

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 8, 2019

NEW ISSUE - BOOK-ENTRY ONLY

Ratings: S&P: "AA-"
Fitch: "AA"
See "RATINGS" herein.

In the opinion of Butler Snow LLP, Bond Counsel, under existing law, and assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2019 Refunding Bonds (as hereinafter defined) is excluded from the gross income of the owners thereof for federal income tax purposes within the meaning of the Code. Bond Counsel is also of the opinion that, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Refunding Bonds is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, under the Refunding Act (as hereinafter defined), the Series 2019 Refunding Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof. See "TAX MATTERS" and the proposed form of opinion of Bond Counsel attached hereto as APPENDIX F.



\$392,380,000*
EAST BATON ROUGE SEWERAGE COMMISSION
Revenue Refunding Bonds
\$309,385,000* **\$82,995,000***
Series 2019A **Series 2019B**

Dated: Date of Delivery

Due: February 1, as shown on the inside cover page

This Official Statement is available online at www.MuniOS.com and www.emma.msrb.org.

The East Baton Rouge Sewerage Commission, a body corporate and political subdivision of the State of Louisiana (the "State") created in accordance with the Local Services Law (La. R.S. 33:1321, et seq.) (the "Issuer" or the "Commission") is issuing \$309,385,000* in aggregate principal amount of its Revenue Refunding Bonds, Series 2019A (the "Series 2019A Refunding Bonds") and \$82,995,000* in aggregate principal amount of its Revenue Refunding Bonds, Series 2019B (the "Series 2019B Refunding Bonds" and, together with the Series 2019A Refunding Bonds, the "Series 2019 Refunding Bonds"). The Series 2019 Refunding Bonds are being issued pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Refunding Act") for the purpose of, in the case of the Series 2019A Refunding Bonds: (i) providing sufficient funds to advance refund \$337,435,000 in aggregate principal amount of the Commission's \$357,840,000 Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds) (the "Series 2010B Bonds") maturing February 1, 2021, and thereafter, to their first optional redemption date of February 1, 2020; (ii) to defease \$3,520,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2020 to its maturity date; and (iii) to pay the costs of issuance of the Series 2019A Refunding Bonds; and, in the case of the Series 2019B Refunding Bonds: (i) to current refund \$79,205,000 in aggregate principal amount of the Commission's \$202,500,000 Revenue Bonds, Series 2011A (LIBOR Index) (the "Series 2011A Bonds") maturing February 1, 2020, to and including February 1, 2032, to their optional redemption date of October 29, 2019*; (ii) to pay the termination payment due to Deutsche Bank AG, New York Branch ("Deutsche Bank") in connection with the termination of the Swap Transaction (as hereinafter defined) between the Commission and Deutsche Bank, which Swap Transaction is evidenced by that certain International Swaps and Derivatives Association, Inc. Master Agreement dated as of July 27, 2011, by and between Deutsche Bank and the Commission, as amended by the First Amended Agreement dated as of July 27, 2011, as further revised by the letter agreement dated August 17, 2011, each between the Deutsche Bank and the Commission (the "Swap Transaction"); and (iii) to pay the cost of issuance of the Series 2019B Refunding Bonds.

The Series 2019 Refunding Bonds are payable solely from and secured by the Net Revenues (as hereinafter defined) of the Commission, which consist of (i) those certain fees and charges levied and collected from the customers of the System (as hereinafter defined) (the "Sewer User Fees") authorized to be imposed and collected in accordance with the authority granted in La. R.S. 33:1331 and La. R.S. 33:4256, and levied and collected in accordance with the Sewer User Fee Ordinance (as hereinafter defined); (ii) an irrevocable pledge and dedication of the net avails or proceeds of the special one-half of one percent (1/2%) sales and use tax (the "Tax") now being levied and collected within the Parish pursuant to an election held therein on April 16, 1988 after payment of the reasonable and necessary expenses of collecting and administering the Tax (the "Net Sales Tax Revenues"); (iii) less the reasonable and necessary expenses of operating and maintaining the System not otherwise paid by the Parish as required by the Local Services Agreement (as hereinafter defined).

The Series 2019 Refunding Bonds are issued on a complete parity with the Outstanding Parity Bonds (as hereinafter defined). Additional Bonds may be issued on a complete parity with the Outstanding Parity Bonds and the Series 2019 Refunding Bonds as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 Refunding Bonds - Issuance of Additional Bonds" herein.

The Series 2019 Refunding Bonds will be issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Series 2019 Refunding Bonds will not receive certificates representing their interest in the Series 2019 Refunding Bonds purchased. The Series 2019 Refunding Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of and premium, if any, and interest on the Series 2019 Refunding Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., in the City of Dallas, Texas (the "Paying Agent/Registrar") to Cede & Co., which will remit such payments to the DTC Participants (as defined herein) for subsequent disbursement to purchasers of the Series 2019 Refunding Bonds. See "THE SERIES 2019 REFUNDING BONDS - Book-Entry Only System" herein.

The Series 2019 Refunding Bonds are subject to optional redemption and scheduled mandatory redemption prior to maturity in the manner and at the times described herein.

The Series 2019 Refunding Bonds will mature in each of the years and with the interest rates included on the schedule which appears on the inside cover page hereof. Interest on the Series 2019 Refunding Bonds will be payable on each February 1 and August 1, commencing February 1, 2020, until maturity. If the Interest Payment Date falls on a day that is not a Business Day, the payment will be made on the next Business Day as if it were made on the date the payment was due, and no interest will accrue on the amount so payable for the period from and after that Interest Payment Date to the date the payment is made.

THE SERIES 2019 REFUNDING BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. THE SERIES 2019 REFUNDING BONDS CONSTITUTE A BORROWING SOLELY UPON THE CREDIT OF THE NET REVENUES RECEIVED BY THE ISSUER AND DOES NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS RELATING TO THE INCURRING OF INDEBTEDNESS.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2019 Refunding Bonds are offered subject to the approving opinion of Butler Snow LLP, Baton Rouge, Louisiana, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters, by their counsel, Jones Walker LLP, Baton Rouge, Louisiana, and for the Commission by Phelps Dunbar, LLP, Baton Rouge, Louisiana. Government Consultants, Inc., Baton Rouge, Louisiana is acting as Municipal Advisor to the Issuer. It is expected that the Series 2019 Refunding Bonds will be available for delivery in book-entry only form to DTC, New York, New York, on or about October 29, 2019, against payment therefor.

J.P. Morgan

Siebert Cisneros Shank & Co., L.L.C.

Raymond James

The date of this Official Statement is October ____, 2019.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The definitive Official Statement with respect to these securities will be made available concurrent with their sale. As of its date, this Preliminary Official Statement has been deemed final by the issuer for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

MATURITY SCHEDULE

\$309,385,000* East Baton Rouge Sewerage Commission Revenue Refunding Bonds Series 2019A

<u>Due</u> <u>February 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Price</u>	<u>CUSIP†</u>
2020	\$2,730,000				
2021	2,600,000				
2022	2,735,000				
2023	2,870,000				
2024	3,010,000				
2025	3,160,000				
2026	3,315,000				
2027	3,480,000				
2028	3,660,000				
2029	3,840,000				
2030	4,010,000				
2031	4,170,000				
2032	4,330,000				
2033	7,820,000				
2034	8,125,000				
2035	8,450,000				
2036	8,785,000				
2037	9,130,000				
2038	9,485,000				
2039	9,855,000				
2040	30,755,000				

\$173,070,000* _____% Term Bonds due February 1, 2045; Price: _____%; Yield: _____%; CUSIP†: _____

\$82,995,000* East Baton Rouge Sewerage Commission Revenue Refunding Bonds Series 2019B

<u>Due</u> <u>February 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Price</u>	<u>CUSIP†</u>
2020	\$4,940,000				
2021	5,195,000				
2022	5,400,000				
2023	5,630,000				
2024	5,835,000				
2025	6,085,000				
2026	6,325,000				
2027	6,575,000				
2028	6,835,000				
2029	7,110,000				
2030	7,390,000				
2031	7,685,000				
2032	7,990,000				

*Preliminary, Subject to change.

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OFFICIALS OF THE EAST BATON ROUGE SEWERAGE COMMISSION

BOARD OF COMMISSIONERS

Trae Welch
Chauna Banks
Chandler Loupe
Scott Wilson
Erika Green
Donna Collins-Lewis

LaMont Cole
Denise Amoroso
Dwight Hudson
Tara Wicker
Matt Watson
Barbara Freiberg

SECRETARY OF THE EAST BATON ROUGE SEWERAGE COMMISSION

Ashley Beck

**FINANCE DIRECTOR OF THE PARISH OF EAST BATON ROUGE
AND CITY OF BATON ROUGE**

Linda Hunt

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Butler Snow LLP
Baton Rouge, Louisiana

MUNICIPAL ADVISOR

Government Consultants, Inc.
Baton Rouge, Louisiana

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THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

BY ITS PURCHASE OF THE SERIES 2019 REFUNDING BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF THEIR OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE SERIES 2019 REFUNDING BONDS.

THE INVESTOR, BY ITS PURCHASE OF THE SERIES 2019 REFUNDING BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE ISSUER AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR DTC SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 REFUNDING BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 REFUNDING BONDS TO CERTAIN DEALERS AND OTHERS AT

PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2019 REFUNDING BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED DOES NOT MEAN THAT EITHER THESE JURISDICTIONS OR ANY OF THEIR AGENCIES HAVE PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED, THE SECURITIES, OR THEIR OFFER OR SALE. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2019 REFUNDING BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THE SERIES 2019 REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COMMISSION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT, AND IN OTHER INFORMATION PROVIDED BY THE ISSUER THAT ARE NOT PURELY HISTORICAL, ARE FORWARD LOOKING STATEMENTS. ALL FORWARD LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE ISSUER ON THE DATE HEREOF, AND THE ISSUER DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD LOOKING STATEMENTS. SEE "FORWARD LOOKING STATEMENTS."

THE LOUISIANA STATE BOND COMMISSION (THE "STATE BOND COMMISSION") PREVIOUSLY APPROVED THE ISSUANCE OF THE SERIES 2019 REFUNDING BONDS. THE STATE BOND COMMISSION EXPRESSLY PROVIDES THAT SAID APPROVAL DOES NOT CONSTITUTE A RECOMMENDATION, APPROVAL OR SANCTION BY THE STATE BOND COMMISSION OR THE STATE OF LOUISIANA (THE "STATE") OF THE INVESTMENT QUALITY OF THE SERIES 2019 REFUNDING BONDS AND DOES NOT CONSTITUTE ANY GUARANTEE OF REPAYMENT OF THE SERIES 2019 REFUNDING BONDS BY THE STATE BOND COMMISSION OR THE STATE. THE APPROVAL OF THE SERIES 2019 REFUNDING BONDS BY THE STATE BOND COMMISSION SHOULD NOT BE RELIED UPON BY ANY PROSPECTIVE PURCHASER OF THE SERIES 2019 REFUNDING BONDS AS ADVICE. THE WRITTEN APPROVAL OF THE STATE BOND COMMISSION EXPRESSLY STATES THAT NEITHER IT NOR THE STATE SHALL HAVE ANY LIABILITY OR LEGAL RESPONSIBILITY TO INVESTORS ARISING OUT OF, RELATED TO, OR CONNECTED WITH THE APPROVAL OF THE SERIES 2019 REFUNDING BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN DEEMED FINAL BY THE ISSUER AS OF ITS DATE WITHIN THE MEANING OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR THE OMISSIONS OF THE OFFERING PRICE(S), INTEREST RATE(S), SELLING COMPENSATION, AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT PER MATURITY, DELIVERY DATE(S), RATING(S) AND OTHER TERMS OF THE SERIES 2019 REFUNDING BONDS DEPENDING ON SUCH MATTERS, ALL OF WHICH ARE PERMITTED OMISSIONS UNDER RULE 15c2-12.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
PLAN OF REFUNDING	4
General.....	4
Plan of Refunding.....	4
ESTIMATED SOURCES AND USES OF FUNDS	7
THE SERIES 2019 REFUNDING BONDS.....	7
Description of the Series 2019 Refunding Bonds.....	7
Limited Liability.....	8
Book-Entry Only System.....	8
Removal From Book-Entry Only System.....	10
Redemption of the Series 2019 Refunding Bonds.....	11
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 REFUNDING BONDS.....	13
General.....	13
The Net Revenues.....	14
Rate Covenant.....	15
Interest Rate Hedge Agreements	16
Flow of Funds	16
Issuance of Additional Bonds.....	19
Additional Provisions	20
DEBT SERVICE REQUIREMENTS.....	21
THE ISSUER.....	22
Governing Authority.....	22
Comprehensive Annual Financial Report.....	22
THE SYSTEM.....	23
Department of Environmental Services.....	23
Current Description of the System.....	23
Customers of the System	25
Treatment Facilities Capacities Summary	25
Sewer Capital Improvement Program.....	25
INFORMATION CONCERNING THE SEWER USER FEES SECURING THE SERIES 2019 REFUNDING BONDS	26
Authority to Collect the Sewer User Fees and the Sewer User Fee Ordinance	26
Current Rates and Charges for Sewer Services	27
Largest Customers of the System for 2018.....	27
Historical Sewer User Fee Collections	28
INFORMATION RELATING TO THE SALES AND USE TAX.....	28
SECURING THE SERIES 2019 REFUNDING BONDS	28
Authority for Levy of Sales Tax.....	28
Description of Sales Tax.....	29
Levy and Collection of Sales and Use Tax.....	32

Sales Tax Collections	33
LITIGATION.....	34
BONDHOLDER RISKS.....	34
Bond Ratings	34
Limitations on Remedies Available to Bondholders	35
Limited Secondary Market	35
TAX MATTERS.....	36
Federal Tax Matters	36
General.....	36
Qualified Tax-Exempt Obligations for Financial Institutions	37
Alternative Minimum Tax Considerations	37
Changes in Federal and State Tax Law	37
Tax Treatment of Original Issue Premium	38
Louisiana Taxes	38
No Other Opinions.....	38
Legal Opinion	38
BOND RATINGS	38
VERIFICATION OF MATHEMATICAL COMPUTATIONS	39
UNDERWRITING	39
LEGAL MATTERS.....	40
MUNICIPAL ADVISOR.....	40
FORWARD LOOKING STATEMENTS	40
CONTINUING DISCLOSURE.....	41
MISCELLANEOUS	41
CERTIFICATION AS TO OFFICIAL STATEMENT	43

APPENDICES

APPENDIX A	CERTAIN PROVISIONS OF THE BOND RESOLUTION
APPENDIX B	FINANCIAL AND STATISTICAL DATA RELATIVE TO THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE
APPENDIX C	AUDITED FINANCIAL STATEMENTS OF THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE (INCLUDING THE ISSUER)
APPENDIX D	ANNUAL OPERATING BUDGET OF THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE (INCLUDING THE ISSUER)
APPENDIX E	DEBT STATEMENT OF THE ISSUER
APPENDIX F	PROPOSED FORM OF OPINION OF BOND COUNSEL
APPENDIX G	FORM OF CONTINUING DISCLOSURE AGREEMENT

OFFICIAL STATEMENT

\$392,380,000*

**East Baton Rouge Sewerage Commission
Revenue Refunding Bonds**

\$309,385,000*
Series 2019A

\$82,995,000*
Series 2019B

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices attached hereto, is to set forth certain information concerning the East Baton Rouge Sewerage Commission, a body corporate and political subdivision of the State of Louisiana (the “*State*”) created in accordance with the Local Services Law (La. R.S. 33:1321, et seq.) (the “*Issuer*” or the “*Commission*”) and \$309,385,000* in aggregate principal amount of its Revenue Refunding Bonds, Series 2019A (the “*Series 2019A Refunding Bonds*”) and \$82,995,000* in aggregate principal amount of its Revenue Refunding Bonds, Series 2019B (the “*Series 2019B Refunding Bonds*” and, together with the Series 2019A Refunding Bonds, the “*Series 2019 Refunding Bonds*”) to be issued by the Issuer. The Series 2019 Refunding Bonds are being issued by the Issuer pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “*Refunding Act*”), and other constitutional and statutory authority, and the Amended and Restated General Bond Resolution No. 44893 (EBROSCO No. 7494), adopted by the Board of Commissioners of the Commission (the “*Governing Authority*”) on June 28, 2006 (the “*General Bond Resolution*”), as supplemented by a Supplemental Bond Resolution expected to be adopted by the Governing Authority on October 23, 2019 (the “*Supplemental Resolution*” and together with the General Bond Resolution, the “*Bond Resolution*”). The Governing Authority is comprised of the members who, from time to time, make up the membership of the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, the governing authority of the Parish of East Baton Rouge and the City of Baton Rouge, State of Louisiana (the “*Metropolitan Council*”).

The Issuer is a body corporate and political subdivision of the State duly created in accordance with the Local Services Law, being La. R.S. 33:1321, et seq. (the “*Local Services Law*”), and by virtue of an Intergovernmental Agreement dated October 1, 1986, by and among the City of Baton Rouge, State of Louisiana (the “*City*”), the Parish of East Baton Rouge, State of Louisiana (the “*Parish*” and, together with the City, the “*City-Parish*”) and the Greater Baton Rouge Consolidated Sewerage District (the “*District*”), as amended by an Amendatory Intergovernmental Agreement dated as of June 1, 1987, a Second Amendatory Intergovernmental Agreement dated as of September 1, 1987, a Third Amendatory Intergovernmental Agreement dated as of May 4, 1992, a Fourth Amendatory Intergovernmental Agreement dated as of December 12, 2001, and a Fifth Amendatory Intergovernmental Agreement dated as of June 29, 2006 (the “*Fifth Amendatory Agreement*”), each by and among the City, the Parish, the District and the Commission (collectively, the “*Agreement*”). Pursuant to the Agreement, all of the publicly owned sewerage systems in the Parish were consolidated into a single public utility (the “*System*”) and placed under the jurisdiction and control of the Issuer.

Pursuant to the provisions of Section 1331 of the Local Services Law, the parties to an intergovernmental agreement may agree to the financial responsibilities of each of the parties thereto. In order to reduce the costs of borrowing funds for upgrading, rehabilitating, extending and improving the System, the Parish, the City, the District and the Commission entered into the Fifth Amendatory Agreement for the purpose of (i) providing that bonds issued by the Issuer would be secured by and

* Items marked with asterisks in this Preliminary Official Statement are preliminary and are subject to change.

payable from, in addition to the Sewer User Fees (as hereinafter defined), the Net Sales Tax Revenues (as hereinafter defined), and (ii) pledging, dedicating and appropriating the Net Sales Tax Revenues as security for and for the payment of debt service on bonds to be issued by the Issuer.

On August 9, 2006, the Metropolitan Council adopted a resolution amending the General Sales Tax Bond Resolution No. 28101 for the purpose of prohibiting the issuance by the Parish thereunder of additional sales tax revenue bonds secured by and payable from the revenues of the Tax. Such prohibition does not apply to bonds issued by the Commission and secured by the Net Revenues (as hereinafter defined) such as the Series 2019 Refunding Bonds.

The Series 2019A Refunding Bonds are being issued for the purpose of: (i) providing sufficient funds to advance refund \$337,435,000 in aggregate principal amount of the Commission's \$357,840,000 Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds) (the "*Series 2010B Bonds*") maturing February 1, 2021, and thereafter, to their first optional redemption date of February 1, 2020 (the "*Refunded Series 2010B Bonds*"); (ii) defeasing \$3,520,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2020 to its maturity date; and (iii) paying the costs of issuance of the Series 2019A Refunding Bonds.

The Series 2019B Refunding Bonds are being issued for the purpose of: (i) currently refunding \$79,205,000 in aggregate principal amount of the Commission's \$202,500,000 Revenue Bonds, Series 2011A (LIBOR Index) (the "*Series 2011A Bonds*") maturing February 1, 2020, to and including February 1, 2032 (the "*Refunded Series 2011A Bonds*" and, together with the Refunded Series 2010B Bonds, the "*Refunded Bonds*"), to their optional redemption date of October 29, 2019*; (ii) paying the termination payment due to Deutsche Bank AG, New York Branch ("*Deutsche Bank*") in connection with the termination of the Deutsche Bank 2011 Swap Agreement (as hereinafter defined) between the Commission and Deutsche Bank, which Deutsche Bank 2011 Swap Agreement is evidenced by that certain International Swaps and Derivatives Association, Inc. Master Agreement dated as of July 27, 2011, by and between Deutsche Bank and the Commission, as amended by the First Amended Agreement dated as of July 27, 2011, as further revised by the letter agreement dated August 17, 2011, each between the Deutsche Bank and the Commission (collectively, the "*Swap Transaction*"); and (iii) paying the cost of issuance of the Series 2019B Refunding Bonds. See "PLAN OF REFUNDING" herein.

The Series 2019 Refunding Bonds are payable solely from and secured by the Net Revenues, which consist of (i) those certain fees and charges levied and collected from the customers of the System (the "*Sewer User Fees*") authorized to be imposed and collected in accordance with the authority granted in La. R.S. 33:1331 and La. R.S. 33:4256, and levied and collected in accordance with the Sewer User Fee Ordinance (as hereinafter defined); (ii) an irrevocable pledge and dedication of the net avails or proceeds of the special one-half of one percent ($\frac{1}{2}\%$) sales and use tax (the "*Tax*") now being levied and collected within the Parish pursuant to an election held therein on April 16, 1988, after payment of the reasonable and necessary expenses of collecting and administering the Tax (the "*Net Sales Tax Revenues*"); and (iii) less the reasonable and necessary expenses of operating and maintaining the System not otherwise paid by the Parish as required by the Local Services Agreement (the "*Net Operation and Maintenance Expenses*"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 REFUNDING BONDS – General" herein.

The Sewer User Fees and the Net Sales Tax Revenues, after payment of the Net Operation and Maintenance Expenses, are hereinafter collectively referred to as the "*Net Revenues*."

The Series 2019 Refunding Bonds are issued on a *pari passu* basis with (i) the Commission's Revenue Bonds (Department of Environmental Quality Project), Series 2010, dated April 29, 2010, issued in the original aggregate principal amount of \$8,300,000, currently outstanding in the aggregate principal amount of \$5,467,000 (the "*Series 2010 DEQ Bonds*"), (ii) the Commission's Revenue Bonds, Series 2011A (LIBOR Index), dated July 28, 2011, issued in the original aggregate principal amount of \$202,500,000, currently outstanding in the aggregate principal amount of \$171,705,000 (subject to reduction in the amount of \$79,205,000 resulting from the issuance of the Series 2019B Refunding Bonds) (the "*Series 2011A Bonds*"), (iii) the Commission's Taxable Revenue Bonds, Series 2013A, dated March 6, 2013, issued in the original aggregate principal amount of \$45,000,000, currently outstanding in the aggregate principal amount of \$35,962,617 (the "*Series 2013A Bonds*"), (iv) the Commission's Taxable Revenue Refunding Bonds, Series 2013B, dated May 2, 2013, issued in the original aggregate principal amount of \$25,390,000, currently outstanding in the aggregate principal amount of \$15,880,000 (the "*Series 2013B Bonds*"), (v) the Commission's Taxable Revenue Refunding Bonds, Series 2014A, dated December 17, 2014, issued in the original aggregate principal amount of \$127,455,000, currently outstanding in the aggregate principal amount of \$122,230,000 (the "*Series 2014A Bonds*"), (vi) the Commission's Tax-Exempt Revenue Refunding Bonds, Series 2014B, dated December 17, 2014, issued in the original aggregate principal amount of \$205,435,000, currently outstanding in the aggregate principal amount of \$205,435,000 (the "*Series 2014B Bonds*"), (vii) the Commission's Taxable Revenue Bonds (Department of Environmental Quality Project), Series 2015A, dated October 8, 2015, issued in the original aggregate principal amount of \$20,000,000, currently outstanding in the aggregate principal amount of \$17,376,749 (the "*Series 2015A DEQ Bonds*"), and (viii) the Commission's Taxable Revenue Bonds (Department of Environmental Quality Project), Series 2016A, dated May 17, 2016, issued in the original aggregate principal amount of \$12,000,000, currently outstanding in the aggregate principal amount of \$10,981,260 (the "*Series 2016A DEQ Bonds*" and, together with the Series 2010 DEQ Bonds, the Series 2011A Bonds, the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, the Series 2014B Bonds and the Series 2015A DEQ Bonds, the "*Outstanding Parity Bonds*"). Additional bonds may be issued on a *pari passu*, parity basis with the Series 2019 Refunding Bonds and the Outstanding Parity Bonds under the General Bond Resolution as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 REFUNDING BONDS - Issuance of Additional Bonds" herein.

