



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

July 10, 2024

The Finance and Administration Committee met on Wednesday, July 10, 2024, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

1. **ROLL CALL**

Present:

Director Joseph Peychaud
Director Alejandra Guzman
Director Chadrick Kennedy

Absent:

Director Lynes R. Sloss
Director Janet Howard

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer, presented an update on the Preliminary May 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 May 2024 Water and Sewer cash levels (182 / 168-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.

June 2024 collections lower were than average at \$19M, lower than May \$23M and appears impacted from seasonality which was also seen with a lower June of 2023 after higher months in the spring. Total past due accounts receivables as of May 31, 2024 (aged > 60 days) were up to \$71.4M (27,251 customers) an increase of 13% or \$7.9M from the prior month end with 10,300 customers owing <\$500.

Total Receivables inclusive of < 60 days, under investigation and closed and past due were lower than last month by \$1.2M with movement into the past due category attributed to customers coming off of investigation and slower payments in the 45–60-day range.



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The Consulting Firm Protiviti Government services is scheduled to start a discovery project next week to assist management with a programmatic analysis of significant number of customers in arrearage to recommend courses of action based on an grouping of the primary causes of the debt.

Promise Pay payment plans continue to be well received by customers with \$3.6M collected since go live of the new software on February 8th and over 10,229 customers enrolled in the more convenient payment plans with \$23M enrolled. All customers with arrearages are eligible to utilize the new payment plan software and repay without interest previously unpaid bills.

May billed revenues (\$23.3M) were below budget (\$23.9M) and trail YTD budget by \$8.3M based on lower billed consumption charges which is expected to improve in the hotter summer months upcoming. Drainage Tax revenues were received in the amount of \$31.4M and are above budget YTD by \$10.2M. May operating expenses (\$28.2M) were below budget for the month and were above May 2023 (\$19.1M) while budget encumbrances indicate additional spending is planned later in the year while and non-cash expenses are approximately lower by \$9M.

The External year end audit was completed June 27 and was submitted to the Louisiana legislative auditor by the June 30 deadline. Unmodified opinions were received for each of the 3 reports from our auditors Eisner Amper (financial statement audit, LLA agreed upon procedures and the Single Audit for Federal grants) with a full report by the auditors planned for the September audit committee meeting.

3. **ACTION ITEMS**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-102-2024) Ratification of Change Order No. 1 for Contract 30247 – Restoration of Gravity Flow Sanitary Sewers by Excavation and Replacement from Manhole to Manhole, CIPP Lining from Manhole to Manhole, CIPP Lining of Service Laterals and Point



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Repairs at Various Sites Throughout the City of New Orleans, Between the Sewerage and Water Board of New Orleans and CMG Pipelines Inc.

- Resolution (R-103-2024) Ratification of Change Order No. 7 for Contract 1417 – Static Frequency Converter Procurement Project, between Mid-City Basin No. 2 Sewer Rehabilitation, Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Co, Inc.
- Resolution (R-105-2024) Ratification of Change Order No. 1 for Contract 30233 – Carrollton Basin No. 4 Sewer Rehabilitation, Between the Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.
 - o **Director Guzman moved to accept Contract Change Order by Ratification. Director Peychaud seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-104-2024) Amendment No. 8 to the Agreement between the Sewerage and Water Board of New Orleans and ECM Consultants, Inc for Design and Engineering Services for the Water Line Replacement Program
 - o **Director Peychaud moved to accept Contract Amendments. Director Guzman 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. Director Peychaud moved to adjourn. Director Guzman seconded. The motion carried. The meeting adjourned at approximately 9:19 a.m.