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May 13, 2026

The Finance and Administration & Strategic Planning Committees met on Wednesday, May 13, 2026, in the Executive Board Room. The meeting convened at approximately 9:00 a.m.

Present:
Director Chadrick Kennedy - Chair
Director Joseph Peychaud – Vice Chair
Director Courtney Scrubbs
Director Ariane Greenidge
Director Tyler Antrup
Director H. Davis Cole
Deputy CAO Stephen Nelson – Mayor's Designee

Members Absent
Director Kimberly Thomas

PRESENTATION ITEMS

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

FINANCIAL OVERVIEW

Mr. Lewis reported on preliminary March financials and provided an update on the Oracle system conversion project, noting that additional training is in progress and that support from the implementation firm will continue through June.

The March year-to-date financial information was compiled using data from the new system along with some estimated expenses, as the team is adapting to the new reporting and month-end Oracle processes. Mr. Lewis provided an update on the audit process, which is progressing well with a deadline set for June. The auditors are currently completing the final phases of testing and will begin preparing the annual report in the upcoming weeks.

Revenue

Water and Sewer Operating Revenues for March year-to-date were $68.1 million, which is $1.4 million below budget. Drainage Taxes reported through March were $56.2 million, influenced by the tax deadline. Reported expenses were lower than budget and were affected by the financial system conversion and the transition to a new accounting system, with ongoing monitoring in place.

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Cash on Hand

Cash collections for water and sewer bills reached $24.3 million in March and $23.1 million in April, demonstrating an improvement compared to the initial two months of 2026 and historical averages. This trend aligns with increased orders for service disconnects, the implementation of smart metering billing over an extended duration, and ongoing efforts to promote payment plans through Promise Pay. As of March 31, days cash on hand stood at 150 for Water and 174 for Sewer, reflecting an increase from the previous month and exceeding the 90-day target.

Minor Drainage & Joint Infrastructure

Mr. Lewis reported on minor drainage revenue for 2025, indicating $4.6 million has been received through March, which includes the initial installment of traffic camera revenue. In relation to joint infrastructure payments to the Department of Public Works (DPW), the utility paid a total of $9.1 million in March and April and continues to hold weekly meetings with DPW and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to discuss reimbursement processes.

Customer Service

Keith James, Customer Service Manager, reported on customer service metrics, noting a significant increase in customer service activity following major water /sewer main breaks, as reflected in March metrics and heightened activity across all customer channels. The Committee asked about staffing levels. Mr. James advised that four new hires are being onboarded and efforts continue to better align staffing needs with the strategic goals for customer service. The total number of customer interactions for March was 30,218, compared to 22,624 in February.

B. Water Distribution System Immediate Action Plan Funding - E. Grey Lewis, Chief Financial Officer

Mr. Lewis provided an update on the financial funding for the Immediate Action Plan regarding transmission main breaks. Recently, the Infrastructure Advisory Board (IAB) approved the allocation of $4 million for necessary capital repairs. In the mid-term, there are four transmission main projects that were previously identified for the JIRR program but were put on hold due to funding issues, which the Utility is currently discussing with the City, pending a FEMA extension to December 2028. In the long term, costs significantly exceed available resources, prompting the exploration of a multi-faceted approach involving partnerships at the federal, state, and local levels through a working group. There is

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a need for further investigation into grant funding and the expansion of the rate base to include the tourism industry, and management will continue to engage with City leadership and the delegation to convey the urgency of these matters.

C. Stormwater Fee Update and Rate Study Recommendation

Jamie Parker, SWBNO Chief of Staff, and Henrietta Locklear, Senior Vice President at Raftelis Financial Consultants, provided an update on the development of a stormwater fee. Ms. Parker noted that the latest phase of this work began in 2022. Since that time, the utility has continued to develop and refine the fee structure, leading to the sharing of a stormwater fee proposal with the City's administration in February 2026.

The proposal recommends using both drainage taxes and a stormwater fee to support the drainage system. Ms. Locklear noted that a financial analysis of the drainage system determined a roughly $50 million annual shortfall, resulting in deferred investments and unmet system needs. The proposal recommended consolidating the utility's three drainage taxes into a single tax. It also recommended implementing a stormwater fee based on the equivalent residential unit (ERU) approach. Single family-residential properties would be classified by tiers based on size (small, typical, large), while all other properties would be charged on a per ERU basis based on measure impervious area. Ms. Locklear shared that obtaining impervious area on all properties throughout the city is nearly complete.

Ms. Locklear also shared that the proposal sought to incorporate an offset, where the amount paid in drainage property taxes could offset the stormwater fee. The offset and its implementation are ongoing topics of discussion among the utility, the administration, and the City Council. Ms. Parker noted that utility staff continues to meet with and collaborate with the administration and Council on this initiative.