The Outstanding Parity Bonds are secured on a senior lien basis as to security and payment with the obligations of the Commission under that certain Loan Agreement dated as of May 1, 2013 between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") and the Commission (the "*Series 2013 Loan Agreement*") executed in connection with the issuance of the Authority's \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects) Series 2013A, dated May 9, 2013, currently outstanding in the aggregate principal amount of \$126,260,000 (the "*Series 2013A Subordinate Lien Bonds*"), and the Authority's \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects) Series 2013B, dated May 9, 2013, currently outstanding in the aggregate principal amount of \$92,500,000 (the "*Series 2013B Subordinate Lien Bonds*"), and the obligations of the Commission under that certain Loan Agreement dated as of April 1, 2014 between the Commission and the Authority (the "*Series 2014 Loan Agreement*") executed in connection with the issuance of the Authority's \$209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects) Series 2014A, currently outstanding in the aggregate principal amount of \$209,785,000 (the "*Series 2014A Subordinate Lien Bonds*" and, together with the Series 2013A Subordinate Lien Bonds and the Series 2013B Subordinate Lien Bonds, the "*Outstanding Subordinate Lien Bonds*").

This Official Statement contains brief descriptions of the Series 2019 Refunding Bonds, the Sewer User Fees, the Tax, the System and the Bond Resolution. Such descriptions and information do not purport to be comprehensive or definitive, and all references to the Series 2019 Refunding Bonds and the Bond Resolution are qualified in their entirety by reference to such documents. Until the issuance and

delivery of the Series 2019 Refunding Bonds, copies of drafts of such documents described herein may be obtained from the Underwriters. After the delivery of the Series 2019 Refunding Bonds, copies of such documents will be available for inspection during normal business hours at the principal corporate trust office of the Paying Agent/Registrar located in Baton Rouge, Louisiana.

A summary of certain provisions of the Bond Resolution is included as APPENDIX A hereto. Financial and Statistical Data Relative to the City of Baton Rouge and the Parish of East Baton Rouge is included as APPENDIX B hereto. Audited Financial Statements of the City and the Parish (including the Issuer) are included as APPENDIX C hereto. An Annual Operating Budget of the City and the Parish (including the Issuer) is included as APPENDIX D hereto. A Debt Statement of the Issuer is included as APPENDIX E hereto. The proposed form of legal opinion of Butler Snow LLP, Bond Counsel, is included as APPENDIX F hereto. A form of Continuing Disclosure Agreement is included as APPENDIX G hereto.

Unless the context shall clearly indicate otherwise, all capitalized terms used in this Official Statement which are defined in the Bond Resolution, shall, for all purposes of this Official Statement, have the respective meanings given to them in the Bond Resolution. See “APPENDIX A - CERTAIN PROVISIONS OF THE BOND RESOLUTION - DEFINITIONS.”

PLAN OF REFUNDING

General

The Series 2019A Refunding Bonds are being issued for the purpose of: (i) providing sufficient funds to advance refund \$337,435,000 aggregate principal amount of the Commission’s \$357,840,000 Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds) (the “*Series 2010B Bonds*”) maturing February 1, 2021, and thereafter, to their first optional redemption date of February 1, 2020 (the “*Refunded Series 2010B Bonds*”); (ii) defeasing \$3,520,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2020 to its maturity date; and (iii) paying the costs of issuance of the Series 2019A Refunding Bonds.

The Series 2019B Refunding Bonds are being issued for the purpose of: (i) currently refunding \$79,205,000 in aggregate principal amount of the Commission’s \$202,500,000 Revenue Bonds, Series 2011A (LIBOR Index) (the “*Series 2011A Bonds*”) maturing February 1, 2020, to and including February 1, 2032, to their optional redemption date of October 29, 2019* (the “*Refunded Series 2011A Bonds*” and, together with the Refunded Series 2010B Bonds, the “*Refunded Bonds*”); (ii) paying the termination payment due to Deutsche Bank in connection with the termination of the Swap Transaction; and (iii) paying the cost of issuance of the Series 2019B Refunding Bonds.

The Series 2010B Bonds were issued for the purpose of: (i) providing funds to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System and (ii) paying the costs of issuance of the Series 2010B Bonds.

The Series 2011A Bonds were issued for the purpose of: (i) financing a portion of the costs of upgrading, rehabilitating, improving and extending the System and (ii) paying the costs of issuance of the Series 2011A Bonds.

Plan of Refunding

Refunding of Prior Bonds. A portion of the proceeds of the Series 2019A Refunding Bonds, including the original issue premium received by the Issuer with respect to the Series 2019A Refunding

Bonds, and together with funds on deposit in the 2010B East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2010B Supplemental Bond Resolution (as hereinafter defined), will be used to advance refund and defease the outstanding principal amount of the Series 2010B Bonds as described herein. The remaining proceeds of the Series 2019A Refunding Bonds will be used to pay the costs of issuance of the Series 2019A Refunding Bonds.

A portion of the proceeds of the Series 2019B Refunding Bonds, including the original issue premium received by the Issuer with respect to the Series 2019B Refunding Bonds, and together with funds on deposit in the 2011A East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2011A Supplemental Bond Resolution (as hereinafter defined), will be used to: (i) currently refund the Refunded Series 2011A Bonds as described herein and (ii) pay the termination payment due to Deutsche Bank in connection with the termination of the Swap Transaction. The remaining proceeds of the Series 2019B Refunding Bonds will be used to pay the costs of issuance of the Series 2019B Refunding Bonds.

Escrow Fund. In order to advance refund and defease the Series 2010B Bonds, a portion of the proceeds of the Series 2019A Refunding Bonds, including the premium received by the Issuer with respect to the Series 2019A Refunding Bonds, and together with funds on deposit in the 2010B East Baton Rouge Sewerage Commission Debt Service Fund, will be deposited and held in an Escrow Fund for the Series 2010B Bonds (the “*Escrow Fund*”) created pursuant to the Escrow Deposit Agreement dated as of October 1, 2019 (the “*Escrow Agreement*”) between the Issuer and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “*Escrow Agent*”). Such deposits will be used to: (i) pay principal of and interest on the Series 2010B Bonds maturing February 1, 2020 from the Date of Issuance until its maturity date, and pay principal of and interest on the Series 2010B Bonds maturing February 1, 2021, and thereafter until their optional redemption date of February 1, 2020 (the “*Series 2010B Redemption Date*”).

2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund. In order to current refund the Refunded Series 2011A Bonds, a portion of the proceeds of the Series 2019B Refunding Bonds, including the premium received by the Issuer with respect to the Series 2019B Refunding Bonds, and together with funds on deposit in the 2011A East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2011A Supplemental Bond Resolution will be deposited into the 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund and will be used to pay principal of and interest on the Refunded Series 2011A Bonds from the Date of Issuance until their optional redemption date of October 29, 2019* (the “*Series 2011A Redemption Date*” and, together with the Series 2010B Redemption Date, the “*Redemption Date*”).

In order to pay the termination payment due to Deutsche Bank in connection with the termination of the Swap Transaction, a portion of the premium received by the Issuer with respect to the Series 2019B Refunding Bonds will be deposited into the 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund on the Date of Issuance to make such termination payment on the Date of Issuance.

Upon the making of such deposits, Bond Counsel will opine that the Series 2010B Bonds will be deemed to have been paid, and will no longer be considered outstanding under the General Bond Resolution and the Supplemental Bond Resolution adopted by the Metropolitan Council on May 26, 2010, pursuant to which the Series 2010B Bonds were issued (the “*2010B Supplemental Bond Resolution*”); that the Refunded Series 2011A Bonds will be deemed to have been paid, and will no longer be considered outstanding under the General Bond Resolution and the Supplemental Bond Resolution adopted by the Metropolitan Council on July 7, 2011, pursuant to which the Series 2011A Bonds were issued (the “*2011A Supplemental Bond Resolution*”); and that the covenants, pledges and obligations of the Issuer under the General Bond Resolution, the Series 2010B Supplemental Bond

Resolution related to the Series 2010B Bonds and the Series 2011A Supplemental Bond Resolution related to the Refunded Series 2011A Bonds will have been discharged and the obligations of the Issuer to the Owners of the Series 2010B Bonds and to the Owners of the Refunded Series 2011A Bonds will have been discharged and satisfied. The Escrow Fund will be held by the Escrow Agent in trust for the payment of the principal and interest on the Series 2010B Bonds at maturity or by redemption prior to maturity on the Series 2010B Redemption Date by payment of the Series 2010B Redemption Price. The Escrow Fund will be held by the Escrow Agent separate and apart from all other funds or accounts held by the Escrow Agent. The Escrow Agent will have no lien whatsoever upon any moneys in the Escrow Fund held by it for any of its fees and costs incurred in carrying out the provisions of the Escrow Agreement, which fees and costs will be paid by the Issuer from other available funds.

Release of Transferred Proceeds. As a result of the refunding and defeasance of the Refunded Bonds, funds currently on deposit in the 2010B East Baton Rouge Sewerage Commission Construction Fund in the amount of \$2,093,754.88* (the “*2010B Transferred Proceeds*”) and funds currently on deposit in the 2011A East Baton Rouge Sewerage Commission Construction Fund in the amount of \$2,530,260.54* (the “*2011A Transferred Proceeds*”) and, together with the Series 2010B Transferred Proceeds, the “*Transferred Proceeds*”) will be released to the Commission. The Commission will cause the transfer of the 2010B Transferred Proceeds to the Series 2019A Construction Fund (as hereinafter defined) and the transfer of the 2011A Transferred Proceeds to the 2019B Construction Fund (as hereinafter defined) to be used to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System.

The Issuer will obtain an independent verification report from Causey Demgen & Moore P.C. that the funds deposited into the Escrow Fund, without any reinvestment thereof, are sufficient to satisfy the debt service requirements of the Series 2010B Refunded Bonds to and including the Series 2010B Redemption Date. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

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ESTIMATED SOURCES AND USES OF FUNDS

Set forth below is the estimated sources and uses of proceeds of the Series 2019 Refunding Bonds:

Sources

Series 2019A Bond Par Amount
Series 2019B Bond Par Amount
Original Issue Premium
Transfer from 2010B Construction Fund
Transfer from 2010B Debt Service Fund
Transfer from 2011A Construction Fund
Transfer from 2011A Debt Service Fund

Total Sources

Uses

Deposit to Escrow Fund
Deposit to 2019B Refunding Proceeds Fund
Swap Transaction Termination Payment
Transfer to 2019A Construction Fund
Transfer to 2019B Construction Fund
Costs of Issuance (including Underwriters' Discount)

Total Uses

THE SERIES 2019 REFUNDING BONDS

Description of the Series 2019 Refunding Bonds

The Series 2019 Refunding Bonds will be dated the date of their delivery, which is currently anticipated to be on October 29, 2019 (the “*Date of Issuance*”). The Series 2019 Refunding Bonds are being issued as fully registered bonds in “book-entry only” form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“*DTC*”). *DTC* will act as securities depository for the Series 2019 Refunding Bonds, and purchasers of the Series 2019 Refunding Bonds will not receive certificates representing their interest in the Series 2019 Refunding Bonds purchased. The Series 2019 Refunding Bonds are in the denomination of \$5,000 or any integral multiple thereof within a single maturity.

Interest on the Series 2019 Refunding Bonds is calculated on the basis of twelve 30-day months and a 360 day year, from the Date of Issuance or from the most recent date interest has been paid or provided for. Interest on the Series 2019 Refunding Bonds is payable on February 1, 2020, and semiannually thereafter on each February 1 and August 1, with interest falling due on and prior to maturity to be payable by check mailed by the Paying Agent/Registrar or wire transfer to the Registered Owners (determined as of the 15th calendar day of the month next preceding said interest payment date) in accordance with the terms of the *DTC* Representation Letter. See “THE SERIES 2019 REFUNDING BONDS – Book-Entry Only System” herein. If the Interest Payment Date falls on a day that is not a Business day, the payment will be made on the next Business Day as if it were made on the date the payment was due, and no interest will accrue on the amount so payable for the period from and after that Interest Payment Date to the date the payment is made.

Principal of the Series 2019 Refunding Bonds is payable beginning February 1, 2021 and annually thereafter on each February 1 in accordance with the maturity schedule set forth on the inside cover page hereof, by check or wire transfer by The Bank of New York Mellon Trust Company, N.A., in the City of Dallas, Texas, or any successor thereto (hereinafter referred to as the “*Paying Agent/Registrar*”) to Cede & Co., as nominee of DTC. Any successor Paying Agent/Registrar shall (i) be a bank or trust company in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authorities, and (ii) have a reported capital and surplus of not less than \$50,000,000 at the time of its appointment.

Limited Liability

THE SERIES 2019 REFUNDING BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. THE SERIES 2019 REFUNDING BONDS CONSTITUTE A BORROWING SOLELY UPON THE CREDIT OF THE NET REVENUES RECEIVED BY THE ISSUER AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS RELATING TO THE INCURRING OF INDEBTEDNESS.

Book-Entry Only System

The Depository Trust Company (“*DTC*”), New York, NY, will act as securities depository for the Series 2019 Refunding Bonds. The Series 2019 Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Refunding Bond will be delivered for each maturity of the Series 2019 Refunding Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Refunding Bond (the "*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2019 Refunding Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2019 Refunding Bonds, except in the event that use of the book-entry system for the Series 2019 Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Refunding Bonds deposited by the Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the Series 2019 Refunding Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019 Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Paying Agent; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect

Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Refunding Bonds at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not named, Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Bonds depository). In that event, security certificates will be printed and delivered to DTC.

THE ISSUER, THE PAYING AGENT AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2019 REFUNDING BONDS, (i) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2019 REFUNDING BONDS, (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2019 REFUNDING BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2019 REFUNDING BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE PAYING AGENT NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: (1) THE SERIES 2019 REFUNDING BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE SERIES 2019 REFUNDING BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS OF THE SERIES 2019 REFUNDING BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2019 REFUNDING BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2019 REFUNDING BONDS.

In reading this Official Statement, it should be understood that while the Series 2019 Refunding Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Participant acquires an interest in the Series 2019 Refunding Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Bond Resolution will be given only to DTC.

Removal From Book-Entry Only System

In the event the Series 2019 Refunding Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Series 2019 Refunding Bonds shall be payable to the person in

whose names the Series 2019 Refunding Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Series 2019 Refunding Bonds shall be made to the Registered Owners of the Series 2019 Refunding Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Paying Agent/Registrar and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Paying Agent/Registrar prior to the applicable Record Date. The principal amount of any Series 2019 Refunding Bond and premium, if any, together with interest payable on any Bond Payment Date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Series 2019 Refunding Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Paying Agent/Registrar designated by the Paying Agent/Registrar for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Series 2019 Refunding Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning \$1,000,000 or more in aggregate principal amount of Series 2019 Refunding Bonds (if requested in writing of the Paying Agent/Registrar by such Bondholder not less than five (5) days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Paying Agent/Registrar). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five (5) days prior to the Record Date for the first Series 2019 Refunding Bond payment date to which such rescission is designated to apply. If interest on the Series 2019 Refunding Bonds is in default, the Paying Agent/Registrar shall, prior to payment of interest, establish a special record date (the “*Special Record Date*”) for such payment, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Series 2019 Refunding Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

Redemption of the Series 2019 Refunding Bonds*

Series 2019A Refunding Bonds

Optional Redemption.

The Series 2019A Refunding Bonds maturing February 1, 20__, and thereafter, are subject to redemption at the option of the Issuer prior to their stated maturities in whole or in part at any time on and after February 1, 20__, in the order directed by the Issuer, and in the event that less than all of such Series 2019A Refunding Bonds of any maturity are called for redemption, the particular Series 2019A Refunding Bonds of such maturity to be redeemed shall be selected as described below. Any Series 2019A Refunding Bond made the subject of such call or calls shall be redeemed at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

Scheduled Mandatory Redemption.

The Series 2019A Refunding Bonds maturing February 1, 20__, will be subject to mandatory redemption and payment prior to maturity on February 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Payment Date
(February 1)

Principal Amount

*

*Final maturity.

The Paying Agent/Registrar shall, if requested to do so by the Commission not less than 60 days in advance of a redemption date referred to above, reduce the amount of Series 2019A Refunding Bonds to be redeemed on any date by the amount of Series 2019A Refunding Bonds previously redeemed as described in "Optional Redemption" hereinabove or delivered to the Paying Agent/Registrar for cancellation, and which have not previously formed the basis for such a reduction.

Series 2019B Refunding Bonds

Optional Redemption.

The Series 2019B Refunding Bonds maturing February 1, 20__, and thereafter, are subject to redemption at the option of the Issuer prior to their stated maturities in whole or in part at any time on and after February 1, 20__, in the order directed by the Issuer, and in the event that less than all of such Series 2019B Refunding Bonds of any maturity are called for redemption, the particular Series 2019B Refunding Bonds of such maturity to be redeemed shall be selected as described below. Any Series 2019B Refunding Bond made the subject of such call or calls shall be redeemed at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

Notice of Redemption

In the event any of the Series 2019 Refunding Bonds are called for redemption, the Paying Agent/Registrar shall give notice, in the name of the Commission, of the redemption of such Series 2019 Refunding Bonds, which notice shall (i) specify the Series 2019 Refunding Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Paying Agent/Registrar) and, if less than all of the Series 2019 Refunding Bonds are to be redeemed, the numbers of the Series 2019 Refunding Bonds, and the portions of the Series 2019 Refunding Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Series 2019 Refunding Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Series 2019 Refunding Bonds to be redeemed at its address shown on the registration books kept by the Paying Agent/Registrar; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Series 2019 Refunding Bonds. The Paying Agent/Registrar shall send a second notice of redemption by certified mail return receipt requested to any registered Holder who has not submitted Series 2019 Refunding Bonds called for redemption thirty (30) days after the redemption date, provided, however, that the failure to give any second notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of any of the Series 2019 Refunding Bonds and the Paying Agent/Registrar shall not be liable for any failure by the Paying Agent/Registrar to send any second notice.

Selection of Series 2019 Refunding Bonds to be Redeemed

If less than all of the Series 2019 Refunding Bonds are to be redeemed, the particular maturities of Series 2019 Refunding Bonds to be redeemed under the caption titled “*Optional Redemption*” shall be selected subject to any requirements of this section.

A redemption of Series 2019 Refunding Bonds shall be a redemption of the whole or of any part of the Series 2019 Refunding Bonds, provided, that there shall be no partial redemption of less than \$5,000.

If less than all of the Series 2019 Refunding Bonds of a particular maturity are called for redemption, the Series 2019 Refunding Bonds within such maturity to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules or procedures or, if the book-entry system is discontinued, will be selected by the Paying Agent/Registrar by lot in such manner as the Paying Agent/Registrar in its discretion may determine.

In the event a Series 2019 Refunding Bonds to be redeemed is of a denomination larger than \$5,000, a portion of such Series 2019 Refunding Bond (\$5,000 or any multiple thereof) may be redeemed. Any Series 2019 Refunding Bond which is to be redeemed only in part shall be surrendered at the principal corporate trust office of the Paying Agent/Registrar and there shall be delivered to the Owner of such Series 2019 Refunding Bond, a Series 2019 Refunding Bond or Series 2019 Refunding Bonds of the same maturity and of any authorized denomination or denominations as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal for the Series 2019 Refunding Bond surrendered.

If there shall be called for redemption less than all of a Series 2019 Refunding Bond, the Commission shall execute and deliver and the Paying Agent/Registrar shall authenticate, upon surrender of such Series 2019 Refunding Bond, without charge to the owner thereof, a replacement Series 2019 Refunding Bond in the principal amount of the unredeemed balance of the Series 2019 Refunding Bond so surrendered.

Effect of Redemption

Any Series 2019 Refunding Bonds and portions of Series 2019 Refunding Bonds which have been duly selected for redemption and which are paid as set forth herein shall cease to bear interest on the specified redemption date.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 REFUNDING BONDS

General

The Series 2019 Refunding Bonds are limited and special obligations of the Issuer and secured by the Net Revenues.

For a debt service schedule for Outstanding Parity Bonds and the Series 2019 Refunding Bonds see “DEBT SERVICE REQUIREMENTS” herein.

On August 9, 2006, the Metropolitan Council adopted a resolution amending the General Sales Tax Bond Resolution No. 28101 for the purpose of prohibiting the issuance thereunder by the Parish of

additional sales tax revenue bonds secured by and payable from the revenues of the Tax. Such prohibition does not apply to bonds issued by the Commission and secured by the Net Revenues such as the Series 2019 Refunding Bonds.

The Series 2019 Refunding Bonds, on a *pari passu* basis with the Outstanding Parity Bonds and any Additional Bonds, shall be payable from, and shall be secured by a pledge of and a lien upon, the Net Revenues.

THE SERIES 2019 REFUNDING BONDS CONSTITUTE A BORROWING SOLELY UPON THE CREDIT OF THE NET REVENUES RECEIVED BY THE ISSUER AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS RELATING TO THE INCURRING OF INDEBTEDNESS.

The Net Revenues

The Series 2019 Refunding Bonds are secured solely by the Net Revenues. “*Net Revenues*” means, collectively, the Sewer User Fees and the Net Sales Tax Revenues, after payment of the Net Operation and Maintenance Expenses.

Information regarding the Sewer User Fees and the Tax are set forth herein.

Sewer User Fees

The Sewer User Fees are collected by the Commission from all users of the System based on a schedule of rates and charges set forth in the Sewer User Fee Ordinance (as hereinafter defined). In the Bond Resolution, the Commission has agreed to properly operate and maintain the System, adequately insure the System and set rates and charges for use of the System at rates, together with the Net Sales Tax Revenues, sufficient to pay debt service on all bonds issued under the Bond Resolution.

The Tax

The Tax is levied in accordance with the Sewer Sales Tax Ordinance. The Tax is levied upon the sale at retail, the use, the consumption, the distribution and the storage in the Parish of each item of tangible personal property, and upon the lease or rental of such property and the sale of services within the Parish, and upon the furnishing, preparing or serving of articles of tangible personal property, as defined in the Sewer Sales Tax Ordinance.

Pursuant to the Agreement, specifically the Fifth Amendatory Intergovernmental Agreement, and pursuant to the provisions of the Bond Resolution, the Parish has expressly agreed to transfer the Net Sales Tax Revenues to the Issuer as security for and payment of the Series 2019 Refunding Bonds, the Outstanding Parity Bonds and any other bonds or other obligations issued under the General Bond Resolution.

On August 9, 2006, the Metropolitan Council adopted a resolution amending the General Sales Tax Bond Resolution No. 28101 (pursuant to which the Parish issued sales tax revenue bonds secured by and payable from the revenues of the Tax) for the purpose of prohibiting the issuance by the Parish thereunder of additional sales tax revenue bonds secured by and payable from the revenues of the Tax.

The Parish, through the Metropolitan Council, is bound under the terms and provisions of laws, to levy, impose, enforce and collect the Tax and to provide for all reasonable and necessary rules,

regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Series 2019 Refunding Bonds, the Outstanding Parity Bonds and any other bonds or other obligations issued under the General Bond Resolution have been retired as to both principal and interest.

(NOTE: The Parish levies and collects additional sales and use taxes, however, said additional taxes do not serve as security for the Series 2019 Refunding Bonds or the Outstanding Parity Bonds).

The following chart shows recent collection history of the Tax and Sewer User Fees:

	<u>Sales Tax</u>	<u>Sewer User Fees</u>	<u>Total</u>
2008	\$41,653,496	\$64,000,239	\$105,653,735
2009	38,564,115	67,558,363	106,122,478
2010	37,573,485	68,945,984	106,519,469
2011	39,006,812	71,080,290	110,087,102
2012	41,697,207	72,457,233	114,154,440
2013	42,028,495	73,472,833	115,501,328
2014	43,290,278	74,714,432	118,004,710
2015	44,454,037	77,932,065	122,386,102
2016	47,773,396	80,172,121	127,945,517
2017	47,446,700	87,717,898	135,164,598
2018	46,304,527	88,172,815	134,477,342

Source: City-Parish, Finance Department.

For additional information on the Sales Tax and Sewer User Fee, see “THE SYSTEM”, “INFORMATION CONCERNING THE SEWER USER FEES SECURING THE SERIES 2019 REFUNDING BONDS”, and “INFORMATION RELATING TO THE SALES AND USE TAX SECURING THE SERIES 2019 REFUNDING BONDS”.

