



Sewerage and Water Board OF NEW ORLEANS, LOUISIANA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010

About The Cover:

The U.S. Army Corps of Engineers is building a 15-megawatt generator which will give the Sewerage and Water Board's Division of Pumping and Power the capability to improve the operation of its drainage, sewerage and water pumping systems in emergencies. For instance, it would be put into service when or if commercial power should fail or otherwise become unavailable, or if the Board's own power generation system goes down. The new generator is funded 100% by the U. S. Army Corps of Engineers as part of a storm-proofing project for Orleans Parish and will greatly enhance the reliability of the pumping operations. The cost of this project, located on the grounds of the Carrollton Water Purification Plant, is estimated to be \$3.5 million and is scheduled for completion by October 2011. This emergency generator, the size of a locomotive, will sit high atop the massive pilings shown here.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

New Orleans, Louisiana

Comprehensive Annual Financial Report
For The Year Ended
December 31, 2010

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MISSION STATEMENT

To be one of the best and most respected suppliers of sewer, water, and drainage service in the south-central United States by providing quality, reliable, and cost effective service to our Customers while maintaining fair and ethical treatment of our well-trained and highly motivated employees.

OUR VALUE

Open, honest, communication
Trust and respect for each other
Offering and encouraging education and opportunity to employees
Fostering enthusiasm among employees through example of the
managers/supervisors
Providing direction and planning and encouraging interdepartment
teamwork
Assuring reliability in providing services to customers

KEY RESULT AREAS

Customer Satisfaction
Cost Effectiveness
Employee Satisfaction
Capabilities Improvement through Training

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INTRODUCTORY SECTION



One element of the Board's Sewer System Evaluation and Rehabilitation Program (SSERP) is a Sewer Force Main Reliability Study, a field inspection using ultrasonic testing to determine the pipe wall thickness. The results are compared to the original design thickness of the pipe to determine the condition and remaining service life of the sewer force main. As many as 640 thickness measurements within a predetermined area are taken to complete the process.



A new concrete box canal beneath South Claiborne Avenue is just one of many crucial drainage projects completed, underway or in the design stage through the Southeast Louisiana Urban Flood Control Project (SELA). Drainage Pumping Station renovation and expansion are also key components of SELA projects.



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

Sewerage & Water Board of NEW ORLEANS

MITCHELL J. LANDRIEU, President
TOMMIE A. VASSEL, President Pro-Tem

May 20, 2011

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

We are pleased to present the Comprehensive Annual Financial Report of the Sewerage and Water Board of New Orleans for the year ended December 31, 2010. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest solely with the Sewerage and Water Board. It is our belief that the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations, and cash flows of the Board's Enterprise and Pension Trust Funds. All disclosures necessary to enable the reader to gain an understanding of the Sewerage and Water Board's financial activities have been included.

COMPREHENSIVE ANNUAL FINANCIAL REPORT SECTIONS

The Comprehensive Annual Financial Report is presented in four (4) major sections: Introductory, Financial, Statistical and Supplemental. The Introductory Section includes the transmittal letter and listings of the officers, members and committees of the Board of Directors. This section also includes the Board's organizational chart and a reproduction of the 2009 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The Financial Section includes the independent auditors' report, along with the basic financial statements, required supplementary information, accompanying notes and other supplementary information. The individual fund statements for the Enterprise and Pension Trust Funds are included. Required supplementary information includes management's discussion and analysis and a schedule of pension funding progress and contributions. The Statistical Section includes selected financial and demographic information, generally in a multi-year presentation. Additional information relative to the Sewerage and Water Board's operations is included in a Supplemental Section.

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

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

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

PROFILE OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

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

ECONOMIC CONDITION AND OUTLOOK

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

According to the January 2011 issue of the Metropolitan Report, Economic Indicators for the New Orleans Area (UNO Report during the first three quarters of 2010 the Metro area roughly added 900 jobs when compared to the same time frame during 2009.

When comparing averages during the three quarters, only a few sectors had a significant growth in 2010 compared to 2009. Health Care and Social Assistance added 2,011 (3.8% growth). Leisure and Hospitality added another 1,551 jobs (2.3% growth). Even though Government added 1,473 jobs with a growth of 1.8%, most of these jobs were added for the 2010 Census and are not permanent. Arts, Entertainment and Recreation added a total of 1,330 jobs (13.8% growth).

New Orleans had a very strong first half in 2010, with hotel occupancy and room rates up substantially from similar months in 2009. One explanation for the positive direction in tourism indicators is the Saints success. Post-season games brought enthusiastic visitors and their spending. As well, many people traveled to New Orleans, rather than Miami, to celebrate the Super Bowl. The constant media coverage provided virtually free advertising, including unbiased reporting showing exuberant people reveling in the streets of New Orleans.

Strong convention bookings and attendance also contributed to the success of the visitor industry. As well, business visitation was robust. Many visitors coming for business purposes have extended their stay for pleasure (61.2%) and are staying longer (an average of 2.1 additional nights) than in the past to take advantage of leisure activities.

Year-to-date 2010, both national imports and exports were up 25.4% and 21.3% respectively. The global recession has taken its toll on both categories. Despite that, commodities traded through the port on New Orleans are not a representative sample of those traded nationally. The New Orleans year-to-date import tonnage was up 22.9% while export tonnage was up 6.7% following the national trend.

WATER SYSTEM MAJOR INITIATIVES

Carrollton Water Purification Plant:

Construction of a new disinfection storage and feed facility is underway. This project, which replaces chlorine delivered in rail cars with sodium hypochlorite, includes bulk storage and pumping facilities for hypochlorite, the addition of a second disinfectant addition point, and some water plant SCADA system improvements. This project is financed through the Department of Health and Hospital State Revolving Loan Program and ARRA. The stimulus funding will result in \$1,000,000 of principal forgiveness for the S&WB. When complete, the Carrollton Plant will no longer house 55 ton rail cars of chlorine, significantly reducing the risk of exposure to the plant staff and the surrounding community and environment.

Overhaul of flocculation-sedimentation basin G3 is near completion. A new complete flocculation drive system was installed. The improvements to the mono-rake system will increase the efficiency of sludge removal from the sedimentation basin. Pressure grouting was executed in the soils supporting the basin walls to stop exfiltration and fill known voids. Repairs to the alignment of the monorake skirt and the rails are ongoing.

Improvements to the high lift flow measuring system are ongoing. Degassing valves have been installed on five of the six units, which are now providing flow measurement. Outstanding repairs include the damaged/plugged venturi plumbing and repair or replacement of the pump infrastructure.

The Board has completed rehabilitation to the L4 flocculation equipment and mono-rake system. Oil needs to be changed in the gearbox and remote dry passage sump level monitoring needs to be addressed before equipment can be tested and returned to service.

Algiers Water Purification Plant

The Board completed installation of a new sodium hypochlorite in the raw water line ahead of the treatment process. The additional feed point will ensure compliance with disinfection requirements by providing for longer chlorine contact time during extreme cold temperatures in combination with high customer use.

The installation of a sodium hypochlorite generation system is complete and the equipment has been in service since April 2009. This system is currently supporting the daily normal plant needs for disinfectant in the potable water treatment process. The use of ton cylinders of chlorine has been discontinued at this facility significantly reducing the risk of exposure to the plant staff and the surrounding community and environment to a toxic chlorine release.

The ferric sulfate storage and feed equipment was moved from the old river station to a temporary location within the Algiers Plant. A new bulk storage containment structure has been built within the plant. Efforts are ongoing to move parts of the storage and feed equipment into this new facility.

Water Pumping & Power

The total capacity of the plant is 41 MW. Turbine 4 (20 MW) was rebuilt and is available for emergency use at an estimated reduced capacity of 8-12 MW. Design to rehabilitate Turbine 4 is underway to replace the steam path, rotor, condenser and all related auxiliaries, install 8 transmitters, update the governor control system and replace the turbine with 25HZ motor on the condensate pump. The project is scheduled for bidding in mid-2011.

A new Boiler No. 2 was installed November 2009. The repair of turbine 4 in 2013 with the new boiler shall return the power plant to the original potential capacity of 61 MW.

Construction of a new high-pressure natural gas line into the power plant by the local power company is underway. The new line is dedicated only for S&WB use and will eliminate the need for the existing gas compressors located at the power plant for Turbine No. 4 operation. The project shall be constructed by 1st quarter 2011.

The New River Intake Station is operational and has sufficient capacity to supply the raw water requirements for the Carrollton Water Purification Plant. The Oak Street River Intake Station is currently out of service for repairs to the pumps, switchgear, valves and intake pipes.

Specifically for the New River Intake Station, all three raw water pumps have been returned to service. One pump has been refurbished with new pump bearings, line shaft bearing, couplings etc. whereas the other two pumps have yet to be refurbished. One of the three pump motors has been refurbished. FEMA is funding the repair or replacement of the suction, discharge and check valves.

The three high lift pump stations are operational. The Claiborne High Lift Pump Station, Panola 25/60-cycle Pump Station and the DeLaval steam turbine pump driver located at the power plant are of sufficient capacity to meet the finished water requirements. The second DeLaval steam driven distribution pumps is scheduled for reconditioning. The FEMA funded repair of both pumps was bid in 2nd quarter 2011.

The Corps of Engineers initiated construction of a new 15 MW, 60HZ dual fuel turbine driven generator with a high pressure gas compressor in November 2009. The \$31.2 million project shall supplement the current power available from Entergy to serve the water treatment plant and the raw water intake stations.

The Corps of Engineers has several projects in design for the power plant including construction of an I-wall around the power plant and other critical water treatment plant assets to protect against flooding, storm proofing the buildings contained in the power plant, the Oak Street River and New River Intake Stations, and the building housing the frequency changer. Projects are scheduled for bidding in 2011 pending availability of funds.

Water Distribution System:

The leak detection program continues to utilize Permalog Leak Detectors to locate leaks in the distribution network for repairs. In 2009, the Permalogs were installed in New Orleans East. Some still remain in the original piloted area in the Central Business District and succeeding area of the Lower Ninth Ward. Over 2400 detectors are currently located in water distribution system.

The leak detection program also utilized the Smartball to investigate 15 miles of water mains. The device is effective; however very labor intensive in its requirement of a shutdown to insert the tool.

Over 12,000 service requests were responded to in 2010. These included investigations of 445 water leaks, inspection of 1434 water values, repairs to 9938 water services lines, 2344 water mains, 964 valves and 47 water manholes. Additionally, staff removed 5102 water meters and installed 489 new water meters.

Preventative maintenance of fire hydrants is continuing in coordination with the local fire department. Of the 16,500 fire hydrants mapped, the Board performed preventative maintenance for 2516.

The Board is continuing to coordinate with the City of New Orleans Department of Public Works (DPW) in repair/replacement of water lines associated with the Submerged Roads Program.

SEWER SYSTEM MAJOR INITIATIVES

East Bank Wastewater Treatment Plant:

All buildings have been repaired including a new control room equipped with a state of the art SCADA system for oversight and control of plant processes. The administration building containing the laboratory was destroyed by floodwaters and demolished. The laboratory analyses are being performed off site, while the administrative offices are being housed in office trailers. Currently a new administration building with laboratory is out for construction bid. Construction is scheduled to begin in June 2011.

With the exception of the backup multiple hearth incinerator and the cryogenic oxygen production facility, all pre disaster equipment has been repaired and is operational including all eight final clarifiers. The oxygen reactors have been restored to full functionality providing essential secondary treatment. In 2010 oxygen reactor #2 mixers, gearboxes, impellers and motors were completely rehabilitated by Philadelphia Mixers and gained full restoration of the 5-year warranty.

At present a Vacuum Swing Adsorption (VSA) oxygen production plant capable of producing 70 tons of oxygen at greater than 93% purity has been purchased and is in the installation phase of the project with an estimated completion and start up of April 2011. Oxygen is currently trucked in at significant cost and the new oxygen production facility will significantly reduce expenses. Currently the oxygen reactors require a consumption of approximately 30-tons per day.

FEMA has reviewed and approved a sludge dryer system as an alternative method of sludge disposal and backup to the Fluid Bed Incinerator (FBI). This sludge processing equipment is in the preliminary engineering design phase of the project. This initiative involves the procurement and installation of a ten (10) dry ton per day sludge dryer to blend into the existing sludge stream prior to incineration. The resulting sludge quality will be greater than 33% Total Solids (TS) allowing for an autogenous burn, which will require fuel only for start ups, greatly reducing diesel and natural gas expenses. The design engineering firm was procured in December 2010.

Two new gravity thickener and belt filter press combination units have been installed in addition to the two existing belt presses. The new units have increased the sludge cake dryness from ~22% TS to slightly greater than 24% TS. The increased dryness has led to significant reductions in diesel and natural gas expenses to incinerate the sludge.

The mean influent TSS and BOD concentration are approximately 148 milligrams per liter (mg/L) and 103 mg/L, respectively. Effluent quality has been good over the year, with only one permit violation in 2010.

A new 4-MW diesel generator was purchased in August 2009 to provide backup power for the wastewater treatment plant. Design of the generator building is underway. Construction of the building and installation of the generator is scheduled to be completed in mid 2012.

Biodiesel is being investigated as a green energy alternative to diesel fuel and natural gas as fuel sources for the fluidized bed incinerator.

The fluid bed incinerator waste product (ash) was permitted as an industrial fill material in early 2010, removing it from its previous characterization as a regulated solid waste material requiring costly landfill disposal. The ash is now utilized as fill at the west bank treatment plant providing significant savings.

The Return Activated Sludge (RAS) pumps received a major overhaul in 2010. This included 5 new pump volutes, 5 motor rebuilds, and 5 pump rehabilitations. Each of the two pump houses is equipped with 5 8-mgd pumps. Additionally, the South RAS pump house header was replaced.

The Board was successful in appealing FEMA to fund the mitigation effort to the berm around the wastewater treatment plant. Design of an earthen/structural berm is underway. Construction is tentatively scheduled to begin in late 2011.

West Bank Wastewater Treatment Plant:

A new in-plant drainage pumping station has been installed, greatly improving the plant drainage capacity. All plant runoff is collected in this system and is returned to the treatment process and ultimately pumped to the Mississippi River.

A new gaseous chlorine handling system was installed including a new chlorinator, automatic shutoffs, leak detectors, and alarms.

Major overhauls were completed to the effluent pumping system, including replacement of the rotating units for the two smaller 8-MGD pumps.

A new solids treatment building and belt filter press is currently at 65% level of design for the plant.

A new sodium hypochlorite system including tanks and pumps is at 65% level of design.

The mean for influent TSS and BOD concentration were 129 mg/l and 104 mg/l, respectively. Effluent quality has been exceptional over the year, with zero permit violations in 2010. The effluent yearly averages for TSS and BOD concentrations were 7 mg/l and 9 mg/l respectively.

Sewage Pumping and Lift Stations:

All the sewer pump stations are operational; however some facilities are continuing to utilize temporary pumps. The majority of the stations require rehabilitation, i.e., electrical repair, bearing replacement, and flood proofing. Approximately 70% of the electrical work has been completed. Mechanical repair work is in progress. The final phase of flood proofing has been initiated.

FEMA has funded repairs to the sewer pump stations to pre-Katrina conditions. Construction contracts for the repair and/or replacement to 62 stations have been awarded and construction is ongoing. In 2010, thirty of the sewer pump stations have been returned to pre-Katrina conditions.

Construction of the replacement of Michoud and Lamb Sewer Pump Stations were completed. The facilities were commissioned in November 2009 and August 2010, respectively.

FEMA is funding the installation of transfer switches at the sewage pumping stations. The switch will provide the ability for the pumps to be powered by a generator in the event of electrical power loss.

Hazard Mitigation Funds have been provided to elevate ten sewer pump stations and ensure continuous operations during flooding events. Final design reports shall be submitted in 2011 for review and comment.

Sewer Collection System:

Sewer rehabilitation projects were completed in the Lower Ninth Ward areas.

Construction projects for replacement of sewer mains from manhole to manhole for various sites throughout Orleans Parish were awarded. Design projects are continuing for multiple point repair and replacement of sanitary sewers in the Carrollton, Lower Ninth Ward and South Shore areas. Construction for these projects shall be completed by 2015.

The Board is continuing to coordinate with DOTD and DPW in repair of sewer lines associated with the Submerged Roads Program

Preventative maintenance of the collection system included inspection of 1,020,804 feet of sewer line utilizing closed circuit television and smoke testing, cleaning of 11,313,998 ft. of the sewer system, inspection of 10,071 sewer manholes and repairs to 2,635 sewer breaks. Thirty-three air release valves were inspected and maintained and 169 force main isolation valves were inspected and exercised. Alignment inspection of 102 miles of the force main was also accomplished.

Cathodic protection survey is performed annually on the 22 systems in place in the collection system. Design is underway to repair the systems damaged as a result of Katrina. The projects are schedule for bidding in late 2011.

DRAINAGE SYSTEM MAJOR INITIATIVES

Pump Stations:

All 24 drainage and 12 underpass pumping stations have been maintained and are operational. Most motors have been rewound and are in service within the drainage stations.

The Board has been able to perform in-house fabrication of stop logs, repair the vertical pumps and two sluice gates that have been out of service since Katrina at Drainage Pumping Station (DPS) 19, repair "D" pump impeller by welding 5 out of 8 blades at DPS 3 and repair failed #1 screen cleaner at DPS 6.

The Corps has committed \$204 million for storm-proofing projects at potentially 22 of the drainage pump stations. Design is underway for procurement and installation of two 300 cfs pumps with a back-up generator at DPS 5, a new building to house a back-up generator at DPS 20, and electrical, mechanical and structural upgrades to the other stations.

The \$58.8 million expansion of Dwyer Road Pumping Station from 125 cfs to 1000 cfs is still in construction. The project is 100% federally funded and scheduled to be completed in the spring of 2011.

The replacement of the Elaine Pumping Station was awarded in July 2009. The \$3.2 million Corps project was completed and is scheduled to be in service in January 2011.

The Board has been participating with the Corps in the procurement for the design build of three new permanent pump stations at 17th Street, Orleans and London Canal at Lake Pontchartrain. As observers, the Board has reviewed the submittal of qualifications, proposals and clarification interviews. The \$804 million project would provide both frontal protection and allow for easier and more efficient pumping of water to the Lake.

Drainage System:

Dwyer Road Intake Canal is currently under construction. The \$58.8 million project is 100% federally funded and consists of 6,800 linear feet of new concrete boxed culvert into the Dwyer Road Pumping Station.

Florida Avenue Canal Phase I proposals for construction were received by the Corps November 2009. The \$49.2 million project is 100% federally funded and consists of an open concrete canal within the Florida Avenue right of way between Mazant Street and Drainage Pump Station # 19. Phase I was awarded in 2010 and is scheduled for completion in the summer of 2012. Florida Avenue Canal Phases II and III from St. Ferdinand St. to Mazant Street are currently under design and both projects will be awarded by the Corps in February 2012. Other Southeast Louisiana Urban Flood Control Program (SELA) projects under design include Florida Ave Canal Phase IV (Peoples Ave to St Ferdinand St, and associated drainage work on Deers St, Eads St, Painters St, Abundance St, Treasure St and Benefit St), Napoleon Avenue Canal Phase II (Claiborne Ave to Carondelet St), Napoleon Ave Canal Phase III (Carondelet St to Constance St), Claiborne Avenue Canal Phase I (Monticello St to Leonidas St), Claiborne Ave Canal Phase II (Leonidas St to Lowerline St), Jefferson Avenue Canal Phase I (Claiborne Ave to Dryades St), Jefferson Ave Canal Phase II (Dryades St to Constances, including canal on Prytania St from Jefferson to Nashville Ave) and Louisiana Avenue Canal (Claiborne Avenue to Constance Street). Claiborne Ave Phase I and Napoleon Ave Phase II are schedule to be awarded by the Corps in the summer of 2011.

Louisiana DODT awarded in December 2009 the installation of drainage culvers, asphalt overlay and related work on General Degaulle Drive at its intersection with Wall Boulevard, Life Center Drive, Seine Court, Westbend Parkway, Behrman Place and MacArthur Boulevard. The design, funded by the Board will provide for improved drainage and flood control in the six locations. The \$21 million construction (partially funded by the Board) is scheduled to be complete by mid-2012.

A five-year Capital Program budget of \$2,934,895,000 was approved by Sewerage and Water Board in December 2010. The approved amount for Drainage projects was \$2,184,345,000, of that amount; \$1,647,605,000 is participation by others.

FINANCIAL INFORMATION

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

Budgetary Control:

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

General Operations

The change in net assets for the year ended December 31, 2010 was of approximately \$94.5 million compared to an increase of \$66.4 million for the year ended December 31, 2009. The Board's total operating revenues increased by 7.4% to approximately \$130.1 million, and total operating expenses increased by 0.5% to approximately \$170.8 million. The decrease in transmission and distribution expenses in 2010 of approximately \$5.6 million, or 25.9%, is primarily due to a decrease in a paving contract. The increase in administration and general expense of \$2.6 million, or 18.9%, is primarily due to an increase in insurance as well as an increase in the of purchase of parts and materials. The increase in the provision for doubtful accounts of \$4.0 million, or 445.7%, is due primarily to the increase in estimate of the allowance for doubtful accounts.

Pension Trust Fund Operations:

The contributions to the Pension Trust Funds are based on actuarial valuations.

Debt Administration:

The Board of Liquidation, City Debt has responsibility for the administration of the Board's debt. Drainage debt services payments are supported by ad valorem tax collections, while user fees are used to provide debt services for the Water and Sewerage System bonds. The Board's Sewerage, Water, and Drainage bonds outstanding as of December 31, 2010 totaled approximately \$229.3 million.

Cash Management:

Cash temporarily idle in the Enterprise Fund during the year was invested in commercial bank certificates of deposit, repurchase agreements, and U.S. Treasury Bills. Effective, January 1998, investments were recorded at fair value. Investment income on these idle funds was \$400,426.

Risk Management:

The Sewerage and Water Board uses both insured and retained risk programs to manage exposures to loss. The Board administers self-insured programs for property and automobile liability exposures. Also, retained risk programs for general liability and workers' compensation losses and claims are administered by the Board.

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 firms 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, 2009. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one (1) year only. The Sewerage and Water Board of New Orleans has received a Certificate of Achievement for twenty-seven (27) years. We believe our current report continues to conform to the Certification of Achievement Program requirements and we are submitting it to GFOA.

ACKNOWLEDGMENTS

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

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

Yours very truly,



Marcia A. St. Martin
Executive Director

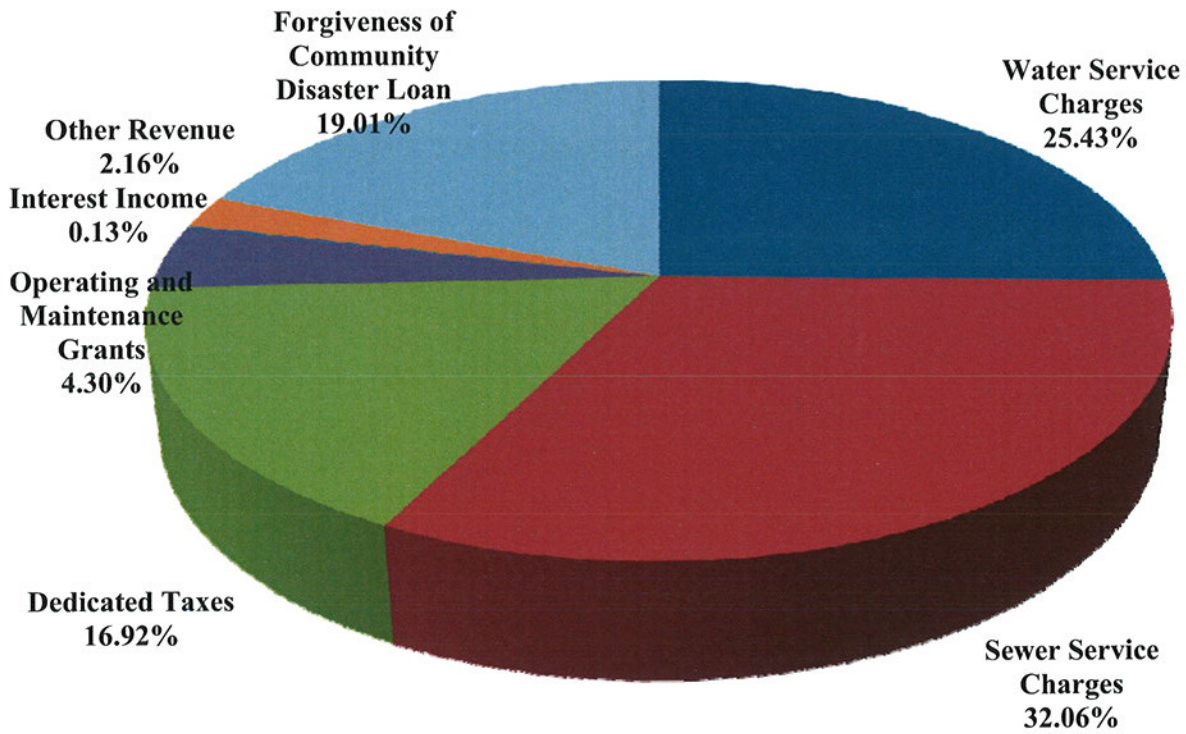


Robert Miller
Deputy Director

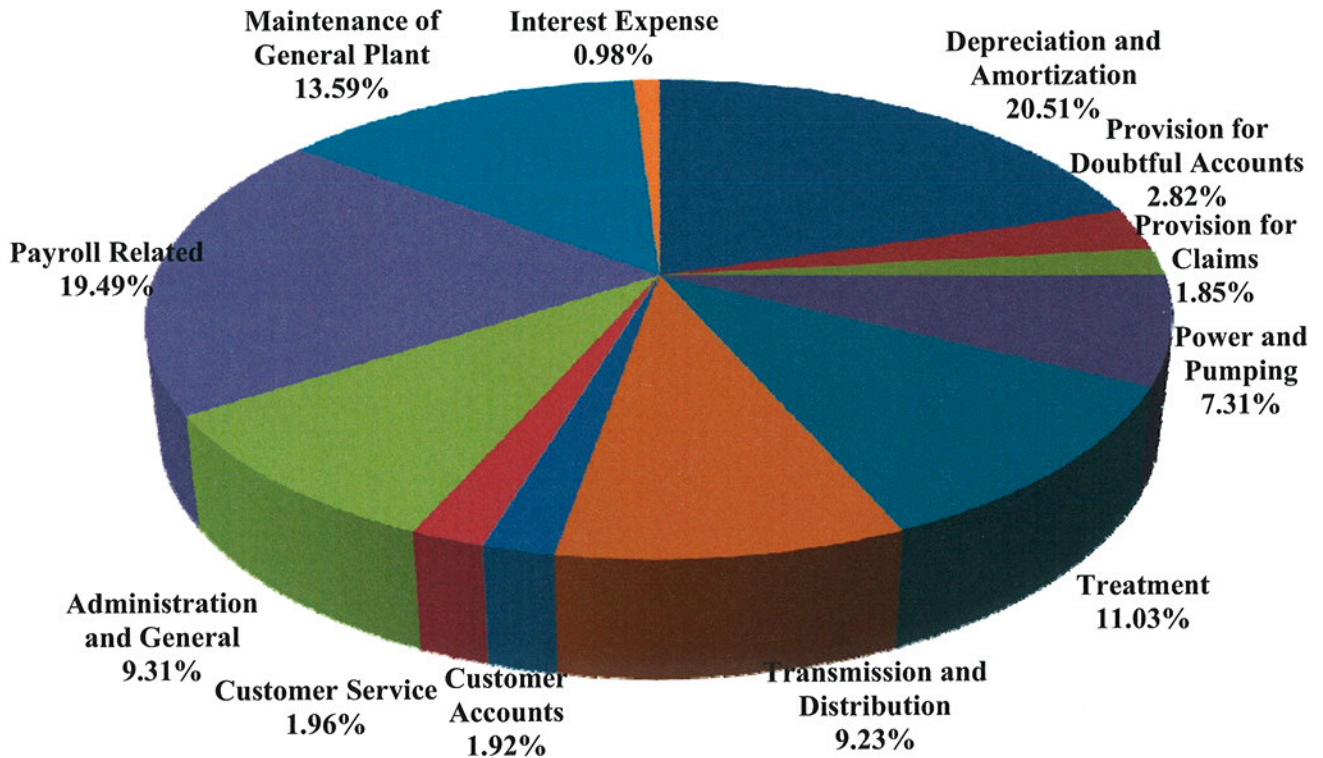


Ethel H. Williams
Financial Administrator

2010 Revenues



2010 Expenses



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sewerage and Water Board of New Orleans, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

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

December 31, 2010

MITCHELL J. LANDRIEU	President
Mayor, City of New Orleans	
TOMMIE A. VASSEL	President Pro Tem
MARCIA A. ST. MARTIN	Executive Director
ROBERT MILLER	Deputy Director
JOSEPH BECKER	General Superintendent
MADLINE F. GODDARD	Deputy General Superintendent
GERARD A. VICTOR	Special Counsel

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

December 31, 2010

MITCHELL J. LANDRIEU	Mayor
ALAN C. ARNOLD	Member- Board of Liquidation, City Debt
JACQUELYN CLARKSON	Councilwoman-At-Large
STACY HEAD	Councilwoman District B
KAREN HENLEY-RAYMOND	Councilmanic District D
JON JOHNSON	Councilman District E
GLENN PILIE	Councilmanic District A
FLORENCE SCHORNSTEIN	Councilmanic District B
TOMMIE A. VASSEL	Councilmanic District C
BEVERLY WRIGHT	At-Large Appointment
LOYCE P. WRIGHT	At-Large Appointment

