



Adopted 2019 Operating and Capital Budgets

(Fiscal Year Ending December 31, 2019)





Letter from the Executive Director

As the new Executive Director of the Sewerage and Water Board of New Orleans (SWBNO), I am pleased to present the approved fiscal year 2019 Operating and Capital Budget, which identifies the resources necessary to achieve the mission and goals of the organization. The mission of SWBNO is to serve the people of New Orleans and improve their quality of life by providing safe drinking water; removing wastewater for safe return to the environment and draining storm water to protect our community. Our team of experts does this reliably, continuously, and at a reasonable cost.

This budget focuses on our four priority areas:

- Customer Service Excellence – working diligently to address customer needs in a timely fashion
- Operational Reliability – providing safe and reliable water, sewer, and storm water service
- Financial Sustainability – being responsible stewards of the utility's financial resources
- Long-Range Strategic Planning – ensuring continues support for our operations, infrastructure, employees, and City

Our challenges are well-documented, but they are neither unique nor insurmountable. The Aug. 5, 2017 flood exposed substantial infrastructure challenges, accelerated management turnover, and diminished public confidence in our organization. The improvements made afterward depleted SWBNO's cash reserves.

Many large utilities struggle with these challenges. SWBNO will overcome its own through a combination of new and existing initiatives, talented leadership, determined employees, and a supportive Board of Directors.

We understand this will not be accomplished overnight. This budget outlines our short-term plans within the context of our long-term strategy. We have identified SWBNO's most critical activities and this spending plan is geared to support them.

We also understand the changes we envision will not be easy to implement. Nonetheless, this budget reflects SWBNO's commitment to improve and to continue to provide quality products and service to customers. This spending plan takes a critical step toward rebuilding customers' confidence in SWBNO.

I would like to thank Mayor Cantrell, the members of the Board of Directors, all of our various stakeholders and the citizens of New Orleans for welcoming me into this community and for the ongoing support to help us overcome past hurdles as we move forward to achieve new goals.

A handwritten signature in dark ink, appearing to read "Ghassan Korban".

Ghassan Korban
Executive Director



Letter from the Chief Financial Officer

It is my honor to have joined the Sewerage and Water Board of New Orleans as the Chief Financial Officer in late 2018. In this first full year of service, I believe this fiscal year budget reflects the priorities of our organization and supports our efforts to deliver water, sewer, and drainage services reliably and effectively.

The Sewerage and Water Board of New Orleans' (SWBNO) budget document serves many purposes. It is intended to allocate scarce resources to mission priorities and to enhance stakeholders' understanding of the services provided by SWBNO. It is also vital that the Board of Directors have the information it needs to allocate funds to ensure that the budget reflects the public interest and priorities goals. Therefore, it is critical for this document to act as a guide for policy implementation, financial planning, operational strategies and public education.

This budget book tells the financial story of the SWBNO. It is organized to include the organization's high-level priorities and the associated financial picture, including discussion and background on the drivers that impact rates and revenue expectations due to regional economics and customer demand. The customer demand

and rate structure allow us to project our FY 2019 revenues and discuss how we plan to tackle our four priority areas: Customer Service Excellence, Operational Reliability, Financial Sustainability, and Long-Range Strategic Planning as an organization, and within each division. The remainder of the budget book provides an overview of the current and future states of the utility overall, and each individual enterprise fund.

I am enthusiastic and optimistic about the future of SWBNO as we continue to strive to be responsive to customers, increase the resiliency of our infrastructure, and provide high-quality, sustainable water services to the residents, businesses, and industries of New Orleans. I hope that you share this optimism with us and continue to share your suggestions. Thank you to all customers of the Sewerage and Water Board for your commitment to the growth and success of this historic organization.

A handwritten signature in blue ink, appearing to read 'Yvette Downs'.

Yvette Downs
Chief Financial Officer

Board of Directors

The Sewerage and Water Board of New Orleans' eleven member Board of Directors consists of the Mayor, two representatives of the Board of Liquidation, and eight citizen members, of which five represent council districts, one at-large representative, and two consumer advocates.

LaToya Cantrell, President
Tamika Duplessis, Ph.D., President Pro-tem
Andrew Amacker, PE
Jay H. Banks
Nicole M. Barnes
Robin Barnes
Alejandra Guzman
Ralph Johnson
Joseph Peychaud
Lynes R "Poco" Sloss
Lewis Stirling, III



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Introduction

For 120 years, the Sewerage and Water Board of New Orleans (SWBNO) has served the City, providing quality water, sewer, and drainage services to keep its residents safe and healthy. The utility is presently finishing an intense period of emergency recovery after years of deferred maintenance led to systemic deficiencies. Its operations are stable, and its organizational performance continues to improve. To stay on that course of success, however, SWBNO relies on several critical factors:

- A supportive and engaged Board of Directors;
- A team of committed and skilled employees;
- An organizational desire to improve operational efficiency;
- Extensive and updated infrastructure and equipment;
- Satisfied customers and stakeholders; and Financial sustainability and long-range planning.

This document details SWBNO's financial plan for FY 2019 with these factors in mind. It provides a high-level overview of the financial picture of the utility with regard to the organization's bond rating, operating and capital budgets, and service rate projections. It then describes SWBNO's overarching priorities for 2019, as well as those of each Deputy Director. After identifying the utility's needs, this summary highlights New Orleans' demographics, including customer demand. It concludes with a discussion of the states of its water, sewer, and drainage funds in the context of FY 2019 priorities and projections.

The financial information presented in this budget book is essential to support SWBNO's Vision:

To earn and hold the trust and confidence of our customers and community for reliable and sustainable water services, and to be a model utility in the water industry.



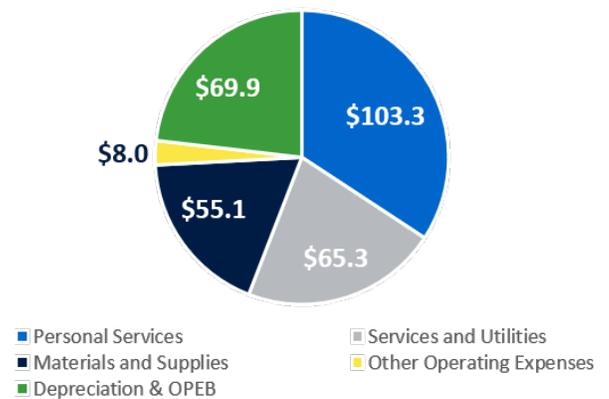
Financial Overview

Like many utilities, SWBNO is challenged to support an expansive and aging infrastructure. This infrastructure, as well as the associated regulatory requirements and staffing needs, have and continue to increase utility costs. To fund utility operations and finance capital projects, SWBNO's primary revenue sources are water and sewer rates and drainage millages. The SWBNO will implement approved water and sewer rate increases in 2019 and 2020 and continue to collect tax revenue for drainage costs.

Total 2019 Operating Expenses = \$301.6 million

SWBNO has prepared its 2019 Budget on a modified accrual basis. Expenses for 2019 are expected to be approximately \$301.6 million, which includes operating costs such as employee salaries and wages, utilities, materials and supplies as well as depreciation and other post-employment benefit obligations.

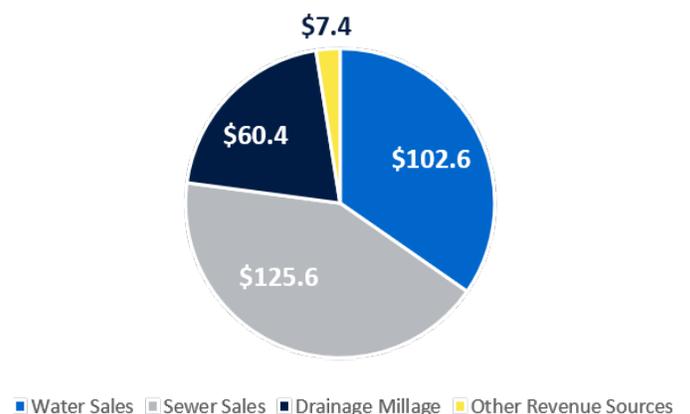
2019 Operating Expenses (\$m)



Total 2019 Revenues = \$296.0 million

SWBNO expects to recover roughly \$296 million in revenues during 2019. 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.

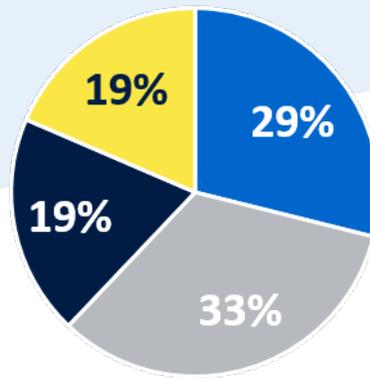
2019 Revenues (\$m)



Total 2019 Capital Budget = \$166.7 million

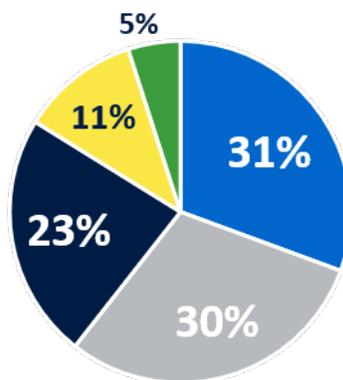
The 2019 Capital Budget includes \$166.7 million in capital expenditures based on the needs of the water, sewer, drainage, or combined systems. Financing sources for the 2019 Capital Budget include: existing water bonds, proposed drainage bonds (\$40 million), Safe Drinking Water and Clean Water loans from the EPA, grants from FEMA and the Corp of Engineers, and SWBNO cash financing.

2019 Capital Uses



■ Water ■ Sewer ■ Drainage ■ Combo

2019 Capital Sources



■ EPA Loans ■ Existing & Proposed Bonds
 ■ FEMA ■ S&WB
 ■ Corp of Engineers

Water and Sewer Rate Update

In 2019 and 2020, SWBNO will implement the final rate increases of an eight-year utility rate program that was approved in 2012 and implemented in 2013. The 2019 rate structure and rates reflect a 10% increase from 2018 rates, but SWBNO anticipates collecting less revenue than it budgeted for in 2018.

Factors Impacting Revenue

There are several factors that impact the revenue a utility is able to generate, including:

- Elasticity
- Downward trend of recent demand
- Conservation
- Billing data concerns and uncollectibles

These factors have influenced the anticipated level of water consumption and sewer demand SWBNO is incorporating into the FY 2019 revenue projections.

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

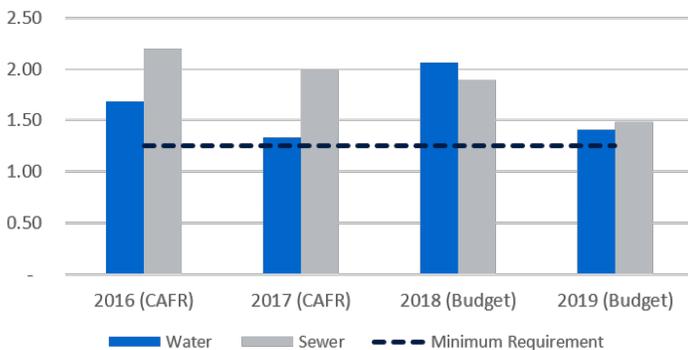
Bond Rating and Debt Service Coverage

SWBNO regularly issues debt to support its Capital Improvement Program. The organization’s bond rating from Standard and Poor (S&P) and Fitch are shown below.

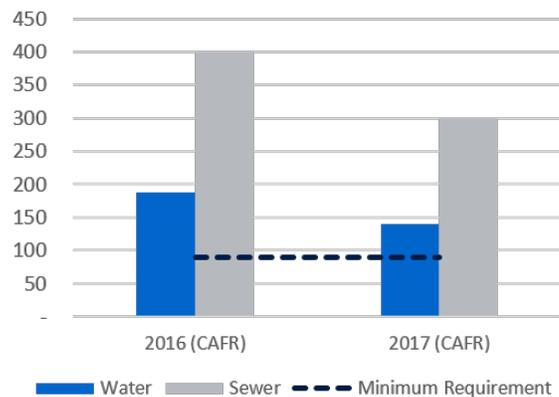
One of the most important financial metrics to SWBNO is Debt Service Coverage, which demonstrates the Board’s ability to meet its annual debt obligations. The calculation for Debt Service Coverage is established in SWBNO’s Rate Covenant and is calculated by dividing Funds Available for Debt Service (Adjusted Revenues less Net Operating Expenses) by annual debt service payments. As specified in SWBNO’s Rate Covenant, 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 strong Debt Service Coverage and is projected to do the same in 2019. Strong levels of Debt Service Coverage are seen favorably by rating agencies and help SWBNO save money on long-term interest costs.

In addition to Debt Service Coverage, SWBNO’s General Bond Resolution requires an Operating Reserve of at least 90 “Days Cash on Hand.” This ratio measures SWBNO’s liquidity, presenting unrestricted cash in “number of days” of operating expenses. As shown, SWBNO maintains strong levels of liquidity which are also seen favorably by the rating agencies.

Historical & Projected Debt Service Coverage

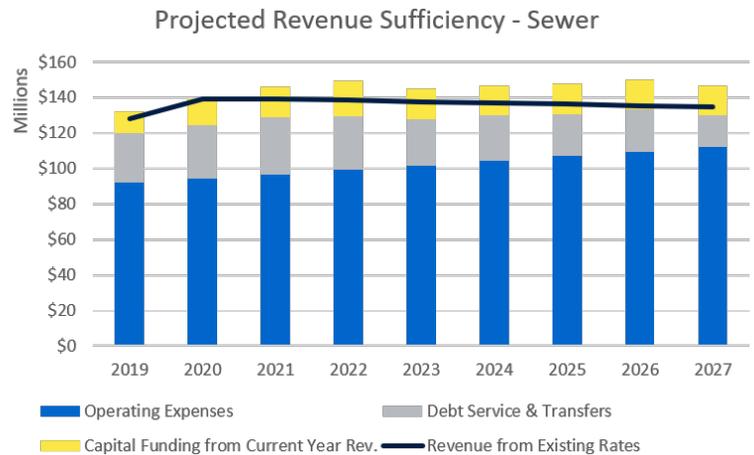
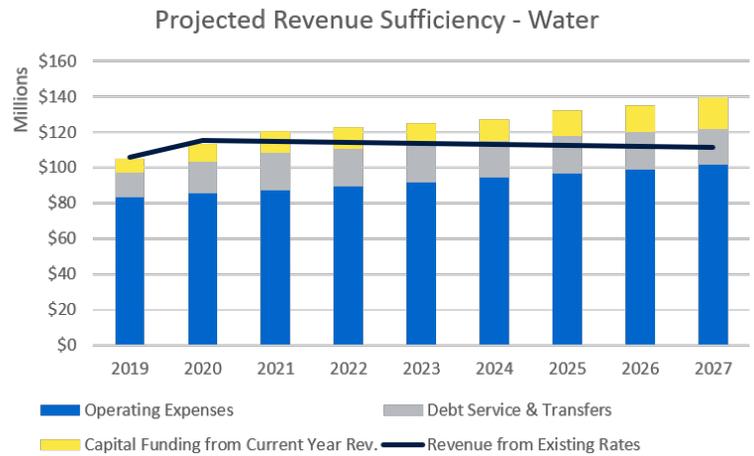


Historical Days Cash on Hand



System Revenue Sufficiency

As shown in the figures to the right, growing operating costs and continued reinvestment in the SWBNO's capital infrastructure will continue to push total utility costs higher through 2027. After 2020, existing rates will no longer be sufficient to fully recover system costs and additional rate increases will be required. SWBNO will perform a comprehensive rate study beginning in 2019 and concluding in 2020 to ensure that rates for 2021 and thereafter are sufficient to fully recover system costs and do so in an equitable and affordable manner.

