



Sewerage and Water Board

OF NEW ORLEANS, LOUISIANA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

About The Cover

The Power Plant: Story of the Boilers

The Power Plant is maintained and operated at the Carrollton Water Plant. It has 61,000 kilowatt capacity - an output sufficient to serve the electrical needs of some 80,000 people. It generates electrical energy to operate the water plant, sewage and drainage pumping stations and transmission system. There are six natural gas-fired steam boilers in the power plant - two were manufactured in 1928, three in 1948 and one in 2006.

All six boilers produce steam to run our steam-driven turbines for electrical power for the drainage system and our potable water pumps which are both electric and steam-driven. The five oldest boilers are being retubed one at a time. This means all 1500 tubes in the interior of a three story boiler are being replaced. This photo was taken inside the 1948 retubed boiler. All the tubes in this boiler have been replaced.

The process from the start includes removing all the tubes one at a time. The tubes are then measured for patterns before disposal. New tubes are bent to size and fit by hand and installed. It takes over 5 months with crews working sixteen hours daily to completely retube one boiler. Three of five boilers have been rebuilt. It is expected that all five boilers will be rebuilt by February, 2017.

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

**Comprehensive Annual Financial Report
For The Year Ended
December 31, 2015 and 2014**

**Prepared by:
Finance Administration
Rosita P. Thomas
Finance Administrator**

Mission, Vision, and Values

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

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Comprehensive Annual Financial Report
Year ended December 31, 2015 and 2014

TABLE OF CONTENTS

| I. INTRODUCTORY SECTION | <u>PAGE(S)</u> |
|--|-----------------------|
| Transmittal Letter | I-1 to I-20 |
| Graph | I-21 |
| Certificate of Achievement for Excellence in Financial Report | I-22 |
| Officers of the Sewerage and Water Board of New Orleans | I-23 |
| Members of Sewerage and Water Board of New Orleans | I-24 |
| Committees of the Sewerage and Water Board of New Orleans | I-25 |
| Organizational Chart | I-26 |
| Executive Staff | I-27 |
| Division Heads | I-28 to I-35 |
| | |
| II. FINANCIAL SECTION | |
| Independent Auditors' Report | II-1 to II-3 |
| Management's Discussion and Analysis Required Supplementary Information | II-4 to II-19 |
| Basic Financial Statements: | |
| Government – Wide Financial Statements – Enterprise Fund: | |
| Statements of Net Position | II-20 & II-21 |
| Statements of Revenues, Expenses and Changes in Net Position | II-22 |
| Statements of Cash Flows | II-23 & II-24 |
| Fund Financial Statements – Fiduciary Fund | |
| Statements of Net Position – Pension Trust | II-25 |
| Statements of Changes in Plan Net Position – Pension Trust Fund | II-26 |
| Notes to Financial Statements | II-27 to II-64 |
| Required Supplementary Information under | |
| GASB Statement No. 67, 68 and 71 | II-65 & II-66 |
| GASB Statement No. 45 | II-67 |
| Supplementary Information: | |
| Net Position by Department | |
| Enterprise Fund – Schedule 1 | II-68 & II-69 |
| Revenues, Expenses, and Changes in Net Position by Department | |
| Enterprise Fund – Schedule 2 | II-70 |
| Schedule of Property, Plant, and Equipment in Service by Department | |
| Schedule 3 | II-71 |
| Schedule of Bonds Payable | |
| Schedule 4 | II-72 |
| Supplementary Information (continued): | |
| Schedule of Cash Receipts and Disbursements – Debt Service and Debt Service Reserve Required by Bond Resolution | |
| Schedule 5 | II-73 |
| Schedule of Changes in Self-Insurance Liabilities by Department | |
| Schedule 6 | II-74 |
| Schedule of Compensation, Benefits and Other Payments to the Executive Director | |
| Schedule 7 | II-75 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Comprehensive Annual Financial Report
Year ended December 31, 2015 and 2014

TABLE OF CONTENTS

III. STATISICAL INFORMATION (UNAUDITED)

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

| | |
|--|--------|
| Summary of Statistical Information | III-0 |
| Financial Trends | |
| <i>These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.</i> | |
| Net Assets by Component – Last Ten Years | III-1 |
| Changes in Net Assets by Component – Last Ten Fiscal Years | III-2 |
| Revenues and Expenses by Source – Enterprise Fund Last Ten Years | III-3 |
| Revenue Capacity | |
| <i>These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.</i> | |
| Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years | III-4 |
| Property Tax Rates – Direct and Overlapping Governments Number of Mills – Last Ten Fiscal Years | III-5 |
| Ten Largest Taxpayers – December 31, 2015 and Nine Years Ago | III-6 |
| Property Tax Levies and Collections by the City of New Orleans Last Ten Fiscal Years | III-7 |
| Water and Sewer Rates – Last Ten Fiscal Years | III-8 |
| Debt Capacity | |
| <i>These schedules present information to help the reader assess the affordability of the Board's current levels of understanding debt and the Board's ability to issue additional debt in the future.</i> | |
| Ratio of Outstanding Debt by Type – Last Ten Fiscal Years | III-9 |
| Computation of Direct and Overlapping Debt – December 31, 2015 | III-10 |
| Revenue Bonds Debt Service Coverage: | |
| Water Bonds – Last Ten Fiscal Years | III-11 |
| Sewer Bonds – Last Ten Fiscal Years | III-12 |
| Unrestricted Cash and Cash Equivalents Days of Operating and Maintenance Expense at Year End: | |
| Water Bonds – Last Ten Fiscal Years | III-13 |
| Sewer Bonds – Last Ten Fiscal Years | III-14 |
| Demographic and Economic Information | |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.</i> | |
| Demographic Statistics – Last Ten Fiscal Years | III-15 |
| New Orleans Area Principal Employers (Non-Public) – Last Ten Fiscal Years | III-16 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Comprehensive Annual Financial Report
Year ended December 31, 2015 and 2014

TABLE OF CONTENTS

| III. | STATISTICAL INFORMATION (UNAUDITED) (continued) | <u>PAGE(S)</u> |
|-------------|---|-----------------------|
| | Operating Information | |
| | <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.</i> | |
| | Capital Expenditures by Department – Enterprise Fund Last Ten Fiscal Years | III-17 |
| | Schedule of Future Debt Payments: | |
| | Water | III-18 |
| | Sewer | III-19 |
| | Drainage | III-20 |
| | Total | III-21 |
| | Property Value, New Construction and Bank Deposits Last Ten Fiscal Years | III-22 |
| | Capital Asset Statistics by Function – Last Ten Fiscal Years | III-23 |
| | Active Government Employees – Last Nine Fiscal Years | III-24 |
| IV. | SUPPLEMENTAL INFORMATION (UNAUDITED) | <u>PAGE(S)</u> |
| | 2015 Actual Capital Expenditures – Water Department | IV-1 |
| | 2015 Actual Capital Expenditures – Sewerage Department | IV-2 |
| | 2015 Actual Capital Expenditures – Drainage Department | IV-3 |
| | 2015 Actual Capital Expenditures – Power Projects | IV-4 |
| | 2015 Actual Capital Expenditures – General Budget Items | IV-5 |
| | Analysis of Pumping and Power Department | |
| | Power Purchased and Produced – 2006 through 2015 | IV-6 |
| | Power Purchased and Produced - Department – 2015 Electric and Steam Power | IV-7 |
| | Gallons Metered – Pay Water Consumption – 2015 | IV-8 |
| | Monthly Water and Sewerage Charges Collections – 2015 | IV-9 |
| | Table of Water Purification Operations and Table of Water and Sewerage Distribution System | IV-10 to IV-32 |
| | Table of Rainfall in New Orleans – Last Ten Years | IV-33 |
| | Benchmarking | IV-34 |

(This page intentionally left blank)

INTRODUCTORY SECTION



Sewerage and Water Board's state-of-the-art water lab is located at the Carrollton Water Plant. The lab is an advanced environmental analysis facility, utilizing scientific technology for detecting and identifying contaminants in water at part-per-billion concentrations. It is staffed with chemists, microbiologists and technicians. The Board has been vigilant and proactive in water purification mandates and complies expeditiously to any action mandated by regulatory agencies. New Orleans has met all federal and state drinking water standards since the Environmental Protection Agency established regulations in the 1980s. A Quality Water Report is mailed to all customers each year.



The Board embarked on the implementation of a new Customer Service Management system after using its legacy billing system for over 25 years. The new system will provide customers and employees with exciting new features and advanced functionality. Full implementation should be completed by the end of 2016.



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

Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, President
SCOTT JACOBS, President Pro-Tem

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

June 28, 2016

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

We are pleased to present the Comprehensive Annual Financial Report of Sewerage and Water Board of New Orleans for the years ended December 31, 2015 and 2014. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest solely with the Board. It is our belief that the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations, and cash flows of the Board's Enterprise and Pension Trust Funds. All disclosures are necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

COMPREHENSIVE ANNUAL FINANCIAL REPORT SECTIONS

The Comprehensive Annual Financial Report is presented in four (4) major sections: Introductory, Financial, Statistical and Supplemental. The Introductory Section includes the transmittal letter and listings of the officers, members and committees of the Board of Directors. This section also includes the Board's organizational chart and a reproduction of the 2014 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The Financial Section includes the independent auditors' report, along with the basic financial statements, required supplementary information, accompanying notes and other supplementary information. The individual fund statements for the Enterprise and Pension Trust Funds are included. Required supplementary includes management's discussion and analysis and a schedule of pension funding progress and contributions. The Statistical Section includes selected financial and demographic information, generally in a multi-year presentation. Additional information relative to the Board's operations is included in the Supplemental Section.

The independent audit of the financial statements of the Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Board's separately issued Single Audit Report. The Board's internal control over financial reporting is a process designed by, or under the supervision of, the Board's executive director and the chief financial officer and the finance administrator, and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Board's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Board; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Board are being made only in accordance with authorizations of management and Board of Directors; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the Board's assets that could have a material effect on the financial statements. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Board meets the criteria for classification as an "other stand-alone government" as described in Governmental Accounting Standards Board Statement No. 61. The reporting entity includes the Enterprise Fund and the Pension Trust Fund. The Enterprise Fund is composed of three (3) independent systems: Water, Sewerage and Drainage.

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

PROFILE OF SEWERAGE AND WATER BOARD OF NEW ORLEANS

Sewerage and Water Board of New Orleans is a political subdivision created in 1899 by Louisiana State Statutes. The Board is charged with construction, operation, and maintenance of Water, Sewerage and Drainage Systems for the City of New Orleans. By agreement, approximately 2,550 acres of adjoining Jefferson Parish is served by the Board's drainage facilities for which Jefferson Parish pays its pro rata share of expenses. In addition, the Board provides sewerage services to Jefferson Parish businesses the majority of which are restaurants located in the West End neighborhood near the Lakefront. Additionally, the Board provides water and sewerage services to the Plaquemines Parish Industrial Park. The Board was established as a "special board" operating independently of city government. Effective January 1, 2014, the Board's makeup changed to eleven members, including the Mayor to serve as the President of the Board of Directors, two (2) members of the Board of Liquidation, City Debt and eight (8) citizens, as designated by the State Statutes. The initial terms of office shall be staggered from one year to four years, as designated by State Statutes, as well.

UNIVERSITY OF NEW ORLEANS METROPOLITAN REPORT – APRIL, 2015

- After a disappointing first quarter in 2014 when the real GDP declined by 2%, the U.S. economy bounced back at the end of June, and increased by about 4.6%. During the third quarter the economy continued its recovery, and by the fourth quarter of 2014, the United States real output grew at an annual rate of 2.2%.
- Across the country, employment increased by 0.6% in the fourth quarter of 2014 adding about 850,000 jobs over the third quarter of 2014. By the end of 2016, national employment is expected to reach roughly 145 million jobs.
- Consistent with the positive current state of the U.S. job market, there were fewer Americans applying for unemployment aid in 2014. In the last quarter of 2014, initial unemployment claims decreased by 3% over Q3 2014, and 16% over the Q4 2013. Recent data also indicates that the national unemployment rate was 5.7%, down from 6.1% in Q3 2014 and 7.0% in Q4 2013.
- Non-farm employment in the metro area remained strong at the end of 2014. The New Orleans MSA economy added about 8,940 jobs (2%) over 2013. The New Orleans-Metairie-Kenner Metropolitan Statistical Area (MSA).
- Most noticeable employment gains, in terms of number of jobs added, were in *Leisure and Hospitality* (3,350 jobs or 4%), *Health Care and Social Assistance* (2,820 jobs or 5%), and *Professional and Business Services* (1,840 jobs or 3%).

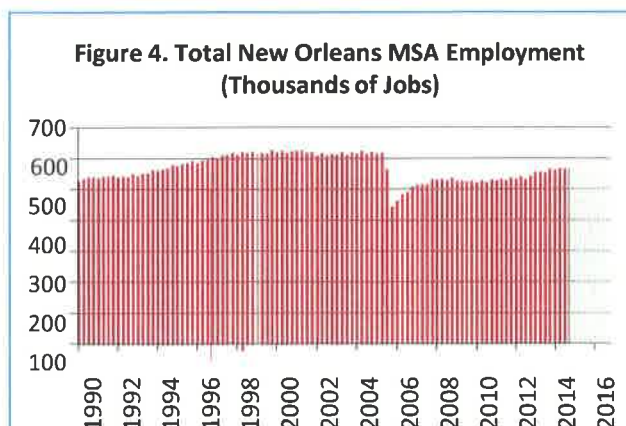
- Significant job losses were incurred in *Government* across all levels (1,920 jobs or -3%), and *Information* (about 1,050 jobs or -7%).
- Employment growth in the New Orleans area is likely to continue over the next two years. By the end of 2016, the local area is projected to support over 576,000 jobs.
- Unemployment in the New Orleans area seemed to be improving until the first half of 2014 when it reached a low of 4.6%. However, a slight upward tick in the local unemployment rate occurred during the last half of 2014. For the first time since Katrina, unemployment in the local area exceeded the national figure. As of December 2014, the national rate was standing at 5.7%, down from 7.0% in the fourth quarter of 2013. The New Orleans MSA rate was 6.2%, an increase from 5.1% which was seen at the end of 2013.
- The parishes that reported employment growth over the year in the most current quarter include Orleans (9,019 jobs or 5.1%), St. Tammany (1,638 jobs or 2.0%), Plaquemines (335 jobs or 2.3%), and St. John (189 jobs, or 1.3%).
- In 2014 the New Orleans tourism industry continued to grow, as the city welcomed more visitors than the previous year. Nearly 9.52 million visitors came to the New Orleans area in 2014, representing a 2.6% increase over the 9.28 million visitors who came in 2013. Spending estimates in the local area, including gambling, were \$6.82 billion, an increase of 5.4% from 2013 expenditure figures.

The New Orleans Area Economy Overview

Employment figures for the New Orleans area in the fourth quarter of 2014 include final estimates for December prepared by the Bureau of Labor Statistics (BLS).

Non-farm employment in the metro area remained strong at the end of 2014. The New Orleans MSA economy added about 8,940 jobs (2%) over 2013. Most noticeable employment gains, in terms of number of jobs added, were in *Leisure and Hospitality* (3,350 jobs or 4%), *Health Care and Social Assistance* (2,820 jobs or 5%), and *Professional and Business Services* (1,840 jobs or 3%). Significant job losses were incurred in *Government* (1,920 jobs or -3% across all levels), and *Information* (about 1,050 jobs or - 11%).

Employment growth in the New Orleans area is likely to continue over the next two years. By the end of 2016, the area is projected to support over 576,000 jobs. (Figure 4)



Source: Bureau of Labor Statistics (BLS) and DBER

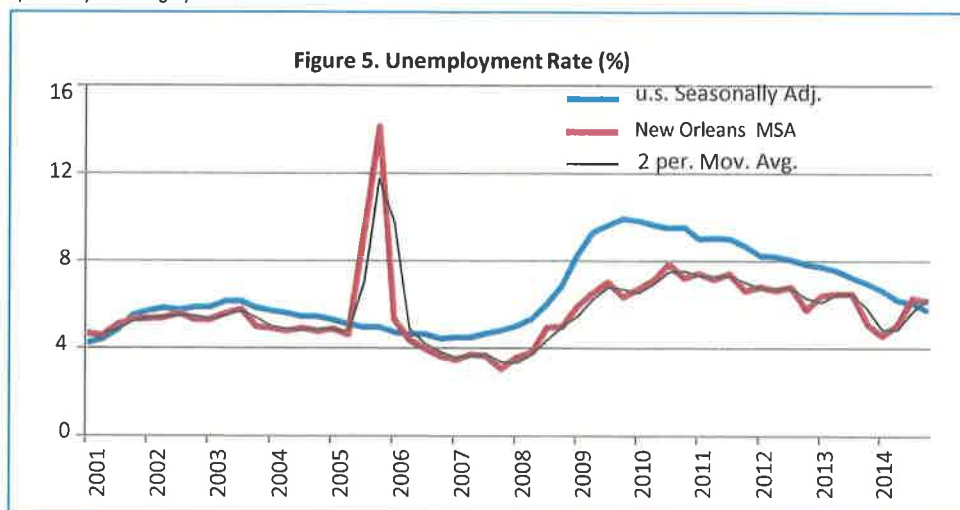
Table 3. New Orleans MSA Employment – Quarterly Actuals, 2013:4 – 2014:4

| Sectors ¹ | 2013:4 | 2014:1 | 2014:2 | 2014:3 | 2014:4 | Percent Change ² | | |
|---|----------------|----------------|----------------|----------------|----------------|-----------------------------|------------------|-------------------|
| | | | | | | 2014:3 to 2014:4 | 2013:4 to 2014:4 | 2013FY to 2014FY |
| Total Nonfarm Employment | 563,567 | 559,833 | 566,167 | 563,367 | 568,167 | 0.9 | 0.8 | 1.6 |
| Mining and Logging | 7,900 | 7,967 | 8,033 | 8,200 | 8,033 | -2.0 | 1.7 | 4.5 |
| Construction | 31,400 | 31,000 | 31,567 | 31,133 | 30,167 | -3.1 | -3.9 | -1.4 |
| Manufacturing | 31,867 | 31,433 | 31,300 | 31,067 | 30,267 | -2.6 | -5.0 | -2.7 |
| Durable Goods | 14,067 | 13,667 | 13,567 | 13,100 | 12,633 | -3.6 | -10.2 | -7.0 |
| Transportation Equipment | 4,100 | 3,667 | 3,467 | 3,267 | 3,100 | -5.1 | -24.4 | -26.8 |
| Nondurable Goods | 17,800 | 17,767 | 17,733 | 17,967 | 17,633 | -1.9 | -0.9 | 0.7 |
| Chemical Manufacturing | 5,067 | 5,033 | 5,033 | 5,100 | 5,000 | -2.0 | -1.3 | 1.3 |
| Wholesale Trade | 23,433 | 23,467 | 23,433 | 23,767 | 23,833 | 0.3 | 1.7 | 1.5 |
| Retail Trade | 62,800 | 61,100 | 61,767 | 62,533 | 64,933 | 3.8 | 3.4 | 2.9 |
| Grocery Stores | 10,167 | 10,267 | 10,133 | 10,133 | 10,300 | 1.6 | 1.3 | 3.6 |
| General Merchandise Stores | 13,567 | 12,733 | 13,167 | 13,900 | 14,533 | 4.6 | 7.1 | 6.3 |
| Transport, Warehousing, and Utilities | 28,067 | 27,900 | 28,133 | 28,300 | 28,667 | 1.3 | 2.1 | 2.0 |
| Information | 9,767 | 8,267 | 8,633 | 7,900 | 8,267 | 4.6 | -15.4 | -11.3 |
| Financial Activities | 27,833 | 27,733 | 28,300 | 28,333 | 28,033 | -1.1 | 0.7 | 2.2 |
| Depository Credit (banking) | 5,967 | 6,133 | 6,200 | 6,300 | 6,300 | 0.0 | 5.6 | 7.9 |
| Professional and Business Services | 74,067 | 73,833 | 74,933 | 73,967 | 74,467 | 0.7 | 0.5 | 2.5 |
| Professional, Scientific, Technical | 32,400 | 32,867 | 33,067 | 32,800 | 33,533 | 2.2 | 3.5 | 3.6 |
| Management of Companies Admin, Support, Waste Mgmt. | 8,233 | 7,667 | 7,733 | 7,700 | 7,700 | 0.0 | -6.5 | -4.2 |
| Support, Waste Mgmt. | 33,433 | 33,300 | 34,133 | 33,467 | 33,233 | -0.7 | -0.6 | 3.2 |
| Educational Services | 28,433 | 28,167 | 28,267 | 27,433 | 29,933 | 9.1 | 5.3 | 5.0 |
| Health Care and Social Assistance | 59,867 | 59,967 | 60,533 | 61,567 | 61,733 | 0.3 | 3.1 | 4.9 |
| Ambulatory Health Care Hospitals (private) | 23,000 | 23,167 | 23,167 | 23,533 | 23,433 | -0.4 | 1.9 | 6.3 |
| Leisure and Hospitality | 20,000 | 19,767 | 20,200 | 20,533 | 20,833 | 1.5 | 4.2 | 6.4 |
| Arts, Entertainment, and Rec. | 80,167 | 81,467 | 83,167 | 82,900 | 82,433 | -0.6 | 2.8 | 4.2 |
| Accommodation | 10,967 | 11,000 | 11,267 | 11,333 | 10,333 | -8.8 | -5.8 | 2.5 |
| Food Services and Drinking Places | 13,667 | 13,900 | 14,200 | 14,067 | 13,833 | -1.7 | 1.2 | 1.6 |
| Government | 55,533 | 56,567 | 57,700 | 57,500 | 58,267 | 1.3 | 4.9 | 5.2 |
| Other Services | 22,900 | 22,967 | 23,167 | 23,100 | 23,200 | 0.4 | 1.3 | 1.1 |
| Government | 75,067 | 74,567 | 74,933 | 73,167 | 74,200 | 1.4 | -1.2 | -2.5 |
| Federal Government | 11,967 | 11,900 | 11,833 | 11,800 | 11,833 | 0.3 | -1.1 | -1.9 |
| State Government Local | 14,500 | 14,000 | 14,233 | 14,067 | 14,233 | 1.2 | -1.8 | -8.8 |
| Government | 48,600 | 48,667 | 48,867 | 47,300 | 48,133 | 1.8 | -1.0 | -0.7 |
| Unemployment Rate (%) Unemp | 5.1 | 4.6 | 5.1 | 6.3 | 6.2 | -0.1 ³ | 1.0 ³ | -0.6 ³ |
| Claims weekly – Initial Unemp Claims | 535 | 528 | 623 | 577 | 501 | -13.2 | -6.3 | -11.6 |
| Claims weekly – Continued | 5,644 | 5,364 | 4,880 | 5,667 | 4,931 | -13.0 | -12.6 | -14.4 |

1 – Some industries are volatile or subject to seasonality including information and educational services.

2 – Percent changes may not be exact due to rounding.

3 – These figures represent percentage points.



Source: BLS and DBER

Employment Changes in the Last Year

(2014 Fy vs. 2013 Fy)

Leisure and Hospitality was the industry with the highest gain of about 3,350 new positions added over the last year. This industry is vital for the local area economy because it provides a significant number of jobs to New Orleans area residents. As of December 2014, this industry supported more than 14% of the total nonfarm employment in the New Orleans area. Out of the total number of new jobs added, nearly 2,850 were accounted for in the *Food Services and Drinking Places* subsector. Another 267 jobs were created in the *Arts, Entertainment, and Recreation* subsector, and a similar gain of 225 jobs was recorded in *Accommodation* (Table 3, previous page).

Health Care and Social Assistance had the second biggest gain in terms of jobs added with approximately 2,820 new positions created in 2014. This includes jobs added in various private institutions such as hospitals, nursing and residential care facilities, ambulatory services, and social assistance.

Professional and Business Services represents the second largest hiring sector in the New Orleans area after *Leisure and Hospitality*. Throughout 2014, *Professional and Business Services* gained about 1,840 (3%) new jobs. Out of that figure, about 63%, or 1,150 jobs belonged to one of its primary subsectors, *Professional, Scientific, and Technical*.

The most significant job losses in the New Orleans area economy occurred in the following sectors: *Information and Government (all levels)*.

About 1,050 jobs were lost in the *Information* sector over the course of 2014. However, this sector remains fairly volatile in the local economy.

As a result of continuous budget constraints, the *Government* sector continued to downsize, and experienced a loss of approximately 1,920 jobs or 3% over 2013. Out of that total, the *State Government* lost about 1,360 jobs. The other two branches, *Federal and Local Governments* lost approximately 225 and 333 jobs, respectively.

Despite some of these losses, the job market in the New Orleans area remained solid during 2014. While still displaying a fair amount of volatility on a quarterly basis, the local nonfarm employment remains on an upward trend.

Quarterly Analysis (2014 Q4 vs. 2013 Q4)

When analyzing the employment figures on a quarterly basis, in the fourth quarter of 2014, New Orleans added over 4,600 jobs (1%) when compared to the same quarter in 2013. Industries with major employment gains included *Leisure and Hospitality* (2,260 jobs or 3%), *Retail Trade* (2,130 jobs or 3%), and *Health Care and Social Assistance* (1,860 jobs or 3%).

Job losses in the New Orleans area relative to the same quarter in 2013 were most notable in *Manufacturing* (1,600 jobs or -5%), and *Information* (1,500 jobs or -15%).

Unemployment

Unemployment in the New Orleans area seemed to be improving until the first half of 2014 when it reached a low of 4.6%. However, as it can be seen in Figure 5, there was a slight upward tick in the local unemployment rate during the last half of 2014. For the first time since Katrina, unemployment in the local area exceeded the national figure. As of December 2014, the national rate was standing at 5.7%, down

from 7.0% in the fourth quarter of 2013. The New Orleans MSA rate was 6.2%, an increase from 5.1% recorded at the end of 2013.

On the other hand, positive signs from the labor market can be seen in the local initial and continued unemployment claims. Initial claims were down 6% over the same quarter in 2013, while continued claims were down by 13%.

Table 3. New Orleans MSA Employment – Quarterly Actuals, 2013:4 – 2014:4

| Sectors ¹ | 2013:4 | 2014:1 | 2014:2 | 2014:3 | 2014:4 | Percent Change ² | | |
|---------------------------------------|---------|---------|---------|---------|---------|-----------------------------|------------------------|------------------------|
| | | | | | | 2014:3 to 2014:4 | 2013:4 to 2014:4 | 2013FY to 2014FY |
| Total Nonfarm Employment | 563,567 | 559,833 | 566,167 | 563,367 | 568,167 | 0.9 | 0.8 | 1.6 |
| Mining and Logging | 7,900 | 7,967 | 8,033 | 8,200 | 8,033 | -2.0 | 1.7 | 4.5 |
| Construction | 31,400 | 31,000 | 31,567 | 31,133 | 30,167 | -3.1 | -3.9 | -1.4 |
| Manufacturing | 31,867 | 31,433 | 31,300 | 31,067 | 30,267 | -2.6 | -5.0 | -2.7 |
| Durable Goods | 14,067 | 13,667 | 13,567 | 13,100 | 12,633 | -3.6 | -10.2 | -7.0 |
| Transportation Equipment | 4,100 | 3,667 | 3,467 | 3,267 | 3,100 | -5.1 | -24.4 | -26.8 |
| Nondurable Goods | 17,800 | 17,767 | 17,733 | 17,967 | 17,633 | -1.9 | -0.9 | 0.7 |
| Chemical Manufacturing | 5,067 | 5,033 | 5,033 | 5,100 | 5,000 | -2.0 | -1.3 | 1.3 |
| Wholesale Trade | 23,433 | 23,467 | 23,433 | 23,767 | 23,833 | 0.3 | 1.7 | 1.5 |
| Retail Trade | 62,800 | 61,100 | 61,767 | 62,533 | 64,933 | 3.8 | 3.4 | 2.9 |
| Grocery Stores | 10,167 | 10,267 | 10,133 | 10,133 | 10,300 | 1.6 | 1.3 | 3.6 |
| General Merchandise Stores | 13,567 | 12,733 | 13,167 | 13,900 | 14,533 | 4.6 | 7.1 | 6.3 |
| Transport, Warehousing, and Utilities | 28,067 | 27,900 | 28,133 | 28,300 | 28,667 | 1.3 | 2.1 | 2.0 |
| Information | 9,767 | 8,267 | 8,633 | 7,900 | 8,267 | 4.6 | -15.4 | -11.3 |
| Financial Activities | 27,833 | 27,733 | 28,300 | 28,333 | 28,033 | -1.1 | 0.7 | 2.2 |
| Depository Credit (banking) | 5,967 | 6,133 | 6,200 | 6,300 | 6,300 | 0.0 | 5.6 | 7.9 |
| Professional and Business Services | 74,067 | 73,833 | 74,933 | 73,967 | 74,467 | 0.7 | 0.5 | 2.5 |
| Professional, Scientific, Technical | 32,400 | 32,867 | 33,067 | 32,800 | 33,533 | 2.2 | 3.5 | 3.6 |
| Management of Companies Admin, | 8,233 | 7,667 | 7,733 | 7,700 | 7,700 | 0.0 | -6.5 | -4.2 |
| Support, Waste Mgmt. | 33,433 | 33,300 | 34,133 | 33,467 | 33,233 | -0.7 | -0.6 | 3.2 |
| Educational Services | 28,433 | 28,167 | 28,267 | 27,433 | 29,933 | 9.1 | 5.3 | 5.0 |
| Health Care and Social Assistance | 59,867 | 59,967 | 60,533 | 61,567 | 61,733 | 0.3 | 3.1 | 4.9 |
| Ambulatory Health Care | 23,000 | 23,167 | 23,167 | 23,533 | 23,433 | -0.4 | 1.9 | 6.3 |
| Hospitals (private) | 20,000 | 19,767 | 20,200 | 20,533 | 20,833 | 1.5 | 4.2 | 6.4 |
| Leisure and Hospitality | 80,167 | 81,467 | 83,167 | 82,900 | 82,433 | -0.6 | 2.8 | 4.2 |
| Arts, Entertainment, and Rec. | 10,967 | 11,000 | 11,267 | 11,333 | 10,333 | -8.8 | -5.8 | 2.5 |
| Accommodation | 13,667 | 13,900 | 14,200 | 14,067 | 13,833 | -1.7 | 1.2 | 1.6 |
| Food Services and Drinking Places | 55,533 | 56,567 | 57,700 | 57,500 | 58,267 | 1.3 | 4.9 | 5.2 |
| Other Services | 22,900 | 22,967 | 23,167 | 23,100 | 23,200 | 0.4 | 1.3 | 1.1 |
| Government | 75,067 | 74,567 | 74,933 | 73,167 | 74,200 | 1.4 | -1.2 | -2.5 |
| Federal Government | 11,967 | 11,900 | 11,833 | 11,800 | 11,833 | 0.3 | -1.1 | -1.9 |
| State Government | 14,500 | 14,000 | 14,233 | 14,067 | 14,233 | 1.2 | -1.8 | -8.8 |
| Local Government | 48,600 | 48,667 | 48,867 | 47,300 | 48,133 | 1.8 | -1.0 | -0.7 |
| Unemployment Rate (%) Unemp | 5.1 | 4.6 | 5.1 | 6.3 | 6.2 | -0.1 ³ | 1.0 ³ | -0.6 ³ |
| Claims weekly – Initial Unemp Claims | 535 | 528 | 623 | 577 | 501 | -13.2 | -6.3 | -11.6 |
| Claims weekly – Continued | 5,644 | 5,364 | 4,880 | 5,667 | 4,931 | -13.0 | -12.6 | -14.4 |

1 - Some industries are volatile or subject to seasonality including information and educational services.

2 - Percent changes may not be exact due to rounding.

New Orleans MSA and U.S. Employment

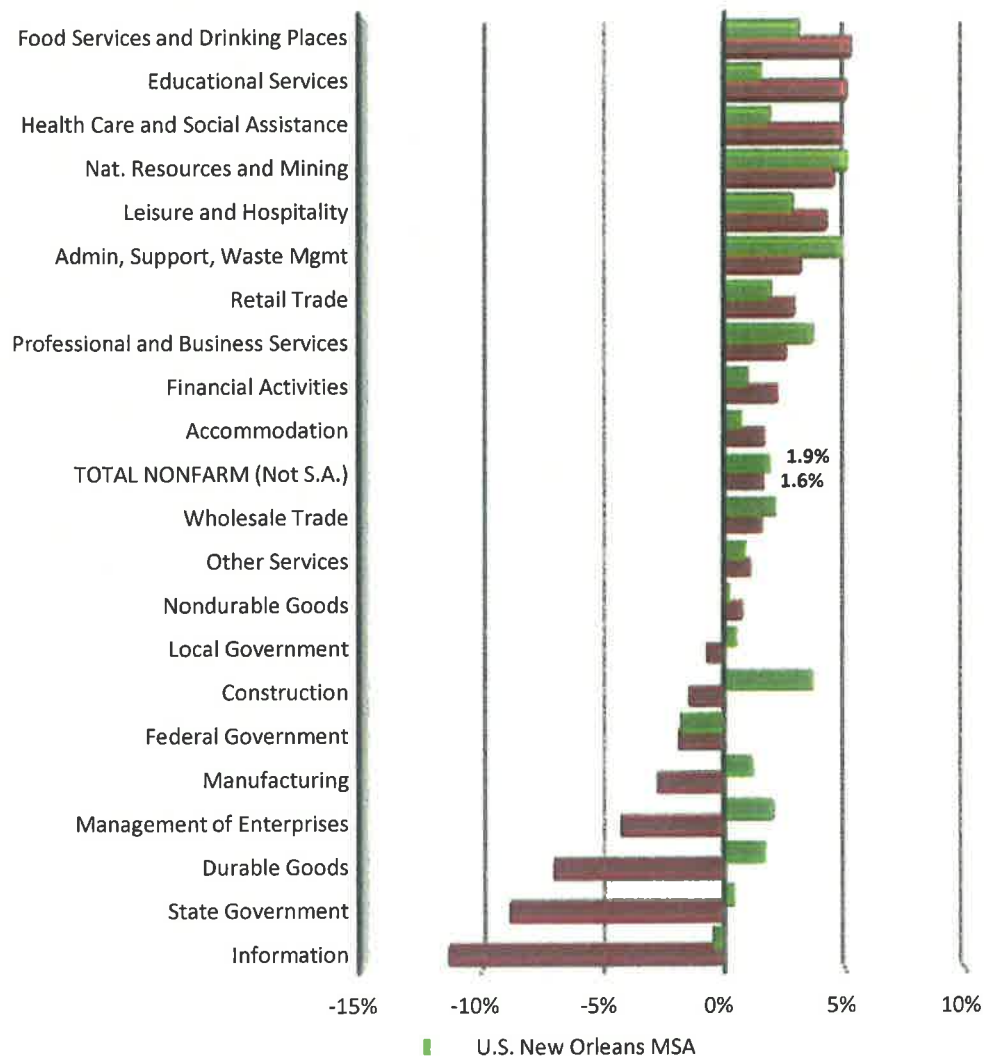
In 2014, the overall rate of employment growth in the U.S. (1.9%) was marginally higher than the New Orleans metropolitan area (1.6%). Figure 6 illustrates the contrast in employment growth across sectors between the U.S. and the New Orleans MSA.

The most significant decrease for the New Orleans area was observed in *Information* jobs which declined

about 11% in 2014. This employment sector remains very volatile in the local area. The U.S. as a whole had a marginal loss of 0.4% in this particular sector. In addition, at the MSA level, the *State Government* incurred another 9% loss and continued to reduce its work force. At the national level, *State Government* employment remained relatively flat. The number of jobs in *Federal Government* continued to decrease as well. While the nation lost about 2% of these jobs, the metro area was also down by about 2%.

Employment growth in the local area outpaced the nation in several sectors, such as *Food Services and Drinking Places*, *Educational Services*, *Health Care and Social Assistance*, and *Leisure and Hospitality*.

**Figure 6. Employment Growth in New Orleans MSA vs. U.S.
2014 FY over 2013 FY**



Source: BLS and DBER

Other Economic Indicators

Table 4 below includes additional economic indicators for the New Orleans MSA. Overall, estimates indicate that the area continues to recover from the effects of Katrina along with the national recession.

Table 4. Other New Orleans MSA Economic Indicators – Quarterly Actuals, 2013:4 – 2014:4

| Economic Indicators | | | | | | Percent Change ⁶ | | |
|---|--------|--------|--------|--------|--------|-----------------------------|------------------------|------------------------|
| | 2013:4 | 2014:1 | 2014:2 | 2014:3 | 2014:4 | 2014:3 to 2014:4 | 2013:4 to 2014:4 | 2013FY to 2014FY |
| Crude Oil Price (\$ per barrel) | 97.3 | 98.8 | 103. | 97.8 | 73.2 | -25.2 | -24.8 | -4.7 |
| Natural Gas Price (\$ per thou cft) | 3.9 | 5.3 | 4.7 | 4.1 | 3.9 | -4.2 | -1.6 | 17.8 |
| Louisiana Rig Count | 109 | 108 | 110 | 114 | 111 | -2.1 | 2.0 | 2.6 |
| Louisiana Oil Production (Thou bbls) | 17,618 | 16,876 | 17,210 | 17,107 | 16,739 | -2.2 | -5.0 | -5.4 |
| Louisiana Natural Gas Production (Bill cft) | 532 | 498 | 505 | 492 | 488 | -0.8 | -8.3 | -17.6 |
| Foreign Trade (Thou short tons) | 7,157 | 7,599 | 6,613 | 7,877 | 8,898 | 13.0 | 24.3 | 27.4 |
| Imports (Thou short tons) | 2,687 | 3,169 | 3,330 | 3,837 | 4,141 | 7.9 | 54.1 | 37.7 |
| Exports (Thou short tons) | 4,471 | 4,430 | 3,283 | 4,040 | 4,758 | 17.8 | 6.4 | 19.6 |
| Air Freight Cargo (Thou short tons) | 11,207 | 11,012 | 10,919 | 10,727 | 11,567 | 7.8 | 3.2 | -4.7 |
| Hotel Sales (\$Mill) ¹ | 242.9 | 317.2 | 363.0 | 272.4 | 265.1 | -2.7 | 9.2 | 13.6 |
| Convention Room Nights (Thou) | 386.4 | 309.6 | 336.1 | 271.2 | 276.5 | 2.0 | -28.4 | -12.0 |
| Passenger Deplanements (Thou) ⁶ | 1,197 | 1,169 | 1,284 | 1,160 | 1,280 | 10.4 | 7.0 | 6.2 |
| Casino Admissions (Thou) | 1,748 | 1,898 | 1,737 | 1,812 | 1,745 | -3.7 | -0.2 | -1.8 |
| Total Gambling Revenues (\$Mill) | 135.1 | 146.2 | 138.7 | 131.3 | 136.3 | 3.8 | 0.9 | -1.0 |
| Riverboat Casino Revenues (\$Mill) | 49.6 | 54.1 | 53.3 | 51.6 | 51.7 | 0.3 | 4.3 | -5.3 |
| Harrah's Casino Revenues (\$Mill) | 85.5 | 92.2 | 85.4 | 79.7 | 84.5 | 6.0 | -1.1 | 1.9 |
| Construction Contracts Awarded (\$Mill) ² | 577 | 326 | 303 | 418 | 407 | -2.6 | -29.5 | -50.4 |
| Residential (\$Mill) | 275 | 160 | 166 | 215 | 228 | 6.0 | -17.1 | -16.5 |
| Non-Residential (\$Mill) | 302 | 166 | 136 | 203 | 179 | -11.8 | -40.9 | -66.0 |
| Non-Building (\$Mill) | 103 | 58 | 81 | 124 | 130 | 4.4 | 26.3 | -38.4 |
| Construction Contracts in Progress (\$Mill) ² | 3,961 | 3,880 | 2,914 | 2,727 | 2,621 | -3.9 | -33.8 | -9.6 |
| Residential (\$Mill) WIP | 761 | 738 | 601 | 541 | 610 | 12.7 | -19.9 | 4.2 |
| Non-Residential (\$Mill) WIP | 3,200 | 3,142 | 2,313 | 2,186 | 2,011 | -8.0 | -37.2 | -12.6 |
| Non-building (\$Mill) WIP | 3,810 | 3,757 | 2,863 | 2,465 | 2,291 | -7.0 | -39.9 | -18.1 |
| Housing Starts ² | 1,219 | 1,136 | 605 | 863 | 1,156 | 34.0 | -5.2 | -7.6 |
| Population (Thou) ^{3,e} | 1,222 | 1,223 | 1,224 | 1,224 | 1,225 | 0.1 | 0.3 | 0.7 |
| Per Capita Personal Income (\$) – Ann Rate ^{4,e} | 45,288 | 45,829 | 46,371 | 46,912 | 47,296 | 0.8 | 4.4 | 3.9 |
| Average weekly wage (\$, 8 parish area) | 959 | 950 | 889 | 905 | - | - | - | 0.1 |
| Motor Vehicle Sales (\$Mill) ⁵ | 477 | 487 | 559 | 557 | 523 | -6.1 | 9.8 | 1.2 |

¹ – Hotel sales include Orleans and Jefferson parishes only.

² – Construction figures are supplied by McGraw Hill Construction, Dodge.

³ – Population figures were revised for 2010 Census data released in April 2011 and Census Intercensal Estimates released in April 2014. Quarterly figures are a combination of data produced by U.S. Department of Census and UNO estimates using data from the Greater New Orleans Community Data Center.

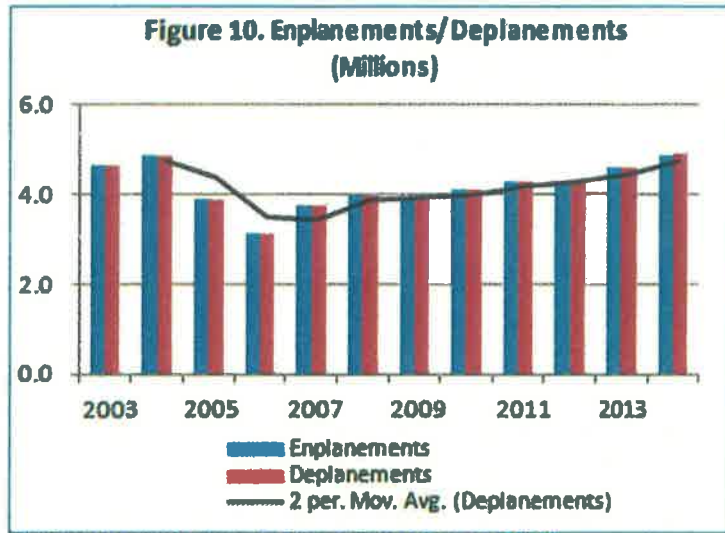
⁴ – Per capita personal income was revised to include Census Intercensal Estimates figures released in April 2014.

⁵ – Motor vehicle sales are for all 7 parishes.

⁶ – Percent changes may not be exact due to rounding. e – Due to lag in data, figures are preliminary estimates.

Airport Traffic

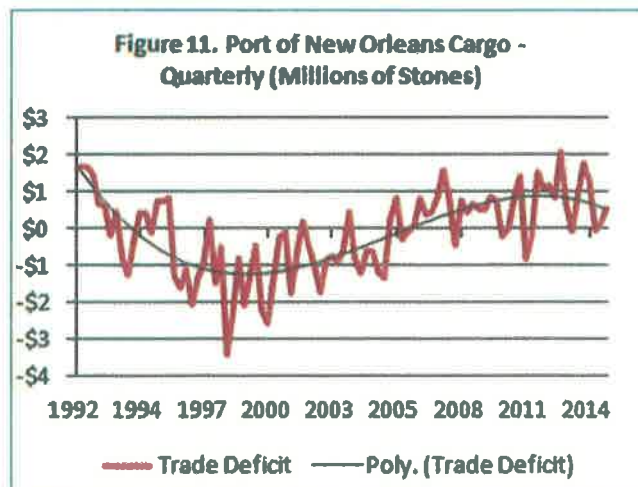
After a sharp drop in airport activity in 2006 due to Hurricane Katrina, traffic has been increasing gradually every year. Both enplanements and deplanements are growing, indicating a higher traffic for the International Airport of New Orleans. In 2014, the airport reached figures recorded prior to the storm at 4.9 million passengers enplaned and another 4.9 million passengers deplaned. This is a good indicator for the number of tourists who visit the metro area every year. It also shows the amount of travel consumed by New Orleans area residents. A higher airport traffic also corresponds to more travel activity by locals.



Source: Louis Armstrong International Airport (MSY)

Port

In 2014, foreign trade tonnage at the Port of New Orleans was up 27% from 2013. While exports increased 20% over 2013, imports were also up by almost 38%. These trade indicators continue to display a lot of volatility. However, data from the last three years may suggest a change in the trade deficit trend as it can be seen in Figure 11. As of December 2014, the yearly trade deficit was 2.0 million stones, down 38% from 2013, and 61% from 2012. While it may be difficult to predict the future performance of the trade deficit it is important to note a potential change in trend as seen in the most recent figures.



Source: Port Of New Orleans

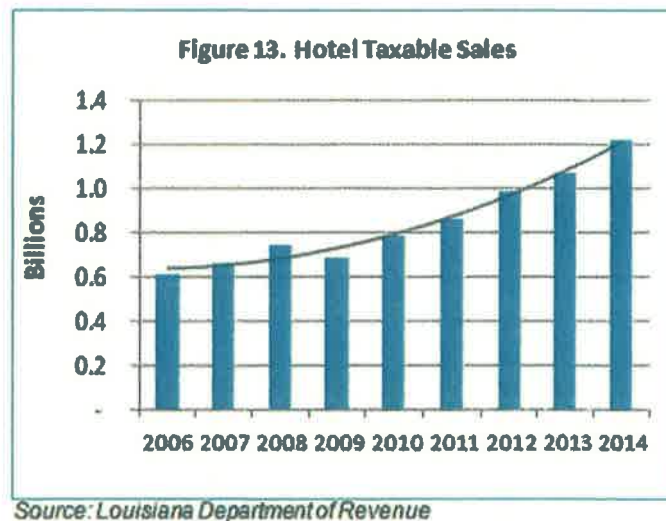
Gaming

Admissions and revenues for New Orleans area casinos continued to remain weak in 2014. Although revenues improved by 4% in the fourth quarter of 2014, they were down 1% over full year 2013, and down 4% when compared to full year 2012. With declining revenues, total admissions at the New Orleans area casinos averaged about 7.2 million people in 2014. Counts were down 2% from 2013 and 6% from the same period in 2012. When considering pre-Katrina figures, casino admissions remained at 63% of the levels seen before the storm. Figure 12 shows a clear picture of how casino revenues and admissions have performed since 2003.



Hotel Taxable Sales (Jefferson and Orleans Parish)

Hotels in Orleans and Jefferson Parish benefited greatly from a strong tourism industry that developed in the New Orleans area over the past couple of years. With an increasing number of out-of-town visitors who are willing to spend more money every year, hotels have experienced a solid growth in room sales over the last decade. As show in Figure 13, room sales have been increasing yearly since 2006. In 2006, room sales totaled nearly \$0.6 billion, while in 2014 this amount almost doubled, reaching \$1.2 billion. In terms of growth, hotel room sales were up 14% in 2014 compared to 2013, and 23 % compared to 2012. It is important to note that hotel sales are not adjusted for inflation.





Source: McGraw Hill Construction. Dodge

Construction

According to the most recent employment report from the BLS (Bureau of Labor Statistics) the New Orleans MSA construction industry reported about 31,700 jobs as of December 2014. That represents about 6% of the total nonfarm jobs in the metro area, thus remaining an important employment industry for residents.

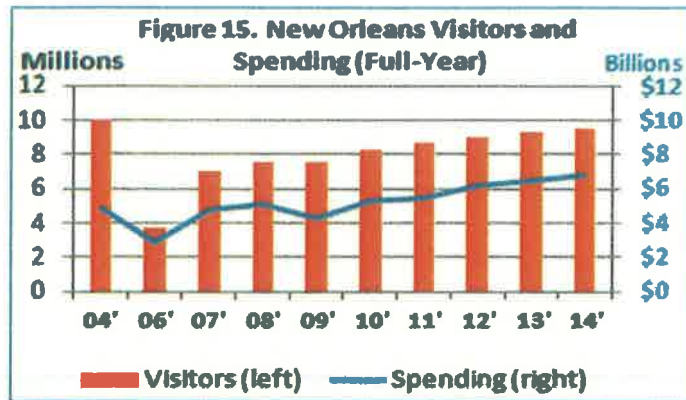
Construction activity during 2013 looked very similar to 2007 and 2011 when non-residential contracts were predominant. Ongoing projects such as the rebuilding of New Orleans public schools, the University Medical Center, the Veterans Affairs Hospital and the construction of an ammonia plant by Dyno Nobel in Jefferson Parish, continued to drive up non-residential construction. Major non-building construction projects were represented by general repairs of streets in New Orleans which are expected to be completed by early 2018 (Figure 14).

While in 2014, non-building construction topped non-residential and residential projects similar to 2008, 2010, and 2012, activity for all three sectors decreased substantially from previous years' records. According to the most recent "Top Construction Projects 2015" by New Orleans City Business, top construction projects in 2015 in terms of the amount invested will be the New Orleans Public Schools, the University Medical Center, the Veterans Affairs Hospital, the Dyno Nobel Ammonia Plant, and the new terminal at the Louis Armstrong Airport.

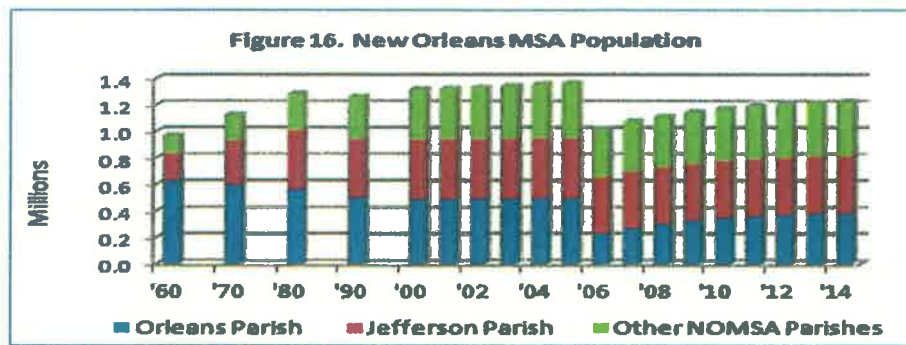
Tourism

In 2014, the New Orleans area tourism industry continued to grow, as the city welcomed more visitors than in 2013; this trend has persisted since 2010. About 9.52 million visitors came to the New Orleans area in 2014, representing a 2.6% increase over the 9.28 million visitors who came in 2013. Spending estimates, including gambling, were \$6.82 billion.

The growth in the tourism industry continues to benefit locals and businesses around the metro area. Tourism-related employment opportunities for New Orleans area residents are expanding every year. Between 2006 and 2014, about 23,000 tourism-related jobs were added. In 2014, about 82,000 people were working in the hospitality industry.



