

**Consolidated Waterworks District No. 1
Terrebonne Parish, Louisiana**

Consulting Engineer's Report

**for the
Fiscal Year July 1, 2013 - June 30, 2014**

Prepared by:

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SECTION I

INTRODUCTION

INTRODUCTION:

This report reviews the results of operation and the financial condition of the Consolidated Waterworks District No. 1 of the Parish of Terrebonne in Louisiana (DISTRICT) for the audited year ending June 30, 2014. The report is prepared in accordance with the terms of the DISTRICT's bond resolution authorizing and securing all outstanding bonds as well as the terms of an agreement under which Arthur A. De Fraites, Jr. serves as "CONSULTANT" to the DISTRICT, dated December 20, 1994.

BACKGROUND:

Legislation was introduced and passed in the 1992 session of the Louisiana Legislature that allowed for the consolidation of the City of Houma water system, with that of Waterworks District Nos. 1, 2, and 3 of Terrebonne Parish, into a Parish-wide consolidated water district. The said water district would be governed by a Board of Commissioners and by an ordinance adopted by the Terrebonne Parish Consolidated Government on March 23, 1994, the Consolidated Waterworks District No. 1 (DISTRICT) of the Parish of Terrebonne, Louisiana was created.

GENERAL DESCRIPTION OF THE SYSTEM:

The DISTRICT operates the Schriever Water Treatment Plant and the Houma Water Treatment Plant. The plants and their systems are known as PWS Nos. 1109002 and 1109001, respectively. Consolidated Water Works District No. 1 operates these two (2) public water systems in accordance with applicable regulatory agencies, mainly Louisiana Administrative Code Title 51, Part XII (Water Supplies), Recommended Standards for Water Works (also known as the Ten State Standards), and applicable US EPA and Office of Homeland Security standards. The DISTRICT's two public water systems consist of two (2) surface water treatment plants, two (2) standpipes, sixteen (16) elevated storage towers, five (5) ground storage tanks and 961 miles of transmission and distribution piping ranging in size up to 36".

The DISTRICT's Water System serves all the residents and businesses in Terrebonne Parish and three (3) sections of Lafourche Parish, namely Marydale Subdivision, the Grand Bois community, and the Pointe-Aux-Chenes Community.

TREATMENT PLANTS:

The raw water supply for the DISTRICT is processed by two (2) water plants, namely the Schriever Water Treatment Plant and the Houma Water Treatment Plant. The combined capacity of the plants is 32 MGD and individually sized as follows:

<u>Plant</u>	<u>Design Capacity MGD</u>
Schriever Water Treatment Plant	24
Houma Water Treatment Plant	<u>8</u>
TOTAL:	32

RAW WATER SOURCES:

Each water plant receives its raw water from a reservoir, which is pumped from two (2) raw water sources. The Schriever Plant obtains its water from Bayou Lafourche, which originates at the Mississippi River in Donaldsonville. The overall quality of the water is good and is constantly being monitored by the Bayou Lafourche Fresh Water District (BLFWD) and other water customers utilizing Bayou Lafourche as a raw water source.

On May 4, 2013, the voters of Terrebonne Parish approved Terrebonne Parish join the BLFWD, and an imposition of the BLFWD millage tax. This now allows the DISTRICT to obtain an unrestricted supply of raw water at the current rate of \$0.03/1,000 gallons. Salinity intrusion has not been and is not anticipated to become a problem for the Schriever Plant.

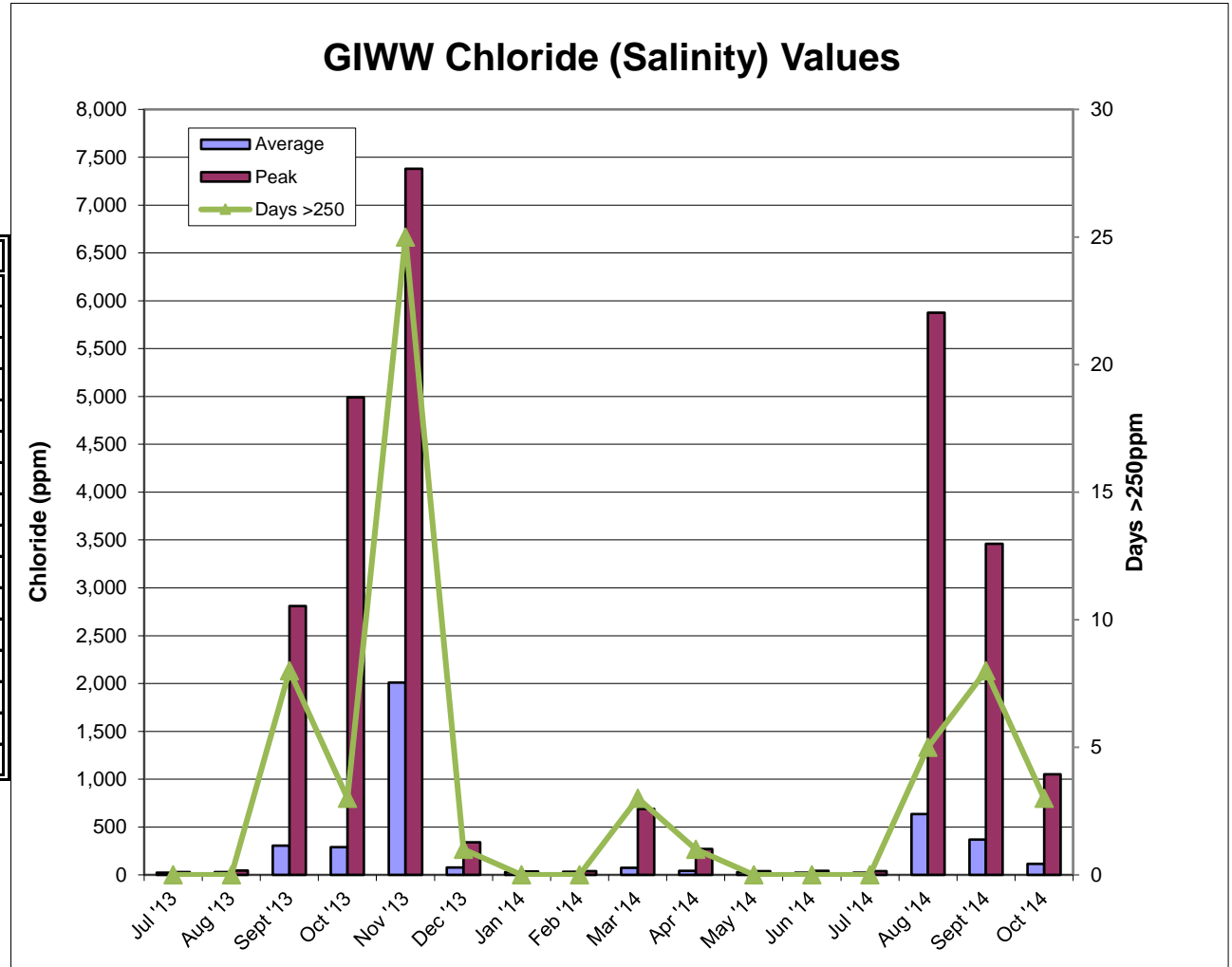
The City of Houma Plant receives its primary water supply from the Gulf Intracoastal Waterway. A secondary source is from Bayou Black, which uses an approximate 4.5-mile impounded segment of the bayou as an additional reservoir. Salinity intrusion has been and will likely remain a problem in the Gulf Intracoastal Waterway. There are three (3) saltwater intrusion control structures in the canals that directly connect the Gulf Intracoastal Waterway to Bayou Black. An aggressive program of closing the structures during progressive stages of saltwater intrusion and timely operations of the pumps discharging into the Bayou Black reservoir reduces, but does not eliminate, the possibility of contamination.

Plate 1 indicates average and maximum readings of chloride (salinity) in the raw water of the Houma Plant from the Gulf Intracoastal Waterway for the fiscal year. The exhibit also includes an extension of readings through October 2014. It is seen that there were 41 days in which salinity exceeded 250ppm during the fiscal period. High readings were recorded from September through December 2013. There was also a spike in March and April 2014. Through years of recording chloride levels in the Gulf Intracoastal Waterway, a pattern has become evident. Salinity levels peak during hurricane season between August and November. The DISTRICT is well aware of the current higher levels of salinity during fall and coordinates their water requirements from other sources at these times. Generally, in those instances when salinity exceeds 200ppm, the majority of the water, serving customers from the Houma Plant, is from the Bayou Black reservoir and supplemented by the Schriever plant.

The primary source of saltwater contamination is the interconnection of the Houma Navigational Canal with the Gulf Intracoastal Canal. The Terrebonne Levee and Conservation District has constructed a floating barge type flood gate on the Houma Navigation Canal, but this is only closed in the event of a hurricane in the Gulf of Mexico. This structure has had no effect on the salinity reaching the Houma Plant.

PLATE 1
Chloride (Salinity) Values in Raw Water from Intracoastal Waterway
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

Month	Average	Peak	Days >250
Jul '13	24	28	0
Aug '13	28	46	0
Sept '13	306	2810	8
Oct '13	289	4990	3
Nov '13	2011	7380	25
Dec '13	76	339	1
Jan '14	28	36	0
Feb '14	32	40	0
Mar '14	75	690	3
Apr '14	42	271	1
May '14	29	39	0
Jun '14	24	42	0
Jul '14	24	39	0
Aug '14	635	5875	5
Sept '14	369	3460	8
Oct '14	114	1050	3



WATER TRANSMISSION AND DISTRIBUTION:

The water distribution systems for the two (2) public water systems of the DISTRICT includes major transmission lines ranging from 16 inches to 36 inches in diameter and interconnects the water plants of the system. Three (3) ground storage tanks are located at the Houma Plant and two (2) at the Schriever Plant. The Schriever Water plant has a combined storage capacity of 6 million gallons, while the Houma Water plant has a combined storage of 4 million gallons. Two (2) - 3 million gallons stand pipes and sixteen (16) water towers within the network additionally support the system with a total capacity of 8.95 million gallons. The system is comprised of approximately 961 miles of transmission and distribution piping ranging in sizes (as a % of the total) as follows:

36-inches - 14-inches	6.73%
12-inches - 8-inches	56.68%
6-inches - 4-inches	32.25%
Less than 4-inches	4.34%

The predominant waterline material of transmission mains (16” or greater) consists of concrete pressure pipe. The distribution system was constructed with cast iron during the earlier stages of development. Then as alternate materials developed and became more economical, waterlines were later constructed of Asbestos Cement pipe, ductile iron, PVC and polyethylene (PE). At present, PVC and PE are the materials of choice due to its handling, durability, and economic considerations.

Residential subdivisions are generally required to have a minimum of 8-inch diameter water mains with fire hydrants. For new developments and subdivisions, the developer’s Louisiana registered engineer prepares preliminary plans and submits them to the DISTRICT and the State of Louisiana for approval prior to construction. The DISTRICT maintains standard specifications, which stipulates approved material and construction methods. The developer’s engineer is required to certify construction was built in accordance with his design, and a request for final acceptance is submitted to the Board prior to the transfer of title to the DISTRICT. Upon

acceptance, the DISTRICT receives the servitudes in which the waterlines are constructed and assumes ownership and operating and maintenance obligations.