Rate Covenant

In the Bond Resolution, the Issuer covenants and agrees that it will, at all times, prescribe and maintain and thereafter establish rates and collect charges, or cause to be established rates and cause to be collected charges, for the services and facilities furnished to the customers of the System which are reasonably expected to yield annual Net Revenues (including Net Sales Tax Revenues) in the then current Fiscal Year (a) equal to at least one hundred fifteen percent (115%) of the Annual Principal and Interest Requirement in such Fiscal Year on all Outstanding Parity Bonds (including the Series 2019 Refunding Bonds), and (b) equal to at least one hundred percent (100%) of the Annual Principal and Interest Requirement in each such Fiscal Year on all Junior Lien Bonds, if any; and, promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each Fiscal Year, the Issuer shall adopt an Annual Budget including any amended rate schedules for such Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Net Operation and Maintenance Expenses for each such Fiscal Year and which shall include appropriations for the estimated Net Operation and Maintenance Expenses for each such Fiscal Year. The Issuer may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

Interest Rate Hedge Agreements

In order to hedge its exposure to variable interest rates in connection with the Series 2011A Bonds, the Commission entered into separate forward starting hedge agreements with Merrill Lynch Capital Services, Inc., which were later transferred to Bank of America, National Association (“*Bank of America*”) in the original aggregate notional amount of \$92,500,000 (the “*Bank of America Swap Agreement*”), currently outstanding in the aggregate notional amount of \$92,500,000, and with Deutsche Bank AG, New York Branch (“*Deutsche Bank*”) in the original aggregate notional amount of \$110,000,000 (the “*Deutsche Bank 2011 Swap Agreement*” and, together with the Bank of America Swap Agreement, the “*2011 Swap Agreements*”), currently outstanding in the aggregate notional amount of \$79,205,000. Payments under the 2011 Swap Agreements commenced on August 1, 2011 and are secured by a pledge of and lien and charge on the Net Revenues on a *pari passu* basis to the pledge of and lien and charge on the Net Revenues securing the Outstanding Parity Bonds. Termination payments under the 2011 Swap Agreements are subordinate to the pledge of and lien and charge of the Net Revenues securing the Outstanding Parity Bonds. The 2011 Swap Agreements provide for collateral posting by the parties thereto under certain terms and provisions thereunder. The 2011 Swap Agreements provide for the payment of a synthetic fixed rate with respect to \$202,500,000 of the original principal amount of the Series 2011A Bonds, which are currently outstanding in the aggregate principal amount of \$171,705,000. The Commission has posted collateral pursuant to the terms of both of the 2011 Swap Agreements and the amount of the collateral posted is subject to change. The Deutsche Bank 2011 Swap Agreement will be terminated in connection with the issuance of the Series 2019B Refunding Bonds.

In order to hedge its exposure to variable interest rates in connection with the Series 2013B Bonds, the Commission entered into a forward starting hedge agreement with Deutsche Bank in the original aggregate notional amount equal to \$92,500,000 (the “*Deutsche Bank 2013 Swap Agreement*”), currently outstanding in the aggregate notional amount of \$92,500,000. Payments under the Deutsche Bank 2013 Swap Agreement commenced on August 1, 2013, and hedge payments made under such Deutsche Bank 2013 Swap Agreement are secured by a pledge of and lien and charge on the Net Revenues which is subordinate to the pledge of and lien and charge on the Net Revenues securing the Outstanding Parity Bonds and the Series 2019 Refunding Bonds but on parity with the lien thereon in favor of the Outstanding Subordinate Lien Bonds. Termination Payments under such Deutsche Bank 2013 Swap Agreement are subordinate to the pledge of and lien and charge of the Net Revenues securing the Outstanding Parity Bonds, the Series 2019 Refunding Bonds and the Outstanding Subordinate Lien Bonds. The Deutsche Bank Series 2013 Swap Agreement provides for collateral posting by the parties thereto under certain terms and provisions thereunder. The Deutsche Bank 2013 Swap Agreement provides for the payment of a synthetic fixed rate with respect to \$92,500,000 of the original payment obligations of the Commission under the Series 2013 Loan Agreement, which are currently outstanding in the aggregate amount of \$92,500,000. The Commission has posted collateral pursuant to the terms of the Deutsche Bank 2013 Swap Agreement and the amount of the collateral posted is subject to change.

If the Commission is required to make substantial termination payments, the liquidity of the System could be adversely affected, depending on market conditions. It is not expected that the Commission will enter into other interest rate hedging transactions payable from Net Revenues in the future.

Flow of Funds

Pursuant to the Sewer User Fee Ordinance, the Metropolitan Council created the Parish Sewer User Fee Fund. All Sewer User Fees are required to be deposited to such Parish Sewer User Fee Fund. Pursuant to the provisions of the Bond Resolution, the Parish Sewer User Fee Fund shall continue to be used by the Issuer as the fund pursuant to which all Sewer User Fees are deposited.

Pursuant to Ordinance 8823 adopted by the Metropolitan Council on December 14, 1988, the Metropolitan Council established the Sewer Sales Tax Fund pursuant to which all avails or proceeds of the Tax are deposited. Pursuant to the provisions of the Bond Resolution, the Sewer Sales Tax Fund shall continue to be used by the Parish as the fund pursuant to which all avails or proceeds of the Tax are to be deposited.

In addition, the Issuer, in the Bond Resolution, has established and created the following special accounting funds and accounts to be held by the Issuer's Fiscal Agent for the Issuer for the equal and ratable benefit and security for the Owners of the Series 2019 Refunding Bonds which funds shall be maintained and separately accounted for by the Issuer for purposes of the Series 2019 Refunding Bonds:

- (1) 2019A East Baton Rouge Sewerage Commission Refunding Proceeds Fund (the "2019A Refunding Proceeds Fund");
- (2) 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund (the "2019B Refunding Proceeds Fund");
- (3) 2019A East Baton Rouge Sewerage Construction Fund (the "2019A Construction Fund");
- (4) 2019B East Baton Rouge Sewerage Construction Fund (the "2019B Construction Fund");
- (5) 2019A East Baton Rouge Sewerage Commission Debt Service Account (the "2019A Debt Service Account"); and
- (6) 2019B East Baton Rouge Sewerage Commission Debt Service Account (the "2019B Debt Service Account").

Upon delivery of the Series 2019A Refunding Bonds, an amount of proceeds of the Series 2019A Refunding Bonds equal to \$ _____, shall be deposited into the 2019A Refunding Proceeds Fund. Furthermore, \$ _____ on deposit therein shall immediately be transferred into the Escrow Fund created and established pursuant to the Escrow Deposit Agreement for the purpose of (i) defeasing the Series 2010B Bonds maturing February 1, 2020, on its maturity date, and (ii) advance refunding the Series 2010B Bonds maturing February 1, 2021, and thereafter, on the dates and in the amounts as set forth in the Escrow Deposit Agreement. See "**PLAN OF REFUNDING**" herein.

Upon delivery of the Series 2019B Refunding Bonds, an amount of proceeds of the Series 2019B Refunding Bonds equal to \$ _____ shall be deposited into the 2019B Refunding Proceeds Fund. Furthermore, (a) \$ _____ of the funds on deposit therein shall be used for the purpose of current refunding \$79,205,000 of the Series 2011A Bonds maturing February 1, 2020, to and including February 1, 2032, on October 29, 2019*, and (b) \$ _____ of the funds on deposit therein shall be used to pay the termination payment due to Deutsche Bank as a result of the termination of the Swap Transaction.

In addition, on the date of delivery, the Commission will cause its Fiscal Agent (a) to transfer the 2010B Transferred Proceeds into the 2019A Construction Fund, and (b) to transfer the 2011A Transferred Proceeds into the 2019B Construction Fund, in each case to provide funds to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System.

In addition, upon delivery of the Series 2019A Refunding Bonds, a portion of the proceeds of the Series 2019A Refunding Bonds shall be deposited into the Series 2019A Construction Fund in order to pay the costs of issuance of the Series 2019A Refunding Bonds, and upon delivery of the Series 2019B Refunding Bonds, a portion of the proceeds of the Series 2019B Refunding Bonds shall be deposited into the Series 2019B Construction Fund in order to pay the costs of issuance of the Series 2019B Refunding Bonds.

All moneys or securities deposited into the Debt Service Fund pursuant to the Bond Resolution shall be held in trust by the Fiscal Agent of the Issuer and applied only in accordance with the provisions thereof and shall be considered trust funds for the purposes of the Bond Resolution.

From the Parish Sewer User Fee Account and the Sewer Sales Tax Account in the Sewer Operations and Maintenance Fund (after payment of the cost of collecting the Tax), the following payments, in addition to those payments and/or transfers required to be made in connection with the Outstanding Parity Bonds and any other bonds or other obligations issued under the General Bond Resolution shall be made at the time, in the amounts and in the order as follows:

FIRST: (A) To the Fiscal Agent for deposit in the Series 2019A East Baton Rouge Sewerage Commission Debt Service Account of the Debt Service Fund an amount sufficient to pay promptly and fully the principal of and the interest on the Series 2019A Refunding Bonds as they severally become due and payable, by transferring from the Parish Sewer User Fee Account and the Sewer Sales Tax Account in the Sewer Operations and Maintenance Fund to the regularly designated Fiscal Agent of the Issuer, (a) monthly in advance on or before the last Business Day of each month of each year, commencing December 31, 2019, a sum equal to one-half (1/2) of the interest falling due on the Series 2019A Refunding Bonds on February 1, 2020, and thereafter, (b) monthly in advance on or before the last Business Day of each month of each year, commencing February 28, 2020, a sum equal to one-sixth (1/6th) of the interest falling due on the Series 2019A Refunding Bonds on the next Interest Payment Date, plus (c) monthly in advance on or before the last Business Day of each month of each year, commencing December 31, 2019, a sum equal to one-half (1/2) of the principal falling due on the Series 2019A Refunding Bonds on February 1, 2020, and thereafter, (d) monthly in advance on or before the last Business Day of each month of each year commencing February 28, 2020, a sum equal to one twelfth (1/12th) of the principal falling due on the Series 2019A Refunding Bonds on the next Principal Payment Date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.

(B) To the Fiscal Agent for deposit in the Series 2019B East Baton Rouge Sewerage Commission Debt Service Account of the Debt Service Fund an amount sufficient to pay promptly and fully the principal of and the interest on the Series 2019B Refunding Bonds as they severally become due and payable, by transferring from the Parish Sewer User Fee Account and the Sewer Sales Tax Account in the Sewer Operations and Maintenance Fund to the regularly designated Fiscal Agent of the Issuer, (a) monthly in advance on or before the last Business Day of each month of each year, commencing December 31, 2019, a sum equal to one-half (1/2) of the interest falling due on the Series 2019B Refunding Bonds on February 1, 2020, and thereafter, (b) monthly in advance on or before the last Business Day of each month of each year, commencing

February 28, 2020, a sum equal to one-sixth (1/6th) of the interest falling due on the Series 2019B Refunding Bonds on the next Interest Payment Date, plus (c) monthly in advance on or before the last day of each month of each year, commencing December 31, 2019, a sum equal to one-half (1/2) of the principal falling due on the Series 2019B Refunding Bonds on February 1, 2020, and thereafter, (d) monthly in advance on or before the last Business Day of each month of each year, commencing February 28, 2020, a sum equal to one twelfth (1/12th) of the principal falling due on the Series 2019B Refunding Bonds on the next Principal Payment Date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.

SECOND: Any moneys remaining in the Parish Sewer User Fee Account and the Sewer Sales Tax Account in the Sewer Operations and Maintenance Fund on the last day of each month and after making the required payments into the funds and accounts as set forth in First above for the current month and for prior months during which the required payments may not have been made, and after satisfying all payment obligations for the Outstanding Parity Bonds and the Outstanding Subordinate Lien Bonds, shall be considered surplus. Such surplus may be used by the Issuer for any lawful purpose of the Issuer, or for the purpose of retiring Bonds, including the Outstanding Parity Bonds, the Outstanding Subordinate Lien Bonds and the Series 2019 Refunding Bonds, in advance of their maturities, either by purchase of Bonds then Outstanding at prices not greater than the applicable redemption prices of said Bonds or by retiring such Bonds at the prices and in the manner hereinbefore set forth in the General Bond Resolution, as supplemented from time to time in connection with the issuance of the Outstanding Parity Bonds and the Outstanding Subordinate Lien Bonds, and in any Supplemental Resolution.

Issuance of Additional Bonds

Under the Bond Resolution, the Issuer is not permitted to issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues having priority over or parity with the Series 2019 Refunding Bonds and the Outstanding Parity Bonds, except that: (a) under the following conditions the Series 2019 Refunding Bonds and the Outstanding Parity Bonds may be refunded without losing their rank of lien, and (b) parity bonds may be issued upon compliance with the following parity provisions:

1. Additional Bonds may be issued to refund all or any portion of the Series 2019 Refunding Bonds and the Outstanding Parity Bonds, including interest and redemption premiums thereon, and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Series 2019 Refunding Bonds and the Outstanding Parity Bonds which are not refunded, if any; provided, however, that if only a portion of the Series 2019 Refunding Bonds and the Outstanding Parity Bonds is so refunded and the refunding bonds require total principal and interest payments during a Bond Year in excess of the principal and interest which would have been required in such Bond Year to pay the Series 2019 Refunding Bonds and the Outstanding Parity Bonds refunded thereby, then such Series 2019 Refunding Bonds and Outstanding Parity Bonds may not be refunded without consent of the owners of the unrefunded portion of the Series 2019 Refunding Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause 2 below).

2. Additional Bonds may also be issued on a parity with the Series 2019 Refunding Bonds and the Outstanding Parity Bonds if all of the following conditions are met:
 - (a) The average annual Net Revenues for the two (2) completed Fiscal Years immediately preceding the issuance of the Additional Bonds must have been not less than one hundred twenty-five percent (125%) (or such other amount as set forth in a Supplemental Resolution) of the highest combined Annual Principal and Interest Requirements for any succeeding Fiscal Year on all Bonds then Outstanding, including any Additional Bonds theretofore issued and then Outstanding and any other obligations whatsoever then Outstanding issued on a parity with the Series 2019 Refunding Bonds then Outstanding and which are payable from the Net Revenues (but not including Bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the Additional Bonds so proposed to be issued. For purposes of this test, if Variable Rate Bonds are to be or have been issued, the interest rate thereon for purposes of determining the highest combined Annual Principal and Interest Requirements shall be the Certified Interest Rate. In making the calculation required by this subparagraph, if the Issuer has adopted higher rates for sewer services on or before the date of issuance of the Additional Bonds, the calculation of average annual Net Revenues for the previous two completed Fiscal Years may be made assuming such rates had been in effect during such period.
 - (b) The payments to be made into the various funds provided for in the Bond Resolution must have been paid in full.
 - (c) The existence of the facts required by subsections (a) and (b) above must be certified by the Treasurer of the City and the Parish or the successor thereto.
 - (d) The Additional Bonds must be payable on February 1 of each year in which principal falls due and payable as to interest on February 1 and August 1 of each year.
 - (e) The proceeds of the Additional Bonds must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System or to refund obligations issued for such purposes.
 - (f) The Bond Insurer (as defined in the Bond Resolution) must be notified of the issuance of such Additional Bonds on or before the delivery date thereof.

Additional Provisions

Bond Resolution to Constitute Contract

The Bond Resolution shall constitute a contract between the Issuer and the Owners from time to time of the Series 2019 Refunding Bonds. The provisions, covenants and agreements set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2019 Refunding Bonds, each of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Bond Resolution.

Tax Covenants

For a description of various covenants and security provisions of the Bond Resolution, see “APPENDIX A - CERTAIN PROVISIONS OF THE BOND RESOLUTION”.

DEBT SERVICE REQUIREMENTS

The table below sets forth the Debt Service Requirements for the Outstanding Parity Bonds and the Debt Service Requirements for the Series 2019 Refunding Bonds:

Fiscal Year Ended	Total Outstanding Parity Bond Debt Service*†	Series 2019 Debt Service			Total Aggregate Debt Service
		Principal	Interest	Total	
2019	\$ 56,362,684				
2020	59,392,236				
2021	62,388,934				
2022	63,551,150				
2023	63,627,827				
2024	63,782,103				
2025	59,749,038				
2026	59,705,702				
2027	59,657,477				
2028	59,619,293				
2029	59,564,141				
2030	59,510,340				
2031	59,459,103				
2032	56,570,455				
2033	51,844,133				
2034	51,828,602				
2035	49,264,521				
2036	55,927,767				
2037	54,847,986				
2038	54,822,999				
2039	54,289,235				
2040	50,827,827				
2041	50,780,077				
2042	50,743,724				
2043	50,691,004				
2044	50,639,254				
2045	50,590,300				
2046	10,421,806				
Total	\$1,530,459,718				

* Interest is calculated net of the direct pay subsidy associated with the Commission’s Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds). The interest on such bonds assumes an effective subsidy of 32.935% to account for a reduction of 5.9% due to sequestration. The subsidy rate is subject to change. Debt service does not include spreads associated with existing hedged variable rate debt.

† Includes debt service for the Series 2010B Bonds, which will be refunded by the Series 2019A Refunding Bonds, and the Series 2011A Bonds, a portion of which will be refunded by the Series 2019B Refunding Bonds.

The table below sets forth debt service coverage calculations:

	Actual 2016	Actual 2017	Actual 2018
Sales Tax Revenues	\$47,773,396	\$47,446,700	\$46,304,527
Interest Earnings on Debt Service and Sales Tax Funds, Audits, Penalties	(210,412)	477,634	350,758
Less: Sales Tax Collection Cost	(435,793)	(395,758)	(457,407)
Net Sales Tax Revenues	\$47,127,191	\$47,528,576	\$46,197,878
Sewer User Fee Revenues	\$80,172,121	\$87,717,898	\$88,172,815
Miscellaneous Revenues	1,420,670	2,833,590	5,446,088
Interest Earnings	396,667	997,302	1,962,107
Less: Operating & Maintenance Expenses	<u>(44,387,591)</u>	<u>(45,513,710)</u>	<u>(49,035,973)</u>
Net Revenues Available for Debt Service	\$84,729,058	\$93,563,656	\$92,742,915
Senior Lien Debt Service	47,451,601	49,966,632	50,598,909
Senior Lien Debt Service Coverage	1.79	1.87	1.83

THE ISSUER

The Parish, the City and the District created the Commission pursuant to the provisions of the Local Services Law as a body corporate and political subdivision of the State of Louisiana on October 1, 1986, for the purpose of constructing, acquiring, extending, improving, using, operating and maintaining the System, including the two major wastewater treatment plants and the collection system. Currently, the System serves all of the areas within the boundaries of the Parish. The System service area includes the cities of Baton Rouge, Baker, Central and Zachary, and Southern and Louisiana State Universities. The System includes two (2) major wastewater treatment facilities for treatment of wastewater, the North and the South treatment plants. See “THE SYSTEM” herein.

Governing Authority

All powers of the Commission are vested in the Board of Commissioners comprised of the members who, from time to time, make up the membership of the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, the governing authority of the City and the Parish named in the front of this Official Statement.

Pursuant to the Local Services Law, the Commission has the authority to levy and collect certain fees and charges from customers of the System.

Comprehensive Annual Financial Report

Audited Financial Statements of the Parish, including the Commission, for the year ended December 31, 2018, are included as “APPENDIX C – COMPREHENSIVE ANNUAL FINANCIAL REPORT” hereto. Postlethwaite and Netterville, APAC, the independent auditor for the City-Parish, has not been engaged to perform and has not performed, since the date of their report included herein, any procedures on the financial statements addressed in their report referred to in this Official Statement. Postlethwaite and Netterville also has not performed any procedures relating to this Official Statement. For the actual revenues, expenditures, and other financing sources and uses of the Parish Sewer Sales Tax Fund and the Sewer User Fee Fund of the Commission for the Fiscal Year ending December 31, 2018, see “APPENDIX C – COMPREHENSIVE ANNUAL FINANCIAL REPORT.”

THE SYSTEM

Department of Environmental Services

The System is operated by the Commission through the Department of Environmental Services. The Department of Environmental Services is responsible for a wide variety of activities consisting of maintenance and operation of sewer treatment plants; maintenance of sewer lines; and coordination of environmental activities, including enforcement of regulations; operation of the sanitary landfill.

The Director of the Department of Environmental Services is Richard Speer, P.E. The Department of Environmental Services currently has approximately 309 total employees of which approximately 271 work in the sewer section.

Current Description of the System

The Commission owns and operates, through the Department of Environmental Services, a highly complex wastewater collection system developed over the past 100+ years. With over 500 pump stations, 2,100 miles of pipe, 41,000 manholes, peak capacity of 335 MGD, and a population of approximately 440,000 people, the System includes a combination of gravity sewers, lift stations, and an extensive manifold force main system with in-line booster pumps. The aging System experiences numerous sanitary sewer overflows (SSOs) and system back-ups and is currently under a Consent Decree issued by the Environmental Protection Agency (the "EPA") for certain improvements to the System that must be completed by December 31, 2014. The City-Parish and the EPA negotiated an extension of the consent decree through December 31, 2018. The required projects were in operation as of the December 31, 2018 deadline, which was the consent decree's 100% milestone for the construction projects. The SSO Capital Improvements Program is in a 2-year monitoring period with the EPA and will apply for termination of the consent decree at the end of the monitoring period.

The Commission owns and operates, through the Department of Environmental Services, two wastewater treatment plants (WWTP) and most of the collection systems draining to these treatment plants. The portions of the collection systems not owned by the Commission are privately owned and operated by suburban communities. There are no hydraulic connections between each of these service areas. The North and South WWTP service areas contain both gravity conveyance systems as well as pressure transmission networks.

The Commission owns and operates, through the Department of Environmental Services, the North WWTP and South WWTP. The two wastewater treatment plants are permitted as secondary treatment facilities. Both discharge directly into the Mississippi River or to its tributary. The discharge limits require an average monthly limit of 30 milligrams per liter (mg/l) for 5-day biochemical oxygen demand (BOD₅) and total suspended solids (TSS) and a weekly maximum average of 45 mg/l for both of these parameters. The plants have fecal coliform discharge limits of 200 colonies per 1000 milliliters (ml) average and 400 colonies per 1000 ml peak. Because the treatment plants provide disinfection by sodium hypochlorite, the plants also have specific total chlorine residual (TRC) limitations, which vary between the plants.

The treatment process for both plants generally includes preliminary treatment including screening and grit removal, primary clarification, biological treatment through trickling filters, secondary clarification, and disinfection through use of sodium hypochlorite. The North and South WWTPs generally operate within the discharge permit limitations.

The Commission’s collection system consists of local gravity collection sewers, gravity interceptors, force mains and over 500 pump stations. There are approximately 2,100 miles of force main and gravity sewers within the System. The total area served by the tributary collection systems is approximately 270 square miles. The following table summarizes the length of gravity pipe within the collection system by pipe diameter. Pipe sizes with less than 500 feet of pipe were not included in this table.

Summary of Gravity Sewer Pipe Length

<u>Pipe Diameter (in.)</u>	<u>Length (ft)</u>	<u>Pipe Diameter (in.)</u>	<u>Length (ft)</u>
4	1,800	24	103,500
3	800	27	13,100
6	66,300	30	46,700
8	8,016,000	33	3,100
9	900	36	77,400
10	336,100	38	700
12	262,400	42	36,600
15	150,200	48	29,500
18	151,000	greater than 48	73,300
21	42,800	--	--
Total Length of Pipe in Collection System (ft)			9,411,500

The Issuer’s collection system is divided into two major service areas: North and South. Each of these service areas has a dedicated treatment plant. The South and North systems have both a gravity network and a pressure transmission network. There are short stretches of gravity sewers in both the North and South pressure networks. The Central Plant was decommissioned in 2017 as part of the Sanitary Sewer Overflow (SSO) Capital Improvements Program and its flows were routed to the South Plant.

The collection system is mostly 8-inch pipe, which comprises approximately 85% of the gravity system. Neighborhoods are served exclusively by a network of 8-inch sewers and drain, or are pumped, to larger diameter sewers, which ultimately flow to one of the main trunk lines leading to the plants. A 54-inch gravity sewer and a 54-inch pressure sewer enter the North WWTP. Influent to the former Central WWTP is pumped from three pump stations (PS59, PS1, and Louisiana State University (LSU)) to PS42 which now transmits those flows to the South WWTP. The South WWTP is currently fed by a 72-inch gravity sewer and three large diameter force mains (two 60-inch and one 64-inch). A new force main that carries flow to the South WWTP has been constructed from Nicholson Drive to Gardere Lane and serves the new developments along Burbank Drive and Bluebonnet Blvd.

Customers of the System

The number of users of the System is shown on the following table:

<u>Year</u>	<u>Customers</u>
2009	136,251
2010	136,463
2011	136,940
2012	137,454
2013	138,147
2014	139,340
2015	146,791
2016	148,766
2017	151,447
2018	152,782

Source: City-Parish, Department of Environmental Services.

Treatment Facilities Capacities Summary:

<u>Treatment Facility</u>	<u>Treatment Facility Capacity (MGD)</u>	<u>Treatment Facility Average Treated Effluent (MGD)</u>	<u>Treatment Facility Peak Treated Effluent (MGD)</u>
North Wastewater Treatment Facility	130	14	54
South Wastewater Treatment Facility	205	50	76

Source: City-Parish, Department of Environmental Services.

For more information regarding the Sewer User Fees, see “INFORMATION CONCERNING THE SEWER USER FEES SECURING THE SERIES 2019 REFUNDING BONDS,” which includes historical and current charges for sewer services of the System.

Sewer Capital Improvement Program

The City-Parish entered into a consent decree with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) relative to sanitary sewer overflow improvements in East Baton Rouge Parish on March 14, 2002. The consent decree required the City-Parish to make sewer infrastructure improvements to reduce sanitary sewer overflows within the Parish’s sewerage collection system. This consent decree originally allowed the City-Parish until December 31, 2014, to complete a Sanitary Sewer Overflow (SSO) Capital Improvements Program, but the City-Parish and the EPA subsequently negotiated an extension of the consent decree through December 31, 2018. The required projects were in operation as of the December 31, 2018 deadline, which was the consent decree’s 100% milestone for the construction projects. The SSO Capital Improvements Program is in a 2-year monitoring period with the EPA and will apply for termination of the consent decree at the end of the monitoring period.

