



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

February 12, 2025

The Finance and Administration Committee met on Wednesday, February 12, 2025, in the Executive Boardroom. The meeting convened at approximately 9:01 a.m.

1. **ROLL CALL**

Present:

Director Janet Howard
Director Joseph Peychaud
Director Chadrick Kennedy

Absent:

Director Lynes R. Sloss
Director Robin Barnes

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer presented an update on the December 2024 Preliminary 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 December 2024 Water and Sewer cash levels (170 / 237-Days Cash on Hand, respectively) exceed the minimum and target thresholds based on month end cash and budgeted expenses. Additionally, Debt Service Coverage is within the budgeted forecast considering favorable variance in expenses exceeding unfavorable variance in revenue. Year end procedures are underway to capture all prior year expenses for accrual and prepare for the fiscal audit.

January and December 2024 collections were \$18.7m and \$20.2m, respectively with the loss of 1 week during the snowstorm and lower typical start of year after holidays for consumer payments as the anticipated drivers of lower collections. Efforts continue to promote customer payment plans via Promise Pay which has now reached a 1-year anniversary as new more customer friendly tool to set up installment plans. Total Past Due Accounts receivables as of December 31, 2024 (aged > 60 days) were \$63.9m (24,452 customers) virtually flat relative to 1 month ago.



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There are approximately 11k customers who have not enrolled in a payment plan despite being in arrears who continue to be the focus of collection activities including being referred to HGI.

HGI provided customer credits of \$979k on 289 customer cases during the month of January down significantly from December which had 2,385 cases and \$5.9m in credits. Cases which the Utility does not agree with HGI decision are forwarded to CURO. The Arbiters program is in the process of being set up by the LLA and CURO. Additional information to be included in the monthly HGI report will include customer case counts where not credit was granted as well as the number of pending customer cases with HGI at the end of the period for ongoing monitoring.

Reported revenues for December (\$19.2m) were below budget for the month and YTD and the CFO reported adjustments are being prepared for 2 items (a. relating to Customer credits which apply to bills for which a general reserve was already established due to aging incorrectly reducing current period revenue and b. Reclassification needed between Water and Sewer to address customer credits that should have been applied pro rata to both but were solely applied to the Water System. Management is working with the CSM data and IT Team to make the necessary adjustments. December operating expenses (\$38.5m) were above budget for the month and YTD less than budget by \$65m as expenses as were conservatively established and management is in the process of accruing expenses for late identified invoices and costs not previously invoiced.

The year end audit for 2024 is in preliminary stages with field work planned starting in March by the external auditors – Eisner Amper in order to complete the Annual Comprehensive Financial Report by the legislative deadline in June.

3. **ACTION ITEMS**

- Resolution (R-039-2025) Attestation to Completion of the Annual Auditor Compliance Questionnaire Required by the Louisiana State Legislative Auditor for our Fiscal 2024 Audit of the Annual Comprehensive Financial Report
 - o **Director Kennedy moved to defer R-039-2025. Director Peychaud seconded. The motion carried.**



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GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARD/RENEWAL

- Resolution (R-020-2025) Award of Contract 2024-SWB-117 Furnishing Lime to the Carrollton Water Plant between The Sewerage and Water Board of New Orleans and Cheney Lime Co.
 - o **Director Kennedy moved to accept Contract Awards/Renewal. Director Psychaud seconded. The motion carried.**

CONTRACT AMENDMENTS

- Resolution (R-014-2025) Amendment to Contract 30265 between The Sewerage and Water Board of New Orleans and Craig's Electrical & Generator Service for Portable Generators for Sewer – Zeta.
- Resolution (R-024-2025) Amendment No. 6 to the Agreement between The Sewerage and Water Board of New Orleans and Jacobs Engineering Group Inc. for Professional Services in Engineering Services for Power Frequency Converter at Carrollton Water Plant.
- Resolution (R-026-2025) Amendment No. 2 to the Agreement between The Sewerage and Water Board of New Orleans and Jacobs Engineering Group, for Design and Construction Administration Services for a New Turbine-Generator at the Carrollton Water Treatment Plant.
 - o **Director Psychaud 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. (Corrective)
- Resolution (R-025-2025) Ratification of Change Order No. 7 for Contract 1376 – Water Hammer Hazard Mitigation Program – High Lift Pumping Station and Panola Pumping Station between The Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.



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- **Director Kennedy moved to accept Contract Change Order by Ratification. Director Peychaud 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, LLC. (Corrective)
 - **Director Kennedy moved to accept Final Acceptance. Director Peychaud 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 Kennedy moved to adjourn. Director Peychaud seconded. The motion carried. The meeting adjourned at approximately 9:27 a.m.