



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board OF NEW ORLEANS**

LATOYA CANTRELL, PRESIDENT

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December 8, 2021

The Finance and Administration Committee met on Wednesday, December 8, 2021, via Microsoft Teams. The meeting convened at approximately 9:00 A.M.

## **1. ROLL CALL**

### **Present:**

Director Lynes Sloss  
Director Joseph Peychaud  
Director Janet Howard  
Director Ralph Johnson  
Director Alejandra Guzman

### **Absent:**

## **2. CASH FLOW OVERVIEW**

Mr. Grey Lewis, Chief Financial Officer, presented the Recommended 2022 Budget for the Board's Operation and Maintenance and Capital Budget for 2022 which are required to be adopted by December 31, 2021. The Operation and Maintenance 2022 Budget meets the legal requirement of being balanced and reflects net revenues in excess of debt service requirements for the year which will be utilized for the Capital Program. Primary changes in the 2022 Budget include additional spending flexibility relative to 2021 cuts (overall increase of 12% in expenses while Revenues are projected to increase about 3.5% in 2022) to further SWB strategic goals of technology modernization, improved resiliency and reliability of infrastructure, operational and organizational efficiencies and financial stability. The 2022 Budget projects meeting all the required debt covenants.

Ann Bui and Anna White of Black & Veatch provided a presentation on the SWB rate study underway providing educational background on industry standards for following a well-defined process for rate setting including a multi-year financial plan, cost of service analysis and rate design to the Committee. The process underway is intended to engage and educate both internal and external stakeholders on financial needs and promote a steadier approach to rate setting to provide more consistency and planning capability for SWB. Additionally, Black

& Veatch presented industry data on other agencies across the country which have instituted customer affordability programs to address needs of the local rate payers and address overdue customer balances due to affordability concerns. Black & Veatch plans to work with management including addressing legal questions raised relative to the statutory framework under which SWB set rates and provide preliminary recommendations in February 2022.

Additionally, an update on the October 2021 financial statements was provided. There continues to be an increase in delinquent accounts attributable due to the COVID pandemic and Hurricane IDA. The F&A committee received an update on the resumption of normal collections which began with commercial accounts and is progressing with Commercial after some delay caused by Hurricane IDA. Management continues to strive to reduce expenses and manage cash to meet our financial requirements as well increasing collection activities for past due customers. Currently, we are on track to meet Days Cash on Hand and the Debt Service Coverage Requirements.

### **ACTION ITEMS**

- Resolution (R-135-2021) 2022 Operating Budget
  - **Director Ralph Johnson moved to accept R-135-2021. Director Alejandra Guzman seconded. The motion carried.**
  
- Resolution (R-136-2021) 2022 Capital Budget
  - **Director Joseph Peychaud moved to accept R-136-2021. Director Janet Howard seconded. The motion carried.**
  
- Resolution (R-147-2021) 2022 Operating Budget and 2022 Capital Budget Blanket Appropriations
  - **Director Janet Howard moved to accept R-147-2021. Director Joseph Peychaud seconded. The motion carried.**

### **GENERAL SUPERINTENDENT'S REPORT**

#### **CONTRACT AWARDS/RENEWALS**

- Resolution (R-127-2021) Award of Contract 1376 – Water Hammer Hazard Mitigation Program - High Lift Pump Room and Panola Pumping Station Improvements Between the Sewerage and Water Board of New Orleans and M.R. Pittman Group, LLC.
  
- Resolution (R-129-2021) One Year Renewal of Contract PM 18-0016 – Solid Waste Disposal Services Between the Sewerage and Water Board of New Orleans and Richards Disposal, Inc.
  - **Director Joseph Peychaud moved to accept Contract Awards/Renewals. Director Janet Howard seconded. The motion carried.**

### **CONTRACT CHANGE ORDERS**

- Resolution (R-098-2021) Ratification of Change Order No. 4 for Contract 1370A – Installation of 60Hz Transformers and Switchgear Between the Sewerage and Water Board of New Orleans and Walter J. Barnes Electric Co., Inc.
  - Resolution (R-124-2021) Ratification of Change Order No. 5 for Contract 1403 – Demolition of Abandoned C-7 and C-8 Basins and Other Site Improvements at the Carrollton Water Plant Between the Sewerage and Water Board of New Orleans and Cycle Construction Company, LLC.
  - Resolution (R-125-2021) Ratification of Change Order No. 1 for Contract 2145 – Water Main Point Repairs, 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 Janet Howard moved to accept Contract Change Orders. Director Joseph Peychaud seconded. The motion carried.**

### **CONTRACT ADMENDMENTS**

- Resolution (R-113-2021) Authorization of Amendment No. 3 to the Agreement Between the Sewerage and Water Board of New Orleans and Stantec Consulting Services, Inc., for Professional Services for Sewer System Evaluation and Rehabilitation Program Management (SSERP)
  - Resolution (R-128-2021) Authorization of Contract Amendment No. 3 to the Agreement Between the Sewerage and Water Board of New Orleans and Neel-Schaffer, Inc for Design Services Associated with the repairs for the Additional Damage to the Fender Systems Caused by the MV Bow Tribute
- **Director Janet Howard moved to accept Contract Amendments. 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 10:51 AM.

Respectfully submitted,

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Lynes Sloss, Chair