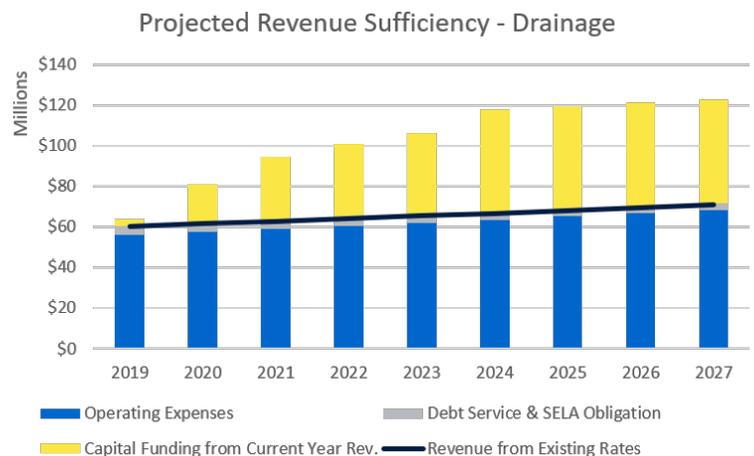


Drainage Revenue

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 \$61.7 million.



2019 Priorities

With the revenue generated from user charges, millages, and other miscellaneous sources, SWBNO has identified four primary priorities for FY 2019. While SWBNO staff will strive to provide exemplary service in all areas, these priorities reflect the management and staff's emphasis for the coming fiscal year.



Customer Service Excellence

- Reduce backlog of field service requests
- Eliminate backlog of transfer accounts
- Improve accuracy of meter reads
- Diligently fill vacancies



Operational Reliability

- Ensure reliable drainage operations & transparency
- Deliver safe drinking water



Financial Sustainability

- Adhere to bond covenants
- Replenish O&M reserves
- Recover delinquent account payments
- Identify capital revenue opportunities



Long-Range Strategic Planning

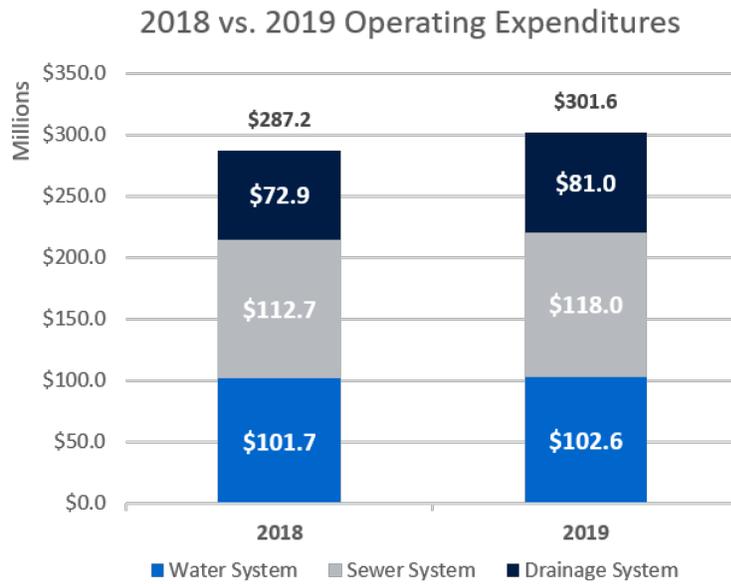
- Continue SWBNO Master Planning efforts
- Forecast long-range revenue requirements
- Support capital and operational improvements

Projected Expenditures



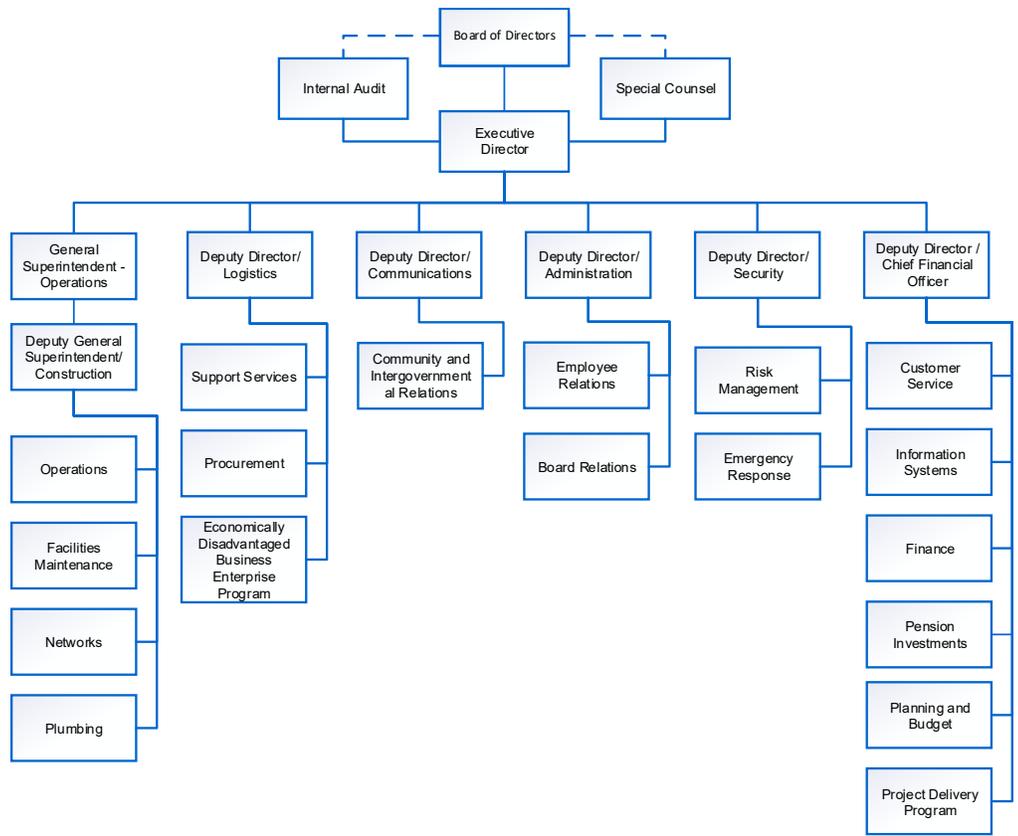
Operating Expenditures

SWBNO projected increases to its operating expenses, primarily for sewer and drainage services, to enhance reliability and responsiveness for ratepayers. While SWBNO intends to implement its capital plan partially funded with new debt, the 2019 budget includes no additional debt service because any new bonds would be issued later in the year.



Combined Utility Personnel

SWBNO is committed to optimizing its organizational structure and ensuring appropriate staffing levels. The current organizational structure is shown below – eight Deputy Directors report to the Executive Director regarding operations, construction, logistics, communication, administration, security, and finance.



In November 2018, SWBNO had more than 1,700 authorized positions and approximately 365 vacancies. The organization analyzed these positions and the vacancy rate, determining ways to improve efficiency and effectiveness. It recommended an 8% reduction in the number of approved positions while allocating additional resources to improve customer service levels. The following table details the position recommendations for each department.

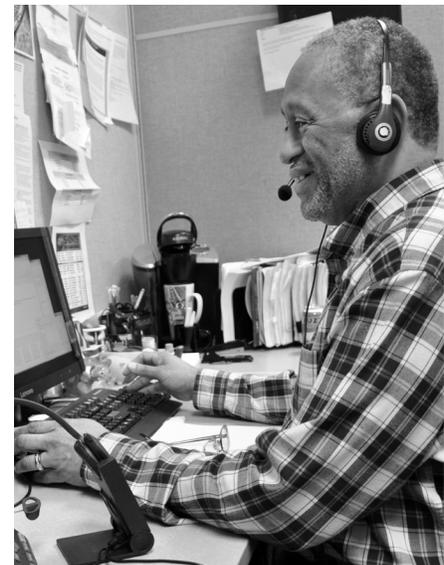
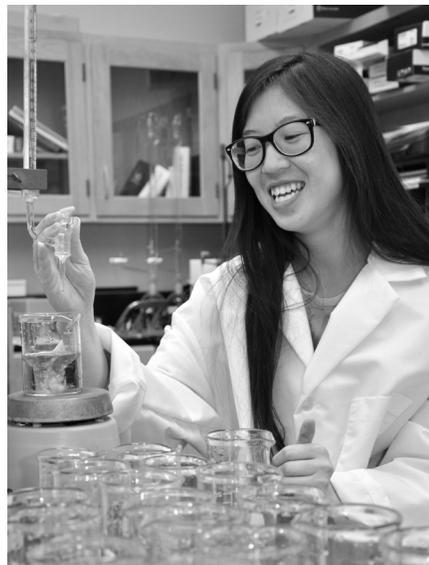
	2018 <i>Authorized</i>	2019 <i>Recommended</i>	Δ (#) <i>Variance</i>
Administration	35	31	(4)
Chief Financial Officer	371	365	(6)
Communications	13	8	(5)
Deputy General Supt./Construction	102	96	(6)
Executive Director	11	17	6
Logistics	221	170	(51)
General Supt/Operations	915	851	(64)
Security	28	28	-
Special Counsel / Legal	19	15	(4)
Total Positions by Department	1,715	1,581	(134)

Departmental Focus Areas and Operational Budgets

The 2019 operating expense budget is approximately \$232 million. The breakdown by department is shown in the table below.

OPERATING BUDGET	2018 <i>Amended</i>	2019 <i>Adopted</i>	Change (\$)	Change (%)
Executive Director	\$ 1,422,723	\$ 2,272,374	\$ 849,651	59.72%
Chief Financial Officer	30,532,911	33,334,064	2,801,153	9.17%
Administration	16,024,380	17,444,481	1,420,101	8.86%
Communications	1,472,717	1,182,235	(290,482)	-19.72%
Logistics	18,570,707	17,098,360	(1,472,347)	-7.93%
Security	14,234,661	14,798,214	563,553	3.96%
Operations	135,519,611	146,235,932	10,716,321	7.91%
Construction	9,475,100	10,605,153	1,130,053	11.93%
Special Counsel/Legal	2,892,061	3,186,621	294,560	10.19%
Continuous Improvement	141,122	0	(141,122)	
Less: Overhead	(12,941,512)	(14,388,588)	(1,447,076)	
Total Operating Expenses	217,344,481	231,768,846	14,424,365	6.64%

The following sections highlight the purpose of each Department, as well as their respective priorities and operational budgets for FY 2019.



EXECUTIVE DIRECTOR

Purpose

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

2019 Focus Areas

- **Customer Engagement.** Continue to enhance all relationships with external customers, including billed customers, other municipal entities, various funding partners, civil service, and civic and community organizations
- **Employee Engagement.** Enable employees with the vision, tools, and support to provide quality service to SWBNO, which includes employee leadership through various task forces and training opportunities, focus on a customer service culture, providing new technology, and improving communication throughout the organization
- **Strategic Planning.** Review SWBNO's policies, procedures, infrastructure, and industry best practices to develop a long-range roadmap for the future of the utility

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$933,423	\$1,322,124	\$388,701	41.64%
Services and Utilities	\$374,750	\$844,900	\$470,150	125.46%
Materials and Supplies	\$34,850	\$70,150	\$35,300	101.29%
Special Current Charges	\$74,500	\$30,000	\$(44,500)	-59.73%
Furniture and Equipment	\$5,200	\$5,200	\$0	
Total	\$1,422,723	\$2,272,374	\$849,651	59.72%

DEPUTY DIRECTOR – CHIEF FINANCIAL OFFICER

Purpose

The Finance Department oversees SWBNO's customer service, information systems and technology, planning and budgeting, pension program and the organization's project delivery program.

2019 Focus Areas

- **Financial Sustainability.** Strengthen the financial position of SWBNO through improved financial reporting and transparency, robust account collection activities, and adherence to bond covenants
- **Revenue Enhancements.** Identify capital revenue sources and initiate long-range financial planning efforts and a rate study to support the long-term needs of SWBNO
- **Customer Service.** Continue to upgrade the billing system to enhance billing reliability and move forward with implementation of a new, multi-year automated meter reading system
- **Technology.** Develop a roadmap of technology systems to enhance operational efficiencies, and select a new financial and procurement system to replace legacy technology
- **Compliance.** Strengthen procurement policies and grant compliance to improve recovery of expenditures from federally funded projects

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$19,650,548	\$19,389,477	\$(261,071)	-1.33%
Services and Utilities	\$9,910,447	\$12,978,425	\$3,067,978	30.96%
Materials and Supplies	\$424,504	\$399,150	\$(25,354)	-5.97%
Special Current Charges	\$469,312	\$469,312	\$0	
Furniture and Equipment	\$78,100	\$97,700	\$19,600	25.10%
Total	\$30,532,911	\$33,334,064	\$2,801,153	9.17%

DEPUTY DIRECTOR – ADMINISTRATION

Purpose

The Administration Department oversees various SWBNO's organizational initiatives including human resources.

2019 Focus Areas

- **Recruitment.** Reduce vacancies to fewer than 200 and reduce hiring timelines by 50% with a focus on filling key roles and succession planning
- **Policies.** Review, streamline, and update SWBNO policies
- **Training.** Expand training efforts for employees to support teamwork and provide best practice skills and tools
- **Culture Change.** Lead strategic efforts focused on customer service, leadership development, collaboration, empowerment, and accountability

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$13,377,880	\$14,998,881	\$1,621,001	12.12%
Services and Utilities	\$2,541,000	\$2,351,100	\$(189,900.00)	-7.47%
Materials and Supplies	\$94,500	\$84,500	\$(10,000.00)	-10.58%
Special Current Charges	\$0	\$0	\$0	
Furniture and Equipment	\$11,000	\$10,000	\$(1,000.00)	-9.09%
Total	\$16,024,380	\$17,444,481	\$1,420,101	8.86%

DEPUTY DIRECTOR – COMMUNICATIONS

Purpose

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

2019 Focus Areas

- **Communications Restructuring.** Restructure the Department to be the External Affairs Office for SWBNO and the Executive Director.
- **Targeted Messaging.** Develop a system to target specific customers or audiences by geography or circumstance, depending on the need to share information.
- **Storm Water Management Campaign.** SWBNO and its partners – GNOF, NORA and the City – have developed an aggressive timeline to plan and launch a city-wide marketing campaign to raise awareness of flood risk, drainage, and storm water mitigation.
- **Billing System Outreach Campaign.** Develop and launch a city-wide marketing campaign to build public trust in the SWBNO billing system and to support a 50% reduction in the average monthly delinquent accounts.
- **Improve Internal Communications.** Provide weekly internal updates on decisions, events, and projects underway
- **Media Training.** Identify subject matter experts in each department who should undergo media training and act as ambassadors for SWBNO to customers and the public.