Source: Hospitality Research Center (HRC)
 *Before 2012, spending estimates exclude visitors' gambling expenditures



Source: U.S. Census, Greater New Orleans Community Data Center, and DBER

Population

Between 2006 and 2011, the New Orleans metro area saw a strong recovery in population figures. However, during the last couple of years, population growth has stabilized. Most recent November 2014 estimates indicate that population was up 0.3% compared to November 2013. With over 1.2 million residents, the current population is at 90% of the pre-Katrina population. The distribution of New Orleans area locals with respect to their parish of residence remains similar. Most individuals live in the parishes of Jefferson and Orleans. The population in Orleans parish is 77% of what it was prior to Katrina, while the rest of the population in Jefferson parish and other parishes in the New Orleans MSA have reached 95% and 99% of their respective pre-Katrina population estimates. (Figure 16)

THE FORECAST

Table 5 includes a forecast of all levels of employment for the next two years. Estimates of hotel sales are also included in the analysis.

As of the fourth quarter of 2014, the New Orleans MSA had over 568,000 total nonfarm jobs. By the same time in 2015, the number of jobs is expected to increase by nearly 4,250 or 0.7%.

Segments that are expected to have a higher growth include *Leisure and Hospitality (1,473 jobs)*, and *Educational Services (1,320 jobs)*.

Segments that are estimated to have larger job losses include *Manufacturing (-695 jobs)*, and *Government (-497 jobs)*.

PARISH DATA

The 7-parish area defined as the New Orleans- Metairie-Kenner Metropolitan Statistical Area contains Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist and St. Tammany parishes. St. James used to be considered part of the New Orleans MSA. However, in 2003 it was removed from the New Orleans MSA by the federal Office of Management and Budget. St. James is still included in the metro area for reporting of average wage data.

The parishes that reported employment growth over the year in the most current quarter include Orleans (9,019 jobs or 5.1%), St. Tammany (1,638 jobs or 2.0%), Plaquemines (335 or 2.3%), and St. John (189 jobs, or 1.3%).

Table 5. New Orleans MSA Employment and Economic Indicators – Quarterly Forecasts, 2015:1 – 2016:4

| Sectors | Forecast | | | | | | | | | | | | | Percent Change ¹ | |
|---------------------------------------|----------|----------|---------|---------|---------|---------|---------|---------|---------|--------|--------|-------|-------|-----------------------------|------------------|
| | Actual | Forecast | | | | | | | | | | | | 2014:4 to 2015:4 | 2015:4 to 2016:4 |
| | 2014:4 | 2015:1 | 2015:2 | 2015:3 | 2015:4 | 2016:1 | 2016:2 | 2016:3 | 2016:4 | 2015:4 | 2016:4 | | | | |
| Total Nonfarm Employment | 568,167 | 564,691 | 569,015 | 566,526 | 572,415 | 569,108 | 573,180 | 570,708 | 576,214 | 0.7 | 0.7 | 0.7 | 0.7 | | |
| Mining and Logging | 8,033 | 8,036 | 7,909 | 7,918 | 7,792 | 7,800 | 7,675 | 7,683 | 7,557 | -3.0 | -3.0 | -3.0 | -3.0 | | |
| Construction | 30,167 | 29,862 | 30,484 | 30,498 | 30,684 | 30,497 | 30,777 | 30,676 | 30,945 | 1.7 | 0.9 | 1.7 | 0.9 | | |
| Manufacturing | 30,267 | 30,127 | 29,911 | 29,824 | 29,572 | 29,487 | 29,230 | 29,148 | 28,889 | -2.3 | -2.3 | -2.3 | -2.3 | | |
| Durable Goods | 12,633 | 12,441 | 12,289 | 12,141 | 11,995 | 11,848 | 11,703 | 11,556 | 11,411 | -5.1 | -4.9 | -5.1 | -4.9 | | |
| Transportation Equipment | 3,100 | 2,941 | 2,798 | 2,644 | 2,503 | 2,349 | 2,208 | 2,054 | 1,913 | -19.3 | -23.6 | -19.3 | -23.6 | | |
| Nondurable Goods | 17,633 | 17,685 | 17,621 | 17,682 | 17,576 | 17,638 | 17,526 | 17,591 | 17,477 | -0.3 | -0.6 | -0.3 | -0.6 | | |
| Chemical Manufacturing | 5,000 | 5,034 | 4,990 | 4,997 | 4,944 | 4,960 | 4,896 | 4,913 | 4,848 | -1.1 | -1.9 | -1.1 | -1.9 | | |
| Wholesale Trade | 23,833 | 23,873 | 23,829 | 23,901 | 23,851 | 23,902 | 23,847 | 23,899 | 23,842 | 0.1 | 0.0 | 0.1 | 0.0 | | |
| Retail Trade | 64,933 | 63,755 | 64,295 | 63,885 | 65,391 | 64,287 | 65,183 | 64,855 | 66,271 | 0.7 | 1.3 | 0.7 | 1.3 | | |
| Grocery Stores | 10,300 | 10,331 | 10,365 | 10,394 | 10,453 | 10,481 | 10,536 | 10,565 | 10,619 | 1.5 | 1.6 | 1.5 | 1.6 | | |
| General Merchandise Stores | 14,533 | 13,988 | 14,157 | 14,355 | 15,030 | 14,472 | 14,678 | 14,939 | 15,627 | 3.4 | 4.0 | 3.4 | 4.0 | | |
| Transport, Warehousing, and Utilities | 28,667 | 28,470 | 28,426 | 28,250 | 28,299 | 28,132 | 28,162 | 27,990 | 28,023 | -1.3 | -1.0 | -1.3 | -1.0 | | |
| Information | 8,267 | 7,701 | 8,475 | 7,935 | 8,472 | 8,000 | 8,538 | 8,110 | 8,573 | 2.5 | 1.2 | 2.5 | 1.2 | | |
| Financial Activities | 28,033 | 28,001 | 28,012 | 28,021 | 27,904 | 27,877 | 27,816 | 27,789 | 27,727 | -0.5 | -0.6 | -0.5 | -0.6 | | |
| Depository Credit (banking) | 6,300 | 6,335 | 6,321 | 6,346 | 6,328 | 6,350 | 6,332 | 6,353 | 6,335 | 0.4 | 0.1 | 0.4 | 0.1 | | |
| Professional and Business Services | 74,467 | 74,229 | 75,180 | 74,690 | 75,737 | 75,229 | 76,163 | 75,663 | 76,679 | 1.7 | 1.2 | 1.7 | 1.2 | | |
| Professional, Scientific, Technical | 33,533 | 33,827 | 33,657 | 33,690 | 33,939 | 34,093 | 34,148 | 34,246 | 34,391 | 1.2 | 1.3 | 1.2 | 1.3 | | |
| Management of Companies | 7,700 | 7,693 | 7,686 | 7,680 | 7,673 | 7,666 | 7,660 | 7,653 | 7,646 | -0.4 | -0.4 | -0.4 | -0.4 | | |
| Administrative, Support, Waste Mgmt. | 33,233 | 32,708 | 33,836 | 33,319 | 34,124 | 33,469 | 34,354 | 33,763 | 34,641 | 2.7 | 1.5 | 2.7 | 1.5 | | |
| Educational Services | 29,933 | 29,693 | 29,702 | 29,216 | 31,253 | 30,920 | 30,955 | 30,473 | 32,443 | 4.4 | 3.8 | 4.4 | 3.8 | | |
| Health Care and Social Assistance | 61,733 | 61,538 | 61,881 | 61,898 | 62,165 | 62,172 | 62,480 | 62,486 | 62,782 | 0.7 | 1.0 | 0.7 | 1.0 | | |
| Ambulatory Health Care | 23,433 | 23,274 | 23,435 | 23,434 | 23,503 | 23,487 | 23,595 | 23,578 | 23,675 | 0.3 | 0.7 | 0.3 | 0.7 | | |
| Hospitals (private) | 20,833 | 20,850 | 20,883 | 20,900 | 20,933 | 20,950 | 20,983 | 21,000 | 21,033 | 0.5 | 0.5 | 0.5 | 0.5 | | |
| Leisure and Hospitality | 82,433 | 82,509 | 83,454 | 83,604 | 83,906 | 83,979 | 84,991 | 85,147 | 85,171 | 1.8 | 1.5 | 1.8 | 1.5 | | |
| Arts, Entertainment, and Recreation | 10,333 | 10,318 | 10,570 | 10,723 | 10,281 | 10,292 | 10,554 | 10,665 | 9,944 | -0.5 | -3.3 | -0.5 | -3.3 | | |
| Accommodation | 13,833 | 13,581 | 13,716 | 13,560 | 13,720 | 13,571 | 13,733 | 13,583 | 13,745 | -0.8 | 0.2 | -0.8 | 0.2 | | |
| Food Services and Drinking Places | 58,267 | 58,610 | 59,168 | 59,321 | 59,905 | 60,116 | 60,704 | 60,899 | 61,482 | 2.8 | 2.6 | 2.8 | 2.6 | | |
| Other Services | 23,200 | 23,443 | 23,512 | 23,700 | 23,761 | 23,955 | 24,018 | 24,212 | 24,275 | 2.4 | 2.2 | 2.4 | 2.2 | | |
| Government | 74,200 | 73,422 | 73,958 | 73,170 | 73,703 | 72,915 | 73,449 | 72,659 | 73,194 | -0.7 | -0.7 | -0.7 | -0.7 | | |
| Federal Government | 11,833 | 11,767 | 11,785 | 11,716 | 11,732 | 11,663 | 11,680 | 11,610 | 11,627 | -0.9 | -0.9 | -0.9 | -0.9 | | |
| State Government | 14,233 | 13,878 | 13,996 | 13,635 | 13,752 | 13,390 | 13,507 | 13,145 | 13,263 | -3.4 | -3.6 | -3.4 | -3.6 | | |
| Local Government | 48,133 | 47,776 | 48,176 | 47,818 | 48,218 | 47,861 | 48,261 | 47,903 | 48,303 | 0.2 | 0.2 | 0.2 | 0.2 | | |
| Hotel Sales (\$Mill) ² | 265.1 | 320.3 | 358.0 | 268.2 | 260.2 | 313.0 | 349.2 | 262.7 | 255.0 | -1.8 | -2.0 | -1.8 | -2.0 | | |

1 – Percent changes may not be exact due to rounding.

2 – Orleans and Jefferson Parishes only.

WATER SYSTEM MAJOR INITIATIVES

Water Purification Division

- Water Quality Master Plan final report accepted.
- Design of repairs and improvements to the Michoud Water Tank is in progress.

Carrollton Water Purification Plant

- Purchased and installed new instrument air system for Claiborne Filter Gallery.
- Rehabilitation of Filters 1A and 1B in progress.
- Inspection and painting of concrete ground storage tanks in progress.
- Rehabilitation of L3 flocculation basin in progress.
- Study of water storage tank mixing in progress.
- Design of new instrument air system for Sycamore Filter Gallery in progress.
- Design of new filter backwash pump for Sycamore Filter Gallery in progress.
- Design for replacement of the valves, actuators, and controls at Sycamore Filter Gallery in progress.
- Design of new sludge line to the river resumed.
- Design of new chemical bulk storage and feed facility in progress.
- Design of two new elevated water storage tanks is in progress.

Water Quality Laboratory

- Received State certification for Total Organic Carbon analyses.
- Participated in Water Research Foundation Project – Unintended Consequences of Implementing Nitrosamine Control Strategies.
- Began Cryptosporidium sampling for EPA's Long Term 2 Enhanced Surface Water Treatment Rule Round 2.
- Implemented additional water quality monitoring and coordinated distribution system flushing to comply with LADHH's emergency rule concerning chlorine levels in drinking water.

Algiers Water Purification Plant

- Study of water storage tank mixing in progress and the improvements to follow.
- Design for improvements to clarifiers 2, 3, and 4 in progress.
- Purchase and installation of new sodium hypochlorite feed pumps and tank in progress.

Water Pumping and Power

- Turbine Generator 4 Refurbishment in progress.
- Installation of new 60Hz feeders from Carrollton Plant to DPS1 and new feeders RS-T6, RSC, and RSE in progress.
- Installation of new generator load bank in progress.
- Design of refurbishment of Oak St. Pump Station in progress.
- Emergency fuel storage improvements in progress.
- Improvements to Boiler Room in progress.
- Design of additional Power House improvements in progress.
- Structural improvements to the Power Plant in progress.
- Design of refurbishment of Turbine Generators 3 and 5 in progress.
- Refurbishment of Pumps A and B in progress.
- Emergency repairs to Panola Pump Station in progress.
- Design for improvements to the three finished water pumping stations at the Carrollton Plant (Claiborne, Panola, and A&B) is in progress.

Water Distribution System

- Ongoing coordination with the City of New Orleans Department of Public Works (DPW) to repair or replace water mains associated with Recover Roads Programs and other roadway rehabilitation projects.
- Managing twenty-two engineering consultants designing water main replacement projects for approximately sixty-two neighborhoods with a total program value of \$185M.

SEWER SYSTEM MAJOR INITIATIVES

East Bank Wastewater Treatment Plant

- Construction of wetlands expansion cells and demonstration cells completed.
- Headworks process air blower replacement completed.
- Bar screen conveyor belt & roller replacement completed.
- #2 effluent pump motor rebuild completed.
- #3, #7, #6 & #9 RAS Pump rebuilds and motor & impeller replacement completed.
- Purchase of additional oxygen storage tank in progress.
- Bio-reactor train #1 clean-out and mixer installation in progress.
- Replacement of the return activated sludge pipeline and header in progress.
- Bidding for the purchase and installation of 5 new VFDs for the effluent pump house and transformer #5 in progress.
- Design for the purchase and installation of a sludge paddle dryer in progress.
- Design for the purchase and installation of new emission control equipment for the incinerator in progress.
- Construction completed on flood protection berm around the plant.

West Bank Wastewater Treatment Plant

- Primary clarifier #1 gear drive rebuild completed.
- SCADA repair and upgrade completed.
- Effluent pump #2 check valve repair completed.
- Bar screen #3 rehab completed.
- Trickling filter #3 main pump rebuild completed.
- Clarifier #1 repairs completed, electrical repairs in progress.
- Replacement of (3) grit pumps/motors in progress.
- West Bank & East Bank installation energy/generator auto transfer switch engineering in progress.
- Engineering to convert chlorine system to bleach in progress.

Sewage Pumping Stations

- Construction in progress for improvements to Sewer Pumping Stations Bullard, Dodt, Lake Forest, Plum Orchard, 6, and Lawrence.
- Construction completed for Sewer Pumping Stations Victoria and Burke.
- Design of Sewer Pumping Station 8 improvements in progress.

Sewer Collection System

- All sewer rehabilitation construction projects for the Ninth Ward Basin is projected for completion in December 2016.
- Design continuing for multiple point repair and replacement of sanitary sewers in the Carrollton, Mid-City, New Orleans East and South Shore areas.
- Ongoing construction projects for the replacement of sewer mains from manhole to manhole for various sites throughout Orleans Parish.
- Ongoing coordination with the City of New Orleans Department of Public Works in rehabilitating sewer, water and drainage systems as well as routine reconstruction and maintenance activities.

DRAINAGE SYSTEM MAJOR INITIATIVES

Pumping Stations

- The Corps (\$23.8 M) project to install two new 300 cfs pumps and a generator at DPS 5 is complete and fully operational.
- S&WB was awarded a FEMA grant to install emergency generators at five underpass pumping stations valued at \$1.32M.
- Engineering design and repair work to several underpass drainage pumping stations in progress funded by FEMA.
- Construction was completed at Station 5 on the annex building with two additional 300 cfs pumps and a generator.
- Construction of the three new lakefront pumping stations (17th St., Orleans Ave., and London Ave.) is in progress by the ACOE.
- Design improvements for the Broad St. Underpass Station in progress.

Canals

- Florida Ave Canal Phases II and III (\$117M) from Peoples Ave to Alvar Street are 26% in construction and 26% complete respectively.
- Florida Ave Canal Phase IV (\$147.5M) is in construction and is 10% complete.
- Napoleon Ave Canal Phase II (\$55.1M) from S. Claiborne Ave to Carondelet St is 100% complete.
- Napoleon Ave Canal Phase III (\$38.1M) from Carondelet St to Constance St is in construction and 84% complete.
- S. Claiborne Ave Phase I (\$27.1) from Monticello to Leonidas is in construction and is 87% complete.
- S. Claiborne Ave Canal Phase II (\$27.8M) from Leonidas to Lowerline Street is in construction and is 91% complete.
- Jefferson Ave Canal Phase I (\$59.9M) from S. Claiborne Ave to Dryades and Jefferson Avenue (\$46.2M) from Dryades to Constance are in construction and are 41% and 91% complete respectively.
- Louisiana Ave Canal (\$82.6M) from S. Claiborne Ave to Constance is in construction and is 51% complete.
- General de Gaulle Canal Improvements from Shirley Drive to Holiday Drive is in design and 65% complete.

Central Yard

- A New Annex Building and the new \$1.8M Site Relocation Facility are complete and in use. Staff is utilizing the Site Relocation Facility as a temporary garage until the rehabilitation of Garages 1 and 2 are complete.
- Garages 1 and 2 are in construction and are 95% and 45% complete respectively.

Green Infrastructure Projects

- Green infrastructure projects from the creation of K-4th grade education program, providing professional workshops, and demonstration bioswales, green roofs and rain garden projects are in the permitting and construction phases.

FINANCIAL INFORMATION

The Enterprise Fund's Water and Sewerage systems are financed by user fees. The unique characteristics of the services provided by the Drainage System of New Orleans require the use of Enterprise Fund accounting in order to obtain a meaningful measure of the cost of providing the services and capital maintenance. On November 14, 2012 the Board approved both sewer and water rate increases commencing January 1, 2013.

The sewer and water rates increase approximately 10% each year until the year 2020. This increase was approved by the New Orleans City Council on December 6, 2012. Revenues from the three-(3) mill, six-(6) mill and nine-

(9) mill ad valorem taxes, which are restricted exclusively for drainage services, finance the Drainage System. These ad valorem taxes are the operating revenues of the drainage system. Also, there exists a potential for additional financing by additional user service charges.

Budgetary Control:

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

General Operations:

The change in net position for the year ended December 31, 2015 was a decrease of approximately \$136.7 million, as opposed to approximately \$147.8 million for the year ended December 31, 2014. The Board's total operating revenues increased by 11.9% to approximately \$182.5 million due primarily for rate increases effective January 1, 2015, and total non-operating revenue increased by 11.1% to approximately \$51.4 million due primarily to the forgiveness of the outstanding principal and interest due on the Special Community Disaster Loan in 2013 totaling \$30.1 million.

Debt Administration 2014:

The Sewerage and Water Board of New Orleans sold bonds on June 17, 2014 for its water and sewer systems to refinance outstanding debt and fund its capital improvement program. The \$103,525,000 water system revenue bonds and \$158,990,000 sewer system revenue were sold by the Board of Liquidation through a negotiated underwriting process. The refinancing of previous debt achieved one-time savings of more than \$2.4 million for the water system and \$9.0 million for the sewer system. The water bonds carried an average interest rate of 4.47% while the higher-rated sewer bonds carried a rate of 3.91%.

The bond sale followed significant increases in water and sewer rates in December 2012. The rate increases were used to increase cash reserves, pay down other liabilities, and improve debt service coverage in advance of the sale, resulting in higher bond ratings announced in May 2014. Sewerage and Water Board and Board of Liquidation staff worked with a financing team composed of financial advisors, bond counsels, underwriters, and underwriters' counsels to develop new bond documents for these deals.

The capital improvement program for the water system received \$77.0 million and the sewer system received \$47.3 million. These bond proceeds represent the first occasion when the capital programs have been fully funded for a plan year in more than twenty-five years. Additional bond issues will be needed every one-to-two years for the next several years.

The Board subsequently issued Drainage System Refunding Bonds of \$14,900,000 on November 5, 2014 with savings of \$1.5 million.

Debt Administration 2015:

The Sewerage and Water Board of New Orleans sold bonds on December 2, 2015 for its water and sewer systems to fund its capital improvement program. The \$100,000,000 water system revenue bonds and \$100,000,000 sewer system revenue bonds were sold by the Board of Liquidation through a negotiated underwriting process.

The capital improvement program for the water system received \$104.2 million and the sewer system received \$103.9 million.

Sewerage and Water Board Achievements in 2015

S&WB completed over 34,500 work orders and 17,000 service requests in 2015. This includes over 8,500

emergency requests such as sewer overflows and customers without water.

S&WB completed the following work in 2015:

- Respond to over 17,000 service requests in 2015 within an average of 1 hour and 10 minutes when the call was received;
- Complete repaired over 1,100 sewer mains repairs, 1,500 water mains repairs, 11,000 water service repairs, 1,100 hydrant repairs, and 1,300 valve repairs; and
- Met or exceeded all requirements of the consent decree, including inspecting over 8,300 sewer mains, cleaned nearly 750,000 feet of sewer main and inspected over a million feet of sewer main. SWB staff also performed preventive maintenance on over 2,000 water main valves and nearly 5,000 water hydrants.

As part of the City's Integrated Infrastructure Management System, S&WB is implementing opportunities to facilitate, link, and leverage with City assets. S&WB is also collaborating with the New Orleans Redevelopment Authority on green infrastructure pilot projects like rain gardens in neighborhoods across the city.

S&WB's customer service initiatives have resulted in marked improvements in telephone call center performance with reduced wait times and fewer dropped calls. More low-income elderly and handicapped customers are receiving assistance in paying their bills through S&WB's Water Help Program.

Looking Forward to 2016

In 2016, S&WB is scheduled to begin construction on over \$379 million in capital improvements, including a number of important water, sewer and drainage projects. Highlights include the water hammer mitigation project, major improvements to the S&WB's power generation system, water and sewer system line replacements, water point repairs, a wetlands assimilation projects, sludge dryer project, drainage canal improvements and drainage pumping projects.

In early 2016, Delgado Community College will begin training the next generation of certified water infrastructure personnel to work at S&WB with the assistance of a \$1.5 million grant announced by the GE Foundation to fund the program. This work aligns with Mayor Landrieu's Economic Opportunity Strategy focused on job training based on employer needs and creating pathways to prosperity for all New Orleans residents.

The Board is looking forward to the implementation of our new Billing System and our Human Resources and Payroll System in 2016.

Other Information

State Statutes and covenants governing outstanding bond issues require an annual audit of the Board's financial records by independent certified public accountants. The accounting firm of Postlethwaite & Netterville was selected by the Board to perform this audit through a competitive bid process. The independent auditors' report on the basic financial statements is included in the Financial Section of the report. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sewerage and Water Board of New Orleans for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one (1) year only. The Sewerage and Water Board of New Orleans has received a Certificate of Achievement for thirty-two (32) years. We believe our current report continues to conform to the Certification of Achievement Program requirements and we are submitting it to GFOA.

ACKNOWLEDGMENTS

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

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

Yours very truly,



Cedric S. Grant
Executive Director



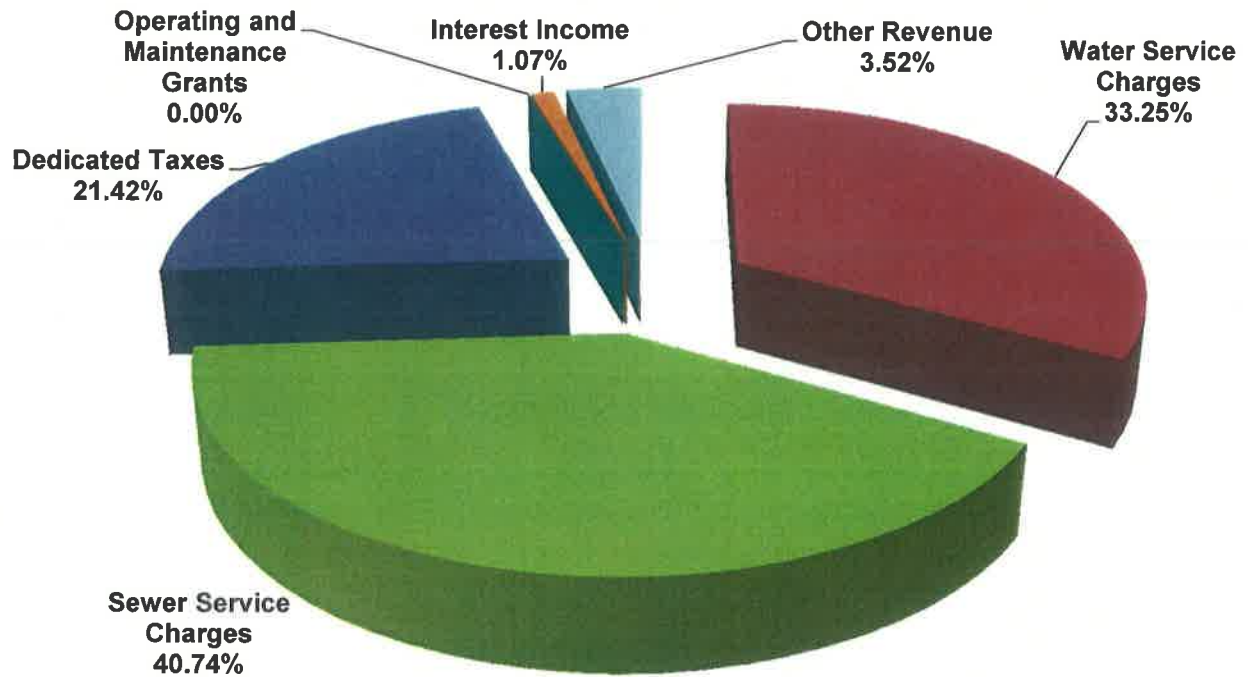
Robert K. Miller
Deputy Director/Chief Financial Officer



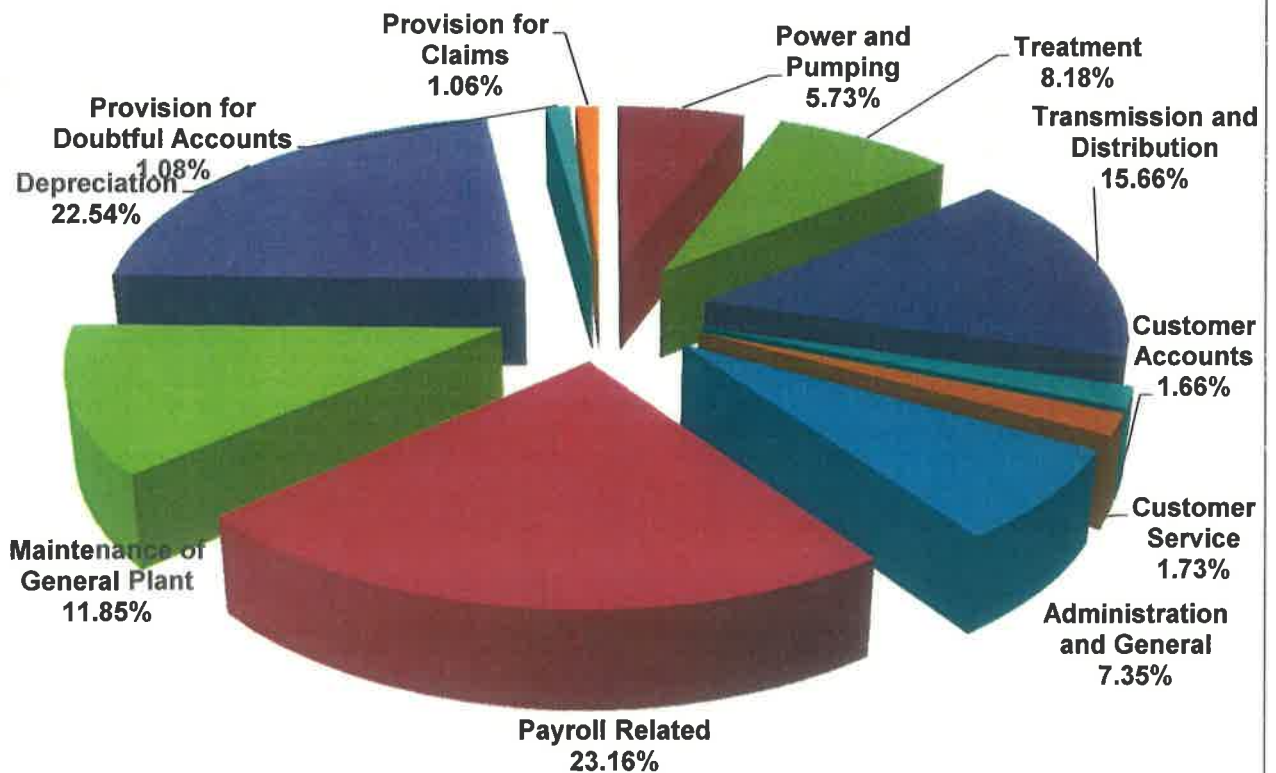
Rosita P. Thomas
Finance Administrator

Sewerage and Water Board of New Orleans

2015 Revenue



2015 Expenses



(This page intentionally left blank)



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Sewerage and Water Board
of New Orleans, Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

(This page intentionally left blank)

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

December 31, 2015

MITCHELL J. LANDRIEU.....President
(Mayor of City of New Orleans)

WILLIAM RAYMOND MANNING.....President Pro-Tem

CEDRIC S. GRANT.....Executive Director

ROBERT MILLER.....Deputy Director/Chief Financial Officer

KIMBERLY JOHNSON.....Deputy Director/Continuous Improvement

SHARON JUDKINS.....Deputy Director/Administration

LISA MARTIN.....Deputy Director/Communications

VALERIE RIVERS.....Deputy Director/Logistics

RONALD DOUCETTE.....Deputy Director/Security

JOSEPH R. BECKER.....General Superintendent

BRUCE ADAMS.....Deputy General Superintendent

NOLAN LAMBERT.....Special Counsel

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

December 31, 2015

MITCHELL J. LANDRIEU.....Mayor
ALAN ARNOLD.....Board of Liquidation Appointment
SCOTT JACOBS.....Council District B Appointment
MARION B. BRACY.....Council District D Appointment
ROBIN BARNES.....At-Large Appointment
VACANT.....Council District A Appointment
KERRI KANE.....Council District C Appointment
WILLIAM RAYMOND MANNING.....President Pro-Tem
JOSEPH PEYCHAUD.....Consumer/Community Advocate
KIMBERLY THOMAS, JD.....Consumer/Community Advocate
Dr. TAMIKA DUPLESSIS.....Council District E Appointment

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

December 31, 2015

BOARD OF DIRECTOR'S MEETING

MAYOR MITCHELL LANDRIEU, President

WM. RAYMOND MANNING – President Pro-Tem

ALAN ARNOLD
DR. TAMIKA DUPLESSIS
JOSEPH PEYCHARD

ROBIN BARNES
SCOTT JACOBS

MARION BRACY
KERRI KANE
KIMBERLY THOMAS

BOARD OF TRUSTEES MEETING

MAYOR MITCHELL LANDRIEU, President

WM. RAYMOND MANNING – President Pro-Tem

ALAN ARNOLD
DR. TAMIKA DUPLESSIS
JOSEPH PEYCHARD
MARVIN RUSSELL

ROBIN BARNES
SCOTT JACOBS
KIMBERLY THOMAS
GERALD TILTON

MARION BRACY
KERRI KANE
HAROLD HELLER, JR.
JOHN WILSON

AUDIT COMMITTEE

WM. RAYMOND MANNING, Chairperson

DR. TAMIKA DUPLESSIS, Vice Chairperson

ROBIN BARNES

MARION BRACY

SCOTT JACOBS

FINANCE AND ADMINISTRATION COMMITTEE MEETING

SCOTT JACOBS – Chairperson

JOSEPH PEYCHARD – Vice Chairperson

DR. TAMIKA DUPLESSIS

KERRI KANE

KIMBERLY THOMAS

GOVERNANCE COMMITTEE MEETING

KERRI KANE – Chairperson

ALAN ARNOLD – Vice Chairperson

ROBIN BARNES

KIMBERLY THOMAS

PENSION COMMITTEE MEETING

WM. RAYMOND MANNING – Chairperson

ALAN ARNOLD
HAROLD HELLER, JR.
JOHN WILSON

SCOTT JACOBS

MARVIN RUSSELL

JOSEPH PEYCHARD

GERALD TILTON

PLUMBING CONFERENCE COMMITTEE

ALAN ARNOLD – Chairperson

JAY ARNOLD

MARION BRACY
RONNIE CROSBY

JOSEPH BECKER

JIM FINLEY

STRATEGY COMMITTEE MEETING

MARION BRACY – Chairperson

ROBIN BARNES – Vice Chairperson

DR. TAMIKA DUPLESSIS

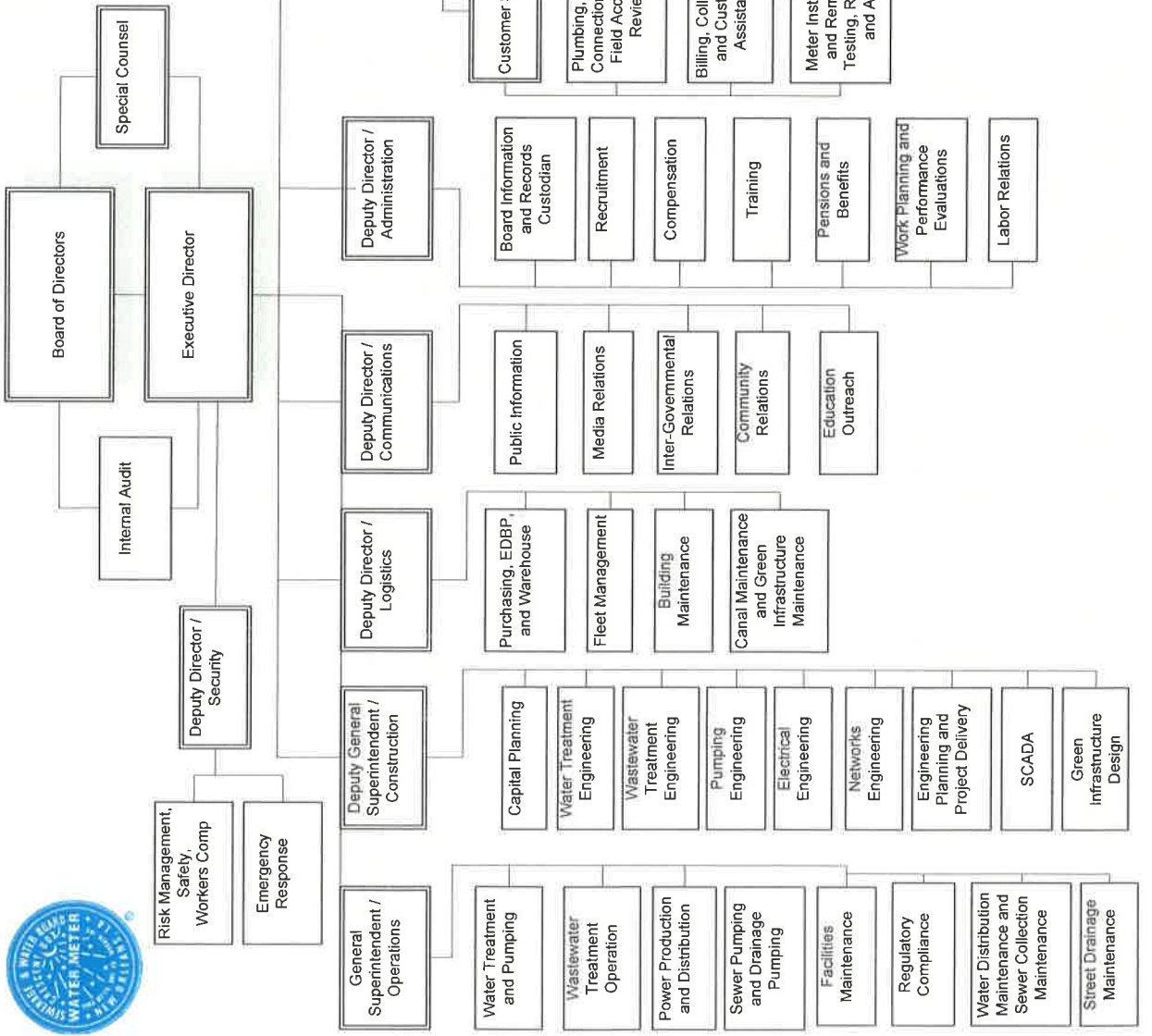
KERRI KANE

KIMBERLY THOMAS

MICHAEL CONEFRY & COMPANY, ACTUARY

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Organization Structure December 2015



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

December 31, 2015

EXECUTIVE DIRECTOR
CEDRIC S. GRANT

DEPUTY DIRECTOR/SECURITY
RONALD DOUCETTE

DEPUTY DIRECTOR/CONTINUOUS IMPROVEMENT
KIMBERLY JOHNSON

DEPUTY DIRECTOR/ADMINISTRATION
SHARON JUDKINS

DEPUTY DIRECTOR/COMMUNICATIONS
LISA MARTIN

DEPUTY DIRECTOR/CHIEF FINANCIAL OFFICER
ROBERT K. MILLER

DEPUTY DIRECTOR/LOGISTICS
VALERIE RIVERS

GENERAL SUPERINTENDENT/OPERATIONS
JOSEPH BECKER

DEPUTY GENERAL SUPERINTENDENT/CONSTRUCTION
BRUCE ADAMS

SPECIAL COUNSEL
NOLAN LAMBERT

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

December 31, 2015

**RONALD DOUCETTE
DEPUTY DIRECTOR/SECURITY**

RISK MANAGEMENT, SAFETY, and WORKERS

COMPENSATION

STEVEN KLEPEIS

EMERGENCY RESPONSE

JASON HIGGINBOTHAM

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

December 31, 2015

**KIMBERLY JOHNSON
DEPUTY DIRECTOR/CONTINUOUS IMPROVEMENT**

VACANT

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

December 31, 2015

**SHARON JUDKINS
DEPUTY DIRECTOR/ADMINISTRATION**

BOARD INFORMATION and RECORDS CUSTODIAN

KATHLEEN LaFRANCE

COMPENSATION/PENSION/RECRUITMENT/WORK PLANNING and EVALUATIONS

NATIKA VASSEL

LABOR RELATIONS

NICHOLAS LOPEZ

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

December 31, 2015

**LISA MARTIN
DEPUTY DIRECTOR / COMMUNICATIONS**

COMMUNITY and INTERGOVERNMENTAL RELATIONS

ROBERT JACKSON

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

December 31, 2015

**ROBERT K. MILLER
DEPUTY DIRECTOR/CHIEF FINANCIAL OFFICER**

FINANCE ADMINISTRATION

ROSITA P. THOMAS

INFORMATION SYSTEMS ADMINISTRATION

MELINDA NELSON

OPERATING BUDGET AND FINANCIAL PLANNING

DEXTER JOSEPH

PLUMBING

JAY ARNOLD

REVENUE AND CUSTOMER SERVICES ADMINISTRATION

JACQUELINE K. SHINE

INTERNAL AUDIT

RAYMOND GABLE

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

December 31, 2015

**VALERIE RIVERS
DEPUTY DIRECTOR /LOGISTICS**

WAREHOUSE/BUILDING MAINTENANCE/CANAL MAINTENANCE/FLEET MANAGEMENT

JOHN WILSON

PURCHASING

WILLIE MINGO

ECONOMICALLY DISADVANTAGED BUSINESS PROGRAM

TIFFANY CARTER

SEWERAGE AND WATER BOARD OF NEW ORLEANS
DIVISION HEADS OF GENERAL SUPERINTENDENT
December 31, 2015

JOSEPH BECKER
GENERAL SUPERINTENDENT/OPERATIONS

WATER DISTRIBUTION MAINTENANCE and SEWER
COLLECTION MAINTENANCE
STEVE BASS

POWER PRODUCTION and DISTRIBUTION/WATER TREATMENT and PUMPING/
WASTEWATER TREATMENT OPERATION/SEWER PUMPING and DRAINAGE
PUMPING/STREET DRAINAGE MAINTENANCE
BAHRAM MOEINIAN

FACILITY MAINTENANCE
GABE SIGNORELLI

SEWERAGE AND WATER BOARD OF NEW ORLEANS
DIVISION HEADS OF DEPUTY GENERAL SUPERINTENDENT
December 31, 2015

BRUCE ADAMS
DEPUTY GENERAL SUPERINTENDENT/CONSTRUCTION

CAPITAL PLANNING/WATER TREATMENT, WASTEWATER TREATMENT, PUMPING,
ELECTRICAL and NETWORKS ENGINEERING
RON SPOONER

ENVIRONMENTAL AFFAIRS and REGULATORY COMPLIANCE
ANN WILSON

(This page intentionally left blank)



S&WB Network Crews are assigned to maintenance and repair jobs for the water, sewer and drainage systems. These crews are working 24 hours a day and are available for system emergencies. Network Crews complete thousands of work orders every year for repairs and maintenance. The Sewerage and Water Board partners with the City Department of Public Works on road recovery and water and sewer line replacements. The roles and responsibilities of both agencies are clearly defined within this partnership. This has made the ultimate team goals in repairs, restorations and replacements a success. The implementation of a rate increase, after twenty years, and bond sales made it possible for the board to have the financial requirements for a comprehensive approach to fund the capital and operational needs.



Sewerage and Water Board joined with the Army Corps of Engineers to upgrade and build canals, pumping stations and electrical generator power. This joint-effort is the SELA, Southeast Louisiana Flood Control Project. SELA is designed to reduce flooding caused by 10 year frequency rainfall events. SELA was authorized by Congress in 1996. New Orleans could not exist without a powerful modern drainage system. The Napoleon Avenue Canal Project, one of many SELA projects, has a new concrete box canal that is 7,100 linear feet long and parallels the existing box canal from Constance Street to Claiborne Avenue. The new canal connects to the one built under the Napoleon Avenue Phase 1 project at S. Claiborne Avenue and the existing box canal at Constance. Through the combined forces of the Board and the Corps, drainage is being improved throughout the entire city through projects both underway and nearing completion. Napoleon II and III are scheduled for completion in the Spring and Fall of 2016.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the Board
Sewerage and Water Board of New Orleans

Report on the Financial Statements

We have audited the accompanying financial statements of the Sewerage and Water Board of New Orleans (the Board) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Board, as of December 31, 2015 and 2014, and the changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 14 to the financial statements, the Board implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ended December 31, 2015. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The Board also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-4 through II-19 and the schedules presented on pages II-65 through II-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Introductory Section, Schedules 1 through 7, the Statistical Information section, and Supplementary Information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
June 28, 2016

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

This section of the Sewerage & Water Board of New Orleans' (the Board) annual financial report presents a discussion and analysis of the Board's financial performance during the fiscal years that ended December 31, 2015 and 2014. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. The Board's financial statements follow this section.

FINANCIAL HIGHLIGHTS

The Board adopted a financial plan for 2011 through 2020 that is anticipated to result in improved debt service coverage, increased liquidity, increased funding for operations and maintenance, and full funding for the capital improvement program.

Recovery from Hurricane Katrina and the resulting flooding continued to be a significant event during 2015. Repairs to water, sewerage, and drainage systems, building repairs, and vehicle and equipment replacements continued throughout 2015. Management anticipates this recovery work to continue through 2025.

Enterprise Fund

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

2015

- The Board's additions to its major systems approximated \$258.2 million.
- The Southeast Louisiana (SELA) project, which is a major upgrade to the drainage system by the Corps of Engineers, resulted in additions of approximately \$131.8 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$24.8 million in Disaster Assistance grants and \$14.3 million in Hazard Mitigation grants for capital contributions.

2014

- The Board's additions to its major systems approximated \$262.7 million.
- The Southeast Louisiana (SELA) project, which is a major upgrade to the drainage system by the Corps of Engineers, resulted in additions of approximately \$104.1 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$35.7 million in Disaster Assistance grants and \$26.6 million in Hazard Mitigation grants for capital contributions.

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

Pension Trust Fund

2015

The net depreciation of the fair value of investments was \$5.0 million in 2015 compared to a net appreciation of \$10.8 million in 2014. The plan net position available for benefits had a net decrease of \$14.1 million to \$222.4 million in 2015.

2014

The major highlight in the Board's pension trust fund was the financial performance in the stock market. The appreciation of the fair value of investments was \$10.8 million in 2014 compared to \$21.4 million in 2013. The plan net position available for benefits had a net increase of \$2.2 million to \$236.6 million in 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – Enterprise Fund

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

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

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

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

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Fund Financial Statements – Pension Trust Fund

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

FINANCIAL ANALYSIS OF THE BOARD

ENTERPRISE FUND

2015 Net Position

The Board's total assets at December 31, 2015 were approximately \$3.0 billion, a 15.7% increase from December 31, 2014 (see Table A-1).

| Table A-1 | | | | |
|--|-------------------------|----------------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Net Position | | | | |
| | 2015 | (Restated) 2014 | Increase (Decrease) | Increase (Decrease) |
| Current unrestricted assets | \$ 187,055,968 | \$ 142,627,550 | \$ 44,428,418 | 31.1% |
| Restricted assets | 283,787,405 | 126,226,933 | 157,560,472 | 124.8% |
| Property, plant, and equipment - net | 2,526,881,205 | 2,319,999,281 | 206,881,924 | 8.9% |
| Other assets | 11,230,019 | 10,753,170 | 476,849 | 4.4% |
| Total assets | 3,008,954,597 | 2,599,606,934 | 409,347,663 | 15.7% |
| Deferred outflows of resources | 23,034,899 | 8,101,400 | 14,933,499 | 184.3% |
| Total deferred outflows of resources | 23,034,899 | 8,101,400 | 14,933,499 | 184.3% |
| Total assets and deferred outflows | \$ 3,031,989,496 | \$ 2,607,708,334 | \$ 424,281,162 | 16.3% |
| Current liabilities | \$ 112,494,485 | \$ 120,746,138 | \$ (8,251,653) | -6.8% |
| Long-term liabilities | 833,881,798 | 556,181,825 | 277,699,973 | 49.9% |
| Total liabilities | 946,376,283 | 676,927,963 | 269,448,320 | 39.8% |
| Deferred inflows of resources | 2,924,898 | 1,475,322 | 1,449,576 | 98.3% |
| Total deferred inflows of resources | 2,924,898 | 1,475,322 | 1,449,576 | 98.3% |
| Net position: | | | | |
| Net investment in capital assets | 2,009,322,572 | 2,013,060,377 | (3,737,805) | -0.2% |
| Restricted | 281,919,904 | 99,356,835 | 182,563,069 | 183.7% |
| Unrestricted | (208,554,161) | (183,112,163) | (25,441,998) | 13.9% |
| Total net position | 2,082,688,315 | 1,929,305,049 | 153,383,266 | 8.0% |
| Total liabilities, deferred inflows, and net position | \$ 3,031,989,496 | \$ 2,607,708,334 | \$ 422,831,586 | 16.2% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

The net increase in total assets of \$409.3 million resulted primarily due to an increase in property, plant, and equipment of \$206.9 million, an increase of \$157.6 million in restricted assets, and an increase in current unrestricted assets of \$44.4 million. The increase in restricted assets was primarily due to unspent 2015 bond proceeds that are restricted for debt service and capital projects. The increase in current unrestricted assets is due primarily to the increase in cash and cash equivalents designated for capital projects of \$46.7 million as a result of reimbursements from the governments in addition to an increase in revenue and cash receipts from customer accounts. Long-term liabilities increased by \$277.7 million primarily due to an increase in long-term portion of bonds payable of \$209.0 million as a result of the issuance of the Series 2015 Water Revenue Bonds and Series 2015 Sewerage Revenue Bonds, in addition to an increase of \$49.0 million in the Southeast Louisiana Project liability. Furthermore, the net pension liability increased by \$17.3 million in 2015 to a total of \$77.0 million compared to a total of \$59.7 million in 2014. Deferred outflows of resources and deferred inflows of resources increased by \$14.9 million and \$1.4 million, respectively, due to changes in actuary's assumption on investment returns and demographic factors related to the pension plan.

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

2014 Net Position

The Board's total assets at December 31, 2014 were approximately \$2.6 billion, a 14.1% increase from December 31, 2013 (see Table A-2).

| Table A-2 | | | | |
|--|-------------------------|-------------------------|------------------------|------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Net Position | | | | |
| | (Restated) 2014 | (Restated) 2013 | Increase (Decrease) | Increase (Decrease) |
| Current unrestricted assets | \$ 142,627,550 | \$ 120,398,207 | \$ 22,229,343 | 18.5% |
| Restricted assets | 126,226,933 | 40,288,338 | 85,938,595 | 213.3% |
| Property, plant and equipment - net | 2,319,999,281 | 2,107,837,751 | 212,161,530 | 10.1% |
| Other assets | 10,753,170 | 10,157,732 | 595,438 | 5.9% |
| Total assets | 2,599,606,934 | 2,278,682,028 | 320,924,906 | 14.1% |
| Deferred outflows of resources | 8,101,400 | - | 8,101,400 | 0.0% |
| Total deferred outflows of resources | 8,101,400 | - | 8,101,400 | 0.0% |
| Total assets and deferred outflows | \$ 2,607,708,334 | \$ 2,278,682,028 | \$ 329,026,306 | 14.4% |
| Current liabilities | \$ 120,746,138 | \$ 114,794,520 | \$ 5,951,618 | 5.2% |
| Long-term liabilities | 556,181,825 | 386,440,751 | 169,741,074 | 43.9% |
| Total liabilities | 676,927,963 | 501,235,271 | 175,692,692 | 35.1% |
| Deferred inflows of resources | 1,475,322 | - | 1,475,322 | 100.0% |
| Total deferred inflows of resources | 1,475,322 | - | 1,475,322 | 100.0% |
| Net position: | | | | |
| Net investment in capital assets | 2,013,060,377 | 1,919,436,757 | 93,623,620 | 4.9% |
| Restricted | 99,356,835 | 33,405,265 | 65,951,570 | 197.4% |
| Unrestricted | (183,112,163) | (175,395,265) | (7,716,898) | 4.4% |
| Total net position | 1,929,305,049 | 1,777,446,757 | 151,858,292 | 8.5% |
| Total liabilities, deferred inflows, and net position | \$ 2,607,708,334 | \$ 2,278,682,028 | \$ 327,550,984 | 14.4% |

The net increase in total assets of \$320.9 million resulted primarily due to an increase in property, plant, and equipment of \$212.2 million, an increase of \$85.9 million in restricted assets, and an increase in current unrestricted assets of \$22.2 million. The increase in restricted assets was primarily due to unspent 2014 bond proceeds that are restricted for debt service and capital projects. The increase in current unrestricted assets is due primarily to the increase in grants receivable of \$40.0 million as a result of delays in reimbursements from the governments in addition to an increase in reimbursable expenditures in 2014. Long-term liabilities increased by \$169.7 million primarily due to an increase in long-term portion of bonds payable of \$123.4 million as a result of the issuance of the Series 2014 Water Revenue and Refunding Bonds, Series 2014 Sewerage Revenue and Refunding Bonds, and Series 2014 Drainage Refunding Bonds, in addition to an increase of \$37.3 million in the Southeast Louisiana Project liability.