The following subdivisions and development extensions were granted final approval by the DISTRICT and have met requirements set forth in the DISTRICT’s Subdivision Ordinance during the fiscal period:

<u>Subdivision Names</u>	<u>No. of Lots</u>	<u>Length (ft)</u>
Colonial Acres Subdivision	71	3,170
Crescent Plantation	Development	677
D&G Estates	17	827
Dove Development & Land Co.	4	985
Evergreen Plantation, Tract E	Development	247
Fletcher Technical Community College	Development	245
Glynn Avenue – Box 401	Development	240
Hayes Street	Development	230
K&B Machine Works, Phase 2	Development	2,034
North Park, Phase 1A	Development	897
North Park, Phase 1B	67	2,884
Osaka Japanese Cuisine, L.L.C.	Development	1,290
South Hollywood Commercial Park	18	2,310
Sugar Mill Olde Towne, Addendum 1, Phase B	13	410
Sugar Pointe Commercial Park	4	840
TPCG North Campus	Development	2,110
Trinity Commercial Park	11	1,020
Trinity Commercial Park, Addendum 1	11	915
Williamsburg Subdivision, Phase A	68	2,590
TOTAL	284 Lots	23,921

CURRENT RATE STRUCTURE:

Table I indicates the water rates of the DISTRICT, which were used during this fiscal year. Residential “S” customers paid a minimum of \$7.50, Commercial and Industrial “C” customers paid \$15.00, while Export customers paid \$30.00. Each minimum comes with 2,000 gallons of

water. Above the initial 2,000 gallons and up to 30,000 gallons, residential customers and commercial customers paid \$3.20 and \$3.45 per 1,000 gallons, respectively. Above 30,000 gallons they paid \$3.75 and \$4.00 per 1,000 gallons, respectively. Export customers paid \$4.07 per 1,000 gallons above the initial 2,000 gallons. In this structure multiple occupancies are also charged the “S” or “C” rates based on their customer classifications.

An energy adjustment is charged on the variable rates for water consumption over the initial water limit. This charge is a moving average of the system’s electrical cost for the prior three months of operation. Table I also shows the current rate structure for the City Power Plant that will be in effect until a new rate is negotiated with the City. According to the 2013-14 audit, the cost of producing water averaged \$1.38/1,000 gallons. The City Power Plant is paying only \$1.30/1,000 gallons since August 2012. The Power Plant is using only Schriever Plant water. It is suggested that the Power Plant rate be adjusted annually to the cost of water production plus \$0.15/1,000 gallons for pumping and main line maintenance costs.

TABLE I

Water Rates

Terrebonne CWWD#1
July 1, 2013 to June 30, 2014

"S" Rate: Single Occ. Residential

Meter	Gallons	Effective Beginning July 1, 2013
All Meters	2,000 Gals. (Minimum)	\$7.50
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.20
	Over 30,000 Gals.	\$3.75

1,000 gals. rate subject to energy adjustment charge.

"C" Rate: Commercial, Industrial, and Institutional

Meter	Gallons	Effective Beginning July 1, 2013
All Meters	2,000 Gals. (Minimum)	\$15.00
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.45
	Over 30,000 Gals.	\$4.00

1,000 gals. rate subject to energy adjustment charge.

"M" Rate: Multiple Occ. Residential, Commercial, Industrial, Institutional and Mobile Home Parks

One minimum "S" or "C" rate per applicant as applicable. For each minimum charged, the customers will be entitled to two thousand (2,000) gallons of water. After this minimum volume has been reached, the applicable rate over 2,000 gallons shall apply.

In no event shall the minimum bill be less than the "S" rate minimum, except for mobile home trailer parks that have a master meter agreement with the DISTRICT.

"E" Rate: Water Exported Offshore

Meter	Gallons	Effective Beginning July 1, 2013
All Meters	2,000 Gals. (Minimum)	\$30.00
Rate per 1,000 gallons	Above Minimum	\$4.07

City Power Plant *

All water consumed

Effective Beginning August 1, 2012
\$1.30

Notes:

- An average "Energy Charge" will be added to each bill and is based on the average electricity costs of the system for the preceding 3-month period divided by the number of gallons sold during that same period.
- * The DISTRICT entered into an agreement with the Terrebonne Parish Consolidated Government in September, 1995, to establish a price of providing water to the City of Houma power plant. It was amended in November 2001 and should be amended again.
- Water sold to Lafourche Parish during the Fiscal Year was at \$1.64271 per 1,000 gallons. The rate is established annually by the DISTRICT'S Auditor as a supplemental report to the Audit Report. The rate is set at the annual cost of water production plus 40%. The rate per 1,000 gallons for the ensuing year will be \$1.38346+\$0.553384, or \$1.936844.

SERVICE CONNECTION:

The DISTRICT's staff periodically reviews expenditures of costs associated with the installation of new service connections. The DISTRICT increased the service connection fee in August of 2012 to \$840. The average cost of a service installation during 2013-2014 was \$889/service.

The DISTRICT's personnel provide labor and inventory parts for the service installations in conjunction with excavation equipment and an operator provided by an independent contractor. Contract labor and equipment services are bid every two years and are included with all expenses incurred by the DISTRICT on expense vouchers. The rates for meter deposits and other fees are shown in Table II with the dates in which they became effective.

PROPERTY VALUATION:

Although the DISTRICT does not have ad valorem tax bonds outstanding at this time, it is important to review the annual changes in the assessed taxable value of property in Terrebonne Parish. Table III shows the historical assessed valuation of Terrebonne Parish since the DISTRICT's consolidation.

TABLE II
Meter Deposits and Other Fees
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

<u>METER DEPOSITS</u>	<u>FEE</u>	<u>Effective Date</u>
Standard (5/8" x 3/4") Meter	\$50	5/25/1994
1" Meter	\$300	5/25/1994
2" & Above	\$1,000	4/1/2000

Note: Effective 1- May- 97, Public bodies are not required to pay a meter deposit for services

SERVICE CONNECTIONS

Standard (5/8" x 3/4") Meter	\$840	8/1/2012
1" Meter	Actual Expenses w/ \$1,000 Downpayment	5/1/2008
2" & Above	Actual Expenses w/ \$2,000 Downpayment	4/1/2004

FIRE HYDRANT METER (effective August 1, 2010)

Non-refundable deposit fee	\$25 for 1 - 15 days \$40 for 16-30 days \$60 for 31-60 days \$80 for 61-90 days	
Rental	\$1.50 per day Water Usage-Customer billed at current water rate Late Return Charge - \$3.00/day beyond return date stated above	

PENALTIES/FEES

Meter Installation Fee	\$25.00	8/1/2012
Reconnect Fees	\$25.00	8/1/2012
Reconnect after hours	\$25.00 *	7/1/2001
Turn water on/off after hours	\$25.00	7/1/2001
Delinquent w/ water valve in box found open	\$30.00 *	8/1/2012
NSF/returned checks	\$25.00	5/1/2008

*In Addition To Required Reconnect Fee

TABLE III
History of Assessed Valuation
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

TAX YEAR	TAXABLE ASSESSED VALUE	HOMESTEAD EXEMPTIONS	TOTAL ASSESSED VALUE	AMOUNT OF CHANGE FROM PREVIOUS YEAR
1994	\$264,582,325	\$91,870,360	\$356,452,685	
1995	\$273,545,325	\$94,694,955	\$368,240,280	\$11,787,595
1996	\$284,627,220	\$99,088,555	\$383,715,775	\$15,475,495
1997	\$293,471,500	\$102,373,480	\$395,844,980	\$12,129,205
1998	\$312,754,147	\$106,223,565	\$418,977,712	\$23,132,732
1999	\$329,861,315	\$113,539,890	\$443,401,205	\$24,423,493
2000	\$361,587,645	\$131,836,605	\$493,424,250	\$50,023,045
2001	\$382,600,250	\$135,668,170	\$518,268,420	\$24,844,170
2002	\$400,366,940	\$141,038,005	\$541,404,945	\$23,136,525
2003	\$425,904,635	\$145,170,545	\$571,075,180	\$29,670,235
2004	\$461,860,250	\$151,796,400	\$613,656,650	\$42,581,470
2005	\$488,989,040	\$157,674,555	\$646,663,595	\$33,006,945
2006	\$532,633,035	\$160,970,875	\$693,603,910	\$46,940,315
2007	\$597,159,780	\$164,226,815	\$761,386,595	\$67,782,685
2008	\$709,298,030	\$169,519,980	\$878,818,010	\$117,431,415
2009	\$722,165,295	\$171,242,510	\$893,407,805	\$14,589,795
2010	\$741,791,975	\$172,892,410	\$914,684,385	\$21,276,580
2011	\$770,363,925	\$175,348,725	\$945,712,650	\$31,028,265
2012	\$810,700,735	\$179,113,825	\$989,814,560	\$44,101,910
2013	\$864,993,550	\$179,942,475	\$1,044,936,025	\$55,121,465
2014	\$893,469,950	\$180,091,915	\$1,073,561,865	\$28,625,840

SECTION II

OPERATIONS PERFORMANCE

CUSTOMER USAGE:

The customer usage on a monthly basis during the fiscal year is shown in Table IV, while a history of customer usage can be seen in Table V. This data was obtained from the monthly billings register of the DISTRICT. The billing register contains the summation of the quantity of water sold with related sales revenue. It does not reflect any adjustments granted in monthly billings. The average number of customers will be used as a basis to review key financial information per customer. The quantity produced from both water plants and sold to customers is graphically presented in Plate 2. Water loss for water distribution systems is typically between 20 and 25% in the Southeastern United States. The water loss in the system ranged monthly from 11.92% to 28.95% with an annual average of 21.62%, which is within the US average range. The average water loss, including known water losses, is slightly lower than last year. Factors that may contribute to unaccounted water may include:

1. Storage within the system (tanks, transmission, and distribution lines).
2. Water used to flush new waterline construction.
3. Fire hydrant flow testing for fire district insurance ratings.
4. Meter inaccuracies due to flows less than optional ranges and broken meters.
5. Water line leakage.
6. Timing of meter reading (plant's production versus meter reading and billings).

