625 St. Joseph Street
New Orleans, LA 70165
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November 12, 2026

The Finance and Administration committee met on Thursday, November 12, 2026, in the Executive Board Room. The meeting convened at approximately 9:01 a.m.

Present:
Director David Gallo – Vice Chair
Director Chadrick Kennedy
Director Kathryn Walmsley

Members Absent
Director Julius Kimbrough Jr. Chair
Director Kimberly Thomas

Non-Member Present
Director Leslie Bouie

PRESENTATION ITEMS

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

Financial Overview

Mr. Lewis presented an overview of the preliminary financial results for September 2026 year-to-date and discussed the ongoing transition activities related to Oracle, particularly in financial reporting. The team is presently focused on aligning monthly reporting periods following the implementation phase and adapting to changes in internal processes due to the new financial system.

Revenue

As of September, Water and Sewer Operating Revenues were slightly above budget, totaling $24.1 million, with a year-to-date total of $212.1 million, which is 2% ahead of budget. Year-to-date Operating Expenses for the three systems amounted to $301.1 million, which is lower than the budgeted amount of $307.5 million. Ongoing monitoring will be necessary due to the changes in systems with the Oracle implementation planned for February.

Cash on Hand

Cash collections for water and sewer bills were $23 million in September and $21.5 million in October, indicating an improvement compared to historical averages for the first ten months of the year.

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Payment plan enrollment statistics have decreased by 1% compared to last month, but they have increased by 10% since September 2025. At the end of the month, there are over 17,838 active payment plans, in contrast to 15,297 a year ago.

As of September 31, Days Cash on Hand stands at 308 for Water and 311 for Sewer, significantly surpassing both internal targets and the minimum requirements stipulated in the bond indenture. Days Cash on Hand serves as the principal liquidity benchmark outlined in the general bond resolutions, with a minimum required level of 90 days. The Debt Service Coverage ratios, budgeted at 1.72 for Water and 2.17 for Sewer, are consistent with expectations based on year-to-date operating expenses and exclude non-cash items such as depreciation expense.

Mr. Lewis indicated that customer credits amounted to $457,000, as per the directive from the third-party entity appointed by the Council to manage billing disputes. Together with state arbiter credits and additional SWBNO credits, the total reached $1.47 million for September. The billing team is collaborating closely with the Council to enhance consistency and transparency in addressing customer concerns regarding elevated bills, utilizing smart meter consumption data. Service interruptions due to non-payment decreased by 740 compared to August, while the total number of new payment plans established was 1,598. Additionally, there were 330 one-time payments made that fully resolved the customers' past due balances.

B. Draft FY2027 Operating and Capital Budget - E. Grey Lewis, Chief Financial Officer

The Chief Financial Officer, Grey Lewis, and General Superintendent, Kaitlin Tymrak, P.E., presented an overview of the proposed 2027 Budget, encompassing both Operating and Capital expenditures. In response to Act 938 and new local SWBNO ordinances (Section 159), the Utility's budget will be submitted to the Council to enhance transparency regarding the financial conditions and requirements related to Water, Sewer, and Drainage services. The total proposed Operating Budget for 2027, which includes Water, Sewer, and Drainage, is $299 million for operations, $50.6 million for debt service costs, and $21 million for Capital, funded through cash financing, which is based on relatively stable revenue sources totaling $371 million. The most recent increases in water and sewer rates occurred in 2020.

The recurring sources of revenue include drainage millages and city support for the Minor Drainage Transfer. The 6-mil drainage tax is set to expire in 2027 and will require a vote for renewal in the

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upcoming year. The team will maintain collaboration with the Mayor's office to establish a new drainage revenue framework, consisting of parcel fees and millages, in order to prevent funding loss in 2028.

The Capital project list for all three systems totals $479.5 million for 2027, with $284 million of external funding sources identified, resulting in a substantial number of unfunded capital projects for the Water, Sewer, and Drainage systems. The Lead Service Line Replacement Program and the Water Quality Master Plan are two major multi-year investments planned for 2027, with $105 million and $14 million, respectively, earmarked for appropriation in that year. The CFO report indicates that bond rating agencies are seeking information regarding the delivered Capital Improvement Plan (CIP) due to aging infrastructure and anticipated increases in operating costs. Furthermore, discussions have highlighted the lack of bonding capacity for both Water and Sewer revenue bonds, as well as tax millages, due to their impending expiration. In 2027 and the following years, net revenues are projected to be insufficient to support new Water and Sewer bonds, as revenue growth is stagnant while operating costs continue to rise. It is imperative to identify additional capital sources, and the Utility will continue to collaborate closely with City, State, and federal partners to seek funding during the upcoming year of Utility Transition under the new governance model.

ACTION ITEMS

- Resolution (R-152-2026) Authorizing Application to the Louisiana Department of Health for Funding from the Louisiana Department of Health's Drinking Water Revolving Loan Fund (DWRLF) for Compliance with the Revised Lead and Copper Rule (LCR) and Lead and Copper Rule Improvements (LCRI) for Lead Service Line Identification and Removal Purposes

    - **Director Gallo made a motion to approve Resolution R-152-2026. Director Kennedy moved. Director Walmsley seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-114-2026) Ratification of Change Order No. 8 for Contract 30254 – Carrollton Basin No. 13 Sewer Rehabilitation between The Sewerage and Water Board of New Orleans and BLD Services, LLC.

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- **Director Gallo made a motion to approve Contract Change Orders by Ratification (R-114-2026). Director Kennedy moved. Director Walmsley seconded. The motion carried.**

CONTRACT CHANGE ORDER BY AUTHORIZATION

- Resolution (R-115-2026) Authorization of Change Order No. 5 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 Sites throughout the City of New Orleans between The Sewerage and Water Board of New Orleans and CMG Pipelines, Inc.
- Resolution (R-122-2026) Authorization of Change Order No. X for Contract 2163- Water Main Point Repair, Water Service Connection, Water Valve and Fire Hydrant Replacement at Various Sites Throughout Orleans Parish between The Sewerage and Water Board of New Orleans and Boh Bros. Construction Co., LLC.

- **Director Gallo made a motion to approve Contract Change Order by Authorization (R-115-2026) and (R-122-2026). Director Kennedy moved. Director Walmsley seconded. The motion carried.**

EXECUTIVE SESSION:

- **Director Gallo presented a motion to enter Executive Session. Director Kennedy moved. Director Walmsley seconded. The motion carried.**

A. *Pursuant to La. R.S. 42:17(A)(2), the Finance and Administration Committee of the Sewerage and Water Board of New Orleans will meet in Executive Session to discuss: In the matter of War Admiral, L.L.C., As Owner, and Turn Services, L.L.C., As Operator, of the M/V Assault, Petitioning for Exoneration from or Limitation of Liability, No. 26-cv-900, U.S. EDLA.*

- **Director Gallo presented a motion to exit Executive Session. Director Kennedy moved. Director Walmsley seconded. The motion carried.**

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INFORMATION ITEMS

A. Report – HGI (August/September 2026)
B. Report – CFO (September 2026)
C. Report – FEMA (October 2026)
D. Report – EDBP (October 2026)

PUBLIC COMMENT

- Ms. Irma Plummer, speaking on her behalf, urges the Board of Directors to thoroughly evaluate the changes they are implementing to ensure that they are making the appropriate decisions for the Sewerage and Water Board.

ADJOURNMENT

There being no further business to come before the Finance and Administration Committee, Director Gallo made a motion to adjourn. Director Kennedy moved. Director Walmsley seconded. The motion carried. The meeting was adjourned at approximately 10:59 a.m.

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