



Sewerage & Water Board of NEW ORLEANS

LaToya Cantrell, President

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NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

February 3, 2020

Ms. Lora Johnson
Clerk of Council
New Orleans City Council
1300 Perdido Street, Suite 2W80
New Orleans, LA 70112

Dear Ms. Johnson:

Please review the following report as determined by the requirements of R.S. 33:4091(C), due on the first day of the second month following the close of each calendar quarter.

1) Standard Industry Metrics for Best Practice

a) *Percentage of water loss –*

New Orleans' water distribution system loses approximately 55 percent daily of its treated, potable water, according to the 2017 Water Audit¹ published in March 2019. This percentage reflects "real" losses, which can be attributed almost entirely to leaks in water mains across the City.

This is an unacceptable level of loss, and it needs to be addressed. Nothing short of a full rehabilitation of our water distribution system will fully solve the problem, but we can take shorter measures to address it in the meantime. As resources allow, we are working to move our operations away from repairing leaks to replacing water mains past their functional lifespans. This must be a key goal of SWBNO's long-term master plan.

b) *Percentage of water paid –*

The chart below, pulled directly from the 2017 Water Audit, reflects the non-revenue water produced in 2016 and 2017. Because the data are presented as percentages of water, they do not reflect billable revenue that may or may not be lost due to system inefficiencies. The most prominent reason for this is that water use is charged at different rates based on the size of a connection and the volume of water consumed over a given billing period.

¹ See 2017 Water Audit, attached.

	2016	2017
Non-revenue water as a % of volume	75.2%	71.6%
Water loss due to leaks	59.2%	55.3%
Other non-revenue water*	16%	16.3%

*loss due to theft, errors, "free" water (unbilled but consumed).

c) *Percentage of receivables outstanding (in millions of dollars), including delinquency schedule –*

Open Accounts as of 12/31/19

Row Labels	Number of Accounts	Current Balance	Total Over 60 Days
COMMERCIAL	31	\$255,519.55	\$203,183.53
HYDRANT	63	\$972,166.42	\$898,283.10
INDUSTRIAL	5	\$11,448.72	\$1,601.44
LG			
COMMERCIAL	182	\$4,875,214.16	\$3,455,555.84
MULTI FAMILY	666	\$2,324,430.78	\$1,795,535.78
RESIDENTIAL	23,735	\$32,325,630.12	\$24,098,577.76
SM			
COMMERCIAL	1,212	\$4,415,500.87	\$3,428,992.21
Grand Total	25,894	\$45,179,910.62	\$33,881,729.66

Closed Accounts as of 12/31/2019:

Row Labels	Number of Accounts	Balance
COMMERCIAL	13	\$16,104.36
HYDRANT	45	\$224,940.11
INDUSTRIAL	1	\$32,641.78
LG		
COMMERCIAL	113	\$1,132,231.86
MULTI FAMILY	989	\$1,043,938.71
RESIDENTIAL	41218	\$29,424,067.69
SM		
COMMERCIAL	1645	\$2,239,312.64
Grand Total	44024	\$34,113,237.15

d) *Customer service improvements –*

We have implemented a more personalized method to estimate our customers' water use in those occasional months where we cannot read some meters. While we strive to eliminate estimates whenever possible, inclement weather and/or obstructions of meters will require that a certain number of accounts will be estimated each billing cycle. The new estimation technique takes the daily average consumption of the last four months and multiplies it by the days in the given billing cycle. This provides customers with a more accurate tally of their bills, avoids costly corrections when meters are actually read later and provides consistency to help households plan and budget their expenses.

We have contracted an executive search firm to identify and recruit our first Chief Customer Service Officer. We created this executive-level position last year in our shift toward a far more customer-friendly philosophy. This hire, which we hope to make in the second quarter, will be the cornerstone to build a modern, prioritized customer service department.

We continue to meet weekly with our customer service leaders to troubleshoot the myriad challenges they identify and to find creative ways to improve.

2) Prevention of Waste or Fraud -

We are in the process of elevating our Internal Audit team to report directly to the Board of Directors. This will create a greater sense of autonomy for our internal watchdogs. We are also in the process of hiring a new chief auditor to take on this crucial work to improve transparency, accountability and efficiency.

We have produced a new procurement policy and manual to improve how we track purchases and contracts. It is a mission of SWBNO to improve how it tracks and manages its various costs and revenue streams to promote greater accountability over how it spends public dollars. A standard, clear approach is essential to rebuild public confidence in this utility.

3) Metrics for Employees and Contractors –

We are well into our project to update, revise, and develop policy across the organization. Over the past four months we have issued 25 new or updated policies. These policies include subjects like overtime, finance, and many others. We expect to update at least 20 more policies over the next few months. This project constitutes the first comprehensive effort to update SWBNO policy in over a quarter century.

For our most recent metrics on workforce vacancies, please see the attached 2020 budget presentation.

Our work to change the organizational culture by emphasizing leader development, safety, and customer service continues. We are building upon our H2O Academy concept, which offers leader development courses, OSHA safety courses, and other employee skills classes. We will soon hold

our 13th two-day Leadership Essentials class for supervisors or aspiring supervisors, and we have completed OSHA 10/30 training for over 400 employees. We have also introduced a diversity and inclusion class required for all employees. We continue to look for ways to expand H2O Academy offerings to meet our organizational needs.

