



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

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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April 12, 2023

The Finance and Administration Committee met on Wednesday, April 12, 2023, in the Executive Boardroom. The meeting convened at approximately 9:00 A.M.

1. ROLL CALL

Present:

Director Lynes Sloss

Director Joseph Peychaud

Absent:

Director Janet Howard

Director Alejandra Guzman

Director Carol Markowitz

Director Nichelle Taylor

2. CASH FLOW OVERVIEW

Mr. Grey Lewis, Chief Financial Officer, presented an update on the February 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 February 2023 Water and Sewer cash levels (162 and 213 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 with March rebounding (\$23.8m cash collected). 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 the last 12 months ended February 2023 collection ratio improving relative to earlier periods.

February billed revenues (\$21.3m) were above February 2022 (19.7m) based on customer usage and cash collections (Water/Sewer) were slightly above a year ago. February operating expenses (\$25.5m) were lower than budgeted for the month based on conservatively budgeted FY23 amounts and greater than a year ago (\$19.2m) primarily due to timing of vendor invoices, management will continue to monitor. The FY22 yearend fiscal external audit is

underway and on track to complete 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 there was 1% or \$665k increase in the past due category and disputed accounts were 3,862 (<3% total Accounts) at the end of February. Average days to close investigation decreased to 93 day from 116 last month. Aged Receivables continues to be a primary focus given significant collection backlog and customers who are currently challenged to remain current on utilities with multiple strategies being pursued including additional personnel and internal review of software and systems used along with support from external stakeholders.

GENERAL SUPERINTENDENT’S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-060-2023) Second Renewal of Contract 8164 – Skilled and Unskilled Labor for Maintenance Between the Sewerage and Water Board of New Orleans and JEI Solutions, Inc.
 - **No Action Taken.**

CONTRACT CHANGE ORDERS

- Resolution (R-043-2023) Ratification of Change Order No. 13 for Contract 1417 for the Static Frequency Converter Procurement Project Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Electric Co., Inc.
- Resolution (R-048-2023) Ratification of Change Order No. 2 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
 - **No Action Taken.**

CONTRACT AMENDMENTS

- Resolution (R-044-2023) Ratification of Amendment No. 3 to the Cooperative Endeavor Agreement for the Pontilly Drainage Hazard Mitigation Grant Program Between the Sewerage and Water Board of New Orleans, the City of New Orleans, and the New Orleans Redevelopment Authority
- Resolution (R-045-2023) Authorization of Amendment No. 11 to the Agreement Between the Sewerage and Water Board of New Orleans and Linfield, Hunter and

Junius, Inc. for Design and Engineering Services for the Water Line Replacement Program

- Resolution (R-047-2023) Ratification of Amendment No. 1 to the Cooperative Endeavor Agreement for the Lafitte Greenway Pedestrian Bridge on N. Gayoso over the St. Louis Canal Between the Sewerage and Water Board of New Orleans, the City of New Orleans and the NFT Group, LLC
- Resolution (R-049-2023) Authorization of Amendment No. 10 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
 - o **No Action Taken.**

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 9:20 AM.

Respectfully submitted,

Lynes Sloss, Chair