TABLE IV**Operation Statistics of Sales and Consumption**

Terrebonne CWWD#1

July 1, 2013 to June 30, 2014

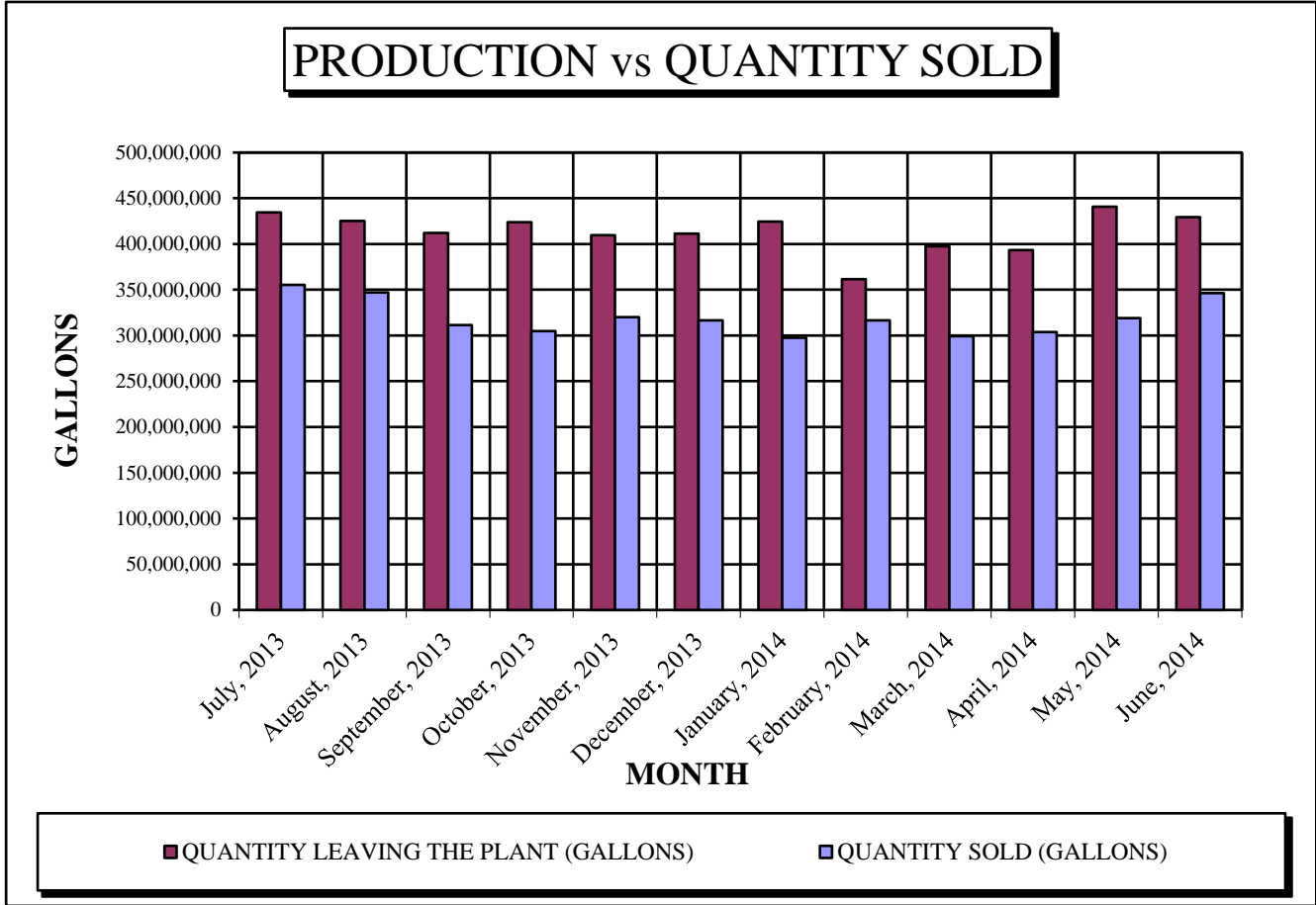
MONTH	NUMBER OF CUSTOMERS	NET SALES (\$)	QUANTITY SOLD (Gallons)	AVERAGE BILL (per Customer per Month)	AVERAGE CONSUMPTION (per Customer per Month (Gals.))
July, 2013	43,249	\$1,437,497.00	355,234,200	\$33.24	8,214
August	43,164	\$1,402,086.29	346,936,700	\$32.48	8,038
September	43,399	\$1,260,532.32	311,347,160	\$29.05	7,174
October	43,222	\$1,243,883.12	304,765,800	\$28.78	7,051
November	43,152	\$1,300,451.27	320,030,000	\$30.14	7,416
December	43,409	\$1,292,801.03	316,666,200	\$29.78	7,295
January, 2014	43,267	\$1,220,730.35	297,601,400	\$28.21	6,878
February	43,303	\$1,274,544.61	316,483,100	\$29.43	7,309
March	43,343	\$1,186,708.18	299,307,700	\$27.38	6,906
April	43,375	\$1,234,731.87	303,942,800	\$28.47	7,007
May	43,431	\$1,293,692.61	318,848,600	\$29.79	7,341
June	43,443	\$1,372,510.86	346,443,800	\$31.59	7,975

TOTAL**\$15,520,169.51****3,837,607,460****Average number of Customers per Month****43,313****Average Customer Bill per Month****\$29.86****Average Customer Consumption per Month****7,383****gallons per month**

TABLE V
History of Customer Usage
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

YearEnding June 30th	Average Number of Customers	Average Bill per Month	Average Consumption per Month (gals.)
1995	34,202	\$19.89	8,009
1996	34,767	\$20.30	9,090
1997	35,407	\$19.68	8,728
1998	36,045	\$20.32	9,092
1999	36,848	\$20.74	9,316
2000	37,339	\$20.18	9,137
2001	37,882	\$20.72	8,710
2002	38,318	\$21.84	8,625
2003	39,044	\$20.09	7,941
2004	39,459	\$21.75	8,097
2005	39,969	\$22.48	7,655
2006	40,446	\$23.54	8,018
2007	41,200	\$23.37	7,718
2008	41,742	\$22.53	7,423
2009	42,113	\$28.54	7,525
2010	42,347	\$28.42	7,494
2011	42,440	\$29.14	7,736
2012	42,614	\$28.88	7,536
2013	42,968	\$28.94	7,378
2014	43,313	\$29.86	7,383

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014



PLANT PRODUCTION	MONTH	QUANTITY PRODUCED (GALLONS)	Water Loss In System
Least Production Months	February, 2014	361,637,000	11.92%
	April, 2014	393,291,000	22.10%
	March, 2014	397,447,000	22.93%
	November, 2013	409,529,000	21.35%
Average Production Months	December, 2013	411,373,000	20.20%
	September, 2013	412,044,000	23.73%
	October, 2013	423,673,000	26.49%
	January, 2014	424,605,000	28.95%
Highest Production Months	August, 2013	425,328,000	17.83%
	June, 2014	429,441,000	18.78%
	July, 2013	434,499,000	17.55%
	May, 2014	440,823,000	27.04%

REVENUES PER METERED CUSTOMER:

Table VI shows the total revenue per customer for the DISTRICT as derived from the DISTRICT's financial report for the year ending June 30, 2014. Interest on investment consists of only the interest earned on non-restricted accounts and is used in determining parity income since it is available for operations.

OPERATING COST PER METERED CUSTOMER:

The operating cost per metered customer is used to measure efficiency of operations of the system. Table VII sets forth the information for the fiscal year 2013-2014 with a comparison from the previous year. Detailed departmental expenses with associated costs per customer are shown in Appendix A. The monthly cost is presented before depreciation for use in determining parity income and after depreciation to indicate total operating cost. Amortization expense of filter media is added to the Water Plant Department, in order to offset some of the expenses of replacing the media. Amortization expenses are not included in determining parity income.

OPERATING SURPLUS:

The net operating surplus of the DISTRICT is shown in Table VIII. This presentation allows a review of changes in earning trends to assist in future operating considerations. A comparison of previous years' revenue, expenses, and surplus is shown in Table IX. The surplus indicates the surplus available for mandated transfers, contingency expenditures, debt, and capital financing. Revenues decreased between the years ending in 2006 and 2008; however it increased in 2009 due to a change in the rate structure. Revenues have remained steady through 2013 with a slight increase in 2013 and 2014. As is expected expenses continued to increase since 2004, with a large increase in 2014. Depreciation increased by over \$1 million between 2013 and 2014 causing the large increase in expenses. The large increase in expenses and only a minor increase in revenues caused a large decrease in surplus funds.

TABLE VI
Total Revenue per Customer
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$14,887,615	\$15,365,367	\$477,752
Lafourche Parish Sales	39,053	35,029	(4,024)
Service Connections	271,845	268,420	(3,425)
Meter Installation Fees	135,993	145,296	9,303
Penalties & Reconnect Fees	68,505	89,662	21,157
Total Operating Revenue	\$15,403,011	\$15,903,774	\$500,763
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	205,065	215,706	\$10,641
Garbage collections	127,171	130,378	3,207
* Interest on Investments	31,749	21,236	(10,513)
LA Act 125	13,410	13,511	101
Miscellaneous	317,885	193,957	(123,928)
Total Other Revenue	\$695,280	\$574,788	(\$120,492)
Total Revenue	\$16,098,291	\$16,478,562	\$380,271
Average Number of Customers	42,968	43,313	345
Operating Revenue/Customer/Month	\$29.87	\$30.60	\$0.73
Other Revenue/Customer/Month	\$1.35	\$1.11	(\$0.24)
Total Revenue/Customer/Month	\$31.22	\$31.71	\$0.49

* Amount reported by Consolidated Waterworks District #1 on unrestricted accounts

TABLE VII
Operating Expenses per Customer
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

<u>Operating Expenses</u>	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Difference</u>
<u>Department</u>			
Administration	\$836,181	\$808,617	(\$27,564)
Billings & Collections	1,019,675	1,030,068	10,393
Meter Reading	740,266	762,196	21,930
Warehouse & Meter Shop	253,381	232,945	(20,436)
Operations	136,188	136,187	(1)
Engineering	529,373	596,420	67,047
Maintenance & Field Crews	2,599,764	2,784,936	185,172
Waterplant*	3,759,941	4,032,034	272,093
Bac-T-Lab	364,808	422,395	57,587
Total Operating Expenses (BEFORE Depreciation)	\$10,239,577	\$10,805,798	\$566,221
Add:			
Depreciation	\$2,659,310	\$3,812,072	\$1,152,762
Total Operating Expenses (AFTER Depreciation)	\$12,898,887	\$14,617,870	\$1,718,983
Average Number of Customers	42,968	43,313	345
Operating Expense/Customer/Month (BEFORE Depreciation)	\$19.86	\$20.79	\$0.93
Operating Expense/Customer/Month (AFTER Depreciation)	\$25.02	\$28.12	\$3.10

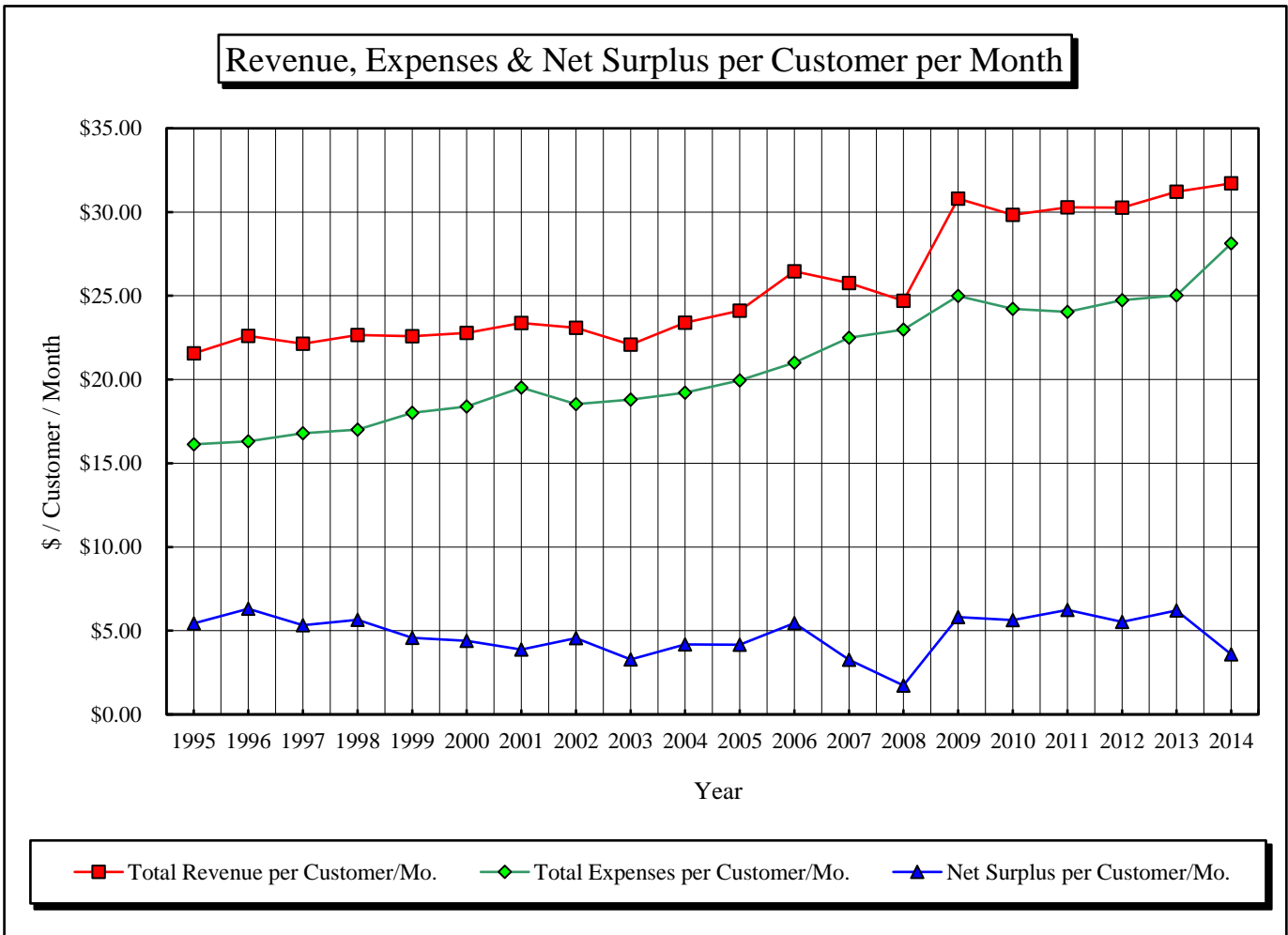
* Waterplant expenses does not include filter amortization.