In our effort to grow our safety program and create a safety management system, we have hired a new safety manager with industrial facility safety experience, along with two new safety engineers. This along with our new civil service-approved departmental safety liaison program has substantially increased our safety network and enabled us to take on several new safety initiatives.

4) Benchmarks of success regarding improved coordination between SWBNO and the Department of Public Works to ensure priority and resource alignment –

We continue to work closely with the Administration and the Department of Public Works, building bridges to help build better roads and water, sewer and drainage systems. We've partnered with DPW on the Max Pave program, which is dedicated to reducing the backlog of paving restorations. We are discussing the efficacy of a second phase for Max Pave to roll out in the early part of this year.

We continue to partner with DPW on the FEMA-funded Joint Infrastructure Recovery Roads program.

5) Report on the efficiency and effectiveness of information systems –

Information Systems continues to work with Cogsdale and the Revenue Department on the ongoing upgrade to Cogsdale which will decrease deadlocks, increase system speed, and implement new features when it is complete. We continue our work on the website to expand its functionality and usefulness to the citizens of New Orleans.

We are exploring the concept of a SWBNO app that could give us direct contact with our customers during emergencies and provide information about the dozens of worksites our teams address every day.

The Human Resources / Payroll System improvements continue and electronic timesheets will be expanded to other areas of the Board as soon as Cogsdale completes a requested change in the system.

The Board purchased two software products to enhance its capabilities regarding finance issues:

- Softco Software, an automated accounts payable system which will allow detailed tracking of invoices. Information is being prepared for Softco by the Financial System Programmers in advance of the kickoff meeting.
- Whitebirch Software, a financial modeling software. Initial kickoff meetings have been held, and PFM is working with data sent by the Board on the initial model.

The GIS group is working with the SCADA team to produce maps which are linked to the PI Historian via ESRI software. These maps will be used to provide important information to individuals within

the Board as well as external customers, without unnecessarily burdening the PI system and without the need to purchase additional software licenses.

Information Systems personnel met with our regional Homeland Security Cyber Security representative and scheduled security assessments for October 2019. The Board hosted a cyber security workshop for ESRI which was attended by IT personnel from the City of New Orleans, Jefferson Parish, St. Bernard Parish, and Entergy.

An RFP for Information Systems Management is currently under procurement, with responses due 3/20/2020.

6) Detailed reports on assessment and status of technologies and operation programs and strategies for system redundancy and service improvements –

After the cyberattack against City Hall, we have doubled our efforts to educate our staff about the risks of working online. We continue to monitor our systems daily and to train staff to recognize suspicious emails. SWBNO was unaffected by the cyberattack, but we haven't relaxed our efforts to keep our data safe.

7) Detailed reports on assessment and status of operational reforms, capital improvement programs, and service assurance programs

We continue to make progress in several categories. We have shored up our billing process to increase accuracy and reliability while simultaneously pushing ahead with installing automated metering infrastructure (AMI). We have engaged in a detailed assessment of our drainage system's performance, using the results of recent rainstorms to prioritize possible problem areas. We are inspecting underground canals, some for the first time since Hurricane Katrina. We are cleaning our open canals to remove obstacles. And we're collaborating closely with DPW to locate subsurface anomalies that may be impeding flow. While this work puts a strain on our tight financial circumstances, we feel it is crucial to uncover and address any neglected areas as swiftly as time and resources allow.

In 2020, we plan to focus heavily on the water distribution system by starting a full inventory of our valves – their locations and conditions – so that we can respond with greater efficiency when a water main breaks or needs to be repaired. Our valves allow us to shut off water to specific sections of pipe, which allow for repairs to be then be made.

8) The identity and detailed information on the status of all projects and all improvements made since the close of the last quarter

- Furnishing and Delivering Gasoline and Diesel Fuel Services - Lard Oil Company - \$1,308,852.76
- RFQ for Backflow Prevention Services, LLC for Backflow Prevention and Cross Connection Control Management -- Backflow Prevention Services – Not to Exceed \$8,110,265.90

- Hurricane Katrina Related Repairs to New Carrollton, Hospital, Marconi, Paris, and Press Drainage Underpass Pumping Stations – Industrial & Mechanical Contractors, Inc. - \$1,437,692.00

(1) The total number of contracts let to all contractors. Three

(2) The total value of contracts let to all contractors. \$10,856,810.66

(3)(a) The total number of contracts let to local disadvantaged business enterprises expressed as a percentage of the total number of contracts let. 0 percent