**COMMITTEES
OF THE
SEWERAGE AND WATER BOARD
OF
NEW ORLEANS
December 31, 2010**

EXECUTIVE COMMITTEE

TOMMIE A. VASSEL - Chairperson

LOYCE P. WRIGHT

FLORENCE W. SCHORNSTEIN

FINANCE AND OPERATIONS COMMITTEE

LOYCE P. WRIGHT - Chairperson

FLORENCE W. SCHORNSTEIN
JACQUELYN CLARKSON

KAREN HENLEY-RAYMOND

INFRASTRUCTURE COMMITTEE

FLORENCE W. SCHORNSTIEN - Chairperson

KAREN HENLEY-RAYMOND
GLENN PILIE

PLUMBING COMMITTEE

Chairperson

ALAN C. ARNOLD

PENSION COMMITTEE

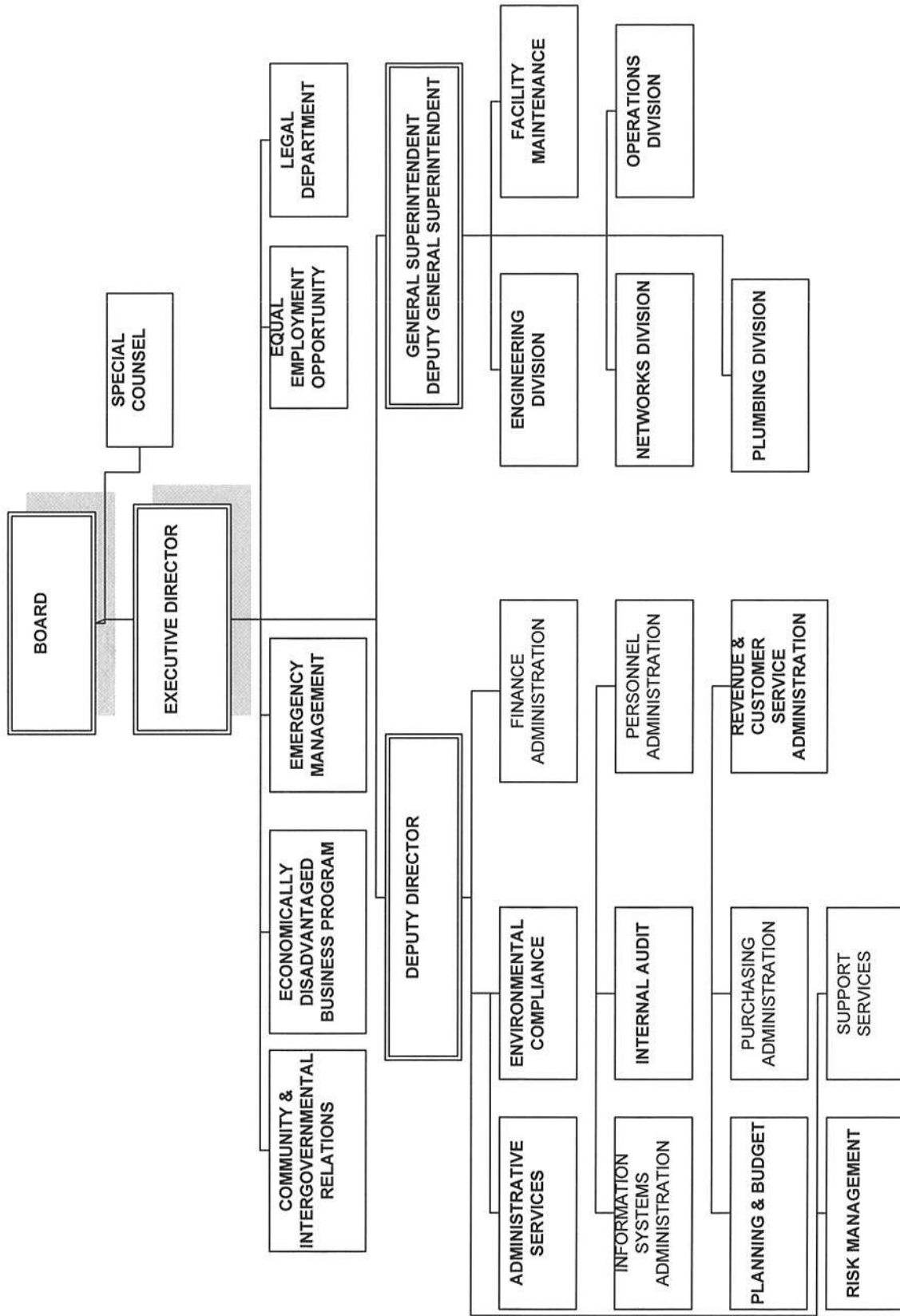
TOMMIE A. VASSEL - Chairperson

ALAN ARNOLD
WARREN J. LAWRENCE
ARNIE FIELKOW

HAROLD HELLER
GERALD TILTON
JOHN WILSON

MICHAEL CONEFRY & COMPANY, ACTUARY

SEWERAGE AND WATER BOARD ORGANIZATION CHART 2011



THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

DIVISION HEADS OF DEPUTY DIRECTOR

December 31, 2010

ROBERT MILLER
DEPUTY DIRECTOR

ADMINISTRATIVE SERVICES DIVISION
LYNN COBETTE

ENVIRONMENTAL AFFAIRS DIVISION
GORDON C. AUSTIN

FINANCE ADMINISTRATION
ETHEL H. WILLIAMS

INFORMATION SYSTEMS ADMINISTRATION
MELINDA NELSON

INTERNAL AUDIT
LOIS GOULD-FORD

PERSONNEL ADMINISTRATION
KEVIN WALSH

PLANNING AND BUDGET DIVISION
DEXTER JOSEPH

PURCHASING ADMINISTRATION
WILLIE M. MINGO JR.

REVENUE AND CUSTOMER SERVICES ADMINISTRATION
JACQUELINE K. SHINE

RISK MANAGEMENT
ISIAH CAMERON

SUPPORT SERVICES DIVISION
JOHN WILSON

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

December 31, 2010

JOSEPH BECKER
GENERAL SUPERINTENDENT

MADELINE F. GODDARD
DEPUTY GENERAL SUPERINTENDENT

ENGINEERING DIVISION
JOHN (JACK) HUERKAMP

FACILITY MAINTENANCE DIVISION
GABE SIGNORELLI

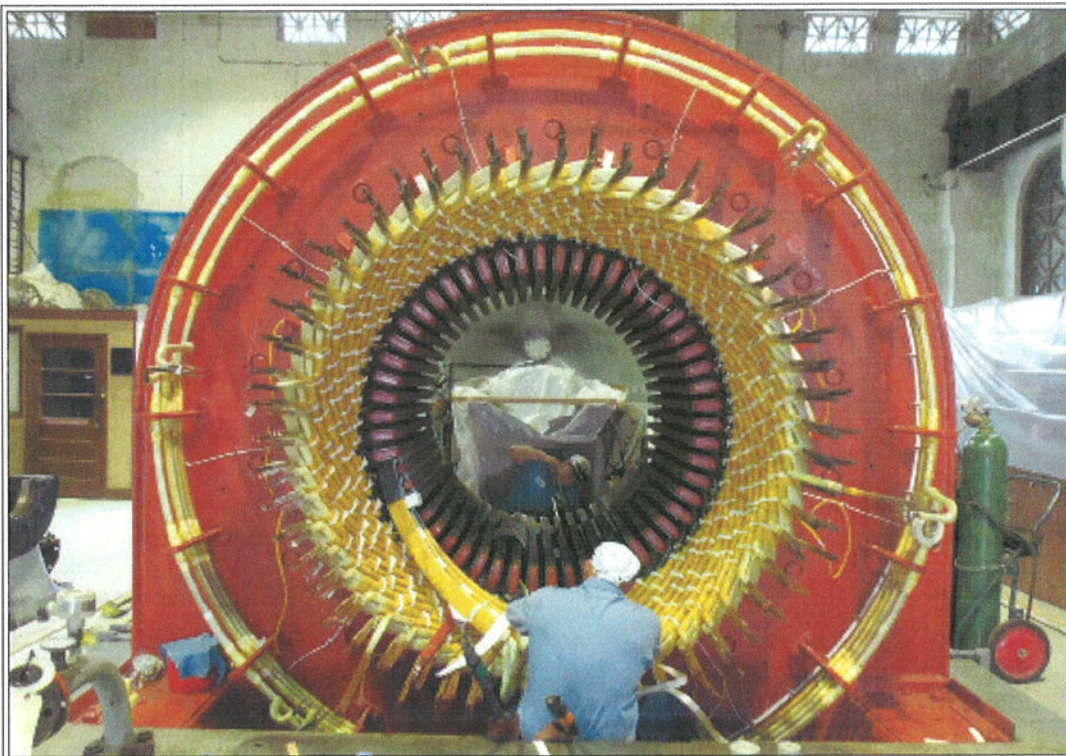
NETWORKS DIVISION
RUDY AUGUST

OPERATIONS DIVISION
BOB MOEINIAN

PLUMBING DIVISION
JAMES J. ARNOLD



New processes, systems, equipment and modern concepts are constantly explored--and many are implemented by the S&WB. One such new process system is underway at the Carrollton Water Purification Plant on South Claiborne Ave. Called the Sodium Hypochlorite Bulk Storage/Feed Facility, it consists of the conversion of a current gaseous chlorination system to a sodium hypochlorite system that will eliminate the need for transporting chlorine by rail and storing it on the plant grounds. Instead, the Board will be able to truck in the safer, yet effective, sodium hypochlorite for disinfectant purposes and easily store it in a nearby facility. This chemical increases safety for surrounding neighborhoods and Board employees.



Turbine No. 3, a crucial element of the Sewerage & Water Board's own Power Plant, is undergoing an extensive overhaul after it failed while in operation. The 1928 vintage, 25-cycle, 15-megawatt generator supplies 25-cycle power for low day-to-day power needs, as well as for peak potential loads to run drainage pumping stations during heavy rain events and hurricanes. Disassembly and repair were required to ensure the turbine will return to service in like-new condition and provide many more years of reliable service.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the basic financial statements of the Sewerage and Water Board of New Orleans (the Board) as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2011, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-3 through II-14 and the schedules of funding progress presented on pages II-54 and II-55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



New Orleans, Louisiana
May 20, 2011

SEWERAGE & WATER BOARD OF NEW ORLEANS

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2010

This section of the Sewerage & Water Board of New Orleans' (the Board) annual financial report presents a discussion and analysis of the Board's financial performance during the fiscal year that ended December 31, 2010. Please read it in conjunction with the Board's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Recovery from Hurricane Katrina and the resulting flooding continued to be the most significant event to occur during 2010. Repairs to water, sewerage, and drainage systems, building repairs, and vehicle and equipment replacements continued throughout 2010.

Enterprise Fund

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

2010

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

2009

- The Board's additions to its major systems approximated \$130.4 million.
- The SELA project which is a major upgrade to the drainage system by the Corps of Engineers resulted in additions of approximately \$23.9 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants expended totaled approximately \$49.9 million, of which approximately \$30.5 million were capital contributions and approximately \$19.4 million were for operating and maintenance expenses.
- The Board refunded the \$24,030,000 Sewerage Service Refunding Bond Anticipation Notes, Series 2006, using the proceeds of the \$23,375,000 Sewerage Service Revenue Refunding Bonds Series 2009 and \$2,161,565 of excess debt service reserve funds. As part of the refunding, the Board paid \$1,172,452 of bond costs, which are amortizable through the date of maturity of the bonds. The bonds are secured by a pledge of revenues of the Sewerage Fund.

Pension Trust Fund

2010

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

2009

The major highlight in the Board's pension trust fund was the strengthening financial performance in the stock market as compared to 2008 and the resulting appreciation of \$29.0 million in the market value of the investments held by the plan during 2009, as opposed to the depreciation of \$60.7 million in the market value of the investments during 2008. The plan net assets available for benefits increased to \$184.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – Enterprise Fund

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

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

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

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

Fund Financial Statements – Pension Trust Fund

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

FINANCIAL ANALYSIS OF THE BOARD

ENTERPRISE FUND

2010 Net Assets

The Board’s total assets at December 31, 2010 were approximately \$1.9 billion, a 5% increase from December 31, 2009 (see Table A-1).

	2010	2009	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 91,222,163	\$ 105,596,835	\$ (14,374,672)	-13.6%
Restricted assets	114,918,876	128,818,918	(13,900,042)	-10.8%
Property, plant and equipment - net	1,715,478,215	1,604,392,342	111,085,873	6.9%
Other assets	2,074,987	2,174,276	(99,289)	-4.6%
Total assets	\$ 1,923,694,241	\$ 1,840,982,371	\$ 82,711,870	4.5%
Current liabilities	\$ 154,772,029	\$ 126,535,376	\$ 28,236,653	22.3%
Long-term liabilities	358,959,646	398,993,489	(40,033,843)	-10.0%
Total liabilities	513,731,675	525,528,865	(11,797,190)	-2.2%
Net assets:				
Invested in capital assets, net of related debt	1,486,339,010	1,367,130,463	119,208,547	8.7%
Restricted	(76,376,444)	(51,676,957)	(24,699,487)	47.8%
Total net assets	1,409,962,566	1,315,453,506	94,509,060	7.2%
Total liabilities and net assets	\$ 1,923,694,241	\$ 1,840,982,371	\$ 82,711,870	4.5%

The increase in total assets of \$82.7 million resulted primarily due to an increase in property, plant, and equipment of \$111.1 million, offset by a decrease in investments restricted for capital projects of \$12.1 million. Current liabilities increased by \$28.2 million due to additional borrowings under the Cooperative Endeavor Agreement with the State of Louisiana as described in Note 13 to the financial statements. Long-term liabilities decreased by \$40.0 million in 2010, as compared to 2009 due to the partial forgiveness of the Special Community Disaster Loan granted by the U.S. Department of Homeland Security in the amount of principal of \$36.8 million and accrued interest of \$4.6 million.

2009 Net Assets

The Board's total assets at December 31, 2009 were approximately \$1.8 billion, a 3.7% increase from December 31, 2008 (see Table A-2).

	2009	2008	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 105,596,835	\$ 99,007,784	\$ 6,589,051	6.7%
Restricted assets	128,818,918	164,746,871	(35,927,953)	-21.8%
Property, plant and equipment - net	1,604,392,342	1,509,805,388	94,586,954	6.3%
Other assets	2,174,276	1,698,192	476,084	28.0%
Total assets	\$ 1,840,982,371	\$ 1,775,258,235	\$ 65,724,136	3.7%
Current liabilities	\$ 126,535,376	\$ 152,039,186	\$ (25,503,810)	-16.8%
Long-term liabilities	398,993,489	374,212,806	24,780,683	6.6%
Total liabilities	525,528,865	526,251,992	(723,127)	-0.1%
Net assets:				
Invested in capital assets, net of related debt	1,367,130,463	1,306,085,162	61,045,301	4.7%
Restricted	(51,676,957)	(57,078,919)	5,401,962	-9.5%
Total net assets	1,315,453,506	1,249,006,243	66,447,263	5.3%
Total liabilities and net assets	\$ 1,840,982,371	\$ 1,775,258,235	\$ 65,724,136	3.7%

The increase in total assets of \$65.7 million resulted primarily due to an increase in property, plant, and equipment of \$94.6 million, offset by a decrease in investments restricted for construction of \$47.2 million. Current liabilities decreased by \$25.5 million, and long-term liabilities increased by \$24.8 million in 2009, as compared to 2008 due to the refunding of the Sewer Revenue Bonds Anticipation Notes, Series 2006, in the amount of \$24.0 million and the issuance of the Sewer Service Revenue Refunding Bonds, Series 2009, in the amount of \$23.3 million.

2010 Changes in Net Assets

The change in net assets for the year ended December 31, 2010 was an increase of approximately \$94.5 million, as opposed to an increase in net assets of approximately \$66.4 million for the year ended December 31, 2009. The Board's total operating revenues increased by 7.4% to approximately \$130.1 million, and total operating expenses increased 0.5% to approximately \$170.8 million. The changes in net assets are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Assets				
	2010	2009	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 125,360,977	\$ 117,264,448	\$ 8,096,529	6.9%
Other	4,702,753	3,814,564	888,189	23.3%
Total operating revenues	130,063,730	121,079,012	8,984,718	7.4%
Operating expenses (Table A-3)	170,791,159	169,991,239	799,920	0.5%
Operating loss	(40,727,429)	(48,912,227)	8,184,798	16.7%
Non-operating revenues:				
Property taxes	36,550,476	36,198,099	352,377	1.0%
Other taxes	333,795	371,006	(37,211)	-10.0%
Operating and maintenance grants	9,367,940	19,373,185	(10,005,245)	-51.6%
Investment income (expense)	(1,413,280)	(880,830)	(532,450)	60.4%
Other non-operating income (expense)	41,438,410	-	41,438,410	100.0%
Total non-operating revenues	86,277,341	55,061,460	31,215,881	56.7%
Income before capital contributions	45,549,912	6,149,233	39,400,679	640.7%
Capital contributions	48,959,148	60,298,230	(11,339,082)	-18.8%
Change in net assets	94,509,060	66,447,463	28,061,597	42.2%
Net assets, beginning of year	1,315,453,506	1,249,006,043	66,447,463	5.3%
Net assets, end of year	\$ 1,409,962,566	\$ 1,315,453,506	\$ 94,509,060	7.2%

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

Table A-4				
Sewerage & Water Board				
Operating Expenses				
	2010	2009	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 12,606,851	\$ 12,950,788	\$ (343,937)	-2.7%
Treatment	19,029,752	19,910,557	(880,805)	-4.4%
Transmission and distribution	15,915,361	21,466,523	(5,551,162)	-25.9%
Customer accounts	3,314,887	3,044,936	269,951	8.9%
Customer service	3,386,338	3,417,239	(30,901)	-0.9%
Administration and general	16,060,032	13,504,125	2,555,907	18.9%
Payroll related	33,616,025	35,085,953	(1,469,928)	-4.2%
Maintenance of general plant	23,438,844	24,828,902	(1,390,058)	-5.6%
Depreciation	35,216,615	34,692,627	523,988	1.5%
Amortization	164,415	140,917	23,498	16.7%
Provision for doubtful accounts	4,855,325	889,812	3,965,513	445.7%
Provision for claims	3,186,714	58,860	3,127,854	5314.1%
Total operating expenses	\$ 170,791,159	\$ 169,991,239	\$ 799,920	0.5%

The decrease in transmission and distribution expenses in 2010 of \$5.5 million or 25.9% is primarily due to a decrease in expenses under a paving contract. The decrease in maintenance of general plant in 2010 of \$1.4 million or 5.6% resulted primarily from a decrease in cost of high pressure gas and a decrease in salaries and overtime. The increase in Administration and General in 2010 of \$2.6 million or 18.9% resulted primarily from an increase in insurance as well as an increase in the purchase of parts and materials. Provisions for doubtful accounts increased by approximately \$4.0 million, or 445.7%, in 2010 as a result of an increase in new closed accounts in 2010. Provisions for claims increased by \$3.1 million in 2010 as compared to 2009. Claims expense varies due to the number and severity of the claims during any period. The increase is due primarily to an increase in reserves recognized during 2010 offset by claims payments made during 2010.

2009 Changes in Net Assets

The change in net assets for the year ended December 31, 2009 was an increase of approximately \$66.4 million, as opposed to a decrease in net assets of approximately \$36.6 million for the year ended December 31, 2008. The Board's total operating revenues increased by 11.1% to approximately \$121.1 million, and total operating expenses increased 7.8% to approximately \$170.0 million. The changes in net assets are detailed in Table A-5; operating expenses are detailed in Table A-6.

	2009	2008	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 117,264,448	\$ 106,463,582	\$ 10,800,866	10.1%
Other	3,814,564	2,487,983	1,326,581	53.3%
Total operating revenues	121,079,012	108,951,565	12,127,447	11.1%
Operating expenses (Table A-3)	169,991,239	157,703,484	12,287,755	7.8%
Operating loss	(48,912,227)	(48,751,919)	(160,308)	-0.3%
Non-operating revenues:				
Property taxes	36,198,099	39,702,436	(3,504,337)	-8.8%
Other taxes	371,006	515,735	(144,729)	-28.1%
Operating and maintenance grants	19,373,185	(3,973)	19,377,158	-487721.1%
Investment income (expense)	(880,830)	1,825,534	(2,706,364)	-148.3%
Total non-operating revenues	55,061,460	42,039,732	13,021,728	31.0%
Income before capital contributions	6,149,233	(6,712,187)	12,861,420	-191.6%
Capital contributions	60,298,230	(29,931,607)	90,229,837	-301.5%
Change in net assets	66,447,463	(36,643,794)	103,091,257	-281.3%
Net assets, beginning of year	1,249,006,043	1,285,649,837	(36,643,794)	-2.9%
Net assets, end of year	\$ 1,315,453,506	\$ 1,249,006,043	\$ 66,447,463	5.3%

Property taxes decreased by \$3.5 million in 2009 due to uncollected prior year receivables written off in 2009.

Capital contributions from federal grants and construction of Board property was approximately \$60.3 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$30.5 million and approximately \$23.9 million of capital contributions by the Army Corps of Engineers. In 2008, the Board had grant revenues of approximately \$18.1 million offset by a write off of approximately \$48.0 million of receivables due to FEMA Disaster Public Assistance grant expenditures that were disallowed or currently in dispute and subject to appeal. Operating and maintenance grants increased to \$19.4 million in 2009 due to the reimbursement of current and prior year expenses for water system point repairs under the FEMA Disaster Public Assistance grant.

	2009	2008	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 12,950,788	\$ 14,178,641	\$ (1,227,853)	-8.7%
Treatment	19,910,557	18,243,782	1,666,775	9.1%
Transmission and distribution	21,466,523	18,994,209	2,472,314	13.0%
Customer accounts	3,044,936	2,719,594	325,342	12.0%
Customer service	3,417,239	3,323,696	93,543	2.8%
Administration and general	13,504,125	15,173,190	(1,669,065)	-11.0%
Payroll related	35,085,953	31,549,622	3,536,331	11.2%
Maintenance of general plant	24,828,902	33,455,074	(8,626,172)	-25.8%
Depreciation	34,692,627	31,546,017	3,146,610	10.0%
Amortization	140,917	158,019	(17,102)	-10.8%
Provision for doubtful accounts	889,812	(12,225,825)	13,115,637	-107.3%
Provision for claims	58,860	587,465	(528,605)	-90.0%
Total operating expenses	<u>\$ 169,991,239</u>	<u>\$ 157,703,484</u>	<u>\$ 12,287,755</u>	<u>7.8%</u>

The decrease in power and pumping expenses in 2009 of approximately \$1.2 million or 8.7% is primarily due to a decrease in cost of natural gas. The increase in treatment expenses in 2009 of \$1.7 million or 9.1% is primarily due to an increase in the costs of chemicals. The increase in transmission and distribution expenses in 2009 of \$2.4 million or 13.0% is primarily due to an increase in contractor cost and materials. The increase in payroll related expenses in 2009 of \$3.5 million or 11.2% is primarily due to salary increases in accordance with City of New Orleans Civil Service and an increased number of employees. The decrease in maintenance of general plant in 2009 of \$8.6 million or 25.8% resulted primarily from lack of personnel to address repairs and lacks of fund to purchase parts and material. Provisions for doubtful accounts increased by approximately \$13.1 million in 2009 as a result of customer receivables that were over-reserved after Hurricane Katrina in 2005. Provisions for claims decreased by \$528 thousand in 2009 as compared to 2008. Claims expense varies due to the number and severity of the claims during any period. The decrease is due primarily to a decrease in reserves recognized during 2009 offset by claims payments made during 2009.

PENSION TRUST FUND

2010 Plan Net Assets

The Board's total plan net assets of its pension trust fund at December 31, 2010 was approximately \$196.5 million, a 6.3% increase from December 31, 2009 (see table A-7). Total assets increased 7.4% to \$205.2 million.

Table A-7				
Sewerage & Water Board of New Orleans				
Plan Net Assets				
	2010	2009	Increase (Decrease)	Increase (Decrease)
Cash	\$ 895,812	\$ 764,400	\$ 131,412	17.2%
Investments	204,209,292	190,173,791	14,035,501	7.4%
Receivables	38,896	38,703	193	0.5%
Other assets	96,285	47,249	49,036	103.8%
Total assets	205,240,285	191,024,143	14,216,142	7.4%
DROP participant payable	8,752,101	6,247,599	2,504,502	40.1%
Total liabilities	8,752,101	6,247,599	2,504,502	-40.1%
Plan net assets	\$ 196,488,184	\$ 184,776,544	\$ 11,711,640	6.3%

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

2009 Plan Net Assets

The Board's total plan net assets of its pension trust fund at December 31, 2009 was approximately \$184.8 million, a 13.8% increase from December 31, 2008 (see table A-8). Total assets increased 14.8% to \$191.0 million.

Table A-8				
Sewerage & Water Board of New Orleans				
Plan Net Assets				
	2009	2008	Increase (Decrease)	Increase (Decrease)
Cash	\$ 764,400	\$ 776,446	\$ (12,046)	-1.6%
Investments	190,173,791	165,246,434	24,927,357	15.1%
Receivables	38,703	120,733	(82,030)	-67.9%
Other assets	47,249	274,483	(227,234)	-82.8%
Total assets	191,024,143	166,418,096	24,606,047	14.8%
DROP participant payable	6,247,599	4,034,240	2,213,359	54.9%
Total liabilities	6,247,599	4,034,240	2,213,359	-54.9%
Plan net assets	\$ 184,776,544	\$ 162,383,856	\$ 22,392,688	13.8%

Plan net assets increased by \$22.4 million in 2009 primarily due to realized and unrealized gains on investments recognized in 2009.

2010 Changes in Plan Net Assets

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

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

2009 Changes in Plan Net Assets

Table A-10				
Sewerage & Water Board of New Orleans				
Change in Plan Net Assets				
	2009	2008	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	\$ 6,925,168	\$ 7,017,975	\$ (92,807)	-1.3%
Net income on investments	29,699,396	(59,190,144)	88,889,540	150.2%
Total additions	36,624,564	(52,172,169)	88,796,733	-170.2%
Deductions:				
Benefits	(11,140,341)	(10,782,636)	(357,705)	3.3%
Employee refunds	(85,524)	(133,779)	48,255	-36.1%
Employee DROP contributions	(3,006,011)	(2,353,384)	(652,627)	27.7%
Total deductions	(14,231,876)	(13,269,799)	(962,077)	7.3%
Change in net assets	22,392,688	(65,441,968)	87,834,656	-134.2%
Plan net assets, beginning of year	162,383,856	227,825,824	(65,441,968)	-28.7%
Plan net assets, end of year	\$ 184,776,544	\$ 162,383,856	\$ 22,392,688	13.8%

Net income on investments increased by \$88.9 million or 150.2% during 2009 due to increasing performance in the stock market as compared to 2008. The increase in the change in plan net assets of \$87.8 million resulted primarily from an increase in unrealized gains on investments in 2009.

CAPITAL ASSET AND DEBT ADMINISTRATION

2010 Capital Assets

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

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

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

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

See Note 4 for detailed capital asset activity during 2010.

2009 Capital Assets

As of December 31, 2009, the Board had invested approximately \$2.2 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2009 totaled approximately \$1.6 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$94.6 million or 6.3% over December 31, 2008.

At December 31, 2008, the Board's budget for its five year capital improvements program totaled approximately \$2.9 billion including \$238.6 million for water, \$426.5 million for sewerage and \$2.2 billion for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2009, the Board has committed or appropriated \$80.6 million in investments for use in future capital projects and has \$6.2 million of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2009 is \$646.4 million, including \$304.9 million for projects, which are expected to be funded by federal grants and programs.

2010 Debt Administration

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

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

The Louisiana Department of Health and Hospitals (the Department) has committed to loan the Board 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 outstanding balance is \$632,842 at December 31, 2010.

See Note 7 for detailed long term debt activity during 2010.

2009 Debt Administration

The Board continues to make its regularly scheduled payments on its bonds. During 2009, \$37.3 million in principal payments were made.

The Board entered into a Cooperative Endeavor Agreement with the State of Louisiana in July 2006 to borrow up to \$77.5 million from the Debt Service Assistance Fund. During 2009, the Board made no additional draw downs on the loan program.

ECONOMIC FACTORS AND RATES

There are continued significant other revenues and expenses which impact the Board. State and federal grants related to the disaster are expected to have a significant impact on 2011. Total FEMA debris removal, mitigation, and capital replacement grants are expected to exceed \$355 million. Of this amount, approximately \$268 million has been recognized through 2010. FEMA revenues will continue to be recognized as buildings, systems, and other reimbursable assets are repaired or replaced. In 2011, the Board will recognize additional portions of these revenues but much of the construction and replacement will not have been completed and the revenues although measurable may not be readily available due to the delays in actual receipts of FEMA funds.

On March 21, 2007, the Board approved a series of five annual water rate increases beginning with the first increase on November 1, 2007 followed by four additional increases to be implemented on July 1 of each year, 2008 through 2011. The New Orleans City Council approved the annual water rate increases on October 4, 2007. The rate increase scheduled for July 1, 2011 is 5%.