**INFORMATION CONCERNING THE SEWER USER FEES
SECURING THE SERIES 2019 REFUNDING BONDS**

Authority to Collect the Sewer User Fees and the Sewer User Fee Ordinance

The Sewer User Fees are collected in accordance with the Sewer User Fee Ordinance which is defined in the Bond Resolution to mean Ordinance 7853 adopted by the Board of Commissioners of the Commission, acting as governing authority of the Commission, and by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, acting as governing authority of the Parish, the City and the District, on May 15, 1985, as amended from time to time, including but not limited to Ordinance No. 12334 (EBROSCO Ordinance No. 2068) adopted on June 12, 2002, and Ordinance No. 12647 (EBROSCO Ordinance No. 2131) adopted on May 28, 2003.

The Sewer User Fees are imposed and collected in accordance with the authority granted in La. R.S. 33:1331 and La. R.S. 33:4256. The Sewer User Fees became effective July 1, 1985, after unanimous approval of the Sewer User Fee Ordinance by the members of the Board of Commissioners. The Sewer User Fee is based on average water consumption during six months of the year that have historically been the lowest (October, November, December of the prior year and February, March and April of the current year). The Sewer User Fee Ordinance provides for a 4% annual rate increase in perpetuity starting in 2004. The Board of Commissioners of the Commission has the authority to amend the Sewer User Fee Ordinance from time to time to increase the sewer user fees; neither voter approval or any other regulatory approval is required in connection therewith.

If a customer does not pay the Sewer User Fee, the Sewer User Fee Ordinance provides that the customer's water services will be disconnected after notice has been provided and generally within thirty (30) days. The percentage of Sewer User Fees collected annually has averaged approximately 98.9%.

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Current Rates and Charges for Sewer Services

The following table shows the Issuer's current rates and charges for sewer services of the System:

<u>Ordinance Date</u>	<u>Ordinance Number</u>	<u>Action</u>	<u>Effective Date</u>	<u>Approved Rate Increase²</u>	<u>Amt for 1st 3,000 Gallons</u>	<u>Amt per Additional 100 Gallons</u>	<u>7,500 Gallon Usage</u>
05/05/1985	7853	Enacted	07/01/1985	-	\$3.40	\$0.0824	\$7.11
05/26/1987	8417	Increase	07/01/1987	66%	5.64	0.1368	11.80
08/25/1999	11542	Increase ¹	01/01/2000	32	7.44	0.1806	15.57
			01/01/2001	32	9.25	0.2244	19.35
			01/01/2002	31	11.00	0.2668	23.01
06/12/2002	12334	Increase	01/01/2003	10	12.10	0.2935	25.31
			01/01/2004	4	12.58	0.3052	26.31
			01/01/2005	4	13.08	0.3174	27.36
			01/01/2006	4	13.60	0.3301	28.45
			01/01/2007	4	14.14	0.3433	29.59
			01/01/2008	4	14.71	0.3570	30.78
			01/01/2009	4	15.30	0.3713	32.01
			01/01/2010	4	15.91	0.3862	33.29
			01/01/2011	4	16.55	0.4016	34.62
			01/01/2012	4	17.21	0.4177	36.01
			01/01/2013	4	17.90	0.4344	37.45
			01/01/2014	4	18.62	0.4518	38.95
			01/01/2015	4	19.36	0.4699	40.51
01/01/2016	4	20.13	0.4887	42.12			
01/01/2017	4	20.94	0.5082	43.81			
01/01/2018	4	21.78	0.5285	45.56			
01/01/2019	4	22.65	0.5496	47.38			
01/01/2020 ²	4	23.56	0.5716	49.28			

1 Increases are a percentage of the base rates that became effective July 1, 1987.

2 The 4% annual rate increase (which is an increase to the rate in effect on December 31 of the immediately preceding year) continues in perpetuity and does not cease in 2020.

Source: *City and Parish of East Baton Rouge, Finance Department*

Largest Customers of the System for 2018

<u>Customer</u>	<u>Percentage of total sewer billings</u>
Louisiana State University	2.15%
Southern University	0.73
Baton Rouge Coca Cola	0.64
East Baton Rouge Parish School Board	0.50
Qualawash Holding LLC	0.42
Our Lady of the Lake Hospital	0.40
East Baton Rouge Parish Prison	0.36
Mall of Louisiana	0.25
C-K Sherwood Acres LL	0.23
<u>SP Jefferson Lakes I LTD</u>	<u>0.21</u>
Total Percentage of Billings	5.89%

Source: *City-Parish, Finance Department*.

Historical Sewer User Fee Collections

<u>Year</u>	<u>Sewer User Fee Collections</u>
2008	64,000,239
2009	67,558,363
2010	68,945,984
2011	71,080,290
2012	72,457,233
2013	73,472,833
2014	74,714,432
2015	77,932,065
2016	80,172,121
2017	87,717,898
2018	88,172,815

Source: City-Parish, Department of Environmental Services.

INFORMATION RELATING TO THE SALES AND USE TAX SECURING THE SERIES 2019 REFUNDING BONDS

Authority for Levy of Sales Tax

A special election was held in the Parish on April 16, 1988, to authorize the levy and collection of the Tax, the net revenues of which are to be dedicated to the security and payment of the Series 2019 Refunding Bonds, and the proposition which was submitted at said election and duly approved by a majority of the qualified electors voting in the election was as follows:

PROPOSITION

“Shall the Parish of East Baton Rouge, State of Louisiana (the “Parish”), under the following provisions of Article VI, Section 29 of the 1974 Louisiana Constitution, Act 639 of the Regular Session of the Louisiana Legislature of 1984 (La. R.S. 33:2721.6), and other constitutional and statutory authority supplemental thereto, be authorized to levy and collect, and adopt an ordinance providing for such levy and collection, an additional tax of one-half of one percent (½%) (the “Tax”), upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property and on sales of services in the Parish of East Baton Rouge, all as defined in La. R.S. 47:301 to 47:317, inclusive, and shall the avails or proceeds of said Tax (after paying the reasonable and necessary expenses of collecting and administering the Tax) be subject to funding into bonds maturing over a period not exceeding twenty-five (25) years and bearing interest at a rate or rates not exceeding twelve per centum (12%) per annum and

otherwise issued in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised statutes of 1950, as amended, for the purpose of paying the costs of constructing and acquiring sewers and sewerage disposal works within and for said Parish, including the necessary sites, rights-of-way, machinery and equipment in connection therewith, title to which shall be in the public, or for refunding obligations of said Parish; providing a reserve for such bonds and paying the issuance costs thereof; and shall the net avails or proceeds of said Tax, after making all required payments in connection with such bonds, be used entirely and exclusively for the purpose of constructing, acquiring, operating, maintaining and administering sewers and sewerage disposal works within and for said Parish, title to which shall be in the public?"

The sales and use tax comprising a portion of the Net Revenues is now being levied and collected by the Parish pursuant to said election and the result of said election was as follows:

Number of Votes FOR:	20,748
Number of Votes AGAINST:	7,386
Majority FOR:	13,362

The Tax is being levied and collected by the Parish pursuant to the Ordinance adopted by the Metropolitan Council on December 14, 1994, and effective January 1, 1995, as more particularly described below.

Description of Sales Tax

A series of ordinances were adopted by the Metropolitan Council between December, 1950 and August, 1970, which collectively levied a 2% general sales and use tax in the City and a 2% general sales and use tax in the Parish (outside the boundaries of the City and the municipalities of Baker and Zachary). An ordinance was adopted by the Metropolitan Council in September, 1988, which levied a .5% sales and use tax in the Parish, inclusive of the municipalities, for the purpose of the paying the costs of constructing, acquiring, operating, maintaining and administering sewers and sewerage disposal works. An ordinance was adopted by the Metropolitan Council in May, 1990, which levied a .5% sales and use tax in the Parish, inclusive of the municipalities, for the purpose of repairing public roads and streets. All such ordinances were duly adopted by the Metropolitan Council and all in compliance with the Plan of Government of the City and the Parish. Said ordinances were substantially identical except as to the rate of the taxes levied and the purposes for which said taxes were levied.

For the purpose of consolidating all prior sales and use tax ordinances, on December 14, 1994, the Metropolitan Council adopted a consolidated sales and use tax ordinance (Ordinance No. 10127), which has been amended from time to time, which levies the following sales and use taxes:

- (a) from and after January 1, 1995, for general municipal purposes, a tax upon the sale at retail, the use, the consumption, the distribution and storage as defined therein, and upon the lease or rental of tangible personal property and the sale of services within the City of Baton Rouge at a rate of two percent (2%);

- (b) from and after January 1, 1995, for general parochial purposes, a tax upon the sale at retail, the use, the consumption, the distribution and storage as defined therein, and upon the lease or rental of tangible personal property and the sales of services within the Parish of East Baton Rouge, exclusive of municipal areas (the City of Baton Rouge, City of Zachary, and City of Baker), at the rate of two percent (2%);
- (c) **from and after January 1, 1995, for the purposes of paying the costs of constructing, acquiring, operating, maintaining and administering sewers and sewerage disposal works and making all required payments in connection with bonds for such purposes, a tax upon the sale at retail, the use, the consumption, the distribution and storage as defined therein, and upon the lease or rental of tangible personal property and the sale of services within the Parish of East Baton Rouge, inclusive of municipal areas, at a rate of one-half of one percent (½%);**
- (d) Effective January 1, 2006, the tax authorized to be levied pursuant to Section 2(d)(4) of Ordinance 13526 is hereby authorized to be levied for an additional period of twenty-three (23) years, ending on December 31, 2030, for the entire and exclusive purpose of providing funds (i) for construction of new roads in the Parish of East Baton Rouge, and (ii) for road rehabilitation and beautification projects in the Parish of East Baton Rouge, said tax to be levied upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property and on sales of services in the Parish of East Baton Rouge, inclusive of municipal areas, at a rate of one-half of one percent (½%). Said tax is to be utilized entirely and exclusively (1) to provide funds (70% of the proceeds of the tax) (a) for the widening of existing public roads and streets, and/or (b) the construction of new public roads and streets, such projects within the City of Baton Rouge and the Parish of East Baton Rouge on a priority basis as described in the Transportation and Street Improvements Program dated June 8, 2005, and such projects within the City of Baker, the City of Zachary and the City of Central, on a priority basis as determined by the respective governing authority of such incorporated municipality, and (2) (a) to provide funds (27% of the proceeds of the tax) for the repair and improvement of public roads and streets, including engineering services, drainage and traffic signal synchronization, and (b) to provide funds (3% of the proceeds of the tax) for road beautification projects, including landscaping and sidewalks and the maintenance thereof, all on a priority basis, within the Parish of East Baton Rouge, the City of Baton Rouge, the City of Baker, the City of Zachary and the City of Central. Said tax is authorized to be funded into bonds

from time to time for any one or more of the aforesaid capital purposes set forth in clause (1) above. Said tax is levied under the authority of Article VI, Section 29 of the Louisiana Constitution of 1974, as amended and La. R.S. 33:2721.6, and pursuant to an election held in the Parish of East Baton Rouge on October 15, 2005; and

- (e) There is hereby levied for a period of thirty (30) years, commencing on April 1, 2019, to and including March 31, 2049, for the purpose of providing funds to be used (A) (i) to construct or improve public roads and streets, including the necessary engineering services and related improvements, and including drainage projects and traffic signal synchronization and aesthetic improvements; (ii) to construct road and street community enhancement projects, including ditches and drainage, lights, curbs, landscaping and sidewalks; and (iii) to improve existing corridors to increase mobility, including signal synchronization, sidewalks and cycling paths, all within the cities of Baton Rouge, Baker, Central and Zachary, and the Parish of East Baton Rouge; and (B) to improve the Advance Traffic Management Center, a sales and use tax equal to one-half of one percent (1/2%), subject to an exemption for food and prescription drugs in accordance with the requirements of R.S. 47:305. Such tax is levied under the authority of Article 6, Section 29 of the Louisiana Constitution of 1974, as amended, and R.S. 33:2721.6, the taxpayers of the Parish of East Baton Rouge having approved same at a special election held December 8, 2018.

La. R.S. 33:2721.6 referred to in (d) and (e) above has been redesignated by the legislature as La. R.S. 47:338.54.

(NOTE: The sales and use tax described in (c) above serves as security for the Issuer's Outstanding Sales Tax Revenue Bonds and comprises a portion of the Net Revenues.)

The three ½% taxes are imposed on the same items as the 2% taxes, except that the three ½% taxes additionally exempt the following:

(a) Drugs prescribed by physicians or dentists; (b) orthotic and prosthetic devices and wheelchairs prescribed by physicians or licensed chiropractors for personal consumption or use; (c) the sale or purchase of any ostomy, ileostomy or colostomy device or any other appliance including catheters or any related items which are required as the result of any surgical procedure by which an artificial opening is created in the human body for the elimination of natural waste; (d) patient aids prescribed by a physician or a licensed chiropractor for home use; (e) food sold for preparation and consumption in the home, including, by way of illustration and not of limitation, bakery products, vegetables and package foods requiring further preparation by the purchaser; (f) any and all medical devices used personally and exclusively by the patient in the medical treatment of various diseases under the supervision of and prescribed by a registered physician; and (g) meals furnished to the staff and students of education institutions including kindergartens; the staff and patients of hospitals; the staff, inmates and patients of mental institutions; boarders of rooming houses; and occasional meals furnished in connection with or by education, religious, or medical organizations, if the meals are

consumed on the premises where purchased. However, sales by any of the above in facilities open to outsiders or to the general public are not exempt.

The following schedule summarizes the sales and use tax currently being levied and collected in the Parish:

<u>TAXING AUTHORITY</u>	<u>EFFECTIVE DATE</u>	<u>AMOUNT OF TAX</u>
City of Baton Rouge	April 1, 1970 ^(a)	2.00%
Parish of East Baton Rouge	September 1, 1970 ^(b)	2.00%
Parish of East Baton Rouge (Sewerage Improvements)	January 1, 1989	0.50%
Parish of East Baton Rouge (Streets and Roads)	July 1, 1990 ^(c)	0.50%
Parish of East Baton Rouge Capital Imp. District	April 1, 2019 ^(d)	0.50%
East Baton Rouge Parish School Board	April 1, 1970 ^(e)	1.00%
Educational Facilities Improvement District	July 1, 2004 ^(f)	0.53%
Educational Facilities Improvement District	April 1, 2004 ^(g)	0.41%
Educational Facilities Improvement District	July 1, 2005 ^(h)	0.06%
Municipalities:		
City of Baker	September 1, 1970	2.00%
City of Baker – Police & Fire	October 1, 2001	0.50%
City of Baker – School Board	July 1, 2003 ⁽ⁱ⁾	2.00%
City of Zachary	January 1, 1972	2.00%
Zachary Community School District	July 1, 2003 ⁽ⁱ⁾	1.00%
Educational Facilities Improvement District	July 1, 2008 ^(k)	1.00%
City of Central	July 11, 2005	2.00%
Central Community School Board	July 1, 2009 ^(l)	2.50%

In addition, the following sales and use taxes are levied on a statewide basis:

State of Louisiana ^{(m)(n)}	4.45%
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^(a) Tax was originally passed at 1% on 1/1/1951, added ¾% on 5/1/1966, and added ¼% on 4/1/1970.

^(b) Tax was originally passed at 1% on 10/1/1956, added ¼% on 9/9/1966, and added ¾% on 9/1/1970 (jurisdiction is exclusive of municipalities).

^(c) Originally a five year tax passed on 7/1/1990 and extended multiple times. Effective 1/1/2006, it was extended to 12/31/2030. Of the net proceeds of this tax, 70% (dedicated to new construction and widening of existing roads) is eligible to be funded into bonds and secured by such portion of the tax.

^(d) Parish-wide tax passed at 0.5% on 12/8/2018 to expire 3/31/2049 for MoveBR Infrastructure Enhancement and Traffic Mitigation Plan.

^(e) Tax was originally passed at ¾% on 5/1/1966, added ¼% on 4/1/1970.

^(f) Originally a five year tax to be renewed as a ten year tax on 7/1/2009-6/30/2019 (EFID 1 - .46% and EFID 3 - .07%).

^(g) Originally a five year tax to be renewed as a ten year tax on 4/1/2009-3/31/2019 (EFID 2 - .41%).

^(h) Originally a five year tax to be renewed as a ten year tax on 7/1/2010-6/30/2020 (EFID 1 - .05% and EFID 3 - .01%).

⁽ⁱ⁾ The City of Baker School Board was annexed from East Baton Rouge Parish School Board on July 1, 2003.

^(j) The Zachary Community School District was annexed from East Baton Rouge Parish School Board on July 1, 2003.

^(k) Originally a five year tax from 7/1/2003-6/30/2008; renewed 7/1/2008 as permanent.

^(l) The Central Community School District was annexed from East Baton Rouge Parish School Board on July 1, 2007 at 2.00%, added ½% on 7/1/09.

^(m) From 1988 to 1996 the State levied a 3% sales and use tax and the Louisiana Recovery District levied a 1% sales and use tax.

⁽ⁿ⁾ Portion of tax in the amount of 0.45% is currently scheduled to expire at the end of 2025.

In summary, the effective combined sales tax rate within the boundaries of the Parish currently totals 9.95%, with the exception of the cities of Baker and Central where it totals 10.45%.

Levy and Collection of Sales and Use Tax

Except for the sales and use tax on motor vehicles being collected by the Louisiana Department of Public Safety, the Finance Director of the City of Baton Rouge and the Parish of East Baton Rouge

is the Collector of the Tax. The Ordinance levying the Tax requires the dealer to collect the Tax from the purchaser or consumer. On or before the twentieth day of each month, it is the duty of each dealer to transmit to the Finance Director a complete report of sales and use taxes collected during the preceding month and also to remit to the Finance Director the amount of the Tax due for sales in the preceding month.

Sales Tax Collections

Annual Collections

The Parish has collected the following amounts before audit and other adjustments, from the Tax for the periods indicated below:

2008	\$ 41,653,496
2009	38,564,115
2010	37,573,485
2011	39,006,812
2012	41,697,207
2013	42,028,495
2014	43,290,278
2015	44,454,037
2016	47,773,396
2017	47,446,700
2018	46,304,527

Source: *City-Parish, Finance Department.*

Monthly Collections

The Parish has collected the following amounts from the Tax before audit and other adjustments monthly through December, 2018:

<u>Month</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
January	\$3,143,963	\$3,184,107	\$3,098,052	\$3,393,659	\$3,404,230	\$4,053,352	\$3,455,522
February	3,228,503	3,138,066	3,329,558	3,447,357	3,468,109	3,754,091	3,440,836
March	3,745,135	3,730,731	3,703,463	3,936,080	3,967,528	4,430,622	4,171,497
April	3,474,746	3,518,783	3,579,942	3,604,124	3,659,013	3,934,412	3,745,312
May	3,629,561	3,541,552	3,750,862	3,646,410	3,594,490	3,963,298	4,009,093
June	3,657,496	3,568,467	3,653,310	3,829,035	3,763,456	3,954,532	3,925,436
July	3,356,705	3,496,997	3,609,080	3,725,294	3,382,060	3,722,443	3,763,202
August	3,333,005	3,496,495	3,556,784	3,633,317	3,565,428	3,827,383	4,025,875
September	3,338,786	3,445,554	3,753,220	3,781,509	4,626,277	3,921,613	3,781,914
October	3,409,345	3,448,742	3,666,359	3,657,341	4,838,992	3,780,966	3,893,076
November	3,494,151	3,383,253	3,415,390	3,510,681	4,540,876	3,817,040	3,864,102
December	<u>3,885,811</u>	<u>4,075,748</u>	<u>4,174,258</u>	<u>4,289,230</u>	<u>4,962,937</u>	<u>4,286,948</u>	<u>4,228,662</u>
Total	\$41,697,207	\$42,028,495	\$43,290,278	\$44,454,037	\$47,773,396	\$47,446,700	\$46,304,527

Source: *City-Parish, Finance Department.*

Top Ten Sales Taxpayers for 2018

<u>Business Name</u>	<u>NAIC Code</u>
1. ExxonMobil	Petroleum & Coal Products Manufacturing
2. WalMart	Miscellaneous Store Retailers
3. Home Depot	Building Material & Garden Equip & Supplies Dealer
4. Georgia Pacific	Paper Manufacturing
5. Lowes Home Centers LLC	Building Material & Garden Equip & Supplies Dealer
6. Target	Miscellaneous Store Retailers
7. AT&T	Miscellaneous Store Retailers
8. Amazon	Retail Trade (G) Internet Sales Only
9. Best Buy	Retail Trade (G) Electronic & Appliance Stores
10. Circle K	Retail Trade (G) Gasoline Stations

Within East Baton Rouge Parish, the top 10 sales taxpayers make up 19.09% of the Tax.

Source: *City-Parish, Finance Department.*

LITIGATION

There is no litigation, proceedings or investigations pending or, to the knowledge of the Issuer, threatened against the Issuer questioning the corporate existence of the Issuer or the right of its officials to their respective offices or the right of the Issuer to collect the Net Revenues or seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Series 2019 Refunding Bonds or the taking of the actions and entering into the agreements referred to herein nor in which an adverse decision could (either singly or in the aggregate) materially adversely affect the financial condition of the Issuer.

The Issuer has various judgments rendered against it and various claims in different phases of prosecution. Each year the City and the Parish budget sufficient funds to pay the uninsured claims falling due that year (including claims relating to the Issuer). In addition, the City and the Parish maintain a balance in an insurance fund used as a reserve, having an approximate balance of \$44,532,119 as of December 31, 2018. The Issuer cannot ensure that it will always have sufficient money in the insurance fund in future years to meet all of the claims falling due at that time.

BONDHOLDER RISKS

Purchasers of the Series 2019 Refunding Bonds are advised of certain risk factors with respect to payments under the Bond Resolution and the payment of principal of, premium, if any, and interest on the Series 2019 Refunding Bonds.

Bond Ratings

There is no assurance that the rating assigned to the Series 2019 Refunding Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for, and marketability of, the Series 2019 Refunding Bonds in the secondary market. See the information under "BOND RATINGS" herein. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Series 2019 Refunding Bonds, could be subject to a rating downgrade.

Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Series 2019 Refunding Bonds.

Limitations on Remedies Available to Bondholders

The remedies available to the Paying Agent or to the owners of the Series 2019 Refunding Bonds upon an Event of Default under the Bond Resolution are in many respects dependent upon judicial actions, which are often subject to discretion or delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Refunding Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, moratorium, insolvency or other similar laws affecting the rights of creditors generally. The Bond Resolution may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

The enforceability of the rights and remedies of the owners of the Series 2019 Refunding Bonds, and the obligations incurred by the Issuer in issuing the Series 2019 Refunding Bonds, are subject to the Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect to the extent constitutionally applicable; equity principles which may limit the specific enforcement under the laws of the State of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the exercise of the sovereign police powers of the State or its governmental bodies. Consistent with the Contracts Clauses of the State and United States Constitutions, in a bankruptcy proceeding or due to the exercise of powers by the federal government or the government of the State, bondowners could be subject to judicial discretion and the interpretation of their rights in bankruptcy or otherwise, which consequently may entail risks of delay, limitation, or modification of their rights. Under current Louisiana law, no political subdivision, including the Issuer, may file for protection under Chapter 9 of the Bankruptcy Code unless such filing is approved by the Louisiana State Bond Commission and the Governor and Attorney General of Louisiana. Further, no political subdivision, after filing for bankruptcy protection, may carry out a plan of readjustment of debts approved by the bankruptcy court until such plan is approved by the Louisiana State Bond Commission and the Governor and Attorney General of Louisiana.

The obligations of the Issuer under the Bond Resolution may be secured on a parity with other obligations of the Issuer so that any proceeds that might be derived from the exercise of remedies would be required to be shared among the owners of the Outstanding Bonds and the Series 2019 Refunding Bonds and the holders of any additional parity bonds.

