



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

November 13, 2024

The Finance and Administration Committee met on Wednesday, November 13, 2024, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

1. **ROLL CALL**

Present:

Director Lynes R. Sloss
Director Joseph Peychaud
Director Robin Barnes
Director Chadrick Kennedy

Absent:

Director Janet Howard

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer presented an update on the September 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 September 2024 Water and Sewer cash levels (193 / 186-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.

October and September 2024 collections were \$24.3 and \$19.2m, respectively with October improvement seen after 2 business days of closure in September for Hurricane Francine. Total Past Due Accounts receivables as of September 30, 2024 (aged > 60 days) were \$69.7m (26,775 customers) an increase of 7% or \$5.6m from the prior month end with 10,550 customers owing <\$500. Promise pay plans total 12,556 at September 30, 2024 and now have exceeded 13,000 plans in October with an 89% on track rate.

Total Receivables (\$119.6m) inclusive of aged < 60 days, amounts under and investigation and closed and past due were flat relative to prior month. Programs are underway with both individual cases of high bill complaints being assessed by HGI who was appointed by the City Council via Ordinance on 9/6/2024 and programmatic approach across the group of past due customers led by consulting firm Protiviti. The consulting firm will recommend courses of action based on a grouping of the primary causes of the debt.



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September billed revenues (\$19.7m) were below budget (\$23.9m) and trail YTD budget from a combination of factors including HGI customer credits, lower billed consumption charges, a one-time Sewer Correction of approx. \$1.7m. The lower revenues overall are being monitored as there are multiple transitions underway with Smart metering and customer disputes which the Committee discussed receive further details of breaking out the types of customer credits especially those from HGI which cover historical periods. In previous period reserves have been recorded for aged invoices greater than 6 months aged. September operating expenses (\$35.3m) were above budget for the month primarily related to drainage and continue to trend below budget YTD. Budget encumbrances indicate additional spending is expected in Q4 thus expenses will continue to be closely monitored.

Specific to HGI, Interim Chief of Customer Service (Susannah Kirby) provided an update on the interactions with HGI since the inception of the customer invoice dispute program on 9/6/2024. Customer decisions for 2,825 have been provided to SWBNO resulting in \$7.3m of customer credits in the first 2 months of operations with all complaints of high customer bills being handled by HGI. 57 customer cases were determined to merit no customer credit and the median credit amount was \$807. SWBNO has identified 15 cases for which Arbitration of the HGI has been requested from the September cases while additional cases will be appealed for Arbitration as needed each month. CEAs for establishing the Arbiter program have been executed with the Louisiana Legislative Auditor (LLA) and is being executed with the Louisiana Department of Treasury which is providing the \$500,000 appropriation which SWBNO will forward to the LLA to operate the Arbiter program. The LLA and New Orleans OIG will submit the names of the Arbiters for City Council approval to launch the program upon execution of all CEAs and funding transfer.

3. **ACTION ITEMS**

- Resolution (R-161-2024) Cooperative Endeavor Agreement Act 776 Appropriation to Fund Arbiters for Customer Billing Disputes
 - o **Director Barnes moved to accept R-161-2024. Director Psychaud seconded. The motion carried.**



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GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-136-2024) Second Renewal of Contract 2022-SWB-27 Furnishing Anhydrous Ammonia to the Algiers and Carrollton Water Plants Between the Sewerage and Water Board of New Orleans and Tanner Industries Inc.
- Resolution (R-137-2024) Second Renewal of Contract 2022-Swb-46 Furnishing Fluorosilicic to the Algiers and Carrollton Water Plants Between the Sewerage and Water Board of New Orleans and Univar Solutions USA, Inc.
- Resolution (R-138-2024) Award of 2024-SWB-67 Liquid Polyelectrolyte Between the Sewerage and Water Board of New Orleans and Polydyne Inc.

- **Director Peychaud moved to accept Contract Awards/Renewals. Director Kennedy seconded. The motion carried.**

CONTRACT AMENDMENT

- Resolution (R-106-2024) Amendment No. 3 to the Agreement Between the Sewerage and Water Board of New Orleans and Power Engineers, Inc. for Professional Engineering, Construction Administration, and Inspection Services for West Power Complex Group 3 Projects.
- **Director Barnes moved to accept Contract Amendments. Director Kennedy seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-139-2024) Ratification of Change Order No. 8 for Contract 1418 – Carrollton Water Plant Utility Rack Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.



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- Resolution (R-141-2024) Ratification of Change Order No. 1 for Contract 8166 – Repaving Open Cuts in Sidewalks and Driveways Resulting from the Sewerage and Water Board of New Orleans Underground Utility Repairs Between the Sewerage and Water Board of New Orleans and Wallace C. Drennan, LLC.
- Resolution (R-148-2024) Ratification of Change Order No. 1 for Contract 1407 – Structural Filter Rehabilitations at the Sycamore Filter Gallery Between the Sewerage and Water Board of New Orleans and Industrial Mechanical Contractors, Inc.
- Resolution (R-150-2024) Ratification of Change Order No. 1 for Contract 30251 – Carrollton Basin No. 10 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-151-2024) Ratification of Change Order No. 6 for Contract 1415 – West Power Complex Foundations and Underground Package Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-152-2024) Ratification of Change Order No. 1 for Contract 30255 – Carrollton Basin No. 14 Sewer Rehabilitation Between the Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.
 - o **Director Barnes moved to accept Contract Change Order by Ratification. Director Kennedy seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-140-2024) Authorization of Final Acceptance of Contract 1418 – Carrollton Water Plant Utility Rack Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-147-2024) Authorization of Final Acceptance of Contract 8168 – Repaving Open Cuts in Streets, Driveways, and Sidewalks Resulting from the Repair to the Sewerage and Water Board Underground Utilities Between the Sewerage and Water Board of New Orleans and CMG Pipelines, LLC.
- Resolution (R-149-2024) Authorization of Final Acceptance of Contract 1407 – Structural & Filter Rehabilitation in the Areas of Sycamore Filter Gallery Filters #11, 12, 14, 16, & 17 Between the Sewerage and Water Board of New Orleans and Industrial and Mechanical Contractors, Inc.



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- **Director Peychaud moved to accept Final Acceptance as amended. Director Kennedy 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 Barnes moved to adjourn. Director Kennedy seconded. The motion carried. The meeting adjourned at approximately 9:53 a.m.