



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

October 16, 2024

The Finance and Administration Committee met on Wednesday, October 16, 2024, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

1. **ROLL CALL**

Present:

Director Janet Howard
Director Joseph Peychaud
Director Robin Barnes
Director Chadrick Kennedy

Absent:

Director Lynes R. Sloss

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer, presented an update on the August 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 August 2024 water and sewer cash levels (192 / 185-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.

August and September 2024 collections were lower than average at \$20.8 and \$19.2M, respectively. Two days were lost in September due to Hurricane Francine causing the office to be closed. Total Past Due Accounts receivables as of August 31, 2024 (aged > 60 days) were lower than last month \$64.4m (25,606 customers) a decrease of 9% or \$6.8m from the prior month end with 9,767 customers owing <\$500. Promise pay plans total 11,069 at August 31, 2024 and have generated approximately \$1m monthly the last 3 months.

Total Receivables (\$119.6m) inclusive of aged < 60 days, amounts under and investigation and closed and past due were lower than last month by \$3.4m. Focus has been on clearing old



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investigations prior to the high bill investigation unit being transferred to HGI which was appointed and funded by City Council effective 9/6/2024 to augment SWBNO staffing constraints and provide more timely customer resolutions. The Consulting Firm Protiviti Government Services is scheduled to complete their discovery project in the next 30 days to assist management with a programmatic analysis of significant number of customers with arrearages to recommend courses of action based on a grouping of the primary causes of the debt.

Billing projects related to new legislation have been very active the past few months with the Temporary Fixed Rate billing now ready for customers to opt in upon notification via letter. Also on January 1, 2025, estimate bills will no longer be provided to customers with the consumption being reported as zero and the following month the full consumption will be billed in accordance with new legislation.

August billed revenues (\$20.9m) were below budget (\$23.9m) and trail YTD budget from lower billed consumption charges, a one-time Sewer Correction of approx. \$1.7m, and customer adjustments after investigations/hearings. The lower revenues overall are being monitored as there are multiple transitions underway with Smart metering and customer disputes. Smart Meter transition bill adjustments are being provided for the first bill after the meter upgrade if the bill is in excess of 120% of the historical average. August operating expenses (\$27.5m) were below budget for the month and were slightly below August 2023 (\$27.8m) while budget encumbrances indicate additional spending is planned later in the year and further non-cash expenses are approximately lower by \$2m in the month.

3. **ACTION ITEMS**

- Resolution (R-145-2024) Authorizing Application to the Louisiana Department of Health for Funding from the Louisiana Department of Health's Drinking Water Revolving Loan Fund (DWRLF) for Compliance with the Revised Lead and Copper Rule (LCRR) for Lead Service Line Identification and Removal Purposes.
 - o **Director Peychaud moved to accept R-145-2024. Director Kennedy seconded. The motion carried.**



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- Resolution (R-142-2024) Authorization for Renewal #3 of the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Avenu Insights and Analytics for Information Systems Management.
 - o **Director Barnes moved to accept R-142-2024. Director Psychaud seconded. The motion carried.**

GENERAL SUPERINTENDENT’S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-131-2024) Award of Contract 30265 – Portable Generators for Sewer Between the Sewerage and Water Board of New Orleans and Craig’s Electrical & Generator Service.
 - o **Director Psychaud moved to accept Contract Awards/Renewals. Director Barnes seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-134-2024) Amendment No. 5 to the Agreement Between the Sewerage and Water Board of New Orleans and Pure Technologies U.S. Inc. Dba Wachs Water Services (now Xylem Dewatering Solutions, Inc.) for On-Call Water Valve Operation Services.
 - o **Director Kennedy moved to accept Contract Amendments. Director Psychaud seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-135-2024) Ratification of Change Order No. 1 for Contract 30254 – Carrollton Basin No. 13 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.



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- **Director Barnes moved to accept Contract Change Order by Ratification as amended. Director Psychaud 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 Psychaud moved to adjourn. Director Kennedy seconded. The motion carried. The meeting adjourned at approximately 9:24 a.m.