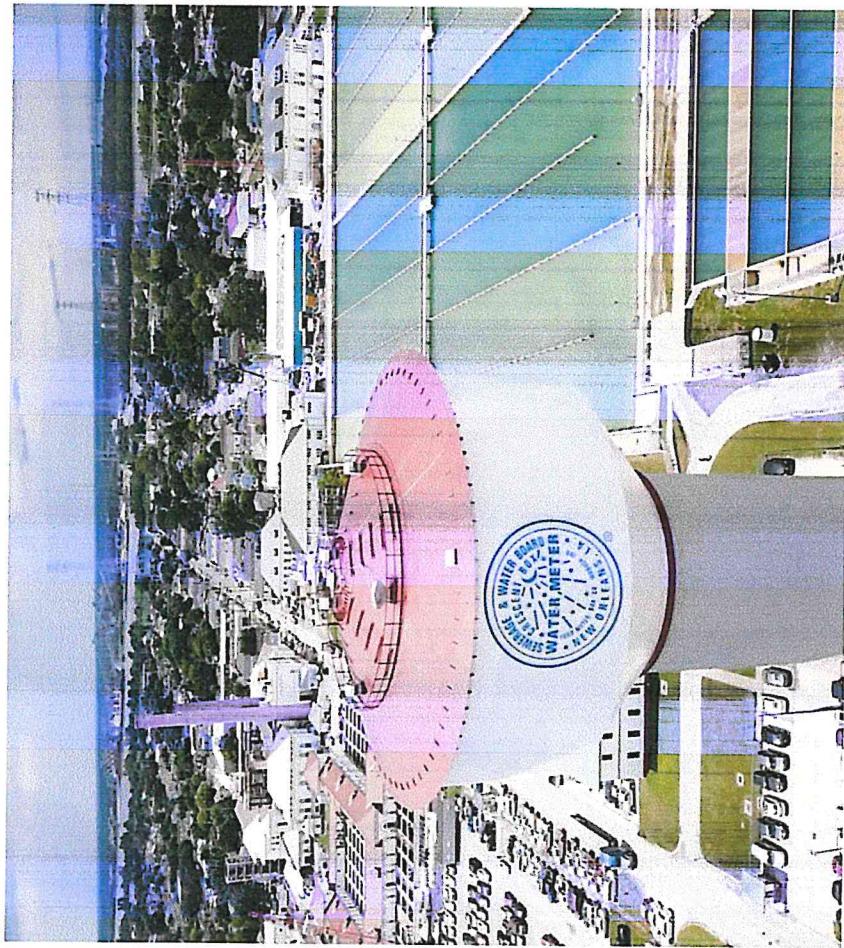
(b) The total number of contracts let to local businesses expressed as a percentage of the total number of contracts let. Lard Oil and Backflow Prevention Services are Baton Rouge companies, IMC is located in New Orleans. Therefore, 33 percent of the contracts are local if "local" is defined as within Orleans Parish. It is 100 percent if Baton Rouge businesses qualify as local.

(4)(a) The total value of contracts let to local disadvantaged business enterprises expressed as a percentage of the total value of contracts let. 0 percent

(b) The total value of contracts let to local businesses expressed as a percentage of the total value of contracts let. 13.25 percent or 100 percent - See 3b

(5) The total number of contracts let to a fifty-fifty joint venture enterprise expressed as a percentage of the total number of contracts let. 0 percent

Sewerage and Water Board 2020 Budget Recommendation



One Water. One Vision.

Connected. Collaborative. Committed.

Introduction

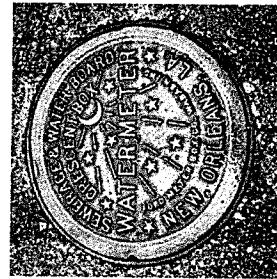
For 120 years, the Sewerage and Water Board of New Orleans (S&WB) has served the City, providing quality water, sewer, and drainage services to keep its residents safe and healthy. The utility is presently finishing an intense period of emergency recovery after years of deferred maintenance led to systemic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

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

This document details S&WB's financial plan for FY 2020 with these factors in mind. It provides a high-level overview of the financial picture of the utility with regard to the organization's bond rating, operating and capital budgets. It then describes S&WB's strategic initiatives for 2020, as well as those of each Deputy Director. After identifying the utility's needs, this summary highlights New Orleans' demographics, including customer demand. It concludes with a discussion of the states of its water, sewer, and drainage funds in the context of FY 2020 priorities and projections.

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

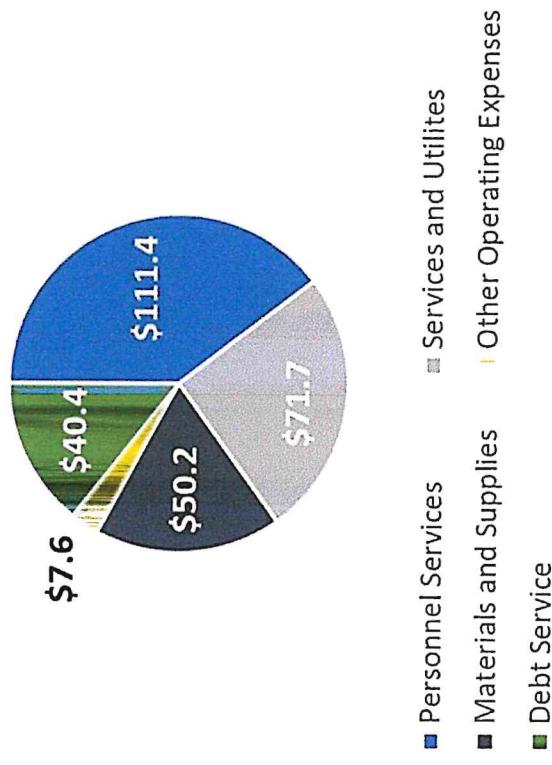
To earn and hold the trust and confidence of our customers and community for reliable and sustainable water services, and to be a model utility in the water industry.