D. City of New Orleans Parcel Fee

Stephen Nelson, the City's Deputy CAO of Infrastructure and Director of Public Works, and Leo John Arnett, the City's Director of Policy and Research, shared the mayor's vision for a parcel fee. The request was to explore a street maintenance parcel fee to generate additional revenue for streets, traffic lights, and subsurface work, which could include repairs to water and sewer lines. The request was for Raftelis, the utility's financial consultant, to conduct the necessary analysis and develop the parcel fee. The committee raised questions regarding the scope of work, noting that the request to explore this type of parcel fee would be for infrastructure that falls outside the purview of the utility. Mr. Nelson shared

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that the request is part of the administration's plan to explore new, flexible options to fund critical infrastructure needs.

ACTION ITEMS

- Resolution (R-067-2026)- Authorization of Amendment No. 3 for Professional Services for Update to Drainage System Funding and Feasibility Analysis between Sewerage and Water Board of New Orleans and Raftelis Financial Consultants, Inc.

    - **Director Kennedy made a motion to approve Resolution R-067-2026. Director Greenidge moved. Director Scrubbs seconded. The motion carried.**

- Resolution (R-068-2026) - Authorization of Amendment No. 4 for Professional Services for the Feasibility Analysis and Development of a Parcel Fee between Sewerage and Water Board of New Orleans and Raftelis Financial Consultants, Inc.

    - **Director Kennedy made a motion to approve Resolution R-068-2026. Director Cole moved. No second. The motion did not carry.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARD

- Resolution (R-040-2026) Award of Contract 2025-SWB-18 for Skilled and Unskilled Labor for Maintenance between The Sewerage and Water Board of New Orleans and Abacus Service Corporation.

    - **Director Kennedy made a motion to approve Resolution R-040-2026. Director Antrup moved. Director Scrubbs seconded. The motion carried.**

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CONTRACT AMENDMENTS

- Resolution (R-042-2026) Authorization of Amendment No. 1 to the Agreement between The Sewerage and Water Board of New Orleans and Xylem Dewatering Solutions Inc., dba Wach Water Services for Leak Detection and Fire Flow Testing Within Orleans Parish.
- Resolution (R-045-2026) Authorization of Amendment No. 8 to the Agreement between The Sewerage and Water Board of New Orleans and N-Y Associates, Inc. for Design and Engineering Servies for the Water Line Replacement Program.
- Resolution (R-046-2026) Authorization of Amendment No. 10 to the Agreement between The Sewerage and Water Board of New Orleans and Mott MacDonald, LLC for Design and Engineering Servies for the Water Line Replacement Program.
- Resolution (R-047-2026) Authorization of Amendment No. 3 to for Contract 30264- Cleaning and CCTV Inspection of Sanitary Sewer Mains at Various Sites Within Orleans Parish between The Sewerage and Water Board of New Orleans and Compliance Envirosystems, LLC.

    - **Director Kennedy made a motion to approve Contract Amendments. Director Antrup moved. Director Greenidge seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-033-2026) Ratification of Change Order No. 8 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.
- Resolution (R-049-2026) Ratification of Change Order No. 3 for Contract 2164 – Water Main Line Replacements and Extension at Various Locations Throughout Orleans Parish between The Sewerage and Water Board of New Orleans and Wallace C. Drennan, Inc.
- Resolution (R-050-2026) Ratification of Change Order No. 5 for Contract 30232-Carrollton Basin No. 3 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-052-2026) Ratification of Change Order No. 6 for Contract 30235-Carrollton Basin No. 5 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-056-2026) Ratification of Change Order No. 4 for Contract 30261-Carrollton Basin No. 20 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.

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- **Director Kennedy made a motion to approve the Contact Change order By Ratification. Director Scrubbs moved. Director Greenidge seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-051-2026) Authorization of Final Acceptance for Contract 30232-Carrollton Basin No. 3 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-053-2026) Authorization of Final Acceptance for Contract 30252-Carrollton Basin No. 11 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-054-2026) Authorization of Final Acceptance for Contract 30256-Carrollton Basin No. 15 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.
- Resolution (R-055-2026) Authorization of Final Acceptance for Contract 30260-Carrollton Basin No. 19 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Hard Rock Construction, LLC.

- **Director Kennedy made a motion to approve Final Acceptances. Director Scrubbs moved. Director Antrup seconded. The motion carried.**

INFORMATION ITEMS

A. Report – HGI (March 2026)
B. Report – CFO (February 2026)
C. Report – FEMA (March 2026)
D. Report – EDBP (March 2026)

PUBLIC COMMENT

- None

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ADJOURNMENT

There being no further business to come before the Finance and Administration and Strategic Planning Committees, Director Kennedy made a motion to adjourn. Director Scrubbs moved. Director Cole seconded. The motion carried. The meeting was adjourned at approximately 10:53 a.m.

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