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

2015 Changes in Net Position

The change in net position for the year ended December 31, 2015 was an increase of approximately \$153.4 million, as opposed to approximately \$151.9 million for the year ended December 31, 2014. The Board's total operating revenues increased by 11.9% to approximately \$182.5 million due primarily for rate increases effective January 1, 2015, and total non-operating revenue increased by 11.1% to approximately \$51.4 million due to a combination of increases in property taxes and investment income. Capital contributions from federal grants and construction of Board property was approximately \$130.5 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$24.8 million and \$14.3 million, respectively, and approximately \$85.7 million of capital contributions by the Army Corps of Engineers. The changes in net position are detailed in Table A-3; operating expenses are detailed in Table A-4.

| Table A-3 | | | | |
|---|-------------------------|----------------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Revenues , Expenses and Change in Net Position | | | | |
| | 2015 | (Restated) 2014 | Increase (Decrease) | Increase (Decrease) |
| Operating revenues: | | | | |
| Charges for services | \$ 174,255,671 | \$ 158,049,869 | \$ 16,205,802 | 10.3% |
| Other | 8,290,157 | 5,024,480 | 3,265,677 | 65.0% |
| Total operating revenues | 182,545,828 | 163,074,349 | 19,471,479 | 11.9% |
| Operating expenses (Table A-4) | 212,448,361 | 199,360,096 | 13,088,265 | 6.6% |
| Operating loss | (29,902,533) | (36,285,747) | 6,383,214 | 17.6% |
| Non-operating revenues: | | | | |
| Property taxes | 49,855,922 | 47,534,646 | 2,321,276 | 4.9% |
| Other taxes | 581,395 | 572,083 | 9,312 | 1.6% |
| Operating and maintenance grants | 2,405 | 1,502 | 903 | 60.1% |
| Bond issuance costs | (1,510,657) | (2,649,339) | 1,138,682 | 0.0% |
| Investment income | 2,457,528 | 811,263 | 1,646,265 | 202.9% |
| Total non-operating revenues | 51,386,593 | 46,270,155 | 5,116,438 | 11.1% |
| Income before capital contributions | 21,484,060 | 9,984,408 | 11,499,652 | 115.2% |
| Capital contributions | 131,899,206 | 141,873,884 | (9,974,678) | -7.0% |
| Change in net position | 153,383,266 | 151,858,292 | 1,524,974 | 1.0% |
| Net position, beginning of year | 1,929,305,049 | 1,777,446,757 | 151,858,292 | 8.5% |
| Net position, end of year | \$ 2,082,688,315 | \$ 1,929,305,049 | \$ 153,383,266 | 8.0% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| Table A-4 | | | | |
|-----------------------------------|-----------------------|----------------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board | | | | |
| Operating Expenses | | | | |
| | 2015 | (Restated) 2014 | Increase (Decrease) | Increase (Decrease) |
| Power and pumping | \$ 13,139,255 | \$ 13,227,389 | \$ (88,134) | -0.7% |
| Treatment | 18,740,637 | 19,527,000 | (786,363) | -4.0% |
| Transmission and distribution | 35,878,137 | 27,186,606 | 8,691,531 | 32.0% |
| Customer accounts | 3,807,405 | 3,514,360 | 293,045 | 8.3% |
| Customer service | 3,973,344 | 3,717,925 | 255,419 | 6.9% |
| Administration and general | 16,848,253 | 16,976,430 | (128,177) | -0.8% |
| Payroll related | 36,349,834 | 32,488,264 | 3,861,570 | 11.9% |
| Maintenance of general plant | 27,148,505 | 28,178,593 | (1,030,088) | -3.7% |
| Depreciation | 51,661,651 | 50,157,869 | 1,503,782 | 3.0% |
| Provision for doubtful accounts | 2,466,131 | 1,940,782 | 525,349 | 27.1% |
| Provision for claims | 2,435,209 | 2,444,878 | (9,669) | -0.4% |
| Total operating expenses | <u>\$ 212,448,361</u> | <u>\$ 199,360,096</u> | <u>\$ 13,088,265</u> | <u>6.6%</u> |

Total operating expenses increased by approximately \$13.1 million or 6.6% compared to 2014. Increase in transmission and distributions costs were mainly attributable to an increase in labor costs and water and sewer point repairs. In addition, payroll related costs increased by approximately \$3.9 million as a result of a \$3.4 million non-cash expense related to pension benefits.

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

2014 Changes in Net Position

The change in net position for the year ended December 31, 2014 was an increase of approximately \$151.9 million, as opposed to approximately \$153.7 million for the year ended December 31, 2013. The Board's total operating revenues increased by 9.7% to approximately \$163.1 million due primarily to rate increases effective January 1, 2014, and total non-operating revenue decreased by 41.5% to approximately \$46.3 million primarily due to the forgiveness of the outstanding principal and interest due on the Special Community Disaster Loan in 2013 totaling \$30.1 million, bond issuances costs of \$2.6 million in 2014, and a decrease in operating and maintenance grants of \$2.1 million. Capital contributions from federal grants and construction of Board property was approximately \$141.9 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$35.7 million and \$26.6 million, respectively, and approximately \$66.8 million of capital contributions by the Army Corps of Engineers. The changes in net position are detailed in Table A-5; operating expenses are detailed in Table A-6.

| Table A-5 | | | | |
|---|-------------------------|-------------------------|------------------------|------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Revenues , Expenses and Change in Net Position | | | | |
| | (Restated) 2014 | (Restated) 2013 | Increase (Decrease) | Increase (Decrease) |
| Operating revenues: | | | | |
| Charges for services | \$ 158,049,869 | \$ 143,577,430 | \$ 14,472,439 | 10.1% |
| Other | 5,024,480 | 5,119,368 | (94,888) | -1.9% |
| Total operating revenues | 163,074,349 | 148,696,798 | 14,377,551 | 9.7% |
| Operating expenses (Table A-4) | 199,360,096 | 188,341,071 | 11,019,025 | 5.9% |
| Operating loss | (36,285,747) | (39,644,273) | 3,358,526 | 8.5% |
| Non-operating revenues: | | | | |
| Property taxes | 47,534,646 | 46,455,330 | 1,079,316 | 2.3% |
| Other taxes | 572,083 | 494,106 | 77,977 | 15.8% |
| Operating and maintenance grants | 1,502 | 2,054,492 | (2,052,990) | -99.9% |
| Bond issuance costs | (2,649,339) | - | (2,649,339) | 0.0% |
| Investment income (expense) | 811,263 | (17,719) | 828,982 | -4678.5% |
| Forgiveness of Community Disaster Loan | - | 30,061,368 | (30,061,368) | 0.0% |
| Total non-operating revenues | 46,270,155 | 79,047,577 | (32,777,422) | -41.5% |
| Income before capital contributions | 9,984,408 | 39,403,304 | (29,418,896) | -74.7% |
| Capital contributions | 141,873,884 | 114,317,636 | 27,556,248 | 24.1% |
| Change in net position | 151,858,292 | 153,720,940 | (1,862,648) | -1.2% |
| Net position, beginning of year | 1,777,446,757 | 1,662,411,674 | 115,035,083 | 6.9% |
| Restatement (Note 14) | - | (38,685,857) | 38,685,857 | -100.0% |
| Net position, beginning of year, as restated | 1,777,446,757 | 1,623,725,817 | 153,720,940 | 9.5% |
| Net position, end of year | \$ 1,929,305,049 | \$ 1,777,446,757 | \$ 151,858,292 | 8.5% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

| Table A-6 | | | | |
|-----------------------------------|-----------------------|-----------------------|----------------------|-------------------|
| Sewerage & Water Board | | | | |
| Operating Expenses | | | | |
| | (Restated) | (Restated) | Increase | Increase |
| | 2014 | 2013 | (Decrease) | (Decrease) |
| Power and pumping | \$ 13,227,389 | \$ 12,572,620 | \$ 654,769 | 5.2% |
| Treatment | 19,527,000 | 18,143,049 | 1,383,951 | 7.6% |
| Transmission and distribution | 27,186,606 | 23,323,900 | 3,862,706 | 16.6% |
| Customer accounts | 3,514,360 | 3,425,934 | 88,426 | 2.6% |
| Customer service | 3,717,925 | 3,464,197 | 253,728 | 7.3% |
| Administration and general | 16,976,430 | 17,333,945 | (357,515) | -2.1% |
| Payroll related | 32,488,264 | 34,928,822 | (2,440,558) | -7.0% |
| Maintenance of general plant | 28,178,593 | 27,647,127 | 531,466 | 1.9% |
| Depreciation | 50,157,869 | 43,648,267 | 6,509,602 | 14.9% |
| Provision for doubtful accounts | 1,940,782 | 2,052,096 | (111,314) | -5.4% |
| Provision for claims | 2,444,878 | 1,801,114 | 643,764 | 35.7% |
| Total operating expenses | <u>\$ 199,360,096</u> | <u>\$ 188,341,071</u> | <u>\$ 11,019,025</u> | <u>5.9%</u> |

Total operating expenses increased by approximately \$11.0 million or 5.9% compared to 2013. In 2014, the Board placed several construction projects in service, which caused an increase of \$6.5 million or 14.9% in depreciation expenses. Provisions for claims increased to \$2.4 million in 2014 as compared to \$1.8 million 2013. Claims expense varies due to the number and severity of the claims during any period. The increase is primarily due to adjustments in overall claims reserve at year-end in addition to claims payments made during 2014. The transmission and distribution expenses increased by \$3.9 million, or 16.6%, due to water and sewer paving and point repairs. Payroll related expenses decreased by \$2.4 million, or 7.0%, due to a decrease in pension related expenses.

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

PENSION TRUST FUND

2015 Plan Net Position

The Board's total plan assets and net position of its pension trust fund at December 31, 2015 was approximately \$222.4 million, a 6.0% decrease from December 31, 2014 (see table A-7).

Plan net position decreased by approximately \$14.1 million in 2015 primarily due to depreciation in fair market value of investment by approximately \$4.1 million and contributions of \$10.3 million offset by benefit payments and other deductions totaling \$20.2 million in 2015.

| Table A-7 | | | | |
|--|-----------------------|-----------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Plan Net Position | | | | |
| | 2015 | 2014 | Increase (Decrease) | Increase (Decrease) |
| Cash | \$ 317,096 | \$ 1,950,862 | \$ (1,633,766) | -83.7% |
| Investments | 221,077,262 | 233,026,769 | (11,949,507) | -5.1% |
| Receivables | 105,336 | 146,366 | (41,030) | -28.0% |
| Other assets | 927,833 | 1,432,674 | (504,841) | -35.2% |
| Total assets | 222,427,527 | 236,556,671 | (14,129,144) | -6.0% |
| Plan net position | \$ 222,427,527 | \$ 236,556,671 | \$ (14,129,144) | -6.0% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

2014 Plan Net Position

The Board's total plan net position of its pension trust fund at December 31, 2014 was approximately \$236.6 million, a 0.9% increase from December 31, 2013 (see table A-8). Total assets increased 0.9% to \$236.6 million.

Plan net position increased by approximately \$2.2 million in 2014 primarily due to unrealized gains on investments of \$11.4 million and contributions of \$9.6 million offset by benefit payments and other deductions totaling \$18.7 million in 2014.

| Table A-8 | | | | |
|--|-----------------------|-----------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Plan Net Position | | | | |
| | 2014 | 2013 | Increase (Decrease) | Increase (Decrease) |
| Cash | \$ 1,950,862 | \$ 1,145,702 | \$ 805,160 | 70.3% |
| Investments | 233,026,769 | 232,097,196 | 929,573 | 0.4% |
| Receivables | 146,366 | 128,169 | 18,197 | 14.2% |
| Other assets | 1,432,674 | 987,498 | 445,176 | 45.1% |
| Total assets | 236,556,671 | 234,358,565 | 2,198,106 | 0.9% |
| Plan net position | \$ 236,556,671 | \$ 234,358,565 | \$ 2,198,106 | 0.9% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

2015 Changes in Plan Net Position

Net income (loss) on investments decreased by \$15.5 million or 136.5% during 2015 compared to 2014 due to market conditions, changes in investment mix, and disbursements exceeding the receipts in 2015. The decrease in plan net position of \$14.1 million resulted primarily from the decrease noted above in unrealized loss on investments of \$16.9 million and realized gain on sales of investments of \$11.9 million in 2015.

| Table A-9 | | | | |
|--|-----------------------|-----------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Change in Plan Net Position | | | | |
| | 2015 | 2014 | Increase (Decrease) | Increase (Decrease) |
| Additions: | | | | |
| Contributions | \$ 10,259,600 | \$ 9,592,835 | \$ 666,765 | 7.0% |
| Net (loss) income on investments | (4,144,141) | 11,354,226 | (15,498,367) | -136.5% |
| Total additions | 6,115,459 | 20,947,061 | (14,831,602) | -70.8% |
| Deductions: | | | | |
| Benefits | (15,281,673) | (13,973,343) | (1,308,330) | 9.4% |
| Employee refunds | (351,266) | (140,938) | (210,328) | 149.2% |
| Employee DROP contributions | (4,611,664) | (4,634,674) | 23,010 | -0.5% |
| Total deductions | (20,244,603) | (18,748,955) | (1,495,648) | 8.0% |
| Change in net position | (14,129,144) | 2,198,106 | (16,327,250) | -742.8% |
| Plan net position, beginning of year | 236,556,671 | 234,358,565 | 2,198,106 | 0.9% |
| Plan net position, end of year | \$ 222,427,527 | \$ 236,556,671 | \$ (14,129,144) | -6.0% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

2014 Changes in Plan Net Position

Net income on investments decreased by \$11.4 million or 50.1% during 2014 due to market conditions in 2014 compared to 2013. The decrease in the change in plan net position of \$11.5 million resulted primarily from the decrease noted above in unrealized gains on investments compared to 2013.

| Table A-10 | | | | |
|--|-----------------------|-----------------------|--------------------------------|--------------------------------|
| Sewerage & Water Board of New Orleans | | | | |
| Change in Plan Net Position | | | | |
| | 2014 | 2013 | Increase (Decrease) | Increase (Decrease) |
| Additions: | | | | |
| Contributions | \$ 9,592,835 | \$ 8,477,553 | \$ 1,115,282 | 13.2% |
| Net income on investments | 11,354,226 | 22,737,697 | (11,383,471) | -50.1% |
| Total additions | 20,947,061 | 31,215,250 | (10,268,189) | -32.9% |
| Deductions: | | | | |
| Benefits | (13,973,343) | (13,243,522) | (729,821) | 5.5% |
| Employee refunds | (140,938) | (191,867) | 50,929 | -26.5% |
| Employee DROP contributions | (4,634,674) | (4,125,351) | (509,323) | 12.3% |
| Total deductions | (18,748,955) | (17,560,740) | (1,188,215) | 6.8% |
| Change in net position | 2,198,106 | 13,654,510 | (11,456,404) | -83.9% |
| Plan net position, beginning of year | 234,358,565 | 220,704,055 | 13,654,510 | 6.2% |
| Plan net position, end of year | \$ 236,556,671 | \$ 234,358,565 | \$ 2,198,106 | 0.9% |

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

2015 Capital Assets

As of December 31, 2015, the Board had invested approximately \$3.40 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2015 totaled approximately \$2.53 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$206.9 million, or 8.9%, over December 31, 2014.

At December 31, 2015, the Board's budget for its 10 year capital improvements program totaled approximately \$2.57 billion including approximately \$1 billion for water, \$673.8 million for sewerage and \$919.1 million for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2015, the Board has committed or appropriated \$68.9 million in investments for use in future capital projects and has approximately \$235.7 million remaining in restricted cash, cash equivalents, and investments for construction.

The capital improvements budget for 2016 is \$379.1 million, including \$185.7 million for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2015 include the following:

Hurricane Katrina-related Repairs and Replacements
Southeast Louisiana Flood Control Program
Sewer System Sanitation Evaluation and Rehabilitation Program
Eastbank Sewer Treatment Plant
Westbank Sewer Treatment Plant
Wetlands Assimilation Project
Hazard Mitigation Grant Program

See Note 4 for detailed capital asset activity during 2015.

2014 Capital Assets

As of December 31, 2014, the Board had invested approximately \$3.15 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2014 totaled approximately \$2.32 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$212.2 million, or 10.1%, over December 31, 2013.

At December 31, 2014, the Board's budget for its ten year capital improvements program totaled approximately \$2.62 billion including \$1.07 billion for water, \$667.4 million for sewerage and \$885.0 million for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2014, the Board has committed or appropriated \$22.2 million in investments for use in future capital projects and has approximately \$93.4 million remaining for construction. The capital project investments are included in designated assets and restricted assets.

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

See Note 4 for detailed capital asset activity during 2014.

2015 Debt Administration

During 2015, the Board issued \$100,000,000 in Series 2015 Sewerage Service Revenue Bonds with an original issue premium of \$12,826,410 and a final maturity of December 1, 2045. The Board also issued \$100,000,000 in Series 2015 Water Service Revenue Bonds with an original issue premium of \$12,686,122 and a final maturity of December 1, 2045. Bond proceeds of \$104,193,000 and \$103,936,000 were restricted for capital projects for Sewerage and Water, respectively.

The Board continues to make its regularly scheduled payments on its bonds. During 2015, \$12.9 million in principal payments were made.

The Louisiana Department of Environmental Quality has committed to loan the Board up to \$9 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$7.6 million at December 31, 2015.

See Note 6 for detailed long term debt activity during 2015.

2014 Debt Administration

During 2014, the Board refunded the Series 1997, 1998, 2000, 2000B, 2001, 2002, 2003, 2004, and 2009 Sewerage bonds. The Board issued \$158,990,000 in Series 2014 Sewerage Service Revenue and Refunding Bonds with a final maturity of June 1, 2044. The bond proceeds, less issuance costs, and investments were used to refund the outstanding principle balance of the sewerage bonds in the amount of \$121,870,000. By refunding these bonds, the Board estimated \$20,696,313 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,397,306. The cost of issuance of the Series 2014 Sewerage Bonds totaled \$1,345,380 and the deferred loss on refunding was \$4,078,925. Bond proceeds of \$47,300,000 were restricted for capital projects.

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

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2015 AND 2014

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

The Board continues to make its regularly scheduled payments on its bonds. During 2014, \$14.8 million in principal payments were made.

The Louisiana Department of Health and Hospitals committed to loan the Board up to \$3.4 million to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The project has been completed, and the loan has been paid in full as of December 31, 2014.

The Louisiana Department of Environmental Quality has committed to loan the Board up to \$9 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$8,174,000 at December 31, 2014.

See Note 6 for detailed long term debt activity during 2014.

ECONOMIC FACTORS AND RATES

The Board, the City Council, and the Board of Liquidation City Debt approved a rate increase of ten percent for the Water and Sewer Departments effective January 1, 2013 and annually thereafter through 2020. The Board also authorized a study to identify the long-term revenue requirement for the drainage system and implementation methodologies for potential new revenue streams.

To meet the bond covenant for the 2014 Water and Sewer Revenue and Refunding Bonds and 2015 Water and Sewer Revenue Bonds, the cash in days is required to maintain 90 days of cash monthly. The Board has exceeded the goals by 109 days and 172 days in the Water and Sewer system, respectively.

The total number of open accounts continues to increase modestly on an annual basis. The total open accounts in 2015 was 133,904, an increase of 1,813 over 2014 open accounts of 132,091.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF NET POSITION
December 31, 2015 and 2014

| | 2015 | 2014 (Restated) |
|---|----------------------|------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| Current assets: | | |
| Unrestricted and undesignated | | |
| Cash and cash equivalents | \$ 24,689,703 | \$ 38,878,196 |
| Accounts receivable: | | |
| Customers, net of allowance | 18,367,590 | 16,351,281 |
| Taxes | 8,044,268 | 8,130,947 |
| Grants | 52,808,428 | 44,246,154 |
| Miscellaneous | 3,415,995 | 2,402,226 |
| Inventory of supplies | 5,303,745 | 5,467,101 |
| Prepaid expenses | 1,379,165 | 902,717 |
| Total unrestricted and undesignated | 114,008,894 | 116,378,622 |
| Designated cash, cash equivalents, and investments: | | |
| Cash and cash equivalents designated for capital projects | 68,926,336 | 22,249,657 |
| Other | 4,120,738 | 3,999,271 |
| Total designated cash, cash equivalents, and investments | 73,047,074 | 26,248,928 |
| Total current assets | 187,055,968 | 142,627,550 |
| Noncurrent assets: | | |
| Restricted cash, cash equivalents, and investments: | | |
| Cash and cash equivalents restricted for capital projects | 235,720,245 | 93,402,475 |
| Debt service reserve | 46,199,659 | 30,846,959 |
| Health insurance reserve | 1,867,501 | 1,977,499 |
| Total restricted cash, cash equivalents, and investments | 283,787,405 | 126,226,933 |
| Property, plant and equipment | | |
| Less: accumulated depreciation | 3,403,857,647 | 3,149,067,389 |
| Property, plant and equipment, net | 876,976,442 | 829,068,108 |
| Property, plant and equipment, net | 2,526,881,205 | 2,319,999,281 |
| Other assets: | | |
| Designated cash for customer deposits | 11,178,704 | 10,701,855 |
| Deposits | 51,315 | 51,315 |
| Total other assets | 11,230,019 | 10,753,170 |
| Total noncurrent assets | 2,821,898,629 | 2,456,979,384 |
| Total assets | 3,008,954,597 | 2,599,606,934 |
| Deferred outflows of resources | | |
| Deferred amounts related to net pension liability | 19,080,030 | 3,794,006 |
| Deferred loss on bond refunding | 3,954,869 | 4,307,394 |
| Total deferred outflows of resources | 23,034,899 | 8,101,400 |
| Total assets and deferred outflows of resources | \$ 3,031,989,496 | \$ 2,607,708,334 |

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF NET POSITION
December 31, 2015 and 2014
(Continued)

| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | 2015 | 2014 (Restated) |
|---|------------------|------------------|
| Current liabilities (payable from current unrestricted assets): | | |
| Accounts payable | \$ 38,939,024 | \$ 35,923,044 |
| Due to City of New Orleans | 154,760 | 160,172 |
| Disaster Reimbursement Revolving Loan (Note 13) | 14,094,172 | 17,895,041 |
| Retainers and estimates payable | 8,320,253 | 7,946,275 |
| Due to pension trust fund | 132,932 | 293,670 |
| Accrued salaries | 571,197 | 1,977,169 |
| Accrued vacation and sick pay | 9,500,827 | 9,202,614 |
| Claims payable | 10,682,012 | 10,220,039 |
| Debt Service Assistance Fund loan payable | 4,422,414 | 4,225,892 |
| Advances from federal government | 7,561,533 | 6,157,549 |
| Other liabilities | 153,791 | 74,209 |
| | 94,532,915 | 94,075,674 |
| Total current liabilities (payable from current unrestricted assets): | | |
| Current liabilities (payable from current restricted assets): | | |
| Accounts payable | - | 10,806,104 |
| Accrued interest | 2,768,828 | 2,481,678 |
| Bonds payable | 14,827,000 | 13,259,000 |
| Retainers and estimates payable | 365,742 | 123,682 |
| | 17,961,570 | 26,670,464 |
| Total current liabilities (payable from current restricted assets): | | |
| | 112,494,485 | 120,746,138 |
| Total current liabilities | | |
| Long-term liabilities: | | |
| Claims payable | 2,490,568 | 2,594,154 |
| Net pension liability | 76,967,564 | 59,688,052 |
| Other postretirement benefits liability | 67,579,016 | 61,208,745 |
| Bonds payable, net of current maturities | 502,731,633 | 293,679,904 |
| Southeast Louisiana Project liability | 115,703,588 | 66,655,976 |
| Debt Service Assistance Fund loan payable, net of current maturities | 57,230,725 | 61,653,139 |
| Customer deposits | 11,178,704 | 10,701,855 |
| | 833,881,798 | 556,181,825 |
| Total long-term liabilities | | |
| | 946,376,283 | 676,927,963 |
| Total liabilities | | |
| Deferred inflows of resources: | | |
| Deferred amounts related to net pension liability | 2,924,898 | 1,475,322 |
| | 2,924,898 | 1,475,322 |
| Total deferred inflows of resources | | |
| Net position: | | |
| Net investment in capital assets | 2,009,322,572 | 2,013,060,377 |
| Restricted for debt service | 46,199,659 | 30,846,959 |
| Restricted for capital improvements | 235,720,245 | 68,509,876 |
| Unrestricted | (208,554,161) | (183,112,163) |
| | 2,082,688,315 | 1,929,305,049 |
| Total net position | | |
| | 2,082,688,315 | 1,929,305,049 |
| Total liabilities, deferred inflows of resources, and net position | \$ 3,031,989,496 | \$ 2,607,708,334 |

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2015 and 2014

| | 2015 | 2014 (Restated) |
|---|------------------|------------------------|
| Operating revenues: | | |
| Sales of water and delinquent fees | \$ 78,007,937 | \$ 70,818,255 |
| Sewerage service charges | 95,636,966 | 86,553,262 |
| Plumbing inspection and license fees | 610,768 | 678,352 |
| Other revenue | 8,290,157 | 5,024,480 |
| Total operating revenues | 182,545,828 | 163,074,349 |
| Operating expenses: | | |
| Power and pumping | 13,139,255 | 13,227,389 |
| Treatment | 18,740,637 | 19,527,000 |
| Transmission and distribution | 35,878,137 | 27,186,606 |
| Customer accounts | 3,807,405 | 3,514,360 |
| Customer service | 3,973,344 | 3,717,925 |
| Administration and general | 16,848,253 | 16,976,430 |
| Payroll related | 36,349,834 | 32,488,264 |
| Maintenance of general plant | 27,148,505 | 28,178,593 |
| Depreciation | 51,661,651 | 50,157,869 |
| Provision for doubtful accounts | 2,466,131 | 1,940,782 |
| Provision for claims | 2,435,209 | 2,444,878 |
| Total operating expenses | 212,448,361 | 199,360,096 |
| Operating loss | (29,902,533) | (36,285,747) |
| Non-operating revenues (expenses): | | |
| Three-mill tax | 14,139,193 | 13,481,526 |
| Six-mill tax | 14,290,667 | 13,626,539 |
| Nine-mill tax | 21,421,102 | 20,425,388 |
| Two-mill tax | 4,960 | 1,193 |
| Other taxes | 581,395 | 572,083 |
| Federal noncapital grants | 2,405 | 1,502 |
| Interest income | 2,511,046 | 811,263 |
| Bond issuance costs | (1,510,657) | (2,649,339) |
| Interest expense | (53,518) | - |
| Total non-operating revenues | 51,386,593 | 46,270,155 |
| Income before capital contributions | 21,484,060 | 9,984,408 |
| Capital contributions | 131,899,206 | 141,873,884 |
| Change in net position | 153,383,266 | 151,858,292 |
| Net position, beginning of year | 1,929,305,049 | 1,816,132,614 |
| Restatement (Note 14) | - | (38,685,857) |
| Net position, beginning of year, restated | 1,929,305,049 | 1,777,446,757 |
| Net position, end of year | \$ 2,082,688,315 | \$ 1,929,305,049 |

See accompanying notes to financial statements.

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

For the years ended December 31, 2015 and 2014

| | 2015 | 2014 (Restated) |
|---|----------------|------------------------|
| Cash flows from operating activities | | |
| Cash received from customers | \$ 169,633,900 | \$ 153,619,213 |
| Cash payments to suppliers for goods and services | (55,136,121) | (68,821,523) |
| Cash payments to employees for services | (89,256,648) | (66,688,600) |
| Other revenue | 7,887,156 | 6,818,154 |
| Net cash provided by operating activities | 33,128,287 | 24,927,244 |
| Cash flows from noncapital financing activities | | |
| Proceeds from property taxes | 50,523,996 | 48,094,984 |
| Proceeds from federal noncapital grants | 2,405 | 1,502 |
| Net cash provided by noncapital financing activities | 50,526,401 | 48,096,486 |
| Cash flows from capital and related financing activities | | |
| Acquisition and construction of capital assets | (119,361,237) | (136,140,125) |
| Principal payments and refundings of bonds payable | (12,906,475) | (184,846,812) |
| Proceeds from bonds payable | 225,512,532 | 299,773,229 |
| Payments for bond issuance costs | (1,510,657) | (2,649,339) |
| Principal payments on Debt Service Assistance Fund loan | (4,225,892) | (4,038,506) |
| Interest paid on bonds payable | (18,853,374) | (13,931,057) |
| Payments to construction fund (Note 13) | (3,803,850) | (4,595,235) |
| Proceeds from construction fund (Note 13) | 9,662 | 10,796,951 |
| Capital contributed by developers and federal grants | 39,068,314 | 37,920,709 |
| Net cash provided by capital and related financing activities | 103,929,023 | 2,289,815 |
| Cash flows from investing activities | | |
| Investment income | 3,063,263 | 1,283,925 |
| Net cash provided by investing activities | 3,063,263 | 1,283,925 |
| Net increase in cash | 190,646,974 | 76,597,470 |
| Cash at the beginning of the year | 196,164,188 | 119,566,718 |
| Cash at the end of the year | \$ 386,811,162 | \$ 196,164,188 |
| Reconciliation of cash, designated cash, and restricted cash (Note 2) | | |
| Current assets - cash | \$ 24,689,703 | \$ 38,878,196 |
| Designated assets - cash | 80,975,778 | 33,700,783 |
| Restricted assets - cash | 281,145,681 | 123,585,209 |
| Total cash | \$ 386,811,162 | \$ 196,164,188 |

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
For the years ended December 31, 2015 and 2014
(Continued)

| | 2015 | 2014 (Restated) |
|--|----------------------|------------------------|
| Reconciliation of operating loss to net cash provided by operating activities is as follows: | | |
| Operating loss | \$ (29,902,533) | \$ (36,285,747) |
| Adjustments to reconcile net operating loss to net cash provided by operating activities: | | |
| Depreciation | 51,661,651 | 50,157,869 |
| Provision for claims | 2,435,209 | 2,444,878 |
| Provision for doubtful accounts | 2,466,131 | 1,940,782 |
| Change in operating assets and liabilities: | | |
| Increase in customer receivables | (4,482,440) | (4,347,792) |
| Decrease in inventory | 163,356 | 1,468,498 |
| (Increase) decrease in prepaid expenses and other receivables | (1,490,217) | 1,188,612 |
| Increase in deferred outflows of resources related to net pension liability | (15,286,024) | (3,794,006) |
| Increase in net pension obligation | 17,279,512 | 5,571,859 |
| Increase in accounts payable | 5,337,677 | 988,824 |
| Increase in accrued salaries, due to pension and accrued vacation and sick pay | (1,268,497) | (362,568) |
| Increase in customer deposits | 476,849 | 595,438 |
| Increase in net other postretirement benefits liability | 6,370,271 | 6,430,311 |
| Decrease in other liabilities | (2,082,234) | (2,545,036) |
| Increase in deferred outflows of resources related to net pension liability | 1,449,576 | 1,475,322 |
| | <u>\$ 33,128,287</u> | <u>\$ 24,927,244</u> |
| Net cash provided by operating activities | | |
| Schedule of non-cash capital and related financing activities | | |
| Contributions of capital assets | \$ 92,830,892 | \$ 103,953,175 |
| Purchase of property, plant and equipment on account | \$ 21,771,681 | \$ 34,899,482 |

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUND
December 31, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| Assets: | | |
| Cash | \$ 317,096 | \$ 1,950,862 |
| Receivables: | | |
| Investment income | 75,514 | 81,832 |
| Employee contributions receivable | 29,822 | 64,534 |
| Due from other fund | 927,833 | 1,432,674 |
| Investments: | | |
| Money market | 808,697 | 1,197,144 |
| LAMP | 13,160,048 | 13,364,160 |
| Debt securities | 76,945,620 | 77,137,785 |
| Hedge funds | 21,009,019 | 20,978,122 |
| Equities | 109,153,878 | 120,349,558 |
| Total assets | <u>222,427,527</u> | <u>236,556,671</u> |
| Net position - restricted for pension benefits | <u>\$ 222,427,527</u> | <u>\$ 236,556,671</u> |

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF CHANGES IN FIDUCIARY PLAN NET POSITION
PENSION TRUST FUND
For the years ended December 31, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| Additions: | | |
| Contributions: | | |
| Employee contributions | \$ 1,905,689 | \$ 1,535,723 |
| Employer contributions | 6,506,652 | 6,055,890 |
| City annuity and other transfers in | 1,847,259 | 2,001,222 |
| Total contributions | <u>10,259,600</u> | <u>9,592,835</u> |
| Investment income: | | |
| Interest income | 215,889 | 172,220 |
| Dividend income | 1,659,812 | 1,392,860 |
| Net (depreciation) appreciation | <u>(5,013,057)</u> | <u>10,808,910</u> |
| | (3,137,356) | 12,373,990 |
| Less: investment expense | <u>1,006,785</u> | <u>1,019,764</u> |
| Net investment (loss) income | <u>(4,144,141)</u> | <u>11,354,226</u> |
| Total additions | <u>6,115,459</u> | <u>20,947,061</u> |
| Deductions: | | |
| Benefits | (15,281,673) | (13,973,343) |
| Employee refunds | (351,266) | (140,938) |
| Employee contributions to DROP | <u>(4,611,664)</u> | <u>(4,634,674)</u> |
| Total deductions | <u>(20,244,603)</u> | <u>(18,748,955)</u> |
| Change in net position | (14,129,144) | 2,198,106 |
| Net position restricted for pension benefits at beginning of year | <u>236,556,671</u> | <u>234,358,565</u> |
| Net position restricted for pension benefits at end of year | <u>\$ 222,427,527</u> | <u>\$ 236,556,671</u> |

See accompanying notes to financial statements.

(This page intentionally left blank)

**NOTES TO
BASIC FINANCIAL STATEMENTS**

(This page intentionally left blank)

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

History and Organization

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

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

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

Effective January 1, 2014, the Board's makeup was changed to eleven members, including the Mayor of the City as the President of the Board, two members of the Board of Liquidation, City Debt, and eight citizens, as designated by State statutes. The terms of office are staggered from one year to four years, as designated by State statutes.

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

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

(1) Summary of Significant Accounting Policies (continued)

(A) Reporting Entity

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

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

The Board is a stand-alone entity as defined by Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The Board is a legally-separate governmental organization that does not have a separately elected governing body and does not meet the definition of a component unit. As a result of a Louisiana Supreme Court decision on March 21, 1994, the Board was declared to be an autonomous or self-governing legal entity, legally independent of the City, State and other governments, created and organized pursuant to Louisiana Revised Statutes 33:4071 as a board, separate and independent of the governing authorities of the City and vested with autonomous or self-governing authority. No other government can mandate actions of the Board nor impose specific financial burdens. The Board is fiscally independent to operate under its bond covenant and the provisions of LRS provisions.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS (Continued)

(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation

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

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

Proprietary Fund Type

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

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

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

Fiduciary Fund Type

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies (continued)

(C) Basis of Accounting

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

(D) Investments

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

(E) Inventory of Supplies

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

(F) Vacation and Sick Pay

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(1) Summary of Significant Accounting Policies (continued)

(F) Vacation and Sick Pay (continued)

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2015 and 2014 is approximately \$13,549,000 and \$13,127,000, respectively. The amount included in the statements of net position as of December 31, 2015 and 2014 is \$9,500,827 and \$9,202,614, respectively, which represents the annual leave and the converted sick leave since virtually all employees convert their sick leave to cash. Therefore, the Board books the compensated absences as a current liability. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense. The following table summarizes changes in the Board's vacation and sick pay liability.

| Year | Beginning of Year Liability | Current Year Earned and Changes in Estimate | Payments | End of Year Liability |
|------|--------------------------------|---|----------------|--------------------------|
| 2015 | \$ 9,202,614 | \$ 3,647,221 | \$ (3,349,008) | \$ 9,500,827 |
| 2014 | \$ 9,806,913 | \$ 2,403,257 | \$ (3,007,556) | \$ 9,202,614 |

(G) Property, Plant, and Equipment

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS (Continued)

(1) Summary of Significant Accounting Policies (continued)

(H) Self-Insurance/Risk Management

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

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

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

(J) Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The deferred charge on refunding reported on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 3 for the components of deferred outflows and inflows of resources related to the pension plans.

(K) Pension

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

(L) Drainage System

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies (continued)

(M) Capital Contributions

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

(N) Net Position Flow Assumption

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

(O) Net Position

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

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

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

(P) Cash Flows

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

(Q) Operating and Nonoperating Revenues

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(1) Summary of Significant Accounting Policies (continued)

(R) Use of Estimates

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

(2) Cash and Investments

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

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2015, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$345,570,241 and certificates of deposit of \$273,347. At December 31, 2014, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$210,961,268 and certificates of deposit of \$273,208. The Board's cash bank balances and all certificates of deposit for 2015 and 2014 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

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

| <u>2015</u> | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
|--|-----------------------|-----------------------|-----------------------|
| Enterprise Fund: | | | |
| Cash and money market funds | \$ 105,392,134 | \$ 281,145,681 | \$ 386,537,815 |
| Certificates of deposit | 273,347 | - | 273,347 |
| | <u>105,665,481</u> | <u>281,145,681</u> | <u>386,811,162</u> |
| Investments | 3,250,000 | 2,641,724 | 5,891,724 |
| Total cash and investments at fair value | <u>\$ 108,915,481</u> | <u>\$ 283,787,405</u> | <u>\$ 392,702,886</u> |

| <u>2014</u> | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total</u> |
|--|----------------------|-----------------------|-----------------------|
| Enterprise Fund: | | | |
| Cash and money market funds | \$ 72,305,771 | \$ 123,585,209 | \$ 195,890,980 |
| Certificates of deposit | 273,208 | - | 273,208 |
| | <u>72,578,979</u> | <u>123,585,209</u> | <u>196,164,188</u> |
| Investments | 3,250,000 | 2,641,724 | 5,891,724 |
| Total cash and investments at fair value | <u>\$ 75,828,979</u> | <u>\$ 126,226,933</u> | <u>\$ 202,055,912</u> |

The composition and carrying value of investments is as follows:

| | <u>2015</u> | <u>2014</u> |
|---------------------|--------------------|--------------------|
| Enterprise Fund: | | |
| LAMP | \$ 5,891,724 | \$ 5,891,724 |
| | <u>5,891,724</u> | <u>5,891,724</u> |
| Pension Trust Fund: | | |
| Money market | \$ 808,697 | \$ 1,197,144 |
| LAMP | 13,160,048 | 13,364,160 |
| Debt Securities | 76,945,620 | 77,137,785 |
| Hedge funds | 21,009,019 | 20,978,121 |
| Equities | 109,153,878 | 120,349,558 |
| | <u>221,077,262</u> | <u>233,026,768</u> |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 43 as of December 31, 2015.
- Foreign currency risk: Not applicable to 2a7-like pools.

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

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

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engages in securities lending to broker dealers and other entities for cash collateral that will be returned for the same securities in the future. The cash collateral cannot be liquidated by the Board unless the borrower defaults. Cash collateral is initially pledged at 102.73% of the market value of securities lent and additional collateral is provided by the next business day if the value falls to less than 100% of the market value of the securities lent. No collateral exposure existed at December 31, 2015 and 2014. The value of securities lent at December 31, 2015 and 2014 was \$49,795,269 and \$58,183,456, respectively. The market value of the cash collateral at December 31, 2015 and 2014 was \$51,153,684 and \$59,510,293, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

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

Following are the credit risk ratings of the Pension Trust Fund's investments in debt securities as of December 31, 2015:

| Rating | Corporate Bonds | Foreign Government Bonds | Government Bonds and U.S. Treasury Notes | Other | Total | Percentage of Total |
|--------------|----------------------|-----------------------------|--|----------------------|----------------------|------------------------|
| AAA | \$ - | \$ - | \$ 10,260,998 | \$ 3,015,226 | \$ 13,276,224 | 17.25% |
| AA+ | 599,968 | - | - | 30,768 | 630,736 | 0.82% |
| AA | 92,303 | - | - | 169,222 | 261,525 | 0.34% |
| AA- | 476,898 | 153,838 | 469,206 | 38,460 | 1,138,402 | 1.48% |
| A+ | 1,684,527 | 7,692 | - | 292,292 | 1,984,511 | 2.58% |
| A | 6,191,982 | 61,535 | 7,692 | 1,061,483 | 7,322,692 | 9.52% |
| A- | 6,038,144 | 38,460 | 1,038,407 | 192,298 | 7,307,309 | 9.50% |
| BBB+ | 4,138,244 | 1,146,094 | 207,681 | 46,151 | 5,538,170 | 7.20% |
| BBB | 5,922,765 | 123,070 | 7,692 | 107,687 | 6,161,214 | 8.01% |
| BBB- | 6,038,144 | 730,731 | - | 699,963 | 7,468,838 | 9.71% |
| BB+ | 1,384,542 | 1,030,715 | - | 30,768 | 2,446,025 | 3.18% |
| BB | 1,007,639 | 7,692 | - | 192,298 | 1,207,629 | 1.57% |
| BB- | 1,223,013 | 246,141 | - | 176,914 | 1,646,068 | 2.14% |
| B+ | 1,330,699 | 46,151 | - | 30,768 | 1,407,618 | 1.83% |
| B | 469,206 | 84,611 | - | 146,146 | 699,963 | 0.91% |
| B- | 646,120 | 76,919 | - | 46,151 | 769,190 | 1.00% |
| CCC+ | 338,444 | - | - | 7,692 | 346,136 | 0.45% |
| CCC | 76,919 | 153,838 | - | 107,687 | 338,444 | 0.44% |
| CCC- | - | - | - | 23,076 | 23,076 | 0.03% |
| CC | 84,611 | - | - | 7,692 | 92,303 | 0.12% |
| C | 7,692 | - | - | 15,384 | 23,076 | 0.03% |
| D | - | - | - | 46,151 | 46,151 | 0.06% |
| Not Rated | 76,919 | 207,681 | - | 16,525,720 | 16,810,320 | 21.85% |
| Total | \$ 37,828,779 | \$ 4,115,168 | \$ 11,991,676 | \$ 23,009,997 | \$ 76,945,620 | 100% |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(2) Cash and Investments (continued)

Following are the credit risk ratings of the Pension Trust Fund's investments in debt securities as of December 31, 2014:

| <u>Rating</u> | <u>Corporate Bonds</u> | <u>Foreign Government Bonds</u> | <u>Government Bonds and U.S. Treasury Notes</u> | <u>Other</u> | <u>Total</u> | <u>Percentage of Total</u> |
|---------------|----------------------------|---|---|----------------------|----------------------|--------------------------------|
| AAA | \$ - | \$ 6,202,579 | \$ 20,154,100 | \$ 13,477,575 | \$ 39,834,254 | 51.64% |
| AA+ | 276,276 | 2,002,462 | - | 46,037 | 2,324,775 | 3.01% |
| AA | 72,506 | - | - | 169,007 | 241,513 | 0.31% |
| AA- | 261,035 | 129,745 | 356,350 | 270,099 | 1,017,229 | 1.32% |
| A+ | 889,230 | - | 162,522 | 205,760 | 1,257,512 | 1.63% |
| A | 3,882,801 | 59,244 | - | 240,185 | 4,182,230 | 5.42% |
| A- | 2,561,780 | 111,425 | 684,657 | 1,077,177 | 4,435,039 | 5.75% |
| BBB+ | 3,498,462 | 851,613 | - | 61,969 | 4,412,044 | 5.72% |
| BBB | 4,251,352 | 309,144 | - | 1,056,591 | 5,617,087 | 7.28% |
| BBB- | 3,505,538 | 140,378 | 5,826 | 515,056 | 4,166,798 | 5.40% |
| BB+ | 656,710 | 92,346 | - | 35,683 | 784,739 | 1.02% |
| BB | 864,997 | 15,130 | - | 222,909 | 1,103,036 | 1.43% |
| BB- | 972,691 | 100,090 | - | 69,295 | 1,142,076 | 1.48% |
| B+ | 625,253 | 52,846 | - | 40,976 | 719,075 | 0.93% |
| B | 674,772 | 47,342 | - | 71,639 | 793,753 | 1.03% |
| B- | 470,612 | 64,262 | - | 23,812 | 558,686 | 0.72% |
| CCC+ | 451,518 | 38,763 | - | 34,677 | 524,958 | 0.68% |
| CCC | 124,668 | 47,957 | 22,015 | 148,756 | 343,396 | 0.45% |
| CCC- | - | - | - | - | - | 0.00% |
| CC | 70,265 | - | - | 41,178 | 111,443 | 0.14% |
| C | - | - | - | 16,706 | 16,706 | 0.02% |
| D | - | - | - | 37,930 | 37,930 | 0.05% |
| Not Rated | 71,708 | 74,508 | - | 3,367,290 | 3,513,506 | 4.55% |
| Total | <u>\$ 24,182,174</u> | <u>\$ 10,339,834</u> | <u>\$ 21,385,470</u> | <u>\$ 21,230,307</u> | <u>\$ 77,137,785</u> | <u>100%</u> |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(2) Cash and Investments (continued)

As of December 31, 2015, the Pension Trust Fund had the following investments in debt securities and maturities:

| Investment Type | Duration | | | | | Total |
|--|---------------------|----------------------|----------------------|--------------------------|---------------------------|----------------------|
| | Less than 1 Year | 1 - 5 Years | 6 - 10 Years | Greater Than 10 Years | Duration Not Available | |
| Corporate Bonds | \$ 3,443,434 | \$ 16,922,571 | \$ 13,428,447 | \$ 3,898,641 | \$ 135,686 | \$ 37,828,779 |
| Foreign Government Bonds | 311,907 | 1,584,301 | 1,280,933 | 938,027 | - | 4,115,168 |
| Government Bonds and U.S. Treasury Notes | 17,999 | 5,478,173 | 2,639,707 | 3,855,797 | - | 11,991,676 |
| Other | 4,283,928 | 14,594,309 | 4,011,097 | 11,999 | 108,664 | 23,009,997 |
| Total | \$ 8,057,268 | \$ 38,579,354 | \$ 21,360,184 | \$ 8,704,464 | \$ 244,350 | \$ 76,945,620 |

As of December 31, 2014, the Pension Trust Fund had the following investments in debt securities and maturities:

| Investment Type | Duration | | | | | Total |
|--|---------------------|----------------------|----------------------|--------------------------|---------------------------|----------------------|
| | Less than 1 Year | 1 - 5 Years | 6 - 10 Years | Greater Than 10 Years | Duration Not Available | |
| Corporate Bonds | \$ 1,468,137 | \$ 11,577,681 | \$ 9,053,511 | \$ 1,963,484 | \$ 119,361 | \$ 24,182,174 |
| Foreign Government Bonds | 89,521 | 1,834,613 | 3,550,670 | 4,865,030 | - | 10,339,834 |
| Government Bonds and U.S. Treasury Notes | - | 11,225,045 | 5,267,986 | 4,892,439 | - | 21,385,470 |
| Other | 4,590,668 | 11,542,936 | 4,541,676 | 507,283 | 47,744 | 21,230,307 |
| Total | \$ 6,148,326 | \$ 36,180,275 | \$ 22,413,843 | \$ 12,228,236 | \$ 167,105 | \$ 77,137,785 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(3) Defined Benefit Pension Plan

Plan Descriptions

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2015 and 2014 was \$33,672,902 and \$31,378,001, respectively; such amounts exclude overtime and standby payroll. At December 31, the PTF membership consisted of:

| | 2015 | 2014 |
|--|-------|-------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 841 | 837 |
| Current employees: | | |
| Vested | 513 | 523 |
| Non-vested | 458 | 393 |
| | 971 | 916 |
| Total | 1,812 | 1,753 |

Benefits Provided

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(3) Defined Benefit Pension Plan (continued)

Plan Descriptions (continued)

Benefits Provided (continued)

The retirement allowance for retirees over age 62 is subject to a cost of living adjustment each January 1, provided that the member retired on or after January 1, 1984. The adjustment is based on the increase in the Consumer Price Index for all urban wage earners published by the U.S. Department of Labor but is limited to an annual maximum of two percent on the first \$10,000 of initial retirement benefits.

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

Deferred Retirement Option Program (DROP)

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2015 and 2014, 123 and 129 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$11,310,510 and \$13,364,160 as of December 31, 2015 and 2014, respectively.

