board does hereby accept the 2022-2031 Capital Improvement Program.

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
December 15, 2021.



Ghassan Korban

EXECUTIVE DIRECTOR

SEWERAGE AND WATER BOARD OF NEW ORLEANS

# APPENDIX L

R-186-2022

**2023 Operating Budget and 2023 Capital Budget Blanket Appropriations  
December 14, 2022**

**WHEREAS**, as authorized by Louisiana R.S. 33:4083 that all funds receive by the Board from water rates, and from the city by appropriation from its treasury, shall be deposited to the credit of the Board as collected, with fiscal agent of the city, and shall not be paid out except upon duly adopted resolution of appropriation, and;

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

**NOW, THEREFORE, BE IT RESOLVED**, by the Sewerage and Water Board of New Orleans, that this resolution of appropriation is adopted to authorize and empower the disbursement of funds as identified in its 2023 Operation Budget and 2023 Capital Budget, by those designated parties, both within the Board as specified by its by-laws and by and through warrants drawn on the Board of Liquidation, City Debt.

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans  
do hereby certify that the above and foregoing  
is a true and correct copy of a Resolution said  
Board, duly called and held, according to the  
law on December 14, 2022



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

**2022 Operating Budget and 2022 Capital Budget Blanket Appropriations  
December 15, 2021**

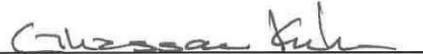
**WHEREAS**, as authorized by Louisiana R.S. 33:4083 that all funds received by the Board from water rates, and from the city by appropriation from its treasury, shall be deposited to the credit of the Board as collected, with fiscal agent of the city, and shall be paid out except upon duly adopted resolution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

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

**NOW, THEREFORE, BE IT RESOLVED**, by the Sewerage and Water Board of New Orleans, that this resolution of appropriation is adopted to authorize and empower the disbursement of funds as identified in its 2022 Operation Budget and 2022 Capital Budget, by those designated parties, both within the Board as specified by its by-laws and by and through warrants drawn on the Board of Liquidation, City Debt.

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I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans  
do hereby certify that the above and foregoing  
is a true and correct copy of a Resolution said  
Board, duly called and held, according to the  
law on December 15, 2021



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

**RESOLUTION AUTHORIZING PRELIMINARY APPROVAL FOR  
WATER REVENUE BONDS**

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

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

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

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

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

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

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

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

**RESOLUTION AUTHORIZING PRELIMINARY APPROVAL FOR  
WATER REVENUE BONDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

---

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



Ghassan Korban  
Executive Director

SEWERAGE AND WATER BOARD OF NEW ORLEANS

## APPENDIX N

R-197-2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

---

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



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

## APPENDIX O

R- 107-2019

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

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

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

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

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

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

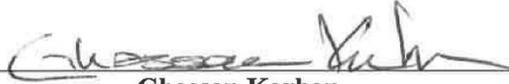
**WHEREAS** funding the remainder of SSERP projects through a WIFIA loan would allow the Sewerage and Water Board to be strategic in its use of existing funds for other high-priority needs; and:

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

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

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

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans,  
do hereby certify that the above and foregoing  
is a true and correct copy of a resolution adopted  
at the Regular Meeting of the said Board,  
duly called and held, according to law, on  
June 19, 2019.



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

THIRD SUPPLEMENTAL SEWERAGE SERVICE  
REVENUE BOND RESOLUTION

adopted on [August 21], 2019

by the

SEWERAGE AND WATER BOARD OF NEW ORLEANS

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IN CONNECTION WITH THE ISSUANCE OF

NOT EXCEEDING \$25,000,000

SEWERAGE SERVICE REVENUE BOND, SERIES 2019

OF THE

CITY OF NEW ORLEANS, LOUISIANA

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SEWERAGE AND WATER BOARD OF NEW ORLEANS

THIRD SUPPLEMENTAL SEWERAGE SERVICE REVENUE BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF

SEWERAGE SERVICE REVENUE BOND, SERIES 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE I

### DEFINITIONS AND FINDINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF SERIES 2019 BOND

#### SECTION 2.01 Authorization.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ARTICLE III

#### REDEMPTION FEATURES OF SERIES 2019 BOND

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

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

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

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

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

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

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

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

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

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

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

#### ARTICLE IV

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

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

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

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

## ARTICLE V

### SALE OF SERIES 2019 BOND

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

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

## ARTICLE VI

### EXECUTION AND DELIVERY OF SERIES 2019 BOND

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

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

SECTION 7.07 **Reserved.**

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

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

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

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

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

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

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

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

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

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