



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

LATOYA CANTRELL, PRESIDENT

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March 9, 2022

The Finance and Administration Committee met on Wednesday, March 9, 2022, via Microsoft Teams. The meeting convened at approximately 9:00 A.M.

1. ROLL CALL

Present:

Director Janet Howard
Director Ralph Johnson
Director Alejandra Guzman

Absent:

Director Lynes Sloss
Director Joseph Peychaud

2. CASH FLOW OVERVIEW

Mr. Grey Lewis, Chief Financial Officer, presented an update on SWBNO's preliminary January financials and cash flow. Healthy cash flow is critical for the utility to continue operations without interruption and meet bond covenant requirements. The January 2022 sewer cash level (Days Cash on Hand) is above January 2021, while water cash level is below the 2021 level; both systems, however, remain above the minimum thresholds based on 2022 budgeted expenses.

The F&A Committee also received an update on aged receivables, which have decreased in the past months after spiking in October 2021. Despite the decrease, aged receivable continues to be a primary focus area for the utility given the significant bill collection backlog. Similar to last month's report, the recent restart of normal collection activities, including shutoffs, triggered a high number of disconnect notices and resulting payment plans for customers with outstanding balances.

On the topic of collections, Tiffany Julien, Director of Revenue Management, presented information on the bill life cycle. She explained the "past due" and "delinquent" thresholds, which trigger a series of notices, additional fees and disconnect orders designed to collect the balance owed and increase customer deposit requirements.

Management is closely monitoring 2022 expenses to ensure adherence to the new 2022 Budget Targets while managing cash to meet all financial requirements and debt service. Currently, the utility is on track to meet Days Cash on Hand and the Debt Service Coverage Requirements. The Finance and Budget teams are actively planning for the year-end audit, which will begin March 21 and conclude by the legislative deadline of June 30 for the 12/31/2021 fiscal year end.

ACTION ITEMS

- Resolution (R-043-2022) Louisiana Compliance Questionnaire Resolution
 - o **Director Ralph Johnson moved to accept R-043-2022. Director Alejandra Guzman seconded. The motion carried.**

GENERAL SUPERINTENDENT'S REPORT

CONTRACT AWARDS/RENEWALS

- Resolution (R-028-2022) Award of Contract 1419 – Combustion Turbine Generator Procurement Between the Sewerage and Water Board of New Orleans and Solar Turbines, Inc.
- Resolution (R-034-2022) Award of Requisitions AL220001 and CM220001 – Furnishing Liquid Ferric Sulfate Between the Sewerage and Water Board of New Orleans and USALCO
 - o **Director Ralph Johnson moved to accept Contract Awards/Renewals. Director Alejandra Guzman seconded. The motion carried.**

CONTRACT CHANGE ORDERS

- Resolution (R-027-2022) Ratification of Change Order No. 7 for Contract 1377 – Water Hammer Hazard Mitigation Program - Claiborne Ave Pumping Station and Off-Site Improvements between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC
 - o **Director Alejandra Guzman moved to accept Contract Change Orders. Director Ralph Johnson seconded. The motion carried.**

CONTRACT ADMENDMENTS

- Resolution (R-030-2022) Authorization of Amendment No. 5 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Stanley Consultants, Inc for the Bulk Storage and Chemical Feed Facility

- Resolution (R-029-2022) Authorization of Amendment No. 4 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and Jacobs Engineering Group Inc for Engineering Services for Power Frequency Converter at the Carrollton Water Plant
- Resolution (R-033-2022) Authorization of Amendment No. 4 to the Professional Services Agreement Between the Sewerage and Water Board of New Orleans and NY & Associates Inc for Water Line Replacement Program
 - o **Director Ralph Johnson moved to accept Contract Amendments. Director Alejandra Guzman seconded. The motion carried.**

INTERAGENCY AGREEMENT

- Resolution (R-031-2022) Authorization of Easement Agreement for Drainage Pumping Station No. 11 Rights-of-Way Between the Sewerage and Water Board of New Orleans and the Secretary of the Army, acting by and through the Contracting Officer, Real Estate Division, U.S. Army District, New Orleans District
 - o **Director Alejandra Guzman moved to accept Interagency Agreement. Director Ralph Johnson seconded. The motion carried.**

3. **INFORMATION ITEMS** –

The information items were received.

4. **PUBLIC COMMENT** –

None.

5. **ADJOURNMENT**

There being no further business to come before the Finance and Administration Committee Meeting. The meeting adjourned at approximately 9:39 AM.

Respectfully submitted,

Lynes Sloss, Chair