The number of open accounts has increased from approximately 121,000 at the end of 2005 to approximately 123,000 at the end of 2010, an increase of 1.3%. The number of open accounts decreased significantly in 2006 and 2007. However, the number of open accounts increased in 2009 by approximately 7,100 and increased by approximately 5,000 in 2010.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF NET ASSETS
December 31, 2010 and 2009

ASSETS	2010	2009
Noncurrent assets:		
Property, plant and equipment	\$ 2,390,631,344	\$ 2,248,235,760
Less: accumulated depreciation	675,153,129	643,843,418
Property, plant and equipment, net	1,715,478,215	1,604,392,342
Other assets:		
Bond issuance costs	2,023,672	2,122,961
Deposits	51,315	51,315
Total other assets	2,074,987	2,174,276
Total noncurrent assets	1,717,553,202	1,606,566,618
Current assets:		
Unrestricted:		
Cash	17,833,292	21,158,918
Accounts receivable:		
Customers (net of allowance for doubtful accounts)	14,783,324	16,488,957
Taxes	9,555,454	11,676,566
Interest	6,983	42,201
Grants	34,745,678	38,122,491
Miscellaneous	3,242,477	4,840,380
Inventory of supplies	10,364,695	12,576,264
Prepaid expenses	690,260	691,058
Total unrestricted	91,222,163	105,596,835
Restricted investments:		
Capital projects	68,513,088	80,594,752
Construction funds	205,792	6,221,641
Debt service reserve	32,774,880	30,040,670
Customer deposits	7,979,978	6,550,885
Health insurance reserve	5,233,138	5,198,970
Other	212,000	212,000
Total restricted	114,918,876	128,818,918
Total current assets	206,141,039	234,415,753
Total assets	\$ 1,923,694,241	\$ 1,840,982,371

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF NET ASSETS
(Continued)

NET ASSETS AND LIABILITIES	2010	2009
Net Assets:		
Invested in capital assets - net of related debt	\$ 1,486,339,010	\$ 1,367,130,463
Restricted For:		
Debt service	32,774,880	30,040,670
Capital projects	(109,151,324)	(81,717,627)
Total restricted for net assets	(76,376,444)	(51,676,957)
Total net assets	1,409,962,566	1,315,453,506
Liabilities:		
Long-term liabilities:		
Claims payable	4,302,369	4,338,126
Net pension obligation	4,976,053	1,885,642
Other postretirement benefits liability	33,069,087	24,474,061
Bonds payable (net of current maturities)	213,984,997	228,878,520
Special Community Disaster loan payable	25,166,747	61,956,747
Debt Service Assistance Fund loan payable	77,460,393	77,460,393
Total long-term liabilities	358,959,646	398,993,489
Current liabilities (payable from current unrestricted assets):		
Accounts payable	36,228,266	39,284,548
Due to City of New Orleans	107,414	106,332
Due to other governments (Note 13)	59,819,408	28,988,864
Retainers and estimates payable	1,970,811	1,523,443
Due to pension trust fund	118,517	58,158
Accrued salaries	1,229,508	1,096,653
Accrued vacation and sick pay	10,268,334	10,048,113
Claims payable	16,727,962	16,265,665
Other liabilities	2,955,625	5,877,666
	129,425,845	103,249,442
Current liabilities (payable from current restricted assets):		
Accrued interest	941,137	993,480
Bonds payable	15,360,000	14,605,000
Retainers and estimates payable	1,065,069	1,136,569
Customer deposits	7,979,978	6,550,885
	25,346,184	23,285,934
Total current liabilities	154,772,029	126,535,376
Total liabilities	513,731,675	525,528,865
Total net assets and liabilities	\$ 1,923,694,241	\$ 1,840,982,371

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Sales of water and delinquent fees	\$ 55,079,772	\$ 50,677,054
Sewerage service charges	69,534,779	66,102,946
Plumbing inspection and license fees	746,426	484,448
Other revenue	<u>4,702,753</u>	<u>3,814,564</u>
Total operating revenues	<u>130,063,730</u>	<u>121,079,012</u>
Operating Expenses:		
Power and pumping	12,606,851	12,950,788
Treatment	19,029,752	19,910,557
Transmission and distribution	15,915,361	21,466,523
Customer accounts	3,314,887	3,044,936
Customer service	3,386,338	3,417,239
Administration and general	16,060,032	13,504,125
Payroll related	33,616,025	35,085,953
Maintenance of general plant	23,438,848	24,828,902
Depreciation	35,216,611	34,692,628
Amortization	164,415	140,917
Provision for doubtful accounts	4,855,325	889,811
Provision for claims	<u>3,186,714</u>	<u>58,860</u>
Total operating expenses	<u>170,791,159</u>	<u>169,991,239</u>
Operating loss	<u>(40,727,429)</u>	<u>(48,912,227)</u>
Non-operating revenues (expenses):		
Three-mill tax	10,378,060	10,302,545
Six-mill tax	10,498,580	10,410,524
Nine-mill tax	15,672,791	15,485,030
Two-mill tax	1,045	-
Other taxes	333,795	371,006
Operating and maintenance grants	9,367,940	19,373,185
Interest income	274,323	885,723
Interest expense	(1,687,603)	(1,766,553)
Forgiveness of Community Disaster Loan (Note 6)	<u>41,438,410</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>86,277,341</u>	<u>55,061,460</u>
Income before capital contributions	45,549,912	6,149,233
Capital contributions	<u>48,959,148</u>	<u>60,298,230</u>
Change in net assets	94,509,060	66,447,463
Net assets:		
Beginning of year, as restated (Note 14)	<u>1,315,453,506</u>	<u>1,249,006,043</u>
End of year	<u>\$ 1,409,962,566</u>	<u>\$ 1,315,453,506</u>

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, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Cash received from customers	\$ 121,465,940	\$ 120,128,884
Cash payments to suppliers for goods and services	(53,627,059)	(67,905,381)
Cash payments to employees for services	(60,626,567)	(62,192,851)
Other revenue	7,047,082	4,542,729
Net cash provided by (used in) operating activities	14,259,396	(5,426,619)
Cash flows from noncapital financing activities		
Proceeds from property taxes	39,005,383	35,215,937
Proceeds from federal operating and maintenance grants	2,772,396	16,600,789
Cash paid to an other government (Note 14)	(2,998,836)	(18,098,192)
Net cash provided by noncapital financing activities	38,778,943	33,718,534
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(137,553,918)	(106,953,016)
Principal payments on bonds payable	(14,605,000)	(37,300,000)
Proceeds from bonds payable	632,842	23,040,889
Payments for bond issuance costs	(65,126)	(1,172,452)
Interest paid on bonds payable	(13,104,662)	(14,226,040)
Proceeds from construction fund, net (Note 14)	33,829,380	18,158,437
Capital contributed by developers and federal grants	58,931,505	38,187,800
Net cash used in capital and related financing activities	(71,934,979)	(80,264,382)
Cash flows from investing activities		
Payments for purchase of investments	(940,970,805)	(487,546,256)
Proceeds from maturities of investments	950,605,004	595,423,939
Investment income	241,879	1,454,458
Net cash provided by (used in) investing activities	9,876,078	109,332,141
Net increase (decrease) in cash	(9,020,562)	57,359,674
Cash at the beginning of the year	92,882,582	35,522,908
Cash at the end of the year	\$ 83,862,020	\$ 92,882,582
Reconciliation of cash and restricted cash (Note 2)		
Current assets - cash	\$ 17,833,292	\$ 21,158,918
Restricted assets -cash	66,028,728	71,723,664
Total cash	\$ 83,862,020	\$ 92,882,582

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS

STATEMENTS OF CASH FLOWS

(Continued)

ENTERPRISE FUND

For the years ended December 31, 2010 and 2009

	2010	2009
Reconciliation of operating loss to net cash provided by (used in) operating activities is as follows:		
Operating loss	\$ (40,727,429)	\$ (48,912,227)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation	35,216,611	34,692,628
Provision for claims	3,186,714	58,860
Provision for doubtful accounts	4,855,325	889,811
Amortization	164,415	140,917
Change in operating assets and liabilities:		
(Increase) decrease in customer receivables	(3,149,693)	3,393,885
Decrease in inventory	2,211,569	311,587
Decrease in prepaid expenses and other receivables	1,598,701	1,342,004
Increase in net pension obligation	3,090,411	2,441,093
Decrease in accounts payable	(162,966)	(8,549,399)
Decrease in accrued salaries, due to pension and accrued vacation and sick pay	413,435	375,841
Increase in net other postretirement benefits liability	8,595,026	9,287,359
Decrease in other liabilities	(1,032,723)	(898,978)
Net cash provided by (used in) operating activities	\$ 14,259,396	\$ (5,426,619)

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF PLAN NET ASSETS
PENSION TRUST FUND
December 31, 2010 and 2009

	2010	2009
Assets:		
Cash	\$ 895,812	\$ 764,400
Receivables:		
Investment income	16,664	27,794
Employee contributions receivable	22,232	10,909
Due from other fund	96,285	47,249
Investments:		
Money market	437,299	19,549,539
LAMP	8,131,637	5,863,469
Corporate bonds	70,950,030	83,959,767
Equities	124,690,326	80,801,016
Total assets	205,240,285	191,024,143
Liabilities:		
DROP participants payable	8,752,101	6,247,599
Total liabilities	8,752,101	6,247,599
Plan net assets available for pension benefits	\$ 196,488,184	\$ 184,776,544

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
For the years ended December 31, 2010 and 2009

	2010	2009
Additions:		
Contributions:		
Employee contributions	\$ 1,190,714	\$ 1,161,744
Employer contributions	5,146,081	5,247,031
City annuity and other transfers in	849,540	516,393
Total contributions	7,186,335	6,925,168
Investment income:		
Interest income	87,048	29,818
Dividend income	1,186,084	863,785
Net appreciation	19,206,614	28,992,832
	20,479,746	29,886,435
Less: investment expense	(544,817)	(187,039)
Net investment income	19,934,929	29,699,396
Total additions	27,121,264	36,624,564
Deductions:		
Benefits	(11,461,132)	(11,140,341)
Employee refunds	(76,656)	(85,524)
Employee contributions to DROP	(3,871,836)	(3,006,011)
Total deductions	(15,409,624)	(14,231,876)
Change in plan net assets	11,711,640	22,392,688
Plan net assets at beginning of year	184,776,544	162,383,856
Plan net assets at end of year	\$ 196,488,184	\$ 184,776,544

See accompanying notes to financial statements.

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

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SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

History and Organization

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

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

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

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

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

(A) Reporting Entity

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(1) Summary of Significant Accounting Policies (continued)

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation

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

Proprietary Fund Type

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

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

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies (continued)

Fiduciary Fund Type

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

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

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

(C) Basis of Accounting

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

(D) Investments

Investments are reported at fair value, except for short-term investments (maturity of one year or less) which are reported at amortized cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

(E) Inventory of Supplies

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

(F) Property, Plant and Equipment

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(1) Summary of Significant Accounting Policies (continued)

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

(G) Vacation and Sick Pay

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

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

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

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as December 31, 2010 and 2009 is approximately \$14,300,000 and \$13,783,000, respectively. The amount included in the statements of net assets as of December 31, 2010 and 2009 is \$10,268,334 and \$10,048,113, respectively, which represents the annual leave and the converted sick leave since virtually all employees convert their sick leave to cash. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense. The following table summarizes changes in the Board's vacation and sick pay liability.

Year	Beginning of Year Liability	Current Year Earned and Changes in Estimate	Payments	End of Year Liability
2010	\$ 10,048,113	\$ 3,676,970	\$ (3,456,749)	\$ 10,268,334
2009	\$ 9,435,109	\$ 7,239,848	\$ (6,626,844)	\$ 10,048,113

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(H) Pension

The Board funds the accrued pension cost for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

(I) Drainage System

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

(J) Self-Insurance/Risk Management

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

(K) Capital Contributions

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

(L) Bond Issue Cost and Refinancing Gains (Losses)

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

(M) Cash Flows

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(1) Summary of Significant Accounting Policies (continued)

(N) Use of Restricted Assets

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

(O) Use of Estimates

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

(P) Net Assets

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

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

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

(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.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(2) Cash and Investments (continued)

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, 2010, the Board’s interest bearing deposits with banks consisted of cash totaling \$47,846,038 and certificates of deposit of \$38,278,393. At December 31, 2009, the Board’s deposits with banks consisted of cash totaling \$28,440,023 and certificates of deposit of \$42,191,060. Of the cash bank balance at December 31, 2010 and 2009, \$2,000,000 and \$2,000,000, respectively, is covered by federal depository insurance. The remaining amount of the Board's cash bank balances and all certificates of deposit for 2010 and 2009 were covered by collateral held by custodial agents of the financial institutions in the name of the Board.

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

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

<u>2010</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:			
Cash and money market funds	\$ 17,833,292	\$ 66,028,728	\$ 83,862,020
Certificates of deposit		42,883,146	42,883,146
	<u>17,833,292</u>	<u>108,911,874</u>	<u>126,745,166</u>
Investments		6,007,002	6,007,002
Total cash and investments at fair value	<u>\$ 17,833,292</u>	<u>\$ 114,918,876</u>	<u>\$ 132,752,168</u>
<u>2009</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:			
Cash and money market funds	\$ 21,158,918	\$ 71,723,664	\$ 92,882,582
Certificates of deposit		42,191,060	42,191,060
	<u>21,158,918</u>	<u>113,914,724</u>	<u>135,073,642</u>
Investments		14,904,194	14,904,194
Total cash and investments at fair value	<u>\$ 21,158,918</u>	<u>\$ 128,818,918</u>	<u>\$ 149,977,836</u>

The composition and carrying value of investments is as follows:

	<u>2010</u>	<u>2009</u>
Enterprise Fund:		
LAMP	\$ 6,007,002	\$ 6,007,861
U.S. Government securities and instrumentalities	-	8,896,333
	<u>\$ 6,007,002</u>	<u>\$ 14,904,194</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(2) Cash and Investments (continued)

	<u>2010</u>	<u>2009</u>
Pension Trust Fund:		
Money market	\$ 437,299	\$ 19,549,539
LAMP	8,131,637	5,863,469
Corporate bonds	70,950,030	83,959,767
Equities	<u>124,690,326</u>	<u>80,801,016</u>
	\$ <u>204,209,292</u>	\$ <u>190,173,791</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 A or better by Standard & Poors Corporation or AAA or better by Moody's Investors Service, and equity securities.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to provide immediate access to participants. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is subject to the regulatory oversight of the state treasurer and LAMP's board of directors. LAMP is not registered with the SEC as an investment company.

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engages in securities lending to broker dealers and other entities for cash collateral that will be returned for the same securities in the future. The cash collateral cannot be liquidated by the Board unless the borrower defaults. Cash collateral is initially pledged at 102.58% 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 as of December 31, 2010 and 2009. The value of securities lent at December 31, 2010 and 2009 was \$45,870,932 and \$23,642,221, respectively. The market value of the cash collateral at December 31, 2010 and 2009 was \$46,998,662 and \$24,253,164, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(2) Cash and Investments (continued)

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Board has a formal investment policy that states that *the investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated and that maturities of investments are to be structured concurrent with cash needs to meet anticipated demand.* As of December 31, 2010 and 2009, the Board's Enterprise Fund investments in U.S. Government Securities and Instrumentalities included U.S. Treasury Bills and Strips totaling \$0 and \$8,896,333, respectively, all of which had a remaining maturity of less than one year.

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.

(3) Defined Benefit Pension Plan

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2010 and 2009 was \$29,670,378 and \$29,947,906, respectively; such amounts exclude overtime and standby payroll. Total payroll, including overtime and standby payroll, was \$44,733,254 and \$45,742,506 for the years ended December 31, 2010 and 2009, respectively. At December 31, the PTF membership consisted of:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	791	771
Current employees:		
Vested	526	585
Non-vested	302	251
	828	836
Total	1,619	1,607

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.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS (Continued)

(3) Defined Benefit Pension Plan (continued)

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

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

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

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

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increase of 5.0% per year. Both (a) and (b) included an inflation component of 2.0%. The actuarial value of assets was determined using a seven-year weighted market average.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(3) Defined Benefit Pension Plan (continued)

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

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 8,358,739	\$ 7,591,495
Interest on net pension obligation	131,995	(38,882)
Adjustments to annual required contribution	<u>(260,226)</u>	<u>76,654</u>
Annual pension cost	8,230,508	7,629,267
Contributions made	<u>(5,140,097)</u>	<u>(5,188,175)</u>
Increase in net pension liability	3,090,411	2,441,092
Net pension (asset) liability, beginning of year	<u>1,885,642</u>	<u>(555,451)</u>
Net pension liability, end of year	\$ <u>4,976,053</u>	\$ <u>1,885,642</u>

The net pension liability is being amortized over 10 years as of December 31, 2010, using the level dollar closed method and using the same interest, salary increase and inflation factors as the plan.

Trend information for Board and employee contributions is as follows:

	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Liability) Asset</u>
Fiscal year ending:			
December 31, 2010	\$ 8,230,508	62%	\$ (4,976,053)
December 31, 2009	\$ 7,629,267	68%	\$ (1,885,642)
December 31, 2008	\$ 7,336,034	70%	\$ 555,451
December 31, 2007	\$ 4,833,202	86%	\$ 2,786,695

The actuarially determined contribution requirement for the Board was 28.172% for 2010 and 25.349% for 2009. The contribution requirement for employees is 4.0%. The actual Board's and employees' contributions (including contributions for transferred employees from other pension plans) for years ended December 31 were as follows:

	<u>2010</u>	<u>2009</u>
Employer and other transfers	\$ 5,995,621	\$ 5,763,424
Employee	<u>1,190,714</u>	<u>1,161,744</u>
Total contributions	\$ <u>7,186,335</u>	\$ <u>6,925,168</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(3) Defined Benefit Pension Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan as of December 31, 2010 and 2009, respectively, is based on the most recent actuarial valuation as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	\$ 230,298,898	\$ 277,273,632	\$ 46,974,734	83.06%	\$ 29,670,378	158.32%
2009	\$ 228,999,660	\$ 269,506,028	\$ 40,506,368	84.97%	\$ 29,947,906	135.26%

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

DROP

Beginning in 1996, the Board offered employees a “Deferred Retirement Option Plan” (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits, but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2010 and 2009, 131 and 119 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$8,752,101 and \$6,247,599 as of December 31, 2010 and 2009, respectively.

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

(4) Property, Plant and Equipment

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

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(4) Property, Plant and Equipment (continued)

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

	2010			
	Beginning Balance	Additions	Deletions	Ending Balance
Cost				
Real estate rights, non depreciable	\$ 8,672,558	\$ 753,420	\$ -	\$ 9,425,978
Power and pumping stations - buildings	324,753,695	6,267,473	-	331,021,168
Power and pumping stations - machinery	242,413,811	358,037	-	242,771,848
Distribution systems	123,973,792	2,581,897	(1,232,308)	125,323,381
Sewerage collection	305,592,751	26,058,449	(2,358,491)	329,292,709
Canals and subsurface drainage	310,073,401	7,986,975	-	318,060,376
Treatment plants	135,915,592	3,766,107	-	139,681,699
Connections and meters	45,303,549	1,309,074	(186,367)	46,426,256
Power transmission	23,607,668	-	-	23,607,668
General plant	201,432,502	606,023	(129,734)	201,908,791
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,729,325,866	49,687,455	(3,906,900)	1,775,106,421
Construction in progress	518,909,894	146,302,486	(49,687,457)	615,524,923
Total property, plant and equipment	2,248,235,760	195,989,941	(53,594,357)	2,390,631,344
Accumulated Depreciation				
Power and pumping stations - buildings	96,445,428	5,792,871	-	102,238,299
Power and pumping stations - machinery	119,290,238	6,069,296	-	125,359,534
Distribution systems	42,939,809	1,667,989	(1,232,309)	43,375,489
Sewerage collection	34,580,640	4,379,593	(2,358,491)	36,601,742
Canals and subsurface drainage	59,701,589	3,209,077	-	62,910,666
Treatment plants	47,327,114	2,793,634	-	50,120,748
Connections and meters	27,483,093	928,525	(186,366)	28,225,252
Power transmission	12,415,108	472,152	-	12,887,260
General plant	198,073,320	9,600,012	(129,734)	207,543,598
General buildings	5,587,079	303,462	-	5,890,541
Total accumulated depreciation	643,843,418	35,216,611	(3,906,900)	675,153,129
Net property, plant, and equipment	\$ 1,604,392,342	\$ 160,773,330	\$ (49,687,457)	\$ 1,715,478,215

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(4) Property, Plant and Equipment (continued)

	2009			
	Beginning Balance	Additions	Deletions	Ending Balance
Cost				
Real estate rights, non depreciable	\$ 8,639,525	\$ 33,033	\$ -	\$ 8,672,558
Power and pumping stations - buildings	293,642,441	31,111,254	-	324,753,695
Power and pumping stations - machinery	234,833,301	7,580,510	-	242,413,811
Distribution systems	121,666,788	3,004,246	(697,242)	123,973,792
Sewerage collection	253,843,280	53,901,236	(2,151,765)	305,592,751
Canals and subsurface drainage	281,960,990	28,112,411	-	310,073,401
Treatment plants	120,712,279	15,203,313	-	135,915,592
Connections and meters	42,276,929	3,699,472	(672,852)	45,303,549
Power transmission	23,607,668	-	-	23,607,668
General plant	189,714,618	11,813,306	(95,422)	201,432,502
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,578,484,366	154,458,781	(3,617,281)	1,729,325,866
Construction in progress	544,089,093	130,362,767	(155,541,966)	518,909,894
Total property, plant and equipment	2,122,573,459	284,821,548	(159,159,247)	2,248,235,760
Accumulated Depreciation				
Power and pumping stations - buildings	90,747,517	5,697,911	-	96,445,428
Power and pumping stations - machinery	113,230,781	6,059,457	-	119,290,238
Distribution systems	41,988,200	1,648,851	(697,242)	42,939,809
Sewerage collection	32,598,935	4,133,470	(2,151,765)	34,580,640
Canals and subsurface drainage	56,509,673	3,191,916	-	59,701,589
Treatment plants	44,608,802	2,718,312	-	47,327,114
Connections and meters	27,249,874	906,071	(672,852)	27,483,093
Power transmission	11,942,955	472,153	-	12,415,108
General plant	188,607,718	9,561,024	(95,422)	198,073,320
General buildings	5,283,616	303,463	-	5,587,079
Total accumulated depreciation	612,768,071	34,692,628	(3,617,281)	643,843,418
Net property, plant, and equipment	\$ 1,509,805,388	\$ 250,128,920	\$ (155,541,966)	\$ 1,604,392,342

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:

	2010		2009	
Interest income	\$	<u>126,102</u>	\$	<u>490,410</u>
Interest expense		<u>(11,392,115)</u>		<u>(11,310,812)</u>
Net interest capitalized	\$	<u><u>(11,266,013)</u></u>	\$	<u><u>(10,820,402)</u></u>

(5) Customer Receivables

Customer receivables as of December 31 consist of the following:

		Customer	Allowance	
		Accounts	for Doubtful	Net
		Accounts	Accounts	Accounts
2010	Water	\$ 15,313,694	\$ 6,314,224	\$ 8,999,470
	Sewer	<u>15,348,256</u>	<u>9,564,402</u>	<u>5,783,854</u>
		\$ <u><u>30,661,950</u></u>	\$ <u><u>15,878,626</u></u>	\$ <u><u>14,783,324</u></u>
2009	Water	\$ 18,995,980	\$ 10,275,146	\$ 8,720,834
	Sewer	<u>22,704,895</u>	<u>14,936,772</u>	<u>7,768,123</u>
		\$ <u><u>41,700,875</u></u>	\$ <u><u>25,211,918</u></u>	\$ <u><u>16,488,957</u></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	
	2010	2009
5.00% to 6.25% sewerage revenue bonds, series 1997 (initial average interest cost 5.36%), due in annual principal installments ranging from \$1,100,000 to \$2,425,000; final payment due June 1, 2017	\$ 14,460,000	\$ 16,115,000
4.125% to 6.125% water revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$625,000 to \$1,220,000; final payment due December 1, 2018	8,345,000	9,190,000
4.125% to 6.000% sewer revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$950,000 to \$1,910,000; final payment due June 1, 2018	13,040,000	14,360,000
4.10% to 6.10% drainage system bonds, series 1998 (initial average interest cost 4.84%), due in annual principal installments ranging from \$370,000 to \$760,000; final payment due December 1, 2018	5,155,000	5,675,000
5.25% to 6.50% sewer revenue bonds, series 2000 (initial average interest cost 5.48%), due in annual principal installments ranging from \$820,000 to \$2,205,000; final payment due June 1, 2020	17,195,000	18,425,000
5.00% to 7.00% sewer revenue bonds, series 2000B (initial average interest cost 5.43%), due in annual principal installments ranging from \$640,000 to \$1,660,000; final payment due June 1, 2020	13,060,000	14,010,000
4.40% to 6.70% sewer revenue bonds, series 2001 (initial average interest cost 5.02%), due in annual principal installments ranging from \$1,100,000 to \$2,455,000; final payment due June 1, 2021	21,530,000	23,015,000
3.00% to 5.00% sewerage service revenue bonds, series 2002 (initial average interest cost 4.36%; due in annual principal installments ranging from \$1,635,000 to \$4,520,000; final payment due June 1, 2022.	41,105,000	43,485,000

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

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

a. Bonds Payable (continued)

	<u>Principal Balances</u>	
	<u>2010</u>	<u>2009</u>
3.00% to 5.00% water revenue bonds, series 2002 (initial average interest cost 4.57%, due in annual principal installments ranging from \$945,000 to \$3,658,000; final payment due December 1, 2022.	\$ 26,290,000	\$ 27,560,000
3.45% to 6.00% drainage system bonds, series 2002 (initial average interest cost 4.46%), due in annual principal installments ranging from \$510,000 to \$2,155,000; final payment due December 1, 2022.	15,135,000	15,850,000
2.20% to 5.00% sewerage service revenue bonds, series 2003 (initial average interest cost 3.94%); due in annual principal installments ranging from \$140,000 to \$395,000; final payment due June 1, 2023.	4,025,000	4,260,000
3.25% to 6.00% sewerage service revenue bonds, series 2004 (initial average interest cost 4.26%); due in annual principal installments ranging from \$945,000 to \$3,685,000; final payment due June 1, 2024.	25,690,000	27,010,000
3.40% to 6.25% sewerage service revenue refunding bonds, series 2009 (initial average interest cost 6.68%); due in annual principal installments ranging from \$680,000 to \$1,945,000; final payment due June 1, 2029.	22,695,000	23,375,000
2.95% LADHH Loan Revenue bonds, series 2010A; due in certain percentage of total drawdown; final payment due February 1, 2030.	34,875	-
2.95% LADHH Loan Revenue bonds, series 2010B; due in certain percentage of total drawdown; final payment due February 1, 2030.	597,967	-
	<u>228,357,842</u>	<u>242,330,000</u>
Plus: bond premiums	987,155	1,153,520
	<u>229,344,997</u>	<u>243,483,520</u>
Total	229,344,997	243,483,520
Less: current maturities	<u>(15,360,000)</u>	<u>(14,605,000)</u>
Bond payable, long-term	<u>213,984,997</u>	<u>228,878,520</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 changes in long-term debt were as follows:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 242,330,000	\$ 256,255,000
Payments	(14,605,000)	(37,300,000)
Proceeds	632,842	23,375,000
Balance, end of year	<u>\$ 228,357,842</u>	<u>\$ 242,330,000</u>

The annual requirements to amortize bonds payable, excluding the LADHH bonds payable (see note below) as of December 31, 2010, are as follows:

Year	Principal	Interest	Total
2011	\$ 15,335,000	\$ 11,017,567	\$ 26,352,567
2012	16,085,000	10,301,129	26,386,129
2013	16,880,000	9,533,338	26,413,338
2014	17,730,000	8,689,026	26,419,026
2015	18,615,000	7,796,182	26,411,182
2016-2020	96,365,000	24,220,300	120,585,300
2021-2025	39,605,000	5,557,978	45,162,978
2026-2029	7,110,000	923,125	8,033,125
	<u>\$ 227,725,000</u>	<u>\$ 78,038,645</u>	<u>\$ 305,763,645</u>

The amount of revenue bonds and tax bonds payable as of December 31, 2010, are as follows:

Year	Revenue Bonds	Tax Bonds	Total
2011	\$ 14,035,000	\$ 1,300,000	\$ 15,335,000
2012	14,725,000	1,360,000	16,085,000
2013	15,455,000	1,425,000	16,880,000
2014	16,240,000	1,490,000	17,730,000
2015	17,060,000	1,555,000	18,615,000
2016-2020	87,415,000	8,950,000	96,365,000
2021-2025	35,395,000	4,210,000	39,605,000
2026-2029	7,110,000	20,290,000	27,400,000
	<u>\$ 207,435,000</u>	<u>\$ 40,580,000</u>	<u>\$ 248,015,000</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

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

a. Bonds Payable (continued)

In 2009, the Board refunded the \$24,030,000 Sewerage Service Refunding Bond Anticipation Notes, Series 2006, using the proceeds of the \$23,375,000 Sewerage Service Revenue Bonds Series 2009 and \$2,161,565 of excess debt service reserve funds. The Series 2009 bonds are payable in installments beginning in 2010 through 2029. As part of the refunding, the Board paid \$1,172,452 of bond costs, which are amortizable through the date of maturity of the bonds. The bonds are secured by a pledge of revenues of the Sewerage Fund. This refunding resulted in decrease of debt service payments by \$655,000 and an economic loss of \$2,161,565.

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 \$7,943,569 and \$7,659,179 at December 31, 2010 and 2009, respectively; the accumulated balance at December 31, 2010 and 2009 was \$10,290,306 and \$9,948,166 respectively. Monthly deposits to the debt service funds were temporarily suspended due to debt service payments being paid directly by the State of Louisiana through a Cooperative Endeavor Agreement and resumed as of June 2008. See note (6) d. for additional information.
2. A debt service reserve is required for an amount equal to but not less than fifty percent of the amount required to be credited in said month to the debt service fund until there shall be accumulated in the debt service reserve account the largest amount required in any future calendar year to pay the principal and interest on outstanding bonds, except for the water and sewer bonds. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. There is no debt service reserve required for the 1998 and 2002 drainage 9 mill tax bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The required amount to be accumulated in this fund was \$19,236,060 and \$19,771,985 at December 31, 2010 and 2009 respectively; the accumulated balance at December 31, 2010 and 2009 was \$20,092,504 \$20,092,504, respectively.

The Board was in compliance with the requirements of its long-term debt agreements for the Water Department for the years ended December 31, 2010 and 2009.

The Board is in compliance with the requirements of its long-term debt agreements for the Sewerage Department for the year ended December 31, 2010. The net operating revenues of the Sewerage Department for the year ended December 31, 2009 did not meet the bond indenture required debt service coverage of 130 percent.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

b. Special Community Disaster Loan Payable

During January 2006, the Board entered into a long-term agreement with the Federal Emergency Management Agency under the Community Disaster Loan Act of 2005 as a result of the major disaster declaration of August 29, 2005 for Hurricane Katrina. The Board made draw downs totaling \$61,956,747 as of December 31, 2009. The loan was for a term of five years, which may be extended, and shall bear interest at the latest five-year Treasury rate at the time of the closing date of the loan, plus one percent. Simple interest accrues from the date of each disbursement. Payments of principal and interest are deferred until the end of the five year period. As of December 31, 2009, approximately \$5.8 million of interest was accrued. Interest rates and maturity dates for the draw downs were as follows:

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

In December 2010, the Board was granted a partial forgiveness of this loan in the amount of \$36,790,000 of principal and \$4,648,410 of accrued interest. A total of \$41,438,410 is included in forgiveness of debt on the statements of revenues, expenses, and changes in net assets. In addition, the Board was granted a 5 year extension on the payment date. As of December 31, 2010 and 2009, accrued interest on the loan was approximately \$2.9 million and \$5.9 million, respectively. Interest rate and maturity date for the loan are now as follows:

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

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

c. LADHH Bonds Payable

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

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

c. LADHH Bond Payable (continued)

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

d. Debt Service Assistance

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

The loan may be prepaid without penalty or premium. The Board has the right to request one extension of its obligation to begin payments under the loan not to exceed five years. As of December 31, 2010 and 2009, the Board has drawn down \$77,460,393 on this agreement.

