



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER
www.swbno.org

August 10, 2022

The Finance and Administration Committee met on Wednesday, August 10, 2022 in the Executive Boardroom. The meeting convened at approximately 9:00 A.M.

1. ROLL CALL

Present:

Director Lynes Sloss
Director Joseph Peychaud
Director Janet Howard
Director Carol Markowitz

Absent:

Director Alejandra Guzman

2. CASH FLOW OVERVIEW

Mr. Grey Lewis, Chief Financial Officer, presented an update on the June financial results and liquidity position, as it is critical that SWBNO maintain sufficient cash flow levels to continue operations, and meet bond covenant requirements. The June 2022 Water and Sewer cash levels (178- and 190-Days Cash on Hand, respectively) exceed the minimum thresholds based on 2022 budgeted expenses and Debt Service Coverage is within the budgeted forecast. June Financials show improved billed revenue for Sewer relative to prior year and cash collections were higher for both Water and Sewer. Additionally, July cash collections were higher with a combined \$24.9m for Water and Sewer. June operating expenses were lower than prior year for Sewer and Drainage and slightly higher for Water and overall the expenses are lower than the conservatively budgeted FY22 amounts. For certain line items increased expenses have been experienced YTD - i.e. for gas costs charged by Entergy based on the prevailing market rates for purchased natural gas as well as other chemical costs which have been trending higher due to worldwide inflation.

	June 2022			June 2021		
	Water	Sewer	Drainage	Water	Sewer	Drainage
Operating Revenues by class of service	\$10,913,973	\$15,436,739		\$11,086,088	\$13,681,491	
Revenues per Active account	\$78	\$111		\$80	\$98	
Cash Collections	\$9,352,789	\$13,041,109		\$7,143,285	\$10,521,439	
Ad Valorem - other revenues			\$903,743			\$2,055,488
Operating & Maintenance (O&M) Expenses	\$9,997,220	\$11,090,360	\$6,465,837	\$9,888,015	\$12,170,829	\$7,361,047

The F&A committee received an update on Customer Service Statistics and Aged Receivables both showing improved trends with lower call wait times and number of calls received. Aged Receivables continues to be a primary focus given significant collection backlog and additionally the steps involved to notice and contact customers regarding past due amounts was reviewed by the Chief of Customer Service – Mr. Rene Gonzalez.

Current Change for Month:

- Delinquent Customers balances due – -2%
- Total Accounts in Dispute – -3%
- Average Days to complete Investigation request (54) - +4%

Currently, we are on track to meet Days Cash on Hand and the Debt Service Coverage Requirements and management continues to monitor expense trends and planning for capital needs in the challenging environment of rapidly escalating costs.

ACTION ITEMS

- Resolution (R-115-2022) Resolution Authorizing Application to the Louisiana Department of Environmental Quality
 - o **Director Joseph Psychaud moved to accept R-115-2022. Director Janet Howard seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-051-2022) Award of Contract 1440 – Procurement of Two Generator Step-Up Transformers Between the Sewerage and Water Board of New Orleans and Walter J. Barnes, Inc.
- Resolution (R-074-2022) Award of Contract 2155 – S. Claiborne (Versailles – Upperline) Water Transmission Replacement Between the Sewerage and Water Board of New Orleans and BLD Services.

- Resolution (R-085-2022) Renewal of Contract 30237 – Restoration of Gravity Flow Sanitary Sewer Mains by Point Repair at Various Sites Throughout Orleans Parish Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, LLC.
- Resolution (R-089-2022) Award of Contract 2022-SWB-31 – Requisition Nos. AL220012 & CM220026 – Furnishing Polyelectrolyte Between the Sewerage and Water Board of New Orleans and Polydyne, Inc.
 - **Director Carol Markowitz moved to accept Contract Awards/Renewals.**
Director Joseph Peychaud seconded. The motion carried.

CONTRACT CHANGE ORDERS

- Resolution (R-080-2022) Ratification of Change Order No. 9 for Contract 1403 – Demolition of Abandoned C-7 & C-8 Basins and Other Site Improvements at the Carrollton Water Plant Between the Sewerage and Water Board of New Orleans and Cycle Construction Company, LLC.
- Resolution (R-083-2022) Ratification of Change Order No. 6 for Contract 1370A – 60Hz Transformers and Switchgear Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Electric Co, Inc.
- Resolution (R-084-2022) Ratification of Change Order No. 1 for Contract 2152 – TM004 Gert Town Waterline Replacement Program – St. Dupre St Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-086-2022) Approval of Change Order No. 1 for Contract 30238 – Restoration of Gravity Flow Sanitary Sewers by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole, CIPP Lining of Service Laterals and Point Repairs at Various Sites Throughout the City of New Orleans Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, LLC.
 - **Director Joseph Peychaud moved to accept Contract Change Orders.**
Director Janet Howard seconded. The motion carried.

CONTRACT ADMENDMENTS

- Resolution (R-081-2022) Authorization of Amendment No. 12 to the Agreement Between the Sewerage and Water Board of New Orleans and CH2M Hill Engineers, Inc for Program Management, Design and Engineering Services for the Retrofit Power Plant Hazard Mitigation Grant Project.
- Resolution (R-082-2022) Authorization of Amendment No. 3 to the Agreement Between the Sewerage and Water Board of New Orleans and Veolia North America for Construction Program Management Services at the Eastbank and Westbank Wastewater Treatment Facilities.

- Resolution (R-087-2022) Ratification of Amendment No. 1 to the Agreement Between the Sewerage and Water Board of New Orleans and Pure Technologies U.S., Inc. DBA Wachs Water Services for On-Call Water Valve Operation Services.
 - Resolution (R-088-2022) Authorization of Amendment No. 1 to the Agreement Between the Sewerage and Water Board of New Orleans and Power Engineers, Inc for Professional Engineering, Construction Administration and Inspection Services for the West Power Complex Group 3 Projects.
 - Resolution (R-090-2022) Authorization of Amendment No. 12 to the Agreement Between the Sewerage and Water Board of New Orleans and Stanley Consultants, Inc. for Design and Engineering Services for the Water Hammer Hazard Mitigation Program.
- **Director Carol Markowitz moved to accept Contract Amendments. Director Joseph Peychaud seconded. The motion carried.**

3. **INFORMATION ITEMS** –

The information items were received.

4. **PUBLIC COMMENT** –

None.

5. **ADJOURNMENT**

There being no further business to come before the Finance and Administration Committee Meeting. The meeting adjourned at approximately 9:40 AM.

Respectfully submitted,

Lynes Sloss, Chair