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$818,203	\$527,676	\$(290,527)	-35.51%
Services and Utilities	\$624,714	\$624,759	\$45	0.01%
Materials and Supplies	\$24,600	\$24,600	\$0	0.00%
Special Current Charges	\$0	\$0	\$0	0.00%
Furniture and Equipment	\$5,200	\$5,200	\$0	0.00%
Total	\$1,472,717	\$1,182,235	\$(290,482)	-19.72%

DEPUTY DIRECTOR - LOGISTICS

Purpose

Logistics oversees the Departments of Support Services, Procurement, and the Economically Disadvantaged Business Enterprise Program for SWBNO. The Support Services Department's mission is to serve SWBNO's internal departments and customers by providing Fleet, Fuel Services, Warehouse, Canal Maintenance, CDL Training, and Building & Physical Pump Station Maintenance. The Procurement Department procures goods and services, professional services, and construction services. In accordance with SWBNO policies, the Economically Disadvantaged Business Program establishes feasible and reasonably attainable goals for DBE participation on all SWB contracts for good and services, construction and professional services; and monitors contract compliance for same. EDBP also participates via cooperative endeavor agreement, with the New Orleans Aviation Board, City of New Orleans and Harrah's Casino in the certification of small and economically disadvantaged businesses.

2019 Focus Areas

- **Update Policies and Procedures.** Implement new policies and procedures for the Procurement Department to more easily track and account for expenditures.
- **Update Aging Fleet.** Selectively replace aging fleet with new equipment.
- **Develop a CDL Training Program.** Establish an enterprise fund for the CDL Division of Support Services to provide training for other political subdivisions.
- **Improve Central Yard.** Implement plans to improve the Central Yard, such as providing additional on-site employee parking and continuing to work with the Corps of Engineers on improvements related to the on-going SELA Project.
- **Update the St. Joseph Street Office Building.** Continue to make improvements and updates to the St. Joseph Street Office Building.
- **Support Workforce Development.** Continue to work on personnel matters relating to staff augmentation, promotions, job studies, and succession planning.

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$9,597,856	\$9,339,159	\$(258,697)	-2.70%
Services and Utilities	\$3,435,551	\$3,423,001	\$(12,550)	-0.37%
Materials and Supplies	\$5,447,000	\$4,246,000	\$(1,201,000)	-22.05%
Special Current Charges	\$0	\$0	\$0	0.00%
Furniture and Equipment	\$90,300	\$90,200	\$(100)	-0.11%
Total	\$18,570,707	\$17,098,360	\$(1,472,347)	-7.93%

DEPUTY DIRECTOR – SECURITY

Purpose

The Security Division is responsible for developing and implementing SWBNO's proactive approach to security, safety, risk management and emergency management.

2019 Focus Areas

- **Safety.** Launch personal protection equipment campaign at SWBNO
- **Security.** Improve physical security at the Carrollton Water Plant and Central Yard
- **Emergency Management.** Install River Bacons at River Intakes for mitigation
- **Risk Management.** Conduct a property appraisal of SWBNO facilities

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$1,867,216	\$1,906,019	\$38,803	2.08%
Services and Utilities	\$8,814,320	\$9,109,170	\$294,850	3.35%
Materials and Supplies	\$255,350	\$323,250	\$67,900	26.59%
Special Current Charges	\$3,174,775	\$3,384,275	\$209,500	6.60%
Furniture and Equipment	\$123,000	\$75,500	\$(47,500)	-38.62%
Total	\$14,234,661	\$14,798,214	\$563,553	3.96%

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.

2019 Focus Areas

- **Upgrade Sewer Infrastructure.** Improve the sewer pumping stations and treatment plants to provide collection and treatment services that meet our customers' needs, while also meeting state and federal environmental regulations and the SWBNO Consent Decree.
- **Upgrade Carrollton Power System.** Continue to improve the Carrollton Water Plant Power System and maintain stable operations by supplying reliable power to Board assets.
- **Upgrade Carrollton Purification System.** Continue to improve the Carrollton Water Plant Water Purification System to provide a reliable source of drinking water to our customers while meeting the requirements of the Safe Drinking Water Act.
- **Improve Drainage Pumping.** Continue to improve the drainage pumping system to manage storm water throughout the city.

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$52,522,237	\$54,931,112	\$2,408,875	4.59%
Services and Utilities	\$40,973,945	\$37,132,676	\$(3,841,269)	-9.37%
Materials and Supplies	\$39,368,797	\$50,821,169	\$ 11,452,372	29.11%
Special Current Charges	\$2,000,000	\$2,500,000	\$500,000	25.00%
Furniture and Equipment	\$654,632	\$850,975	\$ 196,343	30.49%
Total	\$135,519,611	\$146,235,932	\$ 10,716,321	7.91%

DEPUTY GENERAL SUPERINTENDENT – CONSTRUCTION

Purpose

The Deputy General Superintendent's Office manages all aspects of capital project delivery, including engineering, the joint infrastructure replacement program, and regulatory compliance.

2019 Focus Areas

- **Infrastructure Rehabilitation.** Rehabilitate water and sewer infrastructure systems in conjunction with the SWBNO/DPW JIRR Program and the SWBNO Consent Decree Program.
- **Carrollton Upgrades.** Make improvements to the Carrollton Water Plant.
- **Drainage System Improvements.** Improve the drainage system through the Southeast Louisiana Flood Control Program (SELA).
- **Regulatory Compliance.** Implement and enforce storm water and sewer regulations.

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$7,422,854	\$7,879,807	\$456,953	6.16%
Services and Utilities	\$1,776,496	\$2,453,796	\$677,300	38.13%
Materials and Supplies	\$144,150	\$136,950	\$(7,200)	-4.99%
Special Current Charges	\$0	\$0	\$0	
Furniture and Equipment	\$131,600	\$134,600	\$3,000	2.28%
Total	\$9,475,100	\$10,605,153	\$1,130,053	11.93%

SPECIAL COUNSEL

Purpose

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

2019 Focus Areas

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

Operational Budget

Expenditure Category	2018 Budget (Amended)	2019 Budget (Adopted)	Change (\$)	Change (%)
Personnel Services	\$1,445,622	\$1,385,621	\$(60,001)	-4.15%
Services and Utilities	\$982,539	\$1,295,000	\$312,461	31.80%
Materials and Supplies	\$43,900	\$16,000	\$(27,900)	
Special Current Charges	\$405,000	\$475,000	\$70,000	17.28%
Furniture and Equipment	\$15,000	\$15,000	\$0	
Total	\$2,892,061	\$3,186,621	\$294,560	10.19%

Capital Program

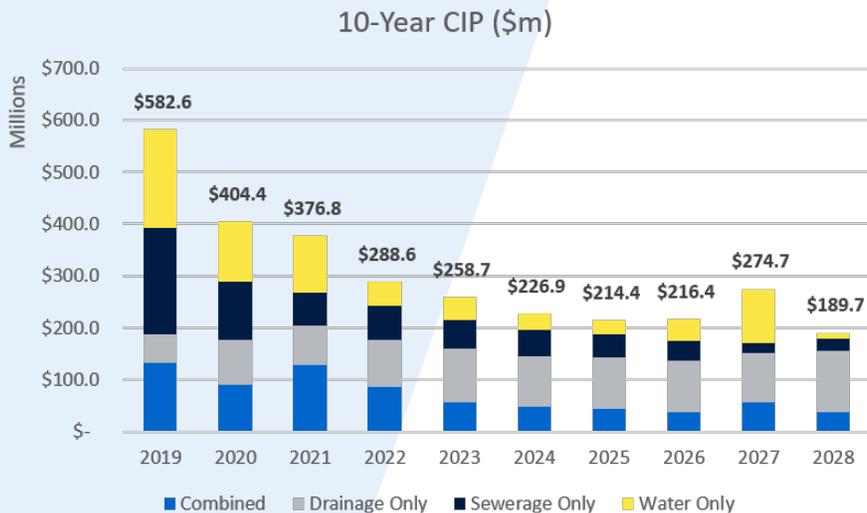


Capital

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

SWBNO has many financial needs in terms of capital improvements. SWBNO has identified needed asset and infrastructure investment that includes \$3 Billion over the next 10 years. As a municipal entity, SWBNO doesn't have access to equity markets, so all projects must be funded through debt issuances, grants, or cash generated from user charges. Debt issuances are an attractive means for raising capital due to the ability to spread payments over many years at a low cost, limiting the impact to SWBNO ratepayers. However, due to the size 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 2019.

Due to limited access to capital resources, SWBNO establishes annual capital budgets by prioritizing all capital projects and determining which projects can and should be funded in each year. Most capital projects included in the 2019 Capital Budget are categorized as either "critical" or "urgent."



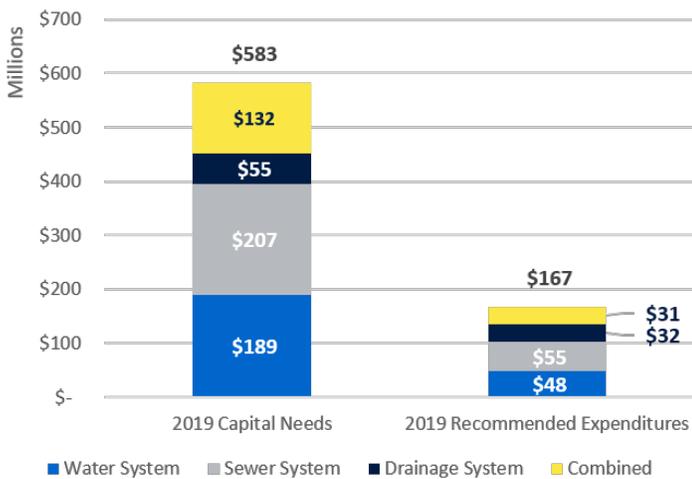
The 2019 Capital Budget includes \$166.7 million in capital expenditures and provides for the following activities:

- Continue Joint Infrastructure Recovery Road (JIRR) in conjunction with City of New Orleans Department of Public Works (DPW).
- Comply with regulatory requirements under the Sewer Consent Decree.
- Complete second tower of Water Hammer project.
- Participate in drainage system improvements in coordination with SELA Program.
- Initiate Automated Meter Infrastructure project.

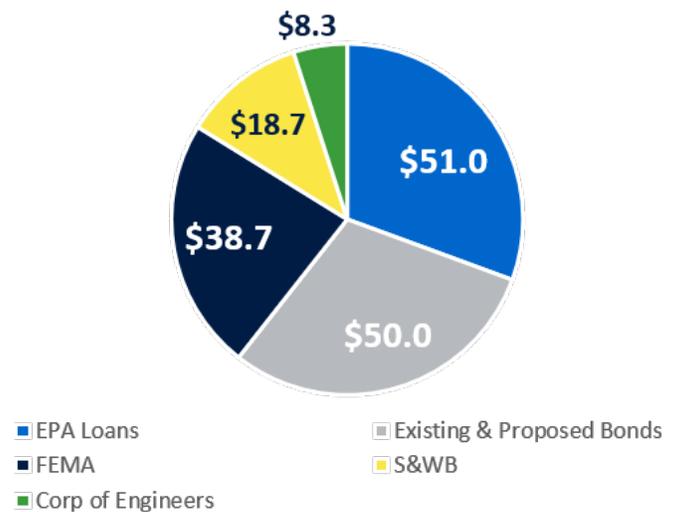
Financing sources for the 2019 Capital Budget include: existing water bonds, proposed drainage bonds (\$40 million), Safe Drinking Water and Clean Water loans from the EPA, grants from FEMA and the Corp of Engineers, and SWBNO cash financing.

SWBNO recognizes the vital importance of continuing infrastructure repair and replacement and has updated its long-range capital forecast to address the priority needs of the system. However, only a portion of the capital funding needed in 2019 has been identified. The 10-year Capital Improvement Plan (CIP) is updated annually and contains approximately \$3 billion of projects.

2019 Capital Needs vs. Expenditures



2019 Capital Sources (\$m)



Capital Improvement Program Budget (2019)