Debt service requirements relating to the bond are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,688,291	\$ 3,594,387	\$ 7,282,678
2013	3,859,428	3,423,251	7,282,679
2014	4,038,505	3,244,173	7,282,678
2015-2019	23,183,384	13,230,008	36,413,392
2020-2024	29,084,760	7,328,632	36,413,392
2025-2026	13,606,025	954,477	14,560,502
	<u>\$ 77,460,393</u>	<u>\$ 31,774,928</u>	<u>\$ 109,235,321</u>

(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 \$6,680,474 and \$5,130,226 at December 31, 2010 and December 31, 2009, 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, are payable on January 1, and are delinquent on February 1.

The assessed value of the property is determined by an elected Board of Assessors. The assessed value for 2010 and 2009 was \$2,678,381,864 and \$2,599,466,404, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2010 and 2009 was \$16.43 and \$16.03, respectively, 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, 2010, the Board's budget for its five year capital improvements program totaled \$2,934,895,000 including \$303,893,000 for water, \$446,657,000 for sewerage and \$2,184,345,000 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, 2010, the Board has committed or appropriated \$68,513,088 in investments for use in future capital projects and has \$205,792 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2011 is \$1,553,352,000 including \$66,562,000 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, 2010 include the following:

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(9) Commitments (continued)

b. Self-insurance

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

General liability claims are segregated internally by "claims" and "suits" depending on the scope and type of claim, and are handled by the Office of the Special Counsel and Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The provision for claims expense for 2010 and 2009 amounted to \$653,320 and \$4,115,223, respectively.

Worker's compensation expense provision for 2010 and 2009 amounted to \$1,775,225 and \$309,679, respectively.

The hospitalization self-insurance benefits are administered by Blue Cross of Louisiana. The Board's expense provision in excess of employee contributions for 2010 and 2009 was approximately \$12,412,240 and \$12,868,061, 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>
2010	\$ 20,603,791	\$ 13,709,531	\$ (13,282,991)	\$ 21,030,331
2009	\$ 23,126,865	\$ 8,336,589	\$ (10,859,663)	\$ 20,603,791

The composition of claims payable is as follows:

	<u>2010</u>	<u>2009</u>
Short-term:		
Workers' Compensation	\$ 1,322,422	\$ 1,328,026
Health Insurance	1,871,500	2,046,601
General Liability	13,534,040	12,891,038
Total short-term	<u>16,727,962</u>	<u>16,265,665</u>
Long-term:		
Workers' Compensation	<u>4,302,369</u>	<u>4,338,126</u>
Total long-term	<u>4,302,369</u>	<u>4,338,126</u>
Total	<u>\$ 21,030,331</u>	<u>\$ 20,603,791</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(9) Commitments (continued)

c. Regulatory Matters

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

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

d. Postemployment Healthcare Benefits

Plan Description – The Board’s postemployment benefit 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 585 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 2010 and 2009, the Board’s portion of health care funding cost for retired employees totaled \$5,728,065 and \$5,487,971, respectively. Effective January 1, 2007, the Board applies this amount toward the Net OPEB Benefit Obligation as shown in the following tables.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(9) Commitments (continued)

d. Postemployment Healthcare Benefits (continued)

Annual Required Contribution - The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). 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>2010</u>	<u>2009</u>
Normal cost	\$ 4,413,423	\$ 4,395,288
30-year UAL amortization amount	10,346,047	10,650,824
Annual required contribution (ARC)	<u>\$ 14,759,470</u>	<u>\$ 15,046,112</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>2010</u>	<u>2009</u>
Beginning Net OPEB Obligation	\$ 24,474,061	\$ 15,186,702
Annual required contribution	14,759,470	15,046,112
Interest on Net OPEB Obligation	978,961	607,468
ARC Adjustment	<u>(1,415,340)</u>	<u>(878,250)</u>
OPEB Cost	14,323,092	14,775,330
Contribution	-	-
Current year retiree premium	<u>(5,728,065)</u>	<u>(5,487,971)</u>
Change in Net OPEB Obligation	<u>8,595,027</u>	<u>9,287,359</u>
Ending Net OPEB Obligation	<u>\$ 33,069,087</u>	<u>\$ 24,474,061</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2010	\$ 14,323,092	39.99%	\$ 33,069,087
December 31, 2009	\$ 14,775,330	37.14%	\$ 24,474,061

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

(9) Commitments (continued)

d. Postemployment Healthcare Benefits (continued)

Funded Status and Funding Progress - In 2010 and 2009, 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, 2010, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$184,174,734 which is defined as that portion, as determined by a particular actuarial cost method (the Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2010</u>	<u>2009</u>
Actuarial Accrued Liability (AAL)	\$ 178,904,131	\$ 184,174,734
Actuarial Value of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	\$ <u>178,904,131</u>	\$ <u>184,174,734</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 34,743,782	\$ 33,883,192
UAAL as a percentage of covered payroll	514.92%	543.56%

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 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 - There are not any plan assets. It is anticipated that in future valuations a smoothed market value 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. Postemployment 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 7%. In addition to age related turnover, it has additionally been assumed that 10% of future eligible retirees will decline coverage upon retirement. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	10.0%
26 - 40	8.0%
41 - 54	5.0%
55+	4.0%

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

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

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

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table described above was used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS
(Continued)

(9) Commitments (continued)

d. Postemployment Healthcare Benefits (continued)

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.

e. Southeast Louisiana Project

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

(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.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(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.

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

	<u>Condensed Statements of Net Assets</u>			
	<u>Water</u>		<u>Sewer</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(amounts in thousands)			
Assets:				
Property, plant and equipment	\$ 319,019	\$ 299,330	\$ 718,365	\$ 667,273
Current unrestricted assets	(5,820)	8,728	57,919	62,669
Restricted assets	27,246	20,867	41,253	49,649
Other assets	228	181	1,780	1,915
Total assets	<u>\$ 340,673</u>	<u>\$ 329,106</u>	<u>\$ 819,317</u>	<u>\$ 781,506</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 283,562	\$ 262,575	\$ 544,969	\$ 487,342
Restricted	<u>(84,515)</u>	<u>(100,323)</u>	<u>(40,023)</u>	<u>(6,281)</u>
Total net assets	<u>199,047</u>	<u>162,252</u>	<u>504,946</u>	<u>481,061</u>
Liabilities:				
Current	49,414	41,615	59,284	37,957
Current liabilities payable from restricted assets	10,504	8,973	13,432	12,774
Noncurrent liabilities	<u>81,708</u>	<u>116,266</u>	<u>241,655</u>	<u>249,714</u>
Total liabilities	<u>141,626</u>	<u>166,854</u>	<u>314,371</u>	<u>300,445</u>
Total liabilities and net assets	<u>\$ 340,673</u>	<u>\$ 329,106</u>	<u>\$ 819,317</u>	<u>\$ 781,506</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 Assets

	Water		Sewer	
	2010	2009	2010	2009
	(amounts in thousands)			
Service charges, pledged against bonds	\$ 58,698	\$ 52,641	\$ 70,168	\$ 66,734
Depreciation expense	(13,948)	(13,878)	(9,978)	(9,557)
Other operating expenses	(56,234)	(52,737)	(46,294)	(50,146)
Operating income (loss)	(11,484)	(13,974)	13,896	7,031
Nonoperating revenues (expenses):				
Investment earnings	40	117	64	293
Other	24,603	14,999	17,647	2,978
Capital contributions	23,637	17,706	(7,722)	14,809
Total nonoperating revenues (expenses)	48,280	32,822	9,989	18,080
Change in net assets	36,796	18,848	23,885	25,111
Beginning net assets	162,251	143,403	481,061	455,950
Ending net assets	\$ 199,047	\$ 162,251	\$ 504,946	\$ 481,061

Condensed Statements of Cash Flows

	Water		Sewer	
	2010	2009	2010	2009
	(amounts in thousands)			
Net cash provided by (used in):				
Operating activities	\$ 9,221	\$ 20,070	\$ 40,509	\$ (342)
Noncapital financing activities	(2,850)	(1,332)	2,958	205
Capital and related financing activities	628	(14,115)	(53,283)	(45,344)
Investing activities	(489)	6,633	(1,654)	40,518
Net increase (decrease)	6,510	11,256	(11,470)	(4,963)
Cash and cash equivalents:				
Beginning of year	16,690	5,434	17,618	22,581
End of year	\$ 23,200	\$ 16,690	\$ 6,148	\$ 17,618

SEWERAGE AND WATER BOARD OF NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

(Continued)

(13) Natural Disaster

As of December 31, 2010 and 2009, the Board has cumulatively received \$190,382,350 and \$169,320,233, respectively, of cash reimbursements from the Federal Emergency Management Agency (FEMA). Included in accounts receivable as of December 31, 2010 and 2009 are \$31,013,507 and \$34,670,897, respectively, of reimbursements due from FEMA. Eligible FEMA grants totaling in excess of \$297 million are in various stages of the approval process and include amounts for system repairs, building repairs, vehicle and equipment repairs and replacements, temporary power, supplies and other costs.

On June 29, 2007, the Board entered into a Cooperative Endeavor Agreement with the State of Louisiana, City of New Orleans, Louisiana, and the Louisiana Public Facilities Authority (LPFA). The LPFA agreed to issue its bonds to provide the cash capital investment to pay for capital improvements of the City of New Orleans and the Board. The establishment of the construction fund permits the Board and City of New Orleans to publicly bid contracts that are subject to a Project Worksheet that has been obligated by FEMA or for which an award letter has been received and encumber such amounts. The State of Louisiana, City of New Orleans, and Sewerage and Water Board agree that as FEMA pays any reimbursement amounts related to projects for which disbursements have been made, or the City or the Sewerage and Water Board receives monies related to the hazard mitigation grant program for which disbursements have been made from the construction fund, the full amount of such projects shall be deposited in the construction fund and used to fund additional projects until all City of New Orleans and Sewerage and Water Board improvements are completed. The total amount made available to the Board under the agreement was \$100,000,000. At December 31, 2010 and 2009, the Board had an outstanding obligation under the agreement of \$59,819,408 and \$25,990,028 included as a liability in due to other governments on the statements of net assets, which represent amounts not yet reimbursed by FEMA and deposited back into the construction fund.

In 2008, the Board received an excess payment of FEMA funds in the amount of \$21,097,027. The Board paid \$2,998,835 and \$18,098,192 to FEMA in 2010 and 2009, respectively. The balance was included as a liability in due to other governments on the statements of net assets. At December 31, 2009 the outstanding balance was \$2,998,835. There was no outstanding balance as of December 31, 2010.

(14) Restatement

The Board identified an understatement of customer receivables which impacted prior year financial statements due to an error in the estimate in the allowance for doubtful accounts. The restatement resulted in an increase in net customer receivables and net assets of \$13,470,687 at January 1, 2009. For the year ended December 31, 2009, the provision for doubtful accounts increased by \$4,583,782. Net customer receivables and net assets at December 31, 2009 increased by \$8,886,905.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
Required Supplementary Information Under GASB Statement No. 25
SCHEDULE OF FUNDING PROGRESS
For the years ended December 31, 2010 and 2009

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
2010	\$ 230,298,898	\$ 277,273,632	\$ 46,974,734	83.06%	30	158.32%
2009	228,999,660	269,506,028	40,506,368	84.97%	30	135.26%
2008	222,598,640	260,616,822	38,018,182	85.41%	29	129.02%
2007	223,583,589	245,202,189	21,618,600	91.18%	27	81.44%
2006	217,274,416	235,664,407	18,389,991	92.20%	26	70.92%
2005	209,829,340	225,544,886	15,715,546	93.03%	30	52.30%
2004	204,706,452	218,155,395	13,448,943	93.84%	30	44.58%
2003	196,697,432	205,362,089	8,664,657	95.78%	28	30.46%
2002	187,892,716	197,323,094	9,430,378	95.22%	29	32.52%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
Required Supplementary Information Under GASB Statement No. 45
SCHEDULE OF FUNDING PROGRESS
For the years ended December 31, 2010 and 2009

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
2010	\$ -	\$ 178,904,131	\$ 178,904,131	0.00%	\$ 35	514.92%
2009	-	184,174,734	184,174,734	0.00%	34	543.56%
2008	-	177,956,339	177,956,339	0.00%	29	603.93%
2007	-	147,995,856	147,995,856	0.00%	27	548.13%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

See accompanying notes to financial statements.

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SUPPLEMENTARY INFORMATION

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SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF NET ASSETS BY DEPARTMENT
ENTERPRISE FUND
 As of December 31, 2010 and 2009

	Water System		Sewerage System		Drainage System		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
ASSETS								
Noncurrent assets:								
Property, plant and equipment	\$ 584,643,730	\$ 552,395,611	\$ 901,164,321	\$ 842,481,921	\$ 904,823,293	\$ 853,358,228	\$ 2,390,631,344	\$ 2,248,235,760
Less accumulated depreciation	265,624,748	253,065,301	182,798,896	175,208,513	226,729,485	215,569,604	675,153,129	643,843,418
	319,018,982	299,330,310	718,365,425	667,273,408	678,093,808	637,788,624	1,715,478,215	1,604,392,342
Other assets:								
Bond issue costs	204,568	158,110	1,762,161	1,896,289	56,943	68,562	2,023,672	2,122,961
Deposits	22,950	22,950	17,965	17,965	10,400	10,400	51,315	51,315
	227,518	181,060	1,780,126	1,914,254	67,343	78,962	2,074,987	2,174,276
Total noncurrent assets	319,246,500	299,511,370	720,145,551	669,187,662	678,161,151	637,867,586	1,717,553,202	1,606,566,618
Current assets:								
Unrestricted:								
Cash	15,681,990	13,590,311	(1,682,636)	(260,693)	3,833,938	7,829,300	17,833,292	21,158,918
Accounts receivable:								
Customers, net of allowance	8,999,470	8,720,834	5,783,854	7,768,123	-	-	14,783,324	16,488,957
Taxes	-	-	-	-	9,555,454	11,676,566	9,555,454	11,676,566
Interest	2,289	18,479	2,405	9,829	2,289	13,893	6,983	42,201
Grants	18,599,225	16,197,627	10,664,009	16,846,547	5,482,444	5,078,317	34,745,678	38,122,491
Miscellaneous	1,025,003	3,513,949	313,402	254,188	1,904,072	1,072,243	3,242,477	4,840,380
Due from (to) other internal departments	(57,426,789)	(41,464,244)	40,380,136	34,449,158	17,046,653	7,015,086	-	-
Inventory of supplies	6,889,126	7,739,812	2,200,868	3,345,439	1,274,701	1,491,013	10,364,695	12,576,264
Prepaid expenses	410,432	410,698	255,850	256,116	23,978	24,244	690,260	691,058
Total unrestricted	(5,819,254)	8,727,466	57,917,888	62,668,707	39,123,529	34,200,662	91,222,163	105,596,835
Restricted investments:								
Capital projects	9,938,654	7,171,257	13,941,709	17,843,094	44,632,725	55,580,401	68,513,088	80,594,752
Construction funds	60,544	283,638	141,170	4,987,779	4,078	950,224	205,792	6,221,641
Debt service reserve	7,428,697	5,034,817	25,346,183	25,005,853	-	-	32,774,880	30,040,670
Customer deposits	7,979,978	6,550,885	-	-	-	-	7,979,978	6,550,885
Health insurance reserve	1,744,003	1,732,616	1,745,131	1,733,737	1,744,004	1,732,617	5,233,138	5,198,970
Other	94,000	94,000	79,000	79,000	39,000	39,000	212,000	212,000
Total restricted	27,245,876	20,867,213	41,253,193	49,649,463	46,419,807	58,302,242	114,918,876	128,818,918
Total current assets	21,426,622	29,594,679	99,171,081	112,318,170	85,543,336	92,502,904	206,141,039	234,415,753
\$	340,673,122	\$ 329,106,049	\$ 819,316,632	\$ 781,503,832	\$ 763,704,487	\$ 730,370,490	\$ 1,923,694,241	\$ 1,840,982,371

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF NET ASSETS BY DEPARTMENT, CONTINUED
ENTERPRISE FUND
 As of December 31, 2010 and 2009

	Water System		Sewerage System		Drainage System		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
NET ASSETS AND LIABILITIES								
Net assets:								
Invested in capital assets - net of related debt	\$ 283,561,726	\$ 262,575,036	\$ 544,969,398	\$ 487,341,579	\$ 657,807,886	\$ 617,213,848	\$ 1,486,339,010	\$ 1,367,130,463
Restricted for:								
Debt service	7,428,697	5,034,817	25,346,183	25,005,853	-	-	32,774,880	30,040,670
Capital Projects	(91,943,249)	(105,358,306)	(65,369,513)	(31,286,232)	48,161,438	54,926,911	(109,151,324)	(81,717,627)
Total net assets	199,047,174	162,251,547	504,946,068	481,061,200	705,969,324	672,140,759	1,409,962,566	1,315,453,506
Long - term liabilities:								
Claims payable	1,434,123	1,446,042	1,434,123	1,446,042	1,434,123	1,446,042	4,302,369	4,338,126
Net pension obligation	1,563,527	533,390	1,693,473	663,336	1,719,053	688,916	4,976,053	1,885,642
Other postretirement benefits liability	13,464,195	10,599,186	10,485,847	7,620,839	9,119,045	6,254,036	33,069,087	24,474,061
Bonds payable (net of current maturities)	33,272,800	34,923,912	161,722,197	173,664,608	18,990,000	20,290,000	213,984,997	228,878,520
Special Community Disaster loan payable	25,166,747	61,956,747	-	-	-	-	25,166,747	61,956,747
Debt Service Assistance Fund loan payable	6,807,041	6,807,041	66,318,237	66,318,237	4,335,115	4,335,115	77,460,393	77,460,393
	81,708,433	116,266,318	241,653,877	249,713,062	35,597,336	33,014,109	358,959,646	398,993,489
Current liabilities (payable from current assets):								
Accounts payable	17,661,329	14,851,202	13,959,903	14,959,214	4,607,034	9,474,132	36,228,266	39,284,548
Due to City of New Orleans	107,414	106,332	-	-	-	-	107,414	106,332
Due to other governments	19,032,236	11,776,851	37,109,245	14,953,359	3,677,927	2,258,654	59,819,408	28,988,864
Retainers and estimates payable	765,411	384,234	1,173,324	988,152	32,076	151,057	1,970,811	1,523,443
Due to other fund	58,073	28,498	27,259	13,376	33,185	16,284	118,517	58,158
Accrued salaries	603,640	545,060	282,940	229,436	342,928	322,157	1,229,508	1,096,653
Accrued vacation and sick pay	4,399,771	4,288,592	3,337,895	3,260,570	2,530,668	2,498,951	10,268,334	10,048,113
Claims payable	3,832,495	3,756,550	3,391,425	3,553,286	9,504,042	8,955,829	16,727,962	16,265,665
Other liabilities	2,953,195	5,877,666	2,430	-	-	-	2,955,625	5,877,666
	49,413,564	41,614,985	59,284,421	37,957,393	20,727,860	23,677,064	129,425,845	103,249,442
Current liabilities (payable from restricted assets):								
Accrued interest	140,468	147,606	725,929	766,896	74,740	78,978	941,137	993,480
Bonds payable	2,245,000	2,115,000	11,815,000	11,255,000	1,300,000	1,235,000	15,360,000	14,605,000
Retainers and estimates payable	138,505	159,708	891,337	752,281	35,227	224,580	1,065,069	1,136,569
Customer deposits	7,979,978	6,550,885	-	-	-	-	7,979,978	6,550,885
	10,503,951	8,973,199	13,432,266	12,774,177	1,409,967	1,538,558	25,346,184	23,285,934
Total current liabilities	59,917,515	50,588,184	72,716,687	50,731,570	22,137,827	25,215,622	154,772,029	126,535,376
Total liabilities	141,625,948	166,854,502	314,370,564	300,444,632	57,735,163	58,229,731	513,731,675	525,528,865
Total fund equity and liabilities	\$ 340,673,122	\$ 329,106,049	\$ 819,316,632	\$ 781,505,832	\$ 763,704,487	\$ 730,370,490	\$ 1,923,694,241	\$ 1,840,982,371

See independent auditors' report.

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

For the years ended December 31, 2010 and 2009

	Water System		Sewerage System		Drainage System		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Operating revenues:								
Sales of water and delinquent fees	\$ 55,079,772	\$ 50,677,054	\$ -	\$ -	\$ -	\$ -	\$ 55,079,772	\$ 50,677,054
Sewerage service charges	-	-	69,534,779	66,102,946	-	-	69,534,779	66,102,946
Plumbing inspection and license fees	373,213	242,224	373,213	242,224	-	-	746,426	484,448
Other revenues	3,245,693	1,721,396	260,785	388,528	1,196,275	1,704,640	4,702,753	3,814,564
Total operating revenues	58,698,678	52,640,674	70,168,777	66,733,698	1,196,275	1,704,640	130,063,730	121,079,012
Operating Expenses:								
Power and pumping	4,176,876	4,457,971	2,797,723	2,768,054	5,632,252	5,724,763	12,606,851	12,950,788
Treatment	7,810,325	7,526,530	11,219,427	12,384,027	-	-	19,029,752	19,910,557
Transmission and distribution	6,995,089	9,426,312	6,914,020	8,447,246	2,006,252	3,592,965	15,915,361	21,466,523
Customer accounts	1,642,543	1,511,063	1,642,538	1,511,058	29,806	22,815	3,314,887	3,044,936
Customer service	1,693,171	1,708,621	1,693,167	1,708,618	-	-	3,386,338	3,417,239
Administration and general	6,932,782	1,138,608	4,789,797	8,078,648	4,337,453	4,286,869	16,060,032	13,504,125
Payroll related	12,937,992	12,957,965	11,083,024	11,482,112	9,595,009	10,645,876	33,616,025	35,085,953
Maintenance of general plant	10,159,400	13,162,691	3,638,180	3,021,997	9,641,268	8,644,214	23,438,848	24,828,902
Depreciation	13,948,198	13,877,859	9,978,797	9,557,125	11,289,616	11,257,644	35,216,611	34,692,628
Amortization	18,666	17,037	134,130	112,261	11,619	11,619	164,415	140,917
Provision for doubtful accounts	3,053,826	735,752	1,801,499	154,059	-	-	4,855,325	889,811
Provision for claims	813,654	94,108	583,421	478,112	1,789,639	(513,360)	3,186,714	58,860
Total operating expenses	70,182,522	66,614,517	56,275,723	59,703,317	44,332,914	43,673,405	170,791,159	169,991,239
Operating income (loss)	(11,483,844)	(13,973,843)	13,893,054	7,030,381	(43,136,639)	(41,968,765)	(40,727,429)	(48,912,227)
Non-operating revenues (expenses):								
Three-mill tax	-	-	-	-	10,378,060	10,302,545	10,378,060	10,302,545
Six-mill tax	-	-	-	-	10,498,580	10,410,524	10,498,580	10,410,524
Nine-mill tax	-	-	-	-	15,672,791	15,485,030	15,672,791	15,485,030
Two-mill tax	-	-	-	-	1,045	-	1,045	-
Other taxes	148,528	165,098	185,267	205,908	-	-	333,795	371,006
Operating and maintenance grants	6,251,855	16,600,790	2,957,463	2,772,395	158,622	-	9,367,940	19,373,185
Interest income	39,692	117,037	67,465	293,598	167,166	475,088	274,323	885,723
Interest expense	(1,687,603)	(1,766,553)	-	-	-	-	(1,687,603)	(1,766,553)
Forgiveness of Community Disaster Loan (Note 6)	19,890,437	-	14,503,443	-	7,044,530	-	41,438,410	-
Total non-operating revenues (expenses)	24,642,909	15,116,372	17,713,638	3,271,901	43,920,794	36,673,187	86,277,341	55,061,460
Income before capital contributions	13,159,065	1,147,529	31,606,692	10,302,282	784,155	(5,295,578)	45,549,912	6,149,233
Capital contributions	23,636,562	17,705,738	(7,721,824)	14,809,216	33,044,410	27,783,276	48,959,148	60,298,230
Change in net assets	36,795,627	18,848,267	23,884,868	25,111,498	33,828,565	22,487,698	94,509,060	66,447,463
Net assets, beginning of year, as restated (Note 14)	162,251,547	143,403,280	481,061,200	455,949,702	672,140,759	649,653,061	1,315,453,506	1,249,006,043
Net assets, end of year	\$ 199,047,174	\$ 162,251,547	\$ 504,946,068	\$ 481,061,200	\$ 705,969,324	\$ 672,140,759	\$ 1,409,962,566	\$ 1,315,453,506

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF PROPERTY, PLANT, AND EQUIPMENT BY DEPARTMENT
For Year Ended December 31, 2010

	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 1,716,892	\$ 4,810,948	\$ 9,425,978
Power and pumping stations - buildings	58,131,001	42,287,733	230,602,434	331,021,168
Power and pumping stations - machinery	113,899,502	29,648,930	99,223,416	242,771,848
Distribution systems	125,323,381	-	-	125,323,381
Sewerage collection	-	329,292,709	-	329,292,709
Canals and subsurface drainage	-	-	318,060,376	318,060,376
Treatment plants	-	139,681,699	-	139,681,699
Connections and meters	34,300,910	12,125,346	-	46,426,256
Power transmission	7,479,863	5,006,170	11,121,635	23,607,668
General plant	91,395,400	60,953,290	49,560,101	201,908,791
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
Total property, plant and equipment in service	435,953,743	621,806,094	717,346,584	1,775,106,421
Construction in progress	148,689,987	279,358,227	187,476,709	615,524,923
Total property, plant and equipment	584,643,730	901,164,321	904,823,293	2,390,631,344
Accumulated depreciation	265,624,748	182,798,896	226,729,485	675,153,129
Net property, plant and equipment	\$ 319,018,982	\$ 718,365,425	\$ 678,093,808	\$ 1,715,478,215

2009

	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 963,472	\$ 4,810,948	\$ 8,672,558
Power and pumping stations - buildings	57,740,918	37,303,566	229,709,211	324,753,695
Power and pumping stations - machinery	113,776,934	29,875,339	98,761,538	242,413,811
Distribution systems	123,973,792	-	-	123,973,792
Sewerage collection	-	305,592,751	-	305,592,751
Canals and subsurface drainage	-	-	310,073,401	310,073,401
Treatment plants	-	135,915,592	-	135,915,592
Connections and meters	33,214,620	12,088,929	-	45,303,549
Power transmission	7,479,863	5,006,170	11,121,635	23,607,668
General plant	91,166,878	60,734,134	49,531,490	201,432,502
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
Total property, plant and equipment in service	432,776,691	588,573,278	707,975,897	1,729,325,866
Construction in progress	119,618,920	253,908,643	145,382,331	518,909,894
Total property, plant and equipment	552,395,611	842,481,921	853,358,228	2,248,235,760
Accumulated depreciation	253,065,301	175,208,513	215,569,604	643,843,418
Net property, plant and equipment	\$ 299,330,310	\$ 667,273,408	\$ 637,788,624	\$ 1,604,392,342

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF BONDS PAYABLE
DECEMBER 31, 2010

	Annual Interest Rates	Interest Payment Dates	Final Maturity Date	Issue Date	Outstanding as of 12/31/2009	New Debt in 2010	Payments in 2010	Outstanding as of 12/31/2010
Drainage System Bonds, 1998 (9-Mills)	4.84%	(6/1;12/1)	12/01/18	12/01/98	\$ 5,675,000	\$ -	\$ 520,000	\$ 5,155,000
Drainage System Bonds, 2002 (9-Mills)	4.46%	(6/1;12/1)	12/01/22	10/01/02	15,850,000	-	715,000	15,135,000
					21,525,000	-	1,235,000	20,290,000
Sewer Revenue Bonds, 1997	5.36%	(6/1;12/1)	06/01/17	06/01/97	16,115,000	-	1,655,000	14,460,000
Sewer Revenue Bonds, 1998	4.82%	(6/1;12/1)	06/01/18	12/01/98	14,360,000	-	1,320,000	13,040,000
Sewer Revenue Bonds, 2000	5.48%	(6/1;12/1)	06/01/20	05/01/00	18,425,000	-	1,230,000	17,195,000
Sewer Revenue Bonds, 2000-B	5.43%	(6/1;12/1)	06/01/20	11/01/00	14,010,000	-	950,000	13,060,000
Sewer Revenue Bonds, 2001	5.02%	(6/1;12/1)	06/01/21	12/01/01	23,015,000	-	1,485,000	21,530,000
Sewer Revenue Bonds, 2002	4.36%	(6/1;12/1)	06/01/22	12/01/02	43,485,000	-	2,380,000	41,105,000
Sewer Revenue Bonds, 2003	3.94%	(6/1;12/1)	06/01/23	12/03/03	4,260,000	-	235,000	4,025,000
Sewer Revenue Bonds, 2004	4.26%	(6/1;12/1)	06/01/24	12/01/04	27,010,000	-	1,320,000	25,690,000
Sewer Revenue Bonds, 2009	6.68%	(6/1;12/1)	06/01/29	12/01/09	23,375,000	-	680,000	22,695,000
					184,055,000	-	11,255,000	172,800,000
Water Revenue Bonds, 1998	4.82%	(6/1;12/1)	12/01/18	12/01/98	9,190,000	-	845,000	8,345,000
Water Revenue Bonds, 2002	4.57%	(6/1;12/1)	12/01/22	10/01/02	27,560,000	-	1,270,000	26,290,000
LADHH Loan Revenue Bonds, 2010A	2.95%	(2/1)	02/01/30	02/11/10	-	34,875	-	34,875
LADHH Loan Revenue Bonds, 2010B	2.95%	(2/1)	02/01/30	02/11/10	-	597,967	-	597,967
					36,750,000	632,842	2,115,000	35,267,842
TOTAL					\$ 242,330,000	\$ 632,842	\$ 14,605,000	\$ 228,357,842

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
DEBT SERVICE AND DEBT SERVICE RESERVE
REQUIRED BY BOND RESOLUTION
 For the year ended December 31, 2010

	Debt Service Account					Debt Service Reserve Accounts		
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	LADHH Loan Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 1,106,437	\$ 8,841,729	\$ -	\$ -	\$ 9,948,166	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504
Cash receipts:								
Bond proceeds and accrued interest	-	-	-	57,135	57,135	-	-	-
Transfers from operating cash and debt service reserve	3,910,223	20,643,661	2,182,739	2,386,951	29,123,574	-	-	-
Excess debt service reserve fund applied to BAINS 2006 Maturity	-	-	-	6,437	6,437	-	-	-
Total cash and investments	5,016,660	29,485,390	2,182,739	2,450,523	39,135,312	3,928,380	16,164,124	20,092,504
Cash disbursements:								
Principal and interest payments, cost of issuance and transfers	3,908,413	20,303,331	2,182,739	58,453	26,452,936	-	-	-
Total cash disbursements	3,908,413	20,303,331	2,182,739	58,453	26,452,936	-	-	-
Cash and investments at end of year	\$ 1,108,247	\$ 9,182,059	\$ -	\$ 2,392,070	\$ 12,682,376	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Beginning of Year</u>	<u>Current Year Claims and Estimate Change</u>	<u>Payments</u>	<u>End of Year</u>
<u>WATER</u>				
Short-term:				
Workers' compensation	\$ 442,676	\$ 603,658	\$ 605,526	\$ 440,808
Health insurance	675,378	4,964,274	5,015,819	623,833
General liability	2,638,496	221,916	92,557	2,767,855
Total short-term	<u>3,756,550</u>	<u>5,789,848</u>	<u>5,713,902</u>	<u>3,832,496</u>
Long-term:				
Workers' compensation	1,446,042	(11,919)	-	1,434,123
General liability	-	-	-	-
Total long-term	<u>1,446,042</u>	<u>(11,919)</u>	<u>-</u>	<u>1,434,123</u>
Total	<u>\$ 5,202,592</u>	<u>\$ 5,777,929</u>	<u>\$ 5,713,902</u>	<u>\$ 5,266,619</u>
<u>SEWERAGE</u>				
Short-term:				
Workers' compensation	\$ 442,676	\$ 603,665	\$ 605,536	\$ 440,805
Health insurance	695,844	4,147,953	4,219,964	623,833
General liability	2,414,766	(8,325)	79,656	2,326,785
Total short-term	<u>3,553,286</u>	<u>4,743,293</u>	<u>4,905,156</u>	<u>3,391,423</u>
Long-term:				
Workers' compensation	1,446,042	(11,919)	-	1,434,123
General liability	-	-	-	-
Total long-term	<u>1,446,042</u>	<u>(11,919)</u>	<u>-</u>	<u>1,434,123</u>
Total	<u>\$ 4,999,328</u>	<u>\$ 4,731,374</u>	<u>\$ 4,905,156</u>	<u>\$ 4,825,546</u>
<u>DRAINAGE</u>				
Short-term:				
Workers' compensation	\$ 442,676	\$ 603,658	\$ 605,527	\$ 440,807
Health insurance	675,378	3,475,413	3,526,958	623,833
General liability	7,837,766	1,197,690	596,053	8,439,403
Total short-term	<u>8,955,820</u>	<u>5,276,761</u>	<u>4,728,538</u>	<u>9,504,043</u>
Long-term:				
Workers' compensation	1,446,042	(11,919)	-	1,434,123
Total long-term	<u>1,446,042</u>	<u>(11,919)</u>	<u>-</u>	<u>1,434,123</u>
Total	<u>\$ 10,401,862</u>	<u>\$ 5,264,842</u>	<u>\$ 4,728,538</u>	<u>\$ 10,938,166</u>
<u>TOTAL</u>				
Short-term:				
Workers' compensation	\$ 1,328,028	\$ 1,810,981	\$ 1,816,589	\$ 1,322,420
Health insurance	2,046,600	12,587,640	12,762,741	1,871,499
General liability	12,891,028	1,411,281	768,266	13,534,043
Total short-term	<u>16,265,656</u>	<u>15,809,902</u>	<u>15,347,596</u>	<u>16,727,962</u>
Long-term:				
Workers' compensation	4,338,126	(35,757)	-	4,302,369
General liability	-	-	-	-
Total long-term	<u>4,338,126</u>	<u>(35,757)</u>	<u>-</u>	<u>4,302,369</u>
Total	<u>\$ 20,603,782</u>	<u>\$ 15,774,145</u>	<u>\$ 15,347,596</u>	<u>\$ 21,030,331</u>

See independent auditors' report.