TABLE VIII
Net Surplus per Customer
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

<u>REVENUE</u>	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Difference</u>
Operating Revenue	\$15,403,011	\$15,903,774	\$ 500,763
Other Revenue	695,280	574,788	(120,492)
TOTAL REVENUE	\$16,098,291	\$16,478,562	380,271
<u>EXPENSES</u>			
Operating Expenses	\$10,239,577	\$10,805,798	\$ 566,221
OPERATING SURPLUS (BEFORE Depreciation)	\$5,858,714	\$5,672,764	(185,950)
Less: Depreciation	\$2,659,310	\$3,812,072	\$ 1,152,762
OPERATING SURPLUS (AFTER Depreciation)	\$3,199,404	\$1,860,692	(1,338,712)
Average Number of Customers	42,968	43,313	345
Operating Surplus/Customer/Month (BEFORE Depreciation)	\$11.36	\$10.91	\$ (0.45)
Operating Surplus/Customer/Month (AFTER Depreciation)	\$6.21	\$3.58	\$ (2.63)

TABLE IX
History of Revenue, Expenses and Net Surplus
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

YearEnding June 30th	Total Revenue per Customer/Mo.	Total Expenses per Customer/Mo.	Net Surplus per Customer/Mo.
2004	\$23.39	\$19.21	\$4.18
2005	\$24.10	\$19.94	\$4.16
2006	\$26.46	\$21.00	\$5.46
2007	\$25.76	\$22.49	\$3.27
2008	\$24.71	\$22.98	\$1.73
2009	\$30.81	\$24.99	\$5.82
2010	\$29.84	\$24.21	\$5.63
2011	\$30.28	\$24.03	\$6.25
2012	\$30.26	\$24.73	\$5.53
2013	\$31.22	\$25.02	\$6.20
2014	\$31.71	\$28.12	\$3.59



SECTION III

PERFORMANCE OF ACTUAL AND BUDGETED YEAR

GENERAL:

Each year, the CONSULTANT, the DISTRICT's auditor, General Manager, Office Manager and various other staff members review year to date operating requirements and anticipated revenue and expenditures. After careful consideration, the development of an operating budget is presented to the Board for adoption. Any adjustments to the budget are made during the year when necessary, with the appropriate amendment presented to the DISTRICT's Board for review and approval.

PROJECTED REVENUE AND EXPENDITURES:

Actual audited revenues of the year ending June 30, 2014, and budgeted revenues for the following year, are indicated in Table X. Likewise, departmental actual and budgeted expenditures are shown in Table XI. Detailed Department expenditures are indicated in Appendix B. It should be noted that the DISTRICT's auditor does not include amortization of painting of water towers and filter media in department expenses. The auditor does, however, include the filter media in the line item "Depreciation and Amortization". The DISTRICT includes the amortization of filter media in the water plant department expenses because a third of the carbon filter media must be replaced annually in order to maintain the filtration effectiveness. Tank painting is not generally a necessary annual expense and therefore is listed as a capital project when necessary.

TABLE X
Audited and Budgeted Revenue
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

	<u>Actual</u> <u>2013-2014</u>	<u>Budgeted</u> <u>2014-2015</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,365,367	\$15,700,000	\$334,633
Lafourche Parish Sales	35,029	36,500	\$1,471
Service Connections	268,420	260,400	(\$8,020)
Meter Installation Fees	145,296	135,000	(\$10,296)
Penalties & Reconnect Fees	89,662	78,000	(\$11,662)
Total Operating Revenue	\$15,903,774	\$16,209,900	\$306,126
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	215,706	\$220,000	\$4,294
Garbage collections	130,378	125,000	(\$5,378)
Interest on Investments	21,236	10,000	(\$11,236)
LA Act 125	13,511	13,000	(\$511)
Miscellaneous	193,957	53,000	(\$140,957)
Total Other Revenue	\$574,788	\$421,000	(\$153,788)
Total Revenue	\$16,478,562	\$16,630,900	\$152,338

TABLE XI
Audited and Budgeted Operating Expenses
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

<u>OPERATING EXPENSES</u>	<u>ACTUAL</u> <u>2013-2014</u>	<u>BUDGETED</u> <u>2014-2015</u>	<u>Difference</u>
<u>DEPARTMENT</u>			
Administrative	\$808,617	\$910,597	\$101,980
Billings and Collections	1,030,068	1,057,007	26,939
Meter Reading	762,196	801,626	39,430
Warehouse and Meter Shop	232,945	208,009	(24,936)
Utilities - Operations	136,187	150,000	13,813
Engineering	596,420	678,222	81,802
Maintenance and Field Crews	2,784,936	2,812,413	27,477
Waterplant	4,032,034	4,334,902	302,868
Bac-T-Lab	422,395	446,450	24,055
TOTAL OPERATING EXPENSES	\$10,805,798	\$11,399,226	\$593,428
(BEFORE Depreciation & Amortization)			

PROJECTED SURPLUS AND PARITY INCOME:

Table XII is the presentation of the actual audited and budgeted operating surplus with required fund transfers before depreciation and amortization to determine parity income. Cost for service installations attributed to actual inventory of parts used and contract labor is also added to total expenses for operations funding purposes. However, these service installation expenses are capitalized and are added back to the operating surplus in determining available parity income.

In order to be in compliance with outstanding revenue bonding covenants, it is imperative that the earning capacity of the DISTRICT be sufficient in meeting parity income requirements as set forth in the Revenue Bond Resolutions. At present, parity income requirements mandate that revenues are sufficient to realize an operating surplus to cover 120% of the maximum annual debt payment before depreciation and amortization.

It is seen that the system met its parity income requirements for the fiscal year, with sufficient funds to cover 120% of the maximum annual debt payment of \$2,452,891 and had an excess of \$2,729,295. It is projected that CWWD #1 will meet its required 120% of the maximum debt payment and have an excess of \$2,288,205 for the 2014-2015 fiscal year. The DISTRICT makes two (2) debt payments per year. The debt retirement schedule can be found in Appendix C.

The goal of the DISTRICT was to have 15% of the operating revenue as surplus for funding local projects. This percentage was calculated by dividing the excess income for parity purposes by the operating revenue. For the 2013-2014 fiscal year, the DISTRICT had a surplus of 17.16%. It is anticipated that the surplus for 2014-2015 will be approximately 14.12%.

TABLE XII
Audited and Budgeted Surplus and Parity Income
 Terrebonne CWWD#1
 July 1, 2013 to June 30, 2014

	<u>Actual</u> <u>2013-2014</u>	<u>Budgeted</u> <u>2014-2015</u>	<u>Difference</u>
<u>REVENUE</u>			
Total Operating Revenue	\$15,903,774	\$16,209,900	\$306,126
Total Other Revenue	574,788	421,000	(\$153,788)
Total Revenue	\$16,478,562	\$16,630,900	\$152,338
<u>EXPENSES</u>			
Total Operating Expenses	\$10,805,798	\$11,399,226	\$593,428
Service Connections (Parts & Contract Labor)	124,895	150,000	\$25,105
Total Expenses	\$10,930,693	\$11,549,226	\$618,533
Surplus (BEFORE Depreciation)	\$5,547,869	\$5,081,674	(\$466,195)
less: Transfers			
Revenue Bonds (Sinking Fund & Reserve)	\$1,961,210	\$1,793,684	(\$167,526)
Depreciation & Contingency Fund	869,229	831,545	(\$37,684)
Total Transfers	\$2,830,439	\$2,625,229	(\$205,209)
Net Surplus	\$2,717,430	\$2,456,445	(\$260,986)
<u>PARITY INCOME</u>			
Net Surplus	\$2,717,430	\$2,456,445	(\$260,986)
Transfer: Revenue Bond Sinking Fund	1,961,210	1,793,684	(\$167,526)
Transfer: Depreciation & Contingency Fund	869,229	831,545	(\$37,684)
Service Connections (Parts & Contract Labor)	124,895	150,000	\$25,105
Reserve Filter Media Amortization			\$0
Total Parity Income	\$5,672,764	\$5,231,674	(\$441,090)
<u>REQUIRED PARITY INCOME</u>			
Maximum Amount of Principal & Interest	\$2,452,891	\$2,452,891	\$0
Coverage @ 120% of Maximum Principal & Interest	\$490,578	\$490,578	\$0
Required Parity Income	\$2,943,469	\$2,943,469	\$0
Excess Income for Parity Purposes	\$2,729,295	\$2,288,205	(\$441,090)
% of Operating Revenue Remaining After Parity	17.16%	14.12%	

SECTION IV

CAPITAL OUTLAY

2010 BOND ISSUE:

The DISTRICT applied and received a loan from the Department of Health and Hospitals, through the Drinking Water Revolving Loan Fund, for a \$1.9 million, which paid for the remaining balance on the 2003 Bond project and the construction of a ground storage tank at the Schriever Water Treatment Project, project numbers CIP-07-03-06 and L-02-07-02, respectively.

2012 BOND ISSUE:

Two (2) bonds were issued in 2012 which were sold at an effective 3.0% interest rate. Series 2012A was the issuance of \$17.3 million for new Capital Improvement Projects. Series 2012B was the refinancing of Series 2009 Bonds.

2014 BOND ISSUE:

The DISTRICT refinanced the 2003A bonds in the amount of approximately \$6 million at an interest rate of 3.0%. They were paying 5.25% interest prior.

Table XIII shows the 2012A Bond projects along with the list of local projects funded by the DISTRICT using Surplus and Capital Additions funds. These local projects were previously authorized but have yet to be completed. The balance to complete the projects authorized prior to June 30, 2014 is approximately \$5.4 million. The DISTRICT has authorized only one additional project for the 2014-2015 Fiscal Year, which is a yearly budget of \$125,000 for waterline participation.

