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

October 15, 2026

The Finance and Administration committee met on Thursday, October 15, 2026, in the Executive Board Room. The meeting convened at approximately 9:00 a.m.

Present:
Director David Gallo – Vice Chair
Director Kimberly Thomas
Director Kathryn Walmsley

Members Absent
Director Julius Kimbrough Jr. Chair
Director Chadrick Kennedy

PRESENTATION ITEM

A. Executive Summary Report (August 2026) - E. Grey Lewis, CFO, SWBNO

Financial Overview

Mr. Lewis presented an overview of the preliminary year-to-date financials for August 2026 and reported on the current status of the Oracle transition activities, particularly in the area of financial reporting. The implementation phase with Oracle Hypercare has concluded, and the team is now collaborating with internal IT resources for all Oracle-related activities concerning the new ERP system.

Revenue

As of August, Water and Sewer Operating Revenues were on target, with a budget of $23.7 million, while the year-to-date total reached $188 million, exceeding the budget by about 1%. Year-to-date Operating Expenses for the three systems totaled $266 million, which is below the budget of $269.7 million, and these expenses will require ongoing oversight due to the upcoming changes with the Oracle system going live in February.

Cash on Hand

Cash collections for water and sewer bills reached $23 million in September and $21.6 million in August, demonstrating an improvement over historical averages in 7 of the first 9 months of 2026. Enrollment in payment plans increased by 1% compared to last month and by 16% from August 2025, with over 17,780 active payment plans at the end of the month, up from 15,379 a year ago.

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As of August 31, the Days Cash on Hand are 272 for Water and 285 for Sewer, which exceed both internal targets and the minimum requirements specified in the bond indenture. Days Cash on Hand serves as the primary liquidity metric outlined in the general bond resolutions, with a required minimum of 90 days. The Debt Service Coverage is budgeted at 1.72 for Water and 2.17 for Sewer, remaining on track according to year-to-date operating expenses, and does not include non-cash charges like depreciation expense.

Customer Service

The CFO reported that customer credits amounted to $519,000 as directed by the third party appointed by the City Council. Additionally, with state arbiter credits and other SWBNO credits included, the total reached $2 million for August and $1.5 million for September. The billing team is collaborating closely with the Council to enhance consistency and transparency in addressing customer concerns regarding high bills by utilizing smart meter consumption data. Service interruptions due to non-payment, which remains a mechanism of last resort, decreased by 1,435 compared to July, while new payment plans reached a total of 1,874, and there were 340 one-time payments made that fully resolved customers' past due bills.

Bonds

Debt obligations are still being evaluated for significant capital improvement programs, such as the Sewer Consent Decree and the new Lead Service Line Replacement program. The potential for new water and sewer bonds remains restricted because of the necessity to generate additional net revenues to manage new debt. This week, the rating agency KBRA, which assesses the Sewer WIFIA Bond, reaffirmed the A+ rating but changed the outlook from stable to negative. KBRA pointed to concerns regarding increasing accounts receivable, shrinking margins, and recent governance changes implemented by the City Council, which may prolong the process for rate adjustments.

Minor Drainage

The Minor Drainage revenue from the City's Infrastructure Maintenance Fund, which accounts for a 25% share, is $6.5 million year-to-date. This amount includes a one-time revenue of $3.4 million from traffic cameras received in April. The team is continuing to collaborate with the administration to explore additional revenue sources.

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B. Delinquent Accounts and Collections – Renelle Brown, Chief of Customer Service

Renelle Brown, Chief Customer Service Officer, reported on the status of multi-family delinquent accounts, noting that many of the largest debtors fall within this category, with outstanding balances exceeding $20 million. The plan of action presented was to increase the service disruptions threshold from 5 units per meter to 8 units per meter for eligible nonpaying multifamily properties to improve revenue recovery.

Changes to Promise Pay were also discussed, including replacing the current $10 down payment with a percentage-based enrollment payment (4% for residential customers and 6% for commercial customers) and increasing the minimum monthly payment for commercial customers from $25 to $125. Existing plans would remain unchanged.

