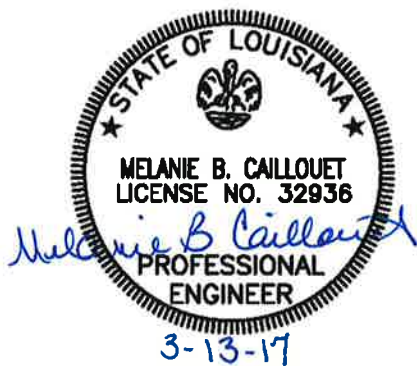


MARCH 13, 2017

TERREBONNE PARISH CONSOLIDATED WATERWORKS DISTRICT NO. 1



2015-2016 Annual Engineer's Report

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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, 2016. The report is prepared in accordance with the terms of the DISTRICT's bond resolution authorizing and securing all outstanding bonds. Arthur A. De Fraites, Jr. served as consultant to the DISTRICT, since December 20, 1994. Mr. De Fraites retired on December 31, 2015; therefore, Ms. Melanie B. Caillouet is now serving as the DISTRICT's municipal advisor/consulting engineer. Ms. Caillouet is a registered engineer (License Number 32936) in Louisiana since 2007 and has been employed with Providence Engineering and Design, LLC since 2002.

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 Public Water System Nos. 1109002 and 1109001, respectively. The DISTRICT operates these two (2) public water systems in accordance with applicable regulations, 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, four (4) ground storage tanks, and 907 miles of transmission and distribution piping ranging in size up to 36 inches in diameter.

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, the Pointe-Aux-Chenes Community, and Ferry Road.

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, Terrebonne Parish voters 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. Saltwater 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 (GIWW). A secondary source is from Bayou Black, which uses an approximate 4.5-mile impounded segment of the bayou as an additional reservoir. Saltwater intrusion has been and will likely remain a problem in the GIWW. There are three (3) saltwater intrusion control structures in the canals that directly connect the GIWW 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 December 2016. It is seen that there were 57 days in which

salinity exceeded 250ppm during the fiscal period. High readings were recorded from September through November 2015 and again in March and April of 2016. It is noticed that high salinity readings occurred again in fall of 2016. 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 Waterway. 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 saltwater reaching the Houma Plant.