Funding Policy

The actuarially determined contribution requirement for the Board was 40.604% and 35.604% for 2015 and 2014. The contribution requirement for employees for the year ended December 31, 2014 was 5.0%. The employee contribution rate increased to 6.0% effective January 1, 2015. The actual Board's and employees' contributions (including contributions for transferred employees from other pension plans) for the years ended December 31 were as follows:

| | <u>2015</u> | <u>2014</u> |
|------------------------------|----------------------|---------------------|
| Employer and other transfers | \$ 8,353,911 | \$ 8,057,112 |
| Employee | <u>1,905,689</u> | <u>1,535,723</u> |
| Total contributions | <u>\$ 10,259,600</u> | <u>\$ 9,592,835</u> |

Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2015 and 2014. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(3) Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015 and 2014, using the following actuarial assumptions:

| | 2015 | 2014 |
|--------------------------------------|-------|-------|
| Investment rate of return | 7.00% | 7.00% |
| Inflation | 2.00% | 2.50% |
| Salary increases including inflation | 5.00% | 5.00% |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2015 are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|----------------------|---|
| Equities | 8.5% |
| Fixed Income | 6.5% |
| Alternative | 7.0% |
| Cash and Equivalents | -- |

Discount Rate

The discount rate used to measure the total pension liability was 7% for the 2015 and 2014 plan years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended December 31, 2015 and 2014, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, were -2.02% and 4.87%, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(3) Defined Benefit Pension Plan (continued)

Actuarial Assumptions (continued)

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

The following presents the net pension liability of the Board as of December 31, 2015, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

| | 1% Decrease 6% | Current Discount Rate 7% | 1% Increase 8% |
|-------------------------|----------------------|--------------------------------|----------------------|
| Total pension liability | \$ 318,184,862 | \$ 299,395,091 | \$ 275,787,148 |
| Fiduciary net position | 222,427,527 | 222,427,527 | 222,427,527 |
| Net pension liability | 95,757,335 | 76,967,564 | 53,359,621 |

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

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| Balances at December 31, 2014 | \$ 296,244,723 | \$ 236,556,671 | \$ 59,688,052 |
| Changes for the year: | | | |
| Service cost | 2,788,619 | - | 2,788,619 |
| Interest | 20,737,131 | - | 20,737,131 |
| Difference between expected and actual experience | (1,978,038) | - | (1,978,038) |
| Changes of assumptions | - | - | - |
| Contributions – employer | - | 6,506,652 | (6,506,652) |
| Contributions – employee | - | 1,847,259 | (1,847,259) |
| Contributions – fines | - | - | - |
| Net investment loss | - | (4,085,711) | 4,085,711 |
| Benefit payments, including refunds of employee contributions | (18,397,344) | (18,397,344) | - |
| Administrative expense | - | - | - |
| Other changes | - | - | - |
| Net changes | 3,150,368 | (14,129,144) | 17,279,512 |
| Balances at December 31, 2015 | \$ 299,395,091 | \$ 222,427,527 | \$ 76,967,564 |

For the year ended December 31, 2015, the Board will recognize a Pension Expense of \$11,796,974 in payroll related expense on the statements of revenues, expenses, and changes in net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(3) Defined Benefit Pension Plan (continued)

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

On December 31, 2015, the Board reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 2,924,898 |
| Net difference between projected and actual earnings on pension plan investments | 19,080,030 | - |
| Total | \$ 19,080,030 | \$ 2,924,898 |

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

| | |
|------|----------------------|
| 2016 | \$ 4,478,669 |
| 2017 | 4,478,669 |
| 2018 | 4,478,669 |
| 2019 | 3,530,166 |
| 2020 | (528,464) |
| 2021 | (282,577) |
| | <u>\$ 16,155,132</u> |

The Board's Pension Plan Fiduciary Net Position

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

(4) Property, Plant, and Equipment

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(4) Property, Plant and Equipment (continued)

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

| | 2015 | | | |
|---|------------------------------|------------------|---|---------------------------|
| | Beginning Balance | Additions | Deletions/ Reclassifications | Ending Balance |
| Cost | | | | |
| Real estate rights, non depreciable | \$ 13,575,258 | \$ 355,702 | \$ - | \$ 13,930,960 |
| Power and pumping stations - buildings | 368,676,632 | 10,077,285 | - | 378,753,917 |
| Power and pumping stations - machinery | 302,403,973 | 14,915,732 | - | 317,319,705 |
| Distribution systems | 227,823,078 | 25,802,516 | (1,282,763) | 252,342,831 |
| Sewerage collection | 452,858,359 | 39,508,551 | (1,810,809) | 490,556,101 |
| Canals and subsurface drainage | 551,928,776 | 71,060,711 | - | 622,989,487 |
| Treatment plants | 194,886,446 | 5,565,019 | - | 200,451,465 |
| Connections and meters | 94,138,623 | 4,450,609 | (100,758) | 98,488,474 |
| Power transmission | 28,187,555 | 3,222,160 | - | 31,409,715 |
| General plant | 268,271,605 | 7,280,540 | (227,832) | 275,324,313 |
| General buildings | 7,221,614 | - | - | 7,221,614 |
| Total property, plant, and equipment in service | 2,509,971,919 | 182,238,825 | (3,422,162) | 2,688,788,582 |
| Construction in progress | 639,095,470 | 258,212,420 | (182,238,825) | 715,069,065 |
| Total property, plant, and equipment | 3,149,067,389 | 440,451,245 | (185,660,987) | 3,403,857,647 |
| Accumulated Depreciation | | | | |
| Power and pumping stations - buildings | 132,245,387 | 7,097,427 | - | 139,342,814 |
| Power and pumping stations - machinery | 161,191,489 | 8,031,639 | - | 169,223,128 |
| Distribution systems | 50,027,464 | 3,482,027 | (1,282,763) | 52,226,728 |
| Sewerage collection | 51,098,580 | 6,524,396 | (1,810,809) | 55,812,167 |
| Canals and subsurface drainage | 79,653,460 | 6,331,968 | - | 85,985,428 |
| Treatment plants | 64,611,476 | 4,009,029 | - | 68,620,505 |
| Connections and meters | 34,646,578 | 2,008,499 | (100,758) | 36,554,319 |
| Power transmission | 15,050,667 | 632,956 | - | 15,683,623 |
| General plant | 233,453,215 | 12,923,691 | (227,832) | 246,149,074 |
| General buildings | 7,089,792 | 288,864 | - | 7,378,656 |
| Total accumulated depreciation | 829,068,108 | 51,330,496 | (3,422,162) | 876,976,442 |
| Net property, plant, and equipment | \$ 2,319,999,281 | \$ 389,120,749 | \$ (182,238,825) | \$ 2,526,881,205 |

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

(4) Property, Plant, and Equipment (continued)

| | 2014 | | | |
|---|----------------------|----------------|---------------------------------|-------------------|
| | Beginning Balance | Additions | Deletions/ Reclassifications | Ending Balance |
| Cost | | | | |
| Real estate rights, non depreciable | \$ 13,354,233 | \$ 221,025 | \$ - | \$ 13,575,258 |
| Power and pumping stations - buildings | 366,990,744 | 1,685,888 | - | 368,676,632 |
| Power and pumping stations - machinery | 300,051,510 | 2,352,463 | - | 302,403,973 |
| Distribution systems | 228,861,614 | 689,376 | (1,727,912) | 227,823,078 |
| Sewerage collection | 455,438,197 | - | (2,579,838) | 452,858,359 |
| Canals and subsurface drainage | 391,473,632 | 160,455,144 | - | 551,928,776 |
| Treatment plants | 194,886,446 | - | - | 194,886,446 |
| Connections and meters | 94,299,195 | 1,001 | (161,573) | 94,138,623 |
| Power transmission | 28,187,555 | - | - | 28,187,555 |
| General plant | 265,264,618 | 3,202,646 | (195,659) | 268,271,605 |
| General buildings | 7,586,547 | - | (364,933) | 7,221,614 |
| Total property, plant, and equipment in service | 2,346,394,291 | 168,607,543 | (5,029,915) | 2,509,971,919 |
| Construction in progress | 545,026,014 | 262,677,000 | (168,607,544) | 639,095,470 |
| Total property, plant, and equipment | 2,891,420,305 | 431,284,543 | (173,637,459) | 3,149,067,389 |
| Accumulated Depreciation | | | | |
| Power and pumping stations - buildings | 125,713,978 | 6,531,409 | - | 132,245,387 |
| Power and pumping stations - machinery | 153,632,670 | 7,558,819 | - | 161,191,489 |
| Distribution systems | 48,725,329 | 3,030,047 | (1,727,912) | 50,027,464 |
| Sewerage collection | 47,655,402 | 6,023,016 | (2,579,838) | 51,098,580 |
| Canals and subsurface drainage | 73,829,280 | 5,824,180 | - | 79,653,460 |
| Treatment plants | 60,713,747 | 3,897,729 | - | 64,611,476 |
| Connections and meters | 32,925,379 | 1,882,772 | (161,573) | 34,646,578 |
| Power transmission | 14,486,916 | 563,751 | - | 15,050,667 |
| General plant | 219,098,926 | 14,549,948 | (195,659) | 233,453,215 |
| General buildings | 6,800,927 | 653,798 | (364,933) | 7,089,792 |
| Total accumulated depreciation | 783,582,554 | 50,515,469 | (5,029,915) | 829,068,108 |
| Net property, plant, and equipment | \$ 2,107,837,751 | \$ 380,769,074 | \$ (168,607,544) | \$ 2,319,999,281 |

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

(4) Property, Plant and Equipment (continued)

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

| | 2015 | 2014 |
|--------------------------|------------------------|------------------------|
| Interest income | \$ 2,192,700 | \$ 684,259 |
| Interest expense | (19,166,588) | (13,730,951) |
| Net interest capitalized | <u>\$ (16,973,888)</u> | <u>\$ (13,046,692)</u> |

(5) Customer Receivables

Customer receivables as of December 31 consist of the following:

| | | Customer Accounts | Allowance for Doubtful Accounts | | Net |
|------|-------|------------------------------|--|-----------|-------------------|
| 2015 | Water | \$ 13,999,474 | \$ 4,089,042 | \$ | 9,910,432 |
| | Sewer | <u>12,067,540</u> | <u>3,610,382</u> | <u>\$</u> | <u>8,457,158</u> |
| | | <u>\$ 26,067,014</u> | <u>\$ 7,699,424</u> | <u>\$</u> | <u>18,367,590</u> |
| 2014 | Water | \$ 12,691,550 | \$ 4,057,981 | \$ | 8,633,569 |
| | Sewer | <u>11,060,721</u> | <u>3,343,009</u> | <u>\$</u> | <u>7,717,712</u> |
| | | <u>\$ 23,752,271</u> | <u>\$ 7,400,990</u> | <u>\$</u> | <u>16,351,281</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(6) Changes in Long-Term Obligations

(A) Bonds Payable

Bonds payable consisted of the following as of December 31:

| | Principal Balances | |
|--|---------------------------|----------------|
| | 2015 | 2014 |
| 0.45% sewerage service subordinate revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032. | \$ 7,755,000 | \$ 8,174,000 |
| 2.00% to 4.00% drainage system bonds, series 2014 (initial average interest cost 1.88%); due in annual principal installments ranging from \$535,000 to \$2,000,000; final payment due December 1, 2022. | 12,750,000 | 14,365,000 |
| 2.00% to 5.00% sewerage service revenue bonds (initial average interest cost 3.86%); series 2014, due in annual principal installments ranging from \$1,970,000 to \$12,970,000; final payment due June 1, 2044. | 147,765,000 | 158,990,000 |
| 5.00% water revenue bonds, series 2014 initial average interest cost 4.43%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2044. | 103,525,000 | 103,525,000 |
| 4.98% water revenue bonds, series 2015 initial average interest cost 4.38%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2045. | 100,000,000 | - |
| 5.00% sewerage service revenue bonds, series 2015 initial average interest cost 4.39%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2045. | 100,000,000 | - |
| Plus: bond premiums | 471,795,000 | 285,054,000 |
| Total | 45,763,633 | 21,884,904 |
| Less: current maturities | 517,558,633 | 306,938,904 |
| Bond payable, long-term | (14,827,000) | (13,259,000) |
| | \$ 502,731,633 | \$ 293,679,904 |

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

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

(A) Bonds Payable (continued)

The changes in long-term debt were as follows:

| | <u>2015</u> | <u>2014</u> |
|----------------------------|-----------------------|-----------------------|
| Balance, beginning of year | \$ 285,054,000 | \$ 187,849,268 |
| Payments | (13,259,000) | (14,809,418) |
| Refunded | - | (165,730,000) |
| Proceeds | 200,000,000 | 277,744,150 |
| Balance, end of year | <u>\$ 471,795,000</u> | <u>\$ 285,054,000</u> |

The annual requirements to amortize bonds payable as of December 31, 2015, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-----------------------|-----------------------|-----------------------|
| 2016 | \$ 14,827,000 | \$ 21,988,862 | \$ 36,815,862 |
| 2017 | 17,627,000 | 21,806,665 | 39,433,665 |
| 2018 | 17,461,000 | 21,004,668 | 38,465,668 |
| 2019 | 16,900,000 | 20,203,929 | 37,103,929 |
| 2020 | 17,819,000 | 19,389,996 | 37,208,996 |
| 2021-2025 | 64,507,000 | 86,558,435 | 151,065,435 |
| 2026-2030 | 54,261,000 | 73,843,537 | 128,104,537 |
| 2031-2035 | 68,469,402 | 59,522,973 | 127,992,375 |
| 2036-2040 | 87,610,000 | 40,561,750 | 128,171,750 |
| 2041-2045 | 112,313,598 | 16,029,375 | 128,342,973 |
| | <u>\$ 471,795,000</u> | <u>\$ 380,910,190</u> | <u>\$ 852,705,190</u> |

The amount of revenue bonds and tax bonds payable as of December 31, 2015, are as follows:

| <u>Year</u> | <u>Revenue Bonds</u> | <u>Tax Bonds</u> | <u>Total</u> |
|-------------|-----------------------|----------------------|-----------------------|
| 2016 | \$ 13,177,000 | \$ 1,650,000 | \$ 14,827,000 |
| 2017 | 15,937,000 | 1,690,000 | 17,627,000 |
| 2018 | 15,716,000 | 1,745,000 | 17,461,000 |
| 2019 | 15,085,000 | 1,815,000 | 16,900,000 |
| 2020 | 15,924,000 | 1,895,000 | 17,819,000 |
| 2021-2025 | 60,552,000 | 3,955,000 | 64,507,000 |
| 2026-2030 | 54,261,000 | - | 54,261,000 |
| 2031-2035 | 68,469,402 | - | 68,469,402 |
| 2036-2040 | 87,610,000 | - | 87,610,000 |
| 2041-2045 | 112,313,598 | - | 112,313,598 |
| | <u>\$ 459,045,000</u> | <u>\$ 12,750,000</u> | <u>\$ 471,795,000</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

(A) Bonds Payable (continued)

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

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund was \$27,791,877 and \$12,439,177 at December 31, 2015 and 2014, respectively; the accumulated balance at December 31, 2015 and 2014 was \$27,791,877 and \$12,439,177 respectively. Monthly deposits to the debt service funds were temporarily suspended due to debt service payments being paid directly by the State of Louisiana through a Cooperative Endeavor Agreement and resumed as of June 2008. See note (6) (D) for additional information.
2. A debt service reserve is required for an amount equal to but not less than 50% of the amount required to be credited in said month to the debt service fund until there shall be accumulated in the debt service reserve account the largest amount required in any future calendar year to pay the principal and interest on outstanding bonds, except for the water and sewer bonds. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. There is no debt service reserve required for the 1998 and 2002 drainage 9 mill tax bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund were \$18,407,782 and \$18,407,782 at December 31, 2015 and 2014 respectively; the accumulated balance at December 31, 2015 and 2014 was \$18,407,782 and \$18,407,782, respectively.

The Board was in compliance with the requirements of its long-term debt agreements for the Water Department and Sewer Department for the years ended December 31, 2015 and 2014.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

(B) LADHH Bonds Series 2010

The Board, in conjunction with the City, entered into an agreement with the Louisiana Department of Health and Hospitals (the Department) whereby the Department has committed to loan the City up to \$3,400,000 to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (Project). The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the Department will be evidenced through the LADHH bonds payable and the Board will pay the bonds in 20 principal installments, payable annually beginning no later than two years after the Closing Date (February 1, 2010) or one year after the completion of the Project. Each annual installment due is based upon a pre-determined percentage of the ultimate amount of the borrowing that is not forgivable. Principal payments of the amount repayable began February 1, 2011. Interest on the bonds is incurred at the rate of 2.95% and payment thereof began August 1, 2010 and is due semi-annually thereafter. The Project was completed in 2013, and the amount of advances totaled \$3,346,418. A portion of the LADHH bonds payable was funded with amounts provided under the American Recovery and Reinvestment Act (ARRA), and \$1,000,000 of the ARRA Loan was available to be forgiven. As of December 31, 2014, of the \$3,346,418 of advances, \$1,000,000 has been forgiven, \$800,000 was granted, and the remaining balance of \$1,546,418 was paid in full during 2014.

(C) Sewerage Service Subordinate Revenue Bonds, Series 2011

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ will be evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011. Annual principal payments are due beginning November 1, 2013 and continuing through December 1, 2032. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on May 1, 2012 and are due semi-annually thereafter. As of December 31, 2015 and 2014, \$7,755,000 and \$8,174,000 is recorded as bonds payable, respectively.

(D) Series 2014 Bonds

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

(D) Series 2014 Bonds (continued)

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

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

(E) Series 2015 Bonds

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

(F) Debt Service Assistance

In July 2006, the Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$77,465,247 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan will be made as debt service payments become due. No principal or interest shall be payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64 percent. Principal payments on the bonds began in July 2012, and the loan will mature in July 2026. Interest is payable semi-annually on January 15 and July 15 beginning January 2012. The loan may be prepaid without penalty or premium.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

(G) Debt Service Assistance (continued)

As of December 31, 2015, debt service requirements relating to the bond are as follows:

| <u>Years Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2016 | \$ 4,422,414 | \$ 2,860,706 | \$ 7,283,120 |
| 2017 | 4,627,153 | 2,655,525 | 7,282,678 |
| 2018 | 4,841,852 | 2,440,826 | 7,282,678 |
| 2019 | 5,066,514 | 2,216,164 | 7,282,678 |
| 2020 | 5,301,601 | 1,981,077 | 7,282,678 |
| 2021-2025 | 30,434,293 | 5,979,099 | 36,413,392 |
| 2026 | 6,959,312 | 322,933 | 7,282,245 |
| | <u>\$ 61,653,139</u> | <u>\$ 18,456,330</u> | <u>\$ 80,109,469</u> |

(H) Southeast Louisiana Project

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements (SELA PPA and SELA DPA) with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the Project). The purpose of the Project is to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana. The agreements set forth the obligations of the federal government and non-federal sponsors, including the Board, regarding the construction and the operation, maintenance, repair, rehabilitation, and replacement of the Project. For the projects, the federal government is responsible for 65% of the project costs and the non-federal sponsors are responsible for the remaining 35%. Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs. The amount due as of December 31, 2015 and 2014 is \$115,703,588 and \$66,655,976, respectively.

(7) Due to City of New Orleans

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

Additionally, amounts included in accounts payable due to the City were \$8,739,076 and \$11,341,072 at December 31, 2015 and 2014, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(8) Property Taxes

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

The assessed value of the property is determined by an elected Assessor. The assessed value for 2015 and 2014 was \$3,345,017,798 and \$3,203,030,659, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2015 and 2014 was \$16.43 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction, and extension of the drainage system (except for subsurface systems).

(9) Commitments

(A) Capital Improvements

At December 31, 2015, the Board's budget for its ten year capital improvements program totaled \$2,574,598,000 including \$981,720,000 for water, \$673,809,000 for sewerage, and \$919,069,000 for drainage.

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2015, the Board has committed or appropriated \$68,926,336 in cash and cash equivalents for use in future capital projects and has \$235,720,245 of cash and cash equivalents restricted for future capital projects.

The capital improvements budget for 2016 is \$379,106,000 including \$185,720,000 for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant, and equipment in progress as of December 31, 2015 include the following:

Hurricane Katrina related Repairs and Replacements
Southeast Louisiana Flood Control Program
Sewer System Sanitation Evaluation and Rehabilitation Program
Eastbank Sewer Treatment Plant
Westbank Sewer Treatment Plant
Wetlands Assimilation Project
Hazard Mitigation Grant Program

(B) Self-insurance

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

General liability claims are segregated internally by "claims" and "suits" depending on the scope and type of claim and are handled by the Office of the Special Counsel and Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The claims expense provision for 2015 and 2014 amounted to \$4,236,239 and \$839,671, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(B) Self-insurance (continued)

Worker's compensation expense provision for 2015 and 2014 amounted to \$1,633,063 and \$697,183, respectively.

The hospitalization self-insurance benefits are administered by HealthSmart Benefit Solutions. The Board's expense provision in excess of employee contributions for 2015 and 2014 was \$15,863,624 and \$13,949,825, respectively, and is included in payroll related expenses.

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

| <u>Fiscal Year</u> | <u>Beginning of Year</u> | <u>Current Year Claims and Estimate Change</u> | <u>Claim Payments</u> | <u>End of Year</u> |
|--------------------|--------------------------|--|-----------------------|--------------------|
| 2015 | \$ 12,814,193 | \$ 17,688,582 | \$ (17,330,195) | \$ 13,172,580 |
| 2014 | \$ 12,914,401 | \$ 14,989,093 | \$ (15,089,301) | \$ 12,814,193 |

The composition of claims payable is as follows:

| | <u>2015</u> | <u>2014</u> |
|-----------------------|----------------------|----------------------|
| Short-term: | | |
| Workers' compensation | \$ 958,860 | \$ 1,041,926 |
| Health insurance | 1,867,600 | 1,977,501 |
| General liability | 7,855,552 | 7,200,612 |
| Total short-term | <u>10,682,012</u> | <u>10,220,039</u> |
| Long-term: | | |
| Workers' compensation | <u>2,490,568</u> | <u>2,594,154</u> |
| Total long-term | <u>2,490,568</u> | <u>2,594,154</u> |
| Total | <u>\$ 13,172,580</u> | <u>\$ 12,814,193</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(9) Commitments (continued)

(C) Regulatory Matters

The Sewer System Evaluation and Rehabilitation Program (SSERP) was initially estimated to cost the Board \$408.2 million by the original Consent Decree with an end date of 2015. However, the Board has negotiated, and continues to negotiate with U.S. Environmental Protection Agency (EPA), extensions beyond the original Consent Decree deadline. Consequently, the original Consent Decree has been modified to currently provide an end date of October 2019.

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

(D) Post-employment Healthcare Benefits

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

The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 62 and 10 years of service; age 65 and 5 years of service; age 70 regardless of service; or, if age plus service equals at least 80. Complete plan provisions are contained in the official plan documents. Currently, the Board provides post-employment medical benefits to 584 retired employees.

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

Fund Policy - Until 2007, the Board recognized the cost of providing post-employment medical benefits (the Board’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2015 and 2014, the Board’s portion of health care funding cost for retired employees totaled \$6,603,088 and \$7,067,777 respectively. Effective January 1, 2007, the Board applies this amount toward the Net OPEB Benefit Obligation as shown in the tables on the following page.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(D) Post-employment Healthcare Benefits (continued)

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

| | <u>2015</u> | | <u>2014</u> | |
|------------------------------------|-------------|-------------------|-------------|-------------------|
| Normal cost | \$ | 4,342,774 | \$ | 4,362,501 |
| 30-year UAL amortization amount | | 9,721,952 | | 10,112,297 |
| Annual required contribution (ARC) | \$ | <u>14,064,726</u> | \$ | <u>14,474,798</u> |

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

| | <u>2015</u> | | <u>2014</u> | |
|---------------------------------|-------------|--------------------|-------------|--------------------|
| Beginning Net OPEB Obligation | \$ | 61,208,745 | \$ | 54,778,434 |
| Annual required contribution | | 14,046,726 | | 14,474,798 |
| Interest on net OPEB obligation | | 2,448,350 | | 2,191,138 |
| ARC adjustment | | <u>(3,521,714)</u> | | <u>(3,167,848)</u> |
| OPEB cost | | 12,973,362 | | 13,498,088 |
| Contribution | | - | | - |
| Current year retiree premium | | <u>(6,603,091)</u> | | <u>(7,067,777)</u> |
| Change in net OPEB obligation | | <u>6,370,271</u> | | <u>6,430,311</u> |
| Ending net OPEB obligation | \$ | <u>67,579,016</u> | \$ | <u>61,208,745</u> |

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

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual Cost Contributed</u> | <u>Net OPEB Liability (Asset)</u> |
|--------------------------|-------------------------|--|-----------------------------------|
| December 31, 2015 | \$ 12,973,362 | 50.90% | \$ 67,579,016 |
| December 31, 2014 | \$ 13,398,088 | 52.75% | \$ 61,208,745 |
| December 31, 2013 | \$ 13,349,540 | 46.80% | \$ 54,778,434 |

Funded Status and Funding Progress - In 2015 and 2014, the Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2015, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$168,111,644 which is defined as that portion, as determined by a particular actuarial cost method (the Board uses the Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(D) Post-employment Healthcare Benefits (continued)

The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information for the actuarial valuation is as follows:

| | <u>2015</u> | <u>2014</u> |
|---|----------------|----------------|
| Actuarial Accrued Liability (AAL) | \$ 168,111,644 | \$ 174,861,486 |
| Actuarial Value of Plan Assets (AVP) | - | - |
| Unfunded Act. Accrued Liability (UAAL) | \$ 168,111,644 | \$ 174,861,486 |
| Funded Ratio (AVP/AAL) | 0.00% | 0.00% |
| Covered Payroll (active plan members) | \$ 37,973,934 | \$ 36,051,903 |
| UAAL as a percentage of covered payroll | 442.70% | 485.03% |

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

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(D) Post-employment Healthcare Benefits (continued)

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

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

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

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

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

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

(D) Post-employment Healthcare Benefits (continued)

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

(10) Deferred Compensation Plan

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

(11) Budgets

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

(12) Segment Information

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(12) Segment Information (continued)

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

| | <u>Condensed Statements of Net Position</u> | | | |
|---|---|-------------------|---------------------|---------------------|
| | <u>Water</u> | | <u>Sewer</u> | |
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| | (amounts in thousands) | | | |
| Assets: | | | | |
| Current unrestricted assets | \$ 62,809 | \$ 44,717 | \$ 80,654 | \$ 66,911 |
| Restricted assets | 140,980 | 69,308 | 137,611 | 51,655 |
| Other assets | 11,202 | 10,725 | 18 | 18 |
| Property, plant and equipment | <u>430,525</u> | <u>396,814</u> | <u>948,550</u> | <u>911,008</u> |
| Total assets | 645,516 | 521,564 | 1,166,833 | 1,029,592 |
| Deferred outflows of resources: | <u>6,388</u> | <u>1,297</u> | <u>9,997</u> | <u>5,196</u> |
| Total assets and deferred outflows | <u>\$ 651,904</u> | <u>\$ 522,861</u> | <u>\$ 1,176,830</u> | <u>\$ 1,034,788</u> |
| Liabilities: | | | | |
| Current | \$ 40,229 | \$ 42,942 | \$ 32,053 | \$ 31,206 |
| Current liabilities payable from restricted assets | 1,096 | 3,903 | 15,109 | 21,041 |
| Noncurrent liabilities | <u>290,812</u> | <u>170,948</u> | <u>365,573</u> | <u>262,612</u> |
| Total liabilities | <u>332,137</u> | <u>217,793</u> | <u>412,735</u> | <u>314,859</u> |
| Deferred inflows of resources: | <u>975</u> | <u>492</u> | <u>975</u> | <u>492</u> |
| Net position: | | | | |
| Net investment in capital assets | 207,049 | 285,590 | 667,599 | 730,163 |
| Restricted | 140,372 | 58,690 | 136,985 | 40,510 |
| Unrestricted | <u>(28,629)</u> | <u>(39,704)</u> | <u>(41,464)</u> | <u>(51,236)</u> |
| Total net position | <u>318,792</u> | <u>304,576</u> | <u>763,120</u> | <u>719,437</u> |
| Total liabilities, deferred inflows, and net position | <u>\$ 651,904</u> | <u>\$ 522,861</u> | <u>\$ 1,176,830</u> | <u>\$ 1,034,788</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(12) Segment Information (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position

| | Water | | Sewer | |
|--|------------------------|-------------------|-------------------|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (amounts in thousands) | | | |
| Service charges, pledged against bonds | \$ 81,729 | \$ 73,999 | \$ 96,503 | \$ 87,799 |
| Depreciation expense | (10,415) | (18,845) | (20,813) | (15,006) |
| Other operating expenses | (74,438) | (69,987) | (53,468) | (48,537) |
| Operating income (loss) | <u>(3,124)</u> | <u>(14,833)</u> | <u>22,222</u> | <u>24,256</u> |
| Nonoperating revenues (expenses): | | | | |
| Investment earnings | 967 | 350 | 1,342 | 257 |
| Bond issuance costs | (403) | (1,040) | (1,107) | (1,345) |
| Other | 261 | (128) | 322 | 701 |
| Total nonoperating revenues (expenses) | <u>825</u> | <u>(818)</u> | <u>557</u> | <u>(387)</u> |
| Capital contributions | <u>16,516</u> | <u>19,948</u> | <u>20,904</u> | <u>41,762</u> |
| Change in net position | 14,217 | 4,297 | 43,683 | 65,631 |
| Beginning net position | 304,575 | 300,278 | 719,437 | 653,806 |
| Ending net position | <u>\$ 318,792</u> | <u>\$ 304,575</u> | <u>\$ 763,120</u> | <u>\$ 719,437</u> |

Condensed Statements of Cash Flows

| | Water | | Sewer | |
|--|------------------------|------------------|-------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (amounts in thousands) | | | |
| Net cash provided by (used in): | | | | |
| Operating activities | \$ 1,214 | \$ 7,235 | \$ 55,695 | \$ 30,938 |
| Noncapital financing activities | 261 | 255 | 323 | 701 |
| Capital and related financing activities | 75,535 | 43,978 | 45,495 | (5,724) |
| Investing activities | 1,394 | 647 | (2,043) | (26) |
| Net increase | <u>78,404</u> | <u>52,115</u> | <u>99,470</u> | <u>25,889</u> |
| Cash and cash equivalents: | | | | |
| Beginning of year | 95,856 | 43,741 | 78,335 | 52,446 |
| End of year | <u>\$ 174,260</u> | <u>\$ 95,856</u> | <u>\$ 177,805</u> | <u>\$ 78,335</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS (Continued)

(13) Natural Disaster

During the years ended, December 31, 2015 and 2014, the Board has cumulatively received approximately \$349.9 million and \$330.0 million, respectively, of cash reimbursements from the Federal Emergency Management Agency (FEMA). Included in accounts receivable as of December 31, 2015 and 2014 are \$19,654,795 and \$34,255,390, respectively, of reimbursements due from FEMA under the Disaster Grants program. Eligible FEMA grants totaling in excess of \$665.7 million are in various stages of the approval process and include amounts for system repairs, building repairs, vehicle and equipment repairs, and replacements, temporary power, supplies and other costs.

On June 29, 2007, the Board entered into a Cooperative Endeavor Agreement with the State of Louisiana, City of New Orleans, Louisiana, and the Louisiana Public Facilities Authority (LPFA). The LPFA agreed to issue its bonds to provide the cash capital investment to pay for capital improvements of the City of New Orleans and the Board. The establishment of the construction fund permits the Board and City of New Orleans to publicly bid contracts that are subject to a Project Worksheet that has been obligated by FEMA or for which an award letter has been received and encumber such amounts. The State of Louisiana, City of New Orleans, and Sewerage and Water Board agree that as FEMA pays any reimbursement amounts related to projects for which disbursements have been made, or the City or the Sewerage and Water Board receives monies related to the hazard mitigation grant program for which disbursements have been made from the construction fund; the full amount of such projects shall be deposited in the construction fund and used to fund additional projects until all City of New Orleans and Sewerage and Water Board improvements are completed. The total amount made available to the Board under the agreement was \$100,000,000. The agreement also permits disbursements from the construction fund for projects with a Project Worksheet that have not been obligated by FEMA, and as a result, will not be reimbursed by FEMA. The Board is not required to reimburse the construction fund for these unobligated projects. At December 31, 2015 and 2014, the Board had an outstanding obligation under the agreement of \$14,094,172 and \$17,895,041 included as a liability in due to other governments on the statements of net position, which represent amounts not yet reimbursed by FEMA for obligated projects and deposited back into the construction fund.

(14) Change in Accounting Principles

The Board has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in 2015. GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing standards of financial reporting for most pension plans. Statement 68 and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement--determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(14) Change in Accounting Principles (continued)

In addition, the objective of Statement No. 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of Statement No. 71 are required to be applied simultaneously with the provisions of Statement No. 68.

The Board implemented these statements effective January 1, 2014. The impact is as follows:

| | | |
|--|----|-----------------------------|
| Previously reported net position as of January 1, 2014 | \$ | 1,816,132,614 |
| Adjustment as a result of the implementation of GASB Statement No. 68 | | <u>(38,685,857)</u> |
| Net position as of January 1, 2014, as restated | \$ | <u><u>1,777,446,757</u></u> |
| | | |
| Previously reported net position as of December 31, 2014 | \$ | 1,968,799,357 |
| Adjustment as a result of the implementation of GASB Statement No. 68 | | <u>(39,494,308)</u> |
| Net position as of December 31, 2014, as restated | \$ | <u><u>1,929,305,049</u></u> |
| | | |
| Previously reported change in net position for the year ended December 31, 2014 | \$ | 152,666,743 |
| Adjustment as a result of the implementation of GASB Statement No. 68 | | <u>(808,451)</u> |
| Change in net position for the year ended December 31, 2014, as restated | \$ | <u><u>151,858,292</u></u> |

(15) New Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*, which prescribes how state and local governments should define and measure fair value. The Board is currently assessing the impact of GASB 72 on the financial statements for the year ended December 31, 2016.

(16) Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2016, and determined that no events occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(GASB STATEMENTS NO. 67, NO. 68, NO. 71, AND NO. 45)

(This page intentionally left blank)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2015 and 2014

SCHEDULE OF NET PENSION LIABILITY

| Actuarial Valuation Date December 31 | Total Pension Liability | Plan Fiduciary Net Position | Employer's Net Pension Liability | Plan Fiduciary Net Position as a % of Total Pension Liability | Covered Payroll (millions) | Net Pension Liability as a Percentage of Payroll |
|---|----------------------------|--------------------------------|--|---|----------------------------------|---|
| 2015 | \$ 299,395,091 | \$ 222,427,527 | \$ 76,967,564 | 74.29% | \$ 33,672,902 | 228.57% |
| 2014 | \$ 296,244,723 | \$ 236,556,671 | \$ 59,688,052 | 79.85% | \$ 31,378,001 | 190.22% |
| 2013 | \$ 290,919,481 | \$ 234,358,565 | \$ 56,560,916 | 80.56% | \$ 29,706,715 | 190.40% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarial Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll Contribution | Contributions as a % of Covered Payroll |
|---------------|---|--|--|---------------------------------|--|
| 2015 | \$ 10,799,993 | \$ 6,506,652 | \$ 4,293,341 | \$ 33,672,902 | 19.32% |
| 2014 | 11,171,823 | 6,055,890 | 5,115,933 | 31,378,001 | 19.30% |
| 2013 | 11,086,546 | 5,946,614 | 5,139,932 | 29,706,715 | 20.02% |
| 2012 | 9,127,658 | 6,287,658 | 2,840,000 | 29,074,529 | 21.63% |
| 2011 | 9,815,606 | 5,564,936 | 4,250,670 | 29,774,937 | 18.69% |
| 2010 | 8,358,739 | 5,140,096 | 3,218,643 | 29,670,378 | 17.32% |
| 2009 | 7,591,495 | 5,188,175 | 2,403,320 | 39,947,906 | 12.99% |
| 2008 | 7,146,527 | 5,104,789 | 2,041,738 | 29,466,571 | 17.32% |
| 2007 | 4,598,587 | 4,169,892 | 428,695 | 26,544,603 | 15.71% |
| 2006 | 4,073,593 | 4,057,774 | 15,819 | 25,931,584 | 15.65% |

Note to schedule: Method and assumptions used in calculations of actuarially determined contributions . The actuarially determined contribution rates in the schedule of employer contributions are calculated as of December 31, 2015 and 2014. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar |
| Remaining amortization period | 10 years |
| Asset valuation method | 7-year weighted market average |
| Inflation | 2.0% and 2.5% for the years ended December 31, 2015 and 2014, respectively |
| Salary increases | 5.0%, average, including inflation |
| Investment rate of return | 7.0%, net of pension plan investment expense, including inflation |

SCHEDULE OF INVESTMENT RETURNS

| Year Ended | Net Money-Weighted Rate of Return |
|---------------|---|
| 2015 | -2.02% |
| 2014 | 4.87% |

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2015 and 2014
(continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

| | <u>12/31/2015</u> | <u>12/31/2014</u> |
|--|-----------------------|-----------------------|
| Total Pension Liability | | |
| Service cost | \$ 2,788,621 | \$ 3,417,599 |
| Interest on total pension liability | 20,737,131 | 20,364,364 |
| Effect of plan changes | - | - |
| Effect of economic/demographic gains or (losses) | (1,978,038) | (1,721,210) |
| Effect of assumption changes or inputs | - | - |
| Benefit payments | <u>(18,397,344)</u> | <u>(16,735,511)</u> |
| Net change in total pension liability | 3,150,370 | 5,325,242 |
| Total pension liability, beginning | <u>296,244,723</u> | <u>290,919,481</u> |
| Total pension liability, ending (a) | \$ 299,395,093 | \$ 296,244,723 |
| Plan Fiduciary Net Position | | |
| Employer contributions | \$ 6,506,652 | \$ 6,055,890 |
| Employee contributions | 1,847,259 | 1,535,723 |
| Investment income net of investment expenses | (4,085,711) | 11,342,004 |
| Benefit payments | (18,397,344) | (16,735,511) |
| Administrative expenses | <u>-</u> | <u>-</u> |
| Net change in plan fiduciary net position | (14,129,144) | 2,198,106 |
| Plan fiduciary net position, beginning | <u>236,556,671</u> | <u>234,358,565</u> |
| Plan fiduciary net position, ending (b) | \$ 222,427,527 | \$ 236,556,671 |
| Board's net pension liability, ending = (a) - (b) | \$ 76,967,566 | \$ 59,688,052 |
| Plan fiduciary net position as a % of total pension liability | 74.29% | 79.85% |
| Covered payroll | \$ 33,672,902 | \$ 31,378,001 |
| Board's net pension liability as a % of covered payroll | 228.57% | 190.22% |

Notes to Schedules: The schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Factors that significantly affect trends in amounts reported. For the periods presented, there were no changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or changes of assumptions which significantly affect trends in the amounts reported.

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
Required Supplementary Information Under GASB Statement No. 45
SCHEDULE OF FUNDING PROGRESS
Last Seven Years

| Actuarial Valuation Date December 31 | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | (Overfunded) Unfunded AAL | Funded Ratio | Covered Payroll (millions) | Unfunded AAL as a Percentage of payroll |
|---|---------------------------------|--|---------------------------------|-----------------|----------------------------------|--|
| 2015 | \$ - | \$ 168,111,644 | 168,111,644 | 0.00% | 33.67 | 499.29% |
| 2014 | - | 174,861,486 | 174,861,486 | 0.00% | 36.10 | 484.38% |
| 2013 | - | 172,246,761 | 172,246,761 | 0.00% | 35.44 | 486.02% |
| 2012 | - | 176,321,034 | 176,321,034 | 0.00% | 35.11 | 502.25% |
| 2011 | - | 178,681,549 | 178,681,549 | 0.00% | 35.08 | 509.33% |
| 2010 | - | 178,904,131 | 178,904,131 | 0.00% | 34.74 | 514.92% |
| 2009 | - | 184,174,734 | 184,174,734 | 0.00% | 33.88 | 543.56% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended | Annual Required Contribution | Actual Contribution | Percentage Contribution |
|---------------|------------------------------------|------------------------|----------------------------|
| 2015 | \$ 14,064,726 | \$ 6,603,088 | 46.95% |
| 2014 | 14,474,798 | 7,067,777 | 48.83% |
| 2013 | 14,206,678 | 6,643,309 | 46.76% |
| 2012 | 14,430,043 | 6,070,360 | 42.07% |
| 2011 | 14,659,445 | 6,057,637 | 41.32% |
| 2010 | 14,759,470 | 5,728,065 | 38.81% |
| 2009 | 15,046,112 | 5,487,971 | 36.47% |

See accompanying notes to financial statements.

SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
 SCHEDULE OF NET POSITION BY DEPARTMENT
 ENTERPRISE FUND
 As of December 31, 2015 and 2014

| | Water System | | Sewerage System | | Drainage System | | Total | |
|---|----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Current assets: | | | | | | | | |
| Unrestricted and undesignated | | | | | | | | |
| Cash and cash equivalents | \$ 6,369,024 | \$ 12,203,607 | \$ 7,701,581 | \$ 21,855,071 | \$ 10,619,098 | \$ 4,819,518 | \$ 24,689,703 | \$ 38,878,196 |
| Accounts receivable: | | | | | | | | |
| Customers, net of allowance | 9,910,432 | 8,633,569 | 8,457,138 | 7,717,712 | - | - | 18,367,590 | 16,351,281 |
| Taxes | 22,243,714 | 17,754,744 | 25,006,062 | 19,543,694 | 8,044,268 | 8,130,947 | 8,044,268 | 8,130,947 |
| Grants | 1,189,192 | 673,310 | 1,024,643 | 351,490 | 5,558,652 | 6,947,716 | 52,808,428 | 44,246,154 |
| Miscellaneous | (2,781,777) | (8,311,670) | 4,257,844 | 11,063,924 | (1,496,067) | (2,752,254) | 3,415,995 | 2,402,226 |
| Due from (to) other internal departments | 3,536,187 | 3,689,872 | 1,173,098 | 1,170,801 | 594,460 | 606,428 | 5,303,745 | 5,467,101 |
| Inventory of supplies | 640,067 | 481,251 | 485,485 | 326,669 | 253,613 | 94,797 | 1,379,165 | 902,717 |
| Prepaid expenses | 41,126,839 | 33,124,683 | 48,103,871 | 62,029,361 | 24,776,184 | 19,224,578 | 114,008,894 | 116,378,622 |
| Total unrestricted and undesignated | 19,951,071 | 7,916,232 | 31,329,687 | 3,699,309 | 17,645,578 | 10,634,096 | 68,926,336 | 22,249,657 |
| Designated cash, cash equivalents, and investments | | | | | | | | |
| Cash and cash equivalents designated for capital projects | 1,731,555 | 1,675,760 | 1,218,569 | 1,182,316 | 1,170,614 | 1,141,195 | 4,120,738 | 3,999,271 |
| Other | 21,682,626 | 9,592,012 | 32,548,236 | 4,881,623 | 18,816,192 | 11,775,291 | 73,047,074 | 26,248,928 |
| Total designated cash, cash equivalents, and investment | 62,809,465 | 44,716,695 | 80,654,127 | 66,910,986 | 43,592,376 | 30,999,869 | 187,055,968 | 142,627,550 |
| Total current assets | 124,024,155 | 58,426,768 | 107,234,413 | 30,527,953 | 4,461,677 | 4,447,754 | 235,720,245 | 93,402,475 |
| Noncurrent assets: | | | | | | | | |
| Restricted cash, cash equivalents, and investments | | | | | | | | |
| Cash and cash equivalents restricted for capital projects | 607,786 | 659,167 | 626,442 | 659,166 | 633,273 | 659,166 | 1,867,301 | 1,977,499 |
| Health insurance reserve | 16,347,779 | 10,222,099 | 29,750,047 | 20,467,806 | 101,833 | 157,054 | 46,199,659 | 30,846,959 |
| Debt service reserve | 140,979,720 | 69,308,034 | 137,610,902 | 51,654,923 | 5,196,783 | 5,263,974 | 283,787,405 | 126,226,933 |
| Total restricted cash, cash equivalents, and investment | 760,684,249 | 718,945,763 | 1,193,915,014 | 1,137,527,934 | 1,449,258,384 | 1,293,493,692 | 3,403,837,647 | 3,149,067,389 |
| Property, plant and equipment | 330,138,757 | 321,231,714 | 245,365,176 | 226,520,199 | 301,452,509 | 281,316,195 | 876,976,442 | 823,068,108 |
| Less: accumulated depreciation | 430,525,492 | 396,814,049 | 948,549,838 | 911,007,735 | 1,147,805,875 | 1,012,177,497 | 2,526,881,205 | 2,319,999,281 |
| Property, plant, and equipment, net | 11,201,654 | 10,724,805 | 17,965 | 17,965 | 10,400 | 10,400 | 11,230,019 | 10,753,170 |
| Other assets | | | | | | | | |
| Designated cash for customer deposits | 11,178,704 | 10,701,855 | - | - | - | - | 11,178,704 | 10,701,855 |
| Deposits | 22,950 | 22,950 | 17,965 | 17,965 | 10,400 | 10,400 | 51,315 | 51,315 |
| Total other assets | 582,706,866 | 476,846,888 | 1,086,178,705 | 962,680,625 | 1,153,013,058 | 1,017,451,871 | 2,821,898,629 | 2,456,979,384 |
| Total noncurrent assets | 645,516,331 | 521,563,583 | 1,166,832,832 | 1,029,591,611 | 1,196,605,434 | 1,048,451,740 | 3,008,954,597 | 2,590,606,934 |
| Total assets | 6,369,024 | 12,203,607 | 7,701,581 | 21,855,071 | 10,619,098 | 4,819,518 | 24,689,703 | 38,878,196 |
| Deferred outflows of resources: | | | | | | | | |
| Deferred amounts related to net pension liability | 6,360,010 | 1,264,669 | 6,360,010 | 1,264,669 | 6,360,010 | 1,264,668 | 19,080,030 | 3,794,006 |
| Deferred loss on bond refunding | 28,356 | 32,719 | 3,636,938 | 3,931,602 | 289,555 | 343,073 | 3,954,869 | 4,307,394 |
| Total deferred outflows of resources | 6,388,366 | 1,297,388 | 9,996,948 | 5,196,271 | 6,649,565 | 1,607,741 | 23,034,899 | 8,101,400 |
| Total assets and deferred outflows of resources | \$ 651,904,697 | \$ 522,860,971 | \$ 1,176,829,800 | \$ 1,034,787,882 | \$ 1,203,254,999 | \$ 1,050,059,481 | \$ 3,031,989,496 | \$ 2,607,708,334 |

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF NET POSITION BY DEPARTMENT, CONTINUED
ENTERPRISE FUND
 As of December 31, 2015 and 2014

| | Water System | | Sewerage System | | Drainage System | | Total | |
|---|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION | | | | | | | | |
| Current liabilities (payable from current assets): | | | | | | | | |
| Accounts payable | \$ 14,521,423 | \$ 15,545,210 | \$ 17,519,962 | \$ 14,323,199 | \$ 6,897,639 | \$ 6,054,635 | \$ 38,939,024 | \$ 35,923,044 |
| Due to City of New Orleans | 154,760 | 160,172 | - | - | - | - | 154,760 | 160,172 |
| Disaster Reimbursement Revolving Loan | 6,984,993 | 8,342,170 | 127,225 | 2,569,423 | 6,983,954 | 6,983,448 | 14,094,172 | 17,895,041 |
| Retainers and estimates payable | 3,927,628 | 2,991,694 | 2,880,349 | 4,502,890 | 1,512,276 | 451,691 | 8,320,253 | 7,946,275 |
| Due to other fund | 64,777 | 30,335 | 143,538 | 67,305 | 37,820 | 82,827 | 132,932 | 293,670 |
| Accrued salaries | 332,322 | 959,086 | 90,115 | 545,575 | 148,760 | 472,508 | 571,197 | 1,977,169 |
| Accrued vacation and sick pay | 4,389,813 | 4,347,626 | 2,938,579 | 2,807,187 | 2,172,435 | 2,047,801 | 9,500,827 | 9,202,614 |
| Claims payable | 3,793,255 | 3,851,003 | 2,644,607 | 2,770,772 | 4,244,150 | 3,598,264 | 10,682,012 | 10,220,039 |
| Debt Service Assistance Fund loan payable | 388,691 | 371,338 | 3,786,093 | 3,618,064 | 247,630 | 236,490 | 4,422,414 | 4,225,892 |
| Advances from federal government | 5,585,228 | 6,157,549 | 1,976,305 | - | - | - | 7,561,533 | 6,157,549 |
| Other liabilities | 85,858 | 72,650 | 59,824 | 1,555 | 8,109 | 26 | 153,791 | 74,209 |
| Total Current liabilities (payable from current assets): | 40,228,748 | 42,942,016 | 32,053,394 | 31,203,968 | 22,250,773 | 19,927,690 | 94,532,915 | 94,075,674 |
| Current liabilities (payable from restricted assets): | | | | | | | | |
| Accounts payable | - | 3,268,988 | - | 7,537,116 | - | - | - | 10,806,104 |
| Accrued interest | 743,300 | 554,449 | 1,918,832 | 1,815,365 | 106,696 | 111,864 | 2,768,828 | 2,481,678 |
| Bonds payable | 325,000 | - | 12,852,000 | 11,644,000 | 1,650,000 | 1,615,000 | 14,827,000 | 13,259,000 |
| Retainers and estimates payable | 27,830 | 79,408 | 337,912 | 44,274 | - | - | 365,742 | 123,682 |
| Total current liabilities (payable from restricted assets): | 1,096,130 | 3,902,845 | 15,108,744 | 21,040,755 | 1,756,696 | 1,726,864 | 17,961,570 | 26,670,464 |
| Total current liabilities | 41,324,878 | 46,844,861 | 47,162,138 | 52,244,723 | 24,007,469 | 21,654,554 | 112,494,485 | 120,746,138 |
| Long-term liabilities: | | | | | | | | |
| Claims payable | 830,189 | 864,718 | 830,189 | 864,718 | 830,190 | 864,718 | 2,490,568 | 2,594,154 |
| Net pension liability | 25,655,855 | 19,896,017 | 25,655,855 | 19,896,017 | 25,655,854 | 19,896,018 | 76,967,564 | 59,688,052 |
| Other postretirement benefits liability | 24,967,504 | 22,844,081 | 21,989,157 | 19,865,733 | 20,622,355 | 18,498,931 | 67,579,016 | 61,208,745 |
| Bonds payable, net of current maturities | 223,151,314 | 111,224,183 | 268,098,647 | 169,200,679 | 11,481,672 | 13,235,042 | 502,731,633 | 293,679,904 |
| Southwest Louisiana Project liability | - | - | - | - | 115,703,588 | 66,655,976 | 115,703,588 | 66,655,976 |
| Debt Service Assistance Fund loan payable, net of current maturities | 5,028,912 | 5,417,603 | 48,999,207 | 52,785,300 | 3,202,606 | 3,450,236 | 57,230,725 | 61,653,139 |
| Customer deposits | 11,178,704 | 10,701,855 | - | - | - | - | 11,178,704 | 10,701,855 |
| Total long-term liabilities | 290,812,478 | 170,948,457 | 365,573,055 | 262,612,447 | 177,496,265 | 122,620,921 | 833,881,798 | 556,181,825 |
| Total liabilities | 332,137,356 | 217,793,318 | 412,735,193 | 314,859,170 | 201,503,734 | 144,275,475 | 946,376,283 | 676,927,963 |
| Deferred inflows of resources: | | | | | | | | |
| Deferred amounts related to net pension liability | 974,966 | 491,774 | 974,966 | 491,774 | 974,966 | 491,774 | 2,924,898 | 1,475,322 |
| Total deferred inflows of resources | 974,966 | 491,774 | 974,966 | 491,774 | 974,966 | 491,774 | 2,924,898 | 1,475,322 |
| Net position: | | | | | | | | |
| Net investment in capital assets | 207,049,178 | 285,589,866 | 667,599,191 | 730,161,056 | 1,134,674,203 | 997,307,455 | 2,009,322,572 | 2,013,060,377 |
| Restricted for debt service | 16,347,779 | 10,222,099 | 29,750,047 | 20,467,806 | 101,833 | 157,054 | 46,199,659 | 30,846,959 |
| Restricted for capital improvements | 124,024,155 | 48,467,852 | 107,234,413 | 20,042,024 | 4,461,677 | - | 235,720,245 | 68,509,876 |
| Unrestricted | (28,628,737) | (39,703,938) | (41,464,010) | (51,235,948) | (138,461,414) | (92,172,277) | (208,554,161) | (183,112,163) |
| Total net position | 318,792,375 | 304,575,879 | 763,119,641 | 719,436,938 | 1,000,776,299 | 905,292,232 | 2,082,688,315 | 1,929,305,049 |
| Total liabilities, deferred inflows of resources, and net position | \$ 651,904,697 | \$ 522,860,971 | \$ 1,176,829,800 | \$ 1,034,787,882 | \$ 1,203,254,999 | \$ 1,050,059,481 | \$ 3,031,989,496 | \$ 2,607,708,334 |