For the foregoing reasons, in a bankruptcy context, the pledge of the Net Revenues to secure the obligations with respect to the Series 2019 Refunding Bonds may be ineffective as to certain revenues or under certain circumstances.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2019 Refunding Bonds or, if a secondary market exists, that any Bonds can be sold for a particular price. Occasionally, because of general market conditions, lack of current information, adverse history, or economic

prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

INVESTING IN THE SERIES 2019 REFUNDING BONDS INVOLVES CERTAIN RISKS. POTENTIAL INVESTORS IN THE SERIES 2019 REFUNDING BONDS ARE RESPONSIBLE FOR CONDUCTING AN INDEPENDENT INVESTIGATION OF MATTERS RELATING TO THE FINANCIAL ASPECTS OF THE SERIES 2019 REFUNDING BONDS, THE ISSUER AND THE SECURITY FOR THE SERIES 2019 REFUNDING BONDS TO DETERMINE IF AN INVESTMENT IN THE SERIES 2019 REFUNDING BONDS, AND THE RISKS ASSOCIATED THEREWITH, IS CONSISTENT WITH THEIR INVESTMENT OBJECTIVES. POTENTIAL INVESTORS SHOULD NOT RELY ON ANY PARTY TO THE TRANSACTION WITH RESPECT TO THE INVESTIGATION OF ANY SUCH MATTERS. PROSPECTIVE PURCHASERS SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS BEFORE CONSIDERING A PURCHASE OF THE SERIES 2019 REFUNDING BONDS.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED IN CONNECTION WITH THE INITIAL OFFERING AND SALE OF THE SERIES 2019 REFUNDING BONDS TO THE PURCHASERS ON THE DATE HEREOF AND IS NOT INTENDED FOR USE IN CONNECTION WITH ANY SUBSEQUENT SALE, REOFFERING OR REMARKETING OF THE SERIES 2019 REFUNDING BONDS. SUBSEQUENT PURCHASERS MUST THEREFORE RELY ON THEIR OWN EXAMINATION OF THE OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED.

TAX MATTERS

Federal Tax Matters

The delivery of the Series 2019 Refunding Bonds is subject to the opinion of Bond Counsel, to the effect that under existing law, interest on the Series 2019 Refunding Bonds is excluded from gross income of the owners thereof for federal income tax purposes within the meaning of the Code. See “APPENDIX F – FORM OF OPINION OF BOND COUNSEL” attached hereto.

General

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Series 2019 Refunding Bonds to be excluded from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution that it will comply with these requirements in order to maintain the exclusion from gross income of interest on the Series 2019 Refunding Bonds for purposes of federal income taxation. Bond Counsel’s opinion will assume continuing compliance with those covenants set forth in the Bond Resolution pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2019 Refunding Bonds for federal income tax purposes and, in addition, will rely on representations by the Issuer with respect to matters solely within its knowledge which Bond Counsel has not independently verified. If the Issuer should fail to comply with the covenants in the Bond Resolution, as the case may be, or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Series 2019 Refunding Bonds could become included in gross income for federal income tax purposes from the date of delivery of the Series 2019 Refunding Bonds regardless of the date on which the event causing such includability occurs.

Although Bond Counsel has rendered an opinion that interest on the Series 2019 Refunding Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2019 Refunding Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Owners of the Series 2019 Refunding Bonds should be aware that the ownership of tax exempt obligations, such as the Series 2019 Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers. Furthermore, future law and/or regulations enacted by federal, state or local authorities may affect certain owners of the Series 2019 Refunding Bonds.

PROSPECTIVE PURCHASERS OF THE SERIES 2019 REFUNDING BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2019 REFUNDING BONDS AS TO THE IMPACT OF THE FEDERAL, STATE AND LOCAL CONSEQUENCES OF ACQUIRING, HOLDING OR DISPOSING OF THE SERIES 2019 REFUNDING BONDS.

Qualified Tax-Exempt Obligations for Financial Institutions

The Series 2019 Refunding Bonds will **not** be designated by the Issuer as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code.

Alternative Minimum Tax Considerations

The Series 2019 Refunding Bonds are not “private activity bonds” and, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Refunding Bonds is not a specific preference item for purposes of calculating the federal alternative minimum tax.

Changes in Federal and State Tax Law

Tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Series 2019 Refunding Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to state income taxation, or otherwise prevent the beneficial owners of the Series 2019 Refunding Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Series 2019 Refunding Bonds. For example, ongoing negotiations between the Executive and Legislative Branches of the United States Government to resolve federal budget deficits may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Series 2019 Refunding Bonds. It cannot be predicted whether or in what form any such tax legislation might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced and proposed, and litigation is threatened or commenced which, if implemented or concluded in a particular matter, could adversely affect the market value of the Series 2019 Refunding Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019 Refunding Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Series 2019 Refunding Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Refunding Bonds, and Bond Counsel has expressed no opinion

as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

Tax Treatment of Original Issue Premium

The Series 2019 Refunding Bonds maturing in the years ____ to and including ____, are being offered and sold to the public at a premium (collectively, the “*Premium Bonds*”). The premium is the excess of the price over the stated redemption price at maturity. This premium is not deductible from federal income tax purposes, and owners of the Premium Bonds are required to reduce their basis in the Premium Bonds for the amount of premium that accrued while they owned the Premium Bonds. Owners of the Premium Bonds (including owners that purchase the Premium Bonds other than pursuant to the initial public offering) should consult their own tax advisors as to the determination for federal income tax purposes of the amount of premium properly accruable each year with respect to the Premium Bonds, the adjusted basis of the Premium Bonds (including sale, redemption or other disposition of the Premium Bonds at maturity) and as to other federal tax consequences and other state and local tax aspects of owning the Premium Bonds.

Louisiana Taxes

In the opinion of Bond Counsel, pursuant to the Refunding Act, the Series 2019 Refunding Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof.

No Other Opinions

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2019 Refunding Bonds.

Legal Opinion

The approving opinion of Bond Counsel will be printed on the Series 2019 Refunding Bonds. The opinion of Bond Counsel is limited to the matters set forth therein. A manually executed original of this opinion will be delivered to the Underwriters on the date of payment for delivery of the Series 2019 Refunding Bonds. A form of said legal opinion appears in APPENDIX F to this Official Statement. The compensation of Bond Counsel is contingent upon the sale and delivery of the Series 2019 Refunding Bonds.

BOND RATINGS

S&P Global Ratings (“*S&P*”) and Fitch Ratings, Inc. (“*Fitch*”) have assigned ratings of “AA-” and “AA,” respectively, to the Series 2019 Refunding Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2019 Refunding Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses:

S&P Global Ratings
55 Water Street
New York, New York 10041
Telephone: (212) 438-2076

Fitch Ratings, Inc.
One State Street Plaza
New York, New York 10004
Telephone: (212) 908-0500

Generally a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such ratings agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2019 Refunding Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the Issuer relating to (a) computation of forecasted receipts of principal and interest on the investments on deposit in the Escrow Agreement (the “*Escrow Obligations*”) (and the forecasted payments of principal and interest to pay at maturity or earlier redemption of the Series 2010B Refunded Bonds), and (b) computation of the yields on the Series 2019 Refunding Bonds and the Escrow Obligations was verified by Causey Demgen & Moore P.C. certified public accountants. Such computations were based solely on assumptions and information supplied by the Underwriters on behalf of the Issuer. Causey Demgen & Moore P.C. has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

UNDERWRITING

The Series 2019 Refunding Bonds are being purchased by J.P. Morgan Securities LLC, Siebert Cisneros Shank & Co., L.L.C. and Raymond James & Associates, Inc. (collectively, the “*Underwriters*”). The purchase price of the Series 2019 Refunding Bonds is \$ _____ (representing \$ _____ as payment of the principal portion of the Series 2019 Refunding Bonds, plus original issue premium in the amount of \$ _____ and less Underwriters’ discount of \$ _____). The Bond Purchase Agreement executed by J.P. Morgan Securities, LLC on behalf of the Underwriters provides that the Underwriters will purchase all of the Series 2019 Refunding Bonds, if any are purchased. The Underwriters intend to offer the Series 2019 Refunding Bonds to the public initially at the offering prices set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2019 Refunding Bonds to the public. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2019 Refunding Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

J.P. Morgan Securities LLC (“*JPMS*”), one of the Underwriters of the Series 2019 Refunding Bonds, has entered into negotiated dealer agreements (each, a “*Dealer Agreement*”) with Charles Schwab & Co., Inc. (“*CS&Co.*”) and LPL Financial LLC (“*LPL*”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL may purchase Series 2019 Refunding Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019 Refunding Bonds that such firm sells.

On October 3, 2019, Siebert Cisneros Shank & Co., L.L.C. and The Williams Capital Group, L.P. announced their plan to merge, with an expected effective date of early-November 2019 (the “*Effective Date*”). As of the Effective Date, Siebert Cisneros Shank & Co., L.L.C. will change its name to Siebert Williams Shank & Co., LLC.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Commission and the State for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the State.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2019 Refunding Bonds are subject to the approval of Butler Snow LLP, Baton Rouge, Louisiana, Bond Counsel, whose approving legal opinion in substantially the form of APPENDIX F, will be delivered with the Series 2019 Refunding Bonds.

Certain legal matters will be passed on by Phelps Dunbar, LLP, Baton Rouge, Louisiana, Counsel to the Commission and by Jones Walker LLP, Baton Rouge, Louisiana, Counsel to the Underwriters.

MUNICIPAL ADVISOR

The Board of Commissioners of the Issuer has retained Government Consultants, Inc., Baton Rouge, Louisiana, as independent municipal advisor (the “*Municipal Advisor*”) in connection with the sale and issuance of the Series 2019 Refunding Bonds. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of information contained in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm that is registered as a municipal advisor with the Securities and Exchange Commission and will not participate in the underwriting of the Series 2019 Refunding Bonds.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in other information provided by the Issuer, that are not purely historical, are forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Issuer on the date hereof, and the Issuer does not assume any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or

developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CONTINUING DISCLOSURE

The Commission has covenanted to provide such annual financial statements and other information in the manner required by Rule 15c2-12 of the Securities and Exchange Board (17 C.F.R. §240.15c2-12) (the “Rule”). The Commission has executed a Continuing Disclosure Agreement (the “*Disclosure Agreement*”) for the benefit of the holders of the Series 2019 Refunding Bonds to provide certain financial information and operation data concerning the Commission to the Municipal Securities Rulemaking Board and its internet-based portal referred to as the Electronic Municipal Market Access System (“EMMA”), which is operated and maintained by the Municipal Securities Rulemaking Board in accordance with MSRB Notice 2009-04, or a similar central repository approved by the Securities and Exchange Commission, and to a state depository, if any, pursuant to the requirements of section (b)(5)(i) of the Rule. See “APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT” hereto for a description of the Disclosure Agreement. A failure by the Commission to provide any information required thereunder shall not constitute an Event of Default under the Bond Resolution.

The Commission has taken steps to ensure proper filing of the reports and notices required by the Disclosure Agreement and its Prior Undertakings with the MSRB in the future. A failure by the Commission to comply with the Disclosure Agreement will not constitute an Event of Default under the Bond Resolution (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Series 2019 Refunding Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2019 Refunding Bonds and their market price. The Issuer has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Series 2019 Refunding Bonds and has no obligation to provide any information subsequent to the delivery of the Series 2019 Refunding Bonds except as provided in the Disclosure Agreement.

Act 463 of the 2014 Regular Session of the Louisiana Legislature provides for certain procedures designed to ensure compliance with the Rule. Such legislation, effective August 1, 2014, requires public entities, such as the Issuer, to keep certain records demonstrating compliance with the Rule. Additionally, auditors for public entities in the State are required to review the public entity’s compliance with such record-keeping requirements, review a sampling of the EMMA filings, and report on the auditor’s findings in the annual audited financial statements of such public entity.

MISCELLANEOUS

The references to all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Series 2019 Refunding Bonds, the security for the payment of the Series 2019 Refunding Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the office of the Underwriter; following delivery of the Series 2019 Refunding Bonds, copies of such documents may be examined at the principal corporate trust office of the Paying Agent/Registrar. The information contained in this Official Statement

has been compiled from official and other sources deemed to be reliable and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

All information regarding the Issuer, the Tax, the Sewer User Fee, the System and the Bond Resolution have been furnished by the Issuer.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Paying Agent/Registrar or the Underwriters and the purchasers or owners of any Series 2019 Refunding Bonds.

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CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Series 2019 Refunding Bonds, the Governing Authority of the Issuer will furnish the Underwriters a certificate signed by the Secretary of the Governing Authority to the effect that (i) the descriptions and statements, including financial data, of or pertaining to the Issuer, on the date of the Official Statement, on the date of the sale of the Series 2019 Refunding Bonds and on the date of the delivery thereof, were and are true in all material respects, and, insofar as such matters are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) insofar as the descriptions and statements, including financial data, of or pertaining to governmental and/or non-governmental entities other than the Issuer and their activities contained in the Official Statement are concerned, such descriptions, statements, and data have been obtained from sources which the Governing Authority believed to be reliable and the Governing Authority has no reason to believe that they are untrue or incomplete in any material respect, and (iii) there has been no adverse material change in the affairs of the Issuer or the Governing Authority between the date of the Official Statement and the date of delivery of the Series 2019 Refunding Bonds.

The delivery of this Official Statement has been duly authorized and approved by duly authorized representatives of the Issuer.

EAST BATON ROUGE SEWERAGE
COMMISSION

Donna Collins-Lewis, President

Ashley Beck, Secretary

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APPENDIX A

CERTAIN PROVISIONS OF THE BOND RESOLUTION

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CERTAIN PROVISIONS OF THE BOND RESOLUTION

The General Bond Resolution and the Supplemental Bond Resolution contain various covenants and security provisions, certain of which are set forth below. Reference should be made to the General Bond Resolution and the Supplemental Bond Resolution for a full and complete statement of other provisions, including the definitions of certain words and terms not defined herein.

Definitions

"Act" shall mean Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Sections 1321 to 1337 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, Subpart C, Part 1, Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950, as amended, Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and all other constitutional and statutory authority, authorizing and enabling the Commission to adopt the Bond Resolution and issue the Series 2019 Refunding Bonds.

"Annual Principal and Interest Requirement" shall mean, with respect to the Series 2019 Refunding Bonds, the sum of the payments required to be made by the Issuer (other than from the proceeds of Series 2014 Refunding Bonds) in any Fiscal Year with respect to the principal of (excluding the principal amount of any term bonds scheduled for mandatory redemption), mandatory sinking fund payments, if any, and interest on such Series 2019 Refunding Bonds. For purposes of calculating Annual Principal and Interest Requirement, any Direct Subsidy Payments paid or to be paid by the United States Department of the Treasury in such Fiscal Year pursuant to the Federal Stimulus Act shall be taken into account as a reduction of the Annual Principal and Interest Requirement due on the Series 2019 Refunding Bonds in such Fiscal Year.

"Authorized Officer" shall mean the President and Secretary of the Commission or any person succeeding to the powers and duties of such officers and, when used with reference to any act or certificate or other document, also means any person duly authorized to perform such act or sign such document.

"Bondowner" or "Owner", or words of similar import, shall mean, when used with reference to a Series 2014 Refunding Bond, any person who shall be the registered owner of such Series 2019 Refunding Bond.

"Bond Year" shall mean the twelve (12) month period ending on February 1 of each year; provided, however, the first Bond Year hereunder shall commence on the Date of Issuance of the Series 2019 Refunding Bonds and end February 1, 2020.

"Business Day" shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in Baton Rouge, Louisiana or New York, New York are authorized or obligated by law or executive order to be closed for business.

"Capital Costs" shall mean and include costs of capital outlay for the Commission for the purpose of paying the costs of constructing and acquiring sewers and sewerage disposal works within and for the Commission, including the necessary sites, rights of way, machinery and equipment in connection therewith, title to which shall be in the public, or for refunding obligations of the Commission; providing a reserve for bonds and paying the Costs of Issuance thereof.

"City" shall mean the City of Baton Rouge, State of Louisiana.

"Commission" or "Issuer" shall mean the East Baton Rouge Sewerage Commission, and any public entity or instrumentality hereafter succeeding to its powers, duties or functions with respect to the Bonds.

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of any series of Bonds, including but not limited to, printing costs, costs of preparation and reproduction of documents, cost of preparing the preliminary and final official statement and the distribution of preliminary and final official statements, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses

of refunding, costs of any Credit Facility, premiums for the insurance of the payment of any series of Bonds and any other cost, charge, or fee in connection with the original issuance of any series of Bonds.

“Credit Facility” shall mean any letter of credit, insurance policy, surety bond, standby bond purchase agreement or similar facility as used in connection with the Bonds.

“Credit Facility Issuer” shall mean the provider of the Credit Facility with respect to any series of Bonds.

“Date of Issuance” shall mean October 29, 2019.

“Debt Service Fund” shall mean the Debt Service Fund, including the 2019A Debt Service Account and the 2019B Debt Service Account therein, created and established pursuant to Section 7.05 of the General Bond Resolution and Section 6.01 of the Supplemental Bond Resolution.

“District” shall mean the Greater Baton Rouge Consolidated Sewerage District.

“Fiscal Year” shall mean a twelve month period commencing on the first day of January or any other twelve month period prescribed by the Issuer.

“Funds and Accounts” shall mean the funds, and the accounts therein established, created and established pursuant to the General Bond Resolution.

“General Bond Resolution” shall mean Amended and Restated General Bond Resolution No. 44893 adopted by the Governing Authority on June 28, 2006.

“General Revenue Fund” shall mean the subaccount of the Parish Sewer User Fee Fund established by Ordinance 7853 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, acting as governing authority of the City and Parish, on May 15, 1985, and which reflects receipt of the Sewer User Fees levied and collected pursuant to the Sewer User Fee Ordinance, and all interest and other income earned or received by the Commission from funds on deposit therein, and such fund shall continue to be maintained by the Parish on behalf of the Commission in accordance with the provisions of Section 7.02 of the General Bond Resolution.

“Governing Authority” shall mean the Board of Commissioners of the East Baton Rouge Sewerage Commission.

“Interest Payment Date” means each February 1 and August 1, or if any February 1 or August 1 is not a Business Day, the next succeeding Business Day, commencing February 1, 2020.

“Junior Lien Bonds” means any revenue bonds or other obligations issued by the Commission which are secured by pledges of and liens on the Net Revenues which are junior and subordinate in all respects to the pledge and liens made to secure the Outstanding Parity Bonds and the Series 2019 Refunding Bonds and any other revenue bonds or other obligations issued by the Commission on a parity basis with the Outstanding Parity Bonds and the Series 2019 Refunding Bonds in accordance with the provisions of the General Bond Resolution.

“Local Services Agreement” shall mean the Local Services Agreement dated October 8, 1986, creating the Commission entered into among the City, the Parish and the District, as amended by the Amendatory Intergovernmental Agreement dated as of June 1, 1987 entered into among the City, the Parish, the District and the Commission, as further amended by the Second Amendatory Intergovernmental Agreement dated as of September 1, 1987, by and among the Parish, the City, the District and the Commission, as further amended by the Third Amendatory Intergovernmental Agreement dated May 4, 1992, entered into among the City, the Parish, the District and the Commission, as further amended by the Fourth Amendatory Intergovernmental Agreement dated December 12, 2001, entered into among the City, the Parish, the District and the Commission, as further amended by the Fifth Amendatory Intergovernmental Agreement dated June 29, 2006, entered into among the City, the Parish, the District and the Commission.

“Net Operation and Maintenance Expenses” shall mean all reasonable and necessary expenses of operating and maintaining the System which are not otherwise paid by the Parish as required by the Local Services Agreement.

“Net Sales Tax Revenues” shall mean all revenues to be derived by the Parish from the Tax after payment of the reasonable and necessary expenses of collecting and administering the Tax.

“Net Revenues” shall mean the Revenues, after payment from the Revenues of the Net Operation and Maintenance Expenses.

“Outstanding Parity Bonds” shall mean, collectively, (i) the Series 2010 DEQ Bonds, of which \$5,467,000 is currently Outstanding, (ii) the Series 2011A Bonds, of which \$92,500,000 will remain Outstanding subsequent to the issuance of the Series 2019B Refunding Bonds, (iii) the Series 2013A Bonds, of which \$35,962,617 is currently Outstanding, (iv) the Series 2013B Bonds, of which \$15,880,000 is currently Outstanding, (v) the Series 2014A Bonds, of which \$122,230,000 is currently Outstanding, (vi) the Series 2014B Bonds, of which \$205,435,000 is currently Outstanding, (vii) the Series 2015A DEQ Bonds, of which \$17,376,749 is currently Outstanding, and (viii) the Series 2016A DEQ Bonds, of which \$10,981,260 is currently Outstanding.

“Parish” shall mean the Parish of East Baton Rouge, State of Louisiana.

“Parish General Sales Tax Bond Resolution” shall mean General Bond Resolution No. 28101 adopted by the Metropolitan Council, acting as governing authority of the Parish.

“Parish Sewer User Fee Fund” shall mean the fund established by Ordinance 7853 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, acting as governing authority of the City and Parish, on May 15, 1985.

“Paying Agent/Registrar” shall mean any paying agent and registrar for the Bonds and its successor or successors, and any other person which may at any time be substituted in its place pursuant to the General Bond Resolution and the Supplemental Bond Resolution. The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A.

“Principal Payment Date” shall mean, with respect to the Series 2019A Refunding Bonds, February 1 of each year, commencing February 1, 2020, and with respect to the Series 2019B Refunding Bonds, February 1 of each year, commencing February 1, 2020.

“Qualified Investments” shall mean those certain securities, obligations or other instruments specifically set forth in La. R.S. 33:2955, as amended from time to time, as being legal investments for political subdivisions of the State.

“Rating Agency” shall mean, collectively, Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business and Fitch Ratings, Inc.

“Record Date” shall mean, with respect to an Interest Payment Date, the fifteenth calendar day of the month next preceding such Interest Payment Date, whether or not such day is a business day.

“Redemption Price” shall mean, when used with respect to the Series 2019 Refunding Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Supplemental Bond Resolution.

“Revenues” shall mean, collectively, (i) all revenues to be derived by the Commission from the Sewer User Fees, including earnings thereon while such funds are on deposit in the General Revenue Fund, the Series 2019A East Baton Rouge Sewerage Commission Debt Service Account, and the Series 2019B East Baton Rouge Sewerage Commission Debt Service Account, and (ii) all revenues to be derived by the Parish and transferred to the Commission from the Net Sales Tax Revenues, including earnings thereon while such funds are on deposit in the Sewer Sales Tax Fund, the Series 2019A East Baton Rouge Sewerage Commission Debt Service Account, and the Series 2019B East Baton Rouge Sewerage Commission Debt Service Account.

“Sales Tax Ordinance” shall mean, collectively, an Ordinance adopted on September 14, 1988, which Ordinance was amended and restated by Ordinance No. 8998 adopted by the Metropolitan Council on November 22, 1989, by Ordinance No. 9197 adopted by the Metropolitan Council on December 12, 1990, by Ordinance No. 9363 adopted by the Metropolitan Council on December 11, 1991, by Ordinance No. 9536 adopted by the Metropolitan Council on November 25, 1992, and by Ordinance No. 10127 adopted by the Metropolitan Council on December 14, 1994, authorizing the Parish to levy and collect a one-half of one percent (½%) sales and use tax, which Tax is dedicated solely for the purpose of paying the costs of constructing and acquiring sewers and sewerage disposal works within and for the Parish.

“Series 2010 DEQ Bonds” shall mean the Commission’s Revenue Bonds (Department of Environmental Quality Project), Series 2010, issued under and pursuant to the General Bond Resolution and the Series 2010 DEQ Supplemental Bond Resolution.

“Series 2010B Bonds” shall mean the Commission’s Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds), issued under and pursuant to the General Bond Resolution and the 2010 Supplemental Bond Resolution.

“Series 2010B Transferred Proceeds” shall mean \$2,093,754.88 on deposit in the 2010B East Baton Rouge Sewerage Commission Construction Fund created and established pursuant to the 2010B Supplemental Bond Resolution, which will become “transferred proceeds” of the Series 2019A Refunding Bonds on the Date of Issuance.

“Series 2011A Bonds” shall mean the Commission’s Revenue Bonds, Series 2011A (LIBOR Index), issued under and pursuant to the General Bond Resolution and the Series 2011A Supplemental Bond Resolution, and remarketed to a new Index Floating Rate Period on March 20, 2018 pursuant to the provisions of the 2011A Supplemental Bond Resolution and the 2018 Supplemental Bond Resolution.

“Series 2011A Transferred Proceeds” shall mean \$2,530,260.54 on deposit in the 2011A East Baton Rouge Sewerage Commission Construction Fund created and established pursuant to the 2011A Supplemental Bond Resolution, which will become “transferred proceeds” of the Series 2019B Refunding Bonds on the Date of Issuance.

“Series 2013A DEQ Bonds” shall mean the Commission’s Taxable Revenue Bonds, Series 2013A, issued under and pursuant to the General Bond Resolution and the Series 2013A DEQ Supplemental Bond Resolution.

“Series 2013B Bonds” shall mean the Commission’s Taxable Revenue Refunding Bonds, Series 2013B, issued under and pursuant to the General Bond Resolution and the 2013B Supplemental Bond Resolution.

“Series 2014A Refunding Bonds” shall mean the Commission’s Revenue Refunding Bonds, Series 2014A (Taxable), issued under and pursuant to the General Bond Resolution and the 2014A Supplemental Bond Resolution.

“Series 2014B Refunding Bonds” shall mean the Commission’s Revenue Refunding Bonds, Series 2014B (Tax-Exempt), issued under and pursuant to the General Bond Resolution and the 2014B Supplemental Bond Resolution.