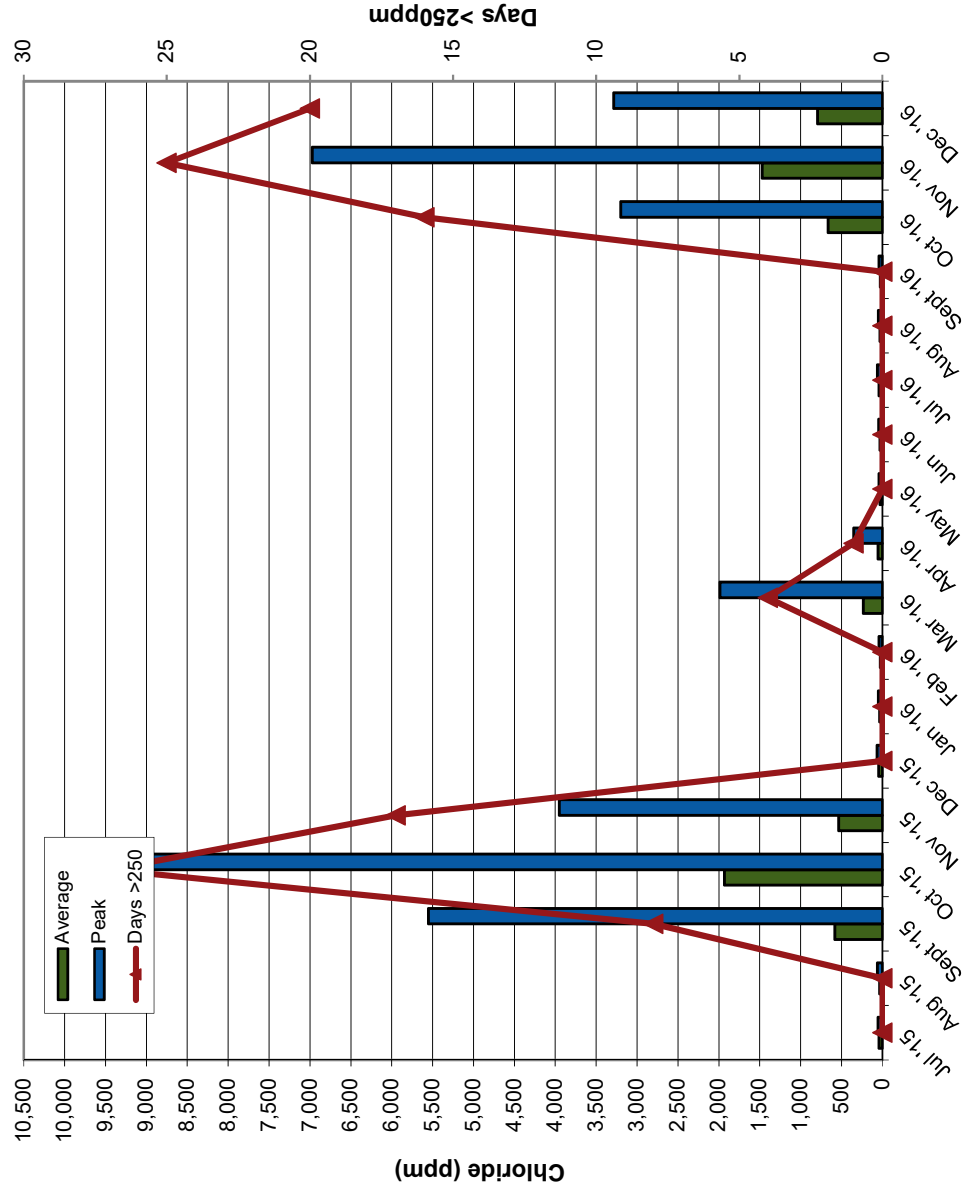
PLATE 1

Chloride (Salinity) Values in Raw Water from Intracoastal Waterway

Terrebonne CWWWD#1

July 1, 2015 to June 30, 2016

GIWW Chloride (Salinity) Values



TREATMENT PLANTS:

The raw water supply for the DISTRICT is processed by two (2) water plants, namely the Schriever Water Treatment Plant (WTP) and the Houma WTP. The combined capacity of the plants is 32 million gallons per day (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

Schriever WTP:

The Schriever WTP is separated into the east and west sides. The east side of the plant has two treatment trains with eight filters, whereas, the west side has four treatment trains with 16 filters. They use the same raw water source but operates independently from where the raw water is pumped into the plant to after the filters where the water is commingled.

The Schriever Water Plant receives its raw water from Bayou Lafourche. There is a raw water reservoir on site to store the raw water and allow most of the solids to settle out of the water column. Two pipes bring the raw water from the reservoir to the clarifiers, one for the east treatment trains and the other for the west treatment trains. Chlorine dioxide, alum, and polymer are added to raw water at the beginning of the pipe run. Fluoride is also added to the west treatment train pipe. (Since the water from the west and east treatment trains are combined prior to distribution, it is not necessary to add fluoride to the east treatment trains as well.) The water is then treated by upflow clarifiers and filters. The west side has gravel, sand, and carbon in the filters with sweeps; while, the east side only has sand and carbon with an air scour system. The filters are backwashed every 96 hours on a rotation basis. After the filters, the water is injected with corrosion inhibitor and chlorine on its way to separate clearwells. The treated water is then pumped from the clearwells into a 30-inch header system where ammonium sulfate is added to continue disinfection in the distribution system with chloramines. From the header, the water is pumped into two pipes, one heading north and the other south.

The Schriever and Houma WTPs both have SCADA systems. All plant operations, as well as ground storage tanks, can be monitored and controlled at each location individually. In addition, the system at the Schriever WTP can monitor the water towers, standpipes, and the Houma WTPs ground storage pressure, but they have no control of these locations. The control of the distribution system, which the water towers and standpipes are a part of, is part of the SCADA system maintained at the CWWD office.