Utility	Category	Project Description	CP#	Location	Fund Source	Priority	2019 Budget
Funded Projects							
Water	Facilities	Improvements to Claiborne Water Pumping Station - (Contracts 1376, 1377 & 1395)	175-00	CWP	FEMA	Critical	\$ 4,547,643
Water	Normal Extensions	Replacement of water distribution system on East Bank FEMA	175-13	Citywide	FEMA	Critical	19,755,520
Sewerage	Normal Extensions	ESSA Rehabilitation of sewer mains/ADA costs per EPA Consent Decree	317-00	Citywide	FEMA	Critical	4,276,308
Combo	Power	Contingency Costs - Contract 6249 Feeder Replacement Project	676-02	Citywide	HMGP/SWB	Necessary	2,182,063
Combo	Power	New Outside Switchgear/Transformer - Contract 1370A	676-04	CWP	HMGP/SWB	Critical	2,500,000
Combo	Facilities	Oak Street Pump Station Retrofit Contract 1368 construction and engineering services. Project funded under System Funds due to funding cap of HMGP.	676-06	CWP	HMGP	Urgent	5,437,254
Total: Funded Projects							38,698,788
Ongoing Projects							
Water	Facilities	Rehab of filters at Sycamore Filter gallery	122-03	CWP	SWB	Urgent	318,160
Water	Facilities	Various improvements to facilities at the Algiers Water Treatment Plant	157-02	Algiers	SWB	Necessary	5,788,633
Sewerage	Normal Extensions	Rehabilitation of gravity sewers via point repairs, full line replacement, CIPP lining and pavement restoration	318-02	Citywide	SWB	Critical	2,500,000
Sewerage	Normal Extensions	Manhole-to-manhole sanitary sewer main replacement at various locations throughout Orleans Parish	318-03	Citywide	SWB	Critical	2,500,000
Sewerage	Facilities	Misc. Repairs at Various Sewage Pumping Stations, incl Contract 3783	326-00	Citywide	SWB	Urgent	970,295
Sewerage	Facilities	Misc. Capital Repairs to the EBWWTP Facilities	348-03	EBSTP	SWB	Urgent	1,129,243
Sewerage	Facilities	Improvements to EBSTP headworks -Repair bar screen automation. Influent channel cleaning	348-04	EBSTP	SWB	Urgent	124,338
Sewerage	Normal Extensions	Paving of sewer lines	382-00	Citywide	SWB	Critical	1,000,000
Drainage	Normal Extensions	Normal Extension and Replacements drain lines 36" and greater via DPW Paving Projects and SWB Projects	439-00	Citywide	SWB	Necessary	4,004,123
Combo	Facilities	DPS 17/Station D Structural Rehabilitation (85%D, 15%S) Contingency	511-00	D	SWB	Urgent	7,865,767
Drainage	Facilities	DPS Assessment, repairs and or replacement to suction basin canal; screen cleaners & pumps 1 & 2 Vacuum header & 60 cycle vac pump. Anti Siphon Flow	511-02	DPS4	SWB	Urgent	24,709
Total: Ongoing Projects							26,225,268
Other Projects (Funding Source to be Determined)							
Water	Normal	Water line replacements (Non-FEMA) in conjunction with DPW JIRR Program Extensions	110-57	Citywide	SWB	Urgent	17,719,284
Sewerage	Normal Extensions	SSERP Rehabilitation of sewer mains per EPA Consent Decree	317-13	Citywide	SWB	Critical	38,832,659
Sewerage	Facilities	Repairs to Sludge Handling and the FBI	348-07	EBSTP	SWB	Critical	4,024,538
Drainage	Normal Extensions	Normal Extension and Replacements drain lines 36" and greater via DPW Paving Projects and SWB Projects	439-00	Citywide	SWB	Necessary	9,387,755
Drainage	SELA	General DeGaulle Canal Improvements	496-01	Algiers	SWB/Other	Desirable	11,000,000
Combo	Power	Construction of CWP West Substation/Demo of C7 C8 Basins	610-02	CWP	SWB	Critical	2,000,000
Combo	Power	Rehabilitation of Power House - Contract 1370	676-01	CWP	SWB	Critical	1,606,408
Combo	Power	Replacement of STG No 1 w/GTG	676-03	CWP	SWB	Necessary	1,500,000
Combo	Power	Program Management/Construction Management Fees	676-06	CWP	SWB	Urgent	5,671,030
Combo	Equipment	Vehicle replacement (large trucks, cranes, etc.)	810-01	Citywide	SWB	Necessary	1,000,000
Combo	Equipment	Heavy construction equipment replacement such as excavators, backhoes, cranes, front end loaders, etc.	810-02	Citywide	SWB	Necessary	1,000,000
Combo	Equipment	Purchase of Water Meters	823-01	CWP	SWB	Necessary	2,000,000
Combo	Equipment	Furnishing brass water service fittings, meter boxes, and meter box parts	824-00	Central Yard	SWB	Necessary	1,500,000
Combo	Equipment	Automated Meter Infrastructure	825-00	Citywide	SWB	Urgent	2,685,350
Combo	Software	Verint Script Software	843-14	Citywide	SWB	Urgent	500,000
Combo	Hardware	PC's and peripherals	843-24	Citywide	SWB	Necessary	471,000
Combo	Facilities	Green Infrastructure Project	879-00	Citywide	SWB	Necessary	843,650
Total: Other Projects							101,741,674
TOTAL: 2019 CAPITAL BUDGET							\$ 166,665,730

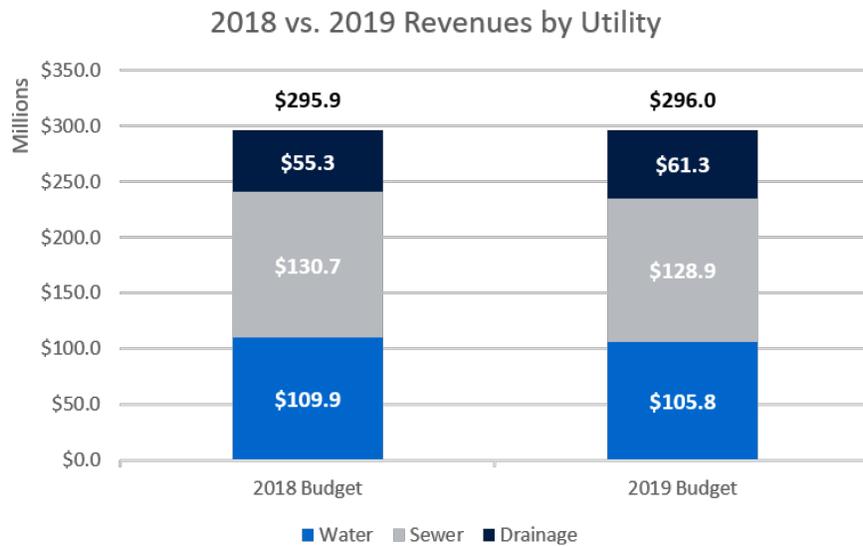
Revenues



Revenues

SWBNO has budgeted to collect approximately \$296 million in revenues during 2019. Operating revenues, which are generated primarily from water and sewer user charges, make up about \$229 million or 77.5% of total system revenues. Non-Operating revenues, which consist of drainage millage collections, interest, and other miscellaneous non-operating revenues, account for the remaining \$66.7 million or 22.5%.

As shown, despite the 2019 water and sewer rate increases, SWBNO expects to collect slightly less in water and sewer user charge revenues. The reason for this is declining per capita consumption, which is a trend seen nationwide, driven by the growing prevalence of high-efficiency water fixtures and general conservation-oriented water usage practices.



Regional Demographics

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



1.3 million

population in the greater metropolitan area

\$37,488

Median household income

393,000

population in New Orleans

\$5.5 billion

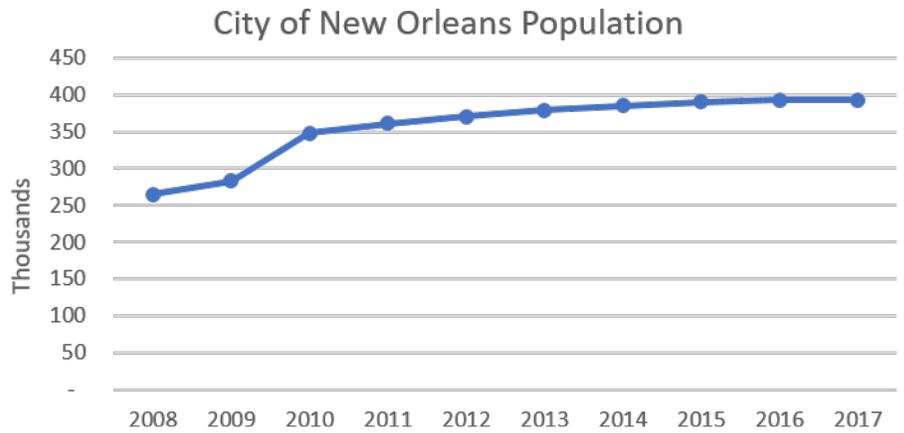
Tourism and convention industry

3.7%

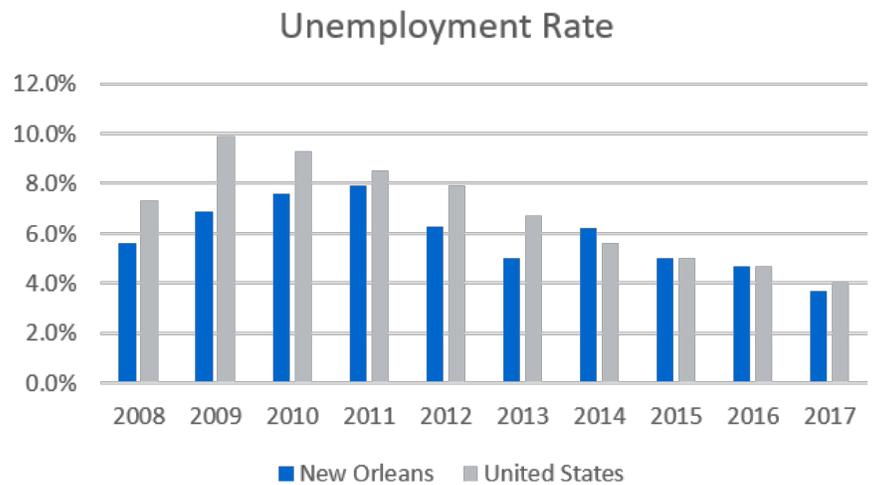
2017 city unemployment rate



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. Most recently, the City experienced an increase of just 0.06% between 2016 and 2017.



The City’s 2017 unemployment rate was very low (3.7%) and compares favorably to the national unemployment rate of 4.1%. 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.

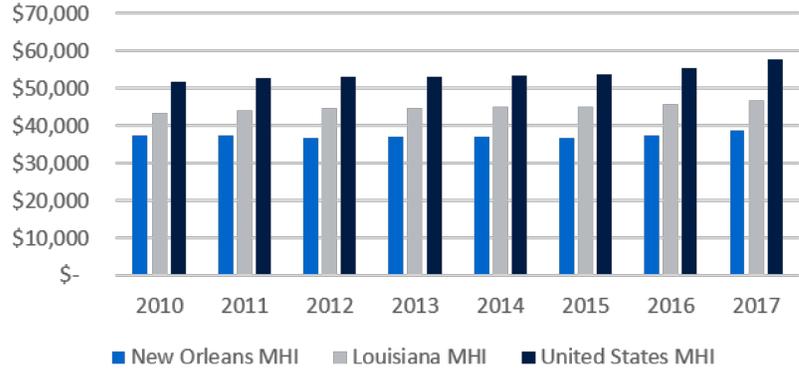


Company	Employees
Ochsner Health System	16,000
Ochsner Medical Center	7,832
The University of New Orleans	3,425
Harrah’s Casino	2,200
Children’s Hospital	2,139
Tulane University	2,000
Budgeted 2019 SWBNO Positions	1,581

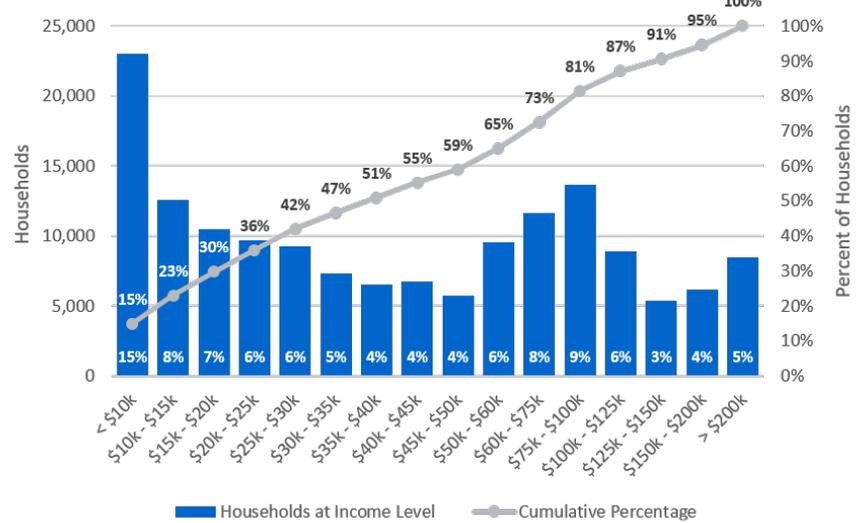
The US Census Bureau estimates the 2016 median household income (MHI) at \$37,488, which is considerably lower than the MHI for both Louisiana (\$45,652) and the United States (\$55,322).

There is significant income disparity within the Parish. When household income data is divided into income levels, it highlights the disparity of income among City residents. As shown, an estimated 30% of people in New Orleans earn less than \$20,000 per year.

Median Household Income



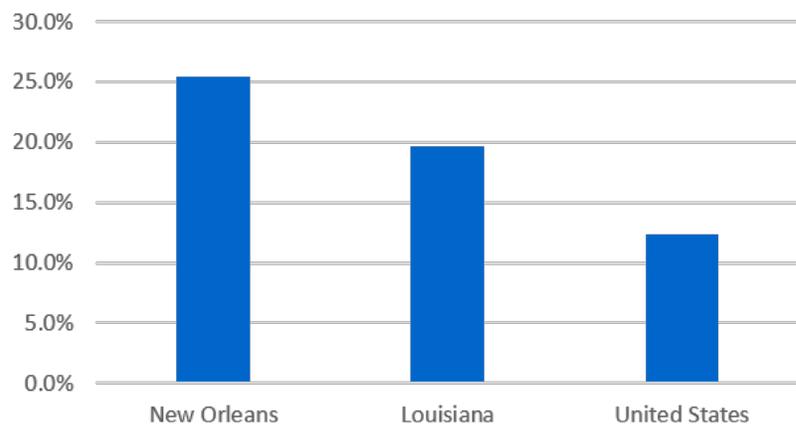
Distribution by Income Level



One of the most telling comparisons is the poverty rate. In 2017, the US Census Bureau estimated that over a quarter of people in the City live on annual income that falls below the Federal Poverty Level.

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

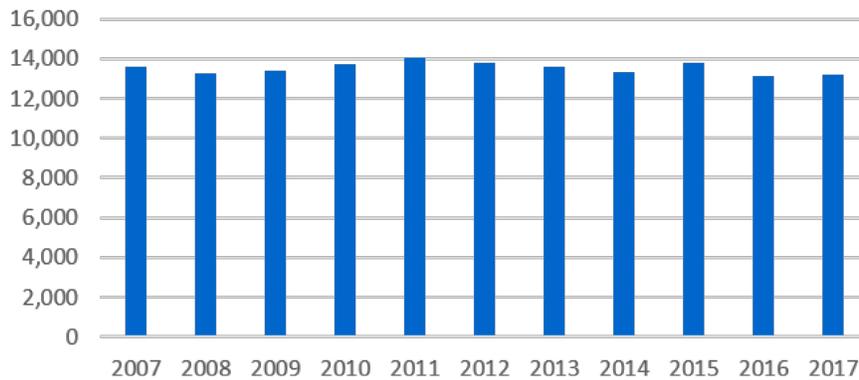
Percentage of People Living in Poverty



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. Since the volume of water sold has not increased, SWBNO needs to explore and identify all potential revenue sources to meet existing costs.

Customer Demand (MG)



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.

The 2019 rate structure and rates are shown below and reflect a 10% increase from 2018 rates (2018 rates are included for comparison). The rate adjustment is the 7th of an 8-year utility rate increases approved in 2012 and first implemented in 2013.