Financial Overview

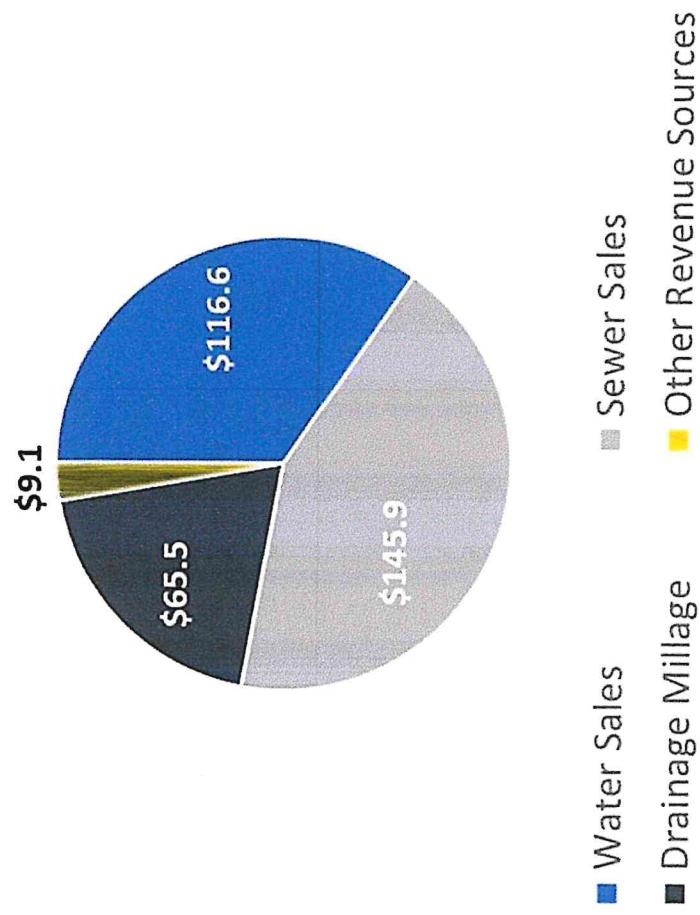
Like many utilities, S&WB is challenged to support an expansive and aging infrastructure. This infrastructure, as well as the associated regulatory requirements and staffing needs, have and continue to increase utility costs. To fund utility operations and finance capital projects, S&WB's primary revenue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

2020 Operating Expenses (\$281m)



S&WB has prepared its 2020 Budget on a modified accrual basis. On a GAAP basis, total expenses during 2020 are projected to be about \$361 million. On an accrued expense basis, which only includes direct operating and maintenance costs and principal and interest on debt service, S&WB expects to spend roughly \$281 million. Excess revenues above these expenses are required for bond covenant and debt service ratios and may be used for capital reinvestment.

2020 Revenues (\$337m)



S&WB expects to recover roughly \$337 million in revenues during 2020. Operating revenues are generated primarily from water and sewer user charges, though S&WB collects a small amount of other operating revenues from penalties and miscellaneous fees. Non-Operating revenues consist of drainage millage collections, interest, and other miscellaneous non-operating revenues and anticipates approval of a millage roll-forward in 2020.

2020 Water and Sewer Proposed Revenue Budget

Revenue Source	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Budget 2020
Water:					
Total Water Sales	\$82,946,807	\$90,464,810	\$90,287,081	\$102,615,607	\$116,573,385
Other Operating Revenue	783,126	561,189	583,693	567,041	569,995
Total Water Revenue	\$83,729,933	\$91,025,999	\$90,870,774	\$103,182,648	\$117,143,380
Sewer:					
Total Sewer Sales	\$104,795,182	\$111,063,719	\$114,614,158	\$125,591,928	\$145,932,517
Other Operating Revenue	631,558	620,565	659,170	528,907	634,837
Total Sewer Revenue	\$105,426,740	\$111,684,284	\$115,273,328	\$126,120,835	\$146,567,354
Fair Share:					
Drainage					
9 Mill				\$26,253,824	\$28,513,869
6 Mill				16,585,277	19,022,708
3 Mill				\$17,514,945	\$18,013,011
Total Drainage				\$60,354,046	\$65,549,587.78
Total Revenue				\$289,657,529	\$329,260,322

