



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

December 11, 2024

The Finance and Administration Committee met on Wednesday, December 11, 2024, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

1. **ROLL CALL**

**Present:**

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

**Absent:**

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer, presented an update on the October 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 October 2024 Water and Sewer cash levels (188 / 161-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 November 2024 collections were \$24.3 and \$18.8m, respectively with October improvement seen after 2 business days of closure in September for Hurricane Francine while November was more aligned with previous months. Total Past Due Accounts receivables as of October 31, 2024 (aged > 60 days) were \$65.8m (24,649 customers) an decrease of 6% or \$3.8m from the prior month end with 9,246 customers owing <\$500 there are 12,743 or roughly half of these customers currently enrolled in promise pay payment plans.

Total Receivables (\$120.3m) 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



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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.

October billed revenues (\$24.9m) were above budget by \$1m 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. Management is working with the CSM data to make an adjustment for customer credits pertaining to already reserve customer AR and will be working with the estimation process for year end valuation of Customer receivable net of reserves. October operating expenses (\$24.9m) were below budget for the month continue to trend below budget YTD which was conservatively established. 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 preliminary high bill resolutions thru November (1,671 decisions provided to SWBNO by HGI) and \$3.8m of customer credit with cases to be reviewed for potential arbitration requests by SWBNO. The Arbiters program is in the process of being set up by the LLA via funding by the LA Dept of Treasury 2024 Legislative Appropriation. Further meetings have been requested with the Council and HGI to discuss the status of transfer of the resolving high bill complaints which occurred by City Ordinance effective 9/6/2024.

Bills issued and payments received were both up in October after 2 missed days in September which impacted the normal billing cycles.

### **FY25 Draft Budget Presentation**

Mr. Grey Lewis provided a separate presentation on the draft budget compiled with background being shared on the budget landscape – historical look back, current events and future outlook. A draft Budget that will meet the legal requirements and bond covenants was presented with project operating revenues of \$268.4m, tax revenues of \$76.7m, \$260.5m of Cash O&M, Debt Service of \$57.3m, and paygo for Capital of \$33.6m. Available funds for paygo are down relative to the last 2 years due to the lack of customer rate increases and rising general costs and personnel costs. The Capital project budget of \$390m was presented by major groupings along with \$300m of sources identified while a list of other projects for W/S/D will be pending future resources. The major programs are funded for FY25 cost estimates. The budget will presented to the BOD on December 18, 2024.



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### 3. **ACTION ITEMS**

- Resolution (R-175-2024) Amendment No.1 of Armed Security Guards at Board Facilities to Increase Yearly Contract Amount.
  - o **Director Howard moved to accept R-175-2024. Director Psychaud seconded. The motion carried.**

### **GENERAL SUPERINTENDENT'S REPORT**

#### **CONTRACT AWARD/RENEWAL**

- Resolution (R-166-2024) Award of Service Agreement for Real Time Flood Data Tracking between The Sewerage and Water Board of New Orleans and I See Change.
  - o **Director Kennedy moved to accept Contract Award/Renewal. Director Barnes seconded. The motion carried.**

#### **CONTRACT AMENDMENTS**

- Resolution (R-153-2024) Amendment No. 3 to the Agreement between The Sewerage and Water Board of New Orleans and Durward Dunn Inc. for Old and New River Intake Stations Protection Barges
- Resolution (R-155-2024) Amendment No. 12 to the Agreement between The Sewerage and Water Board of New Orleans and Arcadis U.S. Inc. For Design and Engineering Services for the Water Line Replacement Program.
- Resolution (R-157-2024) Amendment No. 6 to the Agreement between The Sewerage and Water Board of New Orleans and N-Y Associates Inc. for Design and Engineering Services for the Water Line Replacement Program.
- Resolution (R-163-2024) Amendment No. 7 to the Agreement between The Sewerage and Water Board of New Orleans and Stantec Consulting Services Inc. for Sewer System Evaluation and Rehabilitation Program Management (SSERP).



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- Resolution (R-156-2024) Amendment No. 2 to the Cooperative Endeavor Agreement between the City of New Orleans and The Sewerage and Water Board of New Orleans for Carrollton Power Plant Static Frequency Changers 2 and 3 Capital Bond Funds.
  - o **Director Peychaud moved to accept Contract Amendments. Director Barnes seconded. The motion carried.**

### **CONTRACT CHANGE ORDER BY RATIFICATION**

- Resolution (R-133-2024) Ratification of Change Order No. 4 for Contract 2155 – Transmission Main Replacement – S. Claiborne (Versailles – Upperline) - TM003 - Per FEMA JIRR Project Worksheet (PW) 21031 & PW 21032 BLD Services, LLC between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-164-2024) Ratification of Change Order No. 1 for Contract 8171 Repaving Open Cuts in Streets, Driveways, and Sidewalks Resulting from the Sewerage and Water Board of New Orleans Underground Utility Repairs between the Sewerage and Water Board of New Orleans and Fleming Construction Co., LLC.
- Resolution (R-165-2024) Ratification of Change Order No. 2 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 Repairs at Various Sites Throughout the City of New Orleans between The Sewerage and Water Board of New Orleans and CMG Pipelines Inc.
  - o **Director Kennedy moved to accept Contract Change Order by Ratification. Director Howard seconded. The motion carried.**

### **FINAL ACCEPTANCE**

- Resolution (R-132-2024) Authorization of Final Acceptance of Contract 2155 – Transmission Main Replacement – S. Claiborne (Versailles – Upperline) - TM003 - Per Fema JIRR Project Worksheet (PW) 21031 & PW 21032 between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
  - o **Director Peychaud moved to accept Final Acceptance as amended. Director Barnes seconded. The motion carried.**



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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 Howard moved to adjourn. Director Barnes seconded. The motion carried. The meeting adjourned at approximately 10:14 a.m.