



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

October 8, 2025

The Finance and Administration Committee met on Wednesday, October 8, 2025, in the Executive Boardroom. The meeting convened at approximately 9:00 a.m.

Present:

Director Janet Howard
Director Joseph Peychaud
Director Chadrick Kennedy
Director Courtney Scrubbs

Absent:

Director Amy Woodfin

FINANCIAL OVERVIEW

Grey Lewis, Chief Financial Officer, presented the financial results and liquidity position for August 2025. He reported that water and sewer revenues for August were slightly above budget. Drainage tax revenues are also slightly above the plan for fiscal year 2025 through August. However, monthly revenues for August were lower for water and sewer compared to July and preliminary September operating revenue. The decline in August revenue is attributed to a reduced number of total bills issued during the month.

Mr. Lewis also provided an update on the restructuring of billing and meter reading field personnel related to smart metering. There continues to be a focus on approximately 4,500 customer accounts for which a meter reading could not be obtained in August. Staff expects a significant reduction in this number each month with the continued installation of smart meters, which is improving the overall billing experience for all 139,000 customers.

Collections for Q3 amounted to \$60.8 million, which is below historical averages for this period and continues to be a key area of focus due to the number of past due customers. The Promise Pay campaign to waive late fees for new payment plans ended in September and resulted in enrolling 6,898 new customers, with 707 customers paying their outstanding bills in full. The overall enrollment rate is 64% of customers with a past due balance, and the team plans to promote Promise Pay further with the objective of raising participation to 90% over the next few quarters.

Mr. Lewis indicated that the uncollected ratio, which compares billings to collections for the 12 months ending August 2025, is at 4%, higher than the same period last year, which was 1.2%. The HGI customer credits awarded through the City Council's bill dispute resolution firm amounted to



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approximately \$500,000 for August, which is significantly lower than the amounts in earlier months this year.

Mr. Lewis also provided an update on the operating expenses for August, which totaled \$34 million and exceeded the budget due to increases in pumping, power, and general plant maintenance expenses. However, there is a year-to-date favorable variance of \$40 million to the budget, taking into account conservative estimates for direct operating costs, overhead costs, and non-cash depreciation charges. Management will continue to monitor trends and reevaluate potential areas of Cash O&M expenses that could be allocated to other needs within the Capital Improvement Program.

The budgeted Debt Service Coverage ratios for 2025 are 1.68 for Water and 1.85 for Sewer, exceeding the minimum required ratio of 1.25. Based on current expenditures, these ratios are expected to be surpassed. As of August 31, 2025, the Days Cash on Hand for the Water and Sewer funds were 116 and 131, respectively, exceeding the required 90 days.

Susannah Kirby, Chief of Customer Service, and Keith James, Customer Service Director, presented to the Committee regarding recent customer call center metrics and initiatives aimed at enhancing the customer service experience. The Committee asked for additional details on dropped call wait times, suggesting that this data should be included in the overall metrics of customer service responsiveness. Mr. James mentioned that they are in the process of obtaining the information from the software vendor and will provide further updates to the committee.

Ms. Kirby also shared updates on “Customer Service Billing Rules and Regulations,” which is in draft form and being updated as part of the smart metering project and other operational changes (Rules and Regulations last updated in 1994). She reported a goal of compiling various informational policies, which are on the website or found elsewhere in other published documents, into one comprehensive document for customers and management. She further reported on a few key changes, including meter tampering policy, customer deposits and hydrant meters to reflect updated equipment costs and best practices. The updates ensure the Utility is responsive to customer trends seen over the last several decades. Ms. Kirby asked the committee to provide feedback on the proposed changes, which can be incorporated into the next draft for discussion purposes.

ACTION ITEMS

- Resolution (R-173-2025) Drainage Millage Rates for 2026
 - o **Director Peychaud moved to accept R-173-2025. Director Kennedy seconded. The motion carried.**



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- Resolution (R-144-2025) Adoption of the Amended and Restated Sewerage & Water Board of New Orleans Premium Only Plan
 - o **Director Kennedy moved to accept R-144-2025. Director Peychaud seconded. The motion carried.**

Stephen Nelson, General Superintendent, presented the GSO report. Mr. Nelson specifically discussed the change orders related to paving and the process involved in bidding. The committee members requested information demonstrating that the swapped projects offer a sufficient offset of costs.

GENERAL SUPERINTENDENT'S REPORT

- Resolution (R-145-2025) Ratification of Change Order No. 4 for Contract 30254 – Carrollton Basin No. 13 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
 - o **Director Peychaud moved to Defer R-145-2025. Director Scrubbs seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-139-2025) Ratification of Change Order No. 3 for Contract 30235 – Carrollton Basin No. 5 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-140-2025) Ratification of Change Order No. 3 for Contract 30251 – Carrollton Basin No. 10 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-141-2025) Ratification of Change Order No. 3 for Contract 30254 – Carrollton Basin No. 13 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- Resolution (R-146-2025) Ratification of Change Order No. 4 for Contract 30255 – Carrollton Basin No. 14 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Fleming Construction Company, LLC.

Board of Directors: Hon. LaToya Cantrell, President, Chadrick Kennedy, President Pro Tempore, Hon. Freddie King III, Tyler Antrup, Janet Howard, Joseph Peychaud, Tamika Duplessis, PhD., H. Davis Cole, Amy Woodfin, Kimberly A. Thomas, JD, Courtney B. Scrubbs, Esq.



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- Resolution (R-147-2025) Ratification of Change Order No. 4 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-148-2025) Ratification of Change Order No. 1 for Contract 30257 – Carrollton Basin No. 16 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and Wallace C. Drennan, Inc.

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

FINAL ACCEPTANCE

- Resolution (R-150-2025) Authorization of Final Acceptance for Contract 30251 – Carrollton Basin No. 10 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.
- **Director Scrubbs moved to accept Final Acceptance. Director Kennedy 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 Kennedy made a motion to adjourn. Director Peychaud accepted. The motion carried. The meeting was adjourned at approximately 9:50 a.m.