2020 Expense Budget Proposal

**\$11.1 M or
4.1 %
increase**

B Level (Level 0)		2018		2019		2020		2019		2020	
		Expenditure	Budget As Modified	Requested Inc/Dec	Budget	Projected	Annual Expense	Inc/Dec	Budget	Projected	Recommended
<i>al Personnel Services</i>	\$ 94,497,690	\$ 103,151,796	\$ 8,281,383	\$ 101,662,541	\$ 111,433,179						
<i>al Services and Utilities</i>	\$ 51,871,962	\$ 65,412,429	\$ 6,259,083	\$ 63,569,829	\$ 71,671,512						
<i>al Material and Supplies</i>	\$ 56,036,032	\$ 55,119,154	\$ (4,874,391)	\$ 51,543,143	\$ 50,244,763						
<i>al Special Current Charges</i>	\$ 4,881,004	\$ 6,824,502	\$ (661,775)	\$ 3,343,031	\$ 6,162,727						
<i>al Furniture and Equipment</i>	\$ 739,605	\$ 1,260,966	\$ 194,437	\$ 656,833	\$ 1,455,403						
<i>al for Organization</i>	\$ 208,026,293	\$ 231,768,847	\$ 9,198,737	\$ 220,775,377	\$ 240,967,584						
<i>ot Service</i>	\$ 38,501,157	\$ 1,884,868	\$	\$	\$ 40,386,025						
<i>al Operating including Debt Service</i>	\$ 270,270,004	\$ 11,083,605	\$	\$	\$ 281,353,609						

2020 Budget Proposal By Department and System

Division	2020 Adopted		
	Water	Sewerage	Drainage
Executive Director	\$ 1,068,985	\$ 1,356,332	\$ 606,329
Special Counsel	\$ 1,376,836	\$ 2,044,726	\$ 1,167,890
Chief Administrative Officer	\$ 17,526,240	\$ 20,805,452	\$ 10,443,182
Communications	\$ 303,657	\$ 303,657	\$ 151,829
General Supt./Operations	\$ 64,035,345	\$ 70,966,855	\$ 36,535,749
Chief Financial Officer	\$ 11,377,245	\$ 12,851,413	\$ 2,236,336
Chief Customer Service Officer	\$ 79,244	\$ 79,244	\$ 39,622
Overhead	\$ (4,966,544)	\$ (4,753,714)	\$ (4,668,330)
Total Operating & Maintenance	\$ 90,801,009	\$ 103,653,966	\$ 46,512,609
2019 Approved	\$ 83,348,880	\$ 92,279,316	\$ 56,140,649
2020 Proposal vs 2019 Adopted	\$ 7,452,129	\$ 11,374,650	\$ (9,628,040)
Debt Service payments not included			

Sewerage and Water Board of New Orleans 2020 Operating Budget By System

	A Water	B Sewerage	C Drainage	D Total
Operating Revenues:				
1 Revenues from Charges	\$ 118,952,385	\$ 148,910,517	\$ -	\$ 267,862,902
2 Other Operating Revenues	\$ 569,995	\$ 634,837	\$ -	\$ 1,204,832
3 Adjustment for Uncollectible Accounts	\$ (2,379,000)	\$ (2,978,000)	\$ -	\$ (5,357,000)
4 Total Operating Revenues	\$ 117,143,380	\$ 146,567,354	\$ -	\$ 263,710,734
Operating Expenses:				
5 Operating & Maintenance Expenses	\$ 90,801,009	\$ 103,653,966	\$ 46,512,609	\$ 240,967,584
6 Depreciation & Allowances Expenses (non-cash)	\$ 18,932,000	\$ 27,125,000	\$ 22,950,000	\$ 69,007,000
7 OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
8 Total Operating Expense	\$ 113,399,676	\$ 134,445,633	\$ 73,129,275	\$ 320,974,584
9 Net Operating Income	\$ 3,743,704	\$ 12,121,721	\$ (73,129,275)	\$ (57,263,850)
Non-Operating Revenues (Expenses)				
10 Tax Revenues	\$ -	\$ -	\$ 65,549,588	\$ 65,549,588
11 Interest Income	\$ 526,861	\$ 468,683	\$ 504,031	\$ 1,499,575
12 Other Non-Operating Revenues	\$ 2,500,984	\$ 873,669	\$ 512,948	\$ 3,887,601
13 FEMA Expense Reimbursement	\$ 756,943	\$ 1,261,571	\$ 504,628	\$ 2,523,142
14 Total Non-Operating Revenues	\$ 3,784,788	\$ 2,603,923	\$ 67,071,195	\$ 73,459,905
Non-Operating Expenses:				
15 Interest Expense - Series 2011 Bonds	\$ -	\$ 57,380	\$ -	\$ 57,380
16 Interest Expense - Series 2014 Bonds	\$ 4,760,000	\$ 4,574,075	\$ 140,950	\$ 9,475,025
17 Interest Expense - Series 2015 Bonds	\$ 4,888,550	\$ 5,000,000	\$ -	\$ 9,888,550
18 LADEQ Loan	\$ -	\$ -	\$ -	\$ -
19 Go Zone Interest Expense	\$ -	\$ -	\$ -	\$ -
20 Capitalized Interest	\$ (9,648,550)	\$ (9,631,455)	\$ (140,950)	\$ (19,420,955)
21 Total Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -
22 Net Income	\$ 7,528,492	\$ 14,725,644	\$ (6,058,081)	\$ 16,196,055
Debt Service				
23 Net Income	\$ 7,528,492	\$ 14,725,644	\$ (6,058,081)	\$ 16,196,055
24 Depreciation & Allowances Expenses (non- cash)	\$ 18,932,000	\$ 27,125,000	\$ 22,950,000	\$ 69,007,000
25 OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
26 Cash Available for Debt Service	\$ 30,127,159	\$ 45,517,310	\$ 20,558,586	\$ 96,203,055
27 Debt Service Principal/Interest	\$ 13,473,550	\$ 21,730,455	\$ 2,035,950	\$ 37,239,955
28 GO Zone	\$ -	\$ 3,146,070	\$ -	\$ 3,146,070
29 Cash Available After Debt Service	\$ 16,653,609	\$ 20,640,785	\$ 18,522,636	\$ 55,817,030

