



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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December 7, 2022

The Finance and Administration Committee met on Wednesday, December 7, 2022, in the Executive Boardroom. The meeting convened at approximately 9:03 A.M.

1. ROLL CALL

Present:

Director Janet Howard

Director Joseph Peychaud

Director Carol Markowitz

Absent:

Director Lynes Sloss

Director Alejandra Guzman

2. CASH FLOW OVERVIEW

Grey Lewis, Chief Financial Officer, presented an update on the October 2022 results of operations and month end position. The October 2022 Water and Sewer cash levels (182- and 225-Days Cash on Hand, respectively) exceed the minimum thresholds based on 2022 expenses and Debt Service Coverage is within the forecast as operating expenses YTD are under the conservatively set budget. October billed revenues (Water/Sewer) were flat compared to prior year and cash collections were \$22.3m in October and 23.4 in November. July operating expenses (\$24m) 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 October there was an 5% or \$2.9m increase in the 60 days past due category and an increase in disputed accounts to (3,376) during the month while the average days to close investigation (79) came down relative to last month by 39% from efforts to close out aged cases. 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.

The CFO presented a recap on the 12/1/2022 special F&A meeting covering the FY23 Operating and Capital Budgets and provided additional information on Capital Budget Major Projects and all other Capital projects which lack an external funding source. The Total Capital Budget Project list recommended for the FY23 Budgets is \$517m and funding sources have been identified in the amount of \$441m and management will continue to seek other funding sources. The FY23 portions of West Power Complex and Smart Metering are fully funded in the recommended budget.

The system funded capital list (\$115m for FY23) is developed each year as part of the Capital budgeting process with the GSO and other divisions and when the ability to cash finance projects does not exist, the projects are deferred until financing can be arranged. The FY23 Capital Budget includes identified sources of approximately \$43.4m of Pay-go cash financing while the potential projects for the year are \$115m requiring deferral of capital projects until other funding sources are identified. The GSO and CFO collaborate on the selection of system only funded projects which are able to be provided for with the available cash financing resources. Management will be working on additional reporting and tracking project deferrals including impacts of scope changes for ongoing projects to present to the Committee.

ACTION ITEMS

- Resolution (R-185-2022) Authorizing Application to the LA Dept of EQ Draft Resolution
 - **Director Joseph Psychaud moved to accept R-185-2022. Director Carol Markowitz seconded. The motion carried.**
- Resolution (R-186-2022) 2023 Budget Blanket Spending Resolution
 - **Director Joseph Psychaud moved to accept R-186-2022. Director Carol Markowitz seconded. The motion carried.**
- Resolution (R-182-2022) 2023 Operating Budget Resolution
 - **Director Carol Markowitz moved to accept R-182-2022. Director Joseph Psychaud seconded. The motion carried.**

- Resolution (R-183-2022) 2023 Capital Budget Resolution
 - **Director Joseph Peychaud moved to accept R-183-2022. Director Carol Markowitz seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-149-2022) Award of Approved List of Firms to Provide Professional Design and Related Services
 - **Director Joseph Peychaud moved to accept R-149-2022. Director Carol Markowitz seconded. The motion carried.**
- Resolution (R-157-2022) Award of Contract 30223 – Carrollton Basin Sewer Rehabilitation No. 4 between the Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC
 - **Director Carol Markowitz moved to accept R-157-2022. Director Joseph Peychaud seconded. The motion carried.**

CONTRACT CHANGE ORDERS

- Resolution (R-141-2022) Ratification of Change Order No. 7 for Contract 3799 – Installation of Sludge Dryer at the East Bank Wastewater Treatment Plant Between the Sewerage and Water Board of New Orleans and Industrial and Mechanical Contractors, Inc.
- Resolution (R-142-2022) Ratification of Change Order No. 2 for Contract 30108 – Procurement of Sludge Dryer at the East Bank Wastewater Treatment Plant Between the Sewerage and Water Board of New Orleans and Komline-Sanderson.
- Resolution (R-145-2022) Ratification of Change Order No. 1 for Contract 2150 – 43” Water Main Replacement on Leonidas St (S. Claiborne Ave – Fig St) and Fig St (Leonidas St – College Ct) – TM006 Between the Sewerage and Water Board of New Orleans and Wallace. C. Drennan, Inc.
- Resolution (R-150-2022) Ratification of Change Order No. 8 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-159-2022) Ratification of Change Order No. 1 for Contract 2156 – Transmission Main Replacement – Grape St/Eden St/South Dupre St – TM005 Between the Sewerage and Water Board of New Orleans and BLD Services, LLC
- Resolution (R-163-2022) Ratification of Change Order No. 11 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
 - **Director Carol Markowitz moved to accept Contract Change Orders. Director Joseph Peychaud seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-143-2022) Authorization of Amendment No. 6 to the Agreement Between the Sewerage and Water Board of New Orleans and Black and Veatch Corporation for Design and Engineering Services for the East Bank Wastewater Treatment Plant Sludge Dryer Project
- Resolution (R-144-2022) Authorization of Amendment No. 10 to the Agreement Between the Sewerage and Water Board of New Orleans and Arcadis U.S., Inc. for Design and Engineering Services for the Waterline Replacement Program
- Resolution (R-146-2022) Authorization of Amendment No. 12 to the Agreement Between the Sewerage and Water Board of New Orleans and MWH Americas, Inc. (predecessor in interest to Stantec. Consulting Services, Inc.) for Design and Engineering Services for the Waterline Replacement Program
- Resolution (R-147-2022) Authorization of Amendment No. 2 to the Professional Services 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 Operations Service
- Resolution (R-151-2022) Authorization of Amendment No. 10 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Lindfield Hunter and Junius, Inc
- Resolution (R-158-2022) Authorization of Amendment No. 8 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and G.E.C., Inc. for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-162-2022) Authorization of Amendment No. 4 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Neel-Schaffer, Inc for Design and Engineering Services for Repairs to River Intake Fender Systems

- Resolution (R-164-2022) Authorization of Amendment No. 2 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Backflow Preventions Services, Inc
- Resolution (R-165-2022) Authorization of Amendment No. 13 to the Professional Services 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
 - o **Director Carol Markowitz moved to accept Contract Amendments. Director Joseph Psychaud seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-148-2022) Reconciliation and Final Acceptance of Contract 30109 – Sewer Pumping Station “A” Structural Rehabilitation Between the Sewerage and Water Board of New Orleans and Cycle Construction Co., Inc.
- Resolution (R-161-2022) Reconciliation and Final Acceptance of Contract 1403 – Demolition of abandoned C-7 and C-8 Basins and Other Site Improvements Site Between the Sewerage and Water Board of New Orleans and Cycle Construction Co., LLC.
 - o **Director Joseph Psychaud 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 10:03 AM.

Respectfully submitted,

Lynes Sloss, Chair