



**"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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March 8, 2023

The Finance and Administration Committee met on Wednesday, March 8, 2023, in the Executive Boardroom. The meeting convened at approximately 9:01 A.M.

## **1. ROLL CALL**

### **Present:**

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

### **Absent:**

Director Carol Markowitz

## **2. CASH FLOW OVERVIEW**

Mr. Grey Lewis, Chief Financial Officer, presented an update on the January 2023 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 January 2023 Water and Sewer cash levels (130 and 188 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. The fiscal year has started slow in terms of billings and collections after the holidays. The team continues to place a primary focus on creating consistent collection processes amidst the challenge of backlog created in earlier years (2018-2021) with 2022 showing improvement.

January billed revenues and cash collections (Water/Sewer) were less than prior year which was attributed to lower billed December water/service charges and some internal backlog caused by in house bill print. A third-party contract to handle all bill print and delivery is now in place to drive more consistency in monthly billing cycles. January operating expenses (\$20.4m) were lower than budgeted for the month based on conservatively budgeted FY23 amounts, management will continue to monitor. The FY22 year-end fiscal external audit

commences later this month and will conclude in June with the filing of the Annual Comprehensive Financial Report to the Louisiana Legislative Auditor.

The F&A committee also received an update on Customer Service Statistics and Aged Receivables –For Receivables in November there was 7% or \$3.8m increase in the past due category while there was a small reduction in disputed accounts at the end of January (3,128) and with an increase in the average days to close investigation (116) attributed to some old cases finally closed. Aged Receivables continues to be a primary focus given significant collection backlog and customers who are currently challenged to remain current on utilities.

January 2023 Results:

Revenues	Actual (MTD)	Budget (MTD)	2022 Actual (MTD)
Water Service	9,424,346	10,026,537	10,120,999
Sewer Service	11,813,016	12,963,131	12,732,347
Non Operating Revenue	206,243	361,090	1,510,120
Misc Revenues	291,901	145,591	(19,689)
Total Revenues	21,735,506	23,496,349	24,343,777
<b>Operating Expenses</b>			
Water Service	6,789,263	11,372,465	7,881,537
Sewer Service	8,107,375	13,900,979	7,877,166
Drainage Service	5,528,809	8,161,626	6,224,826
Total Expenses	20,425,447	33,435,070	21,983,529
Interest Expense	1,223,200	1,221,591	1,296,346
Revenues less Expenses	86,858	(11,160,312)	1,063,902
Non-Cash Expenses	9,464,781	10,467,248	9,310,781
Revenues less Adjusted Expenses	9,551,639	(693,064)	10,374,683

Director Sloss and the committee expressed concerns about the commercial customers not paying bills and the affect it has on the utility. The committee acknowledge it is unfair to residential customers that commercial customers are not being held accountable for this act. Executive Director Korban stated the leadership team are working towards tactics to resolve this issue. Director Sloss would like a resolution drawn up to allow the utility to proceed with the process in doing shut offs to commercial customers who are not paying their bills.

## **GENERAL SUPERINTENDENT'S REPORT**

### **ENVIRONMENTAL AUDIT**

- Resolution (R-021-2023) Approval of East Bank Wastewater Treatment Municipal Water Pollution Prevention Environmental Audit
- Resolution (R-022-2023) Approval of West Bank Wastewater Treatment Municipal Water Pollution Prevention Environment Audit
  - **Director Janet Howard moved to accept Environmental Audit. Director Joseph Peychaud seconded. The motion carried.**