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DEPARTMENT
ENTERPRISE FUND

For the years ended December 31, 2015 and 2014

| | Water System | | Sewerage System | | Drainage System | | Total | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Operating revenues: | | | | | | | | |
| Sales of water and delinquent fees | \$ 78,007,937 | \$ 70,818,255 | \$ - | \$ - | \$ - | \$ - | \$ 78,007,937 | \$ 70,818,255 |
| Sewerage service charges | 305,384 | 339,176 | 95,636,966 | 86,553,262 | - | - | 95,636,966 | 86,553,262 |
| Plumbing inspection and license fees | 3,416,155 | 2,841,110 | 305,384 | 339,176 | - | - | 610,768 | 678,352 |
| Other revenues | | | 560,157 | 906,120 | 4,313,845 | 1,277,250 | 8,290,157 | 5,024,480 |
| Total operating revenues | 81,729,476 | 73,998,541 | 96,502,507 | 87,798,558 | 4,313,845 | 1,277,250 | 182,545,828 | 163,074,349 |
| Operating Expenses: | | | | | | | | |
| Power and pumping | 2,987,349 | 3,091,250 | 2,773,821 | 2,895,785 | 7,378,085 | 7,240,354 | 13,139,255 | 13,227,389 |
| Treatment | 7,866,310 | 8,259,326 | 10,765,096 | 11,157,841 | 109,231 | 109,833 | 18,740,637 | 19,527,000 |
| Transmission and distribution | 20,459,955 | 16,813,125 | 14,339,390 | 9,629,370 | 1,078,792 | 744,111 | 35,878,137 | 27,186,606 |
| Customer accounts | 1,900,893 | 1,733,536 | 1,900,889 | 1,753,536 | 5,623 | 7,288 | 3,807,405 | 3,514,360 |
| Customer service | 1,915,020 | 1,794,814 | 1,933,616 | 1,815,829 | 124,708 | 107,282 | 3,973,344 | 3,717,925 |
| Administration and general | 5,525,583 | 6,434,753 | 5,566,052 | 5,555,818 | 5,756,618 | 4,985,859 | 16,848,253 | 16,976,430 |
| Payroll related | 15,465,794 | 14,070,508 | 11,673,366 | 10,374,183 | 9,210,674 | 8,043,573 | 36,349,834 | 32,488,264 |
| Maintenance of general plant | 16,177,610 | 15,474,580 | 2,983,385 | 3,845,547 | 7,987,510 | 8,858,466 | 27,148,505 | 28,178,593 |
| Depreciation | 10,414,611 | 18,844,752 | 20,813,183 | 15,005,720 | 20,433,857 | 16,307,397 | 51,661,651 | 50,157,869 |
| Provision for doubtful accounts | 1,327,189 | 1,151,767 | 1,138,942 | 944,199 | - | (155,184) | 2,466,131 | 1,940,782 |
| Provision for claims | 813,979 | 1,143,350 | 392,928 | 565,222 | 1,228,302 | 736,306 | 2,435,209 | 2,444,878 |
| Total operating expenses | 84,854,293 | 88,831,761 | 74,280,668 | 63,543,050 | 53,313,400 | 46,985,285 | 212,448,361 | 199,360,096 |
| Operating income (loss) | (3,124,817) | (14,833,220) | 22,221,839 | 24,255,508 | (48,999,555) | (45,708,035) | (29,902,533) | (56,285,747) |
| Non-operating revenues (expenses): | | | | | | | | |
| Three-mill tax | - | - | - | - | 14,139,193 | 13,481,526 | 14,139,193 | 13,481,526 |
| Six-mill tax | - | - | - | - | 14,290,667 | 13,626,539 | 14,290,667 | 13,626,539 |
| Nine-mill tax | - | - | - | - | 21,421,102 | 20,423,388 | 21,421,102 | 20,423,388 |
| Two-mill tax | - | - | - | - | 4,960 | 1,193 | 4,960 | 1,193 |
| Other taxes | 258,721 | 254,577 | 322,674 | 317,506 | - | - | 581,395 | 572,083 |
| Federal noncapital grants | 2,405 | (381,876) | - | 383,354 | - | 24 | 2,405 | 1,502 |
| Interest income | 966,949 | 350,018 | 1,341,518 | 257,413 | 202,579 | 203,832 | 2,511,046 | 811,263 |
| Bond issuance costs | (403,255) | (1,040,131) | (1,107,402) | (1,345,380) | - | (263,828) | (1,510,657) | (2,649,339) |
| Interest expense | - | - | - | - | (53,518) | - | (53,518) | - |
| Total non-operating revenues (expenses) | 824,820 | (817,412) | 556,790 | (387,107) | 50,004,983 | 47,474,674 | 51,386,593 | 46,270,155 |
| Income (expenses) before capital contributions | (2,299,997) | (15,650,632) | 22,778,629 | 23,868,401 | 1,005,428 | 1,766,639 | 21,484,060 | 9,984,408 |
| Capital contributions | 16,516,493 | 19,948,228 | 20,904,074 | 41,762,139 | 94,478,639 | 80,163,517 | 131,899,206 | 141,873,884 |
| Change in net position | 14,216,496 | 4,297,596 | 43,682,703 | 65,630,540 | 95,484,067 | 81,930,156 | 153,383,266 | 151,858,292 |
| Net position, beginning of year | 304,575,879 | 313,268,726 | 719,436,938 | 666,666,895 | 905,292,232 | 836,196,993 | 1,929,305,049 | 1,816,137,614 |
| Restatement | - | (12,990,443) | - | (12,860,497) | - | (12,834,917) | - | (38,685,857) |
| Net position, beginning of year, restated | 304,575,879 | 300,278,283 | 719,436,938 | 653,806,398 | 905,292,232 | 823,362,076 | 1,929,305,049 | 1,777,446,757 |
| Net position, end of year | \$ 318,792,375 | \$ 304,575,879 | \$ 763,119,641 | \$ 719,436,938 | \$ 1,000,776,299 | \$ 905,292,232 | \$ 2,082,688,315 | \$ 1,929,305,049 |

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT
As of December 31, 2015 and 2014

| | 2015 | | | |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| | Water | Sewer | Drainage | Total |
| Real estate rights, non depreciable | 2,898,138 | 1,929,243 | 9,103,579 | \$ 13,930,960 |
| Power and pumping stations - buildings | 65,474,986 | 46,564,112 | 266,714,819 | 378,753,917 |
| Power and pumping stations - machinery | 139,873,285 | 50,862,868 | 126,582,551 | 317,318,704 |
| Distribution systems | 252,342,832 | - | - | 252,342,832 |
| Sewerage collection | - | 490,556,101 | - | 490,556,101 |
| Canals and subsurface drainage | - | - | 622,989,487 | 622,989,487 |
| Treatment plants | - | 200,451,465 | - | 200,451,465 |
| Connections and meters | 68,828,724 | 29,659,750 | - | 98,488,474 |
| Power transmission | 10,659,920 | 7,367,634 | 13,382,161 | 31,409,715 |
| General plant | 123,116,339 | 84,474,177 | 67,734,797 | 275,325,313 |
| General buildings | 2,160,615 | 1,093,325 | 3,967,674 | 7,221,614 |
| Total property, plant and equipment in service | 665,354,839 | 912,958,675 | 1,110,475,068 | 2,688,788,582 |
| Construction in progress | 95,329,410 | 280,956,339 | 338,783,316 | 715,069,065 |
| Total property, plant and equipment | 760,684,249 | 1,193,915,014 | 1,449,258,384 | 3,403,857,647 |
| Accumulated depreciation | 330,158,757 | 245,365,176 | 301,452,509 | 876,976,442 |
| Net property, plant and equipment | \$ 430,525,492 | \$ 948,549,838 | \$ 1,147,805,875 | \$ 2,526,881,205 |

| | 2014 | | | |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| | Water | Sewer | Drainage | Total |
| Real estate rights, non depreciable | 2,898,138 | 1,929,243 | 8,747,877 | \$ 13,575,258 |
| Power and pumping stations - buildings | 63,585,216 | 44,931,883 | 260,159,533 | 368,676,632 |
| Power and pumping stations - machinery | 134,739,687 | 44,850,479 | 122,812,807 | 302,402,973 |
| Distribution systems | 227,823,078 | - | - | 227,823,078 |
| Sewerage collection | - | 452,858,359 | - | 452,858,359 |
| Canals and subsurface drainage | - | - | 551,928,776 | 551,928,776 |
| Treatment plants | - | 194,886,446 | - | 194,886,446 |
| Connections and meters | 65,157,524 | 28,981,099 | - | 94,138,623 |
| Power transmission | 9,297,848 | 5,736,005 | 13,153,702 | 28,187,555 |
| General plant | 120,583,870 | 82,873,870 | 64,814,865 | 268,272,605 |
| General buildings | 2,160,615 | 1,093,325 | 3,967,674 | 7,221,614 |
| Total property, plant and equipment in service | 626,245,976 | 858,140,709 | 1,025,585,234 | 2,509,971,919 |
| Construction in progress | 91,799,787 | 279,387,225 | 267,908,458 | 639,095,470 |
| Total property, plant and equipment | 718,045,763 | 1,137,527,934 | 1,293,493,692 | 3,149,067,389 |
| Accumulated depreciation | 321,231,714 | 226,520,199 | 281,316,195 | 829,068,108 |
| Net property, plant and equipment | \$ 396,814,049 | \$ 911,007,735 | \$ 1,012,177,497 | \$ 2,319,999,281 |

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF BONDS PAYABLE
For the year ended December 31, 2015

| | Annual Interest Rates | Interest Payment Dates | Issue Date | Final Maturity Date | Outstanding as of 12/31/2014 | New Debt in 2015 | Payments in 2015 | Outstanding as of 12/31/2015 |
|---------------------------------------|-----------------------------|------------------------------|---------------|---------------------------|------------------------------------|-----------------------|----------------------|------------------------------------|
| Drainage System Bonds, 2014 (9-Mills) | 4.53% | (6/1;12/1) | 12/01/14 | 06/01/22 | \$ 14,365,000 | - | \$ 1,615,000 | \$ 12,750,000 |
| | | | | | 14,365,000 | - | 1,615,000 | 12,750,000 |
| Sewer Revenue Bonds, 2011 | 0.95% | (5/1; 11/1) | 12/01/11 | 12/01/32 | 8,174,000 | - | 419,000 | 7,755,000 |
| Sewer Revenue Bonds, 2014 | 4.87% | (6/1;12/1) | 12/01/14 | 06/01/44 | 158,990,000 | - | 11,225,000 | 147,765,000 |
| Sewer Revenue Bonds, 2015 | 5.00% | (6/1;12/1) | 12/17/15 | 12/01/45 | - | 100,000,000 | - | 100,000,000 |
| | | | | | 167,164,000 | 100,000,000 | 11,644,000 | 255,520,000 |
| Water Revenue Bonds, 2014 | 5.00% | (6/1;12/1) | 12/01/14 | 06/01/44 | 103,525,000 | - | - | 103,525,000 |
| Water Revenue Bonds, 2015 | 4.98% | (6/1;12/1) | 12/17/15 | 02/01/30 | - | 100,000,000 | - | 100,000,000 |
| | | | | | 103,525,000 | 100,000,000 | - | 203,525,000 |
| TOTAL | | | | | \$ 285,054,000 | \$ 200,000,000 | \$ 13,259,000 | \$ 471,795,000 |

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
DEBT SERVICE AND DEBT SERVICE RESERVE
REQUIRED BY BOND RESOLUTION
For the year ended December 31, 2015**

| | Debt Service Account | | | | Debt Service Reserve Accounts | | | |
|---|----------------------|---------------------|------------------------|---------------|-------------------------------|---------------------|--|---------------|
| | Water Revenue Bonds | Sewer Revenue Bonds | Drainage Revenue Bonds | Total | Water Revenue Bonds | Sewer Revenue Bonds | | Total |
| Cash and investments at beginning of year | \$ 2,522,099 | \$ 9,760,024 | \$ 157,054 | \$ 12,439,177 | \$ 7,700,000 | \$ 10,707,782 | | \$ 18,407,782 |
| Cash receipts: | | | | | | | | |
| Bond proceeds and accrued interest | 112,566,330 | 112,706,707 | - | 225,273,037 | - | - | | - |
| Transfers from operating cash and debt service reserve | 5,982,966 | 26,339,592 | 2,416,417 | 34,738,975 | - | - | | - |
| Excess debt service reserve fund applied to BANS 2006 Maturity | 72,990 | 121,044 | - | 194,034 | - | - | | - |
| Total cash and investments | 118,622,286 | 139,167,343 | 2,416,417 | 260,206,046 | - | - | | - |
| Cash disbursements: | | | | | | | | |
| Principal and interest payments, cost of issuance and transfers | 112,496,606 | 129,885,102 | 2,471,638 | 244,853,346 | - | - | | - |
| Total cash disbursements | 112,496,606 | 129,885,102 | 2,471,638 | 244,853,346 | - | - | | - |
| Cash and investments at end of year | \$ 8,647,779 | \$ 19,042,265 | \$ 101,833 | \$ 27,791,877 | \$ 7,700,000 | \$ 10,707,782 | | \$ 18,407,782 |

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT
For the year ended December 31, 2015

| | Beginning of Year | Current Year Claims and Estimate Change | Payments | End of Year |
|------------------------|-------------------------|---|----------------------|----------------------|
| <u>WATER</u> | | | | |
| Short-term: | | | | |
| Workers' compensation | \$ 347,311 | \$ 760,059 | \$ 787,750 | \$ 319,620 |
| Health insurance | 659,165 | 7,034,843 | 7,086,223 | 607,785 |
| General liability | 2,844,528 | 121,537 | 100,215 | 2,865,850 |
| Total short-term | <u>3,851,004</u> | <u>7,916,439</u> | <u>7,974,188</u> | <u>3,793,255</u> |
| Long-term: | | | | |
| Workers' compensation | 864,717 | (34,528) | - | 830,189 |
| Total long-term | <u>864,717</u> | <u>(34,528)</u> | <u>-</u> | <u>830,189</u> |
| Total | <u>\$ 4,715,721</u> | <u>\$ 7,881,911</u> | <u>\$ 7,974,188</u> | <u>\$ 4,623,444</u> |
| <u>SEWERAGE</u> | | | | |
| Short-term: | | | | |
| Workers' compensation | \$ 347,309 | \$ 486,568 | \$ 514,257 | \$ 319,620 |
| Health insurance | 659,166 | 4,763,218 | 4,795,942 | 626,442 |
| General liability | 1,764,298 | (25,500) | 40,253 | 1,698,545 |
| Total short-term | <u>2,770,773</u> | <u>5,224,286</u> | <u>5,350,452</u> | <u>2,644,607</u> |
| Long-term: | | | | |
| Workers' compensation | 864,717 | (34,528) | - | 830,189 |
| Total long-term | <u>864,717</u> | <u>(34,528)</u> | <u>-</u> | <u>830,189</u> |
| Total | <u>\$ 3,635,490</u> | <u>\$ 5,189,758</u> | <u>\$ 5,350,452</u> | <u>\$ 3,474,796</u> |
| <u>DRAINAGE</u> | | | | |
| Short-term: | | | | |
| Workers' compensation | \$ 347,310 | \$ 386,433 | \$ 414,123 | \$ 319,620 |
| Health insurance | 659,166 | 3,354,806 | 3,380,599 | 633,373 |
| General liability | 2,591,789 | 910,201 | 210,833 | 3,291,157 |
| Total short-term | <u>3,598,265</u> | <u>4,651,440</u> | <u>4,005,555</u> | <u>4,244,150</u> |
| Long-term: | | | | |
| Workers' compensation | 864,717 | (34,527) | - | 830,190 |
| Total long-term | <u>864,717</u> | <u>(34,527)</u> | <u>-</u> | <u>830,190</u> |
| Total | <u>\$ 4,462,982</u> | <u>\$ 4,616,913</u> | <u>\$ 4,005,555</u> | <u>\$ 5,074,340</u> |
| <u>TOTAL</u> | | | | |
| Short-term: | | | | |
| Workers' compensation | \$ 1,041,930 | \$ 1,633,060 | \$ 1,716,130 | \$ 958,860 |
| Health insurance | 1,977,497 | 15,152,867 | 15,262,764 | 1,867,600 |
| General liability | 7,200,615 | 1,006,238 | 351,301 | 7,855,552 |
| Total short-term | <u>10,220,042</u> | <u>17,792,165</u> | <u>17,330,195</u> | <u>10,682,012</u> |
| Long-term: | | | | |
| Workers' compensation | 2,594,151 | (103,583) | - | 2,490,568 |
| Total long-term | <u>2,594,151</u> | <u>(103,583)</u> | <u>-</u> | <u>2,490,568</u> |
| Total | <u>\$ 12,814,193</u> | <u>\$ 17,688,582</u> | <u>\$ 17,330,195</u> | <u>\$ 13,172,580</u> |

See accompanying independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
For the year ended December 31, 2015**

Cedric S. Grant, Executive Director

| Purpose | Amount |
|--------------------------|------------|
| Salary | \$ 220,631 |
| Benefits-hospitalization | 11,633 |
| Benefits-life insurance | 209 |
| Benefits-retirement | 45,912 |
| Car allowance | 21 |
| Reimbursements | 56 |
| Conference travel | 7,738 |

See accompanying independent auditors' report.



Sewerage and Water Board of New Orleans Environmental Affairs Department committed to conducting environmental education and outreach in schools and the community. Shown above is an initial introduction of the environmental education program at Mary Mc Cloud Bethune Elementary School where staff introduced students to the water cycle, stormwater management and pollution prevention. Sewerage and Water Board of New Orleans made a formal commitment to develop and implement a Green Infrastructure Plan to explore and pursue green infrastructure projects, outreach and education. In conjunction with the third modification of the Board's Consent Decree; SWB dedicated \$500,000 yearly for 5 years to be used for competitive grants to environmental professionals, non-profits and community groups for green infrastructure projects, community outreach and an education curriculum.



The Wetlands Assimilation Project is an innovative partnership between Sewerage and Water Board and St. Bernard Parish to restore 20,000 acres of Bayou Bienvenue that was damaged by salt-water-intrusion from storm-surge. Use of the wetlands for the assimilation of wastewater has several benefits including the increase of buildup of sediment to improve habitat quality and plant productivity to re-establish cypress swamps to protect the parishes from future storm vulnerability. The Wetlands Re-Nourishment Project will use part of the effluent water to push out the brackish water and supply nutrients to the area around the plant so that cypress trees can thrive. This picture shows the pump station (right) and the disinfection skid (left) called the Ferrator System that adds ferrate, a disinfectant, to the water going into the wetlands. This is used instead of bleach which would leave an unwanted chlorine residual in the wetlands. The new emerging technology is better for the environment. Discharging effluent into the wetlands is expected in 2016.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SUMMARY OF STATISTICAL INFORMATION
(Unaudited)

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

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic and Economic Information:

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

Operating Information:

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

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

| | Year | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 2,009,322,572 | \$ 2,013,060,377 | \$ 1,919,436,757 | \$ 1,762,389,823 | \$ 1,602,767,538 | \$ 1,481,320,632 | \$ 1,367,130,463 | \$ 1,306,085,162 | \$ 1,265,078,240 | \$ 1,191,197,682 |
| Restricted for debt service | 46,199,659 | 30,846,959 | 33,405,265 | 35,186,883 | 33,137,542 | 32,774,880 | 30,040,670 | 32,075,521 | 27,986,164 | 26,803,911 |
| Restricted for capital improvements | 235,720,245 | 68,509,876 | - | - | - | - | - | - | - | - |
| Unrestricted | (208,554,161) | (183,112,163) | (175,395,265) | (135,165,032) | (97,925,662) | (82,369,095) | (81,717,627) | (89,154,640) | (7,414,567) | 3,614,224 |
| Total business-type activities net position | \$ 2,082,688,315 | \$ 1,929,305,049 | \$ 1,777,446,757 | \$ 1,662,411,674 | \$ 1,537,979,418 | \$ 1,431,726,417 | \$ 1,315,453,506 | \$ 1,249,006,043 | \$ 1,285,649,837 | \$ 1,221,615,817 |

Source: Audited Comprehensive Annual Financial Reports

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

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating revenues: | | | | | | | | | | |
| Sales of water and delinquent fees | 78,007,937 | 70,818,255 | 64,398,609 | 60,256,304 | 59,890,312 | 55,079,772 | 50,677,054 | 43,995,732 | 37,795,222 | 33,799,760 |
| Sewerage service charges | 95,636,966 | 86,553,262 | 78,335,785 | 71,407,835 | 70,338,076 | 69,534,779 | 66,102,946 | 61,877,246 | 68,304,347 | 62,657,636 |
| Plumbing inspection and license fees | 610,768 | 678,332 | 643,056 | 687,806 | 758,072 | 746,426 | 484,448 | 590,604 | 542,340 | 590,242 |
| Other revenue | 8,290,157 | 5,024,480 | 5,119,368 | 4,626,276 | 8,381,123 | 4,702,753 | 3,814,564 | 2,487,983 | 2,927,070 | 3,290,683 |
| Total operating revenues | 182,545,828 | 163,074,349 | 148,096,798 | 136,978,221 | 139,587,583 | 130,063,730 | 121,079,012 | 108,951,565 | 109,569,479 | 100,338,321 |
| Operating Expenses: | | | | | | | | | | |
| Power and pumping | 13,139,255 | 13,227,389 | 12,572,620 | 11,951,746 | 11,787,614 | 12,606,851 | 12,950,788 | 14,178,641 | 13,041,954 | 11,576,640 |
| Treatment | 18,740,637 | 19,527,000 | 18,143,049 | 18,906,540 | 18,081,523 | 19,029,752 | 19,910,557 | 18,243,782 | 16,280,975 | 13,518,870 |
| Transmission and distribution | 35,878,137 | 27,186,606 | 23,323,900 | 26,019,713 | 27,216,035 | 15,915,361 | 21,466,523 | 18,994,209 | 19,832,226 | 13,845,793 |
| Customer accounts | 3,807,405 | 3,514,360 | 3,425,934 | 3,334,652 | 3,369,643 | 3,314,887 | 3,044,956 | 2,719,594 | 2,290,092 | 1,910,612 |
| Customer service | 3,973,344 | 3,717,925 | 3,464,197 | 3,332,300 | 3,320,100 | 3,386,338 | 3,417,239 | 3,323,696 | 2,670,145 | 2,265,250 |
| Administration and general | 16,848,253 | 16,976,430 | 17,333,945 | 15,879,736 | 16,054,154 | 16,060,032 | 13,504,125 | 15,173,190 | 14,899,028 | 13,714,644 |
| Payroll related | 36,349,834 | 32,488,264 | 34,928,822 | 33,980,859 | 34,770,439 | 33,616,025 | 35,085,953 | 31,549,622 | 28,259,815 | 17,914,694 |
| Maintenance of general plant | 27,148,505 | 28,178,593 | 27,647,127 | 24,480,560 | 25,185,237 | 30,723,060 | 24,969,819 | 39,613,093 | 27,151,645 | 23,552,712 |
| Depreciation | 51,661,651 | 50,157,869 | 43,648,267 | 39,011,955 | 34,772,279 | 35,216,611 | 34,692,628 | 31,546,017 | 25,377,733 | 28,703,469 |
| Provision for doubtful accounts | 2,466,117 | 1,940,782 | 2,052,096 | 1,676,511 | 867,460 | 4,855,325 | 889,811 | (12,225,825) | 12,613,283 | 22,355,906 |
| Provision for claims | 2,435,209 | 2,444,878 | 1,801,114 | 130,704 | (4,680,454) | 3,186,714 | 58,860 | 587,465 | (2,448,965) | 2,658,657 |
| Total operating expenses | 212,448,347 | 199,360,096 | 188,341,071 | 178,705,276 | 170,744,030 | 177,910,956 | 169,991,239 | 157,703,484 | 159,967,931 | 152,017,247 |
| Operating loss | (29,902,519) | (36,285,747) | (39,644,273) | (41,727,055) | (31,156,447) | (47,841,226) | (48,912,227) | (48,751,919) | (50,398,452) | (51,678,265) |
| Non-operating revenues (expenses): | | | | | | | | | | |
| Two-mill tax | 4,960 | 1,193 | - | - | 4,870 | 1,045 | - | - | 120 | 3,699 |
| Three-mill tax | 14,139,193 | 13,481,526 | 13,175,711 | 12,497,723 | 11,129,376 | 10,378,060 | 10,302,545 | 11,294,822 | 10,381,155 | 9,682,028 |
| Six-mill tax | 14,290,667 | 13,626,519 | 13,317,505 | 12,630,977 | 11,242,927 | 10,498,580 | 10,410,524 | 11,406,361 | 10,513,559 | 9,803,052 |
| Nine-mill tax | 21,421,102 | 20,425,388 | 19,962,114 | 18,933,290 | 16,855,081 | 15,672,791 | 15,485,030 | 17,001,253 | 15,773,070 | 13,686,249 |
| Other taxes | 481,395 | 572,083 | 494,106 | 278,394 | 316,079 | 333,795 | 371,006 | 515,735 | 443,122 | 694,321 |
| Operating and maintenance grants | 2,405 | 1,502 | 2,054,492 | 7,624,526 | 11,479,664 | 9,367,940 | 19,371,185 | (3,973) | 1,771,188 | 35,013,143 |
| Interest income | 2,511,032 | 811,263 | 553,630 | 401,387 | 426,870 | 274,323 | 885,723 | 3,545,564 | 5,826,769 | 4,115,003 |
| Hurricane gain (loss) | (1,510,657) | (2,649,339) | (371,349) | (737,893) | (736,878) | (1,687,603) | (1,766,553) | (1,720,030) | (2,443,612) | (252,435) |
| Bond issuance costs | (53,518) | - | - | - | - | 41,438,410 | - | - | - | - |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Forgiveness of Community Disaster Loan | - | - | 30,061,368 | - | - | - | - | - | - | - |
| Total non-operating revenues (expenses) | 51,386,579 | 46,270,155 | 79,047,577 | 51,628,404 | 50,717,989 | 86,277,341 | 55,061,460 | 42,039,732 | 42,477,366 | 74,988,457 |
| Income (loss) before capital contributions | 21,484,060 | 9,984,408 | 39,403,304 | 9,901,349 | 19,361,542 | 38,430,115 | 6,149,233 | (6,712,187) | (7,921,086) | 23,309,331 |
| Capital contributions | 131,899,206 | 141,873,884 | 114,317,636 | 114,530,907 | 115,575,107 | 48,939,148 | 60,298,230 | (29,931,607) | 71,955,106 | 42,645,735 |
| Change in net position | 153,383,266 | 151,858,292 | 153,720,940 | 124,432,256 | 135,136,649 | 87,389,263 | 66,447,463 | (36,643,794) | 64,034,020 | 65,955,266 |
| Net position: | | | | | | | | | | |
| Beginning of year | 1,929,305,049 | 1,777,446,757 | 1,662,411,674 | 1,537,979,418 | 1,402,842,769 | 1,315,453,506 | 1,249,006,043 | 1,285,649,837 | 1,221,615,817 | 1,155,660,551 |
| Restatement | - | - | (38,685,857) | - | - | - | - | - | - | - |
| Beginning of year, as restated | 1,929,305,049 | 1,777,446,757 | 1,623,725,817 | 1,537,979,418 | 1,402,842,769 | 1,315,453,506 | 1,249,006,043 | 1,285,649,837 | 1,221,615,817 | 1,155,660,551 |
| End of year | 2,082,688,315 | 1,929,305,049 | 1,777,446,757 | 1,662,411,674 | 1,537,979,418 | 1,402,842,769 | 1,315,453,506 | 1,249,006,043 | 1,285,649,837 | 1,221,615,817 |

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

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Charges for service | \$ 97,047,638 | \$ 106,642,409 | \$ 106,463,582 | \$ 117,264,448 | \$ 125,360,977 | \$ 131,006,460 | \$ 132,351,945 | \$ 143,577,430 | \$ 158,049,869 | \$ 174,255,671 |
| Dedicated taxes | 33,171,329 | 36,667,784 | 39,702,436 | 36,549,431 | 36,549,431 | 39,227,384 | 44,061,990 | 46,455,330 | 47,533,453 | 49,850,962 |
| Two-mill tax | 3,699 | 120 | - | - | 1,045 | 4,870 | - | 1,193 | - | 4,960 |
| Interest on investments | 4,115,003 | 5,826,769 | 3,545,564 | 885,723 | 274,323 | 426,870 | 401,387 | 353,630 | 811,263 | 2,511,046 |
| Other taxes and revenue | 38,938,147 | 5,147,380 | 2,999,745 | 23,558,755 | 55,842,898 | 20,376,866 | 12,529,196 | 37,729,334 | 5,598,065 | 7,363,300 |
| | <u>\$ 173,275,816</u> | <u>\$ 154,284,462</u> | <u>\$ 152,711,327</u> | <u>\$ 177,907,025</u> | <u>\$ 218,028,674</u> | <u>\$ 191,042,450</u> | <u>\$ 189,344,518</u> | <u>\$ 228,115,724</u> | <u>\$ 211,993,843</u> | <u>\$ 233,983,939</u> |
| Expenses | | | | | | | | | | |
| Personnel services | \$ 49,118,747 | \$ 61,421,931 | \$ 68,605,280 | \$ 74,540,678 | \$ 72,725,464 | \$ 73,834,142 | \$ 74,358,288 | \$ 75,998,997 | \$ 76,009,536 | \$ 81,094,850 |
| Services and utilities | 43,170,196 | 52,966,504 | 56,628,567 | 50,787,395 | 47,125,394 | 42,417,785 | 40,621,806 | 44,686,711 | 46,739,864 | 46,321,849 |
| Materials and supplies | 5,649,827 | 9,879,426 | 12,603,961 | 8,880,950 | 12,535,610 | 23,532,818 | 22,906,012 | 20,153,886 | 22,067,167 | 28,468,671 |
| Depreciation and amortization | 29,063,914 | 25,535,752 | 31,704,036 | 34,833,545 | 35,381,030 | 34,850,026 | 39,011,955 | 43,648,267 | 50,157,869 | 51,661,651 |
| Provision for doubtful accounts | 22,355,906 | 12,613,283 | (12,225,825) | 889,811 | 4,855,325 | 867,460 | 1,676,511 | 2,052,096 | 1,940,782 | 2,466,131 |
| Provision for claims | 2,658,657 | (2,448,965) | 587,465 | 58,860 | 3,186,714 | (4,680,454) | 130,704 | 1,801,114 | 2,444,878 | 2,435,209 |
| Hurricane Loss | (2,303,397) | (205,995) | - | - | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - | - | - |
| Interest | 252,435 | 2,443,612 | 1,720,030 | 1,766,533 | 1,687,603 | 736,878 | 737,893 | 371,349 | 2,649,339 | 1,510,657 |
| | <u>\$ 149,966,285</u> | <u>\$ 162,205,548</u> | <u>\$ 159,423,514</u> | <u>\$ 171,757,792</u> | <u>\$ 177,497,140</u> | <u>\$ 171,558,655</u> | <u>\$ 179,443,169</u> | <u>\$ 188,712,420</u> | <u>\$ 202,009,433</u> | <u>\$ 214,012,536</u> |

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

| Fiscal Year | Net Assessed Value | | Total Net Assessed Value | Total Estimated Actual Value (1) | Ratio of Total Net Assessed to Total Estimated Actual Value |
|----------------|--------------------|-------------------|-----------------------------|-------------------------------------|---|
| | Real Estate | Personal Property | | | |
| 2006 | 1,103,604 | 565,287 | 1,668,891 | 13,245,167 | 12.6% |
| 2007 | 1,362,097 | 483,200 | 1,845,297 | 14,645,214 | 12.6% |
| 2008 | 2,004,624 | 539,492 | 2,544,116 | 20,698,664 | 12.3% |
| 2009 | 2,042,426 | 557,039 | 2,599,465 | 21,974,841 | 11.8% |
| 2010 | 2,489,813 | 387,334 | 2,877,147 | 21,974,841 | 13.1% |
| 2011 | 2,584,334 | 385,700 | 2,970,034 | 21,974,841 | 13.5% |
| 2012 | 2,760,973 | 390,952 | 3,151,925 | 21,974,841 | 14.3% |
| 2013 | 2,920,015 | 413,120 | 3,333,135 | 21,974,841 | 15.2% |
| 2014 | 3,065,164 | 405,514 | 3,470,678 | 21,974,841 | 15.8% |
| 2015 | 3,202,063 | 431,355 | 3,633,418 | 21,974,841 (2) | 16.5% |

Source: City of New Orleans

(1) Amounts are net of the homestead exemption.

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

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

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

| Fiscal Year | City of New Orleans | | Orleans Levee District | | Algiers Levee District | Sewerage & Water Board of New Orleans | | Orleans Parish School Board | | Audubon Park & Zoo | | Total |
|-------------|---------------------|---------------------|-------------------------|-------------------------|------------------------|---------------------------------------|--------------|-----------------------------|--------------|--------------------|--|-------|
| | City of New Orleans | Orleans Levee Board | Levee District Eastbank | Levee District Eastbank | | New Orleans | School Board | Park & Zoo | School Board | Park & Zoo | | |
| 2006 | 89.89 | 12.76 | 0* | 0* | 0*** | 22.59** | 58.55 | 4.55 | 188.34 | | | |
| 2007 | 82.39 | 12.76 | 0* | 0* | 0*** | 22.59** | 52.90 | 4.55 | 175.19 | | | |
| 2008 | 61.34 | 0* | 9.65 | 9.28 | 16.43** | 38.47 | 38.47 | 3.31 | 129.20 | | | |
| 2009 | 61.34 | 0* | 10.95 | 12.76 | 16.03** | 38.47 | 38.47 | 3.31 | 130.10 | | | |
| 2010 | 64.31 | 0* | 11.67 | 12.76 | 16.43** | 44.12 | 44.12 | 3.31 | 140.93 | | | |
| 2011 | 72.05 | 0* | 11.67 | 12.76 | 16.43** | 44.12 | 44.12 | 3.31 | 148.67 | | | |
| 2012 | 72.05 | 0* | 11.67 | 12.76 | 16.43** | 43.60 | 43.60 | 3.31 | 148.15 | | | |
| 2013 | 72.05 | 0* | 11.67 | 12.36 | 16.43** | 44.81 | 44.81 | 3.31 | 136.60 | | | |
| 2014 | 72.05 | 0* | 11.67 | 12.76 | 16.43** | 45.31 | 45.31 | 3.31 | 147.58 | | | |
| 2015 | 71.95 | 0* | 11.67 | 12.56 | 16.43** | 45.31 | 45.31 | 3.31 | 149.56 | | | |

Source: City of New Orleans

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

**3 mills adopted in 1967 expires in 2017

**6 mills adopted in 1978 expires in 2027

**9 mills adopted in 1982 expires in 2032

SEWERAGE AND WATER BOARD OF NEW ORLEANS
TEN LARGEST TAXPAYERS
December 31, 2015 and Nine Years Ago
(Unaudited)

| Name of Taxpayer | Type of Business | 2015 Assessed Value | Percentage of Total Assessed Value |
|---------------------------|----------------------------|---------------------------|---|
| Entergy | Electric and gas utilities | \$ 101,230,460 | 3.04% |
| Capital One Bank | Financial institution | 57,187,770 | 1.72% |
| Marriott Hotel | Hospitality | 41,292,140 | 1.24% |
| BellSouth | Telephone utilities | 37,998,320 | 1.14% |
| Harrah's | Hospitality and gaming | 29,003,530 | 0.87% |
| J P Morgan Chase Bank | Financial institution | 20,119,210 | 0.60% |
| International Rivercenter | Real Estate | 18,886,030 | 0.57% |
| Royal Sonesta Hotel | Hospitality | 18,445,430 | 0.55% |
| Sheraton Hotel | Hospitality | 18,041,330 | 0.54% |
| Folger Coffee | Coffee Roasting Plant | 17,982,060 | 0.54% |
| | | <u>\$ 360,186,280</u> | <u>10.81%</u> |

| Name of Taxpayer | Type of Business | 2006 Assessed Value | Percentage of Total Assessed Value |
|------------------------------|------------------------|---------------------------|---|
| Entergy Service | Utility | \$ 75,766,000 | 3.58% |
| BellSouth Telecommunications | Telephone Utility | 57,952,000 | 2.74% |
| Hibernia National Bank | Bank | 44,500,000 | 2.10% |
| Bank One | Bank | 26,701,000 | 1.26% |
| Whitney National Bank | Bank | 21,671,000 | 1.03% |
| Harrah's Entertainment | Casino | 21,043,000 | 1.00% |
| Tenet | Health & Hospital | 19,197,000 | 0.91% |
| International River Center | Shopping Mall; Hotel | 19,058,000 | 0.90% |
| Marriott Hotel Properties | Hotel | 14,219,000 | 0.67% |
| C S & M Associates | Commerical Real Estate | 11,247,000 | 0.53% |
| | | <u>\$ 311,354,000</u> | <u>14.72%</u> |

Source: City of New Orleans

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

| Fiscal Year | Total Levied | Collected Through December 31, 2015 | | Collections in Subsequent Years (1) | Total Collections to Date | |
|---------------------------------|--------------|-------------------------------------|---------|-------------------------------------|---------------------------|--------------------|
| | | Amount | Percent | Amount | Amount | Percentage of Levy |
| Real Estate Taxes: | | | | | | |
| 2006 | \$ 219,991 | \$ 218,461 | 99.30% | \$ - | \$218,461 | 99.30% |
| 2007 | 250,462 | 248,097 | 99.06% | - | 248,097 | 99.06% |
| 2008 | 269,746 | 267,282 | 99.09% | - | 267,282 | 99.09% |
| 2009 | 275,869 | 273,185 | 99.03% | - | 273,185 | 99.03% |
| 2010 | 309,800 | 306,552 | 98.95% | - | 306,552 | 98.95% |
| 2011 | 339,370 | 335,388 | 98.83% | - | 335,388 | 98.83% |
| 2012 | 362,262 | 357,700 | 98.74% | - | 357,700 | 98.74% |
| 2013 | 382,902 | 377,094 | 98.48% | - | 377,094 | 98.48% |
| 2014 | 393,304 | 385,453 | 98.00% | - | 385,453 | 98.00% |
| 2015 | 422,306 | 409,011 | 96.85% | - | 409,011 | 96.85% |
| Personal Property Taxes: | | | | | | |
| 2006 | \$ 99,477 | \$ 95,157 | 95.66% | \$ - | \$ 95,157 | 95.66% |
| 2007 | 82,046 | 77,967 | 95.03% | - | 77,967 | 95.03% |
| 2008 | 67,548 | 64,074 | 94.86% | - | 64,074 | 94.86% |
| 2009 | 69,935 | 66,562 | 95.18% | - | 66,562 | 95.18% |
| 2010 | * 74,530 | 70,750 | 94.93% | - | 70,750 | 94.93% |
| 2011 | 78,996 | 75,954 | 96.15% | - | 75,954 | 96.15% |
| 2012 | 81,685 | 79,922 | 97.84% | - | 79,922 | 97.84% |
| 2013 | 87,058 | 85,146 | 97.80% | - | 85,146 | 97.80% |
| 2014 | 84,620 | 82,388 | 97.36% | - | 82,388 | 97.36% |
| 2015 | 86,961 | 82,775 | 95.19% | - | 82,775 | 95.19% |

* 2010 and prior personal property receivables were considered prescribed and no longer legally enforceable during 2015.

(1) Information not available as of December 31, 2015.

Source: City of New Orleans

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

| Year | Water | | | | | Sewer | |
|------|------------------------|------------------------|------------------------|----------------------------|----------------------------------|----------------------|------------------------------|
| | Rate per 1,000 Gallons | | | | | Monthly Base Rate | Rate per 1,000 Gallons |
| | Monthly Base Rate | First 3,000 Gallons | Next 17,000 Gallons | Next 980,000 Gallons | All Gallons Over 1,000,000 | | |
| 2006 | \$ 3.50 | \$ 2.31 | \$ 2.31 | \$ 2.07 | \$ 1.59 | \$ 11.60 | \$ 4.04 |
| 2007 | \$ 3.50 | \$ 1.94 | \$ 3.31 | \$ 2.60 | \$ 2.19 | \$ 11.60 | \$ 4.04 |
| 2008 | \$ 3.50 | \$ 2.35 | \$ 4.01 | \$ 3.15 | \$ 2.65 | \$ 11.60 | \$ 4.04 |
| 2009 | \$ 3.70 | \$ 2.47 | \$ 4.21 | \$ 3.31 | \$ 2.78 | \$ 11.60 | \$ 4.04 |
| 2010 | \$ 3.90 | \$ 2.59 | \$ 4.42 | \$ 3.48 | \$ 2.92 | \$ 11.60 | \$ 4.04 |
| 2011 | \$ 4.05 | \$ 2.69 | \$ 4.60 | \$ 3.62 | \$ 3.04 | \$ 11.60 | \$ 4.04 |
| 2012 | \$ 4.05 | \$ 2.69 | \$ 4.60 | \$ 3.62 | \$ 3.04 | \$ 11.60 | \$ 4.04 |
| 2013 | \$ 4.91 | \$ 2.96 | \$ 5.06 | \$ 3.98 | \$ 3.34 | \$ 14.04 | \$ 4.44 |
| 2014 | \$ 4.91 | \$ 3.26 | \$ 5.57 | \$ 4.38 | \$ 3.67 | \$ 14.04 | \$ 4.88 |
| 2015 | \$ 5.40 | \$ 3.59 | \$ 6.13 | \$ 4.82 | \$ 4.04 | \$ 15.44 | \$ 5.37 |

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

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

| Fiscal Year | Personal Income (1) (in thousands) | Population (2) | Revenue Bonds | Special Tax Bonds | LDHH Bonds | Special Community | | Debt Service Assistance Fund Loan | Capital Leases Payable | Total Debt | Percentage of Personal Income | Debt per Capita |
|-------------|---------------------------------------|----------------|----------------|-------------------|--------------|-----------------------|---------------|-----------------------------------|------------------------|------------|-------------------------------|-----------------|
| | | | | | | Disaster Loan Payable | Payable | | | | | |
| 2006 | \$ 12,739,309 | 208,548 | \$ 258,047,868 | \$ 24,905,000 | \$ - | \$ 46,011,566 | \$ 40,494,073 | \$ 2,760,672 | \$ 372,219,179 | 3.42% | \$ 1,785 | |
| 2007 | \$ 14,831,565 | 288,113 | \$ 246,907,968 | \$ 23,835,000 | \$ - | \$ 61,956,747 | \$ 64,655,122 | \$ 104,445 | \$ 397,459,282 | 3.73% | \$ 1,380 | |
| 2008 | \$ 15,802,534 | 336,644 | \$ 235,216,902 | \$ 22,710,000 | \$ - | \$ 61,956,747 | \$ 77,460,393 | \$ - | \$ 397,344,042 | 3.98% | \$ 1,180 | |
| 2009 | \$ 15,260,613 | 354,850 | \$ 221,958,520 | \$ 21,525,000 | \$ - | \$ 61,956,747 | \$ 77,460,393 | \$ - | \$ 382,900,660 | 3.99% | \$ 1,079 | |
| 2010 | \$ 15,260,613 | 347,907 | \$ 208,422,155 | \$ 20,290,000 | \$ 632,842 | \$ 25,166,747 | \$ 77,460,393 | \$ - | \$ 331,972,137 | 4.60% | \$ 954 | |
| 2011 | \$ 15,260,613 | 360,740 | \$ 194,330,103 | \$ 18,990,000 | \$ 1,503,834 | \$ 25,166,747 | \$ 77,465,247 | \$ - | \$ 317,455,931 | 4.81% | \$ 880 | |
| 2012 | \$ 15,346,678 | 369,250 | \$ 186,832,906 | \$ 17,630,000 | \$ 1,998,636 | \$ 25,166,747 | \$ 73,776,967 | \$ - | \$ 305,405,256 | 5.03% | \$ 827 | |
| 2013 | \$ 15,888,893 | 378,715 | \$ 172,192,129 | \$ 16,205,000 | \$ 3,865 | \$ - | \$ 69,917,529 | \$ - | \$ 258,318,523 | 6.15% | \$ 682 | |
| 2014 | \$ 16,437,492 | 378,715 | \$ 292,068,863 | \$ 14,870,042 | \$ 3,865 | \$ - | \$ 65,879,031 | \$ - | \$ 372,821,801 | 4.41% | \$ 984 | |
| 2015 | \$ 18,032,254 | 389,617 (3) | \$ 504,808,633 | \$ 12,750,000 | \$ - | \$ - | \$ 61,653,139 | \$ - | \$ 579,211,772 | 3.11% | \$ 1,487 | |

(1) Source: Bureau of Economic Analysis.

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

(3) Most recent available is as of March 2014.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2015
(Unaudited)**

| | Net Outstanding Debt | Percentage Overlapping | Overlapping Debt |
|--|----------------------------|---------------------------|---------------------|
| Direct debt: | | | |
| Sewerage and Water Board, net of debt service funds (tax bonds only) | \$ 12,750,000 | 100% | \$ 12,750,000 |
| Overlapping debt: | | | |
| City of New Orleans | 558,137,530 | 100% | 558,137,530 |
| Audubon Park Commission | 19,860,000 | 100% | 19,860,000 |
| Orleans Parish School Board (1) | 140,575,000 | 100% | 140,575,000 |
| Total overlapping debt | 718,572,530 | 100% | 718,572,530 |
| Total direct and overlapping debt | \$ 731,322,530 | 100% | \$ 731,322,530 |

(1) The fiscal year of the Orleans Parish School Board ends on June 30th; overlapping debt is based on June 30, 2015 financial information.

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

WATER BONDS

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year | Operating Revenue | Direct Operating Expenses | Net Revenue Available for Debt Services | Debt Service Requirement | | Total | Coverage |
|-------------|-------------------|---------------------------|---|--------------------------|-----------|-----------|----------|
| | | | | Principal | Interest | | |
| 2006 | 36,378,265 | 41,970,320 | (5,592,055) | 1,735,000 | 2,032,524 | 3,767,524 | (1.48) |
| 2007 | 35,098,826 | 58,708,774 | (23,609,948) | 1,820,000 | 1,980,068 | 3,800,068 | (6.21) |
| 2008 | 47,435,375 | 66,989,084 | (19,553,709) | 1,920,000 | 1,917,131 | 3,837,131 | (5.10) |
| 2009 | 70,211,761 | 51,983,869 | 18,227,892 | 2,115,000 | 1,771,268 | 3,886,268 | 4.69 |
| 2010 | 77,837,538 | 58,180,206 | 19,657,332 | 2,220,000 | 1,685,618 | 3,905,618 | 5.03 |
| 2011 | 76,400,717 | 64,677,227 | 11,723,490 | 2,325,000 | 1,592,393 | 3,917,393 | 2.99 |
| 2012 | 73,802,442 | 61,988,096 | 11,814,346 | 2,435,000 | 1,493,380 | 3,928,380 | 3.01 |
| 2013 | 100,320,212 | 64,170,029 | 36,150,183 | 2,545,000 | 1,374,043 | 3,919,043 | 9.22 |
| 2014 | 74,221,260 | 66,607,501 | 7,613,759 | - | 2,829,414 | 2,829,414 | 2.69 |
| 2015 | 82,957,551 | 69,027,402 | 13,930,149 | - | 5,176,250 | 5,176,250 | 2.69 |

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

| Fiscal Year | Operating Revenue | Direct Operating Expenses | Net Revenue Available for Debt Services | Debt Service Requirements | | Total | Coverage |
|-------------|-------------------|---------------------------|---|---------------------------|------------|------------|----------|
| | | | | Principal | Interest | | |
| 2006 | 63,907,388 | 33,435,068 | 30,472,320 | 8,685,000 | 9,453,651 | 18,138,651 | 1.68 |
| 2007 | 64,750,010 | 38,899,024 | 25,850,986 | 9,130,000 | 10,211,257 | 19,341,257 | 1.34 |
| 2008 | 70,836,988 | 42,135,587 | 28,701,401 | 15,035,000 | 3,326,538 | 18,361,538 | 1.56 |
| 2009 | 69,501,438 | 49,879,875 | 19,621,563 | 11,255,000 | 9,058,968 | 20,313,968 | 0.97 |
| 2010 | 87,569,727 | 44,361,297 | 43,208,430 | 11,815,000 | 8,435,057 | 20,250,057 | 2.13 |
| 2011 | 74,173,489 | 43,173,641 | 30,999,848 | 12,400,000 | 7,863,432 | 20,263,432 | 1.53 |
| 2012 | 72,399,088 | 44,869,796 | 27,529,292 | 13,431,000 | 7,282,082 | 20,713,082 | 1.33 |
| 2013 | 80,080,102 | 45,378,129 | 34,701,973 | 14,110,000 | 6,616,719 | 20,726,719 | 1.67 |
| 2014 | 88,756,831 | 45,943,518 | 42,813,313 | 13,695,000 | 5,445,799 | 19,140,799 | 2.24 |
| 2015 | 98,166,699 | 48,664,503 | 49,502,196 | 11,644,000 | 7,351,178 | 18,995,178 | 2.61 |

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

| <u>Fiscal Year</u> | <u>Cash Balance</u> | <u>One Day O&M</u> | <u>Measurement</u> |
|------------------------|-------------------------|----------------------------|--------------------|
| 2012 | 26,040,630 | 176,867 | 147.23 |
| 2013 | 40,314,163 | 169,210 | 238.25 |
| 2014 | 32,497,474 | 188,711 | 172.21 |
| 2015 | 39,230,354 | 196,385 | 199.76 |

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

| Fiscal Year | Cash Balance | One Day O&M | Measurement |
|------------------------|-------------------------|----------------------------|--------------------|
| 2012 | 27,306,436 | 123,693 | 220.76 |
| 2013 | 23,010,471 | 121,350 | 189.62 |
| 2014 | 26,736,696 | 130,990 | 204.11 |
| 2015 | 40,249,837 | 153,064 | 262.96 |

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

| Fiscal Year | Population (1) | Personal Income (2) (in thousands) | Per Capita Personal Income | Unemployment Rate (3) |
|----------------|----------------|--|-------------------------------|--------------------------|
| 2006 | 208,548 | \$ 12,739,309 | \$ 61,086 | 4.30% |
| 2007 | 288,113 | \$ 14,831,565 | \$ 51,478 | 3.50% |
| 2008 | 336,644 | \$ 15,802,534 | \$ 46,941 | 4.40% |
| 2009 | 354,850 | \$ 15,260,613 | \$ 35,507 | 6.80% |
| 2010 | 347,907 | \$ 15,260,613 | \$ 35,507 | 8.50% |
| 2011 | 360,740 | \$ 15,260,613 | \$ 38,578 | 7.30% |
| 2012 | 369,250 | \$ 15,346,678 | \$ 41,562 | 5.50% |
| 2013 | 378,715 | \$ 15,888,893 | \$ 41,955 | 4.20% |
| 2014 | 378,715 | \$ 16,437,492 | \$ 43,403 | 7.50% |
| 2015 | 389,617 | \$ 18,032,254 | \$ 46,282 | 6.00% |

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

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

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

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | (1) 2014 | (2) 2015 |
|--|-----------|-----------|------------|------------|------------|------------|-----------|------------|-------------|-------------|
| Acme Truck Line Inc. | | 8 / 250 | | | | 8 / 2,500 | | | 10 / 3,100 | 10 / 3,100 |
| Al Copeland Investments | | | 10 / 2,000 | 7 / 2,000 | 7 / 2,000 | 9 / 2,200 | 9 / 2,000 | | | |
| Bob Bros. Construction | | 6 / 781 | | 9 / 1,500 | 9 / 1,500 | | | | | |
| Boomtown Casino Westbank | 9 / 790 | | 9 / 2,150 | 6 / 2,150 | 6 / 2,150 | 8 / 2,150 | 8 / 2,150 | | | |
| Capital One Bank N.A. | | | 5 / 3,500 | | | | | | | |
| City of New Orleans | | | 6 / 3,150 | 8 / 2,000 | 8 / 2,000 | 10 / 2,000 | 5 / 3,150 | | | |
| Dow Chemical Company | | | 8 / 2,200 | 5 / 2,200 | 5 / 2,200 | 7 / 2,700 | 7 / 2,200 | 7 / 2,700 | 4 / 5,000 | 4 / 5,000 |
| East Jefferson General Hospital | 3 / 4,500 | | | 10 / 1,400 | 10 / 1,400 | | | | | |
| Harrah's New Orleans Casino | | | | | | | | | | |
| Hilton New Orleans | | | | | | | | | | |
| Hope Haven Center | | 10 / 150 | | | | | | | | |
| Houma Industries | | 9 / 160 | | | | | | | 3 / 6,000 | 3 / 6,000 |
| Ingalls Shipbuilding | 4 / 4,000 | | | | | | | | | |
| JCC Holding Co. LLC | 5 / 2,000 | 2 / 2,832 | 7 / 2,832 | 4 / 2,832 | 4 / 2,832 | | 7 / 2,800 | | 7 / 4,500 | 7 / 4,500 |
| Lockheed Martin Manned Space Systems | | | | | | 2 / 7,000 | | 2 / 7,000 | 2 / 7,000 | 2 / 7,000 |
| Louisiana Children's Medical Center | | | 3 / 5,000 | | | 10 / 2,000 | 3 / 5,000 | | 5 / 5,000 | 5 / 5,000 |
| LSU Health Sciences Center New Orleans | | | | | | | | | | |
| LSU Public Hospital | | | | | | | | | | |
| NASA Michoud | | | | | | | | | | |
| North Oaks Health System | | | | | | | | | | |
| Northrup Grumman Avondale | 1 / 6,000 | 1 / 5,400 | 2 / 5,400 | 2 / 5,400 | 2 / 5,400 | 3 / 6,000 | 2 / 5,400 | 3 / 6,000 | 1 / 9,800 | 1 / 9,800 |
| Ochsner Medical Institutions / Health System | 6 / 2,000 | | 1 / 9,107 | 1 / 9,107 | 1 / 9,107 | 1 / 9,800 | 1 / 9,100 | 1 / 9,100 | | |
| Superior Energy Services, Inc. | 10 / 750 | 7 / 750 | | | | | | | | |
| Textron Marine & Land Systems | | 5 / 1,165 | 4 / 4,410 | 3 / 4,410 | 3 / 4,410 | 4 / 5,000 | 4 / 4,400 | 4 / 5,000 | 6 / 4,700 | 6 / 4,700 |
| Tulane University | 2 / 5,000 | | | | | 6 / 3,114 | 6 / 3,114 | 6 / 3,114 | 9 / 3,100 | 9 / 3,100 |
| University of New Orleans | | | | | | 5 / 4,000 | 6 / 2,900 | 5 / 4,000 | 8 / 4,000 | 8 / 4,000 |
| US Post Office | 8 / 1250 | 4 / 1,300 | | | | | | | | |
| USDA, National Finance Center | 7 / 1,904 | 3 / 1,654 | | | | | | 10 / 1,904 | | |
| West Jefferson Medical Center | | | | | | | | | | |

(1) Source: Greater New Orleans Inc. and New Orleans City Business

(2) Most recent available is as of March 2014.

