



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board OF NEW ORLEANS**

LATOYA CANTRELL, PRESIDENT

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September 13, 2022

The Finance and Administration Committee met on Tuesday, September 13, 2022 in the Executive Boardroom. The meeting convened at approximately 9:03 A.M.

## **1. ROLL CALL**

### **Present:**

Director Lynes Sloss  
Director Joseph Peychaud  
Director Carol Markowitz

### **Absent:**

Director Alejandra Guzman  
Director Janet Howard

## **2. CASH FLOW OVERVIEW**

Mr. Grey Lewis, Chief Financial Officer, presented an update on the July 2022 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 July 2022 Water and Sewer cash levels (183 and 194 Days Cash on Hand, respectively) exceed the minimum thresholds based on 2022 budgeted expenses and Debt Service Coverage is within the budgeted forecast. July billed revenues (Water/Sewer) were above prior year and cash collections of \$26.1m were the largest individual month of collections since pre-pandemic. July operating expenses (\$29m) were lower than budgeted for the month and consistent with YTD trend using conservatively budgeted FY22 amounts, management will continue to monitor as additional operating charges are expected given higher utilities and commodities cost seen in the market.

The F&A committee received an update on Customer Service Statistics and Aged Receivables – During July there was an 8% or \$5.2m reduction in the past due category while there was an uptick in disputed accounts at the end of July (3,765) and average days to close investigation (79) related to a high number of complex cases being closed out which were 150 days or older upon closure. The increase in investigation requests was attributed to normal collections activities including disconnection notices. Aged Receivables continues to be a primary focus given significant collection backlog and customers who are currently challenged to remain current on utilities.

#### Current Change for Month:

- Customer Calls Received (22,119) – 8% lower
- Delinquent Customers balances due (\$56.6m) – 8% lower
- Total Accounts in Dispute (3,765) – 26% higher
- Average Days to complete Investigation request (79) - 46% higher

Additionally, the CFO provided an update on the West Power Complex Capital Budget for 2022. As a result of newly identified funding sources since the completion of the FY22 Capital Budgeting in Q4 of 2021 and additional information available on scoping and expected costs of the various underlying contracts, a mid year capital budgeting update was undertaken earlier this year for the West Power Complex. Through this process it was identified additional funding sources needed to be pursued in order to continue to advance towards the desired mid 2024 Phase I implementation date. With the support of \$22m CNO funding for Static Frequency Changer 2 and 3, \$13.5m of additional Fair Share Funding and a new proposed Drainage Tax Bond issued by SWBNO (\$45m) as well as other smaller additions to the universe of funding sources for the West Power Complex a proposed Amended Capital Budget Plan for FY22 was presented which reperformed the exercise of matching sources and uses for the necessary Budget Authority to move forward with the underlying contracts. The recommend Capital Budget Amendment includes accelerating \$96.5m of Capital Budget \additional sources. The F&A committee requested a copy of the Drainage Bonding Capacity Calculation for additional information and further discussion in future meetings when the second resolution related to the proposed Drainage Tax Bond is planned to be introduced.

#### **ACTION ITEMS**

- Resolution (R-135-2022) Preliminary Resolution Authorizing Drainage System Limited Tax Bonds
  - **Director Joseph Psychaud moved to accept R-135-2022. Director Carol Markowitz seconded. The motion carried.**
- Resolution (R-136-2022) Amendment of 2022 Capital Budget and Revision of 2022-2031 Capital Program
  - **Director Joseph Psychaud moved to accept R-136-2022. Director Carol Markowitz seconded. The motion carried.**

- Resolution (R-118-2022) Request to set Sewerage and Water Board Drainage Millage Rates for 2023
  - **Director Carol Markowitz moved to accept R-118-2022. Director Joseph Psychaud seconded. The motion carried.**
- Resolution (R-132-2022) Authorization for Award for Multiple Catering Vendors for Emergency Food Services During a Declared Emergency
  - **Director Joseph Psychaud moved to accept R-132-2022. Director Carol Markowitz seconded. The motion carried.**

## **GENERAL SUPERINTENDENT'S REPORT**

### **CONTRACT AWARDS/RENEWALS**

- Resolution (R-107-2022) Award of Contract 1427 – Procurement of Packaged Auxiliary Power System for the West Power Complex Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Electric Co, Inc.
- Resolution (R-113-2022) Award of Contract 30236 – Carrollton Basin No. 6 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
  - **Director Carol Markowitz moved to accept Contract Awards/Renewals. Director Joseph Psychaud seconded. The motion carried.**

### **CONTRACT CHANGE ORDERS**

- Resolution (R-103-2022) Ratification of Change Order No. 6 for Contract 3799 – Installation of Sludge Dryer at the Eastbank Wastewater Treatment Plant Between the Sewerage and Water Board of New Orleans and Industrial and Mechanical Contractors, Inc.
- Resolution (R-106-2022) Ratification of Change Order No. 7 for Contract 30109– Sewer Pumping Station a Structural Rehabilitation Between the Sewerage and Water Board of New Orleans and Cycle Construction Company, LLC.
- Resolution (R-108-2022) Ratification of Change Order No. 10 for Contract 1403 – Demolition of abandoned C-7 and C-8 Basins and Other Improvements at the Carrollton Water Plant Between the Sewerage and Water Board of New Orleans and Cycle Construction Company, LLC.

- Resolution (R-109-2022) Ratification of Change Order No. 9 for Contract 1377 – Water Hammer Hazard Mitigation Program – Claiborne Ave Pumping Station and Off-Site Improvements Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-112-2022) Ratification of Change Order No. 1 for Contract 30228– Mid City Basin No. 2 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.
  - **Director Joseph Peychaud moved to accept Contract Change Orders. Director Carol Markowitz seconded. The motion carried.**

### **FINAL ACCEPTANCE**

- Resolution (R-111-2022) Contract 30213 - Reconciliation and Final Acceptance-South Shore Basin Sewer Rehabilitation No. 1 Between the Sewerage and Water Board of New Orleans and Grady Crawford Construction Co., Inc.
- Resolution (R-121-2022) Contract 2145 - Reconciliation and Final Acceptance-Water Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites Throughout Orleans Parish Between the Sewerage and Water Board of New Orleans and Boh Bros Construction Co, Inc.
  - **Director Joseph Peychaud moved to accept Final Acceptance. Director Carol Markowitz 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 9:55 AM.

Respectfully submitted,

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Lynes Sloss, Chair