



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

April 9, 2025

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

1. **ROLL CALL**

Present:

Director Janet Howard
Director Joseph Peychaud
Director Chadrick Kennedy

Members Absent:

Director Lynes R. Sloss
Director Robin Barnes

2. **CASH FLOW OVERVIEW**

Grey Lewis, Chief Financial Officer, presented an update on the February 2025 preliminary financial results and liquidity position, as it is critical that SWBNO maintain sufficient cash flow levels to continue operations and meet bond covenant requirements. The February 2025 Water and Sewer cash on hand levels (166 / 164-Days Cash on Hand, respectively) exceed the minimum and target thresholds based on month end cash and budgeted expenses. The month of February caught up some delayed billing activity due to the snow event in January while drainage millage revenue has not yet commenced based on property tax bills being due on 2/28/2025. The expense activity was below budgeted targets with water/sewer/drainage operating expenditures totaling \$25.2 million compared to budgeted expenditures of \$32.2 million. The external audit for FY24 is in the field work stages with items such as pensions, other post-employment benefits and estimate bad debt being prepared or finalized. Customer credits applied were \$2.9m via the HGI billing dispute process, which is lower relative to months in Q4 2024.

March and February 2025 collections were \$20.6m and \$18.5m, respectively, with the most recent month coming closer to the FY24 monthly average of \$21.4m. SWBNO staff is focused on responding accordingly to the lower cash levels in Q1 2025 to assess collection practices and



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other measures. Total Past Due Accounts receivables as of March 25, 2025 (aged > 60 days) were \$64.9m (26,744 customers) which was flat compared to the previous month in terms of dollars and a net decrease in number of customers with balances Aged >60 days. 53% of customers in arrears are currently in a payment plan and staff is working to increase participation via Promise Pay.

SWBNO staff provided an update on a meeting held on March 26 with HGI, CURO, staff, and two directors. The board requested, and has received, materials from HGI grouping customer accounts by credit type. Staff will provide feedback to HGI on this deliverable to ensure it provides the information requested by the board. In addition, committee members asked that all future monthly reports provided by HGI to the City Council be included in SWBNO staff monthly reports to the Finance and Administration Committee.

Staff also provided an update on a separate meeting that was held on April 2 with HGI, CURO, SWBNO, and the appointed arbiters. During the meeting, it was discussed that the state law that creates the arbitration process only gives customers an opportunity to bring a case before the arbiters if the customer is not satisfied with an adjustment provided by HGI. For cases where SWBNO may disagree with an HGI decision, the utility will ask HGI to review those as part of the firm's re-consideration process. Staff will work with HGI and CURO under this approach for now and will evaluate in the coming months whether changes to the pertinent city ordinance are necessary.

In addition, FEMA/GOHSEP has provided notice that payment for reimbursement of allowable expenses under public assistance grants and mitigation efforts are expected to take longer. This is due to additional internal reviews occurring prior to payment as a result of GOHSEP's recent reorganization. Staff will be monitoring all programs for changes which may impact spending plans during 2025.

3. **ACTION ITEMS**

- Resolution (R-062-2025) Authorization of Execution of Restated Plan Document – Sewerage and Water Board Of New Orleans Deferred Compensation Plan
 - o **Director Kennedy moved to accept R-062-2025. Director Peychaud seconded.**

Board of Directors: Hon. LaToya Cantrell, President, Lynes R. Sloss, President Pro Tempore, Hon. Freddie King III, Robin Barnes, H. Davis Cole, Janet Howard, Chadrick Kennedy, Joseph Peychaud, Tamika Duplessis, Ph.D., Maurice Sholas, M.D., Ph.D., Tyler Antrup



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The motion carried.

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARD/RENEWAL

- Resolution (R-048-2025) Award of Contract 2025-SWB-15 Furnishing Liquid Ferric Sulfate between The Sewerage and Water Board of New Orleans and USALCO.
- Resolution (R-049-2025) Award of Contract 2025-Swb-10 Drainage System Cleaning and Inspection Services between The Sewerage and Water Board of New Orleans and Compliance Envirosystems, LLC.
 - o **Director Peychaud moved to accept Contract Awards/Renewal. Director Kennedy seconded. The motion carried.**

CONTRACT CHANGE ORDER BY RATIFICATION

- Resolution (R-027-2025) Change Order No. 2 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 and Wallace C. Drennan, LLC.
- Resolution (R-043-2025) Ratification of Change Order No. 4 for Contract 2155 – TM003 – Transmission Main Replacement – S. Claiborne (Versailles – Upperline) - between Sewerage and Water Board of New Orleans and BLD Services, LLC.
 - o **Director Kennedy moved to accept Contract Change Order by Ratification. Director Peychaud seconded. The motion carried.**

FINAL ACCEPTANCE

- Resolution (R-042-2025) Authorization of Final Acceptance of Contract 1415 – West Power Complex Foundations and Underground Package between The Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
- Resolution (R-044-2025) Authorization of Final Acceptance of Contract 2155 – Transmission Main Replacement – S. Claiborne (Versailles – Upperline) – TM003 between The Sewerage and Water Board of New Orleans and BLD Services, LLC.



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- **Director Psychaud moved to accept Final Acceptance. Director Kennedy seconded. The motion carried.**

4. **INFORMATION ITEMS** –

The information items were received.

5. **PUBLIC COMMENT** –

None.

6. **ADJOURNMENT**

There being no further business to come before the Finance and Administration Committee Meeting, Director Kennedy moved to adjourn. Director Psychaud seconded. The motion carried. The meeting adjourned at approximately 9:40 a.m.