### **CONTRACT AWARDS/RENEWALS**

- Resolution (R-042-2023) Administrative Correction to Resolution R-008-2023 for Contract 2163 – Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites throughout Orleans Parish
- Resolution (R-014-2023) First Renewal of Contract 8166 – Repaving Open Cuts in Sidewalks and Driveways Resulting from the Sewerage and Water Board of New Orleans Underground Utility Repairs Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, LLC
- Resolution (R-015-2023) First Renewal of Contract 30244 – Cleaning and CCTV Inspection of Sanitary Sewer Mains at Scattered Sites Within Orleans Parish Between the Sewerage and Water Board of New Orleans and Compliance Enviro Systems, LLC
- Resolution (R-017-2023) Award of Furnishing Liquid Ferric Sulfate – 2022-SWB-88 to the Algiers and Carrollton Water Plants Between the Sewerage and Water Board of New Orleans and USALCO
- Resolution (R-024-2023) Contract #30246 – Restoration of Gravity Flow Sanitary Sewer Mains by Point Repairs at Various Sites throughout Orleans Parish
- Resolution (R-027-2023) Award of Contract 1447 – Boiler House Fan Modifications
- Resolution (R-029-2023) Award of Contract 1415 – Carrollton Water Purification Plant West Plant Complex Foundation and Underground Utilities
- Resolution (R-030-2023) First Renewal for Contract 8368 – Repaving Open Cuts in Driveways and Sidewalks Resulting from the Sewerage and Water Board of New Orleans Underground Utility Repairs
- Resolution (R-031-2023) Award of Furnishing Sodium Hypochlorite – 2023-SWB-05 to the Algiers and Carrollton Water Plants Between the Sewerage and Water Board of New Orleans and DPC Enterprises, LLC

- **Director Alejandra Guzman moved to accept Contract Awards/Renewals. Director Janet Howard seconded. The motion carried.**

### **CONTRACT CHANGE ORDERS**

- Resolution (R-023-2023) Ratification of Change Order No. 9 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-028-2023) Ratification of Change Order No. 12 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 Janet Howard moved to accept Contract Change Orders. Director Joseph Peychaud seconded. The motion carried.**

### **CONTRACT AMENDMENTS**

- Resolution (R-025-2023) Authorization of Amendment No. 5 to the Professional Services Agreement for Engineering Services for the Power Frequency Converter Project at the Carrollton Water Plant Power Complex Between the Sewerage and Water Board of New Orleans and Jacobs Engineering Group, Inc. tween the Sewerage and Water Board of New Orleans and Stantec Consulting Services, LLC
- Resolution (R-026-2023) Ratification of Amendment No. 2 for Professional Services Agreement for Leak Detection and Fire Flow Testing Services Between the Sewerage and Water Board of New Orleans and Echologics, LLC
- Resolution (R-032-2023) Authorization of Amendment No. 7 to the Agreement Between the Sewerage and Water Board of New Orleans and Black & Veatch Corporation for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-033-2023) Authorization of Amendment No. 9 to the Agreement Between the Sewerage and Water Board of Water Board and of New Orleans and Design Engineering, Inc., for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-034-2023) Authorization of Amendment No. 6 to the Agreement Between the Sewerage and Water Board of Water Board and of New Orleans and ECM Consultants, INC. for Design and Engineering Services for Water Line Replacement Program

- Resolution (R-035-2023) Authorization of Amendment No. 7 to the Agreement Between the Sewerage and Water Board of New Orleans and Hartman Engineering, INC., for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-036-2023) Authorization of Amendment No. 6 to the Agreement Between the Sewerage and Water Board of New Orleans and Integrated Logistical Support, INC. for the Water Line Replacement Program
- Resolution (R-037-2023) Authorization of Amendment No. 9 to the Agreement Between the Sewerage and Water Board of New Orleans and Neel-Schaffer, INC., for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-038-2023) Authorization of Amendment No. 4 to the Agreement Between the Sewerage and Water Board of New Orleans and N-Y Associates, INC. for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-039-2023) Authorization of Amendment No. 9 to the Agreement Between the Sewerage and Water Board of New Orleans and Rahman and Associates, Inc. for Engineering Services for the Water Line Replacement Program
- Resolution (R-040-2023) Authorization of Amendment No. 1 to the Agreement Between the Sewerage and Water Board of New Orleans and Jacobs Engineering Group for Design and Construction Administration Services for a New Turbine Generator at the Carrollton Water Plant
- Resolution (R-041-2023) Authorization of Amendment No. 13 to the Agreement Between the Sewerage and Water Board of New Orleans and Stantec Consulting Services, Inc. for Engineering Services for the Water Line Replacement Program
  - **Director Alejandra Guzman moved to accept Contract Amendments. Director Janet Howard seconded. The motion carried.**

**Director Lynes Sloss presented a motion to enter executive session. Director Janet Howard moved. Director Joseph Psychaud seconded. The motion carried.**

**Director Lynes Sloss presented a motion to exit executive session. Director Alejandra Guzman moved. Director Janet Howard 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 10:45 AM.

Respectfully submitted,

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Lynes Sloss, Chair