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

| <u>Year</u> | <u>Water (1)</u> | <u>Sewer (1)</u> | <u>Drainage (1)</u> | <u>Total</u> |
|-------------|------------------|------------------|---------------------|----------------|
| 2006 | \$ 36,481,683 | \$ 49,891,752 | \$ 19,515,232 | \$ 105,888,667 |
| 2007 | \$ 19,053,142 | \$ 56,093,058 | \$ 16,250,996 | \$ 91,397,196 |
| 2008 | \$ 19,938,659 | \$ 25,608,236 | \$ 28,592,805 | \$ 74,139,700 |
| 2009 | \$ 22,465,931 | \$ 56,010,946 | \$ 47,185,424 | \$ 125,662,301 |
| 2010 | \$ 32,248,119 | \$ 58,682,400 | \$ 51,465,065 | \$ 142,395,584 |
| 2011 | \$ 20,374,785 | \$ 53,662,611 | \$ 66,821,905 | \$ 140,859,301 |
| 2012 | \$ 33,888,620 | \$ 60,658,231 | \$ 90,435,159 | \$ 184,982,010 |
| 2013 | \$ 37,552,122 | \$ 63,172,589 | \$ 79,241,317 | \$ 179,966,028 |
| 2014 | \$ 46,604,884 | \$ 58,870,182 | \$ 152,172,018 | \$ 257,647,084 |
| 2015 | \$ 42,638,486 | \$ 56,387,080 | \$ 155,764,692 | \$ 254,790,258 |

(1) Includes contributed assets

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2015
(Unaudited)

| | | Water Revenue Bonds | | |
|----------------------------|-----------|----------------------------|-----------------------|-----------------------|
| | | Series | Water | All Bond |
| | | 2014 | 2015 | Issues |
| 2016 | Principal | 325,000 | - | 325,000 |
| | Interest | 5,176,250 | 4,720,970 | 9,897,220 |
| 2017 | Principal | 2,540,000 | - | 2,540,000 |
| | Interest | 5,160,000 | 4,940,550 | 10,100,550 |
| 2018 | Principal | 2,660,000 | 700,000 | 3,360,000 |
| | Interest | 5,033,000 | 4,940,550 | 9,973,550 |
| 2019 | Principal | 2,800,000 | 775,000 | 3,575,000 |
| | Interest | 4,900,000 | 4,919,550 | 9,819,550 |
| 2020 | Principal | 2,930,000 | 895,000 | 3,825,000 |
| | Interest | 4,760,000 | 4,888,550 | 9,648,550 |
| 2021 | Principal | 3,070,000 | 935,000 | 4,005,000 |
| | Interest | 4,613,500 | 4,852,750 | 9,466,250 |
| 2022 | Principal | 3,225,000 | 970,000 | 4,195,000 |
| | Interest | 4,460,000 | 4,815,350 | 9,275,350 |
| 2023 | Principal | 2,230,000 | 2,155,000 | 4,385,000 |
| | Interest | 4,298,750 | 4,786,250 | 9,085,000 |
| 2024 | Principal | 2,345,000 | 2,260,000 | 4,605,000 |
| | Interest | 4,187,250 | 4,678,500 | 8,865,750 |
| 2025 | Principal | 2,460,000 | 2,375,000 | 4,835,000 |
| | Interest | 4,070,000 | 4,565,500 | 8,635,500 |
| 2026 | Principal | 2,585,000 | 2,490,000 | 5,075,000 |
| | Interest | 3,947,000 | 4,446,750 | 8,393,750 |
| 2027 | Principal | 2,715,000 | 2,615,000 | 5,330,000 |
| | Interest | 3,817,750 | 4,322,250 | 8,140,000 |
| 2028 | Principal | 2,850,000 | 2,750,000 | 5,600,000 |
| | Interest | 3,682,000 | 4,191,500 | 7,873,500 |
| 2029 | Principal | 2,990,000 | 2,885,000 | 5,875,000 |
| | Interest | 3,539,500 | 4,054,000 | 7,593,500 |
| 2030 | Principal | 3,140,000 | 3,030,000 | 6,170,000 |
| | Interest | 3,390,000 | 3,909,750 | 7,299,750 |
| 2031 | Principal | 3,300,000 | 3,180,000 | 6,480,000 |
| | Interest | 3,233,000 | 3,758,250 | 6,991,250 |
| 2032 | Principal | 3,460,000 | 3,345,000 | 6,805,000 |
| | Interest | 3,068,000 | 3,599,250 | 6,667,250 |
| 2033 | Principal | 3,635,000 | 3,510,000 | 7,145,000 |
| | Interest | 2,895,000 | 3,432,000 | 6,327,000 |
| 2034 | Principal | 3,820,000 | 3,680,000 | 7,500,000 |
| | Interest | 2,713,250 | 3,256,500 | 5,969,750 |
| 2035 | Principal | 4,010,000 | 3,865,000 | 7,875,000 |
| | Interest | 2,522,250 | 3,072,500 | 5,594,750 |
| 2036 | Principal | 4,210,000 | 4,060,000 | 8,270,000 |
| | Interest | 2,321,750 | 2,879,250 | 5,201,000 |
| 2037 | Principal | 4,420,000 | 4,265,000 | 8,685,000 |
| | Interest | 2,111,250 | 2,676,250 | 4,787,500 |
| 2038 | Principal | 4,645,000 | 4,475,000 | 9,120,000 |
| | Interest | 1,890,250 | 2,463,000 | 4,353,250 |
| 2039 | Principal | 4,875,000 | 4,700,000 | 9,575,000 |
| | Interest | 1,658,000 | 2,239,250 | 3,897,250 |
| 2040 | Principal | 5,120,000 | 4,930,000 | 10,050,000 |
| | Interest | 1,414,250 | 2,004,250 | 3,418,500 |
| 2041 | Principal | 5,370,000 | 5,185,000 | 10,555,000 |
| | Interest | 1,158,250 | 1,757,750 | 2,916,000 |
| 2042 | Principal | 5,645,000 | 5,435,000 | 11,080,000 |
| | Interest | 889,750 | 1,498,500 | 2,388,250 |
| 2043 | Principal | 5,925,000 | 5,710,000 | 11,635,000 |
| | Interest | 607,500 | 1,226,750 | 1,834,250 |
| 2044 | Principal | 6,225,000 | 5,995,000 | 12,220,000 |
| | Interest | 311,250 | 941,250 | 1,252,500 |
| 2045 | Principal | - | 12,830,000 | 12,830,000 |
| | Interest | - | 641,500 | 641,500 |
| Total Principal | | 103,525,000 | 100,000,000 | 203,525,000 |
| Total Interest | | 91,828,750 | 104,479,020 | 196,307,770 |
| Total Future Debt Payments | | <u>\$ 195,353,750</u> | <u>\$ 204,479,020</u> | <u>\$ 399,832,770</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2015
(Unaudited)

| | | Sewer Revenue Bonds | | | |
|----------------------------|-----------|----------------------------|-----------------------|-----------------------|-----------------------|
| | | Series | Series | Series | All Bond |
| | | 2011 | 2014 | 2015 | Issues |
| 2016 | Principal | 422,000 | 12,430,000 | - | 12,852,000 |
| | Interest | 34,139 | 6,912,675 | 4,777,778 | 11,724,592 |
| 2017 | Principal | 427,000 | 12,970,000 | - | 13,397,000 |
| | Interest | 32,240 | 6,339,825 | 5,000,000 | 11,372,065 |
| 2018 | Principal | 431,000 | 11,925,000 | - | 12,356,000 |
| | Interest | 30,318 | 5,717,450 | 5,000,000 | 10,747,768 |
| 2019 | Principal | 435,000 | 11,075,000 | - | 11,510,000 |
| | Interest | 28,379 | 5,142,450 | 5,000,000 | 10,170,829 |
| 2020 | Principal | 439,000 | 11,660,000 | - | 12,099,000 |
| | Interest | 26,421 | 4,574,075 | 5,000,000 | 9,600,496 |
| 2021 | Principal | 443,000 | 9,050,000 | 2,000,000 | 11,493,000 |
| | Interest | 24,446 | 4,056,325 | 4,950,000 | 9,030,771 |
| 2022 | Principal | 447,000 | 7,445,000 | 2,000,000 | 9,892,000 |
| | Interest | 22,452 | 3,643,950 | 4,850,000 | 8,516,402 |
| 2023 | Principal | 451,000 | 3,920,000 | 2,000,000 | 6,371,000 |
| | Interest | 20,440 | 3,359,825 | 4,750,000 | 8,130,265 |
| 2024 | Principal | 456,000 | 3,760,000 | 2,000,000 | 6,216,000 |
| | Interest | 18,412 | 3,167,825 | 4,650,000 | 7,836,237 |
| 2025 | Principal | 460,000 | 1,970,000 | 2,125,000 | 4,555,000 |
| | Interest | 16,360 | 3,024,575 | 4,546,875 | 7,587,810 |
| 2026 | Principal | 464,000 | 2,070,000 | 2,235,000 | 4,769,000 |
| | Interest | 14,290 | 2,923,575 | 4,437,875 | 7,375,740 |
| 2027 | Principal | 469,000 | 2,175,000 | 2,350,000 | 4,994,000 |
| | Interest | 12,202 | 2,817,450 | 4,323,250 | 7,152,902 |
| 2028 | Principal | 473,000 | 2,280,000 | 2,480,000 | 5,233,000 |
| | Interest | 10,090 | 2,706,075 | 4,202,500 | 6,918,665 |
| 2029 | Principal | 478,000 | 2,395,000 | 2,610,000 | 5,483,000 |
| | Interest | 7,962 | 2,589,200 | 4,075,250 | 6,672,412 |
| 2030 | Principal | 482,000 | 2,515,000 | 2,735,000 | 5,732,000 |
| | Interest | 5,812 | 2,475,881 | 3,941,625 | 6,423,318 |
| 2031 | Principal | 487,000 | 2,620,000 | 2,880,000 | 5,987,000 |
| | Interest | 3,642 | 2,366,762 | 3,801,250 | 6,171,654 |
| 2032 | Principal | 322,403 | 2,735,000 | 3,025,000 | 6,082,403 |
| | Interest | 1,450 | 2,252,969 | 3,653,625 | 5,908,044 |
| 2033 | Principal | - | 2,850,000 | 3,695,000 | 6,545,000 |
| | Interest | - | 2,134,287 | 3,485,625 | 5,619,912 |
| 2034 | Principal | - | 2,970,000 | 3,885,000 | 6,855,000 |
| | Interest | - | 2,010,613 | 3,296,125 | 5,306,738 |
| 2035 | Principal | - | 3,095,000 | 4,100,000 | 7,195,000 |
| | Interest | - | 1,870,125 | 3,096,500 | 4,966,625 |
| 2036 | Principal | - | 3,250,000 | 4,315,000 | 7,565,000 |
| | Interest | - | 1,711,500 | 2,886,125 | 4,597,625 |
| 2037 | Principal | - | 3,415,000 | 4,540,000 | 7,955,000 |
| | Interest | - | 1,544,875 | 2,664,750 | 4,209,625 |
| 2038 | Principal | - | 3,585,000 | 4,775,000 | 8,360,000 |
| | Interest | - | 1,369,875 | 2,431,875 | 3,801,750 |
| 2039 | Principal | - | 3,765,000 | 5,025,000 | 8,790,000 |
| | Interest | - | 1,186,125 | 2,186,875 | 3,373,000 |
| 2040 | Principal | - | 3,950,000 | 5,290,000 | 9,240,000 |
| | Interest | - | 993,250 | 1,929,000 | 2,922,250 |
| 2041 | Principal | - | 4,150,000 | 5,565,000 | 9,715,000 |
| | Interest | - | 790,750 | 1,657,625 | 2,448,375 |
| 2042 | Principal | - | 4,360,000 | 5,855,000 | 10,215,000 |
| | Interest | - | 578,000 | 1,372,125 | 1,950,125 |
| 2043 | Principal | - | 4,575,000 | 6,165,000 | 10,740,000 |
| | Interest | - | 354,625 | 1,071,625 | 1,426,250 |
| 2044 | Principal | - | 4,973,597 | 6,485,000 | 11,458,597 |
| | Interest | - | 120,125 | 755,375 | 875,500 |
| 2045 | Principal | - | - | 11,865,000 | 11,865,000 |
| | Interest | - | - | 296,625 | 296,625 |
| Total Principal | | 7,586,403 | 147,933,597 | 100,000,000 | 255,520,000 |
| Total Interest | | 309,055 | 78,735,037 | 104,090,278 | 183,134,370 |
| Total Future Debt Payments | | <u>\$ 7,895,458</u> | <u>\$ 226,668,634</u> | <u>\$ 204,090,278</u> | <u>\$ 438,654,370</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2015
(Unaudited)

| | | Drainage Special Tax Bonds | |
|----------------------------|-----------|-----------------------------------|----------------------|
| | | Series | All Bond |
| | | 2014 | Issues |
| 2016 | Principal | 1,650,000 | 1,650,000 |
| | Interest | 367,050 | 367,050 |
| 2017 | Principal | 1,690,000 | 1,690,000 |
| | Interest | 334,050 | 334,050 |
| 2018 | Principal | 1,745,000 | 1,745,000 |
| | Interest | 283,350 | 283,350 |
| 2019 | Principal | 1,815,000 | 1,815,000 |
| | Interest | 213,550 | 213,550 |
| 2020 | Principal | 1,895,000 | 1,895,000 |
| | Interest | 140,950 | 140,950 |
| 2021 | Principal | 1,955,000 | 1,955,000 |
| | Interest | 84,100 | 84,100 |
| 2022 | Principal | 2,000,000 | 2,000,000 |
| | Interest | 45,000 | 45,000 |
| 2023 | Principal | - | - |
| | Interest | - | - |
| Total Principal | | 12,750,000 | 12,750,000 |
| Total Interest | | 1,468,050 | 1,468,050 |
| Total Future Debt Payments | | <u>\$ 14,218,050</u> | <u>\$ 14,218,050</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2015
(Unaudited)

| | | All Departments | | | |
|----------------------------|-----------|-----------------|----------------|---------------|----------------|
| | | Water | Sewer | Drainage | Total |
| 2016 | Principal | 325,000 | 12,852,000 | 1,650,000 | 14,827,000 |
| | Interest | 9,897,220 | 11,724,592 | 367,050 | 21,988,862 |
| 2017 | Principal | 2,540,000 | 13,397,000 | 1,690,000 | 17,627,000 |
| | Interest | 10,100,550 | 11,372,065 | 334,050 | 21,806,665 |
| 2018 | Principal | 3,360,000 | 12,356,000 | 1,745,000 | 17,461,000 |
| | Interest | 9,973,550 | 10,747,768 | 283,350 | 21,004,668 |
| 2019 | Principal | 3,575,000 | 11,510,000 | 1,815,000 | 16,900,000 |
| | Interest | 9,819,550 | 10,170,829 | 213,550 | 20,203,929 |
| 2020 | Principal | 3,825,000 | 12,099,000 | 1,895,000 | 17,819,000 |
| | Interest | 9,648,550 | 9,600,496 | 140,950 | 19,389,996 |
| 2021 | Principal | 4,005,000 | 11,493,000 | 1,955,000 | 17,453,000 |
| | Interest | 9,466,250 | 9,030,771 | 84,100 | 18,581,121 |
| 2022 | Principal | 4,195,000 | 9,892,000 | 2,000,000 | 16,087,000 |
| | Interest | 9,275,350 | 8,516,402 | 45,000 | 17,836,752 |
| 2023 | Principal | 4,385,000 | 6,371,000 | - | 10,756,000 |
| | Interest | 9,085,000 | 8,130,265 | - | 17,215,265 |
| 2024 | Principal | 4,605,000 | 6,216,000 | - | 10,821,000 |
| | Interest | 8,865,750 | 7,836,237 | - | 16,701,987 |
| 2025 | Principal | 4,835,000 | 4,555,000 | - | 9,390,000 |
| | Interest | 8,635,500 | 7,587,810 | - | 16,223,310 |
| 2026 | Principal | 5,075,000 | 4,769,000 | - | 9,844,000 |
| | Interest | 8,393,750 | 7,375,740 | - | 15,769,490 |
| 2027 | Principal | 5,330,000 | 4,994,000 | - | 10,324,000 |
| | Interest | 8,140,000 | 7,152,902 | - | 15,292,902 |
| 2028 | Principal | 5,600,000 | 5,233,000 | - | 10,833,000 |
| | Interest | 7,873,500 | 6,918,665 | - | 14,792,165 |
| 2029 | Principal | 5,875,000 | 5,483,000 | - | 11,358,000 |
| | Interest | 7,593,500 | 6,672,412 | - | 14,265,912 |
| 2030 | Principal | 6,170,000 | 5,732,000 | - | 11,902,000 |
| | Interest | 7,299,750 | 6,423,318 | - | 13,723,068 |
| 2031 | Principal | 6,480,000 | 5,987,000 | - | 12,467,000 |
| | Interest | 6,991,250 | 6,171,654 | - | 13,162,904 |
| 2032 | Principal | 6,805,000 | 6,082,403 | - | 12,887,403 |
| | Interest | 6,667,250 | 5,908,044 | - | 12,575,294 |
| 2033 | Principal | 7,145,000 | 6,545,000 | - | 13,690,000 |
| | Interest | 6,327,000 | 5,619,912 | - | 11,946,912 |
| 2034 | Principal | 7,500,000 | 6,855,000 | - | 14,355,000 |
| | Interest | 5,969,750 | 5,306,738 | - | 11,276,488 |
| 2035 | Principal | 7,875,000 | 7,195,000 | - | 15,070,000 |
| | Interest | 5,594,750 | 4,966,625 | - | 10,561,375 |
| 2036 | Principal | 8,270,000 | 7,565,000 | - | 15,835,000 |
| | Interest | 5,201,000 | 4,597,625 | - | 9,798,625 |
| 2037 | Principal | 8,685,000 | 7,955,000 | - | 16,640,000 |
| | Interest | 4,787,500 | 4,209,625 | - | 8,997,125 |
| 2038 | Principal | 9,120,000 | 8,360,000 | - | 17,480,000 |
| | Interest | 4,353,250 | 3,801,750 | - | 8,155,000 |
| 2039 | Principal | 9,575,000 | 8,790,000 | - | 18,365,000 |
| | Interest | 3,897,250 | 3,373,000 | - | 7,270,250 |
| 2040 | Principal | 10,050,000 | 9,240,000 | - | 19,290,000 |
| | Interest | 3,418,500 | 2,922,250 | - | 6,340,750 |
| 2041 | Principal | 10,555,000 | 9,715,000 | - | 20,270,000 |
| | Interest | 2,916,000 | 2,448,375 | - | 5,364,375 |
| 2042 | Principal | 11,080,000 | 10,215,000 | - | 21,295,000 |
| | Interest | 2,388,250 | 1,950,125 | - | 4,338,375 |
| 2043 | Principal | 11,635,000 | 10,740,000 | - | 22,375,000 |
| | Interest | 1,834,250 | 1,426,250 | - | 3,260,500 |
| 2044 | Principal | 12,220,000 | 11,458,597 | - | 23,678,597 |
| | Interest | 1,252,500 | 875,500 | - | 2,128,000 |
| 2045 | Principal | 12,830,000 | 11,865,000 | - | 24,695,000 |
| | Interest | 641,500 | 296,625 | - | 938,125 |
| Total Principal | | 203,525,000 | 255,520,000 | 12,750,000 | 471,795,000 |
| Total Interest | | 196,307,770 | 183,134,370 | 1,468,050 | 380,910,190 |
| Total Future Debt Payments | | \$ 399,832,770 | \$ 438,654,370 | \$ 14,218,050 | \$ 852,705,190 |

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

| Fiscal Year | New Commercial Construction (1) | | New Residential Construction (1) | | Bank deposits (2) (in thousands) | Estimated actual property value (3) (in thousands) |
|-------------|---------------------------------|----------------------|----------------------------------|----------------------|-------------------------------------|---|
| | Number of units | Value (in thousands) | Number of units | Value (in thousands) | | |
| 2006 | 473 | 139,866 | 667 | 95,552 | 11,252,684 | 13,245,167 |
| 2007 | 2,044 | 506,281 | 1,427 | 182,729 | 10,062,454 | 14,645,214 |
| 2008 | 1,929 | 550,895 | 1,215 | 160,387 | 10,553,556 | 20,698,664 |
| 2009 | 364 | 220,748 | 1,862 | 227,714 | 10,480,561 | 21,974,841 |
| 2010 | 349 | 549,906 | 1,102 | 160,331 | 12,175,831 | |
| 2011 | 365 | 266,981 | 1,047 | 161,875 | 10,024,118 | |
| 2012 | | | | | 10,862,390 | |
| 2013 | | | | | 15,738,913 | |
| 2014 | | | | | 16,043,233 | |
| 2015 | | | | | 11,211,760 | |

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

(2) Summary of Deposits (as of June 30, 2015) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

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

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

| | Year | | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Water: | | | | | | | | | | |
| Water lines (miles) | 1,582 | 1,583 | 1,586 | 1,587 | 1,590 | 1,597 | 1,599 | 1,805 | 1,812 | 1,819 |
| Water manholes | 29,576 | 29,632 | 29,673 | 29,741 | 29,957 | 30,150 | 30,194 | 30,297 | 30,402 | 30,463 |
| Water valves | 29,219 | 29,246 | 29,255 | 29,277 | 29,366 | 29,611 | 29,521 | 29,629 | 29,730 | 29,791 |
| Fire hydrants | 22,771 | 22,780 | 22,785 | 22,894 | 22,989 | 23,045 | 23,078 | 23,099 | 23,117 | 23,130 |
| Sewer: | | | | | | | | | | |
| Sewers lines (miles) | 1,486 | 1,503 | 1,507 | 1,512 | 1,518 | 1,519 | 1,520 | 1,536 | 1,547 | 1,561 |
| Sewer manholes | 22,829 | 22,922 | 22,974 | 22,998 | 23,047 | 22,977 | 22,983 | 22,987 | 23,042 | 23,051 |

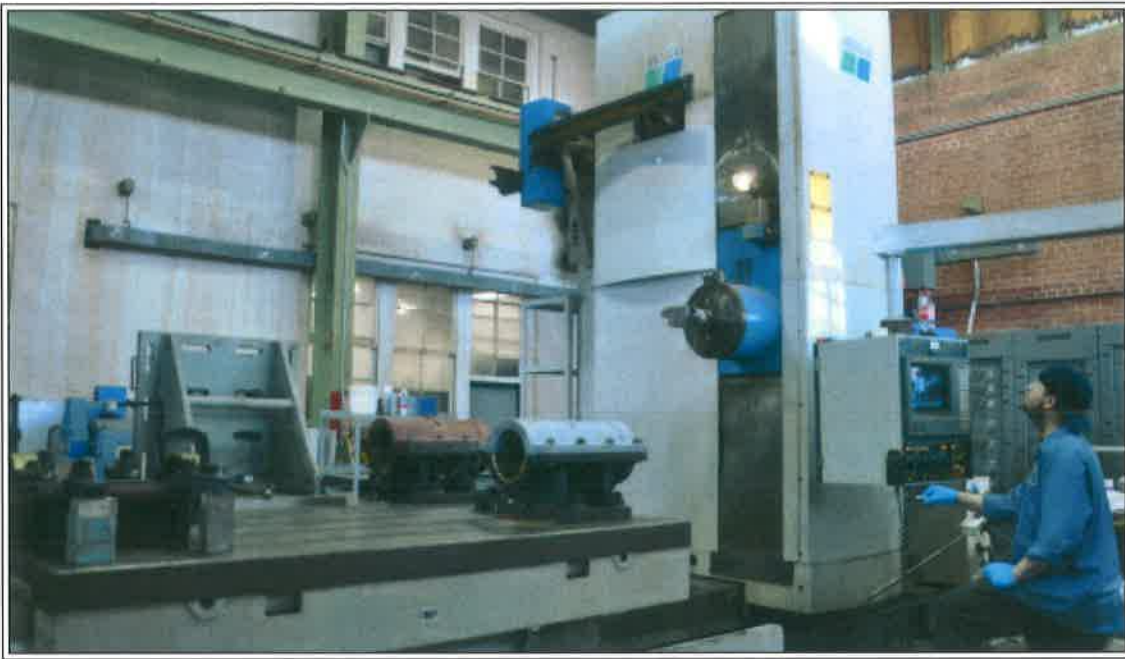
SEWERAGE AND WATER BOARD OF NEW ORLEANS
NUMBER OF ACTIVE EMPLOYEES
Last Nine Fiscal Years
(Unaudited)

| <u>Year</u> | <u>Number of Active Employees</u> |
|-------------|---------------------------------------|
| 2015 | 1183 |
| 2014 | 1060 |
| 2013 | 1025 |
| 2012 | 991 |
| 2011 | 994 |
| 2010 | 974 |
| 2009 | 964 |
| 2008 | 940 |
| 2007 | 899 |

Source: Sewerage and Water Board of New Orleans.

(This page intentionally left blank)

SUPPLEMENTAL SECTION



The Department of Facility Maintenance manufactures parts for aged equipment where parts are no longer available. All of these parts must be manufactured to exact specifications. This piece of equipment is instrumental in the fabrication of innumerable repair parts to keep the systems operating. This is a computer numerically-controlled machine which can be programmed to fabricate precision parts that may vary in weight from mili-fractions of an ounce to in excess of 10 tons.

The addition of this machine to the department has saved the Board an immeasurable amount of capital by avoiding the outsourcing of fabrication work. It has also insured quality control and a lifetime warranty. Facility Maintenance is essential to board operations, responding daily to small and large routine and emergency repairs.



Nationally, the board has received many high level awards for its work in wastewater. These awards have been received by both the Eastbank and Westbank Wastewater Treatment Plants for facilities with a consistent compliance record in operations. The awards are presented annually at the National Association of Clean Water Agencies (NACWA). The Eastbank Plant, which was restored and rebuilt after Hurricane Katrina, even won an award.

The photo shows the continuous rebuilding of the Eastbank Plant, smarter and stronger, with the installation of high efficiency motors on sludge pumps at North Pump House. These new high efficiency 300 horsepower motors are being installed on the pumps that return the activated sludge from the bottom of the waste treatment plant's final clarifiers back into the plant's waste treatment bio-reactors. There are a total of eight of these motors. Each will save thousands of dollars a year in reduced energy usage, compared to the much older and less efficient motors being replaced.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
December 31, 2015
ACTUAL CAPITAL EXPENDITURES

WATER DEPARTMENT

C.P.# **WATERWORKS**

| | | | |
|-----|---|----|--------------|
| 110 | Normal Extension & Replacement | \$ | 2,181,900.81 |
| 112 | Modification to Oak Street-Raw Water Intake Station | \$ | 197,263.15 |
| 122 | Sycamore and Claiborne filter Rehabilitation | | 912,945.50 |
| 156 | Advanced Water Treatment (Carrollton) | | 129,613.31 |
| 160 | SELA Water Relocation Costs | | 2,103,237.43 |
| 175 | Water Hurricane Recovery Bonds | | 8,120,449.05 |
| 180 | FEMA Review of Change Orders - Water | | 5,170,319.43 |

| | | |
|------------------|----|---------------|
| TOTAL WATERWORKS | \$ | 18,815,728.68 |
|------------------|----|---------------|

WATER DISTRIBUTION

| | | | |
|-----|----------------------------------|----|--------------|
| 214 | Normal Extension & Replacement | \$ | 1,505,838.44 |
| 216 | Water System Replacement Program | | 264,850.27 |
| 239 | Mains DPW Contracts | | 2,878,095.38 |

| | | |
|--------------------------|----|--------------|
| TOTAL WATER DISTRIBUTION | \$ | 4,648,784.09 |
|--------------------------|----|--------------|

GENERAL BUDGET

| | | | |
|-----|-------------------------------------|----|--------------|
| 600 | Water Share of Power Projects | \$ | 5,995,949.44 |
| 700 | Water Reserve for Emergencies | \$ | 270,400.00 |
| 800 | Water Share of General Budget Items | | 8,833,951.08 |

| | | |
|----------------|----|---------------|
| GENERAL BUDGET | \$ | 15,100,300.52 |
|----------------|----|---------------|

| | | |
|------------------------|----|---------------|
| TOTAL WATER DEPARTMENT | \$ | 38,564,813.29 |
|------------------------|----|---------------|

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
December 31, 2015
ACTUAL CAPITAL EXPENDITURES

SEWERAGE DEPARTMENT

| <u>C.P.#</u> | <u>SEWERAGE SYSTEM</u> | | |
|---|---|-----------|----------------------|
| 313 | Extensions and Replace-Sewer Force Mains EPA Consent Decree | \$ | 224,237.96 |
| 317 | Normal Extensions & Replacement of Gravity Mains | | 8,602,722.01 |
| 318 | Rehabilitation Gravity Sewer System | | 51,094.00 |
| 326 | Extensions and Replace to Pumping Stations EPA Consent Decree | | 101,581.19 |
| 339 | Main in Streets Dept. Contracts | | 3,060,270.24 |
| 340 | Sewerage Hurricane Recovery Bonds (FEMA) | | 2,146,280.45 |
| 348 | Normal Extensions & Replacements | | 5,883,071.08 |
| 360 | SELA Sewerage Relocation Costs | | 2,505,848.00 |
| 368 | Wetlands Assimilation Project | | 3,495,750.76 |
| 369 | Hurricane Katrina Expenses for Sewer System | | (62,199.04) |
| 375 | Sewerage Hurricane Recovery Bonds | | 5,702,710.25 |
| 380 | FEMA Review of Change Orders-Sewer | | 4,610,629.58 |
| 381 | Modifications and Expansion of Westbank Sewer Treatment Plant | | 30,400.00 |
| | TOTAL SEWERAGE SYSTEM | \$ | 36,352,396.48 |
| <u>POWER PROJECTS AND GENERAL BUDGET</u> | | | |
| 600 | Sewerage Share of Power Projects | \$ | 2,253,304.44 |
| 700 | Sewer Reserve for Emergencies | | 280,987.00 |
| 800 | Sewerage Share of General Budget Items | | 8,042,393.60 |
| | TOTAL GENERAL BUDGET | \$ | 10,576,685.04 |
| | TOTAL SEWERAGE DEPARTMENT | \$ | 46,929,081.52 |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

ACTUAL CAPITAL EXPENDITURES

DRAINAGE DEPARTMENT

| <u>C.P.#</u> | <u>CANALS</u> | |
|--------------|--|--------------------------------|
| 418 | Normal Extension & Replacements | \$ 62,255.96 |
| 439 | Major Drainage Participation in DPW Projects | 856,549.02 |
| 466 | Louisiana Avenue Canal (SELA) | 875,673.84 |
| 471 | SELA Program Management | 2,553,172.34 |
| 476 | Hollygrove Canal (SELA) | 24,929.02 |
| 478 | S. Claiborne-Lowerline to Monticello Street | 1,560,604.22 |
| 480 | FEMA Review of Change Orders-Drainage | (6,347,999.23) |
| 486 | Napoleon Avenue Canal Improvements (SELA-B) | 856,051.21 |
| 497 | Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B) | (4,065,824.30) |
| 498 | Dwyer Intake Canal (St. Charles to Dwyer (DPS)(SELA-A) | 463,694.32 |
| 499 | Jefferson Avenue Canal | <u>1,571,026.57</u> |
| | TOTAL DRAINAGE CANALS | \$ (1,589,867.03) |
| | <u>PUMPING STATIONS</u> | |
| 511 | Normal Extension & Rep./Stations | \$ 116,469.54 |
| 574 | Emergency Electrical Repairs for DPS #3 | \$ 47,831.52 |
| 575 | Drainage Hurricane Recovery Bonds | 177,237.86 |
| | TOTAL DRAINAGE PUMPING STATIONS | <u>\$ 341,538.92</u> |
| | <u>GENERAL BUDGET</u> | |
| 600 | Drainage Share of Power Projects | \$ 17,000,759.49 |
| 700 | Drainage Reserve for Emergencies | 225,677.55 |
| 800 | Drainage Share of General Budget Items | 4,748,930.67 |
| | TOTAL GENERAL BUDGET | <u>\$ 21,975,367.71</u> |
| | TOTAL DRAINAGE DEPARTMENT | <u><u>\$ 20,727,039.60</u></u> |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
December 31, 2015
ACTUAL CAPITAL EXPENDITURES

| <u>POWER PROJECTS</u> | | <u>Water</u> | <u>Sewerage</u> | <u>Drainage</u> | <u>Total</u> |
|-----------------------|---|------------------------|------------------------|------------------------|------------------------|
| <u>C.P.#</u> | <u>POWER PROJECTS</u> | | | | |
| 624 | Extension and Replacements to Electrical System | 163,946.22 | 23,420.88 | 281,050.65 | 468,417.75 |
| 676 | Modification to Power Generating System (HMGP) | 5,832,003.22 | 2,229,883.56 | 16,719,708.84 | 24,781,595.62 |
| 701 | Water Reserve for Emergencies | 270,400.00 | | | 270,400.00 |
| 702 | Sewer Reserve for Emergencies | | 280,987.00 | | 280,987.00 |
| 703 | Drainage Reserve for Emergencies | | | 225,677.55 | 225,677.55 |
| | TOTAL POWER PROJECTS | <u>\$ 6,266,349.44</u> | <u>\$ 2,534,291.44</u> | <u>\$17,226,437.04</u> | <u>\$26,027,077.92</u> |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

ACTUAL CAPITAL EXPENDITURES

GENERAL BUDGET ITEMS

| <u>C.P.#</u> | <u>General Budget Items</u> | <u>Water</u> | <u>Sewerage</u> | <u>Drainage</u> | <u>Total</u> |
|-----------------------------------|---|------------------------|-----------------------|------------------------|-------------------------|
| 800 | Property Acquisition | | 458,522.88 | | 458,522.88 |
| 803 | Property Acquisition | \$ 55,405.34 | \$ 4,593.32 | \$ 4,593.34 | \$ 64,592.00 |
| 807 | Improvements to Central Yard and St. Joseph St. | \$ 12,983.33 | \$ 12,983.34 | \$ 12,983.33 | \$ 38,950.00 |
| 808 | Improvements to Customer Service Satellite | 3,825.46 | 3,825.44 | | 7,650.90 |
| 810 | Major Equipment Purchases | 454,695.03 | 661,194.94 | \$ 454,695.03 | 1,570,585.00 |
| 812 | Computer Systems Development | 1,221,579.25 | 1,221,578.99 | 507,853.22 | 2,951,011.46 |
| 820 | Overhead Charged to Capital | 4,501,664.22 | 4,335,850.41 | 3,302,235.77 | 12,139,750.40 |
| 823 | Purchase of Water Meters | 614,970.71 | 614,970.70 | | 1,229,941.41 |
| 824 | Meter Boxes and Meter Parts | 502,191.39 | 502,191.24 | | 1,004,382.63 |
| 843 | Minor Equipment Purchases | 224,438.35 | 224,438.34 | 224,438.35 | 673,315.04 |
| 862 | Fire Hydrants and Related Parts | 1,236,962.00 | - | - | 1,236,962.00 |
| 879 | Green Infrastructure | | | 242,131.63 | 242,131.63 |
| 880 | Paving and Restoration | 5,236.00 | 2,244.00 | | 7,480.00 |
| TOTAL GENERAL BUDGET ITEMS | | <u>\$ 8,833,951.08</u> | <u>\$8,042,393.60</u> | <u>\$ 4,748,930.67</u> | <u>\$ 21,625,275.35</u> |

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

ANALYSIS OF PUMPING AND POWER DEPARTMENT
 POWER PURCHASED AND PRODUCED
 NATURAL GAS AND FUEL OIL CONSUMED
 TEN YEARS 2006 THROUGH 2015

| YEAR | ELECTRIC POWER PURCHASED | | ELECTRIC & STEAM POWER GENERATED BY THE S&WB | | NATURAL GAS | | | NATURAL GAS & FUEL OIL USED TO GENERATE ELECTRIC & STEAM POWER | | |
|--------|--------------------------|--------------|--|---------------|-------------|---------------|---------|--|---------|-----------|
| | KW-HRS | \$ AMOUNT | KW-HRS | \$ AMOUNT | MCF | \$ AMOUNT | GALLONS | \$ AMOUNT | GALLONS | \$ AMOUNT |
| | | | | | | | | | | |
| 2006 | 67,474,620 | \$7,371,029 | 37,464,720 | \$14,587,880 | 1,285,200 | \$14,587,701 | 211 | | | \$179 |
| 2007 | 68,574,205 | \$7,278,339 | 39,421,440 | \$15,138,653 | 1,464,900 | \$15,131,635 | 1,464 | | | \$7,018 |
| 2008 | 62,579,355 | \$7,051,655 | 40,407,984 | \$19,125,397 | 1,535,660 | \$18,895,716 | 85,222 | | | \$229,681 |
| 2009 | 67,889,778 | \$6,422,589 | 37,716,720 | \$10,651,094 | 1,449,540 | \$10,651,094 | 0 | | | \$0 |
| 2010 | 70,609,461 | \$6,653,752 | 39,090,720 | \$9,719,013 | 1,332,770 | \$9,669,414 | 12,883 | | | \$49,600 |
| 2011 | 70,049,094 | \$6,180,373 | 27,351,600 | \$10,721,624 | 1,552,330 | \$10,721,356 | 315 | | | \$268 |
| 2012 | 63,873,900 | \$5,941,992 | 44,819,460 | \$9,180,160 | 1,605,720 | \$9,174,678 | 1,459 | | | \$5,482 |
| 2013 | 67,980,940 | \$6,725,811 | 35,005,422 | \$11,648,150 | 1,830,890 | \$11,648,148 | 9 | | | \$34 |
| 2014 | 68,632,618 | \$7,052,078 | 32,407,296 | \$12,442,213 | 1,643,347 | \$12,442,282 | 9 | | | \$69 |
| 2015 | 73,123,062 | \$6,660,862 | 29,217,520 | \$9,483,132 | 1,780,110 | \$9,483,132 | 0 | | | \$0 |
| TOTALS | 680,787,033 | \$67,338,480 | 362,902,882 | \$122,697,316 | 15,480,467 | \$122,405,156 | 101,572 | | | \$292,330 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

**POWER PURCHASED AND PRODUCED
NATURAL GAS AND FUEL OIL CONSUMED - 2015**

| | KW-HOURS | COST |
|--|-------------|-----------------|
| ELECTRIC POWER PURCHASED | 73,123,062 | \$6,660,861.69 |
| ELECTRIC AND STEAM POWER GENERATED BY THE S.& W.B.* | 29,217,520 | \$9,483,132.12 |
| TOTAL | 102,340,582 | \$16,143,993.81 |

NOTE: *NATURAL GAS CONSUMED IN OPERATION WAS 1,780,110 MCF
AT A COST OF \$9,483,132.12. FUEL OIL CONSUMED WAS 0 GALLONS
AT A COST OF \$0

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

Gallons Metered - Pay Water Consumption

| <u>Month</u> | <u>Consumption</u> |
|--------------|------------------------------|
| January | 1,191,606,800 |
| February | 972,691,300 |
| March | 1,028,068,800 |
| April | 976,764,300 |
| May | 1,072,376,500 |
| June | 1,098,098,700 |
| July | 1,265,780,800 |
| August | 1,221,277,300 |
| September | 1,231,883,400 |
| October | 1,112,183,700 |
| November | 1,097,956,700 |
| December | <u>1,541,512,900</u> |
| Gross Total | <u><u>13,810,201,200</u></u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY WATER CHARGES COLLECTED - 2015
December 31, 2015

| <u>Months</u> | <u>Water Service Charges & Fees</u> | <u>Delinquent Fees</u> | <u>Total</u> |
|---------------|---|----------------------------|-------------------------|
| January | \$5,769,071.06 | \$ 91,536.64 | \$ 5,860,607.70 |
| February | 6,423,776.69 | 108,716.48 | 6,532,493.17 |
| March | 6,853,103.89 | 121,975.51 | 6,975,079.40 |
| April | 6,268,914.57 | 102,445.75 | 6,371,360.32 |
| May | 6,454,447.92 | 90,503.86 | 6,544,951.78 |
| June | 6,885,462.18 | 97,241.71 | 6,982,703.89 |
| July | 6,945,339.19 | 92,236.87 | 7,037,576.06 |
| August | 7,117,739.51 | 79,738.77 | 7,197,478.28 |
| September | 7,374,576.05 | 108,977.38 | 7,483,553.43 |
| October | 7,112,386.09 | 104,925.23 | 7,217,311.32 |
| November | 5,840,774.82 | 97,721.50 | 5,938,496.32 |
| December | 6,892,993.49 | 98,238.41 | 6,991,231.90 |
| | <u>\$ 79,938,585.46</u> | <u>\$ 1,194,258.11</u> | <u>\$ 81,132,843.57</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY SEWERAGE CHARGES COLLECTED - 2015

| <u>Months</u> | <u>Sewerage Service Charges</u> | <u>Delinquent Fees</u> | <u>Total</u> |
|---------------|-------------------------------------|----------------------------|-------------------------|
| January | \$ 6,531,705.73 | \$ 61,137.29 | \$ 6,592,843.02 |
| February | 9,425,435.03 | 81,448.48 | 9,506,883.51 |
| March | 9,161,741.42 | 68,416.92 | 9,230,158.34 |
| April | 8,983,563.42 | 68,416.92 | 9,051,980.34 |
| May | 7,160,763.37 | 60,452.52 | 7,221,215.89 |
| June | 8,067,029.48 | 64,956.69 | 8,131,986.17 |
| July | 7,874,529.63 | 61,607.31 | 7,936,136.94 |
| August | 8,097,953.61 | 53,261.60 | 8,151,215.21 |
| September | 8,235,838.21 | 72,776.71 | 8,308,614.92 |
| October | 8,326,157.20 | 70,074.09 | 8,396,231.29 |
| November | 6,940,817.89 | 65,261.24 | 7,006,079.13 |
| December | 7,906,189.26 | 65,608.02 | 7,971,797.28 |
| | <u>\$ 96,711,724.25</u> | <u>\$ 793,417.79</u> | <u>\$ 97,505,142.04</u> |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE I
December 31, 2015
CARROLLTON TURBIDITIES

| | River (NTU) | | | | | Effluent Settling Reservoirs (NTU) | | | | | Filters (NTU) | | | | |
|---------|-------------|------|------|------|------|------------------------------------|------|------|------|------|---------------|------|------|------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Maximum | 282 | 159 | 281 | 277 | 273 | 10 | 7.3 | 9.3 | 12 | 6.9 | 0.22 | 0.35 | 0.25 | 0.24 | 0.21 |
| Minimum | 11 | 5 | 5 | 8 | 7 | 1.0 | 0.5 | 0.8 | 0.9 | 1.0 | 0.08 | 0.08 | 0.07 | 0.05 | 0.07 |
| Average | 51 | 34 | 70 | 75 | 71 | 2.9 | 2.0 | 2.8 | 2.7 | 2.3 | 0.13 | 0.12 | 0.11 | 0.11 | 0.1 |

TABLE II
CARROLLTON ALKALINITIES
PARTS PER MILLION

| | River | | | | | Effluent Settling Reservoirs | | | | | Filters | | | | |
|---------|-------|------|------|------|------|------------------------------|------|------|------|------|---------|------|------|------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Maximum | 163 | 154 | 139 | 146 | 160 | 165 | 146 | 127 | 140 | 160 | 195 | 168 | 144 | 157 | 190 |
| Minimum | 83 | 81 | 72 | 75 | 75 | 66 | 53 | 53 | 54 | 56 | 88 | 99 | 74 | 78 | 82 |
| Average | 125 | 122 | 101 | 109 | 116 | 115 | 110 | 89 | 93 | 105 | 135 | 135 | 115 | 120 | 128 |

TABLE II A
CARROLLTON HARDNESS
PARTS PER MILLION

| | NON-CARBONATE HARDNESS | | | | | | | | | | TOTAL HARDNESS | | | | | | | | | |
|---------|------------------------|------|------|------|------|---------|------|------|------|------|----------------|------|------|------|------|---------|------|------|------|------|
| | RIVER | | | | | FILTERS | | | | | RIVER | | | | | FILTERS | | | | |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Maximum | 105 | 104 | 86 | 74 | 90 | 83 | 109 | 93 | 101 | 81 | 220 | 214 | 188 | 211 | 233 | 238 | 242 | 206 | 225 | 245 |
| Minimum | 17 | 19 | 18 | 14 | 14 | 26 | 1 | 23 | 25 | 12 | 115 | 115 | 101 | 91 | 106 | 132 | 143 | 115 | 132 | 115 |
| Average | 47 | 43 | 40 | 46 | 43 | 55 | 55 | 49 | 57 | 51 | 172 | 164 | 141 | 155 | 159 | 191 | 190 | 164 | 177 | 178 |

TABLE III
CARROLLTON BACTERIAL CHARACTERISTICS
TOTAL COLIFORM ANALYSIS

| 2015 | River | Plant Tap | Distribution System |
|-----------------------------|-------|-----------|---------------------|
| Maximum (Colonies / 100 ml) | 6,800 | 3 | 1 |
| Minimum (Colonies / 100 ml) | 28 | 0 | 0 |
| Average (colonies / 100 ml) | 600 | 0 | 0 |
| Number of Samples | 362 | 365 | 1,957 |
| Number of Samples Negative | 0 | 362 | 1,955 |
| Number of Samples Positive | 362 | 3 | 2* |

* Neither of these two total coliform positive samples was *E. coli* positive, and neither resulted in a violation of the Total Coliform Rule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-A
 PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE CARROLLTON WATER
 PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-----------|------|---|--|--|-------------------------------------|---------------------------------------|------------------------------------|--|----------------------------------|------------------------------|-------------------------------|--------------------------------|
| Month | | Total Million Gallons of Water Treated During Month | Amount of Water Treated Million Gallons Per 24 Hours | Total Pounds of Polymer used at Intake | Polymer at Intake Parts Per Million | Total Pounds of Polymer used in Plant | Polymer in Plant Parts Per Million | Total Pounds of Pure Iron (Fe) used During Month | Pure Iron (Fe) Parts Per Million | NTU Turbidity of River Water | PPM Alkalinity of River Water | NTU Turbidity of Unit Effluent |
| January | Max. | | 76.00 | | | | | | 5.75 | 105 | 127 | 4.3 |
| | Min. | 2,179.58 | 67.33 | 0 | | 82,336 | 4.81 | 98,480 | 5.18 | 35 | 101 | 1.8 |
| | Avg. | | 70.31 | | | | 4.53 | | 5.42 | 60 | 112 | 2.9 |
| February | Max. | 1,969.79 | 77.42 | 0 | | 75,893 | 4.99 | 90,959 | 5.94 | 56 | 136 | 4.2 |
| | Min. | | 65.71 | | | | 4.13 | | 5.14 | 18 | 113 | 1.2 |
| | Avg. | | 70.35 | | | | 4.62 | | 5.54 | 28 | 128 | 2.4 |
| March | Max. | 2,218.21 | 81.33 | 0 | | 92,266 | 5.22 | 111,329 | 6.26 | 216 | 131 | 6.9 |
| | Min. | | 68.21 | | | | 4.33 | | 5.31 | 40 | 75 | 1.4 |
| | Avg. | | 71.56 | | | | 4.99 | | 6.03 | 135 | 93 | 3.2 |
| April | Max. | 2,020.38 | 73.58 | 0 | | 88,782 | 5.55 | 106,723 | 6.53 | 165 | 100 | 3.7 |
| | Min. | | 0.00 | | | | 0.00 | | 5.63 | 36 | 84 | 1.4 |
| | Avg. | | 67.35 | | | | 3.89 | | 6.12 | 66 | 90 | 2.4 |
| May | Max. | 2,170.46 | 75.92 | 0 | | 82,765 | 4.92 | 99,136 | 5.91 | 145 | 109 | 3.7 |
| | Min. | | 65.25 | | | | 4.26 | | 5.08 | 36 | 83 | 1.0 |
| | Avg. | | 70.01 | | | | 4.57 | | 5.48 | 68 | 99 | 2.1 |
| June | Max. | 2,114.79 | 73.88 | 0 | | 81,077 | 4.79 | 97,187 | 5.73 | 273 | 131 | 3.7 |
| | Min. | | 64.54 | | | | 4.43 | | 5.30 | 71 | 96 | 1.2 |
| | Avg. | | 70.49 | | | | 4.60 | | 5.51 | 155 | 111 | 2.3 |
| July | Max. | 2,227.16 | 73.63 | 0 | | 81,844 | 4.76 | 97,891 | 5.72 | 173 | 121 | 5.1 |
| | Min. | | 69.63 | | | | 4.05 | | 4.84 | 29 | 106 | 1.1 |
| | Avg. | | 71.84 | | | | 4.40 | | 5.27 | 65 | 113 | 2.0 |
| August | Max. | 2,202.63 | 76.88 | 0 | | 77,707 | 4.67 | 92,742 | 5.59 | 141 | 134 | 3.6 |
| | Min. | | 65.67 | | | | 3.99 | | 4.74 | 35 | 108 | 1.2 |
| | Avg. | | 71.05 | | | | 4.23 | | 5.04 | 73 | 122 | 2.1 |
| September | Max. | 2,125.46 | 73.13 | 0 | | 66,032 | 4.18 | 77,858 | 4.97 | 67 | 155 | 2.9 |
| | Min. | | 66.38 | | | | 3.43 | | 3.64 | 7 | 115 | 1.1 |
| | Avg. | | 70.85 | | | | 3.72 | | 4.39 | 19 | 139 | 1.8 |
| October | Max. | 2,245.04 | 76.54 | 0 | | 80,989 | 4.70 | 96,368 | 5.61 | 52 | 160 | 4.4 |
| | Min. | | 67.67 | | | | 3.54 | | 4.17 | 12 | 131 | 1.3 |
| | Avg. | | 72.42 | | | | 4.32 | | 5.14 | 25 | 147 | 2.4 |
| November | Max. | 2,427.58 | 88.67 | 0 | | 91,242 | 4.72 | 109,336 | 5.67 | 124 | 145 | 4.4 |
| | Min. | | 70.13 | | | | 4.33 | | 5.17 | 28 | 108 | 1.3 |
| | Avg. | | 80.92 | | | | 4.51 | | 5.40 | 59 | 132 | 2.3 |
| December | Max. | 2,453.13 | 83.38 | 0 | | 90,507 | 5.19 | 108,277 | 6.28 | 153 | 129 | 4.8 |
| | Min. | | 75.92 | | | | 3.84 | | 4.57 | 51 | 85 | 1.3 |
| | Avg. | | 79.13 | | | | 4.42 | | 5.29 | 91 | 108 | 2.9 |
| Total | | 26,354.20 | | | | 991,440 | | 1,186,284 | | | | |
| General | Max. | | 88.67 | | | 92,266 | 5.55 | 111,329 | 6.53 | 273 | 160 | 6.9 |
| | Min. | | 64.54 | | | 66,032 | 3.43 | 77,858 | 3.64 | 7 | 75 | 1.0 |
| | Avg. | | 72.40 | | | 82,620 | 4.46 | 98,857 | 5.37 | 71 | 116 | 2.4 |