“Series 2015A DEQ Bonds” shall mean the Commission’s Taxable Revenue Bonds, Series 2015A, issued under and pursuant to the General Bond Resolution and the 2015A DEQ Supplemental Bond Resolution.

“Series 2016A DEQ Bonds” shall mean the Commission’s Taxable Revenue Bonds, Series 2016A, issued under and pursuant to the General Bond Resolution and the 2016A DEQ Supplemental Bond Resolution.

“Series 2019 Refunding Bonds” shall mean, collectively, the Series 2019A Refunding Bonds and the Series 2019B Refunding Bonds.

“Series 2019A Construction Fund” shall mean the 2019A East Baton Rouge Sewerage Commission Construction Fund created and established pursuant to Section 7.08 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Series 2019A Debt Service Account” shall mean the 2019A East Baton Rouge Sewerage Commission Debt Service Account created and established pursuant to Section 7.05 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Series 2019A Refunding Bonds” shall mean the Commission’s Revenue Refunding Bonds, Series 2019A, issued under and pursuant to the General Bond Resolution and the Supplemental Bond Resolution.

“Series 2019A Refunding Proceeds Fund” shall mean the Series 2019A East Baton Rouge Sewerage Commission Refunding Proceeds Fund created and established pursuant to Section 7.08 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Series 2019B Construction Fund” shall mean the 2019B East Baton Rouge Sewerage Commission Construction Fund created and established pursuant to Section 7.08 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Series 2019B Debt Service Account” shall mean the 2019B East Baton Rouge Sewerage Commission Debt Service Account created and established pursuant to Section 7.05 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Series 2019B Refunding Bonds” shall mean the Commission’s Revenue Refunding Bonds, Series 2019B, issued under and pursuant to the General Bond Resolution and the Supplemental Bond Resolution.

“Series 2019B Refunding Proceeds Fund” shall mean the Series 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund created and established pursuant to Section 7.08 of the General Bond Resolution and Section 5.01 of the Supplemental Bond Resolution.

“Sewer Sales Tax Fund” shall mean the East Baton Rouge Parish Sewer Sales Tax Enterprise Fund established by Ordinance No. 8823 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, acting as governing authority of the Parish, on December 14, 1988, and which reflects receipt of the avails or proceeds of the Tax levied and collected pursuant to the Sales Tax Ordinance, and all interest and other income earned or received by the Parish from funds on deposit therein.

“Sewer User Fees” shall mean those certain fees and charges levied and collected from the customers of the System authorized to be imposed and collected in accordance with the authority granted in La. R.S. 33:1331 and La. R.S. 33:4256, and levied and collected in accordance with the Sewer User Fee Ordinance, and any other miscellaneous revenues of the System, including, but not limited to, interest income from operations, sale of fixed assets, sewer assessments, sewer tie-in fees, and sewer user fees.

“Sewer User Fee Ordinance” shall mean Ordinance 7853 adopted by the Board of Commissioners of the Commission, acting as governing authority of the Commission, and by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge, acting as governing authority of the Parish, the City and the District, on May 15, 1985, as amended from time to time, including, but not limited to Ordinance No. 12334 (EBROSCO Ordinance No. 2068) adopted on June 12, 2002, and Ordinance No. 12647 (EBROSCO Ordinance No. 2131) adopted on May 28, 2003.

“State” shall mean State of Louisiana.

“Supplemental Resolution” shall mean any resolution or ordinance supplemental to or amendatory of the General Bond Resolution adopted by the Governing Authority in accordance with Section 12.01 of the General Bond Resolution.

“Supplemental Bond Resolution” shall mean a supplemental bond resolution, as the same may be amended and supplemented from time to time by a Supplemental Resolution.

“Surplus Fund” shall be the fund created by Section 7.08 of the General Bond Resolution, and Section 6.01 of the Supplemental Bond Resolution.

“Swap Transaction” shall mean that certain International Swaps and Derivatives Association, Inc. Master Agreement dated as of July 27, 2011, by and between Deutsche Bank and the Commission, as amended by the First Amended Agreement dated as of July 27, 2011, as further revised by the letter agreement dated August 17, 2011, each between Deutsche Bank and the Commission.

“System” shall mean the sewer system owned and/or operated by the Issuer as the same is now or may be hereafter constituted, whether owned by the Parish, the City, the District or any other sewerage district, all property real and personal, used and useful therefor, all apparatus and equipment used in connection therewith, and all acquisitions, replacements, enlargements, improvements, extension, additions, and betterments that may be made thereto at any time hereafter.

“Tax” shall mean the one-half of one percent (½%) sales and use tax approved by the voters of the Parish on April 16, 1988, levied and collected in accordance with the Sales Tax Ordinance. The avails or proceeds of the Tax (after paying the reasonable and necessary expenses of collecting and administering the Tax) must be used entirely and exclusively for the purpose of constructing, acquiring, operating, maintaining and administering sewers and sewage disposal works within and for the Parish.

“2010 DEQ Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 47855 (EBROSCO No. 8503) of the Commission adopted by its Governing Authority on April 28, 2010, and which 2010 DEQ Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2010 DEQ Bonds were issued.

“2010 Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 47909 (EBROSCO No. 8510) of the Commission adopted by its Governing Authority on May 26, 2010, which 2010 Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2010B Bonds were issued.

“2011A Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 48721 (EBROSCO No. 8626) of the Commission adopted by its Governing Authority on July 27, 2011, which 2011A Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2011A Bonds were issued.

“2013A DEQ Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 49903 (EBROSCO No. 9006) of the Commission adopted by its Governing Authority on January 23, 2013, which 2013A DEQ Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2013A DEQ Bonds were issued.

“2013B Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 50120 (EBROSCO No. 7048) of the Commission adopted by its governing authority on April 24, 2013, which 2013B Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2013B Bonds were issued.

“2014 Supplemental Resolution” shall mean the Supplemental Resolution No. 50934 (EBROSCO No. 8020) of the Commission adopted by its governing authority on July 23, 2014, which 2014 Supplemental Bond Resolution supplements the General Bond Resolution and pursuant to which the Series 2014A Refunding Bonds and 2014B Refunding Bonds were issued.

“2015A DEQ Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 51651 (EBROSCO No. 8138) of the Commission adopted by its Governing Authority on August 25, 2015, which 2015A DEQ Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2015A DEQ Bonds were issued.

“2016A DEQ Supplemental Bond Resolution” shall mean the Supplemental Bond Resolution No. 52020 (EBROSCO No. 8182) of the Commission adopted by its Governing Authority on March 23, 2016, which 2016A

DEQ Supplemental Bond Resolution supplements the General Bond Resolution, and pursuant to which the Series 2016A DEQ Bonds were issued.

Authorization of Series 2019 Refunding Bonds.

Pursuant to the provisions of the General Bond Resolution and the Refunding Act, and other constitutional and statutory authority, there is hereby authorized to be issued two (2) series of bonds of the Commission to be designated (i) "Revenue Refunding Bonds, Series 2019A" of the Commission, in the aggregate principal amount of \$ _____, for the purpose of providing sufficient funds, together with \$5,745,510 of funds on deposit in the 2010B East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2010B Supplemental Bond Resolution, to (a) advance refund \$337,435,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2021, and thereafter, to their first optional redemption date of February 1, 2020; (b) defease \$3,520,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2020, to its maturity date; and (c) pay the costs of issuance of the Series 2019A Refunding Bonds; and (ii) "Revenue Refunding Bonds, Series 2019B" of the Commission, the aggregate principal amount of \$ _____, for the purpose of providing sufficient funds, together with \$3,548,350 of funds currently on deposit in the 2011A East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2011A Supplemental Bond Resolution, to (a) current refund \$79,205,000 in aggregate principal amount of the Series 2011A Bonds maturing February 1, 2020, to and including February 1, 2032, to their optional redemption date of October 29, 2019*; (b) pay the termination payment due to Deutsche Bank in connection with the termination of the Swap Transaction; and (c) pay the cost of issuance of the Series 2019B Refunding Bonds.

As a result of the refunding of the Series 2010B Bonds with proceeds of the Series 2019A Refunding Bonds, on the Date of Issuance, the Series 2010B Transferred Proceeds will be deposited into the 2019A East Baton Rouge Sewerage Commission Construction Fund and will be used to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System.

In addition, as a result of the refunding of a portion of the Series 2011A Bonds with proceeds of the Series 2019B Refunding Bonds, on the Date of Issuance, the Series 2011A Transferred Proceeds will be deposited into the 2019B East Baton Rouge Sewerage Commission Construction Fund and will be used to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System.

The 2019 Refunding Bonds are secured on a parity as to security and source of payment with the Outstanding Parity Bonds, and this Supplemental Bond Resolution provides for and creates a continuing lien to secure the full and final payment of the principal of or redemption price and interest on all Series 2019 Refunding Bonds.

The Series 2019 Refunding Bonds shall be special and limited obligations of the Commission payable solely from the Net Revenues. The Series 2019 Refunding Bonds shall not constitute an indebtedness or pledge of the general credit of the Commission within the meaning of any constitutional or statutory provision relating to the incurring of indebtedness, and each Series 2019 Refunding Bond shall contain a recital to that effect.

The Pledge Effected by the Supplemental Bond Resolution.

There are hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the payment of the Series 2019 Refunding Bonds in principal and interest as they shall respectively become due and payable, and for the other purposes herein set forth, the Net Revenues. It is the intention of the Commission that, to the fullest extent permitted by law, including, but not limited to, La. R.S. 39:1430.1, this pledge shall be valid and binding from the time when it is made, that the Net Revenues, and that the lien of such pledge and the obligation to perform the contractual provisions herein contained shall have priority over any or all other obligations and liabilities of the Commission, and that this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Commission, irrespective of whether such parties have notice thereof. The Net Revenues shall be set aside in the General Revenue Fund and the Sewer Sales Tax Fund, as the case may be, and shall be and remain pledged for the security and payment of the Series 2019 Refunding Bonds in principal and interest, and for all other payments provided for in the Supplemental Bond Resolution until the Series 2019 Refunding Bonds shall have been fully paid and discharged. The Net Revenues representing Net Sales Tax Revenues shall be set aside in the Sewer Sales Tax Fund and shall be and remain pledged for the security and

payment of the Series 2019 Refunding Bonds in principal and interest, and for all other payments provided for in the Supplemental Bond Resolution until the Series 2019 Refunding Bonds shall have been fully paid and discharged.

The Commission, by proper resolutions and/or ordinances, hereby obligates itself to continue to impose and collect the Sewer User Fees, and further obligates itself not to discontinue or decrease or permit to be discontinued or decreased such Sewer User Fees in anticipation of the collection of which the Series 2019 Refunding Bonds are to be issued, nor in any way make any change which would diminish the amount of the Sewer User Fees to be received by the Commission until all of the Bonds payable therefrom have been fully paid and discharged.

The Parish, by proper resolutions and/or ordinances, hereby obligates itself to continue to impose and collect the Tax, and further obligates itself not to discontinue or decrease or permit to be discontinued or decreased such Tax in anticipation of the collection of which the Bonds are to be issued, nor in any way make any change which would diminish the amount of the Net Sales Tax Revenues to be received by the Parish until all of the Series 2019 Refunding Bonds payable therefrom have been fully paid and discharged.

The President and Secretary of the Commission are authorized and directed in the Supplemental Bond Resolution to file such reports and forms and take such other actions as required by the Federal Stimulus Act in order to obtain the Direct Subsidy Payments permitted by the Federal Stimulus Act.

Execution of Series 2019 Refunding Bonds.

(A) Unless otherwise prescribed by any amendment of or supplement to the Supplemental Bond Resolution, the Series 2019 Refunding Bonds shall be executed in the name of and on behalf of the Issuer by the Authorized Officers. Such officers may employ facsimiles of their signatures.

(B) In case any officer whose signature or facsimile signature shall appear on the 2019 Refunding Bonds shall cease to be such officer before the delivery of any Bond, such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

General Revenue Fund.

(A) The subaccount of the Parish Sewer User Fee Fund created and established by Ordinance 7853 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge on May 15, 1985, shall continue to be used by the Commission as the fund pursuant to which all Sewer User Fees are to be deposited.

(B) All Sewer User Fees shall be deposited in accordance with and in the manner prescribed by Article VIII of the General Bond Resolution into this Fund. Money in the General Revenue Fund shall be withdrawn and used only in the manner and in the order of priority specified in Article VIII of the General Bond Resolution.

So long as the Commission establishes, from an accounting standpoint, proper records of receipts and disbursement for the General Revenue Fund, the General Revenue Fund may be, but is not required to be, used for the purposes of the Operation and Maintenance Fund.

Sewer Sales Tax Fund.

(A) The Sewer Sales Tax Fund created and established by Ordinance 8823 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge on December 14, 1988, shall continue to be used by the Parish as the fund pursuant to which all avails or proceeds of the Tax are to be deposited.

(B) Pursuant to the Sales Tax Ordinance, the collector of the Tax shall remit monthly the avails or proceeds derived from the levy and collection thereof to the Parish, and the Parish shall deposit such proceeds from time to time, as the same may be received, in the Sewer Sales Tax Fund created and established pursuant to the Sales Tax Ordinance. Pursuant to the Agreement, all Net Sales Tax Revenues on deposit therein shall be withdrawn and made use of only in the manner and in the order of priority specified in Article VIII of the General Bond Resolution.

Operation and Maintenance Fund.

(A) The Sewer User Fee Subaccount within the Sewerage Operations and Maintenance Fund created and established by Ordinance 7853 adopted by the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge on May 15, 1985, is continued and shall be designated and utilized as the “Operation and Maintenance Fund” for purposes of General Bond Resolution. This Operation and Maintenance Fund is intended to provide for the payment of all Net Operation and Maintenance Expenses including, without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the System in good repair and working order, and to pay the fees and charges of the Paying Agent/Registrar and the custodian or trustee of any fund, the costs of audits required hereunder, and the premiums for all insurance and fidelity bonds required by this Bond Resolution.

(B) Withdrawals from the Operation and Maintenance Fund shall be made by or on the order of the Commission in accordance, as nearly as may be practicable, with the Annual Budget then in effect.

Debt Service Fund.

(A) There shall be established and maintained by the Fiscal Agent, on behalf of the Commission, a Debt Service Fund. This Fund is intended to provide for the payment of the principal of, premium, if any, and interest on all Bonds, and all Hedge Payments, as the same respectively fall due. Payments into this Debt Service Fund shall be made by the Commission in the manner prescribed by the General Bond Resolution, including the applicable provisions of Article VIII of the General Bond Resolution, and, except as provided therein, all money in the Debt Service Fund shall be used solely to pay the principal of, premium, if any, and interest on the Bonds, and all Hedge Payments and for no other purpose.

Pursuant to the Supplemental Bond Resolution, there has been created and established within the Debt Service Fund the Series 2019A East Baton Rouge Sewerage Commission Debt Service Account and the Series 2019B East Baton Rouge Sewerage Commission Debt Service Account.

(B) The Debt Service Fund shall be kept in the complete custody and control of the Fiscal Agent, on behalf of the Commission, and withdrawals from the Debt Service Fund shall be made by the Fiscal Agent, on behalf of the Commission, to the Paying Agent/Registrar who shall transmit to each Bondholder, at such times as may be appropriate, the sums required to pay the principal of, premium, if any, and interest on the Bonds, and to the Hedge Counterparty, at the time specified in the Hedge Agreement, the Hedge Payments.

(C) Money in the Debt Service Fund shall be invested and reinvested at the direction of the Commission in Qualified Investments, maturing not later than the date on which such money is required to pay the interest and/or the principal and interest next maturing. All earnings from such investments shall be added to and become a part of the Debt Service Fund, together with other moneys transferred into the Debt Service Fund from other funds as provided for herein, shall be credited against payments that would otherwise be made to the Debt Service Fund pursuant to the provisions of Section 8.02 (Second) of the General Bond Resolution.

Surplus Fund.

The Surplus Fund has been established and shall be maintained by the Fiscal Agent pursuant to the provisions of the General Bond Resolution, on behalf of the Commission. All moneys remaining in the General Revenue Fund on the last day of each month and after making the required payments into the funds and accounts as set forth in (First) through (Seventh) under the caption “SECURITY FOR THE SERIES 2019 REFUNDING BONDS - Flow of Funds” for the then current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Commission for the purpose of retiring Bonds herein authorized in advance of their maturities, either by purchase of Bonds then Outstanding at prices not greater than the redemption prices of said Bonds as set forth in a Supplemental Resolution or by retiring such Bonds at the prices and in the manner as set forth in a Supplemental Resolution, or for any other lawful purpose of the Commission.

2019A East Baton Rouge Sewerage Commission Refunding Proceeds Fund.

Upon delivery of the Series 2019A Refunding Bonds, an amount of proceeds of the Series 2019A Refunding Bonds equal to \$_____, shall be deposited into the 2019A East Baton Rouge Sewerage Commission Refunding Proceeds Fund, and together with \$5,745,510 on deposit in the 2010B East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2010 Supplemental Bond Resolution, and shall immediately be transferred into the Escrow Fund created and established pursuant to the Escrow Deposit Agreement for the purpose of (i) defeasing the Series 2010B Bonds maturing February 1, 2020, on its maturity date, and (ii) advance refunding the Series 2010B Bonds maturing February 1, 2021, and thereafter, on the dates and in the amounts as set forth in the Escrow Deposit Agreement.

2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund.

Upon delivery of the Series 2019B Refunding Bonds, an amount of proceeds of the Series 2019B Refunding Bonds equal to \$_____ shall be deposited into the 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund, and \$_____ of the funds on deposit therein, together with \$3,548,350 on deposit in the 2011A East Baton Rouge Sewerage Commission Debt Service Fund created and established pursuant to the 2011A Supplemental Bond Resolution, and shall be used for the purpose of current refunding \$79,205,000 of the Series 2011A Bonds maturing February 1, 2020, to and including February 1, 2032, on October 29, 2019*. \$_____ of the funds on deposit in the 2019B East Baton Rouge Sewerage Commission Refunding Proceeds Fund shall be used on the Date of Issuance to pay the termination payment due to Deutsche Bank as a result of the termination of the Swap Transaction.

2019 East Baton Rouge Sewerage Commission Construction Fund.

On the Date of Issuance, the Commission will cause its Fiscal Agent (a) to transfer the 2010B Transferred Proceeds into the 2019A East Baton Rouge Sewerage Commission Construction Fund, and (b) to transfer the 2011A Transferred Proceeds into the 2019B East Baton Rouge Sewerage Commission Construction Fund, in each case to provide funds to finance a portion of the costs of upgrading, rehabilitating, improving and extending the System.

In addition, upon delivery of the Series 2019A Refunding Bonds, a portion of the proceeds of the Series 2019A Refunding Bonds (\$_____) shall be deposited into the 2019A East Baton Rouge Sewerage Commission Construction Fund in order to pay the costs of issuance of the Series 2019A Refunding Bonds, and upon delivery of the Series 2019B Refunding Bonds, a portion of the proceeds of the Series 2019B Refunding Bonds (\$_____) shall be deposited into the 2019B East Baton Rouge Sewerage Commission Construction Fund in order to pay the costs of issuance of the Series 2019B Refunding Bonds.

Rebate Fund.

In order to provide a source for the funds needed to pay any rebate of excess investment earnings due to the Treasury of the United States pursuant to Section 148(f) of the Code, the Rebate Fund shall be maintained by the Fiscal Agent, on behalf of the Commission, and used to receive any amounts payable by the Commission to the United States pursuant to Section 148(f) of the Code as calculated by or for the benefit of the Commission on or before the date required by Section 148(f) of the code. The Commission shall deposit from the Revenues of the System into the Rebate Fund the amount reflected by such calculations as being the excess investment earnings due to be rebated by the Commission to the United States with respect to the preceding Bond Year (together with investment earnings on such amount from the end of the preceding Bond Year to the date of transfer). Each such transfer shall occur within 30 days of receipt by the Commission of said calculation. The Commission shall pay from the Rebate Fund to the Treasury of the United States:

(a) Once each five years after the date of the issuance of any Series of Bonds, an amount equal to 90% of the aggregate amount of sums due to be paid as rebate of excess investment earnings to the Treasury of the United States with respect to the five preceding Bond Years (and not theretofore paid to the United States) and

(b) Not later than 60 days after redemption or payment of the last maturity of such Series of Bonds, 100% of the aggregate amount due the United States (not theretofore paid).

To the extent that any calculation required above shows that there are excess funds on deposit in the Rebate Fund with respect to the amounts due to be rebated to the United States for the preceding Bond Years, such excess amount shall be transferred to the Debt Service Fund.

The Commission further covenants that it will comply with any Treasury Regulations applicable to Section 148(f) of the Code including making any calculations of rebate amounts required under said Treasury Regulations. It is hereby recognized and understood that moneys of the Commission deposited in the Rebate Fund and any earnings thereon do not constitute Gross Revenues of the System and such amounts are not and never shall be pledged to the payment of or be security for any Series of Bonds.

Funds to Constitute Trust Funds.

The Debt Service Fund, the Surplus Fund and the Construction Fund (but under no circumstances including the Operation and Maintenance Fund or the Rebate Fund) shall all be and constitute trust funds for the purposes provided in the General Bond Resolution, and the Owners of Bonds issued pursuant to the General Bond Resolution are hereby granted a lien on all such funds and accounts until applied in the manner provided herein. The moneys in such funds and accounts shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State.

Investment of Certain Funds and Accounts.

(A) Moneys held in any fund or account created and established pursuant to the General Bond Resolution shall be invested and reinvested, to the fullest extent practicable, in Qualified Investments which mature not later than such times as shall be necessary to provide moneys for payments to be made from such funds and accounts, as required herein; provided however, that any such investment shall be made only in accordance with any instructions received from the Commission.

(B) In computing the amount in the Debt Service Fund held under the provisions of the General Bond Resolution, obligations purchased as an investment of money therein shall be valued at the cost or market value thereof, whichever is lower, inclusive of accrued interest.

(C) Except as otherwise provided herein, the Fiscal Agent shall sell at the best price obtainable, using reasonable diligence to determine such best price, or present for redemption, any obligation so purchased as an investment whenever it shall be so requested in writing by the Commission or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any fund held by it.

(D) Investments purchased as an investment of moneys in the Debt Service Fund shall be deemed at all times to be a part of such fund and any losses suffered due to the investment thereof shall be charged to such fund.

(E) Investment earnings shall be credited as follows:

(1) all amounts earned from the investment of moneys in the Debt Service Fund shall be transferred to the Debt Service Fund to be used for the payment of Debt Service on the next Interest Payment Date and for such purpose, Debt Service due from the Commission on such date shall be credited by an amount equal to the amount so transferred and

(2) amounts attributable to earnings from investment moneys in the respective accounts of the Construction Fund shall be credited to such respective accounts.

Depositories, Security for Deposits.

(A) All Revenues of the System received by the Commission and all Qualified Investments purchased as an investment of moneys in any of the funds shall, as provided in the Bond Resolution, be deposited with the Fiscal Agent and held for the benefit of the owners of the Bonds and applied only in accordance with the provisions thereof and hereof, and shall not be subject to any lien attachment by any other creditor of the Commission.

(B) All moneys held hereunder shall be secured to the fullest extent required or permitted by the laws of the State pertaining to the security of public deposits.

Deposits to General Revenue Fund and Sewer Sales Tax Fund; Dispositions Therefrom.

The Sewer User Fees are declared to be a part of the General Revenue Fund and the Net Sales Tax Revenues are declared to be a part of the Sewer Sales Tax Fund, and each shall from time to time be promptly deposited by or on behalf of the Commission or the Parish, as the case may be, with the Fiscal Agent in the General Revenue Fund or the Sewer Sales Tax Fund, as the case may be. Except as hereinafter provided, the dispositions from the General Revenue Fund and the Sewer Sales Tax Fund required by the remaining Sections of the General Bond Resolution shall be made on or before the last Business Day of each month following the delivery of the Bonds issued pursuant to the Supplemental Bond Resolution and in the order of priority established in Section 8.02 of the General Bond Resolution.

Keeping Records.

The Commission recognizes that those who may from time to time hereafter be Bondholders will, throughout the life of the Bonds, require full information with respect to the System, the fiscal affairs of the System, and all matters incident to each. To that end it covenants and agrees that it will install and thereafter at all times maintain proper books of records and accounts, separate and distinct from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, and all revenues and receipts derived therefrom, directly or indirectly. Such books and records shall be kept in such fashion as to reveal in detail:

- (A) the number of customers who may from time to time make use of the System;
- (B) the Revenues of the System and the source from whence derived;
- (C) all expenses of the Commission incurred in the operation of the System suitably identified as to purpose;
- (D) the Net Revenues of the System;
- (E) all expenditures made from the several funds established by this Bond Resolution; and
- (F) the rate schedules that may from time to time be in force.

Audit Required.