TABLE XIII
Incomplete Projects
Terrebonne CWW#1
July 1, 2013 to June 30, 2014

Project No.	Project Description	Engineer	Engineering Fee	Other/Contingencies	Construction Cost	Overbudget / (Under Budget)	Total Project Budget	Paid to Date	Balance
Funds Provided by 2012A Revenue Bonds									
CIP-9-12-10	Trunk Main - Servitudes, Surveying, and Permitting (includes Acquisition)	Providence/GSE Associates, LLC	\$ 400,000.00	\$ -	\$ -		\$ 400,000.00	\$ 238,813.11	\$ 161,186.89
CIP-11-12-11	Capital Improvement Project Facilitator	Arthur A. DeFraitres, Jr.	\$ 70,000.00	\$ -	\$ -		\$ 70,000.00	\$ 53,610.50	\$ 16,389.50
CIP-4-13-01	Operating & Maintenance Manual	In House	\$ 125,000.00	\$ -	\$ -		\$ 125,000.00	\$ 6,325.00	\$ 118,675.00
CIP-1-14-01	36" Transmission Main from SWP Along LA Hwy 316 to US Hwy 90	Providence/GSE Associates, LLC	\$ 903,500.00	\$ 600,000.00	\$ 6,000,000.00		\$ 7,503,500.00	\$ 65,548.40	\$ 7,437,951.60
CIP-1-14-02	30" Transmission Main Along US Hwy 90 From LA Hwy 316 to LA Hwy 311	Milford & Associates, Inc.	\$ 650,991.69		\$ 4,200,000.00		\$ 4,850,991.69	\$ -	\$ 4,850,991.69
SUBTOTAL			\$ 2,149,491.69	\$ 600,000.00	\$ 10,200,000.00	\$ -	\$ 12,949,491.69	\$ 364,297.01	\$ 12,585,194.68

2012A REVENUE BOND AMOUNT \$ 17,300,000.00
2012A REVENUE BONDS NOT ALLOCATED AS OF JUNE 30 \$ 4,350,508.31

Funds Provided by DWSRF 2014A Bonds

CIP-9-12-01	3700' Trunk Main Along Valhi Blvd North of Hollywood Rd	Providence/GSE Associates, LLC	\$ 146,000.00	\$ 89,300.00	\$ 890,700.00		\$ 1,126,000.00	\$ 57,591.50	\$ 1,068,408.50
CIP-9-12-02	16" Loop Along Valhi	T. Baker Smith, Inc.	\$ 105,100.00	\$ 44,755.00	\$ 434,145.00		\$ 584,000.00	\$ 43,061.45	\$ 540,938.55
CIP-9-12-03	Replace Mains in North Houma	T. Baker Smith, Inc.	\$ 109,000.00	\$ 46,900.00	\$ 462,100.00		\$ 618,000.00	\$ 46,633.60	\$ 571,366.40
CIP-9-12-04	8" and 12" Along Sixth St to Gum St and 12" Along New Orleans Blvd from Legion to Park	Milford & Associates, Inc.	\$ 108,892.60	\$ 43,107.40	\$ 480,000.00		\$ 632,000.00	\$ 63,057.84	\$ 568,942.16
CIP-9-12-05	Tie 24" Transmission Line to City System	Milford & Associates, Inc.	\$ 78,492.00	\$ 28,423.00	\$ 499,515.00	\$ (111,270.00)	\$ 495,160.00	\$ 41,116.05	\$ 454,043.95
CIP-9-12-06	12" on Tunnel Blvd from Liberty to Gabasse	Shaw Coastal, Inc.	\$ 111,962.00	\$ 45,000.00	\$ 448,650.00		\$ 605,612.00	\$ 37,251.63	\$ 568,360.37
CIP-9-12-07	2 Chlorine Booster Stations	Shaw Coastal, Inc.	\$ 66,644.00	\$ 14,744.00	\$ 136,000.00		\$ 217,388.00	\$ 3,524.00	\$ 213,864.00
SUBTOTAL			\$ 726,090.60	\$ 312,229.40	\$ 3,351,110.00	\$ (111,270.00)	\$ 4,278,160.00	\$ 292,236.07	\$ 3,985,923.93

DWSRF 2014A BOND AMOUNT \$ 4,200,000.00
AMOUNT PROVIDED BY DISTRICT \$ 78,160.00

Funds Provided with Grant Assistance (Remainder to be Paid by District Surplus)

CIP-9-12-08	8" and 12" Water Main Replacement in Barrios Subdivision	David Waitz Engineering, Inc.	\$ 83,500.00	\$ 47,011.00	\$ 469,689.00		\$ 600,200.00	\$ 35,945.00	\$ 564,255.00
SPN-246-01-0054	LA Hwy 57 Waterline Relocation	T. Baker Smith, Inc.	\$ 311,651.75	\$ 187,147.00	\$ 1,559,817.50	\$ 20,700.00	\$ 2,079,316.25	\$ 1,769,371.78	\$ 309,944.47
L-10-13-04	Waterline Replacement Along Shrimper's Row	All South Engineers	\$ 87,420.00	\$ 42,200.00	\$ 334,999.50	\$ -	\$ 464,619.50	\$ 2,755.80	\$ 461,863.70
SUBTOTAL			\$ 482,571.75	\$ 276,358.00	\$ 2,364,506.00	\$ 20,700.00	\$ 3,144,135.75	\$ 1,808,072.58	\$ 1,336,063.17

GRANT AMOUNT \$ 2,598,581.25
AMOUNT PROVIDED BY DISTRICT \$ 545,554.50

Local Projects Committed prior to June 30, 2014 (Funds Provided by District Surplus)

L-8-10-03	Renovations to Main Office	Houston Lirette, Jr.	\$ 71,595.00	\$ 25,973.50	\$ 447,875.00	\$ (30,363.24)	\$ 515,080.26	\$ 515,080.26	\$ -
L-8-10-04	LCDBG - Houma Valve Replacement Program TGMC	Shaw Coastal, Inc.	\$ 182,345.00	\$ 40,450.00	\$ 626,666.00	\$ -	\$ 849,461.00	\$ 621,366.12	\$ 228,094.88
L-11-11-08	2011 Tank Painting & Repairs	Milford & Associates, Inc.	\$ 172,680.00	\$ 40,872.00	\$ 644,750.00	\$ (44,207.73)	\$ 814,094.27	\$ 814,094.27	\$ -
L-3-12-02	Administration of 2012 DWRLF Application	Arthur A. DeFraitres, Jr.	\$ 40,000.00	\$ -	\$ -	\$ 4,656.75	\$ 44,656.75	\$ 44,656.75	\$ -
L-10-12-06	Emergency Replacement - 8" PE Crossing Madison Canal	Providence/GSE Associates, LLC	\$ 32,500.00	\$ 10,710.00	\$ 94,225.00	\$ 15,947.97	\$ 153,382.97	\$ 153,382.97	\$ -
L-9-13-02	Tank Painting & Repairs 2013-2014	Milford & Associates, Inc.	\$ -	\$ -	\$ 760,000.00	\$ -	\$ 760,000.00	\$ -	\$ 760,000.00
L-9-13-03	Houma Treatment Plant - Accelerator No. 2 Painting	Milford & Associates, Inc.	\$ 19,300.00	\$ 19,797.00	\$ 178,679.00	\$ -	\$ 217,776.00	\$ 12,127.11	\$ 205,648.89
SUBTOTAL			\$ 518,420.00	\$ 137,802.50	\$ 2,752,195.00	\$ (53,966.25)	\$ 3,354,451.25	\$ 2,160,707.48	\$ 1,193,743.77

Local Projects Committed after June 30, 2014 (Funds Provided by District Surplus)

L-7-13-01	Waterline Participation 2013-14	In House	\$ -	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00
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TABLE XIV
Additional Local Projects for 2014-2015
Terrebonne CWWD#1

Annual Projects

Residential Meter Replacements (20 yrs.)	\$ 550,000.00
Large Meter Replacements (2"+) (10 yrs.)	\$ 150,000.00
Treatment Plant - Capital Improvements	\$ 300,000.00
Replacements of Critical System Valves	\$ 200,000.00
Vehicles & Equipment	\$ 100,000.00
Carbon - Rotational Replacement	\$ 338,000.00
	<u>\$ 1,638,000.00</u>

As of June 30, 2014, the DISTRICT has a balance in various accounts for Annual Capital Outlay purposes in the following amounts:

Surplus Fund (Cash)	\$	2,305	
Surplus Fund – CD Invest.		1,050,000	
Surplus Fund - LAMP		6,500,000	
Depreciation & Contingency – CD Invest.		865,000	
Depreciation & Contingency – Savings		1,677,112	
Depreciation & Contingency – LAMP		<u>323,000</u>	
			\$ 10,417,417
Construction Fund – Savings (2012A Bonds)			\$ 14,867,669
Construction Fund – Savings (2014A Bonds)(To Be Issued)			<u>\$ 4,200,000</u>
Total Funds Available			\$ 29,485,086
Less: Reserve for Capital and			
<u>Contingency Fund</u>			<u>(-\$ 300,000)</u>
Total Funds Available for Annual Capital Projects			\$ 29,185,086

In addition to the funds in the DISTRICT’s accounts, three projects have been awarded grants from various federal and state departments. Those include

EPA STAG Grant Funds (CIP-9-12-08)	\$	291,000
DOTD State Funding (SPN-246-01-0054)	\$	309,944
LCDBG Grant Funds (L-8-10-04)	\$	<u>228,095</u>
	\$	829,039

The capital improvement and local projects that were begun prior to June 30, 2014 will be funded as shown below. The DISTRICT has annual projects and projects that they have committed to for the 2014-2015 fiscal year that also must be funded and are therefore included in the following calculations. They are shown on Table XIV.

Funds for 2012A Revenue Bond Projects	(-\$12,585,195)
Funds for DWSRF 2014A Bond Projects	(-\$ 3,985,924)
Funds for Grant Assisted Projects	(-\$ 1,336,063)
Funds for Local Projects Committed prior to June 30, 2014	(-\$ 1,193,744)
Funds for 2014-2015 Committed Local Projects	(-\$ 125,000)
<u>Funds for 2014-2015 Annual Projects</u>	<u>(-\$ 1,638,000)</u>
Funds Required for Previously Committed Projects	(-\$20,863,926)

Total Unassigned Surplus Capital Funds

Unrestricted Funds (D&C and Surplus)	\$ 29,185,086
Total Grant Funds	\$ 829,039
<u>Funds Required for Previously Committed Projects</u>	<u>(-\$20,863,926)</u>
Total Unallocated Surplus Funds	\$ 9,150,199

Of the \$9,150,199 Total Unallocated Surplus Funds, \$4,350,508 is remaining from the 2012A Revenue Bond Issue. Therefore, the Unallocated Surplus Funds for the DISTRICT as of June 30, 2014 is approximately \$4.8 million.

SECTION V

LITIGATION

GENERAL:

From time to time, the DISTRICT gets involved in litigations, which may affect their financial status. Currently the DISTRICT is involved in four (4) litigations involving damages caused by the system. One (1) of the litigations will be settled and three (3) will not likely result in adverse monetary effects for the DISTRICT.

Mr. David Norman, the DISTRICT's attorney, has summarized the current litigations as follows:

“Roberta Duplantis v. NSB Properties and Consolidated Waterworks, et al., No. 164777”. This litigation concerns plaintiff's claims that a grate above a water meter was in a hazardous condition and not fit for its intended use. Plaintiff alleges that on March 8, 2011 she suffered physical injuries when her husband drove over the area where our meter is located and the grate collapsed. The grate and meter at issue are located on Country Drive in Bourg, LA at the Post Office branch. All available information indicates that the grate was not installed or maintained by Waterworks, nor was it ever advised of the condition of the grate prior to the accident. NSB Properties is the apparent owner of the premises. As such, there doesn't appear to be any liability exposure to Waterworks. If there is, that would be covered and defended by the insurance company, which has taken over the handling of the litigation by hiring its own counsel, Michael Lonegrass. The matter is proceeding with discovery activity, and corporate deposition dates are being set. There is no change in the outlook of no liability exposure to Waterworks. If unforeseen facts come to light that would create such exposure then it would be handled and paid for solely by the insurance carrier.