The presentation also reviewed past billing challenges that led to the creation of City Council Ordinance 159 and Louisiana Act 393. It was noted that SWBNO's transition to smart meters has significantly improved billing accuracy and customer usage visibility. Ms. Brown discussed collaborating with the Council Utilities Regulatory Office to conduct a collaborative review and identify opportunities to better align the ordinance requirements with current technologies, operational capabilities and customer service goals.

C. Contract Change Order Process – Chris Bergeron, Chief of Engineering

Chris Bergeron, Chief of Engineering, outlined the procedure for contract changes. These changes typically fall into three categories: Change Orders, Contract Amendments, and Contract Renewals. In the case of design contracts, Mr. Bergeron noted that it is common to start with a feasibility study and subsequently broaden the scope to encompass design and construction services. While these additions may give the impression of an expanded scope, he clarified that this is a deliberate process.

Director Gallo suggested a more detailed seminar for Board Members to enhance their understanding of public bid law, change orders, and amendments. Mr. Bergeron then provided examples of both an Amendment request and a Change Order request to illustrate the complete process of how these reach the Board for approval. He also presented a summary of Awards, Change Orders, and Amendments over the past 12 months.

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ACTION ITEMS

- Resolution (R-117-2026) 2027 Drainage Millage Rates.

    - **Director Gallo made a motion to approve Resolution R-117-2026. Director Walmsley moved. Director Thomas seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AMENDMENTS

- Resolution (R-104-2026) Authorization of Amendment No. 9 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-105-2026) Authorization of Amendment No. 4 to the Agreement between The Sewerage and Water Board of New Orleans and WSP USA Inc for Professional Engineering, Construction Administration, and Inspection Services for West Power Complex Group 3 Projects.
- Resolution (R-106-2026) Authorization of Amendment No. 9 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 the Carrollton Water Plant.
- Resolution (R-112-2026) Authorization of Amendment No. 9 for Professional Services for Sewer System Evaluation and Rehabilitation Program Management (SSERP) between Sewerage and Water Board of New Orleans and Stantec Consulting Services Inc.

    - **Director Gallo made a motion to approve Contract Amendments. Director Thomas moved. Director Walmsley seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-103-2026) Ratification of Change Order No. 4 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

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Sites throughout the City of New Orleans between The Sewerage and Water Board of New Orleans and CMG Pipelines, Inc.

- Resolution (R-107-2026) Ratification of Change Order No. 5 for Contract 30246 – Restoration of Gravity Flow Sanitary Sewer Mains by Point Repair at Various Sites throughout Orleans Parish between The Sewerage and Water Board of New Orleans and Wallace C. Drenna, LLC.
- Resolution (R-109-2026) Ratification of Change Order No. 5 for Contract 30261 – Carrollton Basin No. 20 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.
- Resolution (R-113-2026) Ratification of Change Order No. 10 for Contract 1420 – Power Complex Phase 1 Equipment Installation and Commissioning between The Sewerage and Water Board of New Orleans and Frischhertz-Barnes a Joint Venture.

    - **Director Gallo made a motion to approve Contract Change Orders by Ratification. Director Walmsley moved. Director Thomas seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-110-2026) Authorization of Final Acceptance for Contract 30261 – Carrollton Basin No. 20 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.
- Resolution (R-111-2026) Authorization of Final Acceptance for Contract 30233 – Carrollton Basin No. 5 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.

    - **Director Gallo made a motion to approve Final Acceptances. Director Thomas moved. Director Walmsley seconded. The motion carried.**

INFORMATION ITEMS

A. Report – CFO (August 2026)
B. Report – FEMA (September 2026)
C. Report – EDBP (September 2026)

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PUBLIC COMMENT

- None

ADJOURNMENT

There being no further business to come before the Finance and Administration Committee, Director Gallo made a motion to adjourn. Director Thomas moved. Director Walmsley seconded. The motion carried. The meeting was adjourned at approximately 10:12 a.m.

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