New Orleans, Louisiana
March 20, 2024

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 4:01 P.M. by the President, Mr. Ralph Johnson. Mr. Johnson asked the Secretary to call the roll and announce the number of members present. The roll call was as follows:

PRESENT:	Mr. Johnson	SIX MEMBERS AND
	Mr. Kennedy	A QUORUM
	Mr. Kimbrough	
	Ms. Markowitz*	
	Mr. Montaño (for Mayor Cantrell)	
	Mr. Sloss	
ABSENT:	Mr. McDonald	
	Councilmember Moreno	
	Councilmember Morrell	

*Arrived 4:17 PM

Also present were Mr. William R. Forrester, Jr., legal counsel; Mr. Ricardo Callender, PFM Financial, and Mr. Shawn Barney, CLB Porter, LLC, co-financial advisors; Mr. Jason Akers, Foley & Judell L.L.P., and Ms. Maria Auzenne, Auzenne and Associates LLC, co-bond counsel; Mr. E. Grey Lewis, Sewerage & Water Board.

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 regular meeting on November 15, 2023, had been circulated to the members. He asked if there are any comments, there being none the minutes was adopted as circulated.

The President stated that the auditor's letter for the months of October through December 2023, and January through February 2024 are in each member's folder for their review. He 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, to consider a preliminary resolution providing for the issuance and sale of not exceeding Ninety Million Dollars ($90,000,000) of Water Revenue Bonds of the City of New Orleans, Louisiana; making an application to the State Bond Commission; and providing for other matters in connection therewith. The Secretary asked Jason Akers with Foley & Judell L.L.P, co-bond counsel, and Ricardo Callender with PFM Financial, co-financial advisor, to address the resolution.

Mr. Akers stated the resolution is for the Water Revenue Bonds and is the preliminary approval of two different series of bond issues contained in one resolution. The first series is approximately $85,000,000 that will be used to pay for lead service line replacement in the City. This funding is coming from a bipartisan infrastructure bill that Congress approved with very favorable terms as follows: the debt is not to exceed 22 years, with 49% to be immediately forgiven and the remaining 51% to be repaid at a zero percent interest rate. The second series is the remaining $5,000,000, which will be used as part of the funding to replace all the water meters in the City. He stated that this resolution has already been approved by both the Sewerage and Water Board of New Orleans (SWBNO) and the City Council, so with the Board's approval today, the application can be filed with the State Bond Commission and then it will go to the Louisiana Department of Health (LDH) for their approval. After the LDH's approval, the final resolution will go through the same approval process again: first the SWBNO, then the City Council, and finally the Board.

Mr. Akers then stated that he wanted to ask for an amendment to remove the second paragraph of Section 2 - Details of the Water Revenue Bonds of the resolution because there are only five (5) members present. He said that the Board cannot proceed with this authorization because a negotiated sale of bonds requires six (6) members to be present and voting. He further explained that Louisiana statutes required a two-thirds majority of the Board's membership, which would be six (6) members, to be present to approve any negotiated sale of a bond. Mr. Akers said that this paragraph can be added back to the resolution when it comes back to the Board for final approval. Then he asked Mr. Ricardo Callender to provide any additional information after the amendment has been made.

The President asked Mr. Akers about the details in Section 2, specifically about the interest rates. Mr. Akers stated again that 51% of the first of the two issues would be at 0%, but the second issue which is $5,000,000 would be at the 2.45% fixed interest rate.

The President asked for a motion to amend the resolution to remove the second paragraph of Section 2.

Mr. Sloss moved to amend the resolution to remove the second paragraph of Section 2 - Details of the Water Revenue Bonds of the preliminary resolution providing for the issuance and sale of not exceeding Ninety Million Dollars ($90,000,000) of Water Revenue Bonds of the City of New Orleans, Louisiana; making an application to the State Bond Commission; and providing for other matters in connection therewith. Mr. Kimbrough seconded and on roll call, the vote was as follows:

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

And the amendment to the resolution was approved.

Mr. Ricardo Callendar then stated that he wanted to add a few comments to what Mr. Akers had already said. He again emphasized the favorable terms of the debts stated earlier by Mr. Akers, namely that 49% of the $85,000,000 will be forgiven immediately, with the remaining 51% to be repaid at a 0% interest rate. Also, he stated that the 2.45% interest rate on the $5,000,000 bond issue is still a significantly lower rate than what is available in the open market. He further explained that even though these two bond issues have favorable terms, there is still an additional bond coverage test that has to be met before the bonds can be issued. PFM did a review and has determined that these two bond issues met the coverage test and are well above the minimum threshold.

The President asked if there is a motion to adopt the amended resolution.

Mr. Kimbrough moved to adopt the amended preliminary resolution providing for the issuance and sale of not exceeding Ninety Million Dollars ($90,000,000) of Water Revenue Bonds of the City of New Orleans, Louisiana; making an application to the State Bond Commission; and providing for other matters in connection therewith. Mr. Kennedy seconded and on roll call, the vote was as follows:

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

And the amended resolution was adopted.

The President asked the Secretary to address item #5 on the agenda, to consider a resolution giving final approval to the issuance of not exceeding Thirty-Eight Million Nine Hundred Forty-Eight Thousand Two Hundred Dollars ($38,948,200) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The Secretary asked Jason Akers and Ricardo Callender to address the resolution.

Mr. Akers stated that this is an approval of sewer bonds to be sold to the Department of Environmental Quality (DEQ) through the revolving loan fund. This would be the fifth issue that has been sold to DEQ. He stated that this bond also has favorable terms. In this case, a 22-year term, a 2-year interest-only draw period, and a 20-year amortization fixed at the 0.95% interest rate. He also mentioned that $1,100,000 of the bond will be forgiven. DEQ loans are for specific projects, so this funding is for the wastewater treatment plant rehabilitation. He then asked Ricardo Callendar to speak on the financial analysis of the bonds.