Julie Toups and Russell Toups v. Markel Insurance Company, et al, No. 166164”. This litigation concerns plaintiff's claims she injured herself when she stepped into a hole that was near a waterline covered with undetermined material and that this area was somehow owned or

maintained by Waterworks. All available information indicates that this area was on the customer's side of the water meter. Waterworks only maintained the water line up to its customer's water meter (as it does for all customers). Everything on the other side of the water meter, including the actual housing or box which encloses the meters, is the responsibility of the customer.

This is another case being fully funded and defended by Waterworks' insurer. Counsel for the insurer/ Waterworks, Mr. Lonegrass again, is confident that plaintiffs will not prevail, but if any sum is paid in settlement or judgment it should be relatively nominal and 100% funded by the insurer.

The plaintiffs have been through several attorneys to date, and as of this writing are unrepresented. The insurance company's plan was to allow the case to remain dormant, but recently it decided to resume prosecution and has said it will hire a private investigator to locate the Toups and proceed to set their depositions. There is no change in the outlook of no liability exposure to Waterworks. If unforeseen facts come to light that would create such exposure then it would be handled and paid for solely by the insurance carrier.

“Consolidated Waterworks District No. 1 of the Parish of Terrebonne v. Ralph J. Guidry, No. 173168”. This litigation concerns a claim for expropriation of a waterline servitude. Waterworks is pursuing project CIP-9-12-05 to install several connections to a transmission main which includes replacement of a waterline and other system interconnections within the urban limits of Houma. Defendant, Ralph J. Guidry, is the owner of an undivided one-half interest in a tract of land located at 615 Gouaux Ave., which is within the limits of said project. After multiple failed attempts to secure a Servitude Grant from Mr. Guidry, Waterworks filed a “quick-taking” Petition for Expropriation on October 9, 2014 against Mr. Guidry. Mr. Guidry was served with the Petition on or about October 17, 2014. The servitude was appraised at \$175.00, and that sum was put into the registry of the court to allow Mr. Guidry to withdraw it. Although Mr. Guidry now has the right to ask the Court for more money, it is highly unlikely that he will do so, and even unlikelier that the Court would award him any additional sums. The project proceeds apace without concern for this expropriation, as the quick-taking statute transfers ownership of the servitude to Waterworks immediately, with only the amount of compensation still at issue. No further monetary exposure to Waterworks is anticipated.

SECTION VI

MANAGEMENT

GENERAL:

The DISTRICT is well staffed and supervised by key members with numerous years of experience. Each department is accounted for individually, but collectively, provides the citizens of Terrebonne Parish with a modern, highly developed and well regarded water system. The Board of Commissioners is kept constantly informed on matters by the expertise of managers, engineers, consultants, accountants, and legal advisors. The Board has adopted a subdivision ordinance that stipulates the requirements regarding new development. Standard specifications are enforced to ensure construction material quality and adherence to construction methods. The management staff reviews system upgrades on a regular basis, develops specifications, and receives bids for bulk purchases of certain materials and supplies and contractual labor, and distributes work among several engineering firms within the Parish. Providing a safe potable water supply to customers of the DISTRICT in the most cost effective manner is paramount to the concerns of the Board.

The Board acquires professional services from various firms when the need arises. These are as follows:

Management and Engineer Consultant	Arthur A. De Fraites, Jr.
Legal Advisor	Mr. David Norman
Bond Counsel	Mr. Jerry Osborne, Foley & Judell
Certified Public Accountants	Bourgeois Bennett, LLC

MANAGEMENT PERSONNEL:

Mr. Michael Sobert is the General Manager of the DISTRICT since July 16, 2012. Mr. Sobert has a B. S. Degree in Electrical Engineering and a Masters of Business Administration. Prior to becoming General Manager, Mr. Sobert was a business owner in the private sector. Prior to owning his own business, Mr. Sobert served as a Senior Engineer with General Electric. Since his employment with the DISTRICT, he has dedicated himself to becoming well aware of all aspects of the distribution and treatment system of the DISTRICT, EPA and LA Department of Health and Hospital requirements. He supervises all personnel of the DISTRICT and is responsible for informing the Board of Commissioners of its operating condition.

Mr. Tom Wilson held the position of Engineer Manager for the DISTRICT since 1999 until December 30, 2013. He maintained the highest levels of LA Department of Health and Hospitals certifications that are required to operate the two (2) Public Water Supplies the DISTRICT operates. His duties consisted of assisting the General Manager in operating the DISTRICT and supervising the production and distribution departments.

Mr. Michael LeCompte is a registered professional mechanical engineer who became a member of the staff in 1995 and is serving as Superintendent of Water Production. He maintains the highest levels of LA Department of Health and Hospitals certifications that are required to operate Surface Water Treatment Plants.

Mr. Emery Chauvin, a registered professional civil engineer, became a member of the staff in January 2001. He is serving as Superintendent of the Distribution System. He maintains the highest level of LA Department of Health and Hospitals certifications that are required to operate a potable water distribution system.

Ms. Cecilia Norman has been serving as the Office Manager and staff accountant of the DISTRICT since January 1, 2000. Ms. Norman, who possesses a B.S. degree in accounting and personnel management, has 15 years prior experience serving as a comptroller. For the

DISTRICT, Ms. Norman provides all the internal accounting, administers the investment of all funds and ensures compliance with the DISTRICT's bonding requirements.

OPERATING PERSONNEL:

The operating personnel of the Consolidated District are broken down into seven (7) departments. The profiles of these departments are as follows:

Administration

Department Head - Michael Sobert, General Manager

Cecilia Norman, Office Manager

4 employees

Billing and Collecting

Department Head - Monique Prosperie, IBM Supervisor

8 employees

Meter Department

Department Head - Nathan Matherne, Supervisor

10 employees

Engineering

Department Head - Mary Trahan, GIS Supervisor

7 employees

Field Force

Department Head - Emery Chauvin, Superintendent, Distribution

21 employees

Warehouse and Meter Shop

Supervised by General Manager

2 employees

Water Plants

Department Head - Michael LeCompte, Superintendent, Water Treatment

Schriever Water Treatment Plant - Glenn Blanchard, Supervisor

Houma Water Treatment Plant - Ivy Theriot, Supervisor

16 employees

Bac-T-Lab

Department Head - Ray Percle, Supervisor

3 employees

SECTION VII

INSURANCE

GENERAL:

The provisions of Section 904 of the DISTRICT's bond resolution dated May 12, 1994, provides that insurance will be carried and maintained on the physical properties of the system of a kind and in amounts normally carried by public utility companies engaged in the operation of similar water systems. It is further provided that adequate public liability and property damage insurance will be carried and blanket fidelity and performance bonds to protect from loss of money will cover the DISTRICT.

The DISTRICT has supplied a summary of the DISTRICT's coverage, which appears on the following page. Our review of this summary indicates the DISTRICT is protected by insurance and fidelity bonds in amounts usually carried by water utility systems of similar size and character and the DISTRICT is, therefore, in compliance with Section 904 of the bond resolution.

SCHEDULE OF INSURANCE IN FORCE

**Consolidated Waterworks District No. 1 of the Parish of Terrebonne,
State of Louisiana**

June 30, 2014

(Unaudited)

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Amount of Insurance</u>	<u>Expiration Date</u>
Arch Insurance Company	Automobile liability	\$ 1,000,000	July 1, 2014
Arch Insurance Company	General liability	\$ 3,000,000	July 1, 2014
Louisiana United Businesses' Association	Workers' compensation	\$ 1,000,000	July 1, 2014
Continental Casualty Company	Combined building & personal property	\$ 30,000,000	June 1, 2015
Continental Casualty Company	Public employee dishonesty, forgery or alteration, theft, disappearance & destruction	\$ 25,000	June 1, 2015
Firemans Fund Insurance Companies/ Allianz Global Corporate & Specialty	Computer equipment	\$ 178,790	June 1, 2014
Harleysville Mutual Insurance Company	Flood	\$ 500,000	August 1, 2014

APPENDIX A
DEPARTMENTAL EXPENSES

APPENDIX A
Departmental Expenses
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2013

	ADMINISTRATION	BILLINGS & COLLECTIONS	METER READING	WAREHOUSE & METER SHOP	ENGINEERING	OPERATIONS	MAINTENANCE & FIELD CREWS	WATERPLANT	LAB	TOTAL
Accounting	\$44,795									\$44,795
Attorney	86,676									86,676
Backflow Prevention Program										0
Bayou Black Reservoir Maintenance								5,361		5,361
Board Members	15,304									15,304
Bond Agent Fees	2,937									2,937
Chemicals							18,835	1,319,552		1,338,387
Collection Agency		16,564								16,564
Computer Supplies					2,091			840	374	3,305
Consulting Engineer	19,967									19,967
Data Processing		166,675								166,675
DHH Emergency Rule							92,470			92,470
Employee Group Insurance	68,231	93,627	127,521	24,746	60,204		233,430	196,919	47,309	851,987
Equipment & Bld'g.Repairs	51,285	27,687	6,730	8,449					6,639	100,790
Equipment - Field Repairs							101,204			101,204
Freight				169			485	53	3,923	4,630
Gasoline and Oil	1,269	1,269	39,350	1,479	9,439		69,203	9,086	13,842	144,937
Generator Fuel								1,536		1,536
GIS Network					35,508					35,508
Insurance and Bonds	31,503	27,306	47,878	10,947	22,903		176,689	308,175	18,971	644,372
Janitorial Service	21,784								7,445	29,229
Lab Analysis								1,512	40,272	41,784
Lab Equipment and Supplies									17,720	17,720
Meter Parts and Repair				13,107						13,107
Office Supplies and Expenses	32,160	64,885	681	2,000	2,353		39,204	11,612	6,529	159,424
Other Postemployment Benefit	1,363	18,560	54,883	18,297	26,998		80,094	80,479	27,604	308,278
Payroll Taxes	30,647	28,635	36,844	10,795	34,088		78,592	86,736	16,778	323,115
Plant Maintenance								213,058		213,058
Plant Supplies								10,575		10,575
Postage		234,776								234,776
Publish Proceedings	2,931									2,931
Radio Communications	9,278	1,330	9,111		11,601		24,689	11,018	4,281	71,308
Raw Water Cost								131,398		131,398
Retirement Expenses	29,488	30,114	36,328	9,573	28,073		79,491	87,162	16,747	316,976
Salaries	315,796	311,868	388,114	114,151	354,439		837,853	912,658	172,833	3,407,712
Seminars and Schools	18,103	419	78		7,004		9,453	5,507	5,576	46,140
Small Tools			3,351	719			6,747	788		11,605
Telephone Service		6,136						6,601	1,839	14,576
Tractor Repairs								2,708		2,708
Truck and Auto Repair	906	217	11,276		1,423		28,759	3,841	4,980	51,402
Uniforms					296		4,415	410		5,121
Utilities	24,194		51			136,187		624,449	8,733	793,614
Warehouse Supplies				18,513						18,513
Waterline Maintenance							830,944			830,944
Wattertower Maintenance							72,379			72,379
TOTAL	\$808,617	\$1,030,068	\$762,196	\$232,945	\$596,420	\$136,187	\$2,784,936	\$4,032,034	\$422,395	\$10,805,798

I-V

Average No. of Customers	43,313									
Annual costs per customer	\$18.67	\$23.78	\$17.60	\$5.38	\$13.77	\$3.14	\$64.30	\$93.09	\$9.75	\$249.48
Monthly costs per customer	\$1.56	\$1.98	\$1.47	\$0.45	\$1.15	\$0.26	\$5.36	\$7.76	\$0.81	\$20.79

APPENDIX B
DEPARTMENTAL EXPENSES
AND BUDGET

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2015

	ACTUAL 2012-2013	ACTUAL 2013-2014	Increase / (Decrease)	Budget 2014-2015	Budget Increase / (Decrease)
ADMINISTRATIVE					
Salaries	\$285,344	\$317,065	\$31,721	\$349,300	\$32,235
Other Postemployment Benefits	4,541	1,363	(3,178)	28,897	27,534
Employee Group Insurance	70,182	68,231	(1,951)	75,000	6,769
Payroll Taxes	28,925	30,647	1,722	35,600	4,953
Retirement Expenses	28,206	29,488	1,282	32,500	3,012
Office Supplies and Expenses	52,411	32,160	(20,251)	35,000	2,840
Accounting	38,000	44,795	6,795	45,000	205
Attorney	143,438	86,676	(56,762)	130,000	43,324
Board Members	16,615	15,304	(1,311)	17,000	1,696
Bond Agent Fees	2,200	2,937	737	3,300	363
Consulting Engineers	50,801	19,967	(30,834)	20,000	33
Consulting Risk Manager	0	0	0		0
Insurance and Bonds	26,723	31,503	4,780	35,000	3,497
Janitorial Service	18,626	21,784	3,158	20,000	(1,784)
Publishing Proceedings	5,776	2,931	(2,845)	5,000	2,069
Radio Communications	1,686	9,278	7,592	10,000	722
Equipment Repair (Office)	26,700	51,285	24,585	25,000	(26,285)
Truck and Auto Repair*	1,168	906	(262)	1,000	94
Seminars and Schools	12,401	18,103	5,702	19,000	897
Utilities	22,438	24,194	1,756	24,000	(194)
TOTAL	\$836,181	\$808,617	(\$27,564)	\$910,597	\$101,980

*These items are included as part of "Salaries" in the audit; therefore they were added to "Salaries" for the budget year.