The Sewerage and Water Board and the U. S. Army Corps of Engineers gathered at the A. B. Wood Melpomene Pumping Station No.1 to dedicate the completion of a \$39.6 million project to repair drainage pumping stations throughout the City following Hurricane Katrina. In all, the Corps restored 23 pump stations and the Carrollton Frequency Changer Building to their Pre-Katrina levels of operation. Mayor Mitchell J. Landrieu, president of the S&WB, presided over the ceremonies with officials from the Corps, members of the S&WB Board of Directors and the City.



The Elaine Street Drainage Pumping Station in Eastern New Orleans, destroyed by Katrina's floods, has been completely restored by the U.S. Army Corps of Engineers. The \$3.2 million project included the installation of 2 new vertical pumps, motors and all new controls and supporting instrumentations. The station was the last to be completed as part of a \$39.6 million program whereby the Corps repaired 23 hurricane-damaged drainage stations throughout the City.

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

	Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Business-type activities										
Invested in capital assets -										
net of related debt	\$ 1,486,359,010	\$ 1,367,130,463	\$ 1,306,085,162	\$ 1,265,078,240	\$ 1,191,197,682	\$ 1,092,159,700	\$ 1,085,354,440	\$ 1,041,213,409	\$ 967,763,496	\$ 948,808,901
Restricted For:										
Debt service	32,774,880	30,040,670	32,075,521	27,986,164	26,803,911	21,768,747	28,817,876	25,349,292	23,291,960	17,405,879
Capital projects	(109,151,324)	(81,717,627)	(89,154,640)	(7,414,567)	3,614,224	41,752,104	65,900,450	70,994,095	76,158,913	54,207,715
Total restricted for net assets	(76,376,444)	(51,676,957)	(57,079,119)	20,571,597	30,418,135	63,520,851	94,718,326	96,343,387	99,450,873	71,613,594
Total business-type activities net assets	\$ 1,409,962,566	\$ 1,315,453,506	\$ 1,249,006,043	\$ 1,285,649,837	\$ 1,221,615,817	\$ 1,155,660,551	\$ 1,180,072,766	\$ 1,137,556,796	\$ 1,067,214,369	\$ 1,020,422,495

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

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating revenues:										
Sales of water and delinquent fees	\$ 55,079,772	\$ 50,677,054	\$ 43,995,732	\$ 37,795,522	\$ 33,799,760	\$ 38,727,266	\$ 54,234,144	\$ 54,997,831	\$ 53,413,048	\$ 51,871,210
Sewerage service charges	69,534,779	66,102,946	61,877,246	68,304,547	62,657,636	57,329,963	72,252,114	62,328,695	53,455,291	49,302,683
Plumbing inspection and license fees	746,426	484,448	590,604	542,340	590,242	175,260	233,147	215,642	219,370	213,836
Other revenue	4,702,753	3,814,564	2,487,983	2,927,070	3,290,683	3,171,703	3,343,868	2,095,805	1,814,951	2,349,046
Total operating revenues	130,063,730	121,079,012	108,951,565	109,569,479	100,338,321	99,404,192	130,063,273	119,637,973	108,902,660	103,736,775
Operating Expenses:										
Power and pumping	12,606,851	12,950,788	14,178,641	13,041,954	11,576,640	11,818,104	22,334,434	19,339,095	16,255,368	19,886,007
Treatment	19,029,752	19,910,357	18,243,782	16,280,975	13,318,870	13,736,515	17,131,922	17,075,547	15,515,582	15,749,585
Transmission and distribution	15,915,361	21,466,523	18,994,209	19,832,226	13,845,793	18,432,531	20,846,681	20,324,308	18,233,083	17,517,122
Customer accounts	3,314,887	3,044,936	2,719,594	2,290,092	1,910,612	2,413,631	2,625,751	2,513,486	2,384,744	2,771,609
Customer service	3,386,338	3,417,239	3,323,696	2,670,145	2,265,250	2,645,604	2,855,631	2,821,025	2,731,763	2,687,794
Administration and general	16,060,032	13,504,125	15,173,190	14,899,028	13,714,644	12,130,773	14,978,964	12,534,252	14,463,064	14,593,405
Payroll related	33,616,025	35,085,953	31,549,622	28,259,815	17,914,694	19,780,248	18,794,864	16,697,287	16,073,673	14,368,516
Maintenance of general plant	23,438,848	24,828,902	33,455,074	26,993,626	23,344,667	27,991,450	10,764,556	10,563,936	10,020,846	9,824,994
Depreciation	35,216,611	34,692,628	31,546,017	25,377,733	28,703,469	39,187,670	38,600,928	35,480,955	34,551,459	34,378,585
Amortization	164,415	140,917	158,019	158,019	208,045	360,445	295,156	188,128	130,304	124,473
Provision for doubtful accounts	4,855,325	889,811	(12,225,825)	12,613,283	22,355,906	6,582,465	2,718,176	1,884,751	1,842,958	1,661,267
Provision for claims	3,186,714	58,860	587,465	(2,448,965)	2,638,657	7,289,990	2,886,894	3,673,192	4,934,366	7,452,510
Total operating expenses	170,791,159	169,991,239	157,703,484	159,967,931	152,017,247	162,369,426	154,833,957	143,095,962	137,137,210	141,015,867
Operating loss	(40,727,429)	(48,912,227)	(48,751,919)	(50,398,452)	(51,678,926)	(62,965,234)	(24,770,684)	(23,457,989)	(28,234,550)	(37,279,092)
Non-operating revenues (expenses):										
Two-mill tax	1,045	-	-	120	3,699	1,407	5,192	7,423	5,058	10,726
Three-mill tax	10,378,060	10,302,545	11,294,822	10,381,155	9,682,028	12,990,040	12,195,559	11,031,057	10,312,636	10,772,176
Six-mill tax	10,498,580	10,410,524	11,406,361	10,513,559	9,803,052	13,152,643	12,352,092	11,169,139	10,567,048	10,906,914
Nine-mill tax	15,672,791	15,485,030	17,001,253	15,773,070	13,686,249	19,707,787	18,308,104	16,735,885	15,946,585	16,342,792
Other taxes	333,795	371,006	515,735	443,122	634,321	631,818	744,322	770,663	792,883	785,640
Operating and maintenance grants	9,367,940	19,373,185	(3,973)	1,777,188	35,013,143	9,338,528	-	-	-	-
Investment income	274,323	885,723	3,545,564	5,826,769	4,115,003	3,291,489	1,352,425	1,031,593	1,616,307	3,956,010
Hurricane gain	(1,687,603)	(1,766,553)	(1,720,030)	205,995	2,303,397	(55,909,262)	-	-	-	-
Forgiveness of Community Disaster Loan	41,438,410	-	-	(2,443,612)	(252,435)	-	-	-	-	-
Total non-operating revenues (expenses)	86,277,341	55,061,460	42,039,732	42,477,366	74,988,457	3,201,458	45,161,694	40,745,760	39,240,517	42,774,258
Income (loss) before capital contributions	45,549,912	6,149,233	(6,712,187)	(7,921,086)	23,309,531	(59,763,776)	20,391,010	17,287,771	11,005,967	5,495,166
Capital contributions	48,959,148	60,298,230	(29,931,607)	71,955,106	42,645,735	35,351,561	22,124,960	53,054,656	35,785,907	47,291,828
Change in net assets	94,509,060	66,447,463	(36,643,794)	64,034,020	65,955,266	(24,412,215)	42,515,970	70,342,427	46,791,874	52,786,994
Net assets										
Beginning of year	1,315,453,506	1,249,006,043	1,285,649,837	1,221,615,817	1,155,660,551	1,180,072,766	1,137,556,796	1,067,214,369	1,020,422,495	967,635,501
End of year	1,409,962,566	1,315,453,506	1,249,006,043	1,285,649,837	1,221,615,817	1,155,660,551	1,180,072,766	1,137,556,796	1,067,214,369	1,020,422,495

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Charges for service	\$ 101,387,729	\$ 107,087,709	\$ 117,542,168	\$ 126,719,405	\$ 96,232,489	\$ 97,047,638	\$ 106,642,409	\$ 106,465,582	\$ 117,264,448	\$ 125,360,977
Dedicated taxes	38,021,882	36,826,269	38,936,081	43,059,755	45,850,470	33,171,329	36,667,784	39,702,436	36,198,099	36,549,431
Two-mill tax	10,726	5,058	7,423	5,192	1,407	3,699	120	-	-	1,045
Interest on investments	3,956,010	1,616,307	1,031,593	1,352,425	3,291,489	4,115,003	5,826,769	3,545,564	885,723	274,323
Other taxes and revenue	3,134,686	2,607,834	2,866,468	4,088,190	13,142,049	38,938,147	5,147,380	2,999,745	23,558,755	55,842,898
	<u>\$ 146,511,033</u>	<u>\$ 148,143,177</u>	<u>\$ 160,383,733</u>	<u>\$ 175,224,967</u>	<u>\$ 158,517,904</u>	<u>\$ 173,275,816</u>	<u>\$ 154,284,462</u>	<u>\$ 152,711,327</u>	<u>\$ 177,907,025</u>	<u>\$ 218,028,674</u>
Expenses										
Personnel services*	\$ 45,544,701	\$ 47,719,045	\$ 49,759,541	\$ 52,956,446	\$ 58,322,684	\$ 49,118,747	\$ 61,421,931	\$ 68,605,280	\$ 74,540,678	\$ 72,725,464
Services and utilities	43,554,817	40,228,571	46,120,890	48,738,878	45,606,037	43,170,196	52,966,504	56,428,567	50,787,395	42,107,016
Materials and supplies	8,299,514	7,730,507	5,988,505	8,637,479	5,020,134	5,649,827	9,879,426	12,603,961	8,880,950	12,535,610
Depreciation and amortization	34,503,058	34,681,763	35,669,083	38,896,084	39,548,115	29,063,914	25,535,752	31,704,036	34,833,545	35,381,030
Provision for doubtful accounts	1,661,267	1,842,958	1,884,751	2,718,176	6,582,465	22,355,906	12,613,283	(12,225,825)	889,811	4,855,325
Provision for claims	7,452,510	4,934,366	3,673,192	2,886,894	7,289,990	2,658,657	(2,448,965)	587,465	58,860	3,186,714
Hurricane Loss	-	-	-	-	55,909,262	(2,303,397)	(205,995)	-	-	-
Interest	-	-	-	-	2,993	252,435	2,443,612	1,720,030	1,766,553	1,687,603
	<u>\$ 141,015,867</u>	<u>\$ 137,137,210</u>	<u>\$ 143,095,962</u>	<u>\$ 154,833,957</u>	<u>\$ 218,281,680</u>	<u>\$ 149,966,285</u>	<u>\$ 162,205,548</u>	<u>\$ 159,423,514</u>	<u>\$ 171,757,792</u>	<u>\$ 172,478,762</u>

Note: Years prior to 2001 have not been restated for impact of GASB 33.

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			
2001	1,214,098	651,744	1,865,842	14,751,485	12.6%
2002	1,231,764	619,368	1,851,132	14,687,067	12.6%
2003	1,248,743	650,595	1,899,338	15,040,781	12.6%
2004	1,423,261	679,826	2,103,087	16,731,518	12.6%
2005	1,492,750	620,797	2,113,547	16,774,183	12.6%
2006	1,103,604	565,287	1,668,891	13,245,167	12.6%
2007	1,362,097	483,200	1,845,297	14,645,214	12.6%
2008	2,004,624	539,492	2,544,116	20,698,664	12.3%
2009	2,042,426	557,039	2,599,465	21,974,841	11.8%
2010	2,022,978	558,159	2,581,137	21,974,841 (2)	11.7%

Source: City of New Orleans

(1) Amounts are net of the homestead exemption.

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

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

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

Fiscal Year	City of New Orleans	Orleans Levee Board	Sewerage & Water Board of New Orleans	Orleans Parish School Board	Audubon Park & Zoo	Total
2001	77.09	12.76	22.59**	53.05*	4.55	170.04
2002	77.09	12.01	22.59**	52.98	4.55	169.22
2003	77.09	12.01	22.59**	52.83	4.55	169.07
2004	78.59	12.76	22.59**	52.80	4.55	171.29
2005	71.90	12.76	22.59**	52.80	4.55	171.29
2006	85.39	12.76	22.59**	58.55	4.55	186.84
2007	78.89	12.76	22.59**	52.90	4.55	175.19
2008	58.44	0***	16.43**	38.47	3.31	119.55
2009	57.57	0***	16.43**	38.47	3.31	118.28
2010	64.31	0***	16.43**	44.12	3.31	128.17

Source: City of New Orleans

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

**3 mills adopted in 1967 Expires in 2017

**6 mills adopted in 1978 Expires in 2027

**9 mills adopted in 1982 expires in 2032

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
TEN LARGEST TAXPAYERS
December 31, 2010 and Eight Years Ago
(Unaudited)

Name of Taxpayer	Type of Business	2010 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Utility	\$ 79,344,940	2.97%
BellSouth Telecommunications	Telephone Utility	54,413,570	2.04%
Harrah's Entertainment	Casino	41,733,310	1.56%
Capital One	Bank	26,719,144	1.00%
J P. Morgan Chase Bank	Bank	24,026,140	0.90%
Whitney National Bank	Bank	22,663,130	0.85%
International River Center	Shopping Mall; Hotel	17,466,490	0.65%
Marriott Hotel Properties	Hotel	14,190,884	0.53%
C S & M Associates	Commerical Real Estate	13,822,970	0.52%
Poydras Properties	Real Estate	13,313,200	0.50%
		<u>\$ 307,693,778</u>	<u>11.52%</u>

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

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

Source: City of New Orleans

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

Latest data available for Property Tax Levies and Collections by the City of New Orleans is for the year ended December 31, 2009.

Fiscal Year	Total Levied	Collected Through December 31, 2009		Balance Outstanding December 31, 2009		Collected during 2009
		Amount	Percent	Amount	Percent	Amount
Real Estate Taxes:						
2000	199,666	197,442	98.89	2,224	1.11	192
2001	209,441	207,052	98.86	2,389	1.14	195
2002	214,088	211,242	98.67	2,846	1.33	187
2003	217,039	214,320	98.75	2,719	1.25	175
2004	247,328	243,594	98.49	3,734	1.51	444
2005	267,327	262,376	98.15	4,951	1.85	265
2006	219,991	213,778	97.18	6,213	2.82	1,784
2007	250,462	238,101	95.06	12,361	4.94	4,929
2008	269,746	259,343	96.14	10,403	3.86	16,139
2009	275,227	257,219	93.46	18,008	6.54	257,219
Personal Property Taxes:						
2000	105,951	99,637	94.04	6,314	5.96	-
2001	110,058	100,619	91.42	9,439	8.58	-
2002	105,378	96,728	91.79	8,650	8.21	-
2003	110,691	103,756	93.73	6,935	6.27	-
2004	115,676	109,234	94.43	6,442	5.57	-
2005	106,354	100,809	94.79	5,545	5.21	-
2006	99,477	91,023	91.50	8,454	8.50	1,336
2007	82,046	75,241	91.71	6,805	8.29	1,388
2008	67,548	62,119	91.96	5,429	8.04	2,474
2009	69,875	63,118	90.33	6,757	9.67	63,118

* 2005 and prior personal property receivables were considered prescribed and no longer legally enforceable during 2009.

Source: City of New Orleans

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

Year	Water					Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons				Monthly Base Rate	Rate per 1,000 Gallons
		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

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 Five Fiscal Years
 (Unaudited)

Fiscal Year	Personal Income(1) (in thousands)	Population (2)	Revenue		Special Tax		LDHH Bonds	Special		Debt Service		Capital Leases Payable	Total Debt	Percentage of Personal Income	Debt per Capita
			Bonds	Bonds	Bonds	Bonds		Community Disaster Loan Payable	Assistance Fund Loan						
2006	\$ 12,739,309	208,548	\$ 258,047,868	\$ 24,905,000	\$ -	\$ 46,011,566	\$ 40,494,073	\$ 2,760,672	\$ 372,219,179	3.42%	\$ 1,785				
2007	\$ 14,831,565	288,113	\$ 246,907,968	\$ 23,835,000	\$ -	\$ 61,956,747	\$ 64,655,122	\$ 104,445	\$ 397,459,282	3.73%	\$ 1,380				
2008	\$ 15,802,534	336,644	\$ 235,216,902	\$ 22,710,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 397,344,042	3.98%	\$ 1,180				
2009	\$ 15,260,613	354,850	\$ 221,958,521	\$ 21,525,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 382,900,661	3.99%	\$ 1,079				
2010	\$ 15,260,613 (3)	354,850	\$ 208,422,155	\$ 20,290,000	\$ 632,842	\$ 25,166,747	\$ 77,460,393	\$ -	\$ 331,972,137	4.60%	\$ 936				

(1) Source: Bureau of Economic Analysis

(2) Source: www.census.gov/popest/counties. Most recent available is 2009.

(3) Most recent available is 2009.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2010
(Unaudited)

	Net Outstanding Debt	Percentage Overlapping	Overlapping Debt
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	\$ 20,290,000	100%	\$ 20,290,000
Overlapping debt:			
City of New Orleans	648,609,000	100%	\$ 648,609,000
Audubon Park Commission	29,143,572	100%	\$ 29,143,572
Orleans Parish School Board (1)	131,560,000	100%	\$ 131,560,000
Orleans Levee District (1)	3,120,000	100%	\$ 3,120,000
Total overlapping debt	812,432,572	100%	812,432,572
Total direct and overlapping debt	\$ 832,722,572	100%	\$ 832,722,572

(1) The fiscal year of the Orleans Parish School Board and Orleans Levee District ends on June 30th; overlapping debt is based on June 30, 2010 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		
2001	54,444,486	47,962,301	6,482,185	995,000	846,818	1,841,818	3.52
2002	55,870,142	45,801,952	10,068,190	1,050,000	782,068	1,832,068	5.50
2003	57,550,818	47,886,711	9,664,107	2,020,000	2,490,059	4,510,059	2.14
2004	57,955,617	51,749,138	6,206,479	1,575,000	2,177,094	3,752,094	1.65
2005	40,716,893	53,450,918	(12,734,025)	1,655,000	2,110,155	3,765,155	(3.38)
2006	36,378,265	41,970,320	(5,592,055)	1,735,000	2,032,524	3,767,524	(1.48)
2007	35,098,826	58,708,774	(23,609,948)	1,820,000	1,980,068	3,800,068	(6.21)
2008	47,435,375	66,989,084	(19,553,709)	1,920,000	1,917,131	3,837,131	(5.10)
2009	70,211,761	51,983,869	18,227,892	2,115,000	1,771,268	3,886,268	4.69
2010	77,788,502	53,161,832	24,626,670	2,220,000	1,685,618	3,905,618	6.31

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

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

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Service Requirements*		Coverage
				Principal	Interest	
2001	51,902,479	35,866,277	16,036,202	2,920,000	5,254,696	3.19
2002	54,195,717	31,418,205	22,777,512	4,250,000	6,766,471	1.96
2003	60,837,820	38,579,473	22,258,347	6,245,000	8,988,665	2.07
2004	72,434,733	39,459,105	32,975,628	6,715,000	10,343,878	1.46
2005	58,494,963	33,072,494	25,422,469	8,265,000	9,873,999	1.93
2006	63,907,388	33,435,068	30,472,320	8,685,000	9,453,651	1.40
2007	64,750,010	38,899,024	25,850,986	9,130,000	10,211,257	1.68
2008	70,836,988	42,135,587	28,701,401	15,035,000	3,326,538	1.56
2009	69,501,438	49,879,875	19,621,563	11,255,000	9,058,968	0.97
2010	87,569,727	44,361,297	43,208,430	11,815,000	8,435,057	2.13

* Debt services requirements excludes BANS.

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS
DEMOGRAPHIC STATISTICS
Last Five 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	354,850 (4)	\$ 15,260,613 (4)	\$ 35,507	8.50%

- (1) www.census.gov/popest/counties/tables/CO-EST2007-01-22.xls
(2) Estimates- Bureau of Economic Analysis
(3) U.S. Bureau of Labor Statistics
(4) Most recent available is 2009

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

(unaudited)

Rank / Number of Employees

	2001	2002	2003	2004 *	2005 *	2006	2007	2008	2009	2010
Ochsner Medical Institutions / Health System	4 / 3,828					6 / 2,000		1 / 9,107	1 / 9,107	1 / 9,107
Avondale Industries Inc.										
Tulane University	2 / 5,492					2 / 5,000		4 / 4,410	3 / 4,410	3 / 4,410
Tenet Louisiana Health System	3 / 5,431									
Columbia/HCA Healthcare Corp.										
Entergy Corp.	7 / 2,500									
BellSouth	8 / 2,400									
Lockheed Martin Manned Space Systems	9 / 2,269	2 / 2,000	2 / 2,000		5 / 2,000		2 / 2,832	7 / 2,832	4 / 2,832	4 / 2,832
Hibernia Corp.	6 / 2,954									
First Commerce Corp.										
Memorial Medical Center										
Bank One Louisiana										
Northrup Grumman Avondale	1 / 6,400	1 / 6,000	1 / 6,071		1 / 6,000		1 / 5,400	2 / 5,400	2 / 5,400	2 / 5,400
HCA-The Healthcare Co.	5 / 3,089									
Harrah's New Orleans, A Jazz Casino Co.	6 / 2,900				3 / 4,500			8 / 2,200	5 / 2,200	5 / 2,200
Whitney National Bank	10 / 2,231									
USDA, National Finance Center		3 / 1,900	3 / 1,900		8 / 1,250		4 / 1,300			
Regional Transit Authority		5 / 1,199	6 / 1,199							
Methodist Hospital		6 / 1,116	7 / 1,116							
Boomtown Casino Westbank		7 / 1,100	8 / 1,100		9 / 790		6 / 781			
Superior Energy Services, Inc.		8 / 975	5 / 1,200		10 / 750		7 / 750			
Bally's Casino Lakeshore Resort		9 / 623	9 / 623							
Meadowcrest Hospital		10 / 498	10 / 457							
West Jefferson Medical Center		4 / 1,829	4 / 1,829		7 / 1,904		3 / 1,654			
JCC Holding Co. LLC					4 / 4,000					
Textron Marine & Land Systems							5 / 1,165			
Acme Truck Line Inc.							8 / 250			
Houma Industries							9 / 160			
Hope Haven Center							10 / 150			
LSU Health Sciences Center New Orleans								3 / 5,000		
City of New Orleans								5 / 3,500		
East Jefferson General Hospital								6 / 3,150		
Capital One								9 / 2,150	6 / 2,150	6 / 2,150
AI Copeland Investments								10 / 2,000	7 / 2,000	7 / 2,000
Dow Chemical Company									8 / 2,000	8 / 2,000
Boh Bros. Construction									9 / 1,500	9 / 1,500
Hilton New Orleans									10 / 1,400	10 / 1,400

Source: Greater New Orleans Inc. Regional Economic Alliance, 2007-2008

* These years are unavailable.