Sewerage and Water Board of New Orleans 2020 Operating Budget By System

Sewerage and Water Board of New Orleans Key Metrics from 2020 Operating Budget

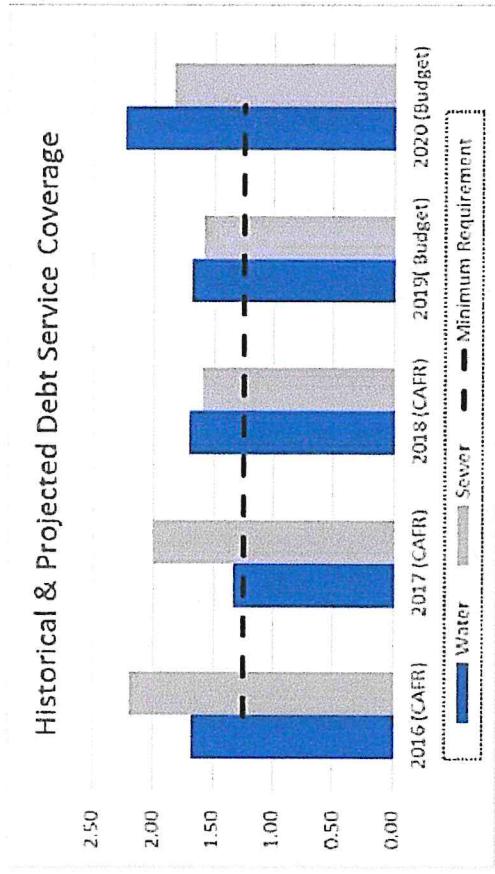
	Water	Sewer	Drainage	Total
Cash Generated From Operations				
1 Net Income	\$ 7,528,492	\$ 14,725,644	\$ (6,058,081)	\$ 16,196,055
2 Plus Depreciation & Allowances Expenses (non-cash)	\$ 18,932,000	\$ 27,125,000	\$ 22,950,000	\$ 69,007,000
3 OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667	\$ 3,666,667	\$ 11,000,000
4 Less Capitalized Interest	\$ (9,648,550)	\$ (9,631,455)	\$ (140,950)	\$ (19,420,955)
5 Bond Principal Payments	\$ 3,825,000	\$ 12,099,000	\$ 1,895,000	\$ 17,819,000
6 Total Cash Generated From Operations	\$ 24,303,609	\$ 47,984,855	\$ 22,312,636	\$ 94,601,100
Water				
7 Total Operating Revenue	\$ 117,143,380	\$ 146,567,354	\$ -	\$ -
8 Total Other Operating Revenue	\$ 3,784,788	\$ 2,603,923	\$ 67,071,195	\$ 67,071,195
9 Total Revenue	\$ 120,928,168	\$ 149,171,277	\$ 67,071,195	
10 Operating and Maintenance Expense	\$ 90,801,009	\$ 103,653,966	\$ 46,512,609	
11 Cash Available for Debt Service	\$ 30,127,159	\$ 45,517,310	\$ 20,558,586	
Debt Service Coverage				
12 Net Operating Income	\$ 3,743,704	\$ 12,121,721		
13 Other Non-Operating Revenues	\$ 3,784,788	\$ 2,603,923		
14 Depreciation & Allowances Expenses (non-cash)	\$ 18,932,000	\$ 27,125,000		
15 OPEB Liability (non-cash)	\$ 3,666,667	\$ 3,666,667		
16 Cash Available for Debt Service	\$ 30,127,159	\$ 45,517,310		
17 Debt Service (Principal and Interest)	\$ 13,473,550	\$ 21,730,455		
18 GO Zone	-	\$ 3,146,070		
19 Debt Service Coverage Times				2.24 1.83

Bond Rating and Debt Service Coverage

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

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

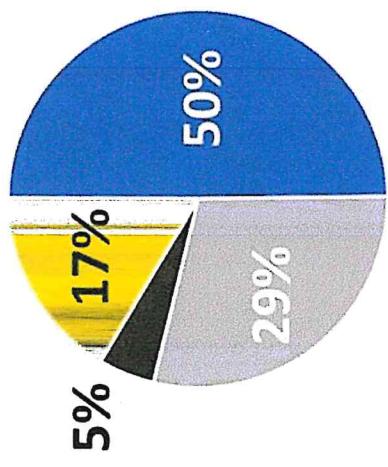
One of the most important financial metrics to S&WB is Debt Service Coverage, which demonstrates the Board's ability to meet its annual debt obligations. The calculation for Debt Service Coverage is established in S&WB's Rate Covenant and is calculated by dividing Funds Available for Debt Service (Adjusted Revenues less Net Operating Expenses) by annual debt service payments. As specified in S&WB's Rate Covenant, S&WB is legally required to maintain Debt Service Coverage of 125% with respect to Senior Debt and 110% of aggregate Senior and Subordinate Debt. As shown, historically S&WB has maintained strong Debt Service Coverage and is projected to do the same in 2020. Strong levels of Debt Service Coverage are seen favorably by rating agencies and help S&WB save money on long-term interest costs.



