New Orleans, Louisiana

May 18, 2022

A regular meeting of the Board of Liquidation, City Debt (Board) was held this date at the office of the Board, Room 8E17, New Orleans, Louisiana pursuant to notice duly given as provided by law. The regular meeting was called to order at 4:05 P.M. by the President, Ms. Mary K. Zervigon. Ms. Zervigon asked the Secretary to call the roll and announce the number of members present. The roll call was as follows:

PRESENT:	Mr. Johnson	FIVE MEMBERS AND
	Ms. Markowitz	A QUORUM
	Mr. Montaño (for Mayor Cantrell)	
	Mr. Sloss	
	Ms. Zervigon	
ABSENT:	Mr. Kimbrough	
	Mr. McDonald (by conference call)*	
	Councilmember Moreno	
	Councilmember Morrell	

*Arrived 4:06PM;

Also present were Ms. Lisa L. Daniel and Mr. Ricardo Callender, PFM Financial Advisors (co-financial advisors); Mr. Jason Akers, Foley & Judell L.L.P., and Ms. Maria Auzenne, Auzenne and Associates LLC, co-bond counsel; Mr. William R. Forrester, Jr., legal counsel; Mr. Edgar Grey Lewis, Chief Financial Officer of the Sewerage and Water Board of New Orleans.

The notice calling the meeting more than 48 hours prior to the date of the meeting was received and ordered filed in the minutes.

The President stated that the minutes of the November 27, 2021, special meeting had been circulated to the members. She asked if there are any comments, there being none the minutes was adopted as circulated.

The President also stated that the auditor's letter for the months of November 2021, December 2021, January 2022, February 2022, March 2022 and April 2022 were emailed to each member prior to this meeting and are in each member's folder for their review. She asked the members to review the letters and address any questions to the Secretary. There being none, the monthly audit letters were ordered filed.

The President asked the Secretary to address item #4 on the agenda, welcoming new board members. The President then asked that everyone introduce themselves.

The President asked the Secretary to address item #5 on the agenda, to select a vice president from the current syndicate members. The President asked if there were any nominations. Mr. Sloss nominated Mr. Ralph Johnson with the term effective immediately. Mr. Montaño (for Mayor Cantrell) seconded and on roll call, the vote was as follows:

AYES: JOHNSON; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS; ZERVIGON

NAYS: NONE

ABSENT: KIMBROUGH; McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked the Secretary to address item #6 on the agenda, to recommend to the Mayor two syndicate members to serve on the Sewerage and Water Board of New Orleans with term ending January 1, 2026. The President asked if we have two candidates and Mr. Madison stated that Ms. Markowitz agreed to fill one of the positions of the SWBNO but we need to select two members from the syndicate members. Mr. Sloss said that he would like to remain on the SWBNO. The President asked if there was any further discussion, there being none, she asked for a motion.

Mr. Johnson moved to recommend to the Mayor, Mr. Poco Sloss and Ms. Carol Markowitz, for appointment to serve on the Sewerage & Water Board of New Orleans, with the term ending January 1, 2026. Mr. Montaño (for Mayor Cantrell) seconded and on roll, call the vote was as follows:

AYES: JOHNSON; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS; ZERVIGON

NAYS: NONE

ABSENT: KIMBROUGH; McDONALD; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #7 on the agenda, a resolution authorizing the issuance of not exceeding Fifteen Million Dollars ($15,000,000) Sewerage Service Revenue Bond, Series 2022 of the City of New Orleans, Louisiana; providing for the sale of the Series 2022 Bond to the Louisiana Department of Environmental Quality; and providing for other matters in connection therewith. Mr. Madison asked Mr. Jason Akers with Foley & Judell L.L.P., co-bond counsel, to address the resolution. Mr. Akers stated that they have always taken the position, out of an abundance of caution, that for a private sale, which this bond sale will be, to have approval by a two-third majority of the board and not a two-third majority of those present. He stated that the Sewerage and Water Board met last month and adopted the eighth supplemental resolution with the two-third majority present in voting at that time, and it was unanimously approved. Mr. Akers said that there will be a discussion between himself, Mr. William Forrester, Ms. Maria Auzenne, and Mr. Tracy Madison about the voting statute for bond sales, and that he sees no harm in the Board approving the resolution now. Furthermore, he stated that it will be bond counsels' opinion that will determine if the bond sale will go forward and therefore the Board could vote on approval today.