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

Year	Water	Sewer	Drainage	Total
2001	12,586,744	51,226,639	52,859,310 ¹	116,672,693
2002	11,540,814	43,269,622	57,048,889	111,859,325
2003	14,531,801	49,419,442	64,155,080	128,106,323
2004	15,772,218	67,424,755	38,407,889	121,604,862
2005	10,380,889	46,550,580	23,709,553	80,641,022
2006	36,481,683	49,891,752	19,515,232	105,888,667
2007	19,053,142	56,093,058	16,250,996	91,397,196
2008	19,938,659	25,608,236	28,592,805	74,139,700
2009	22,465,931	56,010,946	47,185,424	125,662,301
2010	32,248,119	58,682,400	51,465,065	142,395,584

¹ Includes contributed assets

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2010
(Unaudited)

		Water Revenue Bonds		
		Series 1998	Series 2002	All Bond Issues
2011	Principal	885,000	1,335,000	2,220,000
	Interest	398,468	1,287,150	1,685,618
2012	Principal	925,000	1,400,000	2,325,000
	Interest	358,643	1,233,750	1,592,393
2013	Principal	965,000	1,470,000	2,435,000
	Interest	315,630	1,177,750	1,493,380
2014	Principal	1,015,000	1,530,000	2,545,000
	Interest	269,793	1,104,250	1,374,043
2015	Principal	1,060,000	1,595,000	2,655,000
	Interest	221,580	1,027,750	1,249,330
2016	Principal	1,110,000	1,665,000	2,775,000
	Interest	170,700	948,000	1,118,700
2017	Principal	1,165,000	1,740,000	2,905,000
	Interest	116,865	864,750	981,615
2018	Principal	1,220,000	1,820,000	3,040,000
	Interest	59,780	777,750	837,530
2019	Principal		3,195,000	3,195,000
	Interest		686,750	686,750
2020	Principal		3,345,000	3,345,000
	Interest		527,000	527,000
2021	Principal		3,510,000	3,510,000
	Interest		359,750	359,750
2022	Principal		3,685,000	3,685,000
	Interest		184,250	184,250
Total Principal		8,345,000	26,290,000	34,635,000
Total Interest		1,911,459	10,178,900	12,090,359
Total Future Debt Payments		<u>\$ 10,256,459</u>	<u>\$ 36,468,900</u>	<u>\$ 46,725,359</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
 December 31, 2010
 (Unaudited)

	Sewer Revenue Bonds											All Bond Issues			
	Series 1997	Series 1998	Series 2000A	Series 2000B	Series 2001	Series 2002	Series 2003	Series 2004	Series 2009						
2011	Principal	1,745,000	1,380,000	1,305,000	1,005,000	1,545,000	2,510,000	245,000	1,375,000	705,000	11,815,000				
	Interest	726,234	594,660	992,350	670,980	1,032,808	1,992,500	160,769	1,054,081	1,303,747	8,528,329				
2012	Principal	1,840,000	1,445,000	1,385,000	1,060,000	1,615,000	2,645,000	250,000	1,430,000	730,000	12,400,000				
	Interest	632,128	530,194	911,850	619,355	960,092	1,863,625	150,721	1,004,100	1,275,488	7,947,553				
2013	Principal	1,940,000	1,510,000	1,465,000	1,120,000	1,685,000	2,790,000	260,000	1,485,000	765,000	13,020,000				
	Interest	532,903	461,294	826,350	564,295	881,700	1,727,750	137,971	948,481	1,243,675	7,324,420				
2014	Principal	2,050,000	1,585,000	1,555,000	1,185,000	1,760,000	2,945,000	270,000	1,545,000	800,000	13,695,000				
	Interest	426,884	388,165	735,750	504,925	798,140	1,584,375	126,611	880,156	1,206,463	6,651,469				
2015	Principal	2,170,000	1,655,000	1,645,000	1,255,000	1,840,000	3,110,000	280,000	1,605,000	845,000	14,405,000				
	Interest	313,200	310,801	639,750	440,858	709,940	1,433,000	116,676	809,431	1,164,281	5,937,938				
2016	Principal	2,290,000	1,755,000	1,745,000	1,325,000	1,930,000	3,280,000	290,000	1,680,000	890,000	15,165,000				
	Interest	192,780	228,791	538,050	371,825	616,610	1,273,250	106,091	743,731	1,117,625	5,188,754				
2017	Principal	2,425,000	1,820,000	1,850,000	1,400,000	2,020,000	3,460,000	305,000	1,755,000	940,000	15,975,000				
	Interest	65,475	141,000	430,200	297,550	517,860	1,104,750	94,672	675,031	1,066,713	4,393,251				
2018	Principal		1,910,000	1,960,000	1,480,000	2,120,000	3,650,000	315,000	1,835,000	995,000	14,265,000				
	Interest		47,750	315,900	218,350	414,360	927,000	82,463	603,231	1,011,669	3,620,723				
2019	Principal		2,080,000	2,080,000	1,570,000	2,225,000	3,850,000	330,000	1,915,000	1,055,000	13,025,000				
	Interest		194,700	134,475	304,344	739,500	69,563	527,034	951,413	1,200,000	2,921,028				
2020	Principal		2,205,000	2,205,000	1,660,000	2,335,000	4,060,000	345,000	2,000,000	1,120,000	13,725,000				
	Interest		66,150	45,650	187,494	541,750	55,847	445,038	886,163	1,190,000	2,228,091				
2021	Principal			2,455,000	4,285,000	2,455,000	4,285,000	360,000	2,100,000	1,190,000	10,390,000				
	Interest			63,830	333,125	41,081	41,081	41,081	356,600	816,863	1,611,499				
2022	Principal				4,520,000		4,520,000	380,000	2,210,000	1,265,000	8,375,000				
	Interest				113,000		25,356	262,319	743,213	1,143,888	3,228,091				
2023	Principal					395,000	2,320,000	395,000	2,320,000	1,345,000	4,060,000				
	Interest					8,641	161,775	8,641	161,775	664,913	835,328				
2024	Principal						2,435,000		2,435,000	1,425,000	3,860,000				
	Interest						54,788		54,788	581,813	636,600				
2025	Principal									1,515,000	1,515,000				
	Interest									491,719	491,719				
2026	Principal									1,615,000	1,615,000				
	Interest									393,906	393,906				
2027	Principal									1,720,000	1,720,000				
	Interest									289,688	289,688				
2028	Principal									1,830,000	1,830,000				
	Interest									178,750	178,750				
2029	Principal									1,945,000	1,945,000				
	Interest									60,781	60,781				
Total Principal		14,460,000	13,040,000	17,195,000	13,060,000	21,530,000	41,105,000	4,025,000	25,690,000	22,695,000	172,800,000				
Total Interest		2,889,604	2,702,655	5,651,250	3,868,263	6,487,178	13,633,625	1,176,462	8,525,797	15,448,878	60,383,712				
Total Future Debt Payments		\$ 17,349,604	\$ 15,742,655	\$ 22,846,250	\$ 16,928,263	\$ 28,017,178	\$ 54,738,625	\$ 5,201,462	\$ 34,215,797	\$ 38,143,878	\$ 233,183,712				

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2010
(Unaudited)

		Drainage Special Tax Bonds		
		Series 1998	Series 2002	All Bond Issues
2011	Principal	545,000	755,000	1,300,000
	Interest	249,582	647,310	896,892
2012	Principal	570,000	790,000	1,360,000
	Interest	224,786	621,263	846,049
2013	Principal	595,000	830,000	1,425,000
	Interest	198,280	593,218	791,498
2014	Principal	625,000	865,000	1,490,000
	Interest	170,018	560,018	730,036
2015	Principal	655,000	900,000	1,555,000
	Interest	140,018	525,418	665,436
2016	Principal	685,000	940,000	1,625,000
	Interest	108,250	489,418	597,668
2017	Principal	720,000	985,000	1,705,000
	Interest	74,000	450,878	524,878
2018	Principal	760,000	1,030,000	1,790,000
	Interest	38,000	38,000	76,000
2019	Principal		1,870,000	1,870,000
	Interest		365,218	365,218
2020	Principal		1,960,000	1,960,000
	Interest		282,938	282,938
2021	Principal		2,055,000	2,055,000
	Interest		194,738	194,738
2022	Principal		2,155,000	2,155,000
	Interest		100,208	100,208
Total Principal		5,155,000	15,135,000	20,290,000
Total Interest		1,202,934	4,868,620	6,071,554
Total Future Debt Payments		<u>\$ 6,357,934</u>	<u>\$ 20,003,620</u>	<u>\$ 26,361,554</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SCHEDULE OF FUTURE DEBT PAYMENTS
December 31, 2010
(Unaudited)

		All Departments			
		Water	Sewer	Drainage	Total
2011	Principal	2,220,000	11,815,000	1,300,000	15,335,000
	Interest	1,685,618	8,528,329	896,892	11,110,839
2012	Principal	2,325,000	12,400,000	1,360,000	16,085,000
	Interest	1,592,393	7,947,553	846,049	10,385,994
2013	Principal	2,435,000	13,020,000	1,425,000	16,880,000
	Interest	1,493,380	7,324,420	791,498	9,609,297
2014	Principal	2,545,000	13,695,000	1,490,000	17,730,000
	Interest	1,374,043	6,651,469	730,036	8,755,548
2015	Principal	2,655,000	14,405,000	1,555,000	18,615,000
	Interest	1,249,330	5,937,938	665,436	7,852,703
2016	Principal	2,775,000	15,165,000	1,625,000	19,565,000
	Interest	1,118,700	5,188,754	597,668	6,905,121
2017	Principal	2,905,000	15,975,000	1,705,000	20,585,000
	Interest	981,615	4,393,251	524,878	5,899,743
2018	Principal	3,040,000	14,265,000	1,790,000	19,095,000
	Interest	837,530	3,620,723	76,000	4,534,253
2019	Principal	3,195,000	13,025,000	1,870,000	18,090,000
	Interest	686,750	2,921,028	365,218	3,972,996
2020	Principal	3,345,000	13,725,000	1,960,000	19,030,000
	Interest	527,000	2,228,091	282,938	3,038,028
2021	Principal	3,510,000	10,390,000	2,055,000	15,955,000
	Interest	359,750	1,611,499	194,738	2,165,986
2022	Principal	3,685,000	8,375,000	2,155,000	14,215,000
	Interest	184,250	1,143,888	100,208	1,428,345
2023	Principal		4,060,000		4,060,000
	Interest		835,328		835,328
2024	Principal		3,860,000		3,860,000
	Interest		636,600		636,600
2025	Principal		1,515,000		1,515,000
	Interest		491,719		491,719
2026	Principal		1,615,000		1,615,000
	Interest		393,906		393,906
2027	Principal		1,720,000		1,720,000
	Interest		289,688		289,688
2028	Principal		1,830,000		1,830,000
	Interest		178,750		178,750
2029	Principal		1,945,000		1,945,000
	Interest		60,781		60,781
Total Principal		34,635,000	172,800,000	20,290,000	227,725,000
Total Interest		12,090,359	60,383,712	6,071,554	78,545,625
Total Future Debt Payments		\$ 46,725,359	\$ 233,183,712	\$ 26,361,554	\$ 306,270,625

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 (in thousands)
	Number of units	Value (in thousands)	Number of units	Value (in thousands)		
2001	333	52,103	2,170	111,804	8,225,073	14,751,485
2002	305	76,057	2,371	133,259	7,858,864	15,426,274
2003	304	66,458	2,902	153,649	8,256,119	15,040,871
2004	1397	354,716	2,576	167,353	9,416,433	16,731,518
2005					8,951,961	
2006					11,252,684	
2007					10,062,454	
2008					10,553,556	
2009					10,480,561	
2010					12,175,831	

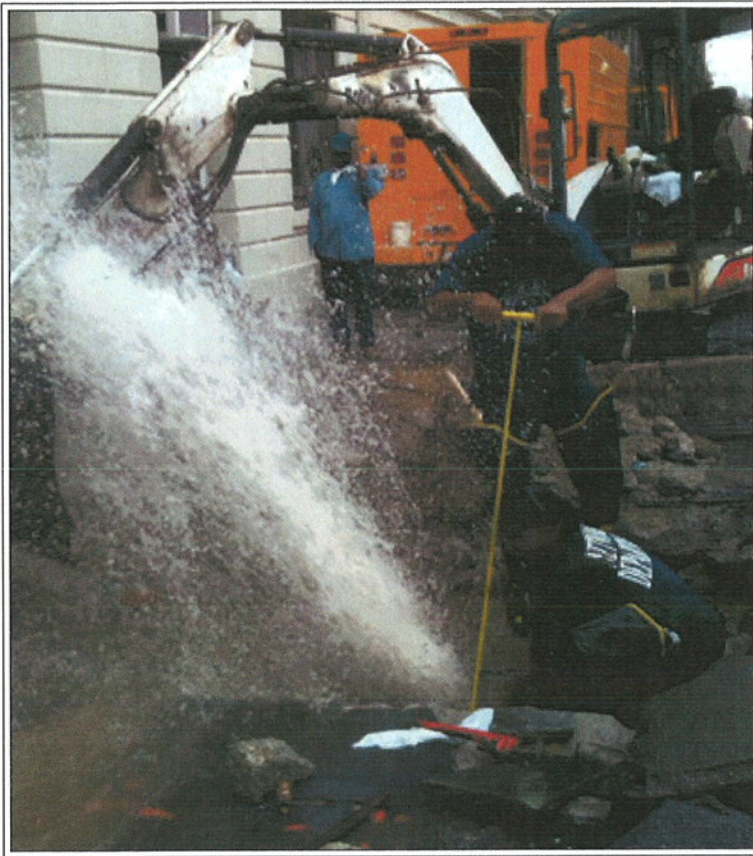
(1) City of New Orleans (2004 latest year for which information is available).

(2) Summary of Deposits (as of June 30, 2010) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

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

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

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An aging, yet reliable, network of water, sewer and major drainage lines must be constantly inspected, repaired or replaced to ensure reliability for citizens. Members of the Networks Division are on duty constantly to repair water main breaks like this one in the French Quarter and others throughout the system. Fire hydrant repair or replacement is another crucial responsibility of Networks.



Turning a liability into an asset: In partnership with St. Bernard Parish, work is set to begin this year by the S&WB on the first phase of a long-term effort to divert treated effluent from the East Bank Sewage Treatment Plant into a formerly healthy cypress habitat. The habitat has largely reverted to open water south of Bayou Bienvenue and the Mississippi River Gulf Outlet in Orleans and St. Bernard (area inside the yellow lines). Use of the wetlands for assimilation of wastewater has several benefits, including reducing the effects of salt water intrusion in the project area and increasing the build up of sediment to improve habitat quality and plant productivity. Ultimately, cypress replanting will aid in wetland stability, water filtration and storm protection for future generations. Lake Borgne is the body of water on the right in this satellite imagery.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2010 ACTUAL CAPITAL EXPENDITURES

WATER DEPARTMENT

C.P.# WATERWORKS

110	Normal Extension & Replacement	\$	1,757.15
135	Improvement of Chemical System		20,759.00
156	Advance Water Treatment		861,452.50
160	Hurricane Katrina Expense for Water		(95,280.70)
175	Water Hurricane Recovery Bonds		24,247,993.98
	TOTAL WATERWORKS	\$	25,036,681.93

WATER DISTRIBUTION

214	Normal Extension & Replacement	\$	1,507,287.38
215	Rehabilitation - Mains, Hydrants & Services		115.00
239	Mains DPW Contracts		135,498.65
	TOTAL WATER DISTRIBUTION	\$	1,642,901.03

POWER PROJECTS EMERGENCY AND GENERAL BUDGET

600	Water Share of Power Projects	\$	10,326.71
800	Water Share of General Budget Items		5,325,056.84
	TOTAL POWER PROJECTS, EMERGENCY AND GENERAL BUDGET	\$	5,335,383.55
	TOTAL WATER DEPARTMENT	\$	32,014,966.51

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2010 ACTUAL CAPITAL EXPENDITURES

SEWERAGE DEPARTMENT

<u>C.P.#</u>	<u>SEWERAGE SYSTEM</u>		
313	Extensions & Replacements-Sewer Force Mains EPA Consent Decree	\$	274,974.56
317	Normal Extensions & Replacement of Gravity Mains		11,577,758.11
318	Rehabilitation Gravity Sewer System		5,088,792.89
326	Extensions & Replacement to Sewer Pumping Stations		699,805.72
339	Main in Streets Dept. Contracts		46,726.25
348	Normal Extensions & Replacements		1,849,901.90
368	Wetlands assimilation Project		176,476.34
375	Sewerage Hurricane Recovery Bonds		27,377,451.25
381	Modification & Extension of WBSTP to 20/50 MGD		2,330.00
	TOTAL SEWERAGE SYSTEM	\$	47,094,217.02
	<u>SEWAGE TREATMENT</u>		
	<u>POWER PROJECTS AND GENERAL BUDGET</u>		
600	Sewerage Share of Power Projects	\$	2,581.67
800	Sewerage Share of General Budget Items		5,137,425.40
	TOTAL POWER PROJECTS AND GENERAL BUDGET	\$	5,140,007.07
	TOTAL SEWERAGE DEPARTMENT	\$	52,234,224.09

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2010 ACTUAL CAPITAL EXPENDITURES

DRAINAGE DEPARTMENT

<u>C.P.#</u>	<u>CANALS</u>	
418	Normal Extension & Replacements	\$ 855,085.60
439	Major Drainage Participation in DPW Projects	67,847.41
471	SELA Program Management	1,240,235.05
476	Hollygrove Canals (SELA-A)	19,611.30
478	S. Claiborne-Lowerline to Monticello Street	296,953.27
486	Napoleon Avenue Canal Improvements (SELA-B)	733,473.20
496	General DeGaulle Canal (SELA-C)	91,444.23
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)	6,489,707.93
498	Dwyer Intake Canal (St. Charles to Dwyer (DPS)(SELA-A)	370,934.43
499	Jefferson Avenue Canal	<u>75,272.30</u>
	TOTAL DRAINAGE CANALS	\$ 10,240,564.72
	<u>PUMPING STATIONS</u>	
511	Normal Extension & Rep./Stations	\$ 2,302,559.44
554	Expansion of Dwyer DPS (SELA-A)	11,537.53
575	Drainage Hurricane Recovery Bonds	646,425.42
	TOTAL DRAINAGE PUMPING STATIONS	<u>\$ 2,960,522.39</u>
	<u>POWER PROJECTS AND GENERAL BUDGET</u>	
600	Drainage Share of Power Projects	\$ 147,074.86
800	Drainage Share of General Budget Items	4,801,177.33
	TOTAL POWER PROJECTS AND GENERAL BUDGET	<u>\$ 4,948,252.19</u>
	TOTAL DRAINAGE DEPARTMENT	<u><u>\$ 18,149,339.30</u></u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2010 ACTUAL CAPITAL EXPENDITURES

C.P.#	POWER PROJECTS	POWER PROJECTS			Total
		Water	Sewerage	Drainage	
613	Modification of Steam System	\$ 2,719.54	\$ 679.88	\$ 118,547.96	\$ 121,947.38
624	Normal Extensions and Replacements	7,607.17	1,901.79	28,526.90	38,035.86
	TOTAL POWER PROJECTS	<u>\$ 10,326.71</u>	<u>\$ 2,581.67</u>	<u>\$ 147,074.86</u>	<u>\$ 159,983.24</u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2010 ACTUAL CAPITAL EXPENDITURES

GENERAL BUDGET ITEMS

<u>C.P.#</u>	<u>General Budget Items</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
803	Property Acquisition	\$ -	\$ -	\$ 39,115.00	\$ 39,115.00
812	Computer Systems Development	19,623.12	19,534.17	19,534.25	58,691.54
820	Overhead Charged to Capital	3,058,748.10	3,388,620.88	3,078,386.19	9,525,755.17
823	Purchase of Water Meters	111,411.95	111,411.90	-	222,823.85
843	Minor Equipment Purchases	65,613.04	65,613.09	111,896.45	243,122.58
875	General Budget Items Hurricane Recovery Bonds	2,069,660.63	1,552,245.36	1,552,245.44	5,174,151.43
	TOTAL GENERAL BUDGET ITEMS	<u>\$ 5,325,056.84</u>	<u>\$ 5,137,425.40</u>	<u>\$ 4,801,177.33</u>	<u>\$ 15,263,659.57</u>

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**ANALYSIS OF PUMPING AND POWER DEPARTMENT
POWER PURCHASED AND PRODUCED
NATURAL GAS AND FUEL OIL CONSUMED
TEN YEARS 2001 THROUGH 2010**

YEAR	ELECTRIC POWER PURCHASED		ELECTRIC & STEAM POWER GENERATED BY THE S&WB		NATURAL GAS & FUEL OIL USED TO GENERATE ELECTRIC & STEAM POWER			
	KW-HRS	\$ AMOUNT	KW-HRS	\$ AMOUNT	NATURAL GAS		FUEL OIL	
					MCF	\$ AMOUNT	GALLONS	\$ AMOUNT
2001	71,250,220	\$ 6,290,661	36,569,748	\$ 10,699,776	1,547,560	\$ 8,738,028	1,239	\$ 1,053
2002	67,060,158	\$ 5,057,629	37,576,656	\$ 8,175,530	1,455,440	\$ 6,370,341	1,739	\$ 1,478
2003	58,271,819	\$ 4,213,376	37,952,434	\$ 10,701,490	1,322,240	\$ 9,214,066	17,481	\$ 14,859
2004	75,514,008	\$ 6,048,983	37,845,120	\$ 12,509,191	1,346,750	\$ 11,850,932	1,149	\$ 977
2005	69,492,789	\$ 10,606,997	32,232,480	\$ 13,914,933	1,442,440	\$ 15,834,817	27,168	\$ 23,093
2006	79,041,420	\$ 15,605,974	37,464,720	\$ 12,754,639	1,285,200	\$ 14,587,701	211	\$ 179
2007	81,758,305	\$ 11,490,292	39,421,440	\$ 12,165,307	1,464,900	\$ 15,131,635	1,464	\$ 7,018
2008	76,400,295	\$ 11,284,821	40,407,984	\$ 14,062,081	1,535,660	\$ 18,895,716	85,222	\$ 229,681
2009	80,935,638	\$ 11,386,209	37,716,720	\$ 11,681,939	1,449,540	\$ 10,651,094	-	\$ -
2010	78,255,231	\$ 12,343,091	39,090,720	\$ 10,681,712	1,332,770	\$ 9,352,456	12,883	\$ 49,600
TOTALS	737,979,883	\$ 94,328,033	376,278,022	\$ 117,346,598	14,182,500	\$ 120,626,785	148,556	\$ 327,937

**POWER PURCHASED AND PRODUCED
NATURAL GAS AND FUEL OIL CONSUMED - 2010**

	KW-HOURS	COST
ELECTRIC POWER PURCHASED	78,255,231	\$12,343,091.11
ELECTRIC AND STEAM POWER GENERATED BY THE S&WB*	39,090,720	\$10,681,712.25
TOTAL	117,345,951	\$23,024,803.36

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

SEWERAGE AND WATER BOARD OF NEW ORLEANS

Gallons Meter - Pay Water Consumption - 2010

<u>Month</u>	<u>Monthly Consumption</u>
January	1,158,006,400
February	1,087,949,700
March	1,038,868,000
April	1,068,110,200
May	1,132,843,300
June	1,175,790,900
July	1,120,066,500
August	1,188,552,900
September	1,220,620,300
October	1,289,064,700
November	1,147,273,300
December	1,117,662,600
	<hr/>
Gross Total	<u><u>13,744,808,800</u></u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY WATER CHARGES COLLECTED - 2010**

<u>Months</u>	<u>Water Service Charges & Fees</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$ 4,280,421.10	\$ 87,636.50	\$ 4,368,057.60
February	4,438,480.47	90,487.39	4,528,967.86
March	5,215,092.93	110,383.81	5,325,476.74
April	4,249,306.44	86,593.02	4,335,899.46
May	4,560,280.11	91,375.87	4,651,655.98
June	5,185,463.47	94,504.65	5,279,968.12
July	4,531,386.87	90,767.42	4,622,154.29
August	5,464,906.49	89,583.53	5,554,490.02
September	4,946,387.07	80,126.05	5,026,513.12
October	5,324,852.08	88,446.73	5,413,298.81
November	5,278,350.86	97,512.79	5,375,863.65
December	5,202,242.64	82,159.68	5,284,402.32
	<u>\$ 58,677,170.53</u>	<u>\$ 1,089,577.44</u>	<u>\$ 59,766,747.97</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY SEWERAGE CHARGES COLLECTED - 2010**

<u>Months</u>	<u>Sewerage Service Charges</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$ 5,366,413.19	\$ 58,538.78	\$ 5,424,951.97
February	5,539,403.25	60,441.28	5,599,844.53
March	6,353,526.64	73,726.13	6,427,252.77
April	5,041,126.01	57,838.96	5,098,964.97
May	5,214,842.35	61,022.99	5,275,865.34
June	6,217,446.40	63,122.41	6,280,568.81
July	5,321,256.44	60,630.97	5,381,887.41
August	6,130,338.94	59,843.85	6,190,182.79
September	5,544,770.84	53,533.83	5,598,304.67
October	5,874,883.75	59,080.61	5,933,964.36
November	5,898,396.37	65,127.86	5,963,524.23
December	5,909,996.61	54,884.67	5,964,881.28
	<u>\$ 68,412,400.79</u>	<u>\$ 727,792.34</u>	<u>\$ 69,140,193.13</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE I
CARROLLTON TURBIDITIES

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Maximum	187	248	165	320	274	24	13	15	19	8.3	0.66	0.39	0.90	0.78	0.26
Minimum	2	3	7	5	5	0.8	1.0	1.0	1.1	1.1	0.06	0.09	0.09	0.09	0.07
Average	40	66	67	71	71	3.1	4.1	4.9	3.1	3.2	0.12	0.14	0.13	0.14	0.13

TABLE II
CARROLLTON ALKALINITIES
PARTS PER MILLION

	River					Effluent Settling Reservoirs					Filters				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Maximum	177	173	183	185	212	146	167	171	175	202	158	182	202	200	225
Minimum	83	86	78	83	93	66	66	63	72	76	75	78	71	80	98
Average	116	124	117	121	143	106	114	107	114	135	114	131	124	134	155

TABLE II A
CARROLLTON HARDNESS
PARTS PER MILLION

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Maximum	70	86	70	91	84	79	90	76	92	91	200	230	250	211	238	198	240	250	227	278
Minimum	11	10	4	0	0	14	12	15	0	0	108	113	114	110	116	120	120	114	130	140
Average	38	47	38	33	36	46	54	50	40	41	154	171	155	153	178	161	186	175	173	195

TABLE III
CARROLLTON BACTERIAL CHARACTERISTICS
Total Coliform Analysis

2010	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	4,500	5	12
Minimum (Colonies / 100 ml)	44	0	0
Average (colonies / 100 ml)	940	0	0
Number of Samples	357	364	2,503
Number of Samples Negative	0	363	2,493
Number of Samples Positive	357	1	10

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, 2010**

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
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	131	150	
January	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	9	94	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86	116	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	133	135	
February	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	9	109	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75	119	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	201	148	
March	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	39	98	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79	122	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	121	159	
April	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	5	110	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57	124	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	190	177	
May	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	45	93	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75	130	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	274	146	
June	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	42	105	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88	125	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	182	181	
July	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	67	121	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105	153	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	144	189	
August	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	81	133	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	104	160	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	113	196	
September	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	18	161	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58	176	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	132	212	
October	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	25	161	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65	179	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	38	175	
November	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	12	143	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21	161	
	Max.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	86	200	
December	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	18	115	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38	150	
	Max.		0.00	0	0.00	0	0.00	0	0.00			
Total		0.00		0		0		0				
	Max.	0.00	0.00	0	0.00	0	0.00	0	0.00	274	212	
General	Min.	0.00	0.00	0	0.00	0	0.00	0	0.00	5	93	
	Avg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	71	143	

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, 2010**

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	2,594.71	90.71 79.92 83.70	0	0.00 0.00 0.00	107,865	4.31 4.99	122,064	5.96 4.90 5.64	131 9 86	150 94 116	8.3 2.5 4.4
February	Max. Min. Avg.	2,382.67	90.46 80.79 85.10	0	0.00 0.00 0.00	98,030	5.30 3.98 4.93	110,916	6.01 4.46 5.58	133 9 75	135 109 119	7.2 2.8 4.1
March	Max. Min. Avg.	2,555.83	86.63 79.17 83.23	0	0.00 0.00 0.00	88,128	4.71 3.75 4.08	99,043	5.25 4.27 4.59	201 39 122	148 98 122	6.5 1.2 3.1
April	Max. Min. Avg.	2,432.04	83.58 77.67 81.07	0	0.00 0.00 0.00	70,858	4.70 2.70 3.49	79,226	5.22 3.31 3.91	121 5 57	159 110 124	5.2 1.2 2.7
May	Max. Min. Avg.	2,527.50	84.38 81.63 81.78	0	0.00 0.00 0.00	68,299	3.65 3.05 3.23	76,796	4.15 3.42 3.63	190 45 75	177 93 130	5.1 1.1 2.7
June	Max. Min. Avg.	2,448.08	84.79 78.21 81.71	0	0.00 0.00 0.00	82,355	4.30 3.90 4.07	91,717	4.81 4.35 4.53	274 42 88	146 105 125	4.1 1.8 2.8
July	Max. Min. Avg.	2,539.46	84.92 78.96 81.92	0	0.00 0.00 0.00	84,013	4.12 2.92 3.97	93,853	4.62 3.28 4.43	182 67 105	181 121 153	5.1 2.1 3.3
August	Max. Min. Avg.	2,541.71	86.21 81.17 83.11	0	0.00 0.00 0.00	64,636	3.27 2.96 3.00	72,868	3.69 3.30 3.34	144 81 104	189 133 160	5.2 1.6 3.3
September	Max. Min. Avg.	2,532.46	88.71 80.50 84.42	0	0.00 0.00 0.00	59,974	3.92 2.36 2.84	67,287	4.48 2.65 3.19	113 18 58	196 161 176	5.6 1.8 3.7
October	Max. Min. Avg.	2,641.58	87.75 80.83 85.21	0	0.00 0.00 0.00	90,231	4.57 3.50 4.09	101,751	5.16 3.91 4.62	132 25 65	212 161 179	6.3 2.3 3.5
November	Max. Min. Avg.	2,440.83	86.75 71.58 81.36	0	0.00 0.00 0.00	74,808	4.66 3.36 3.68	83,243	5.20 3.73 4.09	38 12 21	38 143 161	7.2 1.3 3.4
December	Max. Min. Avg.	2,618.63	89.13 81.21 84.47	0	0.00 0.00 0.00	76,496	3.77 3.32 3.50	86,006	4.28 3.73 3.94	86 18 38	200 115 150	6.7 2.4 3.9
Total		30,255.50		0		965,693		1,084,769				
General	Max. Min. Avg.	2,641.58 2,382.67 2,521.29	90.71 71.58 82.89	0 0 0	0.00 0.00 0.00	107,865 59,974 80,474	5.30 2.36 3.83	122,064 67,287 90,397	6.01 2.65 4.30	274 5 71	212 93 143	8.3 1.1 3.4

**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, 2010**

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.		66.25		0.00		6.08		6.52	131	150	7.6
	Min.	1,867.54	55.25	0	0.00	81,518	4.35	91,475	5.25	9	94	2.8
	Avg.		60.24		0.00		5.24		5.88	86	116	4.6
February	Max.		59.42		0.00		5.45		6.13	133	135	7.0
	Min.	1,494.46	50.96	0	0.00	62,563	4.58	70,443	5.13	9	109	2.2
	Avg.		54.56		0.00		4.92		5.52	75	119	4.2
March	Max.		56.38		0.00		6.83		6.08	201	148	4.5
	Min.	1,585.33	46.00	0	0.00	63,190	3.97	70,348	4.49	39	98	2.0
	Avg.		50.27		0.00		4.72		5.34	79	122	3.2
April	Max.		53.58		0.00		5.17		5.78	121	159	4.1
	Min.	1,489.71	46.92	0	0.00	48,606	3.39	54,662	3.82	5	110	1.7
	Avg.		49.66		0.00		3.91		4.40	57	124	2.7
May	Max.		51.96		0.00		4.47		4.95	190	177	3.8
	Min.	1,479.46	45.33	0	0.00	47,190	3.36	52,789	3.80	45	93	1.5
	Avg.		49.32		0.00		3.83		4.28	75	130	2.6
June	Max.		53.13		0.00		4.33		4.89	274	146	3.9
	Min.	1,513.71	47.71	0	0.00	49,818	3.71	56,400	4.16	42	105	1.4
	Avg.		50.11		0.00		3.97		4.50	88	125	2.3
July	Max.		53.04		0.00		4.37		5.00	182	181	5.1
	Min.	1,560.71	48.08	0	0.00	50,244	2.93	57,073	3.35	67	121	1.6
	Avg.		50.35		0.00		3.87		4.39	105	153	2.5
August	Max.		58.71		0.00		4.37		3.75	144	189	3.8
	Min.	1,664.08	49.17	0	0.00	43,149	2.83	47,691	3.18	81	133	1.5
	Avg.		53.68		0.00		3.11		3.44	104	160	2.5
September	Max.		57.38		0.00		3.60		4.10	113	196	4.1
	Min.	1,658.67	53.00	0	0.00	38,656	2.41	43,482	2.71	18	161	1.3
	Avg.		55.29		0.00		2.80		3.15	58	176	2.4
October	Max.		59.71		0.00		4.01		4.54	132	212	3.7
	Min.	1,735.38	50.92	0	0.00	50,491	2.87	57,881	3.21	25	161	1.8
	Avg.		55.85		0.00		3.38		3.90	65	179	2.6
November	Max.		62.83		0.00		4.21		4.77	38	175	3.7
	Min.	1,815.21	55.88	0	0.00	55,417	3.41	62,158	3.83	12	143	1.3
	Avg.		60.51		0.00		3.66		4.11	21	161	2.5
December	Max.		62.50		0.00		3.73		4.21	86	200	5.6
	Min.	1,867.71	52.58	0	0.00	55,202	3.28	61,870	3.69	18	115	2.0
	Avg.		60.25		0.00		3.54		3.97	38	150	3.2
Total		19,731.96		0		646,044		726,272				
General	Max.		66.25		0.00		6.83		6.52	274	212	7.6
	Min.	1,479.46	45.33	0	0.00	38,656	2.41	43,482	2.71	5	93	1.3
	Avg.		54.06		0.00		3.93		4.41	71	143	2.9