Mr. Ricardo Callender stated that the rate on this bond is at a fixed rate of 0.95%. This rate is substantially below market rates right now because market rates for a bond like this are in the 3.5% through 4% range. Mr. Callender stated this bond meets the additional coverage test, meaning that PFM can attest that the coverage is above the minimum threshold of approximately two times the coverage.

Mr. Akers stated that this is the final approval of the bond. Therefore, with the Board's approval today, this resolution will move into the closing process and will be closed by June 2024.

The Secretary clarified that the Board had already approved a total of about $80,000,000 in August 2023 and that the first half was sold in November 2023 for $31,525,000. This is the final part of the $80,000,000 that was approved.

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

Mr. Kennedy moved to adopt the resolution giving final approval to the issuance of not exceeding Thirty-Eight Million Nine Hundred Forty-Eight Thousand Two Hundred Dollars ($38,948,200) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Sloss seconded and on roll call the vote was as follows:

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

And the resolution was adopted.

The President asked the Secretary to address item #6 on the agenda, to consider a resolution giving final approval to the issuance of the not exceeding Five Million Dollars ($5,000,000) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. The Secretary asked Jason Akers to address the resolution.

Mr. Akers stated that this funding is also for the water meter replacement project. Sewer funds are being used to pay for water projects because water measurement is what determines the sewer bills. He also explained that this is commonly done throughout the State, which is to use sewer revenues to pay for water meters because they are critical to the sewer system itself. Then Mr. Akers asked Ricardo Callender to provide any additional information.

Mr. Callender stated that the same comments from the previous resolution also apply here as well.

The President then asked if the same terms for the $38,000,000 would also apply to this $5,000,000.

Mr. Akers answered “yes” except that there is only a $500,000 forgiveness associated with this bond.

Mr. Kimbrough asked for clarification on whether other states use sewer funds for water meter projects. Mr. Akers stated that he was only speaking about Louisiana and that this practice is not unusual.

The President then asked that the minutes reflect that Ms. Markowitz has now joined the meeting.

Both William Forrester, legal counsel of the Board, and Maria Auzenne, co-bond counsel, asked that the President revisit item #4 on the agenda now that there are six (6) members present to vote on the original resolution, but they stated that the members must first rescind the amended resolution that was approved. The President stated that he wanted to finish discussing and voting on item #6 first.

The President asked for a motion.

Mr. Sloss moved to adopt the resolution giving final approval to the issuance of the not exceeding Five Million Dollars ($5,000,000) Sewerage Service Revenue Bonds of the City of New Orleans, Louisiana, and providing for other matters in connection therewith. Mr. Kennedy seconded and on roll call the vote was as follows:

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

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the resolution was adopted.

The President informed Ms. Markowitz that item #4 on the agenda required six (6) members for approval because it was a resolution for a negotiated sale of a bond, and the Board did not have six members present at the time. Therefore, the Board had approved an amended resolution removing that language. The President then asked Mr. William Forrester the best way to proceed with voting on this resolution as originally written now that there are six members present. Mr. Forrester advised the members to have a motion to rescind the prior amended resolution that was approved and then go back and have a vote on the original resolution. The President asked Mr. Forrester if that meant that the Board would have to revoke the prior amended resolution and Mr. Forrester responded in the affirmative.

Mr. Sloss then inquired if the Board could just go ahead and vote on the original resolution now that there are six members present. Mr. Forrester replied that the proper way to proceed now would be to first rescind the amended resolution and then vote on the original resolution.

Mr. Kimbrough then asked Mr. Akers to explain to Ms. Markowitz in depth the reasoning for rescinding the motion. Mr. Akers then did as Mr. Kimbrough requested.

Mr. Sloss moved to rescind the amended preliminary resolution that was adopted providing for the issuance and sale of not exceeding Ninety Million Dollars ($90,000,000) of Water Revenue Bonds of the City of New Orleans, Louisiana; making an application to the State Bond Commission; and providing for other matters in connection therewith. Mr. Kimbrough seconded and on roll call, the vote was as follows:

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

NAYS: NONE

ABSENT: McDONALD; MORENO; MORRELL

And the motion was adopted.

The President asked for a motion on the original resolution of item #4.
Mr. Kimbrough moved to adopt the resolution giving preliminary approval to the issuance of not exceeding Ninety Million Dollars ($90,000,000) of Water Revenue Bonds of the City of New

Orleans, Louisiana; making an application to the State Bond Commission; and providing for other matters in connection therewith. Ms. Markowitz seconded and on roll call, the vote was as follows:

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

And the motion was adopted.

The President offered thanks and appreciation to Ms. Carol Markowitz on behalf of the Board for her tenure on the Board as this will be her last meeting. The President then introduced Ms. Amy Fields from Southern University at New Orleans, who will be replacing Ms. Markowitz. The President asked the Secretary to give additional information on Ms. Fields.

Mr. Madison stated that Ms. Fields' nomination has been approved by the mayor and she has been sponsored by Councilman Freddy King to go before the Governmental Affairs Committee meeting. Once she goes to the Governmental Affairs Committee meeting and has been approved, then she will go before the full City Council for ratification.

The President asked if there was any other business. Mr. Sloss asked if the list of each Board member's terms could be sent to him as well as the 2023 attendance records. The Secretary replied that he would do so.

There being no further business to come before the Board, Mr. Kimbrough motioned for adjournment, Ms. Markowitz seconded, there being no objections, the meeting was adjourned by the President at 4:27 P.M.

Tracy D. Madison
Secretary