The President asked Mr. Akers if both resolutions can be voted on at the same time. Mr. Akers stated that separate votes will be needed because it is two different resolutions. Then he stated that if they researched further, and can't get to a minimal level of comfort to render their opinion, then they would ask the Board to come back for an additional approval.

Mr. Sloss asked if it would be possible to get the votes from one of the other members tomorrow. Mr. Akers replied "No, and it is not possible to take Mr. McDonald's vote over the phone either."

The President asked if there was any further discussion.

Mr. Akers stated again that this resolution authorizes not exceeding Fifteen Million ($15,000,000) of sewer service revenue bonds. He stated that this bond is secured exclusively and solely by the sewage service revenues that are produced by the users of the sewerage system. Even though this resolution is drafted not to exceed $15,000,000, we now have confirmation that the final principal amount is going to be about $11,110,000. He said that this funding is part of a match to the $275,000,000 WIFIA loan. The President asked Mr. Akers to explain what WIFIA stands for as there is a new board member present. Mr. Akers stated WIFIA stands for Water Infrastructure Financing Innovation Act which is a low interest long term loan that is offered by the United States Environmental Protection Agency. He further said that the WIFIA loan is the $275 million loan the SWB has with the United States EPA which will be outstanding until 2057. Finally, he stated that the bond is a low interest loan with the Louisiana Department of Environmental Quality through a revolving loan fund that they have and it has a low interest fixed rate of 0.95% for a 22 year period. Mr. Johnson asked what determines the loan amount. Mr. Akers answered that the loan amount is based on the number of applicants every year and the projects that are accepted because the DEQ only have a finite amount of funds to disburse.

The President asked if there were any questions or further discussion and asked for a motion.

Mr. Sloss moved to adopt the resolution authorizing the issuance of not exceeding Fifteen Million Dollars ($15,000,000) Sewerage Service Revenue Bond, Series 2022 of the City of New Orleans, Louisiana; providing for the sale of the Series 2022 Bond to the Louisiana Department of Environmental Quality; and providing for other matters in connection therewith. Mr. Johnson seconded and on roll call, the vote was as follows:

AYES:	JOHNSON; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS; ZERVIGON
NAYS:	NONE
ABSENT:	KIMBROUGH; McDONALD; MORENO; MORRELL

And the resolution was adopted.

The President asked the Secretary to address item #8 on the agenda, a preliminary resolution providing for the issuance and sale of not to exceed Thirty-Five Million Dollars ($35,000,000) of Sewerage Service Revenue Bond of the City of New Orleans; making application to the State Bond Commission and providing for other matters in connection therewith. Mr. Akers explained that every bond issued for the Sewerage and Water Board has multiple steps of approvals. It first goes through SWBNO, next to the Board of Liquidation, City Debt, and City Council and then to the State Bond Commission. Then it goes back to Sewerage and Water Board, Board of Liquidation, and City Council. He stated that the Sewerage and Water Board is starting the process for an additional Thirty-Five Million Dollars ($35,000,000) and the application has been submitted. He said that currently they are waiting for the next round of funding priorities to be released by DEQ which usually happens during the summer around June. He stated that they are anticipating that the rate would be at 0.95%. However, in the resolution the rate is not to exceed 4% for approval purposes because that rate is subject to reset annually at each fiscal year on July 1st; it is fixed after that once we close within the year, but we will not know considering the rising interest rate environment. He stated the rates may go from 0.95% to

1.45%, for example.

The President asked for a motion.

Mr. Sloss moved to approve the preliminary resolution providing for the issuance and sale of not to exceed Thirty-Five Million Dollars ($35,000,000) of Sewerage Service Revenue Bond of the City of New Orleans; making application to the State Bond Commission and providing for other matters in connection therewith. Mr. Johnson seconded and on roll call, the vote was as follows:

AYES: JOHNSON; MARKOWITZ; MONTAÑO (FOR MAYOR CANTRELL); SLOSS; ZERVIGON

NAYS: NONE

ABSENT: KIMBROUGH; McDONALD; MORENO; MORRELL

And the resolution was adopted.

There being no further business to come before the Board, Ms. Zervigon motioned for adjournment, Mr. Johnson seconded, there being no objections, the meeting was adjourned by the President at 4:22 P.M.

Tracy D. Madison
Secretary