2020 Budgeted Positions

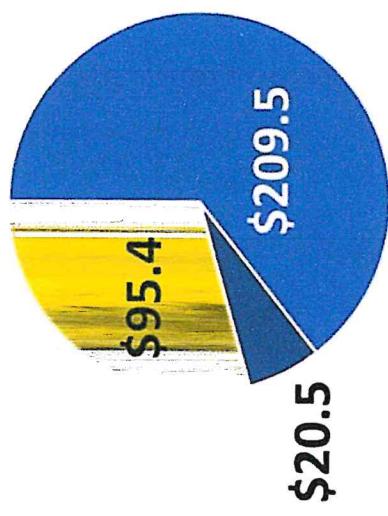
	2020		
	Budget Filled	Budget Vacant	Total Positions
Chief Administrative Officer	53	12	65
Chief Financial Officer	326	52	378
Communications	2	2	4
Chief Customer Service Officer	0	1	1
Executive Director	5	11	16
General Superintendent/Operations	961	142	1103
Special Counsel	12	5	17
	1359	225	1584

2020 Capital Uses (\$325m)



■ Water ■ Sewer ■ Drainage ■ Combo

2020 Capital Sources (\$325m)

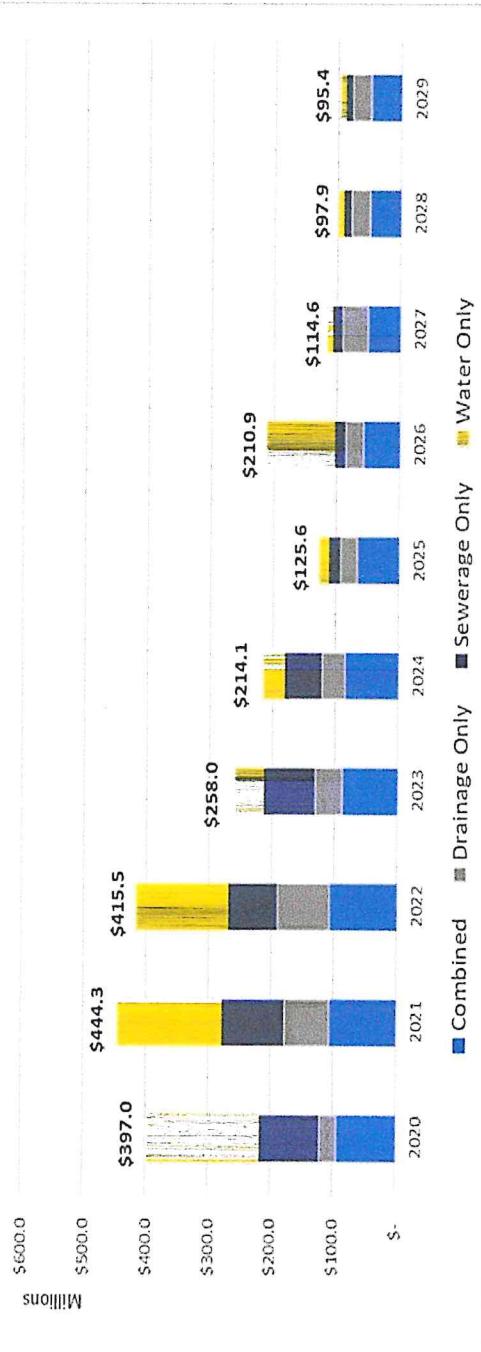


■ Grant Funded Projects ■ Fair Share Projects ■ Targeted Funded Projects

2020-2029 PROJECTED CAPITAL NEEDS

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10 Year Total
COMBO	\$94,580,252	\$106,069,295	\$106,967,750	\$87,811,250	\$84,204,800	\$65,739,250	\$56,757,750	\$50,482,500	\$48,188,500	\$47,339,000	\$748,640,347
DRAINAGE	\$26,172,315	\$70,964,021	\$82,721,679	\$42,498,327	\$36,375,000	\$26,375,000	\$28,375,000	\$40,375,000	\$39,275,000	\$29,275,000	\$412,406,742
SEWERAGE	\$96,080,266	\$100,230,842	\$78,388,243	\$82,772,483	\$59,772,483	\$18,550,000	\$17,850,000	\$15,900,000	\$12,620,000	\$10,925,000	\$493,089,317
WATER	\$180,146,051	\$166,580,529	\$147,929,087	\$44,936,379	\$33,725,000	\$14,965,000	\$10,965,000	\$7,865,000	\$7,865,000	\$691,342,246	
TOTALS	\$396,979,184	\$444,344,687	\$415,506,759	\$258,018,739	\$214,077,283	\$125,629,250	\$210,947,750	\$114,622,500	\$97,948,500	\$95,404,000	\$2,373,478,652

10-Year CIP (\$m)



2020 PROPOSED CAPITAL EXPENDITURES

	2020 Requested
Water	\$161,857,198
Sewer	\$94,165,266
Drainage	\$15,612,615
Combo	\$53,759,802
TOTAL	\$325,394,881

Sewerage and Water Board of New Orleans Capital Budget Comparison 2019 Adopted vs 2020 Requested

	2019 Adopted	2020 Requested
Water	\$48,129,240	\$161,857,198
Sewer	\$55,357,381	\$94,165,266
Drainage	\$32,282,354	\$15,612,615
Combo	\$30,896,755	\$53,759,802
TOTAL	\$166,665,730	\$325,394,881

The 2020 Requested Budget is **\$158,729,151** more than the 2019 Adopted Budget.

