



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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January 17, 2023

The Finance and Administration Committee met on Tuesday, January 17, 2023, in the Executive Boardroom. The meeting convened at approximately 10:45 A.M.

1. ROLL CALL

Present:

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

Absent:

2. CASH FLOW OVERVIEW

Mr. Grey Lewis, Chief Financial Officer, presented an update on the November 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 November 2022 Water and Sewer cash levels (204- and 225-Days Cash on Hand, respectively) exceed the minimum and target thresholds based on month end cash and budgeted expenses and additionally Debt Service Coverage is within the budgeted forecast.

November billed revenues (Water/Sewer) were above prior year and cash collections of \$23.4m (November) and \$20.1m (December) contributed to the overall large increase in cash collections in FY22 vs. FY21 from the resumption normal collection activities. July operating expenses (\$27.9m) were lower than budgeted for the month and consistent with YTD trend using conservatively budgeted FY22 amounts, management will continue to monitor during year end closing which is underway.

The F&A committee also received an update on Customer Service Statistics and Aged Receivables – During November there was an increase in call wait time attributed to short staffing from turnover in the call center. For Receivables in November there was 3% or \$1.7m

reduction in the past due category while there was an uptick in disputed accounts at the end of November (3,560) and average days to close investigation (83) attributed to collection activities. Aged Receivables continues to be a primary focus given significant collection backlog and customers who are currently challenged to remain current on utilities.

November Results:

Revenues	Actual (MTD)	Budget (MTD)	2021 Actual (MTD)	Actual (YTD)	Budget (YTD)	2021 Actual (YTD)
Water Service	9,934,553	10,108,568	9,564,332	109,486,789	111,194,249	107,468,474
Sewer Service	12,436,364	12,851,690	12,233,237	140,908,949	141,368,593	136,690,612
Non Operating Revenue	357,792	379,598	77,209	74,529,942	62,315,902	66,958,870
Misc Revenues	386,290	97,979	354,429	4,915,978	1,077,764	5,383,699
Total Revenues	23,114,999	23,437,835	22,229,208	329,841,658	315,956,507	316,501,656
Operating Expenses						
Water Service	10,322,213	11,594,361	8,438,672	102,805,239	127,537,971	93,938,808
Sewer Service	10,891,870	12,497,949	10,348,932	118,640,814	137,477,439	117,824,848
Drainage Service	6,650,063	6,508,923	5,239,075	70,819,911	71,598,153	67,961,219
Total Expenses	27,864,146	30,601,233	24,026,679	292,265,964	336,613,563	279,724,876
Interest Expense	1,242,602	1,329,984	1,289,635	17,574,923	14,629,827	16,340,638
Revenues less Expenses	(5,991,749)	(8,493,382)	(3,087,106)	20,000,772	(35,286,883)	20,436,143
Non-Cash Expenses	9,389,832	10,451,100	9,287,484	103,631,274	114,962,100	100,437,921
Revenues less Adjusted Expenses	3,398,083	1,957,718	6,200,377	123,632,046	79,675,217	120,874,063

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-006-2023) Award of Approved List of Firms to Provide Professional Design and Related Services
- Resolution (R-007-2023) Award of Contract 2162-Water Main 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., LLC
- Resolution (R-008-2023) Award of Contract 2163-Water Main 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., LLC
- Resolution (R-009-2023) Award of Contract 2164-Water Main Line Replacements and Extension at Scattered Locations Throughout Orleans Parish Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, LLC

- Resolution (R-011-2023) First Renewal of Contract 30238-Restoration of Gravity Flow Sanitary Sewers by Excavation and Replacement 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
- Resolution (R-012-2023) Award of Contract 2022-SWB-77 - Furnishing Lime to Carrollton Water Plant Between the Sewerage and Water Board of New Orleans and Cheney Lime Company
 - **Director Janet Howard moved to accept Contract Awards/Renewals. Director Carol Markowitz seconded. The motion carried.**

CONTRACT CHANGE ORDERS

- Resolution (R-003-2023) Ratification of Change Order No. 8 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.
 - **Director Janet Howard moved to accept Contract Change Orders. Director Joseph Peychaud seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-002-2023) Authorization of Amendment No. 5 for Professional Services for Sewer System Evaluation and Rehabilitation Program Management (SSERP) Between the Sewerage and Water Board of New Orleans and Stantec Consulting Services, LLC
- Resolution (R-005-2023) Authorization of Amendment No. 11 to the Agreement for Design and Engineering Services for the Water Hammer Hazard Mitigation Program Between the Sewerage and Water Board of New Orleans and Stanley Consultants, Inc.
- Resolution (R-010-2023) Authorization of Amendment No. 5 for Professional Services for Water Line Replacement Program Between the Sewerage and Water Board of New Orleans and Integrated Logistical Support, Inc.
 - **Director Carol Markowitz moved to accept Contract Amendments. Director Joseph Peychaud seconded. The motion carried.**

Director Lynes Sloss inquired about the new general ledger software and how the utility is proceeding with the pace in pursuing it. CFO Grey Lewis stated the replacement project for the general ledger software is going through a public RFP and is now in the selection stages to make a final offer or go to a best and final offer for the software integrator. This will be a large project to replace the general ledger and all grant accounting.

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 11:20 AM.

Respectfully submitted,

Lynes Sloss, Chair