Note:

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-B
 PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER
 PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-----------|----------------------|--|---|--|---|---|--|---|--|------------------------------------|-------------------------------------|--------------------------------------|
| Month | Max. Min. Avg. | Total Million Gallons of Water Treated During Month | Amount of Water Treated Million Gallons Per 24 Hours | Total Pounds of Polymer used at Intake | Polymer at Intake Parts Per Million | Total Pounds of Polymer used in Plant | Polymer in Plant Parts Per Million | Total Pounds of Pure Iron (Fe) used During Month | Pure Iron (Fe) Parts Per Million | NTU Turbidity of River Water | PPM Alkalinity of River Water | NTU Turbidity of Unit Effluent |
| January | | | | | | | | | | | | |
| February | | | | | | | | | | | | |
| March | | | | | | | | | | | | |
| April | | | | | | | | | | | | |
| May | | | | | | | | | | | | |
| June | | | | | | | | | | | | |
| July | | | | | | | | | | | | |
| August | | | | | | | | | | | | |
| September | | | | | | | | | | | | |
| October | | | | | | | | | | | | |
| November | | | | | | | | | | | | |
| December | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| General | | | | | | | | | | | | |

Note: G4 Basin was not in service in 2015.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-C

PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-----------|----------------------|---|--|--|-------------------------------------|---------------------------------------|------------------------------------|--|----------------------------------|------------------------------|-------------------------------|--------------------------------|
| Month | Max. Min. Avg. | Total Million Gallons of Water Treated During Month | Amount of Water Treated Million Gallons Per 24 Hours | Total Pounds of Polymer used at Intake | Polymer at Intake Parts Per Million | Total Pounds of Polymer used in Plant | Polymer in Plant Parts Per Million | Total Pounds of Pure Iron (Fe) used During Month | Pure Iron (Fe) Parts Per Million | NTU Turbidity of River Water | PPM Alkalinity of River Water | NTU Turbidity of Unit Effluent |
| January | | | | | | | | | | | | |
| February | | | | | | | | | | | | |
| March | | | | | | | | | | | | |
| April | | | | | | | | | | | | |
| May | | | | | | | | | | | | |
| June | | | | | | | | | | | | |
| July | | | | | | | | | | | | |
| August | | | | | | | | | | | | |
| September | | | | | | | | | | | | |
| October | | | | | | | | | | | | |
| November | | | | | | | | | | | | |
| December | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| General | | | | | | | | | | | | |

Note: L3 Basin was not in Service in 2015

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-D
 PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER
 PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 13 | 14 | 15 |
|-----------|----------------------|--|---|--|---|---|--|---|--|------------------------------------|-------------------------------------|--------------------------------------|
| Month | Max. Min. Avg. | Total Million Gallons of Water Treated During Month | Amount of Water Treated Million Gallons Per 24 Hours | Total pounds of Polymer used at Intake | Polymer at Intake Parts Per Million | Total Pounds of Polymer used in Plant | Polymer in Plant Parts Per Million | Total Pounds of Pure Iron (Fe) used During Month | Pure Iron (Fe) Parts Per Million | NTU Turbidity of River Water | PPM Alkalinity of River Water | NTU Turbidity of Unit Effluent |
| January | Max. Min. Avg. | 1,826.38 | 61.17 55.13 58.92 | 0 | | 61,872 | 4.30 3.90 4.06 | 70,046 | 5.79 4.37 4.60 | 105 35 60 | 127 101 112 | 4.1 1.6 2.8 |
| February | Max. Min. Avg. | 1,573.77 | 59.38 48.08 56.21 | 0 | | 52,952 | 4.44 3.70 4.04 | 59,466 | 4.99 4.15 4.53 | 56 18 28 | 136 113 128 | 3.5 1.4 2.1 |
| March | Max. Min. Avg. | 1,673.00 | 59.88 50.83 53.97 | 0 | | 64,628 | 5.07 4.09 4.57 | 72,744 | 5.71 4.33 5.14 | 216 40 135 | 131 75 93 | 5.1 1.6 2.9 |
| April | Max. Min. Avg. | 1,655.49 | 59.71 47.46 55.18 | 0 | | 63,826 | 5.30 4.27 4.63 | 71,585 | 5.95 4.81 5.19 | 165 36 66 | 100 84 90 | 5.7 1.4 2.1 |
| May | Max. Min. Avg. | 1,785.33 | 62.96 51.83 57.59 | 0 | | 54,292 | 4.19 3.31 3.65 | 61,196 | 4.71 3.73 4.11 | 145 36 68 | 109 106 99 | 2.5 1.1 1.8 |
| June | Max. Min. Avg. | 1,800.00 | 64.88 54.63 60.00 | 0 | | 52,829 | 3.91 3.33 3.54 | 59,272 | 4.16 3.56 3.95 | 273 71 155 | 131 96 111 | 3.4 1.4 2.2 |
| July | Max. Min. Avg. | 1,856.42 | 64.29 55.29 59.88 | 0 | | 56,569 | 4.13 3.16 3.66 | 63,465 | 4.64 3.55 4.10 | 173 29 65 | 121 106 113 | 2.8 1.4 2.0 |
| August | Max. Min. Avg. | 1,945.58 | 71.29 58.29 62.76 | 0 | | 58,484 | 4.05 3.27 3.61 | 66,214 | 4.59 3.68 4.09 | 141 35 73 | 134 108 122 | 2.8 1.6 2.1 |
| September | Max. Min. Avg. | 1,810.08 | 64.13 54.54 60.34 | 0 | | 48,023 | 3.69 2.86 3.18 | 54,330 | 4.15 3.23 3.60 | 67 7 19 | 155 115 139 | 2.5 1.1 1.7 |
| October | Max. Min. Avg. | 1,830.71 | 63.75 48.25 59.06 | 0 | | 46,055 | 3.18 2.77 3.02 | 51,781 | 3.58 3.11 3.39 | 52 12 25 | 160 131 147 | 2.9 1.3 2.3 |
| November | Max. Min. Avg. | 1,620.83 | 56.71 46.54 54.03 | 0 | | 40,945 | 3.37 2.89 3.03 | 46,062 | 3.66 3.27 3.41 | 124 28 59 | 145 108 132 | 3.3 1.2 2.1 |
| December | Max. Min. Avg. | #VALUE! | 63.17 52.38 57.77 | 0 | | 53,349 | 4.18 2.91 3.56 | 59,912 | 4.70 3.28 4.00 | #VALUE! #VALUE! #VALUE! | #VALUE! #VALUE! #VALUE! | 4.9 1.9 3.1 |
| Total | | #VALUE! | 853,823 | | | 853,823 | | 736,074 | | | | |
| General | Max. Min. Avg. | #VALUE! #VALUE! #VALUE! | 71.29 46.54 57.51 | | | 64,628 40,945 54,485 | 5.30 2.77 3.74 | 72,744 46,062 61,339 | 5.95 3.11 4.22 | #VALUE! #VALUE! #VALUE! | #VALUE! #VALUE! #VALUE! | 5.7 1.1 2.3 |

Note:

TABLE IV-E

MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR
ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | |
|-----------|--|--------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|----------------------------------|---------------------------------|----------------------------|------------------------------|--------------------------------|----------------------------------|---------------------------------|----------------------|----------------------------------|---------------------------|------------------------------------|--------------------------------------|----------------------------|
| Month | Total Million Gallons of | Total Million Gallons of | Amount of Water Treated | Total pounds of Polymer | Total Pounds of Polymer | Total Pounds of Fluoride | Fluoride Parts Per Million | Total Pounds of Pure Iron | Total Pounds of Lime | Lime Parts per Million | Total Pounds of Chlorine | Chlorine Parts Per Million | Total Pounds of Anhydrous | Ammonia Million | Total Pounds of Polyphosph | Polyphosph Per Million | Alkalinity of Filtered Water | Estimated High Lift Total M.G. | |
| January | Max. 4,006.00 Min. 124.38 Avg. 129.23 | 4,006.00 | 135.25 124.38 129.23 | 0 | 144,208 | 13,333 | 0.42 0.35 0.39 | 168,525 | 582,167 | 19.93 13.34 17.43 | 164,009 | 5.28 4.74 4.91 | 34,795 | 1.09 1.02 1.04 | 25,021 | 0.87 0.66 0.75 | 140 111 120 | 4,105.79 | 140.92 123.46 132.44 |
| February | Max. 3,543.56 Min. 123.29 Avg. 126.56 | 3,543.56 | 131.54 123.29 126.56 | 0 | 128,845 | 12,028 | 0.43 0.37 0.39 | 150,425 | 492,184 | 19.19 14.35 16.65 | 147,307 | 5.20 4.75 4.99 | 30,988 | 1.10 1.01 1.05 | 21,425 | 0.84 0.68 0.72 | 153 125 138 | 3,658.08 | 135.17 126.08 130.65 |
| March | Max. 3,914.03 Min. 120.08 Avg. 126.26 | 3,914.03 | 129.29 120.08 126.26 | 0 | 158,894 | 13,731 | 0.48 0.32 0.39 | 184,073 | 490,210 | 17.61 9.84 15.02 | 164,918 | 5.47 3.00 4.98 | 34,259 | 1.13 0.94 1.05 | 22,354 | 0.82 0.26 0.69 | 138 82 101 | 4,145.04 | 139.38 122.33 133.71 |
| April | Max. 3,746.48 Min. 118.33 Avg. 124.88 | 3,746.48 | 131.38 118.33 124.88 | 0 | 152,608 | 14,274 | 0.53 0.32 0.43 | 178,308 | 420,452 | 16.89 11.00 13.47 | 184,436 | 6.41 5.39 5.90 | 36,778 | 1.26 1.08 1.18 | 22,641 | 0.79 0.69 0.73 | 107 86 98 | 3,977.00 | 138.71 124.54 132.57 |
| May | Max. 3,955.83 Min. 122.00 Avg. 127.61 | 3,955.83 | 134.00 122.00 127.61 | 0 | 137,057 | 14,247 | 0.46 0.37 0.42 | 160,331 | 515,392 | 17.90 11.28 15.62 | 215,986 | 6.93 5.99 6.55 | 38,848 | 1.24 1.08 1.18 | 23,023 | 0.78 0.63 0.70 | 126 89 110 | 4,051.54 | 137.67 121.42 130.69 |
| June | Max. 3,914.79 Min. 125.92 Avg. 130.49 | 3,914.79 | 136.79 125.92 130.49 | 0 | 133,905 | 14,245 | 0.46 0.40 0.44 | 158,459 | 495,862 | 20.15 11.61 15.17 | 232,842 | 7.76 6.71 7.13 | 38,031 | 1.42 1.03 1.17 | 22,867 | 0.78 0.62 0.70 | 136 108 122 | 3,979.92 | 139.17 125.29 132.66 |
| July | Max. 4,083.62 Min. 126.96 Avg. 131.73 | 4,083.62 | 135.88 126.96 131.73 | 0 | 138,413 | 15,419 | 0.49 0.41 0.46 | 161,356 | 681,534 | 21.40 18.76 19.96 | 246,498 | 7.87 6.89 7.24 | 47,368 | 1.48 1.32 1.39 | 24,126 | 0.77 0.61 0.71 | 135 108 126 | 4,057.92 | 138.33 122.92 130.90 |
| August | Max. 4,148.24 Min. 129.63 Avg. 133.81 | 4,148.24 | 138.29 129.63 133.81 | 0 | 136,191 | 15,659 | 0.54 0.00 0.44 | 158,956 | 697,194 | 22.61 16.05 20.14 | 246,499 | 7.50 6.86 7.13 | 46,934 | 1.41 1.30 1.36 | 25,038 | 0.78 0.65 0.72 | 148 135 135 | 4,099.96 | 142.21 113.79 132.26 |
| September | Max. 3,835.57 Min. 125.58 Avg. 131.19 | 3,835.57 | 135.50 125.58 131.19 | 0 | 114,055 | 13,726 | 0.45 0.39 0.41 | 132,188 | 617,389 | 21.03 16.16 18.81 | 246,296 | 8.11 6.77 7.50 | 43,029 | 1.45 1.21 1.31 | 24,858 | 0.79 0.72 0.76 | 190 121 153 | 4,041.75 | 141.79 121.96 134.73 |
| October | Max. 4,075.76 Min. 118.96 Avg. 131.48 | 4,075.76 | 137.33 118.96 131.48 | 0 | 127,045 | 13,850 | 0.45 0.39 0.40 | 148,149 | 652,544 | 21.13 16.10 19.20 | 223,329 | 7.03 6.25 6.57 | 40,984 | 1.26 1.15 1.21 | 25,349 | 0.79 0.74 0.76 | 175 138 162 | 4,144.75 | 139.04 118.58 133.70 |
| November | Max. 4,048.44 Min. 123.79 Avg. 134.95 | 4,048.44 | 144.71 123.79 134.95 | 0 | 132,187 | 13,402 | 0.43 0.39 0.41 | 155,398 | 652,757 | 21.65 17.32 19.35 | 187,215 | 6.71 5.12 5.55 | 38,451 | 1.34 0.97 1.14 | 25,605 | 0.80 0.73 0.76 | 162 125 147 | 3,929.75 | 138.38 125.08 130.99 |
| December | Max. 4,244.05 Min. 130.57 Avg. 136.30 | 4,244.05 | 143.50 130.57 136.30 | 0 | 143,856 | 14,686 | 0.48 0.40 0.44 | 168,189 | 638,443 | 20.91 14.59 18.06 | 211,793 | 6.46 5.00 5.97 | 38,670 | 1.20 1.00 1.09 | 27,135 | 0.81 0.75 0.77 | 152 102 123 | 3,966.54 | 135.75 120.96 127.63 |
| Total | 47,616.37 | 47,616.37 | 1,845,264 | 0 | 1,845,264 | 168,583 | 0.44 | 1,922,358 | 6,936,128 | 2,471,128 | 2,471,128 | 469,134 | 289,442 | 1,09 | 289,442 | 0.77 | 48,148.0 | 48,148.0 | |
| General | Max. 4,244.05 Min. 118.33 Avg. 3,968.03 | 4,244.05 | 144.71 118.33 130.46 | 0 | 156,894 | 15,659 | 0.54 0.00 0.42 | 184,073 | 697,194 | 22.61 9.84 17.47 | 246,499 | 8.11 3.00 6.22 | 47,368 | 1.48 0.94 1.18 | 27,135 | 0.87 0.26 0.73 | 190 82 128 | 4,145.04 | 142.21 113.79 131.91 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE V

PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2015

| 1 Month | 2 | 3 Low Lift Total Million Gallons of Water Treated During Month | 4 Amount of Water Treated Million Gallons Per 24 Hours | 5 Total Pounds of Polyelec- trolyte Used During Month | 6 Polyelec- trolyte Parts Per Million | 7 Total Pounds of Fluoride (100%) Used During Month | 8 Fluoride Parts Per Million | 9 Total Pounds of Pure Iron (Fe) used During Month | 10 Pure Iron (Fe) Parts Per Million | 11 Total Pounds of Lime Used During Month | 12 Lime Parts Per Million | 13 Total Pounds of Anhydrous Ammonia Used During Month | 14 Anhydrous Ammonia Parts Per Million | 15 Total Pounds Chlorine Used During Month | 16 Chlorine Parts Per Million | 17 Total Pounds Polyphos- phate Used During Month | 18 Polyphos- phate Parts Per Million | 19 NTU Turbidity of Clarifier Effluent | 20 PPM Clear Well Alkalinity of Filter Effluent | 21 High Lift Pumpage | | |
|------------|------|--|---|--|---|--|---------------------------------------|--|--|--|---------------------------------|---|--|--|--|--|--|--|--|-------------------------|--------|-------|
| | | | | | | | | | | | | | | | | | | | | Total M.G.D. | M.G.D. | |
| January | Max. | | 12.00 | 11,661 | 4.06 | 1,462 | 0.53 | 14,742 | 6.18 | 117,054 | 69.01 | 2,389 | 0.87 | 14,549 | 5.45 | 2,033 | 1.20 | 6.9 | 90 | | 14.17 | |
| | Min. | | 10.00 | | 4.00 | | 0.48 | | 5.11 | | 30.40 | | 0.80 | | 4.84 | | 0.50 | 0.6 | 50 | | 9.33 | |
| | Avg. | | 11.21 | | 4.02 | | 0.50 | | 5.11 | | 41.97 | | 0.83 | | 5.02 | | 0.71 | 1.7 | 71 | | 11.12 | |
| February | Max. | | 12.00 | 9,508 | 4.03 | 1,190 | 0.52 | 12,684 | 6.80 | 123,577 | 65.04 | 1,935 | 0.85 | 11,786 | 5.20 | 1,800 | 0.80 | 26.0 | 84 | | 11.14 | |
| | Min. | | 10.00 | | 4.00 | | 0.50 | | 3.96 | | 33.11 | | 0.80 | | 4.75 | | 0.60 | 0.5 | 47 | | 9.07 | |
| | Avg. | | 10.11 | | 4.03 | | 0.50 | | 5.38 | | 52.34 | | 0.86 | | 4.99 | | 0.76 | 2.5 | 70 | | 9.62 | |
| March | Max. | | 12.00 | 10,939 | 4.58 | 1,312 | 0.53 | 13,859 | 5.90 | 84,119 | 59.50 | 2,049 | 0.73 | 13,777 | 6.40 | 2,067 | 0.89 | 7.6 | 82 | | 10.91 | |
| | Min. | | 9.00 | | 4.01 | | 0.49 | | 4.63 | | 24.94 | | 0.73 | | 4.66 | | 0.67 | 0.5 | 54 | | 8.13 | |
| | Avg. | | 10.05 | | 4.21 | | 0.50 | | 5.33 | | 33.34 | | 0.79 | | 5.30 | | 0.80 | 2.2 | 65 | | 9.33 | |
| April | Max. | | 11.50 | 10,977 | 4.56 | 1,244 | 0.54 | 12,889 | 7.33 | 89,652 | 46.39 | 2,301 | 1.04 | 15,282 | 6.86 | 1,999 | 0.89 | 4.7 | 71 | | 11.04 | |
| | Min. | | 9.00 | | 4.47 | | 0.49 | | 4.40 | | 30.46 | | 0.87 | | 4.70 | | 0.70 | 0.4 | 46 | | 7.73 | |
| | Avg. | | 9.75 | | 4.50 | | 0.51 | | 5.27 | | 36.81 | | 0.95 | | 6.26 | | 0.83 | 1.4 | 58 | | 9.11 | |
| May | Max. | | 11.88 | 11,730 | 5.00 | 1,340 | 0.59 | 14,022 | 6.85 | 120,695 | 61.91 | 2,629 | 1.20 | 15,253 | 6.61 | 2,067 | 0.89 | 10.8 | 75 | | 11.19 | |
| | Min. | | 9.00 | | 4.48 | | 0.46 | | 4.40 | | 31.47 | | 0.92 | | 5.00 | | 0.69 | 0.3 | 43 | | 8.35 | |
| | Avg. | | 10.02 | | 4.53 | | 0.52 | | 5.38 | | 46.28 | | 1.01 | | 5.89 | | 0.81 | 3.5 | 53 | | 9.38 | |
| June | Max. | | 12.25 | 10,691 | 5.14 | 1,197 | 0.54 | 13,149 | 6.76 | 132,538 | 81.02 | 3,067 | 1.55 | 19,872 | 10.84 | 1,967 | 1.23 | 6.7 | 65 | | 11.70 | |
| | Min. | | 9.00 | | 4.48 | | 0.47 | | 4.40 | | 38.26 | | 1.12 | | 6.30 | | 0.71 | 0.2 | 44 | | 7.87 | |
| | Avg. | | 9.43 | | 4.53 | | 0.51 | | 5.58 | | 55.97 | | 1.30 | | 8.43 | | 0.88 | 1.5 | 56 | | 8.87 | |
| July | Max. | | 11.00 | 11,382 | 5.18 | 1,299 | 0.54 | 13,669 | 7.00 | 142,884 | 64.89 | 4,052 | 2.04 | 28,536 | 13.66 | 2,066 | 1.22 | 5.5 | 68 | | 9.59 | |
| | Min. | | 9.00 | | 4.48 | | 0.49 | | 2.92 | | 41.85 | | 1.32 | | 8.42 | | 0.58 | 0.6 | 41 | | 7.88 | |
| | Avg. | | 9.76 | | 4.53 | | 0.51 | | 5.43 | | 56.58 | | 1.61 | | 11.27 | | 0.82 | 1.8 | 54 | | 9.05 | |
| August | Max. | | 13.92 | 12,382 | 4.68 | 1,472 | 0.61 | 15,907 | 7.33 | 171,486 | 75.09 | 3,806 | 1.55 | 20,448 | 8.29 | 2,400 | 1.27 | 3.6 | 62 | | 10.89 | |
| | Min. | | 9.00 | | 4.32 | | 0.50 | | 3.68 | | 46.47 | | 1.31 | | 7.11 | | 0.70 | 0.4 | 40 | | 9.10 | |
| | Avg. | | 10.59 | | 4.52 | | 0.54 | | 5.65 | | 62.84 | | 1.39 | | 7.48 | | 0.88 | 1.7 | 50 | | 9.82 | |
| September | Max. | | 12.00 | 10,958 | 4.87 | 1,406 | 0.60 | 14,190 | 7.33 | 135,056 | 65.80 | 3,392 | 1.62 | 17,443 | 7.66 | 2,000 | 0.90 | 29.0 | 82 | | 10.91 | |
| | Min. | | 8.83 | | 3.99 | | 0.54 | | 4.94 | | 42.92 | | 1.24 | | 6.57 | | 0.67 | 0.6 | 54 | | 8.27 | |
| | Avg. | | 9.90 | | 4.42 | | 0.56 | | 5.76 | | 54.56 | | 1.37 | | 7.04 | | 0.81 | 0.7 | 69 | | 9.24 | |
| October | Max. | | 13.25 | 9,440 | 3.66 | 1,486 | 0.62 | 14,267 | 7.32 | 156,432 | 75.14 | 3,241 | 1.33 | 17,138 | 7.06 | 2,066 | 1.12 | 23.0 | 85 | | 11.11 | |
| | Min. | | 10.15 | | 3.60 | | 0.57 | | 4.17 | | 45.06 | | 1.16 | | 6.08 | | 0.61 | 0.6 | 56 | | 7.46 | |
| | Avg. | | 10.15 | | 3.60 | | 0.57 | | 5.47 | | 59.75 | | 1.24 | | 6.54 | | 0.79 | 0.6 | 73 | | 9.37 | |
| November | Max. | | 11.00 | 9,090 | 3.69 | 1,424 | 0.60 | 13,623 | 6.99 | 117,928 | 55.00 | 2,869 | 1.36 | 16,779 | 8.51 | 2,134 | 1.09 | 6.6 | 80 | | 8.56 | |
| | Min. | | 9.00 | | 3.51 | | 0.54 | | 4.29 | | 34.84 | | 1.06 | | 5.77 | | 0.73 | 0.5 | 57 | | 7.33 | |
| | Avg. | | 10.05 | | 3.61 | | 0.57 | | 5.46 | | 47.07 | | 1.14 | | 6.70 | | 0.85 | 2.2 | 67 | | 8.01 | |
| December | Max. | | 11.00 | 9,482 | 3.66 | 1,478 | 0.60 | 14,560 | 6.59 | 87,563 | 40.03 | 3,088 | 1.25 | 18,762 | 8.59 | 1,934 | 1.17 | 6.5 | 90 | | 10.48 | |
| | Min. | | 9.00 | | 3.60 | | 0.53 | | 4.33 | | 25.93 | | 1.09 | | 6.44 | | 0.55 | 1.1 | 61 | | 6.63 | |
| | Avg. | | 10.09 | | 3.63 | | 0.57 | | 5.60 | | 33.70 | | 1.18 | | 7.21 | | 0.74 | 2.6 | 76 | | 8.33 | |
| Total | | | 3,684.57 | 128,240 | 16,312 | 16,312 | 16,312 | 167,581 | 1,478,984 | 34,818 | 24,533 | 209,625 | 209,625 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 |
| General | Max. | | 13.92 | 12,382 | 5.18 | 1,488 | 0.62 | 15,907 | 7.33 | 171,486 | 81.02 | 4,052 | 2.04 | 28,536 | 13.66 | 2,400 | 1.27 | 10.8 | 108 | | 14.17 | |
| | Min. | | 8.83 | 9,090 | 3.51 | 1,190 | 0.44 | 12,684 | 2.92 | 84,119 | 24.94 | 1,935 | 0.73 | 11,786 | 4.66 | 1,800 | 0.50 | 0.2 | 40 | | 6.63 | |
| | Avg. | | 10.09 | 10,687 | 4.17 | 1,359 | 0.53 | 13,965 | 5.45 | 123,249 | 48.13 | 2,902 | 1.13 | 17,459 | 6.82 | 2,044 | 0.80 | 3.1 | 64 | | 8.36 | |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-A

MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS
FOR THE YEAR ENDING: December 31, 2015

| 1 Month | 2 Total Million Gallons Water Filtered During Month | | 3 Total Number of Runs | | 4 Length of Runs in Hours | | 5 Million Gallons of Water Filtered Per Run | | 6 Million Gallons Per Day Per Filter | | 7 Total Amount in Million Gallons of Wash Water Used | | 8 Million Gallons of Wash Water Used Per Run | | 9 Percentage of Wash Water Used Per Run | | 10 Million Gallons Filtered Per Acre Per Day | | |
|------------|--|------------|---------------------------|-----|------------------------------|-------|--|---------|---|--------|---|---------|---|-------|--|-------|---|-----------|-----------|
| | Old | New | Old | New | Old | New | Old | New | Old | New | Old | New | Old | New | Old | New | Old | New | |
| January | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,520,922 | 2,421,033 | 79 | 76 | 168 | 177 | 21,875 | 44,895 | 2,797 | 5,002 | 25,200 | 48,400 | 0.319 | 0.637 | 3.59 | 3.07 | 85,150 | 83,005 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| February | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,390,420 | 2,192,469 | 76 | 62 | 172 | 218 | 21,500 | 44,588 | 2,638 | 5,048 | 22,800 | 39,300 | 0.300 | 0.634 | 2.22 | 2.51 | 80,287 | 83,765 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| March | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,604,381 | 2,491,727 | 83 | 72 | 191 | 212 | 23,875 | 44,166 | 2,768 | 5,272 | 24,900 | 45,600 | 0.300 | 0.633 | 2.16 | 2.91 | 84,269 | 87,478 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| April | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,615,511 | 2,234,195 | 84 | 68 | 173 | 224 | 21,250 | 51,334 | 2,794 | 4,955 | 25,200 | 43,100 | 0.300 | 0.634 | 3.19 | 4.01 | 85,061 | 82,227 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| May | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,454,261 | 2,611,368 | 75 | 78 | 172 | 212 | 21,500 | 47,021 | 2,784 | 5,145 | 23,100 | 51,300 | 0.308 | 0.658 | 2.30 | 5.51 | 84,750 | 85,371 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| June | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,528,506 | 2,398,264 | 79 | 72 | 332 | 193 | 41,125 | 44,229 | 2,763 | 5,151 | 23,700 | 48,900 | 0.300 | 0.679 | 2.17 | 6.48 | 84,112 | 85,477 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| July | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,578,839 | 2,409,743 | 83 | 72 | 191 | 216 | 24,840 | 49,500 | 2,701 | 5,114 | 24,900 | 52,200 | 0.300 | 0.725 | 1.21 | 1.46 | 82,230 | 84,854 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| August | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,502,139 | 2,676,081 | 76 | 82 | 167 | 211 | 21,127 | 52,355 | 2,838 | 5,246 | 22,800 | 51,000 | 0.300 | 0.622 | 2.17 | 8.25 | 86,403 | 87,044 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| September | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,543,170 | 2,514,581 | 77 | 77 | 191 | 160 | 22,875 | 51,876 | 2,882 | 6,513 | 23,100 | 42,200 | 0.300 | 0.603 | 3.03 | 2.51 | 87,741 | 108,078 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| October | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,420,752 | 2,662,948 | 75 | 68 | 167 | 209 | 20,875 | 65,313 | 2,777 | 6,175 | 24,600 | 42,200 | 0.328 | 0.621 | 2.48 | 2.26 | 84,530 | 102,467 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| November | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,377,750 | 2,428,254 | 66 | 74 | 167 | 182 | 20,875 | 51,250 | 3,026 | 5,956 | 19,800 | 44,600 | 0.300 | 0.603 | 1.44 | 2.58 | 92,122 | 98,842 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| December | Max. | | | | | | | | | | | | | | | | | | |
| | Min. | 1,650,766 | 2,377,982 | 81 | 74 | 137 | 115 | 14,875 | 21,259 | 2,987 | 5,596 | 24,600 | 44,500 | 0.304 | 0.601 | 2.04 | 2.83 | 90,322 | 92,862 |
| | Avg. | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | |
| | Max. | 18,187,417 | 29,418,645 | 934 | 875 | 5,781 | 5,242 | 686,008 | 1,229,616 | 33,735 | 65,173 | 284,700 | 553,300 | 3,659 | 7,650 | 63.43 | 89.27 | 1,026,977 | 1,081,470 |
| | Min. | 1,650,766 | 2,676,081 | 84 | 82 | 332 | 224 | 41,125 | 65,313 | 3,026 | 6,513 | 25,200 | 52,200 | 0.328 | 0.725 | 3.59 | 8.32 | 92,122 | 108,078 |
| | Avg. | 1,377,750 | 2,192,469 | 66 | 62 | 40 | 39 | 8,875 | 7,542 | 2,638 | 4,955 | 19,800 | 39,300 | 0.300 | 0.601 | 0.73 | 0.95 | 80,287 | 82,227 |
| General | | 1,515,618 | 2,451,554 | 78 | 73 | 156 | 151 | 19,473 | 33,621 | 2,811 | 5,431 | 23,725 | 46,108 | 0.305 | 0.638 | 1.57 | 1.88 | 85,581 | 90,123 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-B

December 31, 2015

MONTHLY SUMMARY OF ALGIERS FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2015

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-----------|---|----------------------|-------------------------|---|------------------------------------|--|--|---------------------------------------|----|
| Month | Total Million Gallons Water Filtered During Month of Runs | Total Number of Runs | Length of Runs in Hours | Million Gallons of Water Filtered Per Run | Million Gallons Per Day Per Filter | Total Amount in Million Gallons of Wash Water Used | Million Gallons of Wash Water Used Per Run | Percentage of Wash Water Used Per Run | |
| January | Max. | | | 169 | 12.146 | | | 13.35 | |
| | Min. | 337.39 | 51 | 46 | 0.959 | 6.53 | 0.128 | 1.05 | |
| | Avg. | | | 164 | 6.615 | | | 1.94 | |
| February | Max. | | | 169 | 10.563 | | | 3.52 | |
| | Min. | 290.84 | 48 | 165 | 3.437 | 5.80 | 0.121 | 1.14 | |
| | Avg. | | | 167 | 6.059 | | | 1.99 | |
| March | Max. | | | 169 | 10.563 | | | 31.27 | |
| | Min. | 279.71 | 57 | 14 | 0.365 | 6.51 | 0.114 | 1.08 | |
| | Avg. | | | 158 | 4.907 | | | 2.33 | |
| April | Max. | | | 167 | 6.293 | | | 12.53 | |
| | Min. | 289.54 | 54 | 167 | 0.761 | 5.15 | 0.095 | 1.52 | |
| | Avg. | | | 167 | 5.362 | | | 1.78 | |
| May | Max. | | | 167 | 6.176 | | | 17.55 | |
| | Min. | 261.11 | 48 | 167 | 5.552 | 4.65 | 0.097 | 1.57 | |
| | Avg. | | | 167 | 5.640 | | | 1.78 | |
| June | Max. | | | 167 | 6.145 | | | 2.08 | |
| | Min. | 302.23 | 54 | 167 | 5.219 | 5.85 | 0.108 | 1.76 | |
| | Avg. | | | 167 | 5.597 | | | 1.94 | |
| July | Max. | | | 167 | 6.979 | | | 1.96 | |
| | Min. | 307.33 | 54 | 167 | 5.175 | 5.49 | 0.102 | 1.46 | |
| | Avg. | | | 167 | 5.691 | | | 1.79 | |
| August | Max. | | | 215 | 9.327 | | | 3.87 | |
| | Min. | 315.23 | 51 | 119 | 3.213 | 6.34 | 0.124 | 1.33 | |
| | Avg. | | | 164 | 6.181 | | | 2.01 | |
| September | Max. | | | 215 | 9.025 | | | 2.45 | |
| | Min. | 345.79 | 54 | 143 | 5.035 | 6.66 | 0.123 | 1.37 | |
| | Avg. | | | 169 | 6.404 | | | 1.92 | |
| October | Max. | | | 215 | 9.649 | | | 3.18 | |
| | Min. | 317.11 | 52 | 99 | 3.861 | 6.39 | 0.123 | 1.27 | |
| | Avg. | | | 166 | 6.098 | | | 2.01 | |
| November | Max. | | | 235 | 8.609 | | | 2.07 | |
| | Min. | 296.87 | 50 | 143 | 5.161 | 5.35 | 0.107 | 1.24 | |
| | Avg. | | | 167 | 5.937 | | | 1.80 | |
| December | Max. | | | 167 | 7.920 | | | 2.21 | |
| | Min. | 319.13 | 57 | 167 | 4.685 | 5.90 | 0.104 | 1.31 | |
| | Avg. | | | 167 | 5.599 | | | 1.86 | |
| Total | | 630.00 | 5776.00 | 216.91 | 10.10 | 70.61 | 1.35 | 135.28 | |
| General | Max. | | | 235.00 | 12.15 | 6.66 | 0.128 | 31.27 | |
| | Min. | 345.79 | 48 | 14.00 | 0.37 | 4.65 | 0.095 | 1.05 | |
| | Avg. | 261.11 | 52.50 | 165.83 | 5.84 | 5.88 | 0.11 | 1.93 | |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VII
December 31, 2015
FIVE YEAR ANALYSIS COMPOSITE DATA (2011 - 2015) FOR NEW ORLEANS
DRINKING WATER PURIFICATION SYSTEM

| PARAMETER | MISSISSIPPI RIVER (Before Purification) | | | FINISHED WATER (After Purification) | | |
|---|--|-------|-------|--|-------|-------|
| | MAX | MIN | AVG | MAX | MIN | AVG |
| Total Alkalinity (ppm as CaCO ₃) | 163 | 72 | 115 | 180 | 78 | 125 |
| Total Hardness (ppm as CaCO ₃) | 233 | 91 | 158 | 270 | 122 | 128 |
| Noncarbonate Hardness (ppm as CaCO ₃) | 105 | 14 | 44 | 120 | 8 | 54 |
| Calcium Hardness (ppm as CaCO ₃) | 187 | 69 | 106 | 191 | 88 | 128 |
| Magnesium Hardness (ppm as CaCO ₃) | 100 | 1 | 52 | 114 | 2 | 51 |
| Nephelometric Turbidity (NTU) | 282 | 4.9 | 60 | 0.25 | 0.06 | 0.11 |
| pH | 8.47 | 7.00 | 7.73 | 9.53 | 7.70 | 8.86 |
| Chloride (ppm) | 63 | 15 | 31 | 65 | 17 | 35 |
| Fluoride (ppm) | 0.65 | 0.08 | 0.27 | 1.17 | 0.44 | 0.74 |
| Total Dissolved Solids (ppm) | 490 | 146 | 263 | 526 | 131 | 292 |
| Total Suspended Solids (ppm) | 396 | 7 | 83 | ----- | ----- | ----- |
| Free Chlorine Residual (ppm as Cl ₂) | ----- | ----- | ----- | 0.6 | 0.0 | 0.2 |
| Total Chlorine Residual (ppm as Cl ₂) | ----- | ----- | ----- | 5.9 | 0.0 | 3.2 |
| Ammonia (ppm as N) | ----- | ----- | ----- | 0.61 | 0.01 | 0.15 |
| Nitrate + Nitrite (ppm as N) * | ----- | ----- | ----- | 3 | 1 | 2 |
| Sulfate (ppm) * | ----- | ----- | ----- | 69 | 0 | 43 |
| Conductivity (µS/cm) | 610 | 230 | 420 | 665 | 278 | 473 |
| Temperature (°F) | 90 | 37 | 66 | 91 | 44 | 73 |
| Aluminum (ppm) * | ----- | ----- | ----- | 0.01 | 0.00 | 0.08 |
| Antimony (ppm) * | ----- | ----- | ----- | 0.002 | 0.000 | 0.000 |
| Arsenic (ppm) * | ----- | ----- | ----- | 0.001 | 0.000 | 0.000 |
| Barium (ppm) * | ----- | ----- | ----- | 0 | 0 | 0 |
| Beryllium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Cadmium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Chromium (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Copper (ppm) * | ----- | ----- | ----- | 0.2 | 0.0 | 0.1 |
| Iron (ppm) * | ----- | ----- | ----- | 0.05 | 0.00 | 0.01 |
| Lead (ppm) * | ----- | ----- | ----- | 0.016 | 0.000 | 0.003 |
| Manganese (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Mercury (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Nickel (ppm) * | ----- | ----- | ----- | 0.0 | 0.0 | 0.0 |
| Selenium (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Silver (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Thallium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Zinc (ppm) * | ----- | ----- | ----- | 0 | 0 | 0 |
| Potassium (ppm) * | ----- | ----- | ----- | 8.8 | 2.8 | 4.6 |
| Sodium (ppm) * | ----- | ----- | ----- | 41.8 | 23.3 | 29.7 |
| Cyanide (ppb) * | ----- | ----- | ----- | 0.0 | 0.0 | 0.0 |
| Haloacetic Acids (HAA5) (ppb) | ----- | ----- | ----- | 43.4 | 8.6 | 18.3 |
| Total Organic Carbon (ppm) | 4.7 | 2.9 | 3.7 | 3.8 | 1.9 | 2.8 |
| Total Trihalomethanes (ppb) | 25.7 | 0.0 | 0.0 | 85.1 | 6.8 | 22.7 |
| 1, 2-Dichloroethane (ppb) | 0.0 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 |
| Chloroform (ppb) | 25.7 | 0.0 | 0.0 | 62.1 | 5.2 | 14.0 |
| Carbon Tetrachloride (ppb) | 3.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bromodichloromethane (ppb) | 0.0 | 0.0 | 0.0 | 13.2 | 0.0 | 5.9 |
| Tetrachloroethene (ppb) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| BTX (Benzene, Toluene & Xylenes) (ppb) | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Coliforms (CFUs/100 ml) | 6800 | 28 | 630 | 36 | 0 | 0 |
| Fecal Coliforms (CFUs/100 ml) | 310 | 0 | 4 | 0 | 0 | 0 |

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals. Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory.

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

Lead and Copper results are from 2013; testing is only required triennially.

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VIII
December 31, 2015

CARROLLTON OPERATION

| CHEMICAL | CHEMICAL COST | CHEMICAL COST PER MILLION GALLONS |
|------------------------|-----------------------|--------------------------------------|
| Lime | \$556,728.31 | \$11.69 |
| Ferric Coagulant | \$1,301,436.35 | \$27.33 |
| Sodium Hypochlorite | \$1,109,414.05 | \$23.30 |
| Sodium Polyphosphate | \$118,671.29 | \$2.49 |
| Polyelectrolyte | \$467,254.89 | \$9.81 |
| Fluoride | \$212,580.75 | \$4.46 |
| Ammonia | \$290,863.16 | \$6.11 |
| Carbon | \$0.00 | \$0.00 |
| TOTAL CHEMICALS | \$4,056,948.81 | \$85.20 |

Purification Plant Operating Cost:
Total Water Treated in 2015:

47,616,370,000 Gallons

TOTAL COST PER MILLION GALLONS

| YEAR | TOTAL WATER TREATED IN MILLION GALLONS | OPERATING COST | TOTAL COST PER MILLION GALLONS |
|------|---|----------------|-----------------------------------|
| 2015 | 47,616.37 | \$8,238,282 | \$173.01 |
| 2014 | 48,386.88 | \$8,585,082 | \$177.43 |
| 2013 | 50,240.70 | \$8,119,447 | \$169.71 |
| 2012 | 50,870.78 | \$8,294,045 | \$165.09 |
| 2011 | 50,040.84 | \$7,342,571 | \$144.34 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IX
December 31, 2015
ALGIERS OPERATION

| CHEMICAL | CHEMICAL COST | CHEMICAL COST PER MILLION GALLONS |
|------------------------|---------------------|--------------------------------------|
| Lime | \$148,342.10 | \$40.26 |
| Ferric Coagulant | \$113,452.34 | \$30.79 |
| Sodium Hypochlorite | \$94,477.99 | \$25.64 |
| Sodium Polyphosphate | \$36,799.50 | \$9.99 |
| Polyelectrolyte | \$36,420.16 | \$9.88 |
| Fluoride | \$20,569.25 | \$5.58 |
| Ammonia | \$26,113.50 | \$7.09 |
| Carbon | | \$0.00 |
| TOTAL CHEMICALS | \$476,174.83 | \$129.23 |

Purification Plant Operating Cost:

Total Water Treated in 2015:

3,684,570,000 Gallons

TOTAL COST PER MILLION GALLONS

| YEAR | TOTAL WATER TREATED IN MILLION GALLONS | OPERATING COST | TOTAL COST PER MILLION GALLONS |
|------|---|----------------|-----------------------------------|
| 2015 | 3,684.57 | \$1,952,339.00 | \$529.87 |
| 2014 | 3,807.99 | \$1,835,436.00 | \$482.00 |
| 2013 | 4,115.36 | \$1,967,690.00 | \$478.13 |
| 2012 | 4,227.86 | \$2,061,032.00 | \$487.49 |
| 2011 | 4,280.60 | \$1,834,511.00 | \$428.56 |
| 2010 | 4,105.81 | \$1,995,926.00 | \$486.12 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE X

December 31, 2015

SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS DOOR MONORAKE CONVENTIONAL SYSTEM

| | |
|---|-----------|
| Total Million Gallons Water Treated | 26,354.20 |
| Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals | 7,710 |
| Total Million Gallons Wet Sludge Withdrawn from Basins | 1,059.65 |
| Average Percent solids in Wet Sludge | 0.17 |
| Total Million Gallons Water Used in withdrawing Sludge | 1,058.88 |
| Percent of Total Water Treated Used in Withdrawing Wet Sludge | 4.02 |

TABLE X-A

SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS DOOR MONORAKE CONVENTIONAL SYSTEM 2015

| | |
|---|-----------|
| Total Million Gallons Water Treated | 21,168.51 |
| Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals | 6,767 |
| Total Million Gallons Wet Sludge Withdrawn from Basins | 267.86 |
| Average Percent solids in Wet Sludge | 0.60 |
| Total Million Gallons Water Used in withdrawing Sludge | 267.18 |
| Percent of Total Water Treated Used in Withdrawing Wet Sludge | 1.27 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XI
December 31, 2015
2015 ANALYSIS DATA FOR NEW ORLEANS CARROLLTON
DRINKING WATER PURIFICATION SYSTEM

| PARAMETER | MISSISSIPPI RIVER (Before Purification) | | | FINISHED WATER (After Purification) | | |
|---|--|-------|-------|--|-------|-------|
| | MAX | MIN | AVG | MAX | MIN | AVG |
| Total Alkalinity (ppm as CaCO ₃) | 160 | 75 | 116 | 174 | 80 | 127 |
| Total Hardness (ppm as CaCO ₃) | 233 | 106 | 159 | 229 | 128 | 179 |
| Noncarbonate Hardness (ppm as CaCO ₃) | 90 | 14 | 43 | 97 | 24 | 52 |
| Calcium Hardness (ppm as CaCO ₃) | 142 | 73 | 104 | 161 | 88 | 126 |
| Magnesium Hardness (ppm as CaCO ₃) | 94 | 30 | 55 | 89 | 24 | 53 |
| Nephelometric Turbidity (NTU) | 273 | 7.3 | 71 | 0.19 | 0.07 | 0.10 |
| pH | 8.22 | 7.18 | 7.74 | 9.14 | 8.34 | 8.83 |
| Chloride (ppm) | 43 | 16 | 28 | 45 | 20 | 32 |
| Fluoride (ppm) | 0.32 | 0.13 | 0.21 | 0.86 | 0.55 | 0.70 |
| Total Dissolved Solids (ppm) | 330 | 221 | 265 | 374 | 233 | 282 |
| Total Suspended Solids (ppm) | 91 | 24 | 60 | ----- | ----- | ----- |
| Free Chlorine Residual (ppm as Cl ₂) | ----- | ----- | ----- | 0.4 | 0.1 | 0.2 |
| Total Chlorine Residual (ppm as Cl ₂) | ----- | ----- | ----- | 5.9 | 0.5 | 3.3 |
| Ammonia (ppm as N) | ----- | ----- | ----- | 0.41 | 0.02 | 0.17 |
| Nitrate (ppm as N) | 2.56 | 1.00 | 1.44 | 2.24 | 0.18 | 1.42 |
| Nitrite (ppm as N) | 0.53 | 0.01 | 0.05 | 0.48 | 0.00 | 0.03 |
| Sulfate (ppm) * | ----- | ----- | ----- | 48 | 48 | 48 |
| Conductivity (µS/cm) | 606 | 262 | 395 | 665 | 278 | 445 |
| Temperature (°F) | 87 | 39 | 66 | 86 | 55 | 73 |
| Aluminum (ppm) * | ----- | ----- | ----- | 0.01 | 0.01 | 0.01 |
| Antimony (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Arsenic (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Barium (ppm) * | ----- | ----- | ----- | 0.043 | 0.042 | 0.043 |
| Beryllium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Cadmium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Chromium (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Copper (ppm) * | ----- | ----- | ----- | 0.2 | 0.0 | 0.1 |
| Iron (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Lead (ppm) * | ----- | ----- | ----- | 0.016 | 0.000 | 0.003 |
| Manganese (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Mercury (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Nickel (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Selenium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Silver (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Thallium (ppm) * | ----- | ----- | ----- | 0.000 | 0.000 | 0.000 |
| Zinc (ppm) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Potassium (ppm) * | ----- | ----- | ----- | ----- | ----- | ----- |
| Sodium (ppm) * | ----- | ----- | ----- | 34 | 33 | 33.5 |
| Cyanide (ppb) * | ----- | ----- | ----- | 0.00 | 0.00 | 0.00 |
| Haloacetic Acids (HAA5) (ppb) | ----- | ----- | ----- | 43.4 | 15.7 | 25.0 |
| Total Organic Carbon (ppm) | 4.3 | 3.0 | 3.6 | 3.4 | 2.2 | 2.7 |
| Total Trihalomethanes (ppb) | 0.0 | 0.0 | 0.0 | 42.7 | 10.7 | 20.5 |
| 1, 2-Dichloroethane (ppb) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Chloroform (ppb) | 0.0 | 0.0 | 0.0 | 29.5 | 5.3 | 12.6 |
| Carbon Tetrachloride (ppb) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bromodichloromethane (ppb) | 0.0 | 0.0 | 0.0 | 10.7 | 3.4 | 6.2 |
| Tetrachloroethene (ppb) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| BTX (Benzene, Toluene & Xylenes) (ppb) | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Coliforms (CFUs/100 ml) | 6800 | 28 | 600 | 1 | 0 | 0 |
| E. coli (CFUs/100 ml) | 89 | 9 | 38 | 0 | 0 | 0 |

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals. Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory.

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

Lead and Copper testing is performed triennially. The results in this table are from 2013.