Meter Size	Water Rates	
	2018	2019
Service Charge (per Month)		
5/8" Meter ¹	\$7.18	\$7.90
Quantity Charge (per 1,000gal)		
First 3,000 gal	\$4.79	\$5.27
Next 17,000 gal	\$8.15	\$8.97
Next 980,000 gal	\$6.41	\$7.05
Over 1,000,000 gal	\$5.37	\$5.91

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

Meter Size	Sewer Rates	
	2018	2019
Service Charge (per Month)		
5/8" Meter ¹	\$20.55	\$22.61
Quantity Charge (per 1,000gal)		
All Consumption ²	\$7.15	\$7.87

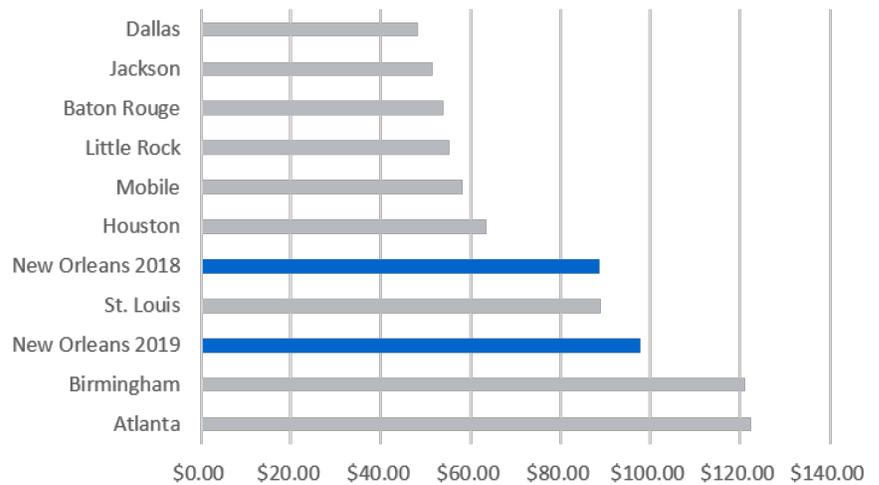
²For residential customers: consumption is based on 85% of metered water consumption to allow 15% water use for outdoor purposes.



Rate Comparison

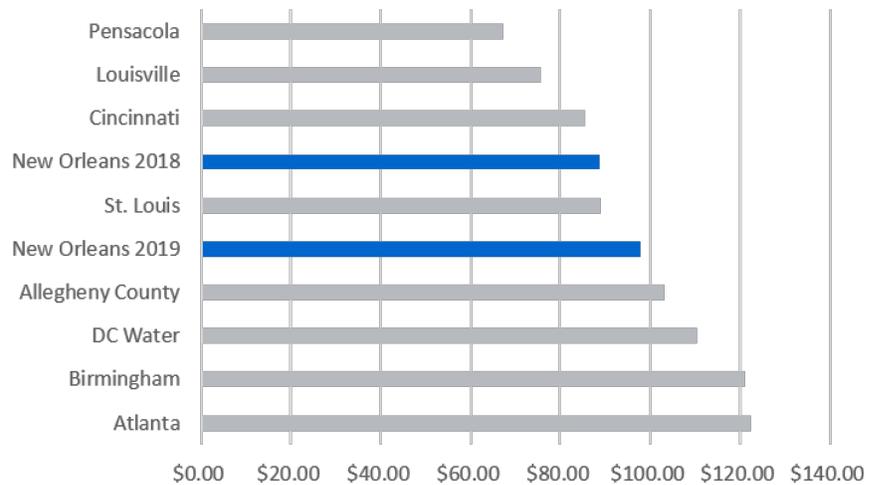
The monthly bill analysis shows the 2018 and 2019 typical residential customer water and sewer monthly bill for SWBNO compared to other regional utilities. SW&B's rates must address geographic and regulatory challenges that not all other regional utilities face.

Bill Comparison (5,000 gal/mo)



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.

Bill Comparison (5,000 gal/mo)



Operating Funds



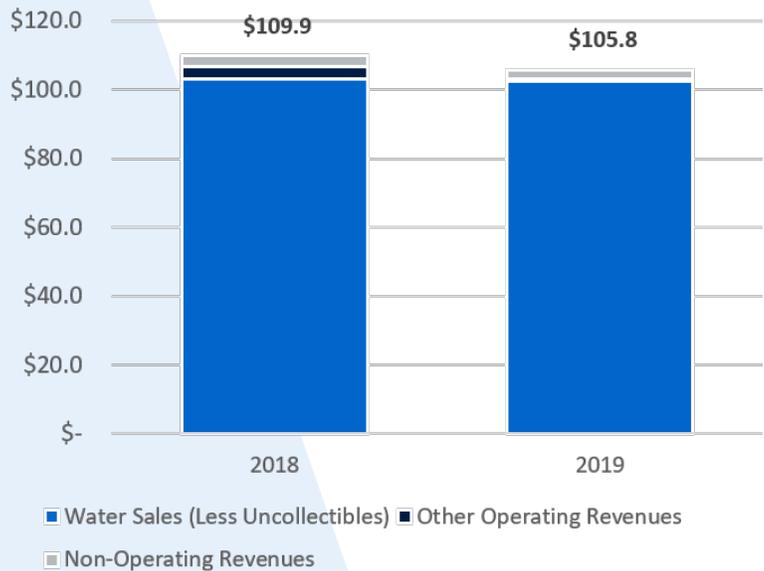
Water Fund

Water System revenue is comprised of three main categories:

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

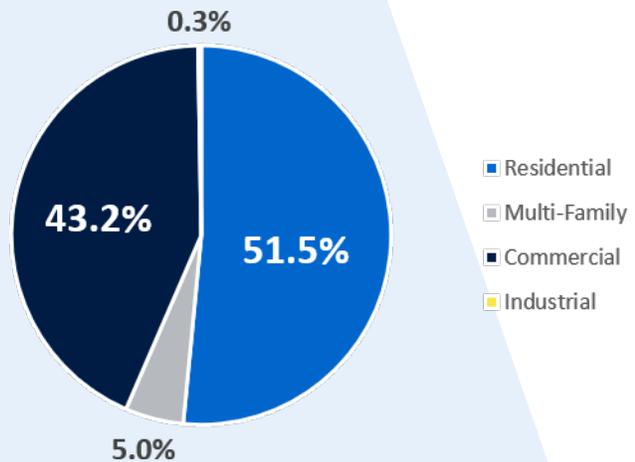
Revenue to fund water operations is largely from user charge revenue, or Water Sales. In fact, Water Sales revenue was 94% of the total water revenue in the amended 2018 budgeted revenue and is even higher at 97% for the 2019 budget. Other operating and non-operating account for approximately \$3.2 million in revenue in addition to Water Sales.

Water System Revenues (\$m)



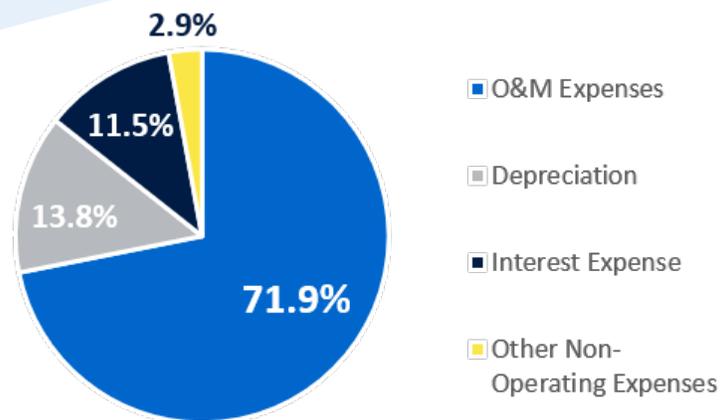
The vast majority of SWBNO’s customer accounts are residential but revenue recovery by class results in approximately 51.5% of water sales revenue from residential customers and 48.5% from non-residential customers.

2019 Projected Water Sales by Class



More than 71% 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.

Total 2019 Water System Expenses



Water O&M Expense Breakdown	2019	%
Executive Director	803,109	1.0%
Special Counsel	924,986	1.1%
Security	5,919,286	7.1%
Communications	472,894	0.6%
Administration	6,977,792	8.4%
General Supt./Operations	51,480,667	61.8%
Chief Financial Officer	12,447,200	14.9%
Deputy General Supt./Construction	2,712,103	3.3%
Logistics	6,577,388	7.9%
Overhead	(4,966,544)	-6.0%
Total Operating & Maintenance	\$83,348,880	100.0%

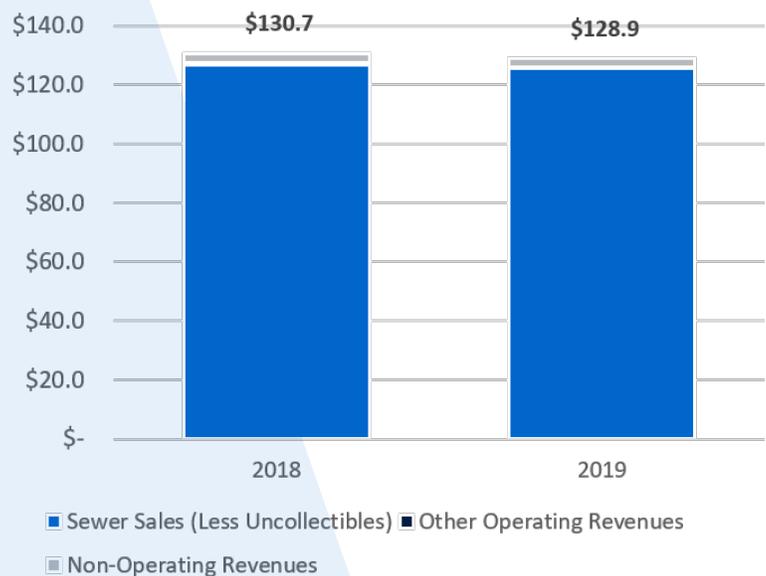
Sewer Fund

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

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

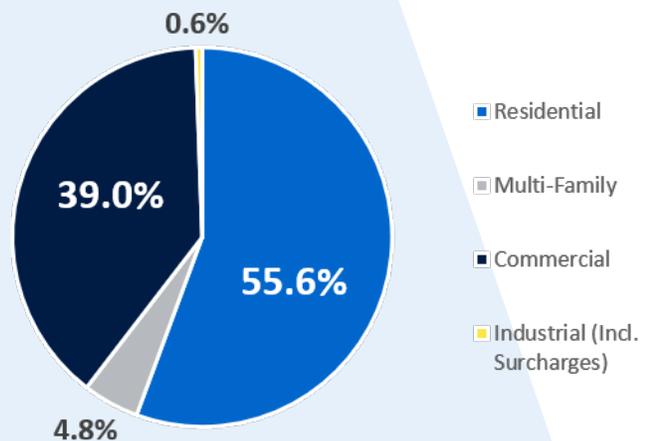
Revenue to fund sewer operations is largely from user charge revenue, or Sewer Sales. In fact, Sewer Sales revenue was 97% of the total sewer revenue in both the amended 2018 budget and the 2019 budget. Other operating and non-operating account for approximately \$3.3 million in revenue in addition to Sewer Sales.

Sewer System Revenues (\$m)



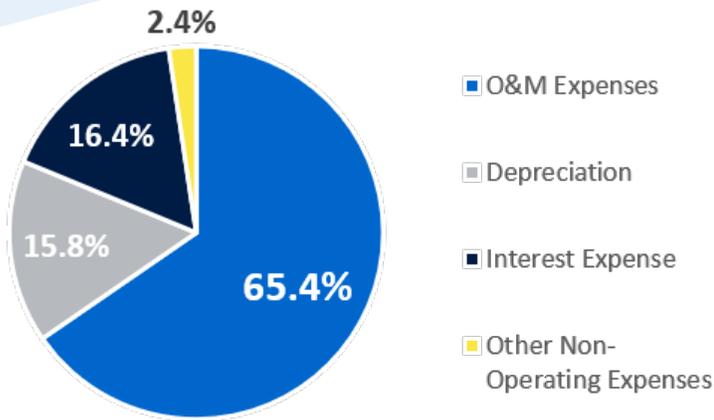
The vast majority of SWBNO’s customer accounts are residential but revenue recovery by class results in approximately 55.6% of sewer sales revenue from residential customers and 44.4% from non-residential customers.

2019 Projected Sewer Sales by Class



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

Total 2019 Sewer System Expenses



Sewer O&M Expense Breakdown	2019	%
Executive Director	1,014,790	1.1%
Special Counsel	1,393,311	1.5%
Security	5,919,286	6.4%
Communications	472,894	0.5%
Administration	6,977,792	7.6%
General Supt./Operations	52,897,371	57.3%
Chief Financial Officer	16,546,869	17.9%
Deputy General Supt./Construction	5,171,374	5.6%
Logistics	6,639,344	7.2%
Overhead	(4,753,714)	-5.2%
Total Operating & Maintenance	\$92,279,316	100.0%



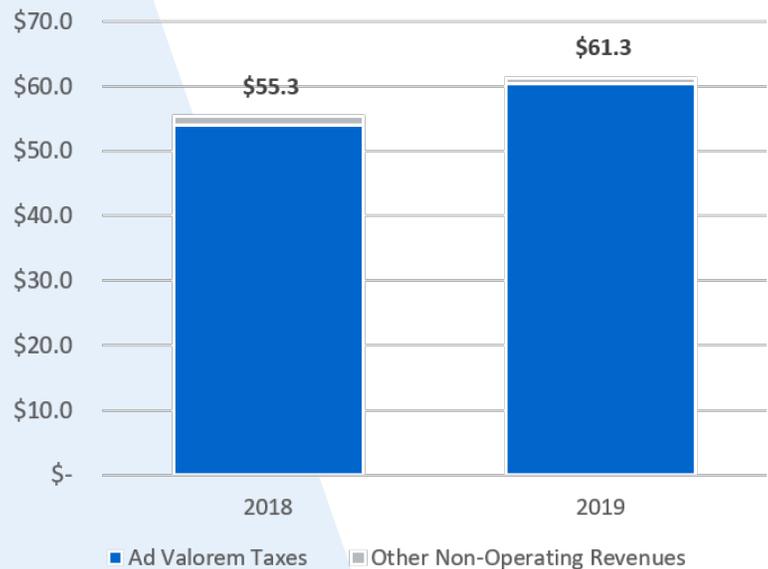
Drainage Fund

Drainage System revenue is comprised of two main categories:

- Ad Valorem Taxes
- Non-Operating Revenue

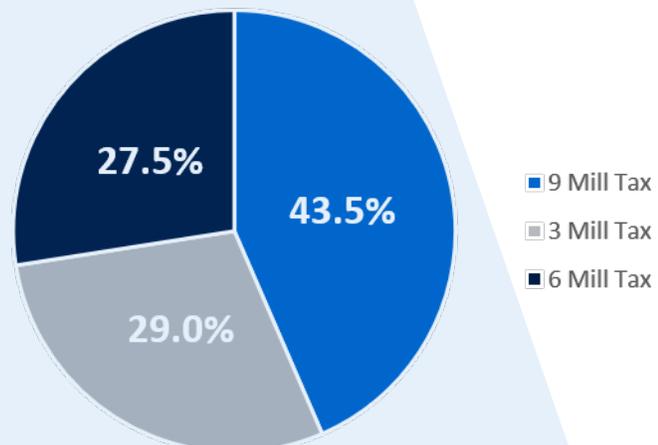
Revenue to fund drainage operations is largely from ad valorem taxes. In fact, ad valorem tax revenue was 98% of the total drainage revenue in the amended 2018 budget and the 2019 budget. Other non-operating revenues account for approximately \$1.3 million in revenue in addition to ad valorem taxes.

