



625 St. Joseph Street
New Orleans, LA 70165
504.529.2837 or 52.WATER

June 12, 2024

The Finance and Administration Committee met on Wednesday, June 12, 2024, in the Executive Boardroom. The meeting convened at approximately 9:03 a.m.

1. **ROLL CALL**

Present:

Director Lynes R. Sloss
Director Joseph Peychaud
Director Chadrick Kennedy
Director Janet Howard

Absent:

Director Alejandra Guzman

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer, presented an update on the Preliminary April 2024 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 April 2024 Water and Sewer cash levels (192 / 182-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.

April 2024 collections were \$21.3M while May 2024 showed improvement at \$23M above recent average and below May 2023 (\$24.7M). Total Past Due Accounts receivables as of April 30, 2024 (aged > 60 days) were up to \$63.5M (25,870 customers) an increase of 11% or \$6.2k from the prior month end with 10,065 customers owing <\$500. The Consulting Firm Protiviti Government Services is scheduled to start a discovery project to assist management with a programmatic analysis of significant number of customers in arrearage to recommend courses of action based on a grouping of the primary causes of the debt.

Promise Pay payment plans continue to be well received by customers with \$3M collected since go live of the new software on February 8th and over 9,000 customers enrolled in the more convenient payment



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plans with \$21M enrolled. All customers with arrearages are eligible to utilize the new payment plan software and repay without interest previously unpaid bills.

April billed revenues (\$21.6M) were below budget (\$23.9M) and trail YTD budget by \$8.0M based on lower billed consumption charges which are expected to improve in the hotter summer months upcoming. Drainage Tax revenues were received in the amount of \$3.9M and are below budget YTD due to the March 15 delayed payment due date which delays receipt of tax revenues administered by the city. The cash flow timing issue should be addressed by the end of June and has not caused an operating issue given cash reserves maintained. April operating expenses (\$26.8M) were below budget for the month and were above April 2023 (\$21.9M).

The External year end audit is underway with completion planned by the end of June deadline.

3. **ACTION ITEMS**

- Resolution (R-111-2024) Approval of 2024 Renewal of Microsoft Enterprise License Agreement
 - o **Director Peychaud moved to accept (R-111-2024). Director Howard seconded. The motion carried.**
- Resolution (R-112-2024) Authorization for Amendment No. 5 to the Maintenance and Support Agreement between the Sewerage and Water Board of New Orleans and Cogsdale Corporation
 - o **Director Peychaud moved to accept (R-112-2024). Director Kennedy seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-095-2024) Ratification of Change Order No. 1 for Contract 30227 – Mid City Basin No. 1 Sewer Rehabilitation, Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.



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- Resolution (R-096-2024) Ratification of Change Order No. 2 for Contract 30228 – Mid City Basin No. 2 Sewer Rehabilitation, Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.
 - o **Director Howard moved to accept Contract Change Order by Ratification. Director Peychaud seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-094-2024) Amendment No. 8 to the Agreement between the Sewerage and Water Board of New Orleans and Integrated Logistical Support, Inc for Design and Engineering Services for the Water Line Replacement Program
- Resolution (R-098-2024) Amendment No. 11 to the Agreement between the Sewerage and Water Board of New Orleans and Meyer Engineers, Ltd for Design and Engineering Services for the Water Line Replacement Program
 - o **Director Howard moved to accept the Contract Amendments. Director Kennedy seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-099-2024) Authorization of Final Acceptance of Contract E-SFM-001-2023
 - o **Director Peychaud moved to accept Final Acceptance as amended. Director Howard 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 9:35 a.m.