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, 2010**

1	2	3	4	5	6	7	8	9	10	13	14	15
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	131 9 86	150 94 116	
February	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	133 9 75	135 109 119	
March	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	201 39 79	148 98 122	
April	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	121 5 57	159 110 124	
May	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	190 45 75	177 93 130	
June	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	274 42 88	146 105 125	
July	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	182 67 105	181 121 153	
August	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	144 81 104	189 133 160	
September	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	113 18 58	196 161 176	
October	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	132 25 65	212 161 179	
November	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	38 12 21	175 143 161	
December	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	86 18 38	200 115 150	
Total		0.00		0		0		0				
General	Max. Min. Avg.	0.00 0.00 0.00	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	274 5 71	212 93 143	

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-E

MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING December 31, 2010

1 Month	2 Max. Min. Avg.	3 Total Million Gallons of Water Treated During Month	4 Amount of Water Treated Million Gallons Per 24 Hours	5 Total pounds of Polymer used at Intake	6 Total Pounds of Polymer used in Plant	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 Total Pounds of Lime Used During Month	11 Lime Parts per Million	12 Total Pounds of Chlorine Used During Month	13 Chlorine Parts Per Million	14 Total Pounds of Anhydrous Ammonia Used During Month	15 Ammonia Parts Per Million	16 Total Pounds of Polyphosphate Used During Month	17 Polyphosphate Parts Per Million	18 Alkalinity of Filtered Water Parts Per Million (FE)	19 Estimated High Lift Pumpage	
																		Total M.G.	M.G.D.
January	Max. 156.50 Min. 137.88 Avg. 143.94	4,462.28	156.50	0	189,383	23,039	0.72	213,539	636,643	13.31	170,563	4.43	44,628	1.16	19,253	0.57	170	160.32	4,424.12
February	Max. 143.33 Min. 135.75 Avg. 138.47	3,877.14	143.33	0	160,592	23,564	0.82	181,359	537,917	8.39	146,620	4.32	38,483	1.14	16,620	0.54	145	146.80	3,891.00
March	Max. 138.92 Min. 125.33 Avg. 133.59	4,141.21	138.92	0	151,318	22,599	0.57	169,391	637,436	16.47	166,018	4.67	43,435	1.22	18,321	0.51	98	141.24	4,103.12
April	Max. 136.21 Min. 128.17 Avg. 130.73	3,921.77	136.21	0	119,464	19,567	0.67	133,889	593,493	15.24	155,046	4.54	43,549	1.25	17,276	0.58	165	134.16	3,773.80
May	Max. 136.04 Min. 128.21 Avg. 131.01	4,061.16	136.04	0	115,489	18,517	0.69	129,585	543,314	14.09	162,376	4.67	46,619	1.34	18,068	0.50	118	118.16	3,876.76
June	Max. 136.79 Min. 126.04 Avg. 132.06	3,961.82	136.79	0	132,172	21,270	0.76	148,117	543,028	12.71	162,059	4.67	46,296	1.34	17,351	0.46	112	134.40	3,747.08
July	Max. 136.46 Min. 127.13 Avg. 132.27	4,100.23	136.46	0	134,257	20,696	0.89	150,925	598,600	13.42	192,967	5.33	52,757	1.48	17,982	0.50	120	141.36	3,766.64
August	Max. 144.71 Min. 129.13 Avg. 135.63	4,204.64	144.71	0	107,785	21,290	0.79	120,558	727,489	13.26	211,323	4.58	56,018	1.47	17,492	0.66	199	140.72	4,009.24
September	Max. 144.29 Min. 134.17 Avg. 139.71	4,191.15	144.29	0	98,630	20,955	0.68	110,769	663,277	13.95	185,860	4.97	53,360	1.53	18,082	0.55	210	147.52	4,111.20
October	Max. 144.46 Min. 133.13 Avg. 141.19	4,376.99	144.46	0	140,722	22,059	0.57	159,632	674,874	20.80	183,123	4.84	48,985	1.60	18,746	0.54	225	148.48	4,281.16
November	Max. 145.21 Min. 127.46 Avg. 141.87	4,256.08	145.21	0	130,225	19,048	0.64	145,401	681,990	22.81	177,081	4.41	44,718	1.39	17,334	0.54	225	154.64	4,199.80
December	Max. 148.08 Min. 141.71 Avg. 144.72	4,486.37	148.08	0	131,698	14,694	0.52	147,876	633,140	21.98	178,540	4.36	44,381	1.43	16,803	0.50	222	161.08	4,323.16
Total	50,040.84				1,611,737	247,298	0.41	1,811,041	7,471,201	16.94	2,091,576	4.77	563,227	1.19	213,328	0.45	168	139.46	48,507.1
General	Max. 156.50 Min. 125.33 Avg. 137.10	4,486.37	156.50	0	189,383	23,564	0.89	213,539	727,489	35.54	211,323	6.38	56,018	1.69	19,253	0.66	225	161.08	4,424.12
					98,630	14,694	0.34	110,769	537,917	8.39	146,620	4.32	38,483	1.08	16,620	0.34	98	107.52	3,747.08
					134,311	20,608	0.59	150,920	622,600	17.90	174,298	5.01	46,936	1.35	17,777	0.51	155	132.90	4,042.26

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, 2010

1 Month	2 Max. Min. Avg.	3 Low Lift Total Million Gallons of Water Treated During Month	4 Amount of Water Treated Million Gallons Per 24 Hours	5 Total Pounds of Polyelec- trolyte Used During Month	6 Polyelec- trolyte Parts Per Million	7 Total Pounds of Fluoride (100%) Used During Month	8 Fluoride Parts Per Million	9 Total Pounds of Pure Iron (Fe) Used During Month	10 Pure Iron (Fe) Parts Per Million	11 Total Pounds of Lime Used During Month	12 Lime Parts Per Million	13 Total Pounds of Anhydrous Ammonia Used During Month	14 Anhydrous Ammonia Parts Per Million	15 Total Pounds Chlorine Used During Month	16 Chlorine Parts Per Million	17 Total Pounds phosphate 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. 10.00 Min. 11.73 Avg. 11.73	363.54	15.58	9,900	3.60	1,273	0.55	18,752	6.81	168,859	60.14	2,846	1.17	15,736	6.46	1,850	0.80	6.1	115	13.15	344.52
February	Max. 12.00 Min. 10.86 Avg. 10.86	304.20	12.00	8,306	3.32	1,313	0.60	16,017	7.46	103,660	53.85	2,608	1.18	14,377	6.45	1,700	1.02	11.3	110	10.91	281.53
March	Max. 12.00 Min. 10.88 Avg. 10.88	337.18	12.00	9,650	3.92	1,368	0.54	18,033	7.45	164,626	83.66	2,742	1.08	14,230	6.00	1,966	1.15	4.3	115	10.42	365.90
April	Max. 12.00 Min. 11.01 Avg. 11.01	330.29	12.00	10,463	3.98	1,397	0.60	19,630	8.06	165,580	85.48	2,778	1.09	13,588	5.07	2,000	0.80	6.2	100	10.86	303.27
May	Max. 12.00 Min. 10.72 Avg. 10.72	332.35	12.00	10,073	3.90	1,389	0.56	19,247	7.98	164,161	97.85	2,872	1.20	15,040	6.00	2,068	0.80	8.8	102	10.57	305.80
June	Max. 14.00 Min. 10.76 Avg. 10.76	322.74	14.00	9,997	4.07	1,355	0.67	17,487	9.37	188,224	91.78	2,780	1.29	15,314	5.28	1,966	1.00	31.1	85	10.26	289.89
July	Max. 14.00 Min. 11.29 Avg. 11.29	349.97	14.00	11,820	4.08	1,553	0.75	17,928	8.38	180,594	88.70	3,356	1.23	18,485	6.73	1,900	0.91	31.0	123	11.90	318.68
August	Max. 15.67 Min. 11.55 Avg. 11.55	357.94	15.67	13,281	5.80	1,753	0.86	20,238	9.19	248,953	112.78	3,504	1.44	19,360	5.99	2,134	1.11	17.5	121	12.32	322.90
September	Max. 13.00 Min. 10.98 Avg. 10.98	329.36	13.00	12,238	5.00	1,489	0.70	18,807	9.14	240,679	113.05	3,648	1.50	19,987	8.26	2,100	1.37	17.0	117	10.53	304.68
October	Max. 14.00 Min. 11.68 Avg. 11.68	362.18	14.00	13,745	4.59	1,560	0.72	19,324	8.70	221,763	89.95	3,508	1.29	16,599	7.13	2,267	1.07	12.5	131	11.68	330.28
November	Max. 14.00 Min. 11.54 Avg. 11.54	346.12	14.00	13,105	4.43	1,211	0.55	18,394	8.35	232,887	100.14	3,161	1.21	14,348	5.40	2,068	1.20	6.8	137	11.33	311.44
December	Max. 14.00 Min. 11.93 Avg. 11.93	369.94	14.00	12,951	4.71	1,015	0.37	16,251	7.21	197,289	89.68	3,372	1.26	15,570	7.60	1,816	0.95	13.0	127	11.97	328.25
Total	Max. 15.67 Min. 11.25 Avg. 11.25	4,105.81	15.58	135,529	4.20	16,686	0.60	220,108	8.33	2,277,275	64.12	37,175	1.09	191,150	5.04	23,835	1.09	31.1	92	13.15	3,757.11
General	Max. 15.67 Min. 11.25 Avg. 11.25	369.94	15.67	13,745	5.80	1,753	0.86	20,238	9.37	248,953	113.05	3,648	1.50	19,987	8.26	2,267	1.37	17.0	117	10.53	344.52
	Max. 15.67 Min. 11.25 Avg. 11.25	304.20	12.00	8,306	3.32	1,313	0.60	16,017	7.46	103,660	53.85	2,608	1.18	14,377	6.45	1,700	1.02	11.3	110	10.91	281.53
	Max. 15.67 Min. 11.25 Avg. 11.25	342.15	11.25	11,294	3.95	1,391	0.49	18,342	6.43	189,773	66.50	3,098	1.09	15,929	5.64	1,995	0.70	3.2	90	10.29	313.09

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, 2010

1 Month	2 Total Million Gallons Water Filtered During Month		3 Total Number of Runs		4 Length of Runs in Hours		5 Million Gallons of Water Filtered Per Run		6 Million Gallons Per Day Per Filter		7 Total Amount in Million Gallons of Wash Water Used		8 Million Gallons of Wash Water Used Per Run		9 Percentage of Wash Water Used Per Run		10 Million Gallons Filtered Per Acre Per Day		11
	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	
January	Max.				195	197	30.673	49.087	2.596	5.787	26.100	65.525	0.293	0.840	4.99	4.24	79.012	96.027	
	Min.	1,510.252	2,739.339	89	78	47	91	5.875	19.822						0.96	1.71			
	Avg.				157	146	16.969	35.120							1.73	2.39			
February	Max.				193	171	24.125	39.821	2.834	5.222	24.600	63.300	0.308	0.904	2.21	3.04	86.254	86.651	
	Min.	1,590.106	2,329.367	80	70	167	139	13.917	29.709						1.27	2.27			
	Avg.				168	153	19.876	33.277							1.55	2.72			
March	Max.				188	183	23.500	39.915	2.747	4.966	28.100	71.400	0.305	0.939	2.44	4.32	83.609	82.414	
	Min.	1,752.032	2,254.361	92	76	145	118	12.500	21.772						1.30	2.35			
	Avg.				166	143	19.044	29.663							1.60	3.17			
April	Max.				168	169	23.177	27.276	2.855	4.455	26.700	68.800	0.300	0.905	10.43	4.02	86.908	73.922	
	Min.	1,742.890	2,026.541	89	76	23	108	2.875	22.501						1.29	3.32			
	Avg.				165	144	19.583	26.665							1.53	3.39			
May	Max.				191	194	23.875	39.360	2.611	4.540	25.100	72.000	0.295	0.878	2.12	5.05	79.490	75.345	
	Min.	1,523.077	2,306.188	85	82	128	87	13.917	17.396						1.24	2.23			
	Avg.				165	149	17.919	28.124							1.65	3.12			
June	Max.				168	167	20.875	33.129	2.451	4.694	26.200	67.900	0.298	0.893	3.20	3.58	74.601	77.893	
	Min.	1,502.627	2,197.196	88	76	107	136	9.300	24.927						1.43	2.70			
	Avg.				167	148	17.075	28.910							1.74	3.09			
July	Max.				263	221	32.875	45.208	2.526	4.450	26.400	63.800	0.300	0.886	2.28	3.82	76.884	73.848	
	Min.	1,542.705	2,167.648	88	72	158	126	13.173	23.196						0.91	1.96			
	Avg.				167	162	17.531	30.106							1.71	2.94			
August	Max.				191	184	23.875	37.117	2.612	4.695	26.900	74.100	0.292	0.950	2.11	3.91	79.502	77.906	
	Min.	1,671.643	2,293.824	92	78	143	137	13.833	24.313						1.22	2.56			
	Avg.				167	150	18.170	29.408							1.61	3.23			
September	Max.				335	170	41.875	35.660	2.780	4.912	27.300	70.600	0.300	0.929	2.20	3.50	84.620	81.511	
	Min.	1,779.708	2,352.062	91	76	164	138	13.667	26.512						0.72	2.61			
	Avg.				169	151	19.557	30.948							1.53	3.00			
October	Max.				192	177	23.875	35.000	2.807	5.076	26.600	76.900	0.299	0.961	2.19	3.61	85.436	84.233	
	Min.	1,734.184	2,583.318	89	80	117	137	13.667	26.604						1.25	2.75			
	Avg.				167	153	19.485	32.291							1.53	2.98			
November	Max.				191	168	23.875	39.022	2.769	5.235	29.600	71.600	0.305	0.942	2.19	3.48	84.302	86.870	
	Min.	1,872.033	2,445.619	97	76	166	137	13.917	27.047						1.28	2.41			
	Avg.				167	148	19.299	32.179							1.58	2.93			
December	Max.				169	179	22.841	37.189	2.766	4.831	30.300	69.200	0.300	0.911	3.71	29.14	84.194	80.159	
	Min.	1,933.826	2,324.333	101	76	82	15	8.083	3.125						1.31	2.46			
	Avg.				166	152	19.147	30.583							1.57	2.98			
Total					5,882	5,348	673.820	1,091.982	32.354	58.863	323.900	835.125	3.595	10.938	73.58	136.98	984.812	976.779	
General	Max.				335	221	41.875	49.087	2.855	5.787	30.300	76.900	0.308	0.961	10.43	29.14	86.908	96.027	
	Min.	1,502.627	2,026.541	80	70	23	15	2.875	3.125						0.72	1.71			
	Avg.	1,679.590	2,334.983	90	76	166	150	18.638	30.606						1.61	3.00			

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-B

MONTHLY SUMMARY OF ALGIERS FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2010

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.			170	7.875				2.68
	Min.	331.69	48	163	4.833	0.89	6.23	0.130	1.65
	Avg.			166	6.910				1.88
February	Max.			171	7.084				2.98
	Min.	302.17	48	164	4.313	0.90	6.16	0.128	1.81
	Avg.			168	6.295				2.04
March	Max.			169	7.042				2.98
	Min.	362.51	57	166	4.313	0.97	7.32	0.128	1.82
	Avg.			167	6.360				2.02
April	Max.			168	7.000				2.81
	Min.	320.42	51	166	4.625	0.89	6.64	0.130	1.86
	Avg.			167	6.283				2.07
May	Max.			169	7.084				2.45
	Min.	322.79	51	166	4.541	0.87	5.68	0.111	1.57
	Avg.			167	6.329				1.76
June	Max.			174	7.250				2.62
	Min.	316.18	51	161	4.729	0.88	6.32	0.124	1.71
	Avg.			167	6.200				2.00
July	Max.			227	9.146				5.39
	Min.	350.36	60	53	2.209	0.94	7.14	0.119	1.30
	Avg.			150	5.839				2.04
August	Max.			194	8.292				2.52
	Min.	361.53	54	140	5.021	0.97	6.82	0.126	1.52
	Avg.			167	6.695				1.89
September	Max.			170	7.250				2.51
	Min.	345.38	54	164	5.021	0.96	6.80	0.126	1.74
	Avg.			167	6.396				1.97
October	Max.			170	7.084				2.28
	Min.	320.13	48	157	5.563	0.86	6.09	0.126	1.79
	Avg.			166	6.669				1.90
November	Max.			175	7.291				2.19
	Min.	365.21	54	164	5.813	1.01	6.87	0.127	1.75
	Avg.			168	6.763				1.88
December	Max.			193	7.959				2.30
	Min.	370.16	54	142	5.916	0.99	7.35	0.136	1.71
	Avg.			167	6.854				1.99
Total		4068.53	630			11.13	79.42	1.511	
General	Max.	370.16	60	227	9.146	1.01	7.35	0.136	5.39
	Min.	302.17	48	53	2.209	0.86	5.68	0.111	1.30
	Avg.	339.04	53	166	6.466	0.92	6.62	0.126	1.95

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VII

**FIVE YEAR ANALYSIS COMPOSITE DATA (2006 - 2010) 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)	212	78	124	227	72	131
Total Hardness (ppm as CaCO ₃)	250	108	162	264	126	179
Noncarbonate Hardness (ppm as CaCO ₃)	91	0	38	94	0	48
Calcium Hardness (ppm as CaCO ₃)	179	75	114	204	75	129
Magnesium Hardness (ppm as CaCO ₃)	104	0	48	164	3	50
Nephelometric Turbidity (NTU)	320	2.0	63	0.32	0.06	0.13
pH	8.53	7.15	7.85	9.39	7.02	8.66
Chloride (ppm)	86	10	43	98	14	44
Fluoride (ppm)	0.58	0.09	0.25	1.25	0.12	0.63
Total Dissolved Solids (ppm)	342	88	241	351	114	212
Total Suspended Solids (ppm)	215	7	92	-----	-----	-----
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	3.3	0.0	0.3
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	5.7	0.0	2.9
Ammonia (ppm as N)	-----	-----	-----	0.99	0.00	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2	1.1	1.7
Conductivity (µS/cm)	609	177	342	650	185	386
Temperature (°F)	90	37	67	90	41	74
Aluminum (ppm) *	-----	-----	-----	0.08	0.00	0.02
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.001
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.9	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.02	0.00	0.01
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	6.8	2.7	4.5
Sodium (ppm) *	-----	-----	-----	27.0	17.0	22.3
Haloacetic Acids (HAA5) (ppb)	-----	-----	-----	28.0	0.0	16.9
Total Organic Carbon (ppm)	5.0	3.1	4.0	4.1	2.2	2.9
Total Trihalomethanes (ppb)	1.8	0.0	0.0	104.4	7.9	27.8
1, 2-Dichloroethane (ppb)	0.2	0.0	0.0	6.4	0.0	0.0
Chloroform (ppb)	1.8	0.0	0.0	63.4	5.2	18.4
Carbon Tetrachloride (ppb)	0.1	0.0	0.0	2.1	0.0	0.0
Bromodichloromethane (ppb)	0.2	0.0	0.0	31.4	0.6	7.7
Tetrachloroethene (ppb)	0.1	0.0	0.0	0.1	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	4.8	0.0	0.0	1.8	0.0	0.0
Total Coliforms (CFUs/100 ml)	15800	29	1050	139	0	0
Fecal coliforms (CFUs/100 ml)	4100	0	140	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.

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.

Lead and Copper results are from 2008 and 2010; testing is only required triennially.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VIII

CARROLLTON OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$511,144.47	\$10.21
Ferric Coagulant	\$975,970.23	\$19.50
Chlorine	\$871,851.23	\$17.42
Sodium Polyphosphate	\$107,315.34	\$2.14
Polyelectrolyte	\$377,146.44	\$7.54
Fluoride	\$417,927.81	\$8.35
Ammonia	\$273,165.20	\$5.46
Carbon	\$0.00	\$0.00
TOTAL CHEMICALS	\$3,534,520.73	\$70.63

Purification Plant Operating Cost:

Total Water Treated in 2010: 50,040,840,000 Gallons

Total Water Treated in 2009: 50,515,380,000 Gallons

**TOTAL COST
PER MILLION GALLONS**

YEAR	TOTAL WATER	OPERATING COST	TOTAL COST PER MILLION GALLONS
2010	50,040.84	\$7,868,284.00	\$157.24
2009	50,515.38	\$7,672,872.00	\$151.89
2008	48,867.31	\$8,283,745.00	\$169.52
2007	48,931.79	\$6,499,521.00	\$132.83
2006	51,000.17	\$5,591,146.00	\$109.63

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IX

ALGIERS OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$197,604.98	\$48.13
Ferric Coagulant	\$125,387.55	\$30.54
Sodium Hypochlorite	\$88,201.47	\$21.48
Sodium Polyphosphate	\$31,303.48	\$7.62
Polyelectrolyte	\$31,713.79	\$7.72
Fluoride (100%)	\$25,637.54	\$6.24
Ammonia	\$22,676.75	\$5.52
Sodium Bisulfite*	\$4,794.00	\$1.22
Hydrochloric Acid*	\$3,776.00	\$0.96
Carbon	\$0.00	\$0.00
TOTAL CHEMICALS	\$531,095.55	\$129.44

*used in on-site generation of chlorine/hypochlorite

Purification Plant Operating Cost:

Total Water Treated in 2010: 4,105,810,000 Gallons

**TOTAL COST
PER MILLION GALLONS**

YEAR	TOTAL WATER	OPERATING COST	TOTAL COST PER MILLION GALLONS
2010	4,105.81	\$1,995,926.00	\$486.12
2009	3,935.84	\$1,894,092.00	\$481.24
2008	3,788.95	\$2,029,729.00	\$535.70
2007	4,427.16	\$1,700,033.00	\$384.00
2006	4,261.05	\$1,435,527.00	\$336.90
2005	3,723.03	\$1,678,615.00	\$450.87

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE X

**SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS
DOOR MONORAKE CONVENTIONAL SYSTEM
2010**

Total Million Gallons Water Treated	30,255.50
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	4,912
Total Million Gallons Wet Sludge Withdrawn from Basins	878.48
Average Percent solids in Wet Sludge	0.13
Total Million Gallons Water Used in withdrawing Sludge	877.99
Percent of Total Water Treated Used in Withdrawing Wet Sludge	2.90

TABLE X-A

**SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS
DOOR MONORAKE CONVENTIONAL SYSTEM
2010**

Total Million Gallons Water Treated	19,731.96
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	5,691
Total Million Gallons Wet Sludge Withdrawn from Basins	263.97
Average Percent solids in Wet Sludge	0.51
Total Million Gallons Water Used in withdrawing Sludge	263.40
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.34

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XI

**2010 ANALYSIS DATA 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)	212	93	143	227	98	155
Total Hardness (ppm as CaCO ₃)	238	116	178	264	140	196
Noncarbonate Hardness (ppm as CaCO ₃)	84	0	36	84	2	42
Calcium Hardness (ppm as CaCO ₃)	177	79	123	204	75	142
Magnesium Hardness (ppm as CaCO ₃)	104	5	54	164	16	54
Nephelometric Turbidity (NTU)	274	4.6	71	0.24	0.06	0.13
pH	8.21	7.46	7.90	9.30	7.74	8.83
Chloride (ppm)	51	10	29	55	14	32
Fluoride (ppm)	0.49	0.09	0.27	1.19	0.54	0.90
Total Dissolved Solids (ppm)	302	179	224	351	130	251
Total Suspended Solids (ppm)	152	51	122	-----	-----	-----
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	0.4	0.0	0.3
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	5.5	0.2	3.2
Ammonia (ppm as N)	-----	-----	-----	0.73	0.00	0.15
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2	2	2
Sulfate (ppm) *	-----	-----	-----	57	57	57
Conductivity (µS/cm)	609	179	379	650	185	425
Temperature (°F)	89	37	65	88	41	72
Aluminum (ppm) *	-----	-----	-----	0.08	0.08	0.08
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.001	0.001
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.3	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.02	0.02	0.02
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	6.8	6.8	6.8
Sodium (ppm) *	-----	-----	-----	27.0	27.0	27.0
Cyanide (ppb) *	-----	-----	-----	0.0	0.0	0.0
Haloacetic Acids (HAA5) (ppb)	-----	-----	-----	28	15	19.6
Total Organic Carbon (ppm)	4.7	3.1	3.9	4.1	2.2	3.0
Total Trihalomethanes (ppb)	0.0	0.0	0.0	43.6	10.0	25.4
1, 2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	0.0	0.0	0.0	31.9	5.6	16.7
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	12.0	1.6	7.0
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.6	0.0	0.0	0.0	0.0	0.0
Total Coliforms (CFUs/100 ml)	4500	44	940	12	0	0
Fecal Coliforms (CFUs/100 ml)	660	0	70	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. 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. ** Note: The lead and copper testing was performed in 2008 by LA DHH.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XII

**EXTRACTS FROM TABLES IV-E AND V
20 Year Period, 1991 to 2010 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.
1991	133.29	98.92	114.79	12.50	8.00	9.60
1992	139.00	97.00	115.22	13.88	8.00	9.88
1993	140.38	103.25	117.41	15.42	7.62	10.18
1994	128.88	103.88	113.71	17.00	8.00	11.47
1995	142.83	104.67	121.40	18.14	9.00	11.55
1996	198.42	91.59	128.97	18.27	9.00	11.47
1997	156.53	112.70	128.73	18.83	9.58	12.06
1998	152.96	98.48	126.86	22.96	12.00	12.36
1999	168.25	122.55	140.26	22.00	8.90	15.19
2000	152.50	126.71	128.10	18.83	7.58	12.13
2001	153.93	107.75	126.70	15.76	6.00	10.90
2002	128.67	87.00	106.63	14.00	6.66	9.80
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.40	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XIII

**Monthly Temperature (Degrees Fahrenheit) of the
Mississippi River Water at the Carrollton Plant**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
January	39	45	48	49	49	50	52	50	50	41
February	44	46	48	47	48	51	47	53	46	41
March	49	49	51	54	51	55	56	55	51	48
April	57	56	60	62	62	63	63	63	58	62
May	69	67	70	71	71	74	71	68	69	71
June	75	74	73	79	81	83	79	77	79	81
July	82	82	79	83	85	86	82	80	85	85
August	84	84	81	84	88	88	85	82	84	86
September	83	82	80	81	--- *	86	82	78	81	83
October	73	73	73	74	76	78	75	71	70	72
November	63	62	65	65	66	63	63	63	59	61
December	56	53	53	53	51	54	58	55	49	50
Maximum	87	85	83	87	90	90	89	85	86	89
Minimum	36	42	46	45	42	46	40	42	42	37
Average	65	64	64	67	66	69	68	66	65	65

<u>Ten Year Period</u>		
Maximum:	90	* Data not available for September 2005 due to hurricane Katrina.
Minimum:	36	
Average:	66	

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE XIV

**Monthly Temperature (Degrees Fahrenheit) of the
Tap Water at the Carrollton Plant**

	2006	2007	2008	2009	2010
January	66	65	67	66	61
February	64	64	69	65	61
March	71	70	71	68	66
April	77	72	72	70	70
May	79	76	76	74	76
June	84	76	81	78	80
July	84	79	83	80	82
August	86	78	80	78	84
September	84	77	80	77	80
October	81	77	78	74	75
November	72	74	72	69	66
December	67	71	68	65	60
Maximum	90	85	86	88	88
Minimum	54	58	59	51	41
Average	76	73	75	72	72

<u>Five Year Period</u>	
Maximum:	90
Minimum:	41
Average:	74

SEWERAGE AND WATER BOARD OF NEW ORLEANS

**New Orleans West Bank Sewerage Treatment Plant
2010 Yearly Summary**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2010*
Plant Eff Flow (MGD)													
Average	10.66	13.45	10.03	8.63	11.00	8.68	9.30	9.92	8.72	6.91	7.52	7.53	9.34
Maximum	14.17	27.83	16.48	18.29	28.5	15.24	16.6	18.22	17.95	7.38	10.93	10.59	28.50
INFLUENT BOD (mg/L)													
Average	105.7	90.6	100.3	111.5	80.4	78.3	99.9	117.1	95.5	117.2	119.1	132.5	104
Maximum	198	185	255	182	160	116	314	255	197	181	258	183	314
INFLUENT TSS (mg/L)													
Average	120.3	133.4	132.6	130	97.7	111.7	161.1	186.9	121.7	111.4	128	107.5	129
Maximum	308	346	303	282	174	222	452	362	360	244	230	202	452
INFLUENT BOD (lbs/day)													
Average	8,989	9,364	8,325	7,638	7,269	5,853	7,702	9,251	6,647	6,846	7,696	8,321	7,822
Maximum	15,838	26,021	17,141	13,436	13,743	9,326	19,588	26,355	13,670	10,567	15,514	11,248	26,355
INFLUENT TSS (lbs/day)													
Average	10,183	13,215	11,098	8,932	9,006	8,569	13,393	14,800	8,624	6,505	8,323	6,835	9,958
Maximum	23,119	41,034	24,453	17,522	21,158	17,848	41,184	42,670	24,980	14,306	17,700	12,820	42,670
EFFLUENT BOD (mg/L)													
Average	9.8	11.2	8.7	10.6	10.3	10.4	6.8	5.4	5.3	8.6	8.2	9.5	9
Weekly Maximum	12	13	11	15	12	14	9	6	8	10	11	11	15
EFFLUENT TSS (mg/L)													
Average	9	8.3	8.7	8.5	9.3	7.3	7.2	5.2	4.9	5.8	6.4	6.7	7
Weekly Maximum	12	10	11	9	12	11	11	5	9	7	7	7	12
EFFLUENT BOD (lbs/day)													
Average	830	1,167	786	704	1,133	768	571	439	396	498	524	604	699
Daily Maximum	1,468	3,547	3,574	1,485	4,516	1,391	1,800	1,189	1,262	1,039	985	1,272	4,516
EFFLUENT TSS (lbs/day)													
Average	777	851	759	581	971	547	623	453	369	332	419	432	591
Daily Maximum	2,343	2,741	3,031	907	2,418	1,090	1,661	1,635	1,198	961	912	1,413	3,031
EFFLUENT CL2 (mg/L)													
Average	1.2	1.15	1.17	1.23	1.09	1.15	1.1	0.95	1.03	1.12	1.21	1.33	1.14
Maximum	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.36	1.4	1.4	1.4	1.44	1.44
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	4	2	2	2	2	3	5	4	2	2	2	2	3
Weekly Maximum (Geo)	16	4	2	2	3	4	9	5	21	4	2	2	21
EFFLUENT pH (su)													
Minimum	7.38	6.54	7.17	7.01	6.91	6.91	6.85	6.79	6.85	6.74	6.69	6.74	6.54
Maximum	7.84	7.94	7.59	7.52	7.61	7.44	7.5	7.68	7.59	7.53	7.45	7.48	7.94
DISPOSED SLUDGE (dry tons)													
Average per day	4.7	3.4	3.7	3.8	3.6	2.6	3.5	3.1	2.2	1.9	2.6	2.4	3.1
Total	147	94	116.1	112.8	111.8	79.1	110.0	97.4	65.3	59.7	76.7	76.2	1,146
RAINFALL (inches)													
TOTAL	3.11	7.24	2.73	1.36	10.62	5.66	5.45	7.56	3.21	0.38	3.54	2.25	53.11