Grant Funded Projects

Project Description	Funding Source	Amount
Sewer JIRR and Consent Decree Projects	FEMA/WIFI/A/OTHER	\$ 73,505,266.00
Replacement of Water Distribution System on East Bank	FEMA	\$ 67,223,219.00
Water Hammer Hazard Mitigation Program	FEMA	\$ 37,300,000.00
Modifications/Upgrades of EMD's	FEMA	\$ 8,500,000.00
Replace/Upgrade Drainage System Associated with JIRR FEMA Projects	FEMA	\$ 3,137,615.00
JIRR Replacement of Identified ADA Ramps	FEMA	\$ 2,383,979.00
Upgrade & Expansion of SCADA	NDR Grant	\$ 1,200,000.00
CWP West Substation	Capital Outlay	\$ 7,966,152.00
Oak Street Pump Station Retrofit	HMGP	\$ 8,250,000.00
Total		\$209,466,231.00

Anticipated Fair Share Agreement

Type of Revenue	Revenue Source	Amount Anticipated
One-time	FEMA Revolver Transfer	\$7.65 M
	MCC FUNDS	\$28 M
	HMGCP	\$16.5 M
Recurring	Lost Penny	\$8.20
	DDD Millage	\$0.00
	STR Equalization	\$8.20
	Local Privilege	\$4.35
Other	Capital Outlay	\$7.3 M
	GO Zone Repayment Deferral	Save ~\$3.5M annually

Fair Share Projects

Project Description	Funding Source	Amount
SEL A Debt	SWB	\$ 5,500,000.00
AMI Phase 1 (Survey)	SWB	\$ 2,000,000.00
Master Plan Development	SWB	\$ 1,500,000.00
Cleaning & Rehab of Underground Drainage Canals	SWB	\$ 1,000,000.00
Sycamore Filter Gallery	SWB	\$ 9,000,000.00
Cross Connection Phase 2 Remediation	SWB	\$ 1,500,000.00
Total		\$ 20,500,000.00

Projects With Targeted Funding

Project Description	Funding Source	Amount
Water Line Replacements	LDH/EPA	\$ 30,000,000.00
Vehicle/Equipment Replacements	Appropriation Financing	\$ 10,000,000.00
Security Systems	EPA Grant	\$ 400,000.00
Technology Implementations	Appropriation Financing	\$ 11,000,000.00
Sewer Extention/Main Replacement/Work	Sewer Bonds	\$ 12,710,000.00
Misc Repairs at Various Sewerage Pumping Stations	Sewer Bonds	\$ 6,150,000.00
Westbank WWTP Improvements	Sewer Bonds	\$ 400,000.00
Bio Reactor Train#4	Sewer Bonds	\$ 1,400,000.00
Water Main Replacements (DPW)	Water Bonds	\$ 4,400,000.00
Drain Lines Replacement (36 " and greater)	Drainage Fund	\$ 1,025,000.00
Bulk Chemical Feed	Water Bonds	\$ 11,000,000.00
Carrollton Water Plant Roof Replacement	HMGP Grant	\$ 1,800,000.00
Claiborne and Panola Pumping Stations Stormproofing	HMGP Grant	\$ 200,000.00
Green Infrastructure	Paygo	\$ 843,650.00
Lead Line Replacement	Paygo	\$ 350,000.00
SELA Legal Support	Paygo	\$ 750,000.00
SELA Program Management/ForensicEngineering	Paygo	\$ 2,500,000.00
SELA Claims Management	Paygo	\$ 500,000.00
	Total	\$ 95,428,650.00



Resolutions

- Resolution (R-209-2019) Adoption of 2020 Operating Budget
- Resolution (R-208-2019) Adoption of 2020 Capital Budget
- Resolution (R-186-2019) 2020 Operating Budget and 2020 Capital Budget Blanket Appropriations

SWBNO Quarterly Report

RAINEY, Richard <Rrainey@swbno.org>

Mon 2/3/2020 4:28 PM

To: Lora W. Johnson <ljohnson@nola.gov>

Cc: Joseph I. Giarrusso <Joseph.Giarrusso@nola.gov>; Katie M. Baudouin <Kmbaudouin@nola.gov>; HAROWSKI, Christy <Charowski@swbno.org>

 2 attachments (1 MB)

2.3.2020 - City Council Quarterly report.pdf; 2020 Recommend Budget Presentation.pdf;

Ms. Johnson,

Thanks for speaking with me today. Attached is our quarterly report and an appendix of our 2020 budget presentation that is referenced in the report. Please accept this as official correspondence.

Thanks much,

Richard Rainey

Chief of Communications

Sewerage & Water Board of New Orleans

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