During the site visit, the operators discussed in-house maintenance projects. These included sealing the leaks in the east side concrete, dredging the waste pond, and eventually re-dredging the raw water reservoir. The operators would also like to eventually have air scour on the west side filters.

Houma WTP:

The Houma WTP operates two separate treatment trains that run identically. The raw water is typically pumped from the reservoir and only when the reservoir is low from the GIWW. There are two suction pumps at the intake structure. Chlorine dioxide, alum, and a polymer is added immediately after the pumps. If the water is being taken directly from the GIWW, polyaluminum chloride coagulant (PACC) is also added to help with sludge blanket formation. The raw water then enters one of the two clarifiers. Each clarifier is capable of producing 4mgd of treated water. Since the demand from the plant has been reduced in recent years, they operate one clarifier at 4mgd for 12 hours a day. That plant will stay in operation for approximately six months and then the other will be put online. After exiting the clarifier, chlorine is added to the partially treated water in the trough before it enters the filters. The eight filters have gravel, sand, and anthracite. None of the filters currently have air scour for backwashing. From the filters the water goes to the clearwell for increase in contact time. Pumps then take the water from the clearwell and transfer it to four carbon vessels where it is filtered even further. Since the carbon filters removed any chlorine, ammonia and sodium hypochlorite have to be injected to make chloramines before the water enters the ground storage tanks. The Houma WTP has two 2-million-gallon concrete ground storage tanks. Four pumps can be used to pump potable water into two distribution lines, a 12-inch and a 24-inch.

During the site visit, the operators discussed capital projects they would like to see. These included renovating/replacing the raw water intake structure at the reservoir due to deteriorated frame work, replacing the aerators to help with taste and odor issues when they occur, renovating/replacing the roof over the filters, and adding air scour to the filters.

WATER TRANSMISSION AND DISTRIBUTION:

The water distribution systems for the two (2) public water systems of the DISTRICT include major transmission lines ranging from 16 inches to 36 inches in diameter. The two WTPs are interconnected through the ground storage tanks at the Houma WTP. Two (2) ground storage tanks are located at the Houma Plant and two (2) are located at the Schriever Plant. The Schriever Plant has a combined storage capacity of 6 million gallons, while the Houma Plant has a combined storage of 3 million gallons. Two (2) - three million gallon stand pipes and 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 907 miles of transmission and distribution piping ranging in sizes (as a % of the total) as follows:

36-inches - 14-inches	6.59%
12-inches - 8-inches	60.12%
6-inches - 4-inches	30.16%
Less than 4-inches	3.13%

The DISTRICT has made an effort during the 2015-2016 Fiscal Year to reduce the number of parallel lines in the system. They had a net decrease of 3 miles of transmission and distribution piping for the fiscal year due to this endeavor.

The predominant waterline material of transmission mains (16 inches 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 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

**TERREBONNE PARISH CONSOLIDATED
WATERWORKS DISTRICT NO. 1**

considerations. For larger transmission lines, concrete pipe has been used because of its cost efficiency.

Residential subdivisions are 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 Department of Health and Hospitals 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 DISTRICT's 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>
Bon Villa Major Mobile Home Park	9	211
CMISGD Thibodaux, LLC – Grocery	Waterline	1,395
Cameron Isles	Waterline	4,685
Deroche Estates, Add. 1	14	504
GAB Rentals	Waterline	300
Grocery Store – Skikengold Dev.	Waterline	459
Malhi Invest., L.L.C. – Rue Colton John	Waterline	521
Performance Energy Services	Waterline	580
Sonoco – Industrial Food Service Facility	Waterline	600
<u>Southeast Neuroscience Center</u>	<u>Waterline</u>	<u>249</u>
TOTAL	23 Lots	9,504

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 “E” 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 \$3.40 and \$3.65 per 1,000 gallons, respectively. Above 30,000 gallons they paid \$3.95 and \$4.20 per 1,000 gallons, respectively. Export customers paid \$4.27 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 costs for the prior three months of operation.