*2010 yearly averages are the average of the daily values, not the average of the monthly averages.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

New Orleans East Bank Sewerage Treatment Plant
2010 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2010*
Plant Flow (MGD)													
Average	97,584	116.7	94.4	84,607	91,358	97,707	102.09	108,568	91,317	74,613	81.5	77,481	93
Maximum	134.3	176.8	144.6	140.4	163.2	172.3	162.2	171.1	145.3	83.2	117.5	113.4	177
INFLUENT BOD (mg/L)													
Average	93.9	94.1	113.1	119	92.2	85.3	81.6	85.3	84.5	118.5	123.7	146.5	103
Maximum	176	171	177	187	175	170	235	148	116	260	252	327	327
INFLUENT TSS (mg/L)													
Average	144.8	132.1	149.1	180.3	148.2	138.8	119.9	146.4	145.8	165.9	149.2	149.5	148
Maximum	262	254	250	278	269	262	246	258	254	384	290	282	384
INFLUENT BOD (lbs/day)													
Average	73,175	91,404	90,501	86,666	74,214	69,050	69,746	74,567	65,256	69,530	82,845	89,195	78,125
Maximum	122,271	191,632	153,818	193,385	152,956	135,961	202,850	146,083	89,688	149,403	236,439	201,266	236,439
INFLUENT TSS (lbs/day)													
Average	111,259	123,509	119,156	128,982	116,829	117,853	100,658	128,388	111,083	95,517	97,681	92,170	114,021
Maximum	204,078	226,148	279,630	305,934	250,303	322,778	211,775	226,181	186,245	214,892	194,641	157,576	323,449
EFFLUENT BOD (mg/L)													
Average	16.4	23.2	17.5	20.8	13.7	18.3	15.2	17	18.9	16.7	24.7	28.2	19.2
Weekly Maximum	21	25.7	23	29	21	23	19	21	22	22	28	33.5	33.5
EFFLUENT TSS (mg/L)													
Average	16.1	29.4	18.6	20.1	13.9	16.2	13.3	16.8	17.2	17	19.4	22.7	18.3
Weekly Maximum	19	31.4	22	34	22	20	17	21	20	20	23	27.5	34.0
EFFLUENT BOD (lbs/day)													
Average	13,381	23,143	13,860	15,538	10,618	14,926	13,152	15,396	14,303	10,197	17,159	18,180	14,944
Daily Maximum	26,881	58,128	28,142	58,353	25,240	42,931	28,271	34,683	23,024	18,127	43,627	27,164	58,353
EFFLUENT TSS (lbs/day)													
Average	13,276	29,771	15,267	15,449	10,829	13,493	11,707	16,082	13,107	10,549	13,351	14,622	14,679
Daily Maximum	30,802	62,280	46,149	93,653	36,196	33,051	24,349	46,377	25,448	18,330	25,479	22,914	93,653
EFFLUENT CL2 (mg/L)													
Average	0.46	0.46	0.48	0.47	0.48	0.49	0.49	0.49	0.5	0.49	0.5	0.5	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)	3	2	3	3	4	5	4	3	4	5	11	4	4
Daily Maximum (Geo)	420	20	45	39	30	100	50	10	23	32	40	24	420
EFFLUENT pH (su)													
Minimum	6.86	6.76	6.61	6.68	6.40	6.47	6.63	6.66	6.6	6.53	6.58	6.49	6.40
Maximum	7.11	7.04	6.99	6.94	7.18	6.79	6.95	6.92	6.95	7.20	6.58	7.04	7.20
DISPOSED SLUDGE (dry tons)													
Average per day													
Total	559	460	615	829	694	765	804	661	380	665	712	571	7,715
RAINFALL (inches)													
TOTAL	2.3	6.4	3.3	2.3	5.4	11.4	3.5	9.5	3.0	0.5	2.6	1.8	52.1

* The yearly average is the average of every daily value not the average of the monthly averages.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ANNUAL REPORT 2010 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2010
SEWER TABULATION NUMBER 1
SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2010

SEWER LINES DISCARDED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2010 (FEET)	BUILT IN 2010 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2010 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2010 (MILES)
8,007,668.3	74,273.8	80,430.7	8,013,825.2	1,517.770

SEWER MANHOLES REMOVED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION	REMOVED IN 2010	BUILT IN 2010	REMAINING IN THE SYSTEM AS OF 12/31/2010
22,998	134	183	23,047

DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2010

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
6" P.V.C.	6,781.9	9,658.3	16,440.2	3.114
8" DUCTILE IRON	135.0	0.0	135.0	0.026
8" P.V.C.	17,649.8	28,542.9	46,192.7	8.749
10" P.V.C.	1,182.0	4,443.0	5,625.0	1.065
12" P.V.C.	588.0	8,115.0	8,703.0	1.648
15" P.V.C.	297.8	0.0	297.8	0.056
16" P.V.C.	500.0	0.0	500.0	0.095
18" P.V.C.	1,872.0	0.0	1,872.0	0.355
21" P.V.C.	126.0	12.0	138.0	0.026
24" DUCTILE IRON	0.0	58.0	58.0	0.011
24" P.V.C.	0.0	12.0	12.0	0.002
27" P.V.C.	0.0	348.0	348.0	0.066
30" P.V.C.	109.0	0.0	109.0	0.021
TOTAL SEWER LINES CONSTRUCTED IN 2010	29,241.5	51,189.2	80,430.7	15.233
SEWER MANHOLES CONSTRUCTED IN 2010	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2010	
	76	107	183	

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ANNUAL REPORT 2010 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2010
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 12/31/2009	DESTROYED OR ABANDONED IN 2010	BUILT IN 2010	NOW REMAINING IN THE SYSTEM AS OF 12/31/2010
72" Steel	29,182.4	0.0	0.0	29,182.4
68" Steel	9,061.9	0.0	0.0	9,061.9
66" Steel	28,979.7	0.0	0.0	28,979.7
66" Concrete	13,740.7	0.0	0.0	13,740.7
60" Steel	2,577.7	0.0	0.0	2,577.7
60" Concrete	722.8	0.0	0.0	722.8
57" Concrete	1,766.8	0.0	0.0	1,766.8
54" Steel	44,014.5	0.0	0.0	44,014.5
54" Concrete	7,030.4	0.0	0.0	7,030.4
51" Concrete	755.9	0.0	0.0	755.9
50" Steel	135.0	0.0	0.0	135.0
48" Steel	21,147.2	0.0	0.0	21,147.2
48" Concrete	10,127.6	0.0	0.0	10,127.6
48" Fiberglass Reinforced	10,900.2	0.0	0.0	10,900.2
48" P.V.C.	3,663.4	0.0	0.0	3,663.4
45" Concrete	3,048.4	0.0	0.0	3,048.4
42" Steel	3,580.2	0.0	0.0	3,580.2
42" Concrete	19,121.2	0.0	0.0	19,121.2
39" Brick	832.8	0.0	0.0	832.8
39" Concrete	4,410.6	0.0	0.0	4,410.6
36" Vitrified Clay	2,239.1	0.0	0.0	2,239.1
36" Cast Iron	541.0	0.0	0.0	541.0
36" Steel	442.6	0.0	0.0	442.6
36" Prestressed Concrete	11,273.0	0.0	0.0	11,273.0
36" Reinforced Concrete	9,392.7	0.0	0.0	9,392.7
36" P.V.C.	10,950.0	0.0	0.0	10,950.0
33" Brick	3,150.4	0.0	0.0	3,150.4
33" Vitrified Clay	562.3	0.0	0.0	562.3
33" Reinforced Concrete	1,381.4	0.0	0.0	1,381.4
30" Brick	2,763.0	0.0	0.0	2,763.0
30" Vitrified Clay	11,732.2	0.0	0.0	11,732.2
30" Cast Iron	4,305.9	0.0	0.0	4,305.9
30" Steel	3,255.2	0.0	0.0	3,255.2
30" Prestressed Concrete	484.0	0.0	0.0	484.0
30" Reinforced Concrete	34,029.5	109.0	0.0	33,920.5
30" Fiberglass Reinforced	16,400.0	0.0	0.0	16,400.0
30" P.V.C.	887.0	0.0	109.0	996.0
28" P.V.C.	0.0	0.0	0.0	0.0
27" Terra Cotta	0.0	0.0	0.0	0.0
27" Vitrified Clay	24,449.4	0.0	0.0	24,449.4
27" Reinforced Concrete	13,738.4	348.0	0.0	13,390.4
27" P.V.C.	2,829.0	0.0	348.0	3,177.0
26" P.V.C.	0.0	0.0	0.0	0.0
24" Vitrified Clay	31,584.2	12.0	0.0	31,572.2
24" Cast Iron	17,638.1	0.0	0.0	17,638.1
24" Ductile Iron	29.0	0.0	0.0	29.0
24" Reinforced Concrete	28,377.0	0.0	0.0	28,377.0
24" Asbestos Cement	4,924.2	0.0	0.0	4,924.2
24" P.V.C.	531.3	0.0	12.0	543.3
21" Reinforced Concrete	13,523.0	120.0	0.0	13,403.0
21" P.V.C.	3,472.1	0.0	138.0	3,610.1
20" Ductile Iron Pipe	2,135.2	0.0	0.0	2,135.2
18" P.V.C.	13,997.5	0.0	1,872.0	15,869.5
16" Steel	120.0	0.0	0.0	120.0
16" Asbestos Cement	28,886.9	426.0	0.0	28,460.9
16" P.V.C.	2,173.1	0.0	500.0	2,673.1
15" Vitrified Clay	101,864.4	291.4	0.0	101,573.0
15" P.V.C.	10,588.4	0.0	297.8	10,886.2
15" Plastic Truss	1,766.8	0.0	0.0	1,766.8
12" Vitrified Clay	110,563.1	48.0	0.0	110,515.1
12" P.V.C.	55,564.9	0.0	8,703.0	64,267.9
10" Vitrified Clay	167,654.5	3,323.8	0.0	164,330.7
10" Steel	130.0	0.0	0.0	130.0
10" Concrete	52,711.3	971.0	0.0	51,740.3
10" Asbestos Cement	4,356.2	0.0	0.0	4,356.2
10" P.V.C.	118,610.3	0.0	5,625.0	124,235.3
10" Plastic Truss	6,072.5	858.0	0.0	5,214.5
8" Terra Cotta	350,613.4	10,663.8	0.0	339,949.6
8" Vitrified Clay	4,338,874.1	23,694.0	0.0	4,315,180.1
8" Cast Iron	32,620.2	111.0	0.0	32,509.2
8" Ductile Iron	215.0	0.0	135.0	350.0
8" Concrete	296,796.6	10,208.6	0.0	286,588.0
8" Asbestos Cement	3,887.9	0.0	0.0	3,887.9
8" P.V.C.	366,349.0	0.0	46,192.7	412,541.7
8" Plastic Truss	72,530.3	3,887.0	0.0	68,643.3
8" Plastic	706,218.0	1,385.5	0.0	704,832.5
6" Terra Cotta	1,789.8	856.3	0.0	933.5
6" Vitrified Clay	94,105.7	9,774.1	0.0	84,331.6
6" Cast Iron	4,204.4	0.0	0.0	4,204.4
6" Concrete	411.9	0.0	0.0	411.9
6" Asbestos Cement	4,493.9	0.0	0.0	4,493.9
6" P.V.C.	202,645.8	4,753.6	16,440.2	214,332.4
6" Plastic Truss	6,044.1	0.0	0.0	6,044.1
6" Plastic	370,884.2	2,432.7	0.0	368,451.5
4" Cast Iron	874.2	0.0	0.0	874.2
4" Ductile Iron	180.4	0.0	0.0	180.4
4" P.V.C.	6,836.9	0.0	0.0	6,836.9
4" Plastic	126.0	0.0	0.0	126.0
Total Linear Feet	8,007,668.3	74,273.8	80,430.7	8,013,825.2
Total Miles	1,516.604	14.067	15.233	1,517.770

SEWERAGE AND WATER BOARD OF NEW ORLEANS
 ANNUAL REPORT 2010 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2010
 WATER TABULATION NUMBER 1
 WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2010

WATER LINES DISCARDED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2010 (FEET)	BUILT IN 2010 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2010 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2010 (MILES)
8,340,916.2	93,323.3	149,944.1	8,397,537.0	1,590.443

WATER MANHOLES REMOVED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION	REMOVED IN 2010	BUILT IN 2010	REMAINING IN THE SYSTEM AS OF 12/31/2010
29,741	177	393	29,957

WATER VALVES REMOVED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION	REMOVED IN 2010	INSTALLED IN 2010	REMAINING IN THE SYSTEM AS OF 12/31/2010
29,277	211	300	29,366

FIRE HYDRANTS REMOVED AND INSTALLED IN 2010

ORIGINAL CONSTRUCTION	REMOVED IN 2010	INSTALLED IN 2010	REMAINING IN THE SYSTEM AS OF 12/31/2010
22,894	205	300	22,989

MILES OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2010

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
2" P.V.C.	6,439.0	3,292.0	9,731.0	1.843
4" DUCTILE IRON	1,045.0	102.0	1,147.0	0.217
4" P.V.C.	1,045.0	1,520.3	2,565.3	0.486
6" DUCTILE IRON	209.0	1,915.3	2,124.3	0.402
6" P.V.C.	1,915.5	2,633.5	4,549.0	0.862
8" DUCTILE IRON	3,169.0	1,879.0	5,048.0	0.956
8" P.V.C.	57,834.0	50,417.0	108,251.0	20.502
12" DUCTILE IRON	301.0	243.0	544.0	0.103
12" P.V.C.	11,127.5	4,841.0	15,968.5	3.024
16" DUCTILE IRON	16.0	0.0	16.0	0.003
TOTAL WATER LINES CONSTRUCTED IN 2010	83,101.0	66,843.1	149,944.1	28.399
WATER MANHOLES CONSTRUCTED IN 2010	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2010	
	318	75	393	
WATER VALVES INSTALLED IN 2010	BOARD FUNDED	BY OTHERS	TOTAL WATER VALVES INSTALLED IN 2010	
	225	75	300	
FIRE HYDRANTS INSTALLED IN 2010	BOARD FUNDED	BY OTHERS	TOTAL FIRE HYDRANTS INSTALLED IN 2010	
	217	83	300	

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ANNUAL REPORT 2010 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2010
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 12/31/2009	DESTROYED OR ABANDONED IN 2010	BUILT IN 2010	NOW REMAINING IN THE SYSTEM AS OF 12/31/2010
54"	Concrete Pipe	7,535.1	0.0	0.0	7,535.1
50"	Steel Pipe	88,484.8	0.0	0.0	88,484.8
48"	Cast Iron Pipe	12,759.3	0.0	0.0	12,759.3
48"	Steel Pipe	36,835.1	0.0	0.0	36,835.1
48"	Concrete Pipe	4,982.9	0.0	0.0	4,982.9
43"	Cast Iron Pipe	11,170.1	0.0	0.0	11,170.1
42"	Cast Iron Pipe	4,349.6	0.0	0.0	4,349.6
42"	Concrete Pipe	9,361.9	0.0	0.0	9,361.9
36"	Cast Iron Pipe	4,523.3	0.0	0.0	4,523.3
36"	Steel Pipe	16,761.2	0.0	0.0	16,761.2
36"	Concrete Pipe	37,374.7	0.0	0.0	37,374.7
36"	Prestressed Concrete	675.0	0.0	0.0	675.0
30"	Cast Iron Pipe	60,840.1	0.0	0.0	60,840.1
30"	Ductile Iron Pipe	35.0	0.0	0.0	35.0
30"	Steel Pipe	19,748.6	0.0	0.0	19,748.6
30"	Concrete Pipe	72,724.2	0.0	0.0	72,724.2
30"	Prestressed Concrete	36,654.4	0.0	0.0	36,654.4
30"	Reinforced Concrete	3,919.6	0.0	0.0	3,919.6
30"	P.V.C. Pipe	1,483.1	0.0	0.0	1,483.1
24"	Cast Iron Pipe	30,480.2	0.0	0.0	30,480.2
24"	Concrete Pipe	4,062.5	0.0	0.0	4,062.5
21"	P.V.C. Pipe	10,270.5	0.0	0.0	10,270.5
20"	Cast Iron Pipe	91,999.1	0.0	0.0	91,999.1
20"	Ductile Iron Pipe	13,212.1	0.0	0.0	13,212.1
20"	Concrete Pipe	18,755.8	0.0	0.0	18,755.8
20"	Prestressed Concrete	212.5	0.0	0.0	212.5
20"	Asbestos Cement	12,688.0	0.0	0.0	12,688.0
18"	Reinforced Concrete	970.5	0.0	0.0	970.5
16"	Cast Iron Pipe	117,498.1	16.0	0.0	117,482.1
16"	Ductile Iron Pipe	3,272.3	0.0	16.0	3,288.3
16"	Concrete Pipe	5,681.6	0.0	0.0	5,681.6
16"	Asbestos Cement	66,344.2	0.0	0.0	66,344.2
16"	P.V.C. Pipe	8,257.6	0.0	0.0	8,257.6
15"	Reinforced Concrete	1,069.3	0.0	0.0	1,069.3
12"	Cast Iron Pipe	812,869.8	14,513.9	0.0	798,355.9
12"	Ductile Iron Pipe	15,957.1	0.0	544.0	16,501.1
12"	Steel Pipe	1,272.9	0.0	0.0	1,272.9
12"	Asbestos Cement	363,255.7	1,734.0	0.0	361,521.7
12"	P.V.C. Pipe	160,971.9	0.0	15,968.5	176,940.4
10"	Cast Iron Pipe	10,356.7	0.0	0.0	10,356.7
10"	Ductile Iron Pipe	610.0	0.0	0.0	610.0
10"	Asbestos Cement	12,763.6	0.0	0.0	12,763.6
10"	P.V.C. Pipe	3,534.0	0.0	0.0	3,534.0
8"	Cast Iron Pipe	138,857.9	1,286.0	0.0	137,571.9
8"	Ductile Iron Pipe	22,205.5	0.0	5,048.0	27,253.5
8"	Asbestos Cement	711,696.9	0.0	0.0	711,696.9
8"	P.V.C. Pipe	396,064.8	0.0	108,251.0	504,315.8
8"	Plastic Pipe	318,036.5	0.0	0.0	318,036.5
6"	Cast Iron Pipe	2,781,032.9	37,667.5	0.0	2,743,365.4
6"	Ductile Iron Pipe	19,399.2	0.0	2,124.3	21,523.5
6"	Asbestos Cement	1,091,764.5	37,733.9	0.0	1,054,030.6
6"	P.V.C. Pipe	380,586.2	0.0	4,549.0	385,135.2
6"	Plastic Pipe	121,385.5	0.0	0.0	121,385.5
4"	Cast Iron Pipe	19,826.1	372.0	0.0	19,454.1
4"	Ductile Iron Pipe	712.2	0.0	1,147.0	1,859.2
4"	Asbestos Cement	29,455.3	0.0	0.0	29,455.3
4"	P.V.C. Pipe	8,762.3	0.0	2,565.3	11,327.6
4"	Plastic Pipe	3,237.1	0.0	0.0	3,237.1
3"	Galvanized Pipe	3,361.7	0.0	0.0	3,361.7
2"	Cast Iron Pipe	20,592.1	0.0	0.0	20,592.1
2"	Galvanized Pipe	9,620.0	0.0	0.0	9,620.0
2"	P.V.C. Pipe	62,388.9	0.0	9,731.0	72,119.9
1"	Steel Pipe	5,346.6	0.0	0.0	5,346.6
Total Linear Feet		8,340,916.2	93,323.3	149,944.1	8,397,537.0
Total Miles		1,579,719	17.675	28.399	1,590.443

VALVES				
SIZE	EXISTING IN SYSTEM AS OF 12/31/2009	REMOVED IN 2010	INSTALLED IN 2010	REMAINING IN SYSTEM AS OF 12/31/2010
48"	16	0	0	16
42"	4	0	0	4
36"	18	0	0	18
30"	65	0	0	65
24"	39	0	0	39
20"	133	0	0	133
16"	190	0	0	190
14"	3	0	0	3
12"	2,285	16	25	2,294
10"	65	0	0	65
8"	6,250	57	243	6,436
6"	13,062	135	5	12,932
4"	7,147	3	27	7,171
Total	29,277	211	300	29,366

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
TABLE OF RAINFALL IN NEW ORLEANS
LAST TEN YEARS**

YEAR, No.	YEAR	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		ANNUAL 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		
108	2001	3.02	1.04	4.06	11.44	15.50	0.53	16.03	2.02	18.05	19.08	37.13	7.47	44.60	7.04	51.64	5.62	57.26	4.35	61.61	3.29	64.90	3.02	67.92	5.66	8.74	
	total	504.33	494.33	1,000.93	562.21	1,563.14	521.12	2,091.22	521.65	2,612.91	594.52	3,215.47	697.06	3,912.53	634.42	4,546.95	604.00	5,150.95	335.68	5,486.61	399.48	5,889.15	505.10	6,391.60	591.60		
	avg.	4.67	4.38	9.27	5.21	14.47	4.83	19.36	4.83	24.19	5.50	29.77	6.45	36.23	5.87	42.10	5.59	47.69	3.11	50.80	3.70	54.53	4.68	59.18	7.00		
109	2002	3.97	2.23	6.20	4.77	10.97	3.50	14.47	2.27	16.74	5.49	22.23	5.83	28.06	5.63	33.69	22.42	56.11	9.78	65.89	3.99	69.88	4.98	74.86	6.24	15.53	
	total	508.30	496.56	1,007.13	566.98	1,574.11	524.62	2,105.69	523.92	2,629.65	600.01	3,231.70	702.89	3,940.59	640.05	4,580.64	626.42	5,207.04	345.46	5,552.50	403.47	5,959.03	510.08	6,466.46	748.66		
	avg.	4.66	4.56	9.24	5.20	14.44	4.81	19.32	4.81	24.13	5.50	29.70	6.45	36.15	5.87	42.02	5.75	47.77	3.17	50.94	3.70	54.67	4.68	59.33	7.00		
110	2003	0.12	6.08	6.20	4.65	10.85	5.39	16.24	2.32	18.56	17.79	36.35	9.17	45.52	3.53	49.05	2.50	51.55	3.24	54.79	5.01	59.80	2.11	61.91	5.16	2.56	
	total	508.42	502.64	1,013.33	571.63	1,584.96	530.01	2,121.93	526.24	2,648.21	617.80	3,274.05	712.06	3,986.11	643.58	4,629.69	628.92	5,258.59	348.70	5,607.29	408.48	6,018.83	512.19	6,528.37	748.37		
	avg.	4.62	4.57	9.21	5.20	14.41	4.82	19.29	4.78	24.07	5.62	29.76	6.47	36.24	5.85	42.09	5.72	47.81	3.17	50.98	3.71	54.72	4.66	59.35	7.00		
111	2004	3.34	8.10	11.44	0.99	12.43	8.30	20.73	7.38	28.11	10.31	38.42	4.78	43.20	4.18	47.38	1.07	48.45	5.55	54.00	6.08	60.08	2.76	62.84	5.24	3.46	
	total	511.76	510.74	1,024.77	572.62	1,597.39	538.31	2,142.66	535.62	2,676.32	628.11	3,312.47	716.84	4,029.31	647.76	4,677.07	629.99	5,307.04	354.25	5,661.29	414.56	6,078.91	514.95	6,591.21	748.91		
	avg.	4.61	4.60	9.23	5.16	14.39	4.85	19.30	4.81	24.11	5.66	29.84	6.46	36.30	5.84	42.14	5.68	47.81	3.19	51.00	3.73	54.76	4.64	59.38	7.00		
112	2005	3.65	9.03	12.68	3.86	16.34	6.48	23.02	4.01	27.03	4.29	31.32	11.62	42.94	14.55	57.49	0.86	58.35	0.06	58.41	1.23	59.64	2.96	62.60	5.22	3.19	
	total	515.41	519.77	1,037.45	576.48	1,613.93	544.79	2,165.68	537.63	2,703.35	632.40	3,343.79	728.46	4,072.25	662.31	4,734.56	630.83	5,365.39	354.31	5,719.70	415.79	6,138.55	517.91	6,653.81	748.91		
	avg.	4.60	4.64	9.26	5.15	14.41	4.86	19.34	4.80	24.14	5.65	29.86	6.50	36.36	5.91	42.27	5.63	47.91	3.16	51.07	3.71	54.81	4.65	59.41	7.00		
113	2006	2.60	2.72	5.32	0.25	5.57	3.16	8.73	0.76	9.49	2.16	11.65	8.40	20.05	6.40	26.45	2.89	29.34	3.03	32.37	2.94	35.31	10.55	45.86	3.82	-13.43	
	total	518.01	522.49	1,042.77	576.75	1,619.50	547.95	2,174.41	538.39	2,712.84	634.56	3,355.44	736.86	4,092.30	668.71	4,761.01	633.74	5,394.73	357.34	5,752.07	418.73	6,173.86	528.46	6,699.67	748.91		
	avg.	4.58	4.62	9.23	5.10	14.33	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	7.00		
114	2007	4.12	1.81	5.93	1.38	7.31	1.81	9.12	8.31	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	4.43	-6.11	
	total	522.13	524.30	1,048.70	578.11	1,626.81	549.76	2,183.53	546.90	2,730.47	638.99	3,377.50	744.52	4,122.02	670.35	4,792.37	638.16	5,430.51	368.96	5,799.47	419.94	6,222.47	552.98	6,752.80	748.91		
	avg.	4.58	4.60	9.20	5.07	14.27	4.82	19.15	4.80	23.95	5.61	29.63	6.53	36.16	5.88	42.04	5.60	47.64	3.24	50.87	3.68	54.58	4.68	59.24	7.00		
115	2008	6.32	5.64	11.96	2.57	14.53	7.88	22.41	7.76	30.17	6.52	36.69	3.91	40.60	7.77	48.37	7.87	56.24	1.36	57.60	2.06	59.66	1.86	61.52	5.13	2.27	
	total	528.45	529.94	1,060.66	580.68	1,641.34	557.64	2,205.94	554.66	2,760.64	645.51	3,414.19	748.43	4,162.62	678.12	4,840.74	646.03	5,486.75	370.32	5,857.07	422.00	6,282.13	534.84	6,814.32	748.91		
	avg.	4.60	4.61	9.22	5.05	14.27	4.85	19.18	4.82	24.01	5.61	29.69	6.51	36.20	5.90	42.09	5.62	47.71	3.22	50.93	3.67	54.63	4.65	59.25	7.00		
116	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	5.37	5.11	
	total	533.61	532.91	1,068.79	586.85	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	6,236.73	554.65	6,878.73	748.91		
	avg.	4.60	4.59	9.21	5.06	14.27	4.82	19.15	4.80	23.95	5.59	29.61	6.48	36.09	5.89	41.98	5.63	47.61	3.26	50.87	3.64	54.54	4.78	59.30	7.00		
117	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	1.38	48.49	4.04	-10.72	
	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	3,461.38	757.87	4,219.15	692.32	4,911.47	655.74	7,195.21	378.29	5,945.47	425.10	6,375.64	556.23	6,927.21	748.91		
	avg.	4.58	4.61	9.20	5.04	14.24	4.80	19.10	4.81	23.92	5.60	29.38	6.48	36.06	5.92	41.98	5.60	47.58	3.23	50.82	3.63	54.48	4.75	59.21	7.00		

**SEWERAGE AND WATER BOARD OF NEW ORLEANS
 COST OF OPERATIONS IDENTIFICATION PROGRAM
 BENCHMARKING 2010**

ADMINISTRATIVE SERVICES DEPARTMENT

Insurance Cost per Employee:

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

ENGINEERING DEPARTMENT

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

Cost of Typical Industry Sampling Event	\$	623.43
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FACILITY MAINTENANCE DEPARTMENT

Cost to set 5/8" water meter	\$	94.59
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FINANCE ADMINISTRATION:

Cost to Process a Miscellaneous Invoice	\$	30.65
Cost to Process a Vendor Invoice	\$	14.25
Cost to Process a Paycheck	\$	6.27

INFORMATION SYSTEM ADMINISTRATION:

Cost to Image a Document	\$	0.31
Cost to Retrieve a Document	\$	1.65

PERSONNEL ADMINISTRATION:

Cost to Hire an Employee	\$	154.36
Cost to complete a Voluntary Employee Termination	\$	16.68
Employee Turnover Rate		7.54%
Cost to Train an Employee		N/A

PURCHASING ADMINISTRATION:

Cost to Process a Sundry Purchase Order	\$	43.78
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REVENUE ADMINISTRATION:

Cost to Read a Meter	\$	1.13
Cost to Render a Bill (Less Meter Reading)	\$	0.70
Cost to Manage a Customer by Phone	\$	2.80
Cost to Manage a Customer by Mail	\$	5.96
Cost to Manage a Walk-in Customer	\$	4.12
Cost to Process a Mail-in Payment	\$	0.50
Cost to Process a Walk-in Payment	\$	1.06

SUPPORT SERVICES DEPARTMENT

Average Annual Maintenance Cost Per Piece of Equipment	\$	1,200.00 15%
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