Drainage System Revenues (\$m)



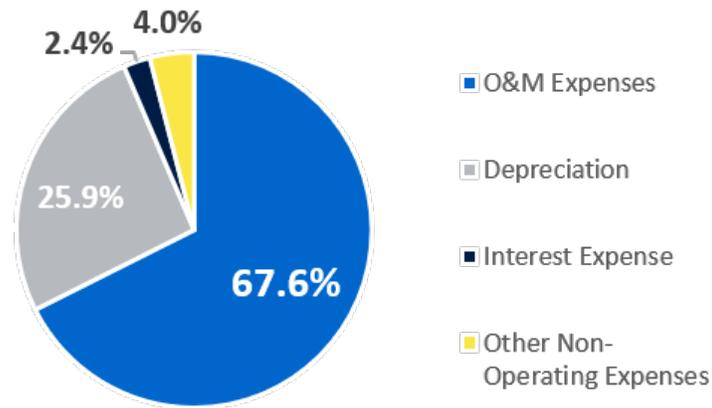
Ad valorem taxes are assessed on a 9 mill, 6 mill, and 3 mill basis. As shown, the 9 mill group accounts for almost half of the drainage system revenues.

2019 Projected Drainage Revenue



More than 67% 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.

Total 2019 Drainage System Expenses



Drainage O&M Expense Breakdown	2019	%
Executive Director	\$454,475	0.8%
Special Counsel	868,324	1.5%
Security	2,959,643	5.3%
Communications	236,447	0.4%
Administration	3,488,896	6.2%
General Supt./Operations	41,857,894	74.6%
Chief Financial Officer	4,339,995	7.7%
Deputy General Supt./Construction	2,721,677	4.8%
Logistics	3,881,628	6.9%
Overhead	(4,668,330)	-8.3%
Total Operating & Maintenance	\$56,140,649	100.0%

Detailed Budget Schedules



2019 Operating Budget by System

Line No.	Description	A Water	B Sewerage	C Drainage	D Total
Operating Revenues:					
1	Revenues from Charges	\$ 104,392,601	\$ 127,765,847	\$ -	\$ 232,158,448
2	Other Operating Revenues	565,047	526,988	-	1,092,035
3	Adjustment for Uncollectible Accounts	(1,775,000)	(2,172,000)	-	(3,947,000)
4	Total Operating Revenues	103,182,648	126,120,835	-	229,303,483
Operating Expenses:					
5	Operating & Maintenance Expenses	83,348,880	92,279,316	56,140,649	231,768,846
6	Depreciation & Allowances Expenses (non- cash)	15,957,000	22,360,000	21,550,000	59,867,000
7	Pension Liability Adjustment Expenses (non-cash)	3,333,333	3,333,334	3,333,333	10,000,000
8	Total Operating Expense	102,639,214	117,972,650	81,023,982	301,635,846
9	Net Operating Income	543,434	8,148,186	(81,023,982)	(72,332,362)
Non-Operating Revenues (Expenses)					
10	Tax Revenues	-	-	60,354,046	60,354,046
11	Interest Income	-	-	-	-
12	Other Non-Operating Revenues	1,249,075	512,545	19,924	1,781,544
13	FEMA Expense Reimbursement	1,356,924	2,261,541	904,616	4,523,081
14	Total Non-Operating Revenues	2,605,999	2,774,086	61,278,586	66,658,671
Non-Operating Expenses:					
15	Interest Expense - Series 2011 Bonds	-	61,513	-	61,513
16	Interest Expense - Series 2014 Bonds	4,900,000	5,142,450	213,550	10,256,000
17	Interest Expense - Series 2015 Bonds	4,919,550	5,000,000	-	9,919,550
18	LADEQ Loan	-	-	-	-
19	Go Zone Interest Expense	-	-	-	-
20	Capitalized Interest	(9,819,550)	(10,203,963)	(213,550)	(20,237,063)
21	Total Non-Operating Expenses	-	-	-	-
22	Net Income	3,149,434	10,922,272	(19,745,396)	(5,673,691)
Debt Service					
23	Net Income	3,149,434	10,922,272	(19,745,396)	(5,673,691)
24	Depreciation & Allowances Expenses (non- cash)	15,957,000	22,360,000	21,550,000	59,867,000
25	Pension Liability Adjustment Expenses (non-cash)	3,333,333	3,333,334	3,333,333	10,000,000
26	Cash Available for Debt Service	22,439,767	36,615,606	5,137,937	64,193,309
27	Debt Service Principal/Interest	13,333,550	23,139,057	2,028,550	38,501,157
28	Cash Available After Debt Service	\$ 9,106,217	\$ 13,476,549	\$ 3,109,387	\$ 25,692,152

Comparisons of 2017 Budget, 2018 Budget, 2019 Budget

Line No.	Description	A	B	C
		2017 Budget	2018 Budget	2019 Budget
Operating Revenues:				
1	Revenues from Charges	\$ 208,259,600	\$ 234,584,616	\$ 232,158,448
2	Other Operating Revenues	5,575,200	4,397,477	1,092,035
3	Adjustment for Uncollectible Accounts			(3,947,000)
4	Total Operating Revenues	213,834,800	238,982,093	229,303,483
Operating Expenses:				
5	Operating & Maintenance Expenses	189,060,446	232,775,334	231,768,846
6	Depreciation & Allowances Expenses (non- cash)	63,087,793	59,867,000	59,867,000
7	Pension Liability Adjustment Expenses (non-cash)	21,000,000	10,000,000	10,000,000
8	Total Operating Expenses	273,148,239	302,642,334	301,635,846
9	Net Operating Income	(59,313,439)	(63,660,241)	(72,332,363)
Non-Operating Revenues				
10	Tax Revenues	53,966,337	53,966,337	60,354,046
11	Interest Income	1,350,200	1,384,981	-
12	Other Non-Operating Revenues	1,841,600	3,065,709	1,781,544
13	FEMA Expense Reimbursement	4,390,134	3,292,601	4,523,081
14	Total Non-Operating Revenues and FEMA	61,548,271	61,709,627	66,658,671
Non-Operating Expenses:				
15	Interest Expense - Series 2011 Bonds	-	65,607	61,513
16	Interest Expense - Series 2014 Bonds	11,833,875	11,033,800	10,256,000
17	Interest Expense - Series 2015 Bonds	9,940,550	9,940,550	9,919,550
18	LADEQ Loan	69,663	-	-
19	Go Zone Interest Expense	2,328,488	-	-
20	Capitalized Interest	(21,774,425)	(20,974,350)	(20,237,063)
21	Total Non-Operating Expenses	2,398,151	65,607	-
22	Net Income	\$ (163,319)	\$ (2,016,220)	\$ (5,673,692)

Key Metrics from 2019 Operating Budget

Line No.	Description	Water	Sewer	Drainage	Total
1	Net Income	\$ 3,149,434	\$ 10,922,272	\$ (19,745,396)	\$ (5,673,691)
2	Plus Depreciation and Allowances	15,957,000	22,360,000	21,550,000	59,867,000
3	Post Retirement Medical Expenses	3,333,333	3,333,334	3,333,333	10,000,000
4	Less Capitalized Interest	(9,819,550)	(10,203,963)	(213,550)	(20,237,063)
5	Bond Principal Payments	3,575,000	11,510,000	1,815,000	16,900,000
6	Total Cash Generated From Operations	\$ 16,195,217	\$ 37,921,643	\$ 6,739,387	\$ 60,856,246

Line No.	Description	Water	Sewer	Drainage
7	Total Operating Revenue	\$ 103,182,648	\$ 126,120,835	\$ -
8	Total Other Operating Revenue	2,605,999	2,774,086	61,278,586
9	Total Revenue	105,788,647	128,894,921	61,278,586
10	Operating and Maintenance Expense	83,348,880	92,279,316	56,140,649
11	Cash Available for Debt Service	22,439,767	36,615,605	5,137,937
Debt Service Coverage				
12	Net Operating Income	543,434	8,148,186	
13	Other Non-Operating Revenues	2,605,999	2,774,086	
14	Depreciation and Allowances	15,957,000	22,360,000	
15	Post Retirement Medical Expenses	3,333,333	3,333,334	
16	Cash Available for Debt Service	22,439,767	36,615,606	
17	Debt Service (Principal and Interest)	13,333,550	23,139,057	
18	Debt Service Coverage Times	1.68	1.58	

Operating and Maintenance Expense Summary by Division and System

Line No.	Division	A Water	B Sewerage	C Drainage	D 2019 Adopted
1	Executive Director	\$ 803,109	\$ 1,014,790	\$ 454,475	\$ 2,272,374
2	Special Counsel	924,986	1,393,311	868,324	3,186,621
3	Security	5,919,286	5,919,286	2,959,643	14,798,214
5	Communications	472,894	472,894	236,447	1,182,235
6	Administration	6,977,792	6,977,792	3,488,896	17,444,481
7	General Supt./Operations	51,480,667	52,897,371	41,857,894	146,235,932
8	Chief Financial Officer	12,447,200	16,546,869	4,339,995	33,334,064
9	Deputy General Supt./Construction	2,712,103	5,171,374	2,721,677	10,605,153
10	Logistics	6,577,388	6,639,344	3,881,628	17,098,360
11	Overhead	(4,966,544)	(4,753,714)	(4,668,330)	(14,388,588)
12	Total Operating & Maintenance	83,348,880	92,279,316	56,140,649	231,768,846
13	Debt Service	13,333,550	23,139,057	2,028,550	38,501,157
14	Depreciation	15,957,000	22,360,000	21,550,000	59,867,000
15	OPEB Liability	3,333,333	3,333,334	3,333,333	10,000,000
16	Total Expense	\$ 115,972,763	\$ 141,111,707	\$ 83,052,532	\$ 340,137,003

Operating and Maintenance Expense Detail by Department and System

Code	Department	Water	Sewerage	Drainage	Total
I. Executive Director					
0010	Executive Director	\$ 317,522	\$ 529,203	\$ 211,681	\$ 1,058,406
0250	Board Relations	88,522	88,522	44,261	221,306
0260	Records Management	73,488	73,488	36,744	183,720
0082	Internal Audit	323,577	323,577	161,788	808,942
	Total Executive Director	803,109	1,014,790	454,475	2,272,374
II. Special Counsel					
0020	Legal Department	702,486	1,170,811	468,324	2,341,621
0022	Customer Review Officer	72,500	72,500	-	145,000
0966	Drainage Damage Claims	-	-	400,000	400,000
0967	Water Damage Claims	150,000	-	-	150,000
0968	Sewerage Damage Claims	-	150,000	-	150,000
	Total Special Counsel	924,986	1,393,311	868,324	3,186,621
III. Security					
0011	Security Department	1,910,694	1,910,694	955,347	4,776,734
0055	Office of Emergency Management	325,197	325,197	162,598	812,992
0081	Office of Risk Management	1,002,925	1,002,925	501,463	2,507,313
0944	Fleet Liability	140,000	140,000	70,000	350,000
0960	General Insurance	1,250,000	1,250,000	625,000	3,125,000
9550	Worker's Compensation	53,200	53,200	26,600	133,000
9960	Temporary Total Disability	900,600	900,600	450,300	2,251,500
9961	Permanent Partial Disability	268,360	268,360	134,180	670,900
9962	Permanent Total Disability	68,310	68,310	34,155	170,775
	Total Security	5,919,286	5,919,286	2,959,643	14,798,214
IV. Continuous Improvement					
0012	Continuous Improvement	-	-	-	-
	Total Continuous Improvement	-	-	-	-
V. Communications					
0013	Communications	423,624	423,624	211,812	1,059,060
0030	Community Relations	49,270	49,270	24,635	123,175
	Total Communications	472,894	472,894	236,447	1,182,235
VI. Administration					
0050	Office of Equal Employment Opportunity	113,636	113,636	56,818	284,089
	Total EEO	113,636	113,636	56,818	284,089
Personnel Administration					
0200	Human Resource Administration	158,948	158,948	79,474	397,371
0210	Recruitment & Classifications	441,348	441,348	220,674	1,103,369
0220	Medical Operations	44,000	44,000	22,000	110,000
0230	Training	216,794	216,794	108,397	541,984
0240	Benefits Administration	93,867	93,867	46,934	234,668
0982	United Way Fund Raising Campaign	-	-	-	-
	Total Personnel Administration	954,957	954,957	477,478	2,387,392

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
	Payroll Related				
9300	Hospitalization - Board's Contribution	5,109,200	5,109,200	2,554,600	12,773,000
9350	Employee Life Ins Contributions	-	-	-	-
9500	LUTA (Unemployment Tax)	-	-	-	-
9999	Terminal Leave	800,000	800,000	400,000	2,000,000
	Total Payroll Related	5,909,200	5,909,200	2,954,600	14,773,000
	Total Administration	6,977,792	6,977,792	3,488,896	17,444,481
VII.	General Superintendent/Operations				
1000	General Superintendent	132,210	220,350	88,140	440,699
	Total General Superintendent	132,210	220,350	88,140	440,699
	Operations - Drainage Pumping				
2100	Superintendent - Drainage Pumping	-	-	16,339,023	16,339,023
2200	Central Control	-	-	1,189,813	1,189,813
2300	Drainage Pumping Supervisor	-	-	1,019,430	1,019,430
2301	Unmanned DPS Maintenance	-	-	261,670	261,670
2302	DPS Maintenance - Employees	-	-	427,159	427,159
2310	Old City	-	-	4,096,851	4,096,851
2311	Station #1	-	-	130,070	130,070
2312	Station #2	-	-	8,500	8,500
2313	Station #3	-	-	13,125	13,125
2314	Station #4	-	-	50,760	50,760
2315	Station #5	-	-	31,400	31,400
2316	Station #6	-	-	283,200	283,200
2317	Station #7	-	-	100,450	100,450
2319	Station #19	-	-	180,600	180,600
2320	Algiers Drainage Operations	-	-	956,136	956,136
2321	Station #11	-	-	492,271	492,271
2330	Unmanned Drainage Stations	-	-	1,013,751	1,013,751
2331	Citrus #10	-	-	40,100	40,100
2332	Station #12	-	-	4,940	4,940
2333	Grant	-	-	80,100	80,100
2334	Jahncke #14	-	-	120,200	120,200
2335	Intra-Coastal #15	-	-	310,100	310,100
2336	St. Charles #16	-	-	55,260	55,260
2337	Elaine	-	-	11,100	11,100
2338	Maxent #18	-	-	20,000	20,000
2339	Dwyer	-	-	75,000	75,000
2340	Carrollton Frequency Changer	-	-	70,570	70,570
2341	AMID Drainage Pumping Station	-	-	22,700	22,700
2342	I-10 Underpass DPS	-	-	83,900	83,900
2343	Pritchard DPS	-	-	20,000	20,000
2347	Station D	-	-	998,000	998,000
2348	Underpass Station	-	-	17,400	17,400
2350	Permanent Pump Station Operation	-	-	2,500,000	2,500,000
	Total Drainage Pumping	-	-	31,023,579	31,023,579

