



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

July 9, 2025

The Finance and Administration Committee met on Wednesday, July 9, 2025, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

Present:

Director Janet Howard
Director Joseph Peychaud
Director Chadrick Kennedy

Absent:

Director Robin Barnes

CASH FLOW OVERVIEW

Grey Lewis, Chief Financial Officer, presented the May 2025 Preliminary financial results and liquidity position. He reported that the 2nd quarter financial results were trending better than the 1st quarter from both higher billed revenues and cash collections. The improvement is attributable to the expected higher data accuracy and consistency of billing cycles provided by Smart metering which as of June have reached over 80% of customers. Staff had completed the annual audit by the state deadline of June 30 and continue to focus primarily on the ongoing efforts to normalize the transformation of utility billing processes now that the Smart metering program is nearing substantial completion for residential customers. While collections have improved relative to Q1, May YTD revenues are below budget by 8% attributed to lower billed volumes and additional credits provided.

The committee expressed concern about Drainage Taxes, which as of May amounted to only 69% of the annual budgeted amount even though such taxes were due early in the year. Mr. Lewis indicated that he would provide additional information on the timing issue.

May YTD Operating Expenses were lower than budget by \$40m or 23%. However, departmental review of encumbrances indicate additional spending is forecasted and timing of invoice processing appears to be factor particularly in the direct expenses of Sewerage Treatment costs, Pumping & Power and Distribution costs. Management will continue to review trends and reassess for any areas of Cash O&M expenses which may be available to meet other needs particular in the Capital Improvement Program. Estimated non-cash expenses are lower than budgeted estimates which were developed from prior year audited information.



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The 2024 audited Debt Service Coverage ratios (1.25X minimum required) for Water and Sewer were 2.51 and 2.87, respectively. Audited Days Cash on Hand (90 days minimum required) were 184 and 265 for Water and Sewer funds, respectively.

There was discussion on Promise Pay payment plans for customers who are behind on bills. A campaign was launched in June to waive unpaid late fees if a customer enters into a payment plan. In the first month of the campaign, 2,497 new plans were initiated with 348 of those customers paying their debt in full. As of May 2025, 60% of approximately 25,000 customers with past due balances have enrolled in a Promise Pay payment plan. Further, since last month, past due receivables have decreased 4% or \$2.4m.

PRESENTATION ITEM

Chris Bergeron, Chief of Engineering, presented a slideshow outlining the process for contract changes. Such changes fall into three categories: Change Orders, Contract Amendments and Contract Renewals. Mr. Bergeron explained that, as required by the procurement laws, the Sewerage and Water Board awards professional services contracts based on qualifications and public works contracts based on the lowest responsible bid. In the case of design projects, it is not unusual to begin with a limited feasibility study and, if the project is feasible, to expand the scope of the contract to include design and design-related services.

Change orders can result from one of a number of factors, including errors in the scope, problems arising from the need to coordinate with the Department of Public Works, and unforeseen conditions, particularly in projects involving underground infrastructure.

Before change requests reach the board, they have been gone through a multi-step process that involves multiple departments. The Chief of Engineering, General Superintendent, and Interim Executive Director each discussed the various factors that are evaluated. Board members requested that the board packet include additional information on change orders.

ACTION ITEMS

- Resolution (R-117-2025) Authorization for Amendment No. 6 To the Maintenance and Support Agreement Between the Sewerage and Water Board Of New Orleans And Cogsdale Corporation
 - o **Director Kennedy moved to accept R-117-2025. Director Peychaud seconded. The motion carried.**



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GENERAL SUPERINTENDENT'S REPORT

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-093-2025) Ratification of Change Order No. 2 for Contract 30229 – Carrollton Basin No. 1 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-101-2025) Ratification of Change Order No. 2 for Contract 30230 – Carrollton Basin No. 2 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-102-2025) Ratification of Change Order No. 2 for Contract 30232 – Carrollton Basin No. 3 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-103-2025) Ratification of Change Order No. 2 for Contract 30235 – Carrollton Basin No. 5 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services LLC.
- Resolution (R-104-2025) Ratification of Change Order No. 3 for Contract 30255 – Carrollton Basin No. 14 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.
- Resolution (R-105-2025) Ratification of Change Order No. 3 for Contract 30256 – Carrollton Basin No. 15 Sewer Rehabilitation between The Sewerage and Water Board and Hard Rock Construction, LLC.
- Resolution (R-106-2025) Ratification of Change Order No. 4 for Contract 30260 – Carrollton Basin No. 19 Sewer Rehabilitation between Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.
- Resolution (R-107-2025) Ratification of Change Order No. 9 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.

- **Director Kennedy moved to accept Contract Change Order by Ratification. Director Peychaud seconded. The motion carried.**



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MISCELLANEOUS

- Resolution (R-108-2025) Authorization of Cooperative Endeavor Agreement between The Sewerage and Water Board of New Orleans and Plaquemines Parish Government for Mutual Emergency Assistance for Potable Water Supply.
 - o **Director Peychaud moved to accept Miscellaneous (R-108-2025). Director Kennedy seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-109-2025) Authorization of Final Acceptance of Contract 30238 - Restoration of Existing 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 between The Sewerage and Water Board of New Orleans and Wallace C. Drennan.
 - o **Director Kennedy moved to accept Final Acceptance. Director Peychaud seconded. The motion carried.**

INFORMATION ITEMS

The information items were received.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to come before the Finance and Administration Committee, Director Howard made a motion to adjourn. Director Kennedy accepted. Director Peychaud seconded. The motion carried. The meeting was adjourned at approximately 9:56 a.m.