BILLINGS AND COLLECTIONS

Salaries	\$304,707	\$311,868	\$7,161	\$316,500	\$4,632
Other Postemployment Benefits	29,983	18,560	(11,423)	34,007	15,447
Employee Group Insurance	99,960	93,627	(6,333)	100,100	6,473
Payroll Taxes	27,938	28,635	697	31,300	2,665
Retirement Expenses	30,708	30,114	(594)	29,300	(814)
Gasoline and Oil	1,403	1,269	(134)	1,300	31
Office Supplies and Expenses	57,997	64,885	6,888	50,000	(14,885)
Collection Agency	15,613	16,564	951	15,000	(1,564)
Data Processing	158,477	166,675	8,198	172,000	5,325
Equipment Maintenance/Lease	26,694	27,687	993	30,000	2,313
Insurance and Bonds	25,272	27,306	2,034	30,000	2,694
Postage	233,556	234,776	1,220	235,000	224
Radio Communications	0	1,330	1,330	2,500	1,170
Truck and Auto Repairs	894	217	(677)	1,000	783
Seminars and Schools	0	419	419	1,000	581
Telephone	6,473	6,136	(337)	8,000	1,864
TOTAL	\$1,019,675	\$1,030,068	\$10,393	\$1,057,007	\$26,939

*Merchant Bankcard Fee is included as part of "Data Processing" in the audit; therefore they were added to "Data Processing" for the budget year.

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2015

<u>METER READING</u>	ACTUAL 2012-2013	ACTUAL 2013-2014	Increase / (Decrease)	Budget 2014-2015	Budget Increase / (Decrease)
Salaries	\$393,328	\$388,114	(\$5,214)	\$392,000	\$3,886
Other Postemployment Benefits	38,591	54,883	16,292	50,126	(4,757)
Employee Group Insurance	122,012	127,521	5,509	141,000	13,479
Payroll Taxes	37,044	36,844	(200)	40,000	3,156
Retirement Expenses	39,368	36,328	(3,040)	36,500	172
Gasoline and Oil	43,492	39,350	(4,142)	40,000	650
Office Supplies and Expenses	1,236	681	(555)	12,000	11,319
Small Tools	4,178	3,351	(827)	6,000	2,649
Insurance and Bonds	44,201	47,878	3,677	47,500	(378)
Radio Communications	4,348	9,111	4,763	12,000	2,889
Equipment Repair (Office)	5,431	6,730	1,299	10,000	3,270
Meter Parts & Supplies	51	0	(51)	1,500	1,500
Truck and Auto Repairs	6,968	11,276	4,308	12,000	724
Schools & Seminars	18	78	60	1,000	922
Uniforms	0	51	51	0	(51)
TOTAL:	\$740,266	\$762,196	\$21,930	\$801,626	\$39,430
<u>WAREHOUSE AND METER SHOPS</u>					
Salaries	\$123,326	\$114,151	(\$9,175)	\$87,000	(\$27,151)
Other Postemployment Benefits	15,214	18,297	3,083	22,659	4,362
Employee Group Insurance	32,382	24,746	(7,636)	24,900	154
Payroll Taxes	11,597	10,795	(802)	8,600	(2,195)
Retirement Expenses	12,106	9,573	(2,533)	7,500	(2,073)
Gasoline and Oil	680	1,479	799	1,500	21
Office Supplies and Expenses	2,072	2,000	(72)	1,500	(500)
Small Tools	312	719	407	750	31
Warehouse Supplies	16,614	18,513	1,899	20,000	1,487
Freight	66	169	103	1,000	831
Insurance and Bonds	9,825	10,947	1,122	9,100	(1,847)
Equipment Repairs	8,346	8,449	103	8,000	(449)
Meter Repairs Parts	20,841	13,107	(7,734)	15,000	1,893
Schools & Seminars	0	0	0	500	500
TOTAL	\$253,381	\$232,945	(\$20,436)	\$208,009	(\$24,936)

*These items are included as part of "Salaries" in the audit; therefore they were added to "Salaries" for the budget year.

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2015

	ACTUAL 2012-2013	ACTUAL 2013-2014	Increase / (Decrease)	Budget 2014-2015	Budget Increase / (Decrease)
<u>ENGINEERING</u>					
Salaries	\$314,733	\$354,439	\$39,706	\$359,000	\$4,561
Other Postemployment Benefits	18,687	26,998	8,311	26,222	(776)
Employee Group Insurance	63,638	60,204	(3,434)	90,000	29,796
Payroll Taxes	30,335	34,088	3,753	35,500	1,412
Retirement Expenses	27,683	28,073	390	35,500	7,427
Computer Supplies	3,275	2,091	(1,184)	5,000	2,909
Gasoline and Oil	9,821	9,439	(382)	9,000	(439)
Office Supplies and Expenses	4,153	2,353	(1,800)	4,000	1,647
GIS Network	23,409	35,508	12,099	60,000	24,492
Insurance and Bonds	21,159	22,903	1,744	26,000	3,097
Radio Communications	977	11,601	10,624	12,000	399
Truck and Auto Repair	5,966	1,423	(4,543)	3,000	1,577
Equipment & Building Repairs	0	0	0	0	0
Seminars and Schools	5,208	7,004	1,796	15,000	7,996
Freight	0	0	0	0	0
Uniforms	329	296	(33)	0	(296)
TOTAL:	\$529,373	\$596,420	\$67,047	\$680,222	\$83,802

*These items are included as part of "Salaries" in the audit; therefore they were added to "Salaries" for the budget year.

MAINTENANCE AND FIELD CREWS

Salaries	\$845,236	\$837,853	(\$7,383)	\$925,000	\$87,147
Other Postemployment Benefits	48,167	80,094	31,927	89,713	9,619
Employee Group Insurance	231,808	233,430	1,622	277,000	43,570
Payroll Taxes	80,064	78,592	(1,472)	91,500	12,908
Retirement Expenses	83,695	79,491	(4,204)	85,700	6,209
Chemicals	25,748	18,835	(6,913)	25,000	6,165
Gasoline and Oil	75,917	69,203	(6,714)	65,000	(4,203)
Office Supplies and Expenses	4,228	39,204	34,976	4,000	(35,204)
Small Tools	17,530	6,747	(10,783)	15,000	8,253
Backflow Prevention Program	0	0	0	25,000	25,000
DHH Emergency Rule	0	92,470	92,470	40,000	(52,470)
Freight	0	485	485	500	15
Insurance and Bonds	139,732	176,689	36,957	155,000	(21,689)
Radio Communications	6,771	24,689	17,918	30,000	5,311
Equipment & Bldg. Maintenance	0	0	0	0	0
Equipment Repairs (Field)	138,064	101,204	(36,860)	90,000	(11,204)
Truck and Auto Repair	27,069	28,759	1,690	25,000	(3,759)
Water Tower Maintenance	86,124	72,379	(13,745)	125,000	52,621
Waterline Maintenance	770,542	830,944	60,402	725,000	(105,944)
Seminars and Schools	14,985	9,453	(5,532)	15,000	5,547
Uniforms	4,084	4,415	331	4,000	(415)
TOTAL:	\$2,599,764	\$2,784,936	\$185,172	\$2,812,413	\$27,477

*These items are included as part of "Salaries" in the audit; therefore they were added to "Salaries" for the budget year.

OPERATIONS

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2015

	ACTUAL 2012-2013	ACTUAL 2013-2014	Increase / (Decrease)	Budget 2014-2015	Budget Increase / (Decrease)
Utilities	\$136,188	\$136,187	(\$1)	\$150,000	\$13,813
<u>WATER PLANT</u>					
Salaries	\$885,711	\$912,658	\$26,947	\$980,000	\$67,342
Other Postemployment Benefits	62,135	80,479	18,344	96,902	16,423
Employee Group Insurance	198,305	196,919	(1,386)	246,000	49,081
Payroll Taxes	85,586	86,736	1,150	96,600	9,864
Retirement Expenses	88,923	87,162	(1,761)	91,000	3,838
Chemicals	1,176,618	1,319,552	142,934	1,325,000	5,448
Computer Supplies	532	840	308	2,500	1,660
Generator Fuel	14,825	1,536	(13,289)	15,000	13,464
Gasoline and Oil	11,116	9,086	(2,030)	13,000	3,914
Office Supplies and Expenses	10,465	11,612	1,147	9,500	(2,112)
Raw Water Cost	136,222	131,398	(4,824)	132,000	602
Small Tools	383	788	405	2,000	1,212
Plant Supplies	6,100	10,575	4,475	5,500	(5,075)
Freight	267	53	(214)	500	447
Insurance and Bonds	251,886	308,175	56,289	300,000	(8,175)
Lab Analysis	1,448	1,512	64	2,000	488
Radio Communications	672	11,018	10,346	17,000	5,982
Bayou Black Reservoir Maintenance	4,534	5,361	827	7,500	2,139
Plant Maintenance	263,661	213,058	(50,603)	250,000	36,942
Tractor Repairs	567	2,708	2,141	3,000	292
Truck and Auto Repair	2,643	3,841	1,198	5,000	1,159
Seminars and Schools	3,759	5,507	1,748	8,000	2,493
Telephone	6,049	6,601	552	7,000	399
Uniforms	513	410	(103)	900	490
Utilities	547,021	624,449	77,428	615,000	(9,449)
Reserve Filter Media	104,000	104,000	0	104,000	0
TOTAL:	\$3,863,941	\$4,136,034	\$272,093	\$4,334,902	\$198,868

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWD#1
 July 1, 2012 to June 30, 2015