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
	Sewerage Pumping				
2400	Sewerage Pumping Supervisor	-	1,487,235	-	1,487,235
2401	Sewer PS Maintenance - Employees	-	203,788	-	203,788
2411	Station A	-	730,450	-	730,450
2412	Automatic Stations-Algiers	-	298,872	-	298,872
2413	Maintenance Sewer Stations-Algiers	-	110,847	-	110,847
2430	Automatic Stations	-	848,722	-	848,722
	Total Sewerage Pumping	-	3,679,914	-	3,679,914
3000	Chief of Operations	35,792	59,653	23,861	119,306
		35,792	59,653	23,861	119,306
	Water Pumping and Power				
3100	Superintendent	552,407	920,678	368,271	1,841,356
3102	Shift Employees N.O. River Intake	938,871	-	-	938,871
3103	Intake Maintenance/N.O. River Station	152,901	-	-	152,901
3111	Boiler Operations	411,427	411,427	205,714	1,028,568
3112	Boiler Room Maintenance Employees	316,164	316,164	158,082	790,409
3113	Drainage High Pressure Gas	-	-	1,500,000	1,500,000
3114	Water High Pressure Gas	5,250,000	-	-	5,250,000
3115	Sewer High Pressure Gas	-	1,250,000	-	1,250,000
3130	Pumping Operations	1,415,738	-	-	1,415,738
3131	Water Pumping Maintenance Personnel	155,512	-	-	155,512
3135	Steam Turbine Generators	371,261	371,261	185,630	928,152
3136	Gas Turbine Generators	136,178	136,178	68,089	340,444
3137	Maintenance Employees for Generators	-	277,470	277,470	554,939
3150	Station C	-	909,564	-	909,564
3151	Minor Maintenance Employees Station C	-	508,199	-	508,199
3152	Materials & Supplies-O&M Algiers Station	409,291	-	-	409,291
	Total Water Pumping & Power	10,109,749	5,100,940	2,763,255	17,973,944
	Purification				
3200	Superintendent	343,720	-	-	343,720
3210	Laboratory	1,209,680	-	-	1,209,680
3220	Carrollton (Supervisor)	283,162	-	-	283,162
3221	Chemical House	656,489	-	-	656,489
3222	Dorr Unit	220,990	-	-	220,990
3223	Maintenance and Relief-MWP	670,563	-	-	670,563
3224	Chemicals (New Orleans)	5,393,100	-	-	5,393,100
3225	Reservoir Washing-Labor	-	-	-	-
3226	Sycamore Filters	842,899	-	-	842,899
3227	Mtce Employees/Sycamore Filters	773,344	-	-	773,344
3228	Mtce Employees/Claiborne Filters	137,744	-	-	137,744
3229	Claiborne Filters	493,286	-	-	493,286
3231	Water Tower	15,450	-	-	15,450
3240	Algiers (Supervisor)	172,234	-	-	172,234
3241	Maintenance & Relief-AWP	561,479	-	-	561,479
3242	Head House	624,811	-	-	624,811
3243	Filter #2	451,116	-	-	451,116
3244	Chemicals (Algiers)	749,000	-	-	749,000
	Total Purification	13,599,067	-	-	13,599,067

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
	Sewerage Treatment				
3300	Superintendent Sewerage Treatment	-	14,611,095	-	14,611,095
	Total Superintendent Sewerage Treatment	-	14,611,095	-	14,611,095
	Total Operations	23,876,818	23,671,951	33,898,835	81,447,604
	Facility Maintenance				
4000	Chief of Facility Maintenance	107,906	179,843	71,937	359,685
4100	Electrical Maintenance Superintendent	398,986	664,977	265,991	1,329,954
4110	Outside System	247,336	412,227	164,891	824,454
4120	In Plant System	238,454	397,423	158,969	794,845
4130	Communications	238,527	397,545	159,018	795,089
4260	Plant Maintenance	1,164,502	1,940,836	776,334	3,881,672
4270	Meter Repairs	350,529	350,529	-	701,058
4300	Mechanical Maintenance Superintendent	515,791	859,652	343,861	1,719,303
4310	Carrollton	375,152	625,254	250,101	1,250,507
4320	Field Crews	310,579	517,632	207,053	1,035,263
4330	Welding & Fabrication	372,242	620,403	248,161	1,240,805
4340	Diesel/Emer Pwr Maint- Tech Svc	67,883	113,139	45,255	226,277
	Total Facility Maintenance	4,387,885	7,079,456	2,691,571	14,158,912
	Networks				
6000	Chief of Networks	281,544	281,544	140,772	703,861
6001	Zone One	1,474,566	1,474,566	737,283	3,686,415
6002	Zone Two	991,245	991,245	495,622	2,478,112
6003	Zone Three	1,149,118	1,149,118	574,559	2,872,796
6004	Zone Four	1,140,299	1,140,299	570,149	2,850,747
6005	Zone Five	1,222,204	1,222,204	611,102	3,055,510
6006	Zone Six	1,017,628	1,017,628	508,814	2,544,069
6007	Zone Seven	1,413,731	1,413,731	706,866	3,534,328
6010	Field Service Center	493,200	493,200	246,600	1,233,001
6430	Leak Detections	400,000	400,000	200,000	1,000,000
6500	Network's Technical Services	951,441	951,441	475,720	2,378,602
6600	OPSB	-	-	-	-
6611	Rigid Paving	350,000	350,000	-	700,000
6612	Asphalt Paving	125,000	125,000	-	250,000
6620	Non-FEMA Water Paving & Point Repair	11,640,000	-	-	11,640,000
6621	Non-FEMA Sewer Paving & Point Repair	-	10,570,000	-	10,570,000
	Total Networks	22,649,976	21,579,976	5,267,488	49,497,441
	Plumbing				
8000	Plumbing	374,756	374,756	-	749,511
8010	Cross Connection Control	18,722	18,722	-	37,443
8100	House Connections	75,754	75,754	-	151,507
8200	Field/Account Review Unit	96,757	96,757	-	193,514
	Total Plumbing	565,988	565,988	-	1,131,975
	Total General Superintendent/Operations	51,480,667	52,897,371	41,857,894	146,235,932

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
VIII.	Chief Financial Officer				
	Chief Financial Officer				
0014	Chief Financial Officer	205,112	341,854	136,741	683,707
0016	Office of Chief Investment Officer	24,682	41,137	16,455	82,273
0937	Professional Memberships and Dues	34,500	57,500	23,000	115,000
0981	Bond Cost of Issuance	-	-	-	-
0984	New Strategic Initiatives	417,694	696,156	278,462	1,392,312
9450	Compensation Changes	450,000	750,000	300,000	1,500,000
		1,131,988	1,886,646	754,658	3,773,292
0060	Planning & Budget	337,254	337,254	168,627	843,135
	Total Planning & Budget	337,254	337,254	168,627	843,135
	Finance				
0083	Inventory Control	72,309	72,309	36,154	180,772
0300	Finance Administration	307,861	307,861	153,931	769,653
0320	Payroll	236,838	236,838	118,419	592,095
0340	Customer Accounting	79,491	79,491	39,746	198,728
0350	Accounting	666,121	666,121	333,061	1,665,303
0910	Pension Related Expense	28,000	28,000	14,000	70,000
	Total Finance	1,390,620	1,390,620	695,310	3,476,551
	Information Systems				
0405	Information Systems	31,420	62,840	31,420	125,680
0450	Computer Center	2,474,054	4,948,109	2,474,054	9,896,217
0451	Computer Center Scada Drainage	-	-	-	-
0460	Records and Data Management	375	750	375	1,500
	Total Information Systems	2,505,849	5,011,699	2,505,849	10,023,397
	Revenue				
0500	Revenue & Customer Service Admin.	357,195	357,195	-	714,389
0501	Customer Relations	48,701	48,701	-	97,401
0902	Water Service Assistance Program	162,500	162,500	-	325,000
0502	Revenue Administration - Mailroom	479,703	479,703	-	959,405
0503	Customer Accounts Review	125,309	125,309	-	250,618
	Total Revenue	1,173,407	1,173,407	-	2,346,813
	Billing & Accounts				
0506	Sanitation	140,505	140,505	-	281,010
0510	Billings	63,030	63,030	-	126,059
0511	Billing Review & Commercial Accts	318,492	318,492	-	636,983
0512	Bill Adjustments	510,360	510,360	-	1,020,720
0519	Credits & Collections	252,669	252,669	-	505,338
	Total Billing & Accounts	1,285,055	1,285,055	-	2,570,110

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
	Customer Service				
0520	Cashier	433,004	433,004	-	866,007
0530	Customer Service Administration	99,530	99,530	-	199,060
0531	Customer Service -Walk Ins	478,678	478,678	-	957,356
0532	Customer Service - Westbank Office	39,850	39,850	-	79,700
0533	Customer Service Telephone	505,151	505,151	-	1,010,302
0534	Customer Service-Mail Resolving	235,843	235,843	-	471,685
0535	Emergency Telephone Center	131,717	131,717	65,859	329,293
0536	Service Request Contract Center	61,061	61,061	30,531	152,653
	Total Customer Service	1,984,833	1,984,833	96,389	4,066,056
	Meter Service				
0540	Meter Reading & Investigations	2,619,452	2,619,452	-	5,238,903
0541	Customer Service Satellite New Orleans East	-	-	-	-
	Total Meter Service	2,619,452	2,619,452	-	5,238,903
	Project Delivery Unit				
0065	Project Delivery Unit	898,742	1,497,904	599,161	2,995,807
		898,742	1,497,904	599,161	2,995,807
	Total Chief Financial Officer	13,327,200	17,186,869	4,819,995	35,334,064
IX	Deputy General Superintendent/Construction				
0015	Construction	514,449	857,416	342,966	1,714,831
	Total Construction	514,449	857,416	342,966	1,714,831
0070	Environmental Compliance	781,443	1,953,608	1,172,165	3,907,215
	Total Environmental Compliance	781,443	1,953,608	1,172,165	3,907,215
7000	Chief of Engineering	53,682	89,470	35,788	178,940
7010	Scada / Hydraulic Engineering	2,310	3,850	1,540	7,700
7100	Mechanical Engineering	291,818	486,364	194,545	972,727
7200	Electrical Engineering	201,771	336,286	134,514	672,571
7210	Cathodic Protection	6,566	10,943	4,377	21,886
7300	Construction & Inspection	194,865	324,775	129,910	649,550
7310	Engineering Field Inspection	233,010	388,351	155,340	776,701
7400	Network Engineering	272,215	453,691	181,476	907,382
7500	Civil Engineering	159,973	266,622	106,649	533,244
7800	Drainage Engineering	-	-	262,406	262,406
	Total Engineering	1,416,210	2,360,351	1,206,546	4,983,107
	Total Deputy General Superintendent/Construction	2,712,103	5,171,374	2,721,677	10,605,153
X	Logistics	6,577,388	6,639,344	3,881,628	17,098,360
	EDBP				
0040	Economically Disadvantaged Business Prog.	245,206	245,206	122,603	613,015
	Total EDBP	245,206	245,206	122,603	613,015
	Logistics				
0600	Logistics	183,762	183,762	91,881	459,405
	Logistics	183,762	183,762	91,881	459,405

Operating and Maintenance Expense Detail by Department and System (Continue)

Code	Department	Water	Sewerage	Drainage	Total
	Purchasing				
0700	Purchasing	215,242	215,242	107,621	538,106
0710	Printing	73,891	73,891	36,945	184,727
	Total Purchasing	289,133	289,133	144,567	722,833
	Support Services				
0800	Director of Support Services	61,956	123,912	123,912	309,779
	Total Support Services	61,956	123,912	123,912	309,779
	Department of Building & Grounds				
0801	Administration Building - St. Charles	376,154	376,154	188,077	940,386
0805	CDL Training Unit	112,079	112,079	56,039	280,197
0811	Building Maintenance	705,129	705,129	352,565	1,762,823
0815	Grounds Maintenance	823,002	823,002	411,501	2,057,506
0820	Canal Maintenance & Dredging	-	-	500,000	500,000
0830	Equipment Mtce. Information Systems	263,592	263,592	131,796	658,981
0840	Central Yard Garage	1,877,170	1,877,170	938,585	4,692,926
0841	Satellite Garage	553,508	553,508	276,754	1,383,770
0845	Body Shop	530,242	530,242	265,121	1,325,604
0850	Warehouse and Grounds	516,454	516,454	258,227	1,291,135
0853	Bulk Materials	40,000	40,000	20,000	100,000
	Total Building & Grounds	5,797,331	5,797,331	3,398,666	14,993,328
	Total Logistics	6,577,388	6,639,344	3,881,628	17,098,360
XI	Overhead Allocation				
0996	Water O/H CP#820	(4,966,544)	-	-	(4,966,544)
0997	Drainage O/H CP#820	-	-	(4,668,330)	(4,668,330)
0998	Sewerage O/H CP#820	-	(4,753,714)	-	(4,753,714)
	Total Overhead	(4,966,544)	(4,753,714)	(4,668,330)	(14,388,588)
	Board Employer's Pension Contribution	(880,000)	(640,000)	(480,000)	2,000,000
	Total Operating and Maintenance	83,348,880	92,279,316	56,140,649	231,768,846
XII	Other Operating Expenses				
5001	Drainage Non-Cash Expense	-	-	21,550,000	21,550,000
5002	Water Non-Cash Expense	15,957,000	-	-	15,957,000
5003	Sewerage Non-Cash Expense	-	22,360,000	-	22,360,000
	Total Depreciation (Non-Cash)	15,957,000	22,360,000	21,550,000	59,867,000
9100	Pension Liability Adjustment	3,333,333	3,333,333	3,333,333	10,000,000
		3,333,333	3,333,333	3,333,333	10,000,000
	Total Other Non-Cash Expenses	19,290,333	25,693,333	24,883,333	69,867,000
	Total 2019 Operating Expenses	102,639,214	117,972,649	81,023,983	301,635,846

Comparison 2017 Budget, 2018 Budget, 2019 Budget (Water)

Line No	Description	A	B	C
		2017 Budget	2018 Budget	2019 Water
Operating Revenues:				
1	Revenues from Charges	\$ 94,466,300	\$ 105,248,728	\$ 104,392,601
2	Other Operating Revenues	4,651,800	3,474,075	565,047
3	Adjustment for Uncollectible Accounts		(2,104,975)	(1,775,000)
4	Total Operating Revenues	99,118,100	106,617,828	103,182,648
Operating Expenses:				
5	Operating & Maintenance Expenses	74,437,130	87,470,785	83,348,880
6	Depreciation & Allowances Exp. (non- cash)	14,130,571	15,957,000	15,957,000
7	Other Operating Expense (non-cash)	7,000,000	3,333,333	3,333,333
8	Total Operating Expenses	95,567,701	106,761,118	102,639,214
9	Net Operating Income	3,550,399	(143,290)	543,434
Non-Operating Revenues (Expenses):				
10	Tax Revenues	-	-	-
11	Interest Income	340,200	764,213	-
12	Other Non-Operating Revenues	400,500	822,605	1,249,075
13	FEMA Expense Reimbursement	2,195,067	1,646,300	1,356,924
14	Total Non-Operating Revenues	2,935,767	3,233,118	2,605,999
Non-Operating Expenses:				
15	Interest Expense - Series 2011 Bonds	-	-	-
16	Interest Expense - Series 2014 Bonds	-	5,160,000	4,900,000
17	Interest Expense - Series 2015 Bonds	-	4,940,550	4,919,550
18	Go Zone Interest Expense	-	204,610	-
19	Capitalized Interest	-	(10,100,550)	(9,819,550)
20	Total Non-Operating Expenses	-	204,610	-
21	Net Income	\$ 6,486,166	\$ 2,885,218	\$ 3,149,434