The DISTRICT adopted a resolution automatically increasing the rate per 1,000 gallons by \$0.10 each July 1st through 2017. At that time, the rates will be evaluated to determine if future increases will be necessary and by how much. It would be prudent to have a rate study conducted soon to determine the rates likely to be needed for the next five years to cover operation, maintenance, and capital improvements.

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. Per the 2015-2016 audit, the cost of producing water averaged \$1.20/1,000 gallons. Since August 2012, the City Power Plant is paying \$1.30/1,000 gallons. 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 40% gallons for pumping and main line maintenance costs. Thus, the Power Plant and Lafourche Parish would be paying the same rate.

TABLE I**Water Rates**

Terrebonne CWWD#1

July 1, 2015 to June 30, 2016

"S" Rate: Single Occ. Residential

Meter	Gallons	Effective Beginning July 1, 2015
All Meters	2,000 Gals. (Minimum)	\$7.50
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.40
	Over 30,000 Gals.	\$3.95

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

"C" Rate: Commercial, Industrial, and Institutional

Meter	Gallons	Effective Beginning July 1, 2015
All Meters	2,000 Gals. (Minimum)	\$15.00
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.65
	Over 30,000 Gals.	\$4.20

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, 2015
All Meters	2,000 Gals. (Minimum)	\$30.00
Rate per 1,000 gallons	Above Minimum	\$4.27

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.
- Water sold to Lafourche Parish during the Fiscal Year was at \$1.67590 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% or \$0.05/1,000 gallons, whichever is higher. The rate per 1,000 gallons for the ensuing year will be \$1.20139+\$0.67278, or \$1.68194.

SERVICE CONNECTION:

The rates for meter deposits and other fees are shown in **Table II** with the dates on which they became effective. The DISTRICT increased the service connection fee in August of 2012 to \$840.

The DISTRICT's staff periodically reviews expenditures of costs associated with the installation of new service connections. 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 average cost of a service installation during 2015-2016 was \$619/service.

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, 2015 to June 30, 2016

<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	\$30.00	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, 2015 to June 30, 2016

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
2015	\$906,647,097	\$180,524,710	\$1,087,171,807	\$13,609,942
2016	\$922,511,933	\$181,538,770	\$1,104,050,703	\$16,878,896

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 monthly water loss in the system ranged from 13.49% to 31.68% with an annual average of 23.84%, which is within the US average range. This water loss includes the 268 million gallons of water flushed from 16 locations during 2015-2016 Fiscal Year. The average water loss, including known water losses, is approximately 5% higher 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, 2015 to June 30, 2016

MONTH	NUMBER OF CUSTOMERS	NET SALES (\$)	QUANTITY SOLD (Gallons)	AVERAGE BILL (per Customer per Month)	AVERAGE CONSUMPTION (per Customer per Month (Gals.))
July, 2015	43,822	\$1,464,670.38	352,210,700	\$33.42	8,037
August	43,820	\$1,424,552.62	347,367,000	\$32.51	7,927
September	43,721	\$1,401,316.35	341,710,100	\$32.05	7,816
October	43,708	\$1,354,278.32	321,459,200	\$30.98	7,355
November	43,655	\$1,440,787.98	341,696,500	\$33.00	7,827
December	43,682	\$1,224,659.25	286,343,200	\$28.04	6,555
January, 2016	43,612	\$1,275,735.48	301,738,600	\$29.25	6,919
February	43,610	\$1,219,497.39	285,525,600	\$27.96	6,547
March	43,879	\$1,261,579.59	291,829,000	\$28.75	6,651
April	43,609	\$1,314,491.85	309,896,300	\$30.14	7,106
May	43,572	\$1,204,697.91	296,487,200	\$27.65	6,805
June	43,569	\$1,378,893.66	327,644,400	\$31.65	7,520