LAB	ACTUAL 2012-2013	ACTUAL 2013-2014	Increase / (Decrease)	Budget 2014-2015	Budget Increase / (Decrease)
Salaries	\$163,857	\$172,833	\$8,976	\$177,500	\$4,667
Other Postemployment Benefits	11,200	27,604	16,404	11,200	(16,404)
Employee Group Insurance	45,363	47,309	1,946	66,600	19,291
Payroll Taxes	15,506	16,778	1,272	17,500	722
Retirement Expenses	16,154	16,747	593	16,500	(247)
Computer Supplies	52	374	322	750	376
Gasoline and Oil	12,677	13,842	1,165	12,000	(1,842)
Lab Equipment and Supplies	13,293	17,720	4,427	17,000	(720)
Office Supplies and Expenses	5,147	6,529	1,382	8,000	1,471
Freight	3,377	3,923	546	5,500	1,577
Insurance and Bonds	17,401	18,971	1,570	20,500	1,529
Janatorial Services	7,742	7,445	(297)	8,000	555
Lab Analysis	27,295	40,272	12,977	50,000	9,728
Radio Communications	0	4,281	4,281	6,000	1,719
Equipment and Building Repairs	10,563	6,639	(3,924)	6,500	(139)
Truck and Auto Repair	2,596	4,980	2,384	5,000	20
Seminars and Schools	3,886	5,576	1,690	7,000	1,424
Telephone	1,777	1,839	62	2,300	461
Utilities	6,922	8,733	1,811	8,600	(133)
TOTAL:	\$364,808	\$422,395	\$57,587	\$446,450	\$24,055

APPENDIX C
REVENUE BOND
PAYMENT SCHEDULE

COMBINED DEBT SERVICE SCHEDULE

WATER REVENUE BONDS
 CONSOLIDATED WATERWORKS DISTRICT NO. 1, PARISH OF TERREBONNE, STATE OF LOUISIANA

Payment Date	SERIES 2010 BONDS					REFUNDING SERIES 2012B BONDS					SERIES 2012A BONDS					REFUNDING SERIES 2014 BONDS					Combined Semi-Annual Service	Combined Bond Year Debt Service	Combined Fiscal Year Debt Service (ending 6/30)		
	Principal Due	Interest Rate	Interest Due	Semi-Annual Service	Bond Year Debt Service	Principal Due	Interest Rate	Interest Due	Semi-Annual Service	Bond Year Debt Service	Principal Due	Interest Rate	Interest Due	Semi-Annual Service	Bond Year Debt Service	Principal Due	Interest Rate	Interest Due	Semi-Annual Service	Bond Year Debt Service					
01-Nov-2014	73,000	3.450%	28,600.50	101,600.50	101,600.50	360,000	2.000%	21,300.00	381,300.00	381,300.00			376,431.25	376,431.25	376,431.25			82,906.25	82,906.25	82,906.25			942,238.00	942,238.00	
01-May-2015			27,341.25	27,341.25				17,700.00	17,700.00				376,431.25	376,431.25	376,431.25			85,275.00	85,275.00	85,275.00			506,747.50		1,448,985.50
01-Nov-2015	76,000	3.450%	27,341.25	103,341.25	130,682.50	380,000	3.000%	17,700.00	397,700.00	415,400.00	485,000	3.000%	376,431.25	861,431.25	1,237,862.50			85,275.00	85,275.00	170,550.00			1,447,747.50	1,954,495.00	
01-May-2016			26,030.25	26,030.25				12,000.00	12,000.00				369,156.25	369,156.25	1,238,312.50			85,275.00	85,275.00	170,550.00			492,461.50	1,940,209.00	
01-Nov-2016	78,000	3.450%	26,030.25	104,030.25	130,060.50	390,000	3.000%	12,000.00	402,000.00	414,000.00	500,000	3.000%	369,156.25	869,156.25	1,238,312.50			85,275.00	85,275.00	170,550.00			1,460,461.50	1,952,923.00	
01-May-2017			24,684.75	24,684.75				6,150.00	6,150.00				361,656.25	361,656.25	1,238,312.50			85,275.00	85,275.00	170,550.00			477,766.00	1,938,227.50	
01-Nov-2017	81,000	3.450%	24,684.75	105,684.75	130,369.50	410,000	3.000%	6,150.00	416,150.00	422,300.00	515,000	3.000%	361,656.25	876,656.25	1,238,312.50			85,275.00	85,275.00	170,550.00			1,483,766.00	1,961,532.00	
01-May-2018			23,287.50	23,287.50				353,931.25	353,931.25				353,931.25	353,931.25	1,237,862.50			85,275.00	85,275.00	1,100,550.00			462,493.75	1,946,259.75	
01-Nov-2018	84,000	3.450%	23,287.50	107,287.50	130,575.00			353,931.25	883,931.25	1,237,862.50	530,000	3.000%	353,931.25	883,931.25	1,237,862.50	930,000	2.000%	85,275.00	1,015,275.00	1,100,550.00			2,006,493.75	2,468,987.50	
01-May-2019			21,838.50	21,838.50				345,981.25	345,981.25				345,981.25	345,981.25	1,236,962.50			75,975.00	75,975.00	1,101,950.00			443,794.75	2,450,288.50	
01-Nov-2019	87,000	3.450%	21,838.50	108,838.50	130,677.00			345,981.25	890,981.25	1,236,962.50	545,000	3.500%	345,981.25	890,981.25	1,236,962.50	950,000	3.000%	75,975.00	1,025,975.00	1,101,950.00			2,025,794.75	2,469,589.50	
01-May-2020			20,337.75	20,337.75				336,443.75	336,443.75				336,443.75	336,443.75	1,237,887.50			61,725.00	61,725.00	1,108,450.00			418,506.50	2,444,301.25	
01-Nov-2020	90,000	3.450%	20,337.75	110,337.75	130,675.50			336,443.75	901,443.75	1,237,887.50	565,000	4.000%	336,443.75	901,443.75	1,237,887.50	985,000	3.000%	61,725.00	1,046,725.00	1,108,450.00			2,058,506.50	2,477,013.00	
01-May-2021			18,785.25	18,785.25				325,143.75	325,143.75				325,143.75	325,143.75	1,240,287.50			46,950.00	46,950.00	1,108,900.00			390,879.00	2,449,385.50	
01-Nov-2021	93,000	3.450%	18,785.25	111,785.25	130,570.50			325,143.75	915,143.75	1,240,287.50	590,000	4.000%	325,143.75	915,143.75	1,240,287.50	1,015,000	3.000%	46,950.00	1,061,950.00	1,108,900.00			2,088,879.00	2,479,758.00	
01-May-2022			17,181.00	17,181.00				313,343.75	313,343.75				313,343.75	313,343.75	1,236,687.50			31,725.00	31,725.00	1,098,450.00			362,249.75	2,451,128.75	
01-Nov-2022	96,000	3.450%	17,181.00	113,181.00	130,362.00			313,343.75	923,343.75	1,236,687.50	610,000	4.000%	313,343.75	923,343.75	1,236,687.50	1,035,000	3.000%	31,725.00	1,066,725.00	1,098,450.00			2,103,249.75	2,465,499.50	
01-May-2023			15,525.00	15,525.00				301,143.75	301,143.75				301,143.75	301,143.75	1,237,287.50			16,200.00	16,200.00	1,112,400.00			332,868.75	2,436,118.50	
01-Nov-2023	100,000	3.450%	15,525.00	115,525.00	131,050.00			301,143.75	936,143.75	1,237,287.50	635,000	3.125%	301,143.75	936,143.75	1,237,287.50	1,080,000	3.000%	16,200.00	1,096,200.00	1,112,400.00			2,147,868.75	2,480,737.50	
01-May-2024			13,800.00	13,800.00				291,221.88	291,221.88				291,221.88	291,221.88	1,237,443.75					1,368,043.75			305,021.88	2,452,890.63	
01-Nov-2024	103,000	3.450%	13,800.00	116,800.00	130,600.00			291,221.88	946,221.88	1,237,443.75	655,000	3.250%	291,221.88	946,221.88	1,237,443.75					1,368,043.75			305,021.88	2,452,890.63	
01-May-2025			12,023.25	12,023.25				280,578.13	280,578.13				280,578.13	280,578.13	1,236,156.25					1,367,202.75			292,601.38	1,355,623.25	
01-Nov-2025	107,000	3.450%	12,023.25	119,023.25	131,046.50			280,578.13	955,578.13	1,236,156.25	675,000	3.375%	280,578.13	955,578.13	1,236,156.25					1,367,202.75			292,601.38	1,355,623.25	
01-May-2026			10,177.50	10,177.50				269,187.50	269,187.50				269,187.50	269,187.50	1,238,375.00					1,368,730.00			279,365.00	1,353,966.38	
01-Nov-2026	110,000	3.450%	10,177.50	120,177.50	130,355.00			269,187.50	969,187.50	1,238,375.00	700,000	3.375%	269,187.50	969,187.50	1,238,375.00					1,368,730.00			279,365.00	1,353,966.38	
01-May-2027			8,280.00	8,280.00				257,375.00	257,375.00				257,375.00	257,375.00	1,239,750.00					1,370,310.00			265,655.00	1,355,020.00	
01-Nov-2027	114,000	3.450%	8,280.00	122,280.00	130,560.00			257,375.00	982,375.00	1,239,750.00	725,000	5.000%	257,375.00	982,375.00	1,239,750.00					1,370,310.00			265,655.00	1,355,020.00	
01-May-2028			6,313.50	6,313.50				239,250.00	239,250.00				239,250.00	239,250.00	1,238,500.00					1,370,310.00			245,563.50	1,350,218.50	
01-Nov-2028	118,000	3.450%	6,313.50	124,313.50	130,627.00			239,250.00	999,250.00	1,238,500.00	760,000	5.000%	239,250.00	999,250.00	1,238,500.00					1,370,310.00			245,563.50	1,350,218.50	
01-May-2029			4,278.00	4,278.00				220,250.00	220,250.00				220,250.00	220,250.00	1,240,500.00					1,371,056.00			224,528.00	1,348,091.50	
01-Nov-2029	122,000	3.450%	4,278.00	126,278.00	130,556.00			220,250.00	1,020,250.00	1,240,500.00	800,000	5.000%	220,250.00	1,020,250.00	1,240,500.00					1,371,056.00			224,528.00	1,348,091.50	
01-May-2030			2,173.50	2,173.50				200,250.00	200,250.00				200,250.00	200,250.00	1,240,500.00					1,370,847.00			202,423.50	1,348,951.50	
01-Nov-2030	126,000	3.450%	2,173.50	128,173.50	130,347.00			200,250.00	1,040,250.00	1,240,500.00	840,000	5.000%	200,250.00	1,040,250.00	1,240,500.00					1,370,847.00			202,423.50	1,348,951.50	
01-May-2031								179,250.00	179,250.00				179,250.00	179,250.00	1,238,500.00					1,238,500.00			179,250.00	1,347,673.50	
01-Nov-2031								179,250.00	1,059,250.00	1,238,500.00	880,000	5.000%	179,250.00	1,059,250.00	1,238,500.00					1,238,500.00			179,250.00	1,347,673.50	
01-May-2032								157,250.00	157,250.00				157,250.00	157,250.00	1,239,500.00					1,239,500.00			157,250.00	1,216,500.00	
01-Nov-2032								157,250.00	1,082,250.00	1,239,500.00	925,000	5.000%	157,250.00	1,082,250.00	1,239,500.00					1,239,500.00			157,250.00	1,216,500.00	
01-May-2033								134,125.00	134,125.00				134,125.00	134,125.00	1,238,250.00					1,238,250.00			134,125.00	1,216,375.00	
01-Nov-2033								134,125.00	1,104,125.00	1,238,250.00	970,000	5.000%	134,125.00	1,104,125.00	1,238,250.00					1,238,250.00			134,125.00	1,216,375.00	
01-May-2034								109,875.00	109,875.00				109,875.00	109,875.00	1,239,750.00					1,239,750.00			109,875.00	1,214,000.00	
01-Nov-2034								109,875.00	1,129,875.00	1,239,750.00	1,020,000	5.000%	109,875.00</												