



**"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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July 12, 2023

The Finance and Administration Committee met on Wednesday, July 12, 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 May 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 May 2023 Water and Sewer cash levels (180 and 272 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. Final DSC for the audited FYE 2022 were 2.54 and 2.59 for water and sewer, respectively. June collections were \$20.6m after May totaled \$24.7m for the month. Past Due Accounts receivables as of May 31, 2023 were \$56.6m a decrease of 8% from the prior month end.

May billed revenues (\$20.7m) were below budget (23.1m) due to lower billed volumes. May operating expenses (\$26.1m) were lower than budgeted for the month based on conservatively budgeted FY23 amounts and lower than a year ago (\$35.3m) primarily due to some favorable cost variances (lower purchased gas commodity cost from Entergy and lower medical claims expenses) and timing of vendor invoices, management will continue to monitor as additional expenses are expected due to emergency repairs. The FYE 2022 external audit was completed on June 26 ahead of the deadline to file of the Annual Comprehensive Financial Report to the

Louisiana Legislative Auditor with full audit results planned to be communicated to the Audit Committee by the external auditors.

The F&A committee also received an update on Customer Service Statistics -- Call Volumes, Customers Served and Customer payments were up in May. Total bills issued were above 135k for 3 consecutive months with additional consistency being reported since the recent changes with the alternative meter reading strategy. Open customer bill disputes rose at the end of May to 4,879 accounts due to number of factors including staffing levels in the department and increased volume attributed to consistent collection practices resulting in additional customers asking for an investigation of a bill to delay potential interruption of services or other reasons possibly linked to large true up bills. Average days to close a customer investigation decreased to 66 days from 72 days last month. Consistent collections practices continue to be a primary focus with the collection ratio over last twelve months ended May 2023 improving relative to the last twelve months ended May 2022.

### 3. **ACTION ITEMS**

- Resolution (R-080-2023) Authorization to Renew and Extend Licensing Agreement with Environmental Systems Research Institute, Inc.
  - o **Director Janet Howard moved to accept R-080-2023 as amended. Director Joseph Peychaud seconded. The motion carried.**

## **GENERAL SUPERINTENDENT'S REPORT**

### **CONTRACT AWARDS/RENEWALS**

- Resolution (R-076-2023) Renewal of Contract AL220012 & CM220026 – Furnishing Polyelectrolyte Between the Sewerage and Water Board of New Orleans and Polydyne, Inc.
  - o **Director Alejandra Guzman moved to accept Contract Awards/Renewals. Director Janet Howard seconded. The motion carried.**

### **CONTRACT CHANGE ORDERS**

- Resolution (R-077-2023) Authorization of Change Order No.1 for Contract YG19 – Furnishing and Delivering Gasoline and Diesel Fuel Between the Sewerage and Water Board of New Orleans and Lard Oil.
- Resolution (R-083-2023) Ratification of Change Order No.2 for Contract 2152 TM004 Gert Town Waterline Replacement Program – St. Dupre St Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.

- Resolution (R-084-2023) Ratification of Change Order 2 for Contract 1418 – Carrollton Water Purification Plant Utility Rack Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-085-2023) Ratification of Change Order 3 for Contract 1417 – Static Frequency Changer Supply Contract Between the Sewerage and Water Board of New Orleans and Walter J Barnes Electric Co, Inc.
  - **Director Alejandra Guzman moved to accept Contract Change Orders. Director Joseph Peychaud seconded. The motion carried.**

#### **CONTRACT AMENDMENTS**

- Resolution (R-086-2023) Re-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.
- Resolution (R-087-2023) Authorization of Amendment No. 2 to the Agreement Between the Sewerage and Water Board of New Orleans and Jacobs Engineering Group, Inc. for Consulting Services for Managing the Preparation, Selection, and Implementation of an Advanced Metering Infrastructure Solution.
  - **Director Janet Howard moved to accept Contract Amendments. Director Alejandra Guzman seconded. The motion carried.**

#### **CONTRACT FINAL ACCEPTANCE**

- Resolution (R-074-2023) Final Acceptance of Contract 1370A – (HMGP) 60 Hz Transformer/Switchgear Project Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Electric Co., Inc.
- Resolution (R-075-2023) Final Acceptance of Contract 2152 – TM004 Gert Town Waterline Replacement Program – St. Dupre St Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
  - **Director Janet Howard moved to accept Final Acceptance. Director Joseph Peychaud seconded. The motion carried.**

#### **4. INFORMATION ITEMS –**

The information items were received.

#### **5. PUBLIC COMMENT –**

None.

6. **ADJOURNMENT**

There being no further business to come before the Finance and Administration Committee Meeting. The meeting adjourned at approximately 9:47 AM.

Respectfully submitted,

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Lynes Sloss, Chair