The Commission further covenants and agrees that so long as any Bonds are Outstanding, it will, not later than June 30 of each Fiscal Year, cause to be made and completed an audit of the records, books and accounts pertaining to the System, made in accordance with recognized accounting practices, showing, among other things, Net Revenues, and to furnish a copy of such audit to the Paying Agent/Registrar. Such audit may be included in the audit prepared on behalf of the City of Baton Rouge and Parish of East Baton Rouge. Such audit shall comment upon any violation of any provision of any ordinance or resolution authorizing the issuance of any Bonds or Junior Lien Bonds and any violation of any provision of this Bond Resolution and such other matters as to them seem pertinent. The cost of such audit shall be treated as a part of the cost of operating and maintaining the System. Any copies so furnished need not be certified.

Insurance.

The Commission covenants and agrees so long as any Bonds are Outstanding:

- (A) that it will self insure or will insure and at all times keep the System insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in such amount as private corporations engaged in similar endeavors would customarily insure for;

(B) that it will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the City, the Parish, the District and the Commission against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System, other than the Paying Agent or any Registrar;

(C) that all premiums on all bonds or insurance policies shall be deemed a part of the cost of operating and maintaining the System;

(D) that all insurance policies shall be open to the inspection of any Bondholder at any reasonable time; and

(E) that all money received by the Commission as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by the Commission from insurance policies covering the System may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be deposited in the Depreciation and Contingency Fund, if required.

Additional Covenants to Secure Bonds.

The Commission further covenants and agrees:

(A) That none of the Revenues have been or will be pledged or otherwise encumbered, save and except as herein disclosed and provided for;

(B) That it will permit no free service to be rendered or use to be made of the services and facilities of the System, and for the services and facilities of the System used by the City, the District and the Parish, the reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the City, the District and the Parish shall be deemed revenue derived from the operation of the System and shall be accounted for in the same manner as other Revenues;

(C) That it will permit no sewer customer to be connected to the System or to receive any service afforded by the System unless a proper account is established and charges are levied against such account for services rendered, and such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;

(D) That so long as there are any Bonds Outstanding and unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State, and the Commission hereby irrevocably covenants, binds and obligates itself not to pledge or otherwise encumber the revenues from the System, except in the manner herein authorized, until all Bonds shall be paid in full, or unless and until provision shall have been made for the payment of all Bonds and the interest thereon in full, and the Commission further obligates itself and covenants and agrees with the Bondholders to maintain or cause to be maintained in good condition and operate or cause to be operated said System, and to collect and charge, or to cause to be collected and charged, such rates and charges for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Bond Resolution. If anything belonging to the System shall be sold or disposed of, the proceeds of such sale or disposition shall be deposited at the direction of the Board of Commissioners of the Commission in either the Depreciation and Contingency Fund or in the General Revenue Fund;

(E) That it will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the System and all records and accounts thereof under reasonable terms and conditions and after reasonable notice has been given;

(F) The Commission covenants and agrees that, to the extent permitted by the laws of the State, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code and any amendment thereto. The Issuer further covenants and agrees that it will not take any action or fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of

the Commission to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be “arbitrage bonds” or would result in the inclusion of the interest on any of the Bonds in “gross income” under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds”.

Defeasance.

- (A) If the Commission shall pay or cause to be paid to the owners of all Bonds of a Series then Outstanding, the principal or Redemption Price, if any, and interest to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, then the covenants, agreements and other obligations of the Commission to the Bondowners of such Series shall be discharged or satisfied. In such event, the Paying Agent/Registrar shall, upon the request of the Commission, execute and deliver to the Commission all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent/Registrar shall pay over or deliver to the Commission all moneys, securities and funds held by them pursuant to this Bond Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

- (B) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at a maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section. Any Bond shall, prior to maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section if (i) in case such Bond is to be redeemed on any date prior to its maturity, the Commission shall have given to the Paying Agent/Registrar in form satisfactory to it irrevocable instructions to give, as provided in Section 4.05 of this Bond Resolution, notice of redemption on said date of such Bond, and (ii) there shall have been deposited in trust either moneys or noncallable Government Obligations in the amounts and having such terms as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or applicable Redemption Price thereof, together with all accrued interest. Neither Government Obligations, obligations secured thereby, or moneys deposited with the Paying Agent/Registrar pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such direct obligations of the United States of America deposited with the Paying Agent/Registrar shall, to the extent practicable, be reinvested in direct obligations of the United States of America maturing at the times and in the amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

APPENDIX B

**FINANCIAL AND STATISTICAL DATA RELATIVE TO
THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE,
STATE OF LOUISIANA**

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**FINANCIAL AND STATISTICAL DATA
RELATIVE TO THE CITY OF BATON ROUGE
AND THE PARISH OF EAST BATON ROUGE,
STATE OF LOUISIANA**

GENERAL INFORMATION

Population of the City of Baton Rouge and the Parish of East Baton Rouge

The population trend of the City of Baton Rouge and the Parish of East Baton Rouge is as follows:

<u>YEAR</u>	<u>CITY ESTIMATED POPULATION</u>	<u>PARISH ESTIMATED POPULATION</u>
2018	221,599	440,956
2017	223,948	443,607
2016	226,397	446,029
2015	227,044	445,078
2014	227,774	444,798
2013	228,280	443,840
2012	228,834	442,592
2011	228,595	441,173
2010	229,493	440,171
2009	233,266	439,053
2008	223,689	428,360

Sources: *US Census Bureau.*

ECONOMIC INDICATORS

Personal Income

Revised Estimates of State Personal Income were published by the Bureau of Economic Analysis of US Department of Commerce. The most recent multi-year trend in revised per capita income for the Nation, Louisiana and East Baton Rouge Parish is as follows:

<u>YEAR</u>	<u>UNITED STATES⁽¹⁾</u>	<u>LOUISIANA⁽¹⁾</u>	<u>PARISH⁽²⁾</u>
2018	\$53,712	\$45,542	\$52,294
2017	51,731	43,786	48,771
2016	49,883	42,654	45,248
2015	48,985	42,890	45,887
2014	47,060	42,566	43,106
2013	44,851	40,734	43,839
2012	44,599	40,429	42,671
2011	42,735	38,507	40,987
2010	40,546	37,513	40,132
2009	39,284	36,375	41,756
2008	40,904	37,872	37,210

Source: ⁽¹⁾ *U.S. Bureau of Economic Analysis. www.bea.gov.*

⁽²⁾ *East Baton Rouge Parish/City Finance Department, based on U.S. Bureau of Economic Analysis.*

Employment

The recent trend in employment for East Baton Rouge Parish is as follows:

<u>YEAR</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>PARISH RATE</u>	<u>STATE RATE</u>	<u>US RATE</u>
2018	232,663	222,618	10,045	4.30%	4.90%	3.90%
2017	231,625	221,465	10,160	4.40%	5.10%	4.40%
2016	232,123	220,186	11,937	5.10%	6.10%	4.90%
2015	235,068	222,312	12,756	5.40%	6.30%	5.30%
2014	232,110	218,765	13,345	5.70%	6.40%	6.20%
2013	225,959	211,944	14,015	6.20%	6.20%	7.40%
2012	222,248	207,284	14,964	6.70%	6.40%	8.10%
2011	221,086	204,338	16,748	7.60%	7.30%	8.90%
2010	221,984	205,112	16,872	7.60%	7.50%	9.60%
2009	217,988	204,476	13,512	6.20%	6.60%	9.30%
2008	218,827	208,563	10,264	4.70%	4.60%	5.80%

Source: *United States Department of Labor, Bureau of Labor Statistics.*

The recent trend in employment for East Baton Rouge Parish is as follows:

<u>MONTH</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>PARISH RATE</u>
August – 2018	232,328	220,843	11,485	4.90%
September – 2018	232,827	222,603	10,224	4.40%
October – 2018	233,223	223,528	9,695	4.20%
November – 2018	233,408	224,549	8,859	3.80%
December – 2018	230,455	221,575	8,880	3.90%
January – 2019	229,616	218,933	10,683	4.70%
February – 2019	231,387	222,448	8,939	3.90%
March – 2019	231,667	223,896	7,771	3.40%
April – 2019	230,932	223,849	7,083	3.10%
May – 2019	231,334	222,764	8,570	3.70%
June – 2019	234,511	222,899	11,612	5.00%
July – 2019	233,415	222,115	11,300	4.80%
August – 2019	231,417	220,751	10,666	4.60%

Source: *United States Department of Labor, Bureau of Labor Statistics.*

Major Employers

The following table shows the top ten employers in East Baton Rouge Parish for the year 2018.

<u>Employer</u>	<u>Employees</u>	<u>% of Total Parish Employment</u>
Louisiana State Government	24,664	9.57%
Turner Industries Group LLC	9,875	3.83%
Louisiana State University	6,250	2.42%
East Baton Rouge Parish School System	6,062	2.35%
Performance Contractors	5,500	2.13%
Our Lady of the Lake Regional Medical Center	4,500	1.75%
City-Parish Government	4,299	1.67%
ExxonMobil Corporation	4,214	1.63%
Baton Rouge General Medical Center	4,000	1.55%
Parish Water Company	3,196	1.24%

Source: *Louisiana Department of Economic Development.*

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SALES TAXES

Sales Tax Collections – Parish of East Baton Rouge

The Parish of East Baton Rouge has collected the following amounts, before audit and other adjustments, from its two percent (2%) sales and use tax for the periods indicated:

Annual Collections

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Parish	\$82,593,224	\$83,069,209	\$81,701,381	\$81,276,564	\$86,680,316	\$84,296,569	\$83,756,526

Source: *City-Parish, Finance Department.*

Monthly Collections

The Parish of East Baton Rouge has collected the following amounts from its two percent (2%) sales and use tax monthly through December, 2018:

<u>Month</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
January	\$6,210,727	\$6,503,197	\$6,146,197	\$6,208,489	\$6,366,605	\$7,116,598	\$6,442,977
February	6,026,415	6,004,594	6,391,985	6,292,953	6,459,946	6,631,352	5,959,085
March	7,106,738	7,259,431	6,990,683	7,197,320	7,296,574	7,890,709	7,445,600
April	7,074,366	6,900,792	6,846,710	6,441,754	6,670,395	6,934,673	6,644,233
May	7,470,584	6,799,017	7,184,476	6,596,243	6,574,147	7,232,252	7,287,819
June	7,354,313	7,039,935	6,972,774	7,194,913	7,053,381	7,046,724	6,893,878
July	6,664,157	7,078,556	6,823,590	6,739,856	6,356,410	6,864,635	6,849,228
August	6,707,497	6,824,748	6,465,664	6,540,410	6,576,414	6,778,865	7,654,944
September	6,238,138	6,678,640	7,102,694	7,023,344	8,248,679	6,805,884	6,680,235
October	6,631,878	6,802,737	6,792,693	6,540,305	8,245,434	6,606,532	7,240,225
November	7,259,263	6,715,666	6,300,011	6,508,399	8,127,522	6,761,817	7,273,597
December	<u>7,849,148</u>	<u>8,461,896</u>	<u>7,683,904</u>	<u>7,992,578</u>	<u>8,704,809</u>	<u>7,626,528</u>	<u>7,384,705</u>
Total	\$82,593,224	\$83,069,209	\$81,701,381	\$81,276,564	\$86,680,316	\$84,296,569	\$83,756,526

Source: *City-Parish, Finance Department.*

Sales Tax Collections – City of Baton Rouge

The City of Baton Rouge has collected the following amounts, before audit and other adjustments, from its two percent (2%) sales and use tax for the periods indicated:

Annual Collections

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City	\$90,289,022	\$91,932,420	\$98,320,074	\$103,731,393	\$108,764,244	\$110,568,096	\$108,296,763

Source: *City-Parish, Finance Department.*

Monthly Collections

The City of Baton Rouge has collected the following amounts from its two percent (2%) sales and use tax monthly through December, 2018,

<u>Month</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
January	\$6,891,305	\$6,802,241	\$7,024,172	\$8,045,049	\$7,856,087	\$9,349,754	\$8,417,736
February	7,426,998	7,049,858	7,497,019	8,046,772	8,061,089	8,760,967	8,252,379
March	8,380,410	8,174,419	8,589,364	9,171,813	9,217,726	10,061,038	9,607,363
April	7,300,556	7,872,763	7,980,223	8,448,772	8,511,685	9,168,292	8,887,263
May	7,633,479	7,817,200	8,257,195	8,533,124	8,297,009	9,062,075	9,217,537
June	7,778,903	7,706,251	8,162,207	8,715,735	8,582,897	9,132,662	9,267,189
July	7,225,337	7,364,783	8,085,547	8,672,596	7,721,260	8,410,944	8,816,273
August	7,212,430	7,694,018	8,313,295	8,471,752	8,393,032	9,116,731	8,925,117
September	7,424,051	7,744,581	8,450,472	8,783,683	10,241,945	9,345,973	8,901,261
October	7,502,376	7,706,042	8,422,687	8,755,845	10,689,425	9,069,897	8,981,398
November	7,280,441	7,485,091	7,916,116	8,240,701	9,924,823	8,958,738	8,732,519
December	<u>8,232,736</u>	<u>8,515,173</u>	<u>9,621,777</u>	<u>9,845,551</u>	<u>11,267,266</u>	<u>10,131,025</u>	<u>10,281,728</u>
Total	\$90,289,022	\$91,932,420	\$98,320,074	\$103,731,393	\$108,764,244	\$110,568,096	\$108,296,763

Source: *City-Parish, Finance Department.*

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PROPERTY TAXES

Assessed Valuation of the City of Baton Rouge

The recent trend in the assessed valuation of the City of Baton Rouge is as follows:
(amounts expressed in thousands)

<u>YEAR</u>	<u>CITY TAXABLE ASSESSED VALUATION</u>	<u>CITY HOMESTEAD EXEMPTIONS</u>	<u>CITY TOTAL ASSESSED VALUATION</u>
2018	\$2,031,877	N/A	\$2,031,877
2017	2,028,576	N/A	2,028,576
2016	1,950,078	N/A	1,950,078
2015	1,911,391	N/A	1,911,391
2014	1,861,690	N/A	1,861,690

Source: *East Baton Rouge Parish Assessor's Office.*

Assessed Valuation of the Parish

The recent trend in the Parishwide assessed valuation of the Parish of East Baton Rouge is as follows:
(amounts expressed in thousands)

<u>YEAR</u>	<u>PARISHWIDE TAXABLE ASSESSED VALUATION</u>	<u>PARISHWIDE HOMESTEAD EXEMPTIONS</u>	<u>PARISHWIDE TOTAL ASSESSED VALUATION</u>
2018	\$4,264,221	\$691,504	\$4,955,725
2017	4,179,708	686,574	4,866,282
2016	3,969,188	677,339	4,646,527
2015	3,900,403	681,678	4,582,080
2014	3,824,483	678,871	4,503,354

Source: *Louisiana Tax Commission Annual Report.*

A breakdown of the Parishwide assessed valuation of the Parish of East Baton Rouge by classification of property is as follows:
(amounts expressed in thousands)

<u>YEAR</u>	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>PUBLIC SERVICE</u>	<u>TOTAL</u>
2018	\$3,316,728	\$1,314,048	\$324,949	\$4,955,725
2017	3,226,125	1,281,920	358,237	4,866,282
2016	2,995,864	1,308,018	342,644	4,646,527
2015	2,963,714	1,271,182	347,184	4,582,080
2014	2,897,748	1,261,802	343,804	4,503,354

Source: *Louisiana Tax Commission Annual Report (Years 2014 – 2018).*

Millage Rates

The recent trend in the ad valorem tax rates levied (in mills) within the boundaries of the Parish of East Baton Rouge follows:

<u>PARISHWIDE MILLAGE LEVIED</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Parish Tax	3.44	3.44	3.44	3.32	3.32	3.32
Mosquito Abatement District	1.41	1.41	1.41	1.41	2.12	2.12
Emergency Medical Services	3.13	3.13	3.13	3.13	3.13	3.13
Parish Library	10.78	10.78	10.78	11.10	11.10	11.10
BREC – Maintenance & Operations	14.04	14.04	14.46	14.46	14.46	14.46
Council on Aging	--	--	--	--	2.25	2.25
Special Law Enforcement Tax	4.36	4.36	4.36	4.36	4.36	4.36
Additional Law Enforcement 2	3.73	3.73	3.73	3.73	3.73	3.73
Additional Law Enforcement 3	6.90	6.90	6.90	6.90	6.90	6.90
Assessor's Salary & Expense Fund	1.34	1.34	1.34	1.29	1.29	1.29
<u>SCHOOL TAXES:</u>						
Constitutional School	5.25	5.25	5.25	5.25	5.25	5.25
Special School Maintenance	1.04	1.04	1.04	1.04	1.04	1.04
Special Additional Aid Public School	6.50	6.50	6.50	6.50	6.50	6.50
Special Additional Teachers	2.78	2.78	2.78	2.78	2.78	2.78
Special School Employee Salary & Benefits 1	1.86	1.86	1.86	1.86	1.86	1.86
Special School Employee Salary & Benefits 2	7.14	7.14	7.14	7.14	7.14	7.14
Special Replacing Reduced State & Local Receipts	4.98	4.98	4.98	4.98	4.98	4.98
Special Employees' Salaries & Benefits	5.99	5.99	5.99	5.99	5.99	5.99
Special Support ADAPP	0.72	0.72	0.72	0.72	0.72	0.72
Salaries & Benefits 3	7.19	7.19	7.19	7.19	7.19	7.19
Baker Constitutional School	5.00	5.00	5.00	5.00	5.00	5.00
Baker School Millage	38.20	38.20	38.20	38.20	38.20	38.20
Central Constitutional School	4.23	4.23	4.23	3.91	3.91	3.91
Central School Millage	32.52	32.52	32.52	30.06	30.06	30.06
Central School Bond Prop. #2	9.25	9.25	9.25	9.25	9.25	9.25
Central School Bond Prop. #3	14.40	14.40	14.40	14.40	14.40	14.40
Zachary School Bond 1	13.08	10.88	10.88	10.88	10.88	10.88
Zachary School Bond 2	13.08	6.98	6.98	6.98	6.98	6.98
Zachary School Bond 3	9.84	6.98	6.98	6.98	6.98	6.98
Zachary School Bond 4	--	11.16	11.16	11.16	11.16	11.16
Zachary Constitutional School	5.00	5.00	5.00	5.00	5.00	5.00
Zachary School Millage	38.20	38.20	38.20	38.20	38.20	38.20
<u>LEVEE TAXES:</u>						
Ponchartrain Levee District	3.47	3.47	3.52	3.52	3.52	3.52
<u>MISCELLANEOUS TAXES:</u>						
Consolidated Road Lighting Dist. #1	3.84	3.84	3.84	2.00	2.00	2.00
St. George Fire District #2	14.00	14.00	16.00	16.00	16.00	16.00
St. George Fire District Annex Prop	--	--	14.00	12.75	16.00	16.00
Alsen Fire Protection District #9 (2)	15.00	15.00	15.00	15.00	15.00	15.00
Brownsfield Fire District #3	15.00	25.00	25.00	35.00	35.00	35.00
Central Fire District #4	15.00	15.00	19.25	19.25	19.25	19.25
Eastside Fire District #5	22.50	22.50	22.50	22.50	22.50	22.50
Hooper Road Fire District #6	40.00	40.00	40.00	40.00	40.00	40.00
Chaneyville Fire District 7	20.00	20.00	20.00	20.00	30.00	30.00

Downtown Development District	10.00	10.00	10.00	9.71	10.00	10.00
Comite Diversion Canal	2.52	2.52	2.52	2.41	2.41	2.41
B.R. Fire Dept.	6.00	6.00	6.00	6.00	6.00	6.00
B.R. Police System	0.90	0.90	0.90	0.87	0.87	0.87
City of Baton Rouge General Fund	6.22	6.22	6.22	6.03	6.90	6.03
Pride Fire District #8	10.00	10.00	10.00	10.00	10.00	25.00
Baker Capital Area Transit System	10.60	10.60	10.60	10.60	10.60	10.60
B.R. Capital Area Transit System	10.60	10.60	10.60	10.60	10.60	10.60
Zachary Fire District #1	9.00	9.00	9.00	9.00	9.00	9.00
City of Baker	6.22	6.22	6.22	6.22	6.22	6.22
City of Zachary	3.17	3.17	3.17	5.48	5.48	5.48
Tax Commission Fee for Bank and Insurance	--	--	0.15	0.15	0.15	0.15
Tax Commission Fee for Utility Costs	--	--	0.10	0.10	0.10	0.10

Source: Louisiana Tax Commission Annual Reports; East Baton Rouge Assessor.

Leading Taxpayers

The ten largest property taxpayers of the Parish of East Baton Rouge in 2018 and their valuation are as follows:

<u>NAME OF TAXPAYER</u>	<u>2018 ASSESSED VALUATION</u>
1. ExxonMobil Corporation	\$ 319,130,330
2. Entergy, Inc.	94,661,950
3. Georgia-Pacific Corporation	90,615,950
4. JPMorgan Chase Bank	50,673,650
5. State Farm Insurance	27,128,190
6. Genesis Marine	24,414,930
7. Capital One Bank	21,986,380
8. Bellsouth Communications	19,398,140
9. Baton Rouge Water Company	17,209,010
10. Cox Communications	14,955,870

Source: East Baton Rouge Parish Assessor's Office.

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE (INCLUDING THE ISSUER)

The 2018 Annual Financial Report (and prior years) of the Consolidated Government of the City of Baton Rouge and Parish of East Baton Rouge is available in pdf format at the City of Baton Rouge – Parish of East Baton Rouge Government’s website:

<https://www.brla.gov/223/Comprehensive-Annual-Financial-Reports>

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APPENDIX D

ANNUAL OPERATING BUDGET OF THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE (INCLUDING THE ISSUER)

The 2019 Annual Operating Budget of the Consolidated Government of the City of Baton Rouge and Parish of East Baton Rouge is available in pdf format at the City of Baton Rouge – Parish of East Baton Rouge Government’s website:

<https://www.brla.gov/1406/Annual-Operating-Budgets>

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APPENDIX E

DEBT STATEMENT OF THE ISSUER

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East Baton Rouge Sewerage Commission
Statement of Direct, Overlapping and Underlying Debt as of
August 1, 2019

<u>Direct Debt of the Issuer</u>	<u>Interest Rate %</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
East Baton Rouge Sewerage Commission				
Secured by the net revenues of the one-half of one-percent (1/2%) Parishwide sales and use tax levied and collected pursuant to an election held on April 16, 1988, and the net revenues (after payment of operation and maintenance expenses) of the Comprehensive Sewerage System Enterprise Fund:				
Revenue Bonds (DEQ), Series 2010	0.45	04/29/2010	02/28/2031	\$5,467,000
Revenue Bonds, Series 2010B (Taxable Direct Pay Build America Bonds) ⁽¹⁾	2.973 – 6.087	05/27/2010	02/01/2045	\$340,955,000
Revenue Bonds, Series 2011A (LIBOR Index) ⁽²⁾	Variable Rate	07/28/2011	02/01/2046	\$171,705,000
Taxable Revenue Bonds (DEQ), Series 2013A	0.45	03/06/2013	02/01/2034	\$35,962,617
Taxable Revenue Refunding Bonds, Series 2013B	0.627 – 3.003	05/02/2013	02/01/2024	\$15,880,000
Taxable Revenue Refunding Bonds, Series 2014A	1.965 – 4.000	12/17/2014	02/01/2031	\$122,230,000
Tax-Exempt Revenue Refunding Bonds, Series 2014B	4.000 – 5.000	12/17/2014	02/01/2039	\$205,435,000
Taxable Revenue Bonds (DEQ), Series 2015A	0.45	10/08/2015	02/01/2036	\$17,376,749
Taxable Revenue Bonds (DEQ), Series 2016A	0.45	05/17/2016	02/01/2038	\$10,981,260

⁽¹⁾ To be refunded by Series 2019A Refunding Bonds.

⁽²⁾ To be partially refunded by Series 2019B Refunding Bonds.