Water System Operating Revenues

Line No	Account	Description	A	B	C
			2017 Budget	2018 Budget	2019 Budget
Water Sales					
1	4001	Residential Sales	\$ 47,659,879	\$ 53,099,800	\$ 53,002,900
2	4004	Residential Multi-Family Sales	4,846,336	5,399,499	5,119,800
3	4007	Commercial Sales	39,432,475	43,933,316	44,475,500
4	4010	Industrial Sales	1,234,019	1,374,871	276,300
5	4028	Sewer Allowance	2,357	2,626	1,994
6	4012	Delinquent Fee - Water	1,291,234	1,438,616	1,516,107
			94,466,300	105,248,728	104,392,601
7		Adjustment for Uncollectible Accounts	-	(2,104,975)	(1,775,000)
			-	(2,104,975)	(1,775,000)
Revenue Sharing					
8	4019	State Revenue Sharing	-	-	193,327
9		Total Revenue Sharing	-	-	193,327
Plumbing Inspection and License Fees					
10	4022	Plumbing Inspection Fees	290,679	299,729	299,544
11	4025	Plumbing License Fees	9,021	19,265	19,143
12		Total Plumbing Fees	299,700	318,994	318,687
Miscellaneous Revenues					
13		Other Revenue	4,155,100	3,155,081	53,033
14		Interest from Bond Reserve Fund	197,000	-	-
15		Total Miscellaneous Revenues	4,352,100	3,155,081	53,033
16		Total Water Other Operating Revenues	4,651,800	3,474,075	565,047
17		Total Water System Operating Revenues	\$ 99,118,100	\$ 106,617,828	\$ 103,182,648

Water System Non-Operating Revenues

Line No	Account	Description	A	B	C
			2017 Budget	2018 Budget	2019 Budget
Interest Income					
1	7001	Interest	\$ 340,200	\$ -	\$ -
2	7005	Excess Reser. Fund Interest	-	63,143	-
2	7009	Interest WRB	-	565,258	-
3	7010	Restricted Int. WRB	-	7,239	-
4	7011	Interest Income LGIP	-	21,731	-
5	7015	Interest Income Bond Premium	-	-	-
6	7041	Interest Customer Deposits LGIP	-	27,324	-
7	7047	Interest Income Customer DP MM	-	69,805	-
8	7050	Interest Income Health Reserve	-	9,712	-
9	7052	Interest Income Water Sys MM	-	-	-
10		Total Interest Income	340,200	764,213	-
Other Income					
11	7101	NSF Fees	-	65,127	45,210
12	4019	Non-Operating Revenues	400,500	143,774	-
13	7105	Reconnect/Reset Fees	-	261,645	95,979
14	7205	Rental Income/Property	-	53,601	61,697
15	7501	Gain/Loss	-	-	-
16	7506	Damage/NE	-	13,311	68,838
17	7509	Delinquent Account Charge	-	-	140
18	7514	Sales of Plans & Specs	-	-	-
19	7521	Reimb Printing/Copies Charges	-	2,270	6,746
20	7525	Transfer from Revolving Fund	-	23,818	-
21	7527	Admin Fees/FEMA	-	25,286	-
22	7528	State Vend Comp Sales Tax	-	-	873,786
23	7531	State Vend Comp Sales Tax	-	-	-
24	7534	Manage Competition RFP Fee	-	-	-
25	7537	Vendor Compensation Sales Tax	-	30,417	6,924
26	7539	Retiree Drug Subsidy	-	122,126	2,141
27	7550	SWBNO Logo	-	3,838	218
28	7565	Legal Settlement	-	5,211	1,511
29	7590	Citation Administration Fees	-	17,395	3,637
30	7592	Vehicle Usage	-	26,578	10,812
31	7594	O & M Contrib. from Fema - Point Repairs	-	-	-
32	7995	Life Insurance Employees	-	-	12,578
33	7997	Travel Reimbursement	-	499	1,747
34	7999	Blue Cross Reimb/Transfer	-	27,710	57,112
35		Total Other Income	400,500	822,605	1,249,075
Reimbursements					
36	7585	FEMA Expen. Reimb./Misc Revenue Other	-	1,646,300	1,356,924
			-	1,646,300	1,356,924
37		Total Water Non-Operating Revenues	740,700	3,233,119	2,605,999

Comparison 2017 Budget, 2018 Budget, 2019 Budget (Sewer)

Line No	Description	2017 Budget	2018 Budget	2019 Sewer
Operating Revenues:				
1	Revenues from Charges	\$ 113,793,300	\$ 129,335,888	\$ 127,765,847
2	Other Operating Revenues	923,400	923,402	526,988
3	Adjustment for Uncollectible Accounts		(2,586,718)	(2,172,000)
4	Total Operating Revenues	114,716,700	127,672,572	126,120,835
Operating Expenses:				
5	Operating & Maintenance Expenses	77,999,266	93,858,640	92,279,316
6	Depreciation & Allowances Exp. (non- cash)	25,586,523	22,360,000	22,360,000
7	Other Operating Expense (non-cash)	7,000,000	3,333,333	3,333,333
8	Total Operating Expenses	110,585,789	119,551,973	117,972,649
9	Net Operating Income	4,130,911	8,120,599	8,148,186
Non-Operating Revenues (Expenses):				
10	Tax Revenues	-	-	-
11	Interest Income	644,000	466,420	-
12	Other Non-Operating Revenues	462,100	921,844	512,545
13	FEMA Expense Reimbursement	2,195,067	1,646,300	2,261,541
14	Total Non-Operating Revenues	3,301,167	3,034,564	2,774,086
Non-Operating Expenses:				
15	Interest Expense - Series 2011 Bonds	-	65,607	61,513
16	Interest Expense - Series 2014 Bonds	6,339,825	5,717,450	5,142,450
17	Interest Expense - Series 2015 Bonds	5,000,000	5,000,000	5,000,000
18	LADEQ Loan	69,663	-	-
19	Go Zone Interest Expense	1,993,578	-	-
20	Capitalized Interest	(11,339,825)	(10,717,450)	(10,203,963)
21	Total Non-Operating Expenses	2,063,241	65,607	-
22	Net Income	\$ 5,368,837	\$ 11,089,556	\$ 10,922,272

2019 Sewer System Operating Revenues

Line No	Account	Description	A	B	C
			2017 Budget	2018 Budget	2019 Budget
Sewerage Sales					
1	4002	Residential Sales	\$ 63,100,247	\$ 71,718,866	\$ 70,220,900
2	4005	Residential Multi-Family Sales	5,431,227	6,173,057	6,059,300
3	4008	Commercial Sales	42,994,285	48,866,708	49,253,900
4	4011	Industrial Sales	511,371	581,217	704,200
5	4028	Sewer Allowance	2,629	2,988	1,919
6	4132	Excess Strength Charge	733,211	833,357	-
7	4013	Delinquent Fee Sewer	1,020,331	1,159,694	1,525,628
8		Total Sewer	113,793,300	129,335,888	127,765,847
9		Adjustment for Uncollectible Accounts	-	(2,586,718)	(2,172,000)
		Total	-	(2,586,718)	(2,172,000)
Revenue Sharing					
10		State Revenue Sharing	-	-	241,116
11		Total State Revenue Sharing Fees	-	-	241,116
Plumbing Inspection and License Fees					
12	4022	Plumbing Inspection Fees	309,795	326,081	271,114
13	4025	Plumbing License Fees	16,305	13,505	14,758
14		Total Plumbing Fees	326,100	339,586	285,872
Other Revenues					
15		Other Revenues	597,300	597,321	-
16		Total Other Revenues	597,300	597,321	526,988
17		Total Sewerage Other Operating Revs.	923,400	923,402	526,988
18		Total Sewerage Operating Revenues	\$ 114,716,700	\$ 127,672,572	\$ 126,120,835

Sewer System Non-Operating Revenues

Line No	Account	Description	A	B	C
			2017 Budget	2018 Budget	2019 Budget
Interest Income					
1	7001	Interest Income	\$ 644,000	\$ 242	\$ -
2	7005	Excess Reserve Fund Interest	-	95,617	-
3	7011	Interest Income LGIP	-	479	-
4	7015	Interest Income Bond Premium	-	-	-
5	7017	Interest SSRB New	-	188,968	-
6	7019	Restricted Int SSRB	-	21,334	-
7	7023	Restricted Int DEQ	-	1,792	-
8	7048	Interest Income Sewer Sys MM	-	150,224	-
9	7050	Interest Income Health Reserve	-	7,764	-
10		Total Interest Income	644,000	466,420	-
Other Income					
11	7101	NSF Fees	-	-	-
12	4019	Non-Operating Revenues	462,100	179,314	-
13	7105	Reconnect/Reset Fees	-	261,645	-
14	7205	Rental Income Property	-	8,302	-
15	7506	Reimbursement Damage/Networks	-	-	-
16	7525	Transfer from Revolving Fund	-	-	-
17	7527	Administrative Fees	-	5,463	-
18	7539	Retiree Drug Subsidy	-	122,126	-
19	7545	Waste Disposal Fees	-	315,768	404,766
20	7546	Grease Trap Permit Fees	-	-	76,080
21	7590	Citation Admin Fees	-	6,683	547
22	7592	Vehicle Usage	-	22,543	15,743
23	7995	Life Insurance Employees	-	-	15,409
24		Total Other Income	462,100	921,844	512,545
Reimbursements					
25	7585	FEMA Expense Reimbursement	2,195,067	1,646,300	2,261,541
			2,195,067	1,646,300	2,261,541
26		Total Sewerage Non-Operating Revenues	\$ 3,301,167	\$ 3,034,564	\$ 2,774,086

Comparison 2017 Budget, 2018 Budget, 2019 Budget (Drainage)

Line No	Description	2017 Budget	2018 Budget	2019 Drainage
Operating Revenues:				
1	Revenues from Charges	\$ -	\$ -	\$ -
2	Other Operating Revenues	-	-	-
3	Total Operating Revenues	-	-	-
Operating Expenses:				
4	Operating & Maintenance Expenses	40,384,187	36,624,050	56,140,649
5	Depreciation & Allowances Exp. (non- cash)	16,852,213	23,370,699	21,550,000
6	Other Operating Expense (non-cash)	3,666,666	7,000,000	3,333,333
7	Total Operating Expenses	60,903,066	66,994,749	81,023,982
8	Net Operating Income	(60,903,066)	(66,994,749)	(81,023,982)
Non-Operating Revenues (Expenses):				
9	Tax Revenues	56,639,535	53,966,337	60,354,046
10	Interest Income	67,802	366,000	-
11	Other Non-Operating Revenues	969,156	979,000	19,924
12	FEMA Expense Reimbursement	-	-	904,616
13	FEMA Force Accounts Reimbursement	-	-	-
14	Total Non-Operating Revenues	57,676,493	55,311,337	61,278,586
Non-Operating Expenses:				
15	Interest Expense - Series 2011 Bonds	-	-	-
16	Interest Expense - Series 2014 Bonds	-	334,050	213,550
17	Interest Expense - Series 2015 Bonds	-	-	-
18	Go Zone Interest Expense	-	130,300	-
19	Capitalized Interest	-	(334,050)	(213,550)
20	Total Non-Operating Expenses	-	130,300	-
21	Net Income	(3,226,573)	(11,813,712)	(19,745,396)

2019 Drainage System Non-Operating Revenues

Line No	Account	Description	2017 Budget	2018 Budget	2019 Budget
Ad Valorem Taxes					
1	4130	9 Mill Tax	\$ 24,338,108	\$ 23,475,190	\$ 26,253,824
2	4310	3 Mill Tax	16,064,530	14,829,936	17,514,945
3	4320	6 Mill Tax	16,236,897	15,661,211	16,585,277
4		Total Ad Valorem Tax	56,639,535	53,966,337	60,354,046
Interest Income					
5	7015	Interest Income Bond Premium	-	366,000	-
6	7020	Restricted Int SELA	7,635	-	-
7	7025	Interest Drainage O&M	-	-	-
8	7029	Interest Drainage System 3 Mill	14,204	-	-
9	7033	Interest Drainage System 6 Mill	9,915	-	-
10	7037	Interest Drainage System 9 Mill	23,627	-	-
11	7045	Interest Income DOM MM	9,396	-	-
12	7050	Interest Income Health Reserve	3,025	-	-
13		Total Interest Income	67,802	366,000	-
Other Income					
14	7205	Rental Income/Property	3,109	-	3,048
15	7401	Two Mill (3.65) Tax	2,386	-	275
16	7501	Other Income	-	979,000	-
17	7504	Reimbursement DPS # 6 & 11	853,044	-	-
18	7525	Tran Revo	-	-	-
19	7527	Administrative Fees	10,493	-	-
20	7539	Retiree Drug Subsidy	79,617	-	-
21	7545	Waste Disposal Fees	-	-	-
22	7565	Legal Settlement	-	-	-
23	7590	Citation Admin Fees	218	-	273
24	7592	Vehicle Usage	20,288	-	8,453
25	7995	Life Insurance Employer	-	-	7,875
26		Total Other Income	969,155	979,000	19,924
Reimbursements					
27	7585	FEMA Expense Reimbursement	-	-	904,616
			-	-	904,616
28		Total Drainage Other Operating Revenues	1,036,957	1,345,000	924,540
29		Total Drainage Non-Operating Revenues	57,676,492	55,311,337	61,278,586

Comparison of 2018 & 2019 Operating Budgets Expense By Category (In Thousands)

Line No	Description	2018 Budget	2019 Budget	\$ Change	% Change
1	Personal Services	\$ 100,056,157	\$ 103,256,885	\$ 3,200,728	3.20%
2	Services and Utilities	65,175,993	65,327,722	151,729	0.23%
3	Materials and Supplies	44,858,671	55,122,504	10,263,833	22.88%
4	Special Current Charges	6,191,626	6,824,502	632,876	10.22%
5	Furniture and Equipment	1,062,035	1,237,233	175,198	16.50%
6	TOTALS	217,344,482	231,768,846	14,424,364	6.64%
7	Depreciation	59,867,000	59,867,000	-	0.00%
8	OPEB Liability	10,000,000	10,000,000	-	0.00%
9	Debt Service	38,501,157	38,501,157	-	0.00%
10	TOTAL	\$ 325,712,639	\$ 340,137,003	\$ 14,424,364	4.43%



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