TOTAL **\$15,965,160.78** **3,803,907,800**

Average number of Customers per Month **43,688**

Average Customer Bill per Month **\$30.45**

Average Customer Consumption per Month **7,256** **gallons per month**

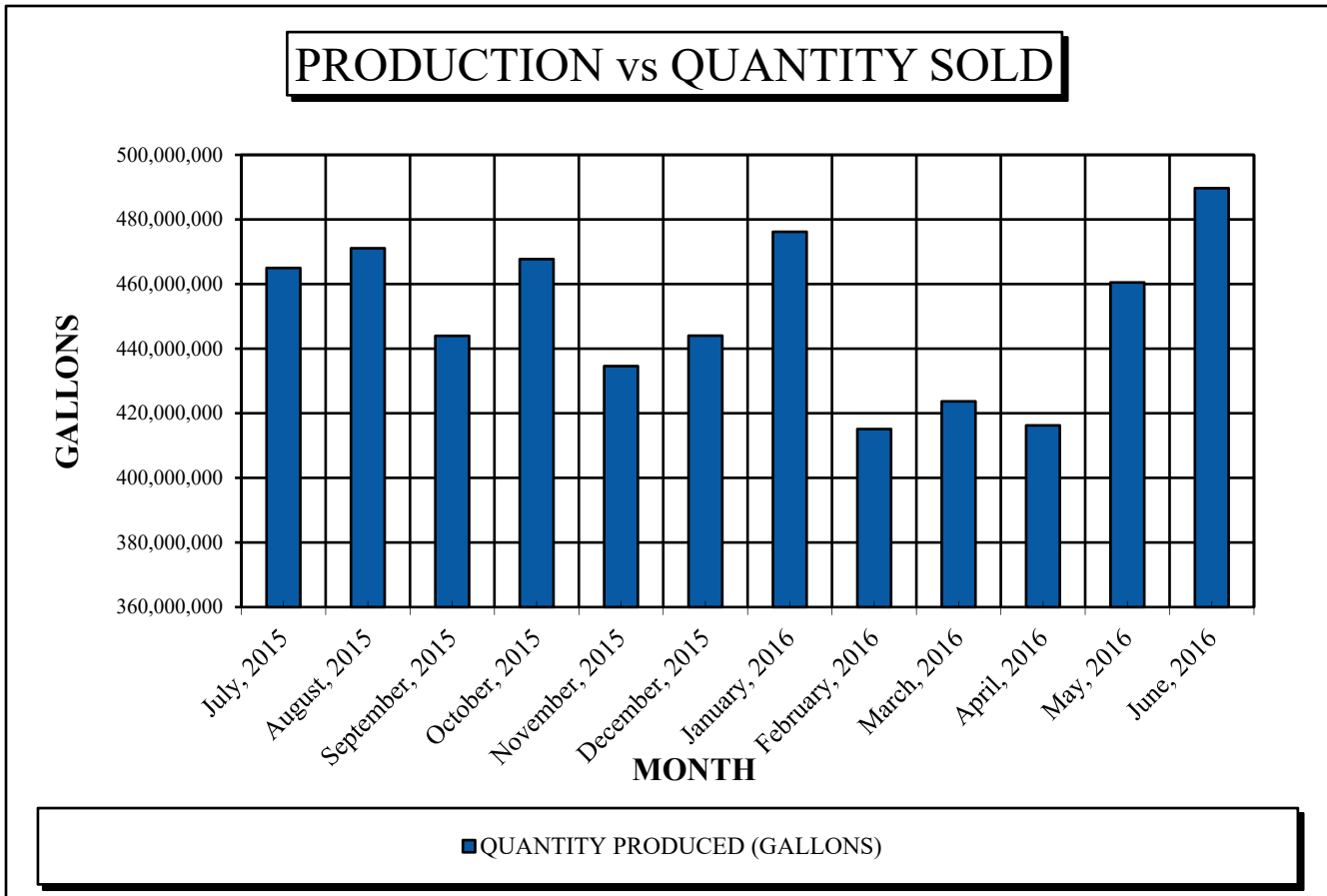
TABLE V
History of Customer Usage
 Terrebonne CWWD#1
 July 1, 2015 to June 30, 2016

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
2015	43,552	\$30.22	7,300
2016	43,688	\$30.45	7,256

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWWD#1
 July 1, 2015 to June 30, 2016