Secured on a junior and subordinate lien basis by an irrevocable pledge and dedication of the net revenues of the one-half of one-percent (1/2%) Parishwide sewer sales and use tax levied and collected pursuant to an election held on April 16, 1988, and the net revenues (after payment of operation and maintenance expenses) of the Comprehensive Sewerage System Enterprise Fund:

LCDA – Revenue Bonds, Series 2013A	4.000 – 5.000	05/09/2013	02/01/2048	\$126,260,000
LCDA – Revenue Bonds, Series 2013B (LIBOR Index)	Variable Rate	05/10/2013	02/01/2049	\$92,500,000
LCDA – Revenue Bonds, Series 2014A	4.375 – 5.000	04/10/2014	02/01/2044	<u>\$209,785,000</u>
Total				\$1,354,537,626

Overlapping Debt

I. Revenue Bonds

A. City of Baton Rouge

Secured by pledge and dedication of the excess of annual revenue of the General Fund above statutory, necessary and usual charges in each of the Fiscal Years:

Taxable Refunding Bonds (MPERS Refunding), Series 2012	0.420 – 4.191	04/12/2012	01/15/2029	\$38,120,000
--	---------------	------------	------------	--------------

Secured by an irrevocable pledge and dedication of the net avails or proceeds of the City's 2% sales and use tax now being levied and collected within the City:

Public Improvement Sales Tax Revenue Bonds, Series 2008B (Taxable)	4.28 – 5.5	01/24/2008	08/01/2022	\$2,350,000
Public Improvement Sales Tax Revenue Refunding Bonds, Series 2010B	2 – 4	09/28/2010	08/01/2026	\$9,255,000
Public Improvement Sales Tax Revenue Bonds, Series 2010A (GO ZONE)	2.5 – 4.5	01/28/2010	08/01/2039	\$4,875,000
Public Improvement Sales Tax Revenue Bonds, Series 2016A-1	2 – 5	04/28/2016	08/01/2037	\$40,075,000
Public Improvement Sales Tax Revenue Bonds, Series 2016A-2 (Taxable)	0.75 – 3.4	04/28/2016	08/01/2029	\$1,015,000
Public Improvement Sales Tax Revenue Bonds, Series 2016A-3	2 – 4	04/28/2016	08/01/2041	\$4,520,000

<u>Debt</u>	<u>Interest Rate %</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Public Improvement Sales Tax Revenue Bonds, Series 2018	3.16	5/23/2018	8/1/2033	<u>\$17,140,000</u>
Total				\$79,230,000

B. Lane Regional Medical Center

Secured by income and revenues from operation of the hospital:

Hospital Revenue and Refunding Bonds, Series 2013A	3.20	07/26/2013	07/01/2033	\$8,655,000
Hospital Revenue Bonds, Series 2013B	3.20	07/26/2013	07/01/2033	<u>\$8,510,000</u>
Total				\$17,165,000

C. Greater Baton Rouge Port Commission

-NONE-

D. East Baton Rouge Parish

Secured by irrevocable pledge and dedication of seventy per centum (70%) of the net avails or proceeds of the special one – half of one percent (½%) sales and use tax:

Road & Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A	Variable Rate	04/17/2008	08/01/2030	\$73,895,000
Road & Street Improvement Sales Tax Revenue Bonds, Series 2009A	4.75 – 5.25	02/12/2009	08/01/2030	\$10,700,000
Road & Street Improvement Sales Tax Refunding Bonds, Series 2015	5	04/09/2015	08/01/2030	\$59,430,000

Payable and secured on a junior and subordinate lien basis by an irrevocable pledge and dedication of seventy per centum (70%) of the net avails or proceeds of the special one – half of one percent (½%) sales and use tax. In the event and to the extent the pledged revenues are insufficient the obligation shall be satisfied from lawfully available funds of the General Fund:

LCDA Revenue Bonds (Parish of East Baton Rouge Road Improvement Project), Series 2012	2 – 5	03/01/2012	08/01/2030	\$22,425,000
LCDA Revenue Bonds (Parish of East Baton Rouge Road Improvement Project), Series 2015	2 – 5	04/09/2015	08/01/2030	\$28,210,000

Secured by a pledge and dedication of the net avails or proceeds of the Parish's two percent (2%) sales and use tax now being levied and collected within the Parish but not the City:

Public Improvement Sales Tax Revenue Bonds, Series 2013A (Public Safety Complex)	2.090	06/13/2013	02/01/2028	\$7,220,000
Public Improvement Sales Tax Revenue Bonds, Series 2014A (Public Safety Complex)	2.230	06/27/2014	02/01/2026	<u>\$3,000,000</u>
Total				\$204,880,000

Limited Obligation secured by District ad valorem tax.

Pride Fire Protection District	2.87	04/20/2018	08/01/2027	\$44,497
Chaneyville Fire Protection District	3.736	08/21/2018	08/01/2030	<u>\$288,800</u>
Total				\$333,297

E. Underlying Debt

-NONE-

II. Other Obligations

A. City of Baton Rouge

Payable from and secured by excess revenues of the General Fund:

LCDA Loan (Baton Rouge Convention and Visitors Bureau)	Variable	09/21/2007	12/30/2029	<u>\$464,200</u>
Total				\$464,200

B. East Baton Rouge Parish

Payable from and secured by excess revenues of the General Fund:

LCDA Loan from Series 2000A Program (Pride Fire)	Variable	06/08/2012	12/30/2029	<u>\$185,413</u>
Total				\$185,413

<u>Debt</u>	<u>Interest Rate %</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
C. Recreation and Parks (BREC)				
	Payable from and secured by an irrevocable pledge and dedication of all of the avails or proceeds of the 3.253 mills ad valorem tax:			
Limited Ad Valorem Tax Revenue Refunding Bonds, Series 2012A	2.13	8/02/2012	05/1/2025	\$18,465,000
Limited Ad Valorem Tax Revenue Bonds, Series 2012B	2.13	11/06/2012	05/1/2025	<u>\$6,645,000</u>
			Total	\$25,110,000
D. East Baton Rouge School Board				
	Payable from and secured by excess revenues of the General Fund:			
Qualified School Construction Bond 2009	1.00	12/17/2009	12/01/2025	\$10,716,497
Qualified School Construction Bond 2010	0.75	8/05/2010	12/16/2025	<u>\$11,560,000</u>
			Total	\$22,276,497
E. Underlying Debt				-NONE-

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

October 29, 2019

Honorable Board of Commissioners
East Baton Rouge Sewerage Commission
Baton Rouge, Louisiana

\$ _____
East Baton Rouge Sewerage Commission
Revenue Refunding Bonds
Series 2019A

\$ _____
East Baton Rouge Sewerage Commission
Revenue Refunding Bonds
Series 2019B

Ladies and Gentlemen:

We have acted as bond counsel to the East Baton Rouge Sewerage Commission (the “*Issuer*”), in connection with the issuance by the Issuer of the (i) \$ _____ Revenue Refunding Bonds, Series 2019A (the “*Series 2019A Refunding Bonds*”), and (ii) \$ _____ Revenue Refunding Bonds, Series 2019B (the “*Series 2019B Refunding Bonds*,” and, together with the Series 2019A Refunding Bonds, the “*Series 2019 Refunding Bonds*”). The Series 2019 Refunding Bonds are dated October 29, 2019, are in fully registered form, bear interest until paid at the rates per annum and mature in the principal amounts and on the dates all as set forth in the Bond Resolution (hereinafter defined). Capitalized terms not otherwise defined herein shall have the same respective meanings assigned thereto in the Bond Resolution.

The Series 2019 Refunding Bonds have been issued under the authority conferred by Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “*Refunding Act*”), and other constitutional and statutory authority, and pursuant to an Amended and Restated General Bond Resolution adopted by the Board of Commissioners of the Issuer, acting as the governing authority of the Issuer (the “*Governing Authority*”), on June 28, 2006, as supplemented by a Resolution adopted by the Governing Authority on August 14, 2019, and a Supplemental Bond Resolution adopted by the Governing Authority on October 23, 2019 (collectively, the “*Bond Resolution*”), for the purpose of (1) in the case of the Series 2019A Refunding Bonds, (i) providing sufficient funds to advance refund \$337,435,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2021, and thereafter, to their first optional redemption date of February 1, 2020; (ii) defeasing \$3,520,000 in aggregate principal amount of the Series 2010B Bonds maturing February 1, 2020 to its maturity date; and (iii) paying the costs of issuance of the Series 2019A Refunding Bonds; and, (2) in the case of the Series 2019B Refunding Bonds, (i) providing sufficient funds to current refund \$79,205,000 aggregate principal amount of the Series 2011A Bonds maturing February 1, 2020, to and including February 1, 2032, to their optional redemption date of October 29, 2019*; (ii) paying the termination payment due to Deutsche Bank AG, New York Branch (“*Deutsche Bank*”) in connection with the termination of the Swap Transaction between the Commission and Deutsche Bank, which Swap Transaction is evidenced by that certain International Swaps and Derivatives Association, Inc. Master Agreement dated as of July 27, 2011, by and between Deutsche Bank and the Commission, as amended by the First Amended Agreement dated as of July 27, 2011, as further revised by the letter agreement dated August 17, 2011, each between Deutsche Bank and the Commission; and (iii) paying the cost of issuance of the Series 2019B Refunding Bonds.

In connection with the refunding of Series 2010B Bonds with proceeds of the Series 2019A Refunding Bonds, certain funds on deposit in the 2010B East Baton Rouge Sewerage Commission

Construction Fund created and established pursuant to the General Bond Resolution and the 2010B Supplemental Bond Resolution will become “transferred proceeds” of the Series 2019A Refunding Bonds on the Date of Issuance and will be used after the Date of Issuance to finance a portion of the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system owned and/or operated by the Commission, as the same is now or may be hereinafter constituted, whether owned by the Parish, City, District or the Commission, all property real and personal useful therefore, all apparatus and equipment used in connection therewith, and all acquisitions, replacements, enlargements, improvements, extensions, additions and betterments that may be made thereto at any time, title to which shall be in the public.

Additionally, in connection with the refunding of Series 2011A Bonds with proceeds of the Series 2019B Refunding Bonds, certain funds on deposit in the 2011A East Baton Rouge Sewerage Commission Construction Fund created and established pursuant to the General Bond Resolution and the 2011A Supplemental Bond Resolution will become “transferred proceeds” of the Series 2019B Refunding Bonds on the Date of Issuance and will be used after the Date of Issuance to finance a portion of the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system owned and/or operated by the Commission, as the same is now or may be hereinafter constituted, whether owned by the Parish, City, District or the Commission, all property real and personal useful therefore, all apparatus and equipment used in connection therewith, and all acquisitions, replacements, enlargements, improvements, extensions, additions and betterments that may be made thereto at any time, title to which shall be in the public

The Series 2019 Refunding Bonds are issued on a parity as to security and source of payment with (i) the Commission’s Revenue Bonds (Department of Environmental Quality Project), Series 2010, dated April 29, 2010, in the original aggregate principal amount of \$8,300,000, currently outstanding in the aggregate principal amount of \$5,467,000, (ii) the Commission’s Revenue Bonds, Series 2011A (LIBOR Index), dated July 28, 2011, in the original aggregate principal amount of \$202,500,000, of which \$92,500,000 will remain Outstanding subsequent to the issuance of the 2019B Refunding Bonds, (iii) the Commission’s Taxable Revenue Bonds, Series 2013A, dated March 6, 2013, in the original aggregate principal amount of \$45,000,000, currently outstanding in the aggregate principal amount of \$35,962,617, (iv) the Commission’s Taxable Revenue Refunding Bonds, Series 2013B, dated May 2, 2013, in the original aggregate principal amount of \$25,390,000, currently outstanding in the aggregate principal amount of \$15,880,000, (v) the Commission’s Taxable Revenue Refunding Bonds, Series 2014A, dated December 17, 2014, in the original aggregate principal amount of \$127,455,000, currently outstanding in the aggregate principal amount of \$122,230,000, (vi) the Commission’s Tax-Exempt Revenue Refunding Bonds, Series 2014B, dated December 17, 2014, in the original aggregate principal amount of \$205,435,000, currently outstanding in the aggregate principal amount of \$205,435,000, (vii) the Commission’s Taxable Revenue Bonds (Department of Environmental Quality Project), Series 2015A, dated October 8, 2015, in the original aggregate principal amount of \$20,000,000, currently outstanding in the aggregate principal amount of \$17,376,749, and (viii) the Commission’s Taxable Revenue Bonds (Department of Environmental Quality Project), Series 2016A, dated May 17, 2016, in the original aggregate principal amount of \$12,000,000, currently outstanding in the aggregate principal amount of \$10,981,260.

The Issuer, in and by the Bond Resolution, has also entered into certain covenants and agreements with the owners of the Series 2019 Refunding Bonds with respect to the security and payment of the Series 2019 Refunding Bonds, including a provision for the issuance of *pari passu* obligations hereafter under certain conditions and restrictions, for the terms of which reference is made to the Bond Resolution.

The Issuer has entered into a Local Services Agreement (as defined in the Bond Resolution), with the City of Baton Rouge, Louisiana, the Parish, and the Greater Baton Rouge Consolidated Sewerage District pursuant to which the Parish has agreed to operate, maintain and administer the System on behalf

of the Issuer and pursuant to which the Parish has undertaken certain commitments in connection with the payment of such costs and pursuant to which the Parish has dedicated and pledged the Net Sales Tax Revenues (as hereinafter defined) as security for the Series 2019 Refunding Bonds.

We have examined the provisions of the Louisiana Constitution of 1974, as amended (the “*Constitution*”) and statutes of the State of Louisiana, including the Act, a certified transcript of the proceedings of the Issuer relating to the issuance of the Series 2019 Refunding Bonds, and such other documents, proofs and matters of law as we deemed necessary or appropriate to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations contained in the Bond Resolution, the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The proceedings, documents and proofs show lawful authority for the issuance of the Series 2019 Refunding Bonds pursuant to the Constitution and statutes of the State of Louisiana and the Bond Resolution.

2. The Series 2019 Refunding Bonds constitute legally binding special and limited obligations of the Issuer and are payable solely from (1) the income and revenues to be derived from the operation of the System, and (2) the avails or proceeds received by the Parish from the levy and collection of the one-half of one percent ($\frac{1}{2}\%$) sales and use tax (the “*Tax*”), now being levied and collected by the Parish pursuant to Article VI, Section 29 of the Constitution and other constitutional and statutory authority and in compliance with an election held on April 16, 1988, subject to the prior payment of the reasonable and necessary expenses of collecting and administering the Tax (the “*Net Sales Tax Revenues*”), and (3) after provision has been made for the payment of expenses of operating, maintaining and administering the System (collectively, the “*Net Revenues*”).

3. The lien of the owners of the Series 2019 Refunding Bonds on the Net Revenues will be prior and superior to the lien on such income and revenues of any obligations hereafter issued payable therefrom except *pari passu* additional bonds hereinafter issued within the terms, limitations and restrictions contained in the Bond Resolution.

4. The Issuer, through its governing authority, in and by the Bond Resolution, has lawfully covenanted and is legally obligated to fix, establish and maintain rates and collect fees, rents or other charges for the services and facilities furnished by the System sufficient to provide for the payment of all reasonable and necessary expenses of operating and maintaining the System, to provide for the payment of interest on and principal of all bonds or other obligations payable therefrom as and when the same shall become due and payable, to provide for the creation of a reserve therefor, and to provide a reserve to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. The Parish, through its governing authority, has covenanted in the Local Services Agreement not to discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Series 2019 Refunding Bonds have been issued, nor in any way make any change which would diminish the amount of the Net Sales Tax Revenues pledged to the payment of the Series 2019 Refunding Bonds until all of the Series 2019 Refunding Bonds payable therefrom shall have been paid as to both principal and interest.

5. Interest on the Series 2019 Refunding Bonds is excluded from gross income of the owners thereof for federal income tax purposes within the meaning of the Internal Revenue Code of

1986, as amended (the “Code”), and is not a specific preference item for purposes of the federal alternative minimum tax.

6. Under the Refunding Act, the Series 2019 Refunding Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof.

7. The Series 2019 Refunding Bonds are not “private activity bonds” within the meaning of the Code.

In rendering the opinion expressed in numbered paragraph 5 above, we have relied on the representations of the Issuer with respect to questions of fact material to our opinion without undertaking to verify the same by independent investigation, and have assumed continuing compliance with covenants in the Bond Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Series 2019 Refunding Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing covenants in the Bond Resolution, interest on the Series 2019 Refunding Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2019 Refunding Bonds.

It is to be understood that the rights of the owners of the Series 2019 Refunding Bonds and the enforceability of the Series 2019 Refunding Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State of Louisiana, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

For the purposes of this opinion, our services as Bond Counsel have not extended beyond the examinations and expressions of the conclusions referred to above. We are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or State tax consequences arising from the receipt or accrual of interest on or ownership or disposition of the Bonds, except those specifically addressed herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. This opinion is specifically limited to the laws of the State and of the United States of America.

Respectfully yours,

Butler Snow LLP

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE COMMISSION

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the East Baton Rouge Sewerage Commission (the "Commission") in connection with the issuance of (i) \$_____ Revenue Refunding Bonds, Series 2019A (the "Series 2019A Refunding Bonds"), and (ii) \$_____ Revenue Refunding Bonds, Series 2019B (the "Series 2019B Refunding Bonds," and, together with the Series 2019A Refunding Bonds, the "Bonds"), of the East Baton Rouge Sewerage Commission (the "Commission").

The Bonds are being issued by the Commission pursuant to Amended and Restated General Bond Resolution No. 44893 (EBROSCO No. 7494) adopted by the Board of Commissioners of the Commission (the "Governing Authority") on June 28, 2006 (the "Amended and Restated General Bond Resolution"), the Resolution No. 54380 (EBROSCO No. 8412) adopted by the Governing Authority on August 14, 2019 (the "Resolution"), and the Supplemental Bond Resolution No. __ (EBROSCO No. _____) adopted by the Governing Authority on October 23, 2019 (the "Supplemental Bond Resolution," and together with the Amended and Restated General Bond Resolution and the Resolution, the "Bond Resolution").

The Commission covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered and constitutes the written undertaking by the Commission for the benefit of the owners, including beneficial owners, or holders of the Bonds (the "Bondholders"), required by Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), and is further executed and delivered in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Audited Financial Statements" means the Commission's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Disclosure Representative" shall mean the Finance Director of the Parish of East Baton Rouge and City of Baton Rouge or his or her designee, or such other officer or employee as the Commission shall designate in writing from time to time.

“EMMA” shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purpose of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
www.emma.msrb.org

“Notice of Material Events” shall mean the Notice required to be given in accordance with Section 5 hereof.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Net Revenues” shall mean, collectively, the Sewer User Fees and the Net Sales Tax Revenues (as such terms are defined in the Bond Resolution), after payment of operation and maintenance of the sewer system.

“Official Statement” shall mean the final Official Statement for the Bonds dated October __, 2019.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

SECTION 3. Provision of Annual Reports.

(a) The Commission shall not later than July 1 (the “Report Date”), commencing July 1, 2020, provide to the MSRB the Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements of the Commission may be submitted separately from the balance of the Annual Report.

(b) The Commission may adjust the Report Date if the Commission changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the MSRB; provided that the new Report Date shall be 180 days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report relating to the new fiscal year shall not exceed one year in duration.

(c) If the Commission is unable to provide to the MSRB the Annual Report by the date required in subsection (a), the Commission shall, in a timely manner, send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) If the Commission is unable to provide the Audited Financial Statements by the date required in subsection (a), the Commission shall provide to the MSRB unaudited financial statements, and, as required by the Rule, Audited Financial Statements, when and if available, must thereafter be provided to the MSRB.

SECTION 4. Content of Annual Reports. The Commission's Annual Report shall contain or incorporate by reference the information described in Exhibit B attached hereto, as well as the following:

- (i) the Audited Financial Statements, and
- (ii) the accounting principles pursuant to which the Audited Financial Statements were prepared.

The Commission's financial statements shall be audited and prepared in accordance with generally accepted accounting principles as in effect from time to time for governmental units as prescribed by the Governmental Accounting Standards Board, with such changes as may be required from time to time in accordance with the laws of the State.

The Commission reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Commission reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Commission; provided that the Commission agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 7 hereof.

Any or all of the items listed above may be included by specific reference to other documents available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"). The Commission shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) The Commission covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, as soon as possible but in no event more than ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;⁴
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;
- (15) Incurrence of a financial obligation⁵ of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, *if material*; and

⁴ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

⁵ For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the City intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

(b) The Commission shall promptly cause a notice of each Listed Event to be filed with the MSRB, through EMMA, together with a cover sheet in substantially the form attached as EXHIBIT C. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Commission shall, if applicable, include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(c) The Commission acknowledges that the “*rating changes*” referred to above in Section 5(a)(11) of this Disclosure Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Commission is liable.

(d) The Commission acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Commission does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(e) As of the date of this Disclosure Agreement, the Listed Events described in subsections (a)(5) and (10) are not applicable to the Bonds.

SECTION 6. Mandatory Electronic Filing with EMMA. All filings with the MSRB under this Disclosure Agreement shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org>, as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. Termination of Reporting Obligation.

(a) The Commission’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance of the Bonds prior redemption in whole or in part, or payment in full of all of the Bonds.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Commission (i) receives an opinion of Securities Counsel, addressed to the Commission, to the effect that those portions of the Rule that require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended, or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion and (ii) files notice to such effect with the MSRB.

SECTION 8. Disclosure Representative. The Commission may, from time to time, appoint or engage a successor Disclosure Representative to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Disclosure Representative, with or without appointing a successor Disclosure Representative.

SECTION 9. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(i) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in identity, nature, or status of the Commission or the type of business conducted by the Commission;

(ii) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Commission shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Agreement, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Commission with the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Notice of Listed Event.

SECTION 11. Failure to Comply. In the event of a failure of the Commission to comply with any provision of this Disclosure Agreement the Participating Underwriter or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Commission to comply with its obligations under this Disclosure Agreement. Provided, with respect to matters relating to the adequacy of the information required by the Rule, only Bondholders aggregating not less than twenty-five percent (25%) of the aggregate principal amount of the Bonds outstanding may exercise remedies with respect thereto. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commission to comply with this

Disclosure Agreement shall be an action to compel performance. The Trustee shall not have any power or duty to enforce this Disclosure Agreement.

SECTION 12. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the Participating Underwriter and the owners, including Beneficial Owners, or holders of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. **Transmission of Information and Notices.** Unless otherwise required by law or this Disclosure Agreement and, in the sole determination of the Commission, subject to technical and economic feasibility, the Commission shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 14. **Additional Disclosure Obligations.** The Commission acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, may apply to the Commission, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Commission under such laws.

SECTION 15. **Governing Law.** This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State of Louisiana, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State of Louisiana. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

**EAST BATON ROUGE SEWERAGE
COMMISSION**

By: _____
President

ATTEST:

By: _____
Secretary

Date: _____, 2019

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: East Baton Rouge Sewerage Commission

Name of Bond Issue: \$ _____ Revenue Refunding Bonds, Series 2019A of the East
Baton Rouge Sewerage Commission

\$ _____ Revenue Refunding Bonds, Series 2019B of the East
Baton Rouge Sewerage Commission

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Commission has not provided an Annual Report as required by Section 3 of the Continuing Disclosure Agreement dated _____, 2019 executed in connection with the above described Bonds. The Commission anticipates that the Annual Report be filed by _____, 20__.

Dated: _____

**EAST BATON ROUGE SEWERAGE
COMMISSION**

By: _____

EXHIBIT B

(A) Names of the entities, enterprises, funds, accounts and other persons with respect to whom information will be provided:

Entity:

East Baton Rouge Sewerage Commission

Fund:

Sewer Sales Tax Fund

Sewer User Fee Fund

(B) Types of information to be provided: (e.g., specific types of financial statements and general descriptions of operating, statistical, demographic, utilization and trend data)

General Purpose Financial Statements (Audited)

Provided separately or incorporated by reference to the Comprehensive Annual Financial Report:

1. Financial Statement --
Comprehensive Sewerage System Fund Collection Data
2. Public Improvement Sales Tax (Sewer -- ½%) Collection Data

EXHIBIT C

LISTED EVENT NOTICE COVER SHEET

This cover sheet and the attached Material Event Notice should be filed electronically with the Municipal Securities Rulemaking Board through the EMMA Dataport at <http://www.emma.msrb.org> pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Commission's and any Other Obligated Person's Name: East Baton Rouge Sewerage Commission

Commission's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which the attached Material Event Notice relates: _____

Number of pages of the attached Material Event Notice: _____

Description of the attached Material Event Notice (Check One):

- | | | |
|-----|-------|--|
| 1. | _____ | Principal and interest payment delinquencies |
| 2. | _____ | Non-Payment related defaults, if material |
| 3. | _____ | Unscheduled draws on debt service reserves, if any, reflecting financial difficulties |
| 4. | _____ | Unscheduled draws on credit enhancements reflecting financial difficulties |
| 5. | _____ | Substitution of credit or liquidity providers, or their failure to perform |
| 6. | _____ | Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (ITS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds |
| 7. | _____ | Modifications to rights of Bondholders, if material |
| 8. | _____ | Bond calls, if material, and tender offers |
| 9. | _____ | Defeasances |
| 10. | _____ | Release, substitution, or sale of property, if any, securing repayment of the securities |
| 11. | _____ | Rating changes |
| 12. | _____ | Bankruptcy, insolvency, receivership or other similar event of the State |
| 13. | _____ | The consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material |
| 14. | _____ | Appointment of a successor or additional trustee or the change of name of a trustee, if material |
| 15. | _____ | incurrence of a financial obligation by the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Commission, any of which affect Bondholders |
| 16. | _____ | Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Commission, any of which reflect financial difficulties |

17. _____ Failure to provide annual financial information as required by the Rule
18. _____ Other material event notice (specify) _____

I hereby represent that I am authorized by the Authority/Other Obligated Person or its agent to distribute this information publicly:

Signature: _____
Name: _____ Title: _____
Employer: _____
Address: _____
Commission, State, Zip Code: _____
Voice Telephone Number: _____

Contact the MSRB at (202) 223-9503 with questions on this notice.

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