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XII

December 31, 2015

EXTRACTS FROM TABLES IV-E AND V

**20 Year Period, 1996 to 2015 Inclusive
Maximum, Minimum, and Average Amount of
Water Treated Per Day
(M.G. per 24 Hours)**

| YEAR | CARROLLTON | | | ALGIERS | | |
|------|------------|--------|--------|---------|-------|-------|
| | MAX. | MIN. | AVG. | MAX. | MIN. | AVG. |
| 1996 | 198.42 | 91.59 | 128.97 | 18.27 | 9.00 | 11.47 |
| 1997 | 156.53 | 112.70 | 128.73 | 18.83 | 9.58 | 12.06 |
| 1998 | 152.96 | 98.48 | 126.86 | 22.96 | 12.00 | 12.36 |
| 1999 | 168.25 | 122.55 | 140.26 | 22.00 | 8.90 | 15.19 |
| 2000 | 152.50 | 126.71 | 128.10 | 18.83 | 7.58 | 12.13 |
| 2001 | 153.93 | 107.75 | 126.70 | 15.76 | 6.00 | 10.90 |
| 2002 | 128.67 | 87.00 | 106.63 | 14.00 | 6.66 | 9.80 |
| 2003 | 144.26 | 90.75 | 115.35 | 13.16 | 8.00 | 10.06 |
| 2004 | 145.83 | 102.92 | 122.57 | 13.16 | 8.00 | 10.15 |
| 2005 | 144.00 | 0.00 | 115.47 | 22.67 | 7.00 | 10.20 |
| 2006 | 165.63 | 115.33 | 139.73 | 18.34 | 8.00 | 11.67 |
| 2007 | 144.75 | 124.00 | 134.06 | 16.00 | 10.00 | 12.13 |
| 2008 | 143.50 | 114.08 | 133.88 | 13.58 | 6.92 | 10.38 |
| 2009 | 147.92 | 129.83 | 138.17 | 14.00 | 8.00 | 10.78 |
| 2010 | 156.50 | 125.33 | 137.10 | 15.67 | 8.00 | 11.25 |
| 2011 | 150.83 | 127.17 | 139.37 | 16.83 | 10.00 | 11.73 |
| 2012 | 163.29 | 117.96 | 137.65 | 15.50 | 10.00 | 11.58 |
| 2013 | 141.83 | 120.00 | 131.08 | 15.25 | 10.00 | 11.27 |
| 2014 | 157.30 | 122.08 | 132.57 | 15.58 | 9.00 | 10.43 |
| 2015 | 144.71 | 118.33 | 130.47 | 13.92 | 8.83 | 10.09 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XIII
December 31, 2015
Monthly Temperature (Degrees Farenheit) of the
Mississippi River Water at the Carrollton Plant

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|------|------|------|------|------|------|------|------|------|------|
| January | 50 | 52 | 50 | 50 | 41 | 43 | 48 | 47 | 42 | 43 |
| February | 51 | 47 | 53 | 46 | 41 | 43 | 48 | 47 | 40 | 45 |
| March | 55 | 56 | 55 | 51 | 48 | 51 | 57 | 49 | 46 | 45 |
| April | 63 | 63 | 63 | 58 | 62 | 61 | 69 | 57 | 59 | 61 |
| May | 74 | 71 | 68 | 69 | 71 | 68 | 74 | 66 | 69 | 70 |
| June | 83 | 79 | 77 | 79 | 81 | 80 | 81 | 76 | 79 | 79 |
| July | 86 | 82 | 80 | 85 | 85 | 84 | 85 | 81 | 83 | 84 |
| August | 88 | 85 | 82 | 84 | 86 | 87 | 87 | 83 | 84 | 85 |
| September | 86 | 82 | 78 | 81 | 83 | 80 | 82 | 83 | 83 | 83 |
| October | 78 | 75 | 71 | 70 | 72 | 72 | 72 | 76 | 72 | 74 |
| November | 63 | 63 | 63 | 59 | 61 | 62 | 60 | 62 | 59 | 65 |
| December | 54 | 58 | 55 | 49 | 50 | 50 | 55 | 48 | 49 | 54 |
| Maximum | 90 | 89 | 85 | 86 | 89 | 90 | 89 | 86 | 86 | 87 |
| Minimum | 46 | 40 | 42 | 42 | 37 | 40 | 46 | 45 | 37 | 39 |
| Average | 69 | 68 | 66 | 65 | 65 | 65 | 68 | 65 | 64 | 66 |

| <u>Ten Year Period</u> | |
|------------------------|----|
| Maximum: | 90 |
| Minimum: | 37 |
| Average: | 66 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XIV
December 31, 2015
Monthly Temperature (Degrees Farenheit) of the
Tap Water at the Carrollton Plant

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|------|------|------|------|------|
| January | 61 | 64 | 65 | 62 | 62 |
| February | 60 | 65 | 66 | 61 | 62 |
| March | 67 | 69 | 66 | 66 | 66 |
| April | 71 | 74 | 69 | 72 | 73 |
| May | 73 | 77 | 73 | 77 | 76 |
| June | 79 | 82 | 81 | 80 | 80 |
| July | 82 | 84 | 81 | 83 | 83 |
| August | 85 | 79 | 81 | 84 | 82 |
| September | 80 | 78 | 84 | 84 | 80 |
| October | 76 | 73 | 78 | 79 | 76 |
| November | 69 | 69 | 72 | 69 | 70 |
| December | 63 | 68 | 64 | 65 | 64 |
| Maxiumum | 90 | 89 | 91 | 89 | 86 |
| Minimum | 44 | 51 | 49 | 44 | 55 |
| Average | 72 | 73 | 73 | 74 | 73 |

| | |
|-------------------------|----|
| <u>Five Year Period</u> | |
| Maximum: | 91 |
| Minimum: | 44 |
| Average: | 73 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans East Bank Sewerage Treatment Plant
2015 Yearly Summary

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2015 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Plant EF Flow (MGD) | | | | | | | | | | | | | |
| Average | 101.3 | 87.0 | 96.8 | 119,113 | 96,948 | 91.38 | 85,432 | 82,219 | 85,243 | 84.41 | 107.1 | 114,123 | 96 |
| Maximum | 159.6 | 142.5 | 164.2 | 207.9 | 149.3 | 140.8 | 123.9 | 108.6 | 141.3 | 165.4 | 181.3 | 190.5 | 208 |
| INFLUENT BOD (mg/L) | | | | | | | | | | | | | |
| Average | 109.6 | 127.7 | 11.3 | 87.5 | 82.4 | 93.2 | 69 | 67.5 | 88.9 | 102.6 | 81.8 | 104.7 | 86 |
| Maximum | 211 | 414 | 288 | 179 | 117 | 196 | 90 | 159 | 125 | 277 | 162 | 163 | 414 |
| INFLUENT TSS (mg/L) | | | | | | | | | | | | | |
| Average | 145.8 | 163 | 154.6 | 128.4 | 123.8 | 151.5 | 109.8 | 81.8 | 127.8 | 141.7 | 100.7 | 159.7 | 132 |
| Maximum | 460 | 502 | 291 | 296 | 242 | 288 | 169 | 140 | 238 | 506 | 175 | 290 | 506 |
| INFLUENT BOD (lbs/day) | | | | | | | | | | | | | |
| Average | 90,496 | 95,759 | 99,038 | 74,361 | 65,083 | 68,974 | 48,110 | 47,556 | 56,577 | 67,983 | 76,339 | 91,489 | 73,481 |
| Maximum | 209,947 | 286,579 | 214,491 | 118,888 | 98,987 | 148,425 | 88,200 | 110 | 108,224 | 153,903 | 156,357 | 182,216 | 286,579 |
| INFLUENT TSS (lbs/day) | | | | | | | | | | | | | |
| Average | 122,975 | 122,863 | 115,597 | 110,346 | 99,910 | 114,324 | 76,430 | 58,975 | 83,905 | 97,312 | 99,675 | 150,976 | 104,440 |
| Maximum | 485,305 | 347,494 | 216,726 | 193,541 | 179,077 | 241,153 | 153,896 | 112,432 | 206,705 | 326,586 | 215,520 | 374,318 | 485,305 |
| EFFLUENT BOD (mg/L) | | | | | | | | | | | | | |
| Average | 17.9 | 13.4 | 20.4 | 17.2 | 17.1 | 20 | 20.4 | 18.3 | 16.3 | 19 | 18.1 | 16.8 | 17.9 |
| Weekly Maximum | 37 | 25 | 30 | 27 | 22 | 34 | 28 | 22 | 21 | 38 | 31 | 29 | 38.0 |
| EFFLUENT TSS (mg/L) | | | | | | | | | | | | | |
| Average | 13.4 | 9.5 | 14.6 | 15.6 | 14.2 | 16.3 | 12.5 | 11.5 | 10.2 | 12.4 | 13.6 | 9.5 | 12.8 |
| Weekly Maximum | 52 | 19 | 23 | 33 | 33 | 28 | 34 | 18 | 18 | 30 | 45 | 25 | 52.0 |
| EFFLUENT BOD (lbs/day) | | | | | | | | | | | | | |
| Average | 15,539 | 9,504 | 16,163 | 15,764 | 13,724 | 15,112 | 14,672 | 12,551 | 11,587 | 13,245 | 16,047 | 15,221 | 14,095 |
| Weekly Maximum | 49,249 | 17,347 | 28,796 | 32,944 | 20,980 | 25,834 | 28,953 | 19,020 | 17,677 | 25,020 | 37,470 | 32,484 | 49,249 |
| EFFLUENT TSS (lbs/day) | | | | | | | | | | | | | |
| Average | 12,283 | 6,733 | 12,123 | 16,426 | 11,942 | 12,519 | 9,063 | 7,949 | 7,443 | 9,273 | 13,482 | 9,806 | 10,754 |
| Weekly Maximum | 69,215 | 13,675 | 25,544 | 57,218 | 36,439 | 25,999 | 26,002 | 14,006 | 18,150 | 37,530 | 51,875 | 39,719 | 69,215 |
| EFFLUENT CL2 (mg/L) | | | | | | | | | | | | | |
| Average | 0.49 | 0.48 | 0.48 | 0.48 | 0.48 | 0.5 | 0.5 | 0.49 | 0.48 | 0.47 | 0.48 | 0.48 | 0.48 |
| Maximum | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.50 |
| EFFLUENT COLIFORM (col/100-ml) | | | | | | | | | | | | | |
| Average (Geo) | 2.26 | 2.09 | 2.39 | 2.69 | 4.15 | 17.29 | 3.06 | 4.16 | 2 | 2.82 | 2.61 | 2.58 | 4 |
| Weekly Maximum (Geo) | 3.04 | 2.39 | 4.12 | 3.33 | 8.59 | 192.65 | 4.07 | 7.44 | 2 | 4.65 | 3.85 | 2.97 | 193 |
| EFFLUENT pH (su) | | | | | | | | | | | | | |
| Minimum | 6.73 | 6.83 | 6.76 | 6.74 | 6.74 | 6.68 | 6.69 | 6.67 | 6.75 | 6.74 | 6.76 | 6.66 | 6.66 |
| Maximum | 6.91 | 6.98 | 6.94 | 6.8 | 6.89 | 6.88 | 6.8 | 6.88 | 6.89 | 6.93 | 6.88 | 6.95 | 6.98 |
| DISPOSED SLUDGE (dry tons) | | | | | | | | | | | | | |
| Average per day | 24.52 | 28.06 | 29.27 | 27.18 | 25.12 | 27.95 | 27.95 | 22.71 | 17.89 | 21.52 | 18.95 | 27.52 | 23.18 |
| Total | 790.06 | 785.75 | 628.96 | 83,159 | 664.01 | 771.74 | 851.76 | 704.1 | 536.79 | 473.01 | 568.4 | 858.03 | 8,448 |
| ELECTRICITY (kwhr) | | | | | | | | | | | | | |
| Average per day | 76,774 | 70,883 | 70,400 | 77,373 | 75,507 | 75,961 | 74,155 | 66,284 | 71,307 | 74,107 | 78,587 | 80,748 | 74,514 |
| Total (kwhr) | 2,380,000 | 2,270,800 | 1,971,200 | 2,321,200 | 2,265,200 | 2,354,800 | 2,298,800 | 2,116,800 | 2,139,200 | 2,223,200 | 2,357,800 | 2,503,200 | 27,202,000 |
| RAINFALL (inches) East Bank | | | | | | | | | | | | | |
| TOTAL | 5.96 | 1.77 | 4.54 | 18.24 | 6.07 | 11.05 | 5.9 | 11.5 | 5.47 | 5.17 | 5.94 | 5.71 | 69.05 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**New Orleans West Bank Sewerage Treatment Plant
2015 Yearly Summary**

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2015 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Plant Eff Flow (MGD) | | | | | | | | | | | | | |
| Average | 9,698 | 7,708 | 10,574 | 13,71 | 7,992 | 6,784 | 7,135 | 6,923 | 7,777 | 7,961 | 10,923 | 11,43 | 9,05 |
| Maximum | 29,381 | 16,053 | 27,430 | 32,079 | 15,54 | 11,186 | 17,024 | 12,930 | 15,30 | 25,23 | 22,96 | 32,70 | 32,70 |
| Plant INF Flow (MGD) | | | | | | | | | | | | | |
| Average | 9,415 | 7,569 | 10,335 | 12,402 | 7,633 | 6,636 | 6,558 | 6,686 | 6,764 | 7,001 | 10,417 | 10,74 | 8,51 |
| Maximum | 27,502 | 16,800 | 25,680 | 27,535 | 14,306 | 10,013 | 15,565 | 11,144 | 13,48 | 22,37 | 27,48 | 29,27 | 29,27 |
| INFLUENT BOD (mg/L) | | | | | | | | | | | | | |
| Average | 89.8 | 100.9 | 88.8 | 73.2 | 86.6 | 92.4 | 109.3 | 100.5 | 106 | 123.2 | 125.4 | 150.1 | 103.85 |
| Maximum | 131 | 178 | 149 | 134 | 118 | 131 | 164 | 157 | 191 | 183 | 251 | 333 | 333 |
| INFLUENT TSS (mg/L) | | | | | | | | | | | | | |
| Average | 105.8 | 104.7 | 98.7 | 89.7 | 103 | 88.2 | 106.9 | 82.3 | 113.7 | 131 | 143.7 | 192.7 | 113.37 |
| Maximum | 176 | 202 | 318 | 197 | 173 | 140 | 205 | 119 | 258 | 299 | 230 | 380 | 380 |
| INFLUENT BOD (lbs/day) | | | | | | | | | | | | | |
| Average | 6,502 | 6,246 | 6,845 | 6,247 | 5,327 | 5,027 | 6,208 | 5,580 | 5,962 | 7,561 | 9,951 | 13,046 | 7,044 |
| Maximum | 12,722 | 10,163 | 12,648 | 8,480 | 7,391 | 7,534 | 13,368 | 8,563 | 19,052 | 29,477 | 20,549 | 30,022 | 30,022 |
| INFLUENT TSS (lbs/day) | | | | | | | | | | | | | |
| Average | 7,946 | 6,546 | 7,763 | 8,197 | 6,436 | 4,835 | 6,441 | 4,659 | 6,641 | 9,318 | 12,503 | 16,706 | 8,166 |
| Maximum | 21,848 | 12,438 | 21,891 | 23,274 | 12,615 | 8,052 | 17,157 | 9,108 | 25,735 | 55,783 | 35,463 | 48,070 | 55,783 |
| EFFLUENT BOD (mg/L) | | | | | | | | | | | | | |
| Average | 11.9 | 11.7 | 14.4 | 15.3 | 8.6 | 5.1 | 6.6 | 4 | 4.7 | 5.4 | 5.3 | 7.1 | 8.34 |
| Weekly Maximum | 31 | 16 | 25 | 42 | 19 | 8 | 13 | 9 | 14 | 13 | 9 | 12 | 42 |
| EFFLUENT TSS (mg/L) | | | | | | | | | | | | | |
| Average | 10.8 | 10.6 | 10 | 15.5 | 11.7 | 7.7 | 9.2 | 6.8 | 7.7 | 9.5 | 8 | 11.2 | 9.89 |
| Weekly Maximum | 30 | 20 | 20 | 42 | 22 | 13 | 19 | 19 | 18 | 21 | 21 | 21 | 42 |
| EFFLUENT BOD (lbs/day) | | | | | | | | | | | | | |
| Average | 961 | 755 | 1,179 | 1,863 | 616 | 292 | 437 | 235 | 322 | 427 | 508 | 767 | 696.68 |
| Weekly Maximum | 4,419 | 2,142 | 2,639 | 7,491 | 2,463 | 746 | 1,846 | 539 | 1,610 | 2,735 | 1,532 | 2,455 | 7,491 |
| EFFLUENT TSS (lbs/day) | | | | | | | | | | | | | |
| Average | 895 | 706 | 873 | 2,281 | 832 | 442 | 609 | 432 | 514 | 764 | 822 | 1,183 | 862.76 |
| Weekly Maximum | 4,277 | 2,678 | 2,111 | 11,237 | 2,851 | 1,213 | 2,898 | 2,049 | 2,070 | 4,419 | 4,021 | 4,082 | 11,237 |
| EFFLUENT CL2 (mg/L) | | | | | | | | | | | | | |
| Average | 1.17 | 1.24 | 1.19 | 1.11 | 1.17 | 1.29 | 1.2 | 1.27 | 1.16 | 1.15 | 1.07 | 1.13 | 1.18 |
| Maximum | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.40 |
| EFFLUENT COLIFORM (col/100-ml) | | | | | | | | | | | | | |
| Average (Geo) | 3.24 | 2 | 2.26 | 4.89 | 2.6 | 2.59 | 2.2 | 2 | 2 | 2.68 | 4.95 | 3.24 | 2.89 |
| Weekly Maximum (Geo) | 14.8 | 2 | 4.27 | 27.89 | 2 | 4.64 | 2 | 2 | 2 | 8.55 | 9.21 | 5.47 | 27.89 |
| EFFLUENT pH (su) | | | | | | | | | | | | | |
| Minimum | 7.43 | 7.48 | 7.5 | 7.41 | 7.24 | 7.11 | 7.05 | 7 | 7.08 | 7.02 | 7.2 | 7.31 | 7.00 |
| Maximum | 7.8 | 7.85 | 7.71 | 7.75 | 7.62 | 7.38 | 7.31 | 7.29 | 7.34 | 7.31 | 7.6 | 7.71 | 7.80 |
| DISPOSED SLUDGE (dry tons) | | | | | | | | | | | | | |
| Average per day | 5.50 | 3.98 | 5.39 | 4.62 | 7.50 | 3.40 | 4.44 | 3.27 | 2.88 | 3.66 | 3.74 | 4.58 | 4 |
| Total | 170.95 | 111.37 | 167.09 | 138.5 | 232.49 | 101.97 | 137.67 | 101.22 | 86.44 | 113.55 | 112.26 | 141.87 | 1,615 |
| ELECTRICITY (kwhr) | | | | | | | | | | | | | |
| Average per day | 6,800 | 7,637 | 9,054 | 10,428 | 6,050 | 8,000 | 8,491 | 8,751 | 8,800 | 6,493 | 9,553 | 8,979 | 8,586 |
| Total (kwhr) | 238,013 | 252,015 | 271,611 | 302,408 | 257,611 | 224,013 | 263,215 | 280,016 | 246,413 | 254,800 | 324,810 | 280,405 | 3,175,330 |
| RAINFALL (Inches) West Bank | | | | | | | | | | | | | |
| TOTAL | 3.11 | 0.51 | 2.98 | 5.96 | 1.94 | 0.91 | 1.76 | 2.23 | 2.79 | 2.38 | 4.76 | 5.38 | 34.71 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**SEWER TABULATION NUMBER 1
SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2015**

SEWER LINES DISCARDED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION (FEET) | DESTROYED OR ABANDONED IN 2015 (FEET) | BUILT IN 2015 (FEET) | REMAINING IN THE SYSTEM AS OF 12/31/2015 (FEET) | REMAINING IN THE SYSTEM AS OF 12/31/2015 (MILES) |
|-------------------------------------|--|-----------------------------|--|---|
| 8,169,332.3 | 31,406.2 | 105,476.4 | 8,243,402.5 | 1,561.250 |

SEWER MANHOLES REMOVED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION | REMOVED IN 2015 | BUILT IN 2015 | REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|------------------------------|------------------------|----------------------|---|
| 23,042 | 8 | 17 | 23,051 |

DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2015

| ITEMS | BOARD FUNDED | BY OTHERS | TOTAL FEET | TOTAL MILES |
|--|---------------------|------------------|-------------------------------------|--------------------|
| 6" P.V.C. | 30,298.9 | 19,499.4 | 49,798.3 | 9.431 |
| 8" P.V.C. | 32,365.2 | 19,281.2 | 51,646.4 | 9.782 |
| 10" P.V.C. | 2,032.4 | 573.4 | 2,605.8 | 0.494 |
| 12" P.V.C. | 0.0 | 393.5 | 393.5 | 0.075 |
| 15" P.V.C. | 0.0 | 320.4 | 320.4 | 0.061 |
| 18" P.V.C. | 0.0 | 377.0 | 377.0 | 0.071 |
| 21" P.V.C. | 335.0 | 0.0 | 335.0 | 0.063 |
| TOTAL SEWER LINES CONSTRUCTED IN 2015 | 65,031.5 | 40,444.9 | 105,476.4 | 20.0 |
| | | | | |
| SEWER MANHOLES CONSTRUCTED IN 2015 | 9 | 8 | TOTAL MANHOLES BUILT IN 2015 | 17 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

SEWER TABULATION NUMBER 2

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

| SIZE & MATERIAL OF SEWER | TOTAL LENGTH IN SYSTEM AS OF 12/31/2014 | DESTROYED OR ABANDONED IN 2015 | BUILT IN 2015 | NOW REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|---------------------------|---|--------------------------------|---------------|--|
| 72" Steel | 29,182.4 | | | 29,182.4 |
| 68" Steel | 9,061.9 | | | 9,061.9 |
| 66" Steel | 28,979.7 | | | 28,979.7 |
| 66" Concrete | 13,740.7 | | | 13,740.7 |
| 60" Steel | 2,577.7 | | | 2,577.7 |
| 60" Concrete | 722.8 | | | 722.8 |
| 57" Concrete | 1,766.8 | | | 1,766.8 |
| 54" Steel | 44,014.5 | | | 44,014.5 |
| 54" Concrete | 7,030.4 | | | 7,030.4 |
| 51" Concrete | 755.9 | | | 755.9 |
| 50" Steel | 135.0 | | | 135.0 |
| 48" Steel | 21,147.2 | | | 21,147.2 |
| 48" Concrete | 10,127.6 | | | 10,127.6 |
| 48" Fiberglass Reinforced | 10,900.2 | | | 10,900.2 |
| 48" P.V.C. | 3,663.4 | | | 3,663.4 |
| 45" Concrete | 3,048.4 | | | 3,048.4 |
| 42" Steel | 3,580.2 | | | 3,580.2 |
| 42" Concrete | 19,121.2 | | | 19,121.2 |
| 39" Brick | 832.8 | | | 832.8 |
| 39" Concrete | 3,871.8 | | | 3,871.8 |
| 36" Vitrified Clay | 1,894.9 | | | 1,894.9 |
| 36" Cast Iron | 431.0 | | | 431.0 |
| 36" Steel | 332.6 | | | 332.6 |
| 36" Prestressed Concrete | 11,273.0 | | | 11,273.0 |
| 36" Reinforced Concrete | 9,312.7 | | | 9,312.7 |
| 36" P.V.C. | 10,604.0 | | | 10,604.0 |
| 33" Brick | 3,080.9 | | | 3,080.9 |
| 33" Vitrified Clay | 562.3 | | | 562.3 |
| 33" Reinforced Concrete | 1,381.4 | | | 1,381.4 |
| 30" Brick | 2,763.0 | | | 2,763.0 |
| 30" Vitrified Clay | 7,538.5 | | | 7,538.5 |
| 30" Cast Iron | 4,305.9 | | | 4,305.9 |
| 30" Steel | 3,535.2 | | | 3,535.2 |
| 30" Prestressed Concrete | 484.0 | | | 484.0 |
| 30" Reinforced Concrete | 33,920.5 | | | 33,920.5 |
| 30" Fiberglass Reinforced | 16,400.0 | | | 16,400.0 |
| 30" P.V.C. | 996.0 | | | 996.0 |
| 27" Vitrified Clay | 24,440.4 | | | 24,440.4 |
| 27" Reinforced Concrete | 13,336.4 | | | 13,336.4 |
| 27" P.V.C. | 4,622.0 | | | 4,622.0 |
| 24" Vitrified Clay | 31,572.2 | | | 31,572.2 |
| 24" Cast Iron | 16,269.2 | | | 16,269.2 |
| 24" Ductile Iron | 619.0 | | | 619.0 |

| SIZE & MATERIAL OF SEWER | TOTAL LENGTH IN SYSTEM AS OF 12/31/2014 | DESTROYED OR ABANDONED IN 2015 | BUILT IN 2015 | NOW REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|--------------------------|---|--------------------------------|------------------|--|
| 24" Steel | 87.0 | | | 87.0 |
| 24" Reinforced Concrete | 26,537.0 | | | 26,537.0 |
| 24" Asbestos Cement | 4,924.2 | | | 4,924.2 |
| 24" P.V.C. | 5,949.6 | | | 5,949.6 |
| 21" Reinforced Concrete | 11,238.1 | 335.0 | | 10,903.1 |
| 21" P.V.C. | 4,864.2 | | 335.0 | 5,199.2 |
| 20" Ductile Iron Pipe | 1,991.4 | | | 1,991.4 |
| 18" P.V.C. | 18,708.0 | | 377.0 | 19,085.0 |
| 16" Steel | 120.0 | | | 120.0 |
| 16" Asbestos Cement | 28,460.9 | | | 28,460.9 |
| 16" Plastic | 1,913.1 | | | 1,913.1 |
| 15" Vitrified Clay | 99,743.6 | 320.4 | | 99,423.2 |
| 15" P.V.C. | 13,074.9 | | 320.4 | 13,395.3 |
| 15" Plastic Truss | 1,766.8 | | | 1,766.8 |
| 12" Vitrified Clay | 109,268.1 | 393.5 | | 108,874.6 |
| 12" P.V.C. | 65,590.9 | | 393.5 | 65,984.4 |
| 10" Vitrified Clay | 155,681.1 | 2,032.4 | | 153,648.7 |
| 10" Steel | 130.0 | | | 130.0 |
| 10" Concrete | 49,335.4 | 1,250.7 | | 48,084.7 |
| 10" Asbestos Cement | 4,356.2 | | | 4,356.2 |
| 10" P.V.C. | 131,324.3 | | 2,605.8 | 133,930.1 |
| 10" Plastic Truss | 4,983.5 | | | 4,983.5 |
| 8" Terra Cotta | 318,863.7 | 250.0 | | 318,613.7 |
| 8" Vitrified Clay | 4,056,457.5 | 25,437.2 | | 4,031,020.3 |
| 8" Cast Iron | 32,210.2 | | | 32,210.2 |
| 8" Ductile Iron | 2,233.0 | | | 2,233.0 |
| 8" Concrete | 271,617.8 | 1,074.0 | | 270,543.8 |
| 8" Asbestos Cement | 3,875.9 | 313.0 | | 3,562.9 |
| 8" P.V.C. | 785,974.8 | | 51,646.4 | 837,621.2 |
| 8" Plastic Truss | 63,412.1 | | | 63,412.1 |
| 8" Plastic | 691,151.6 | | | 691,151.6 |
| 6" Terra Cotta | 9,194.7 | | | 9,194.7 |
| 6" Vitrified Clay | 76,522.4 | | | 76,522.4 |
| 6" Cast Iron | 4,204.4 | | | 4,204.4 |
| 6" Asbestos Cement | 4,493.9 | | | 4,493.9 |
| 6" P.V.C. | 321,790.4 | 49,798.3 | | 371,588.7 |
| 6" Plastic Truss | 1,763.3 | | | 1,763.3 |
| 6" Plastic | 364,876.3 | | | 364,876.3 |
| 4" Cast Iron | 874.2 | | | 874.2 |
| 4" Ductile Iron | 180.4 | | | 180.4 |
| 4" P.V.C. | 5,525.7 | | | 5,525.7 |
| 4" Plastic | 126.0 | | | 126.0 |
| Total Linear Feet | 8,169,332.3 | 31,406.2 | 105,476.4 | 8,243,402.5 |
| Total Miles | 1,547,222 | 5.948 | 19.977 | 1,561,250 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**WATER TABULATION NUMBER 1
WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2015**

WATER LINES DISCARDED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION (FEET) | DESTROYED OR ABANDONED IN 2015 (FEET) | BUILT IN 2015 (FEET) | REMAINING IN THE SYSTEM AS OF 12/31/2015 (FEET) | REMAINING IN THE SYSTEM AS OF 12/31/2015 (MILES) |
|-------------------------------------|--|-----------------------------|--|---|
| 9,569,606.3 | 4,144.6 | 40,212.0 | 9,605,673.7 | 1,819.256 |

WATER MANHOLES REMOVED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION | REMOVED IN 2015 | BUILT IN 2015 | REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|------------------------------|------------------------|----------------------|---|
| 30,402 | 44 | 105 | 30,463 |

WATER VALVES REMOVED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION | REMOVED IN 2015 | INSTALLED IN 2015 | REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|------------------------------|------------------------|--------------------------|---|
| 29,730 | 44 | 105 | 29,791 |

FIRE HYDRANTS REMOVED AND INSTALLED IN 2015

| ORIGINAL CONSTRUCTION | REMOVED IN 2015 | INSTALLED IN 2015 | REMAINING IN THE SYSTEM AS OF 12/31/2015 |
|------------------------------|------------------------|--------------------------|---|
| 23,117 | 16 | 29 | 23,130 |

DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2015

| ITEMS | BOARD FUNDED | BY OTHERS | TOTAL FEET | TOTAL MILES |
|--|---------------------|------------------|--|--------------------|
| 2" P.V.C. | 45.0 | 175.0 | 220.0 | 0.042 |
| 4" P.V.C. | 0.0 | 340.0 | 340.0 | 0.064 |
| 6" DUCTILE IRON | 0.0 | 158.0 | 158.0 | 0.030 |
| 6" P.V.C. | 390.0 | 2,076.0 | 2,466.0 | 0.467 |
| 8" DUCTILE IRON | 500.0 | 377.0 | 877.0 | 0.166 |
| 8" P.V.C. | 1,098.0 | 28,703.0 | 29,801.0 | 5.644 |
| 12" DUCTILE IRON | 428.0 | 209.0 | 637.0 | 0.121 |
| 12" P.V.C. | 1,358.0 | 2,086.0 | 3,444.0 | 0.652 |
| 16" P.V.C. | 0.0 | 309.0 | 309.0 | 0.059 |
| 24" DUCTILE IRON | 0.0 | 140.0 | 140.0 | 0.027 |
| 24" P.V.C. | 0.0 | 1,372.0 | 1,372.0 | 0.260 |
| 30" DUCTILE IRON | 0.0 | 204.0 | 204.0 | 0.039 |
| 30" P.V.C. | 0.0 | 244.0 | 244.0 | 0.046 |
| TOTAL WATER LINES CONSTRUCTED IN 2015 | 3,819.0 | 36,393.0 | 40,212.0 | 7.6 |
| | | | | |
| WATER MANHOLES CONSTRUCTED IN 2015 | BOARD FUNDED | BY OTHERS | TOTAL MANHOLES BUILT IN 2015 | |
| | 2 | 103 | 105 | |
| | | | | |
| WATER VALVES INSTALLED IN 2015 | BOARD FUNDED | BY OTHERS | TOTAL WATER VALVES INSTALLED IN 2015 | |
| | 12 | 93 | 105 | |
| | | | | |
| FIRE HYDRANTS INSTALLED IN 2015 | BOARD FUNDED | BY OTHERS | TOTAL FIRE HYDRANTS INSTALLED IN 2015 | |
| | 9 | 20 | 29 | |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2015

WATER TABULATION NUMBER 2

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

| WATER LINES | | | | | |
|--------------------------|----------------------|---|--------------------------------------|-----------------|--|
| SIZE | MATERIAL | TOTAL LENGTH IN SYSTEM AS OF 12/31/2014 | DESTROYED OR ABANDONED IN 2015 | BUILT IN 2015 | NOW REMAINING IN THE SYSTEM AS OF 12/31/2015 |
| 54" | Concrete Pipe | 7,535.1 | | | 7,535.1 |
| 50" | Steel Pipe | 88,374.0 | | | 88,374.0 |
| 48" | Cast Iron Pipe | 12,759.3 | | | 12,759.3 |
| 48" | Steel Pipe | 36,637.1 | | | 36,637.1 |
| 48" | Concrete Pipe | 4,982.9 | | | 4,982.9 |
| 43" | Cast Iron Pipe | 11,170.1 | | | 11,170.1 |
| 42" | Cast Iron Pipe | 4,349.6 | | | 4,349.6 |
| 42" | Concrete Pipe | 9,361.9 | | | 9,361.9 |
| 36" | Cast Iron Pipe | 4,523.3 | | | 4,523.3 |
| 36" | Steel Pipe | 16,922.0 | | | 16,922.0 |
| 36" | Concrete Pipe | 37,374.7 | | | 37,374.7 |
| 36" | Prestressed Concrete | 675.0 | | | 675.0 |
| 30" | Cast Iron Pipe | 59,740.1 | | | 59,740.1 |
| 30" | Ductile Iron Pipe | 92.0 | | 204.0 | 296.0 |
| 30" | Steel Pipe | 19,863.1 | | | 19,863.1 |
| 30" | Concrete Pipe | 71,216.4 | | | 71,216.4 |
| 30" | Prestressed Concrete | 36,654.4 | | | 36,654.4 |
| 30" | Reinforced Concrete | 3,919.6 | | | 3,919.6 |
| 30" | P.V.C. Pipe | 3,472.1 | | 244.0 | 3,716.1 |
| 24" | Cast Iron Pipe | 30,450.0 | 360.0 | | 30,090.0 |
| 24" | P.V.C. Pipe | 0.0 | | 1,372.0 | 1,372.0 |
| 24" | Ductile Iron Pipe | 0.0 | | 140.0 | 140.0 |
| 24" | Concrete Pipe | 4,062.5 | | | 4,062.5 |
| 21" | P.V.C. Pipe | 10,270.5 | | | 10,270.5 |
| 20" | Cast Iron Pipe | 87,785.9 | | | 87,785.9 |
| 20" | Ductile Iron Pipe | 10,405.4 | | | 10,405.4 |
| 20" | Concrete Pipe | 18,755.8 | | | 18,755.8 |
| 20" | Prestressed Concrete | 212.5 | | | 212.5 |
| 20" | Asbestos Cement | 12,688.0 | | | 12,688.0 |
| 18" | Reinforced Concrete | 970.5 | | | 970.5 |
| 16" | Cast Iron Pipe | 112,496.7 | | | 112,496.7 |
| 16" | Ductile Iron Pipe | 6,692.7 | | | 6,692.7 |
| 16" | Concrete Pipe | 5,681.6 | | | 5,681.6 |
| 16" | Asbestos Cement | 65,284.2 | | | 65,284.2 |
| 16" | P.V.C. Pipe | 12,256.4 | | 309.0 | 12,565.4 |
| 15" | Reinforced Concrete | 1,069.3 | | | 1,069.3 |
| 12" | Cast Iron Pipe | 840,745.1 | 548.0 | | 840,197.1 |
| 12" | Ductile Iron Pipe | 17,026.5 | | 637.0 | 17,663.5 |
| 12" | Steel Pipe | 1,272.9 | | | 1,272.9 |
| 12" | Asbestos Cement | 358,289.2 | | | 358,289.2 |
| 12" | P.V.C. Pipe | 230,927.5 | | 3,444.0 | 234,371.5 |
| 10" | Cast Iron Pipe | 10,271.7 | | | 10,271.7 |
| 10" | Ductile Iron Pipe | 670.0 | | | 670.0 |
| 10" | Asbestos Cement | 12,763.6 | | | 12,763.6 |
| 10" | P.V.C. Pipe | 7,896.0 | | | 7,896.0 |
| 8" | Cast Iron Pipe | 115,284.2 | 766.6 | | 114,517.6 |
| 8" | Ductile Iron Pipe | 38,252.0 | | 877.0 | 39,129.0 |
| 8" | Asbestos Cement | 697,824.4 | | | 697,824.4 |
| 8" | P.V.C. Pipe | 833,250.1 | | 29,801.0 | 863,051.1 |
| 8" | Plastic Pipe | 318,036.5 | | | 318,036.5 |
| 6" | Cast Iron Pipe | 2,472,554.0 | 2,470.0 | | 2,470,084.0 |
| 6" | Ductile Iron Pipe | 21,535.9 | | 158.0 | 21,693.9 |
| 6" | Asbestos Cement | 1,038,898.5 | | | 1,038,898.5 |
| 6" | P.V.C. Pipe | 299,813.7 | | 2,466.0 | 302,279.7 |
| 6" | Plastic Pipe | 121,385.5 | | | 121,385.5 |
| 4" | Cast Iron Pipe | 1,166,532.5 | | | 1,166,532.5 |
| 4" | Ductile Iron Pipe | 3,111.8 | | | 3,111.8 |
| 4" | Asbestos Cement | 22,250.8 | | | 22,250.8 |
| 4" | P.V.C. Pipe | 23,470.9 | | 340.0 | 23,810.9 |
| 4" | Plastic Pipe | 3,833.1 | | | 3,833.1 |
| 3" | Galvanized Steel | 3,361.7 | | | 3,361.7 |
| 2" | Cast Iron Pipe | 7,909.9 | | | 7,909.9 |
| 2" | Galvanized Steel | 9,620.0 | | | 9,620.0 |
| 2" | P.V.C. Pipe | 78,767.0 | | 220.0 | 78,987.0 |
| 1" | Galvanized Steel | 5,346.6 | | | 5,346.6 |
| Total Linear Feet | | 9,569,606.3 | 4,144.6 | 40,212.0 | 9,605,673.7 |
| Total Miles | | 1,812.425 | 0.8 | 7.6 | 1,819.3 |

| VALVES | | | | |
|--------------|---|--------------------|----------------------|--|
| SIZE | EXISTING IN SYSTEM AS OF 12/31/2014 | REMOVED IN 2015 | INSTALLED IN 2015 | REMAINING IN SYSTEM AS OF 12/31/2015 |
| 48" | 16 | | | 16 |
| 42" | 4 | | | 4 |
| 36" | 18 | | | 18 |
| 30" | 66 | 1 | 1 | 66 |
| 24" | 39 | 1 | 1 | 39 |
| 20" | 133 | | | 133 |
| 16" | 193 | | | 193 |
| 14" | 3 | | | 3 |
| 12" | 2,309 | 1 | 1 | 2,309 |
| 10" | 72 | | | 72 |
| 8" | 6,714 | 24 | 33 | 6,723 |
| 6" | 13,001 | 12 | 30 | 13,019 |
| 4" | 7,162 | 5 | 39 | 7,196 |
| Total | 29,730 | 44 | 105 | 29,791 |

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Table of Rainfall in New Orleans
December 31, 2015

Last Ten Years

| YEAR | JANUARY | | FEBRUARY | | MARCH | | APRIL | | MAY | | JUNE | | JULY | | AUGUST | | SEPTEMBER | | OCTOBER | | NOVEMBER | | DECEMBER | | ANNUAL MONTHLY AVERAGE | EXCESS OR DEFICIT | |
|-------|---------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|-----------|---------------|----------|---------------|----------|---------------|----------|---------------|------------------------|-------------------|--|
| | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | AMOUNT | TOTAL TO DATE | | | |
| 2006 | 2.60 | 2.72 | 5.32 | 8.73 | 0.76 | 9.49 | 2.16 | 11.65 | 8.40 | 20.05 | 6.40 | 26.45 | 2.89 | 29.34 | 3.03 | 32.37 | 2.94 | 35.31 | 10.55 | 45.86 | 3.82 | 49.68 | 10.55 | 60.23 | 3.82 | -13.43 | |
| total | 518.01 | 522.49 | 1,042.77 | 547.95 | 2,174.41 | 538.39 | 2,712.84 | 694.56 | 3,355.44 | 736.86 | 4,092.30 | 668.71 | 4,761.01 | 633.74 | 5,394.73 | 357.34 | 5,752.07 | 418.73 | 6,173.86 | 528.46 | 6,699.67 | 528.46 | 7,228.13 | 6,699.67 | | | |
| avg. | 4.58 | 4.62 | 9.23 | 4.85 | 19.24 | 4.76 | 24.01 | 5.62 | 29.69 | 6.52 | 36.22 | 5.92 | 42.13 | 5.61 | 47.74 | 3.16 | 50.90 | 3.71 | 54.64 | 4.68 | 59.29 | 4.68 | 63.97 | 4.68 | | | |
| 2007 | 4.12 | 1.81 | 5.93 | 1.81 | 9.12 | 8.51 | 17.63 | 4.43 | 22.06 | 7.66 | 29.72 | 1.64 | 31.36 | 4.42 | 35.78 | 11.62 | 47.40 | 1.21 | 48.61 | 4.52 | 53.13 | 4.52 | 57.65 | 4.52 | -6.11 | | |
| total | 522.13 | 524.30 | 1,048.70 | 549.76 | 2,183.53 | 546.90 | 2,730.47 | 638.99 | 3,377.50 | 744.52 | 4,122.02 | 670.35 | 4,792.37 | 638.16 | 5,430.51 | 368.96 | 5,799.47 | 419.94 | 6,222.47 | 532.98 | 6,752.80 | 532.98 | 7,285.78 | 6,752.80 | | | |
| avg. | 4.58 | 4.60 | 9.20 | 5.07 | 14.53 | 7.76 | 30.17 | 6.52 | 36.69 | 6.53 | 40.60 | 7.77 | 48.37 | 7.87 | 56.24 | 1.36 | 57.60 | 2.06 | 59.66 | 4.68 | 59.24 | 4.68 | 63.92 | 4.68 | | | |
| 2008 | 6.32 | 5.64 | 11.96 | 7.88 | 22.41 | 7.76 | 30.17 | 6.52 | 36.69 | 6.53 | 40.60 | 7.77 | 48.37 | 7.87 | 56.24 | 1.36 | 57.60 | 2.06 | 59.66 | 4.68 | 59.24 | 4.68 | 63.92 | 4.68 | | | |
| total | 528.45 | 529.94 | 1,060.66 | 557.64 | 2,205.94 | 554.66 | 2,760.64 | 645.51 | 3,414.19 | 748.43 | 4,162.62 | 678.12 | 4,840.74 | 646.03 | 5,486.75 | 370.32 | 5,857.07 | 422.00 | 6,281.13 | 534.84 | 6,814.32 | 534.84 | 7,349.16 | 6,814.32 | | | |
| avg. | 4.60 | 4.61 | 9.22 | 4.85 | 19.18 | 4.82 | 24.01 | 5.61 | 29.69 | 6.51 | 36.20 | 5.92 | 42.09 | 5.62 | 47.71 | 3.22 | 50.93 | 3.67 | 54.63 | 4.65 | 59.25 | 4.65 | 63.97 | 4.65 | | | |
| 2009 | 5.16 | 2.97 | 8.13 | 6.17 | 14.30 | 1.21 | 15.51 | 2.46 | 17.96 | 2.40 | 20.36 | 3.82 | 24.18 | 4.62 | 28.80 | 7.45 | 36.25 | 7.57 | 43.82 | 0.78 | 44.60 | 19.81 | 64.41 | 19.81 | 84.22 | 5.11 | |
| total | 533.61 | 532.91 | 1,068.79 | 558.85 | 1,655.64 | 558.85 | 2,221.45 | 557.12 | 2,778.60 | 647.91 | 3,434.55 | 752.25 | 4,186.80 | 682.74 | 4,869.54 | 653.48 | 5,523.00 | 377.89 | 5,900.89 | 422.78 | 6,326.73 | 554.65 | 6,878.73 | 554.65 | 7,433.46 | | |
| avg. | 4.60 | 4.59 | 9.21 | 4.82 | 14.27 | 4.82 | 19.49 | 5.59 | 29.61 | 6.48 | 36.09 | 5.89 | 41.98 | 5.63 | 47.61 | 3.26 | 50.87 | 3.64 | 54.54 | 4.78 | 59.30 | 4.78 | 64.08 | 4.78 | | | |
| 2010 | 1.75 | 5.91 | 7.66 | 2.74 | 10.40 | 2.97 | 13.37 | 6.12 | 19.49 | 7.24 | 26.73 | 5.62 | 32.35 | 9.58 | 41.93 | 2.26 | 44.19 | 0.39 | 44.58 | 2.32 | 46.90 | 1.58 | 48.49 | 1.58 | 50.07 | | |
| total | 535.36 | 538.82 | 1,076.45 | 589.59 | 1,666.04 | 561.82 | 2,234.81 | 563.24 | 2,798.09 | 655.15 | 3,461.28 | 757.87 | 4,219.15 | 692.32 | 4,911.47 | 655.74 | 5,567.19 | 378.29 | 5,945.47 | 425.10 | 6,373.64 | 556.23 | 6,927.21 | 556.23 | 7,483.42 | -10.72 | |
| avg. | 4.58 | 4.61 | 9.20 | 4.80 | 19.10 | 4.81 | 23.92 | 5.60 | 29.58 | 6.48 | 36.06 | 5.92 | 41.98 | 5.60 | 47.58 | 3.23 | 50.82 | 3.63 | 54.48 | 4.75 | 59.21 | 4.75 | 64.08 | 4.75 | | | |
| 2011 | 2.99 | 1.59 | 4.59 | 6.49 | 11.08 | 0.27 | 11.35 | 0.90 | 12.25 | 4.18 | 16.42 | 11.48 | 27.91 | 1.57 | 29.48 | 9.99 | 39.47 | 0.14 | 39.61 | 1.66 | 41.27 | 0.78 | 42.04 | 0.78 | 43.82 | | |
| total | 538.35 | 540.42 | 1,081.04 | 596.08 | 1,677.12 | 562.09 | 2,246.17 | 564.13 | 2,810.34 | 659.33 | 3,477.71 | 769.35 | 4,247.06 | 693.89 | 4,940.95 | 665.73 | 5,606.66 | 378.43 | 5,985.08 | 426.76 | 6,414.91 | 557.00 | 6,969.26 | 557.00 | 7,526.26 | | |
| avg. | 4.56 | 4.58 | 9.16 | 4.76 | 14.21 | 4.76 | 19.04 | 5.60 | 29.58 | 6.48 | 36.06 | 5.92 | 41.98 | 5.60 | 47.58 | 3.23 | 50.82 | 3.63 | 54.48 | 4.75 | 59.21 | 4.75 | 64.08 | 4.75 | | | |
| 2012 | 1.74 | 3.38 | 5.12 | 6.16 | 11.28 | 8.14 | 19.42 | 2.45 | 21.87 | 4.84 | 26.71 | 12.89 | 39.60 | 17.79 | 57.39 | 3.83 | 61.22 | 0.15 | 61.36 | 2.13 | 63.50 | 2.30 | 65.80 | 2.30 | 68.10 | | |
| total | 540.09 | 543.79 | 1,086.16 | 602.24 | 1,688.39 | 570.23 | 2,265.58 | 566.58 | 2,832.21 | 664.17 | 3,504.42 | 782.25 | 4,286.66 | 711.68 | 4,998.34 | 669.55 | 5,667.88 | 378.57 | 6,046.45 | 428.90 | 6,478.40 | 559.30 | 7,035.06 | 559.30 | 7,594.36 | | |
| avg. | 4.54 | 4.57 | 9.13 | 4.79 | 19.04 | 4.76 | 23.80 | 5.58 | 29.45 | 6.57 | 36.02 | 5.98 | 42.00 | 5.63 | 47.63 | 3.18 | 50.81 | 3.60 | 54.44 | 4.70 | 59.12 | 4.70 | 63.82 | 4.70 | | | |
| 2013 | 5.14 | 6.82 | 11.96 | 0.55 | 12.51 | 12.51 | 25.01 | 4.51 | 29.52 | 34.08 | 4.43 | 38.51 | 4.58 | 43.09 | 5.44 | 48.53 | 2.19 | 50.72 | 2.81 | 53.53 | 4.48 | 58.01 | 4.48 | 62.49 | | | |
| total | 545.24 | 550.61 | 1,098.12 | 602.78 | 1,700.90 | 582.74 | 2,290.60 | 571.09 | 2,861.73 | 668.72 | 3,538.49 | 786.68 | 4,325.17 | 716.26 | 5,041.43 | 674.99 | 5,716.41 | 380.76 | 6,097.17 | 431.71 | 6,531.94 | 563.78 | 7,093.07 | 563.78 | 7,656.85 | -1.10 | |
| avg. | 4.54 | 4.59 | 9.15 | 5.02 | 14.17 | 4.86 | 19.09 | 4.76 | 23.85 | 5.57 | 29.49 | 6.56 | 36.04 | 5.97 | 42.01 | 5.62 | 47.64 | 3.17 | 50.81 | 3.60 | 54.43 | 4.70 | 59.11 | 4.70 | | | |
| 2014 | 2.72 | 6.54 | 9.26 | 6.44 | 15.70 | 2.19 | 17.89 | 7.68 | 25.57 | 6.41 | 31.98 | 6.49 | 38.47 | 4.74 | 43.21 | 4.20 | 47.41 | 1.94 | 49.35 | 1.47 | 50.82 | 3.70 | 54.52 | 3.70 | 58.22 | | |
| total | 547.95 | 557.15 | 1,107.37 | 609.22 | 1,716.60 | 584.93 | 2,308.48 | 578.78 | 2,887.30 | 675.13 | 3,570.47 | 793.17 | 4,363.64 | 721.00 | 5,084.64 | 679.19 | 5,765.82 | 382.71 | 6,146.52 | 433.17 | 6,582.76 | 567.49 | 7,147.60 | 567.49 | 7,715.20 | | |
| avg. | 4.53 | 4.60 | 9.15 | 5.03 | 14.19 | 4.83 | 19.08 | 4.78 | 23.86 | 5.58 | 29.51 | 6.56 | 36.06 | 5.96 | 42.02 | 5.61 | 47.63 | 3.16 | 50.80 | 3.58 | 54.40 | 4.69 | 59.07 | 4.69 | | | |
| 2015 | 4.76 | 1.65 | 6.41 | 4.21 | 10.62 | 11.29 | 21.91 | 6.86 | 28.78 | 7.55 | 35.33 | 4.32 | 35.85 | 2.59 | 38.45 | 4.15 | 42.60 | 5.21 | 47.81 | 1.47 | 49.27 | 6.76 | 56.03 | 6.76 | 63.79 | | |
| total | 552.72 | 558.80 | 1,113.79 | 613.43 | 1,727.22 | 596.22 | 2,330.40 | 585.64 | 2,916.08 | 677.88 | 3,602.00 | 797.50 | 4,399.50 | 723.59 | 5,123.09 | 683.34 | 5,806.41 | 387.92 | 6,194.33 | 434.64 | 6,632.03 | 574.25 | 7,203.63 | 574.25 | 7,777.88 | -3.01 | |
| avg. | 4.53 | 4.58 | 9.13 | 5.03 | 14.16 | 4.87 | 19.10 | 4.80 | 23.90 | 5.56 | 29.52 | 6.54 | 36.06 | 5.93 | 41.99 | 5.60 | 47.59 | 3.17 | 50.79 | 3.56 | 54.36 | 4.67 | 59.05 | 4.67 | | | |

SEWERAGE AND WATER BOARD OF NEW ORLEANS
December 31, 2015
COST OF OPERATIONS IDENTIFICATION PROGRAM
BENCHMARKING

ADMINISTRATIVE SERVICES DEPARTMENT

Insurance Cost per Employee:

| | |
|-----------------------|-------------|
| Workers' Compensation | \$ 1,273.00 |
| General Insurance | \$ 2,382.00 |
| Auto Liability | \$ 269.00 |
| General Liability | \$ 122.00 |

ENGINEERING DEPARTMENT

| | |
|--|------|
| Total Capital Program Design and Construction Contracts Cost Growth | 8.0% |
|--|------|

ENVIRONMENTAL DEPARTMENT

| | |
|---|-------------|
| Cost of Typical Industry Sampling Event | \$ 1,059.87 |
|---|-------------|

FINANCE

| | |
|---|----------|
| Cost to Process a Miscellaneous Invoice | \$ 21.09 |
| Cost to Process a Vendor Invoice | \$ 20.42 |
| Cost to Process a Paycheck | \$ 4.96 |

INFORMATION SYSTEM

| | |
|-----------------------------|---------|
| Cost to Image a Document | \$ 0.23 |
| Cost to Retrieve a Document | \$ 3.17 |

HUMAN RESOURCE

| | |
|---|-----------|
| Cost to Hire an Employee | \$ 158.88 |
| Cost to complete a Voluntary - Employee Termination | \$ 17.31 |
| Employee Turnover Rate | 13.65% |
| Cost to Train an Employee | \$ 509.68 |

PURCHASING

| | |
|---|----------|
| Cost to Process a Sundry Purchase Order | \$ 58.44 |
|---|----------|

REVENUE

| | |
|--|---------|
| Cost to Read a Meter | \$ 1.45 |
| Cost to Render a Bill (Less Meter Reading) | \$ 0.92 |
| Cost to Manage a Customer by Phone | \$ 2.20 |
| Cost to Manage a Customer by Mail | \$ 9.21 |
| Cost to Manage a Walk-in Customer | \$ 6.21 |
| Cost to Process a Mail-in Payment | \$ 0.55 |
| Cost to Process a Walk-in Payment | \$ 2.21 |

SUPPORT SERVICES DEPARTMENT

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