MONTH	QUANTITY PRODUCED (GALLONS)	QUANTITY SOLD (GALLONS)	OTHER SALES NOT METERED (GALLONS)	KNOWN FLUSHINGS (GALLONS)	WATER LOSS IN SYSTEM
July, 2015	464,974,000	352,210,700	6,446,950	21,762,000	18.18%
August, 2015	471,077,000	347,367,000	4,861,690	25,575,600	19.80%
September, 2015	443,968,000	341,710,100	4,489,560	29,232,000	15.44%
October, 2015	467,719,000	321,459,200	5,759,450	30,206,400	23.58%
November, 2015	434,604,000	341,696,500	5,049,774	29,232,000	13.49%
December, 2015	444,024,000	286,343,200	3,980,792	20,212,800	30.06%
January, 2016	476,177,000	301,738,600	6,279,110	17,298,000	31.68%
February, 2016	415,105,000	285,525,600	3,725,290	16,182,000	26.42%
March, 2016	423,676,000	291,829,000	3,996,460	17,298,000	26.09%
April, 2016	416,253,000	298,766,400	4,542,090	16,740,000	23.11%
May, 2016	460,488,000	296,487,200	3,796,900	17,298,000	31.03%
June, 2016	489,691,000	327,644,400	4,063,470	27,150,000	26.72%
Museum South/Havers	-571,400				
TOTAL	5,407,184,600	3,792,777,900	56,991,536	268,186,800	23.84%
AVG/MONTH	450,598,717	316,064,825	4,749,295	22,348,900	23.84%

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWD#1
 July 1, 2015 to June 30, 2016



PLANT PRODUCTION	MONTH	QUANTITY PRODUCED (GALLONS)	Water Loss In System
Least Production Months	February, 2016	415,105,000	25.98%
	April, 2016	416,253,000	22.90%
	March, 2016	423,676,000	25.79%
	November, 2015	434,604,000	13.49%
Average Production Months	September, 2015	443,968,000	15.08%
	December, 2015	444,024,000	29.73%
	May, 2016	460,488,000	30.75%
	July, 2015	464,974,000	18.75%
Highest Production Months	October, 2015	467,719,000	23.57%
	August, 2015	471,077,000	19.58%
	January, 2016	476,177,000	31.65%
	June, 2016	489,691,000	26.46%

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, 2016. 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.

EXPENSES PER METERED CUSTOMER:

Table VII shows the total expenses per customer for the DISTRICT as derived from the DISTRICT's financial report for the year ending June 30, 2016.

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' revenues, expenses, and surplus is shown in **Table IX**. The surplus represents 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 2012 with a slight increase in subsequent years. As is expected, expenses continued to increase with only a slight decrease in 2015. Due to the slight increase in expenses and an even slighter increase in revenues, the surplus per customer per month did decrease in 2016.

TABLE VI
Total Revenue per Customer
 Terrebonne CWWD#1
 July 1, 2015 to June 30, 2016

	<u>Actual</u> <u>2014-2015</u>	<u>Actual</u> <u>2015-2016</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,848,124	\$15,833,615	(\$14,509)
Lafourche Parish Sales	35,283	33,610	(1,673)
Service Connections	219,378	203,280	(16,098)
Meter Installation Fees	142,125	139,159	(2,966)
Penalties & Reconnect Fees	68,821	47,864	(20,957)
Total Operating Revenue	\$16,313,731	\$16,257,528	(\$56,203)
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	214,035	206,757	(\$7,278)
Garbage collections	131,149	130,779	(370)
* Interest on Investments	12,589	33,110	20,521
LA Act 125	13,254	13,582	328
Miscellaneous	193,368	368,127	174,759
Total Other Revenue	\$564,395	\$752,355	\$187,960
Total Revenue	\$16,878,126	\$17,009,883	\$131,757
Average Number of Customers	43,552	43,688	136
Operating Revenue/Customer/Month	\$31.22	\$31.01	(\$0.21)
Other Revenue/Customer/Month	\$1.08	\$1.44	\$0.36
Total Revenue/Customer/Month	\$32.30	\$32.45	\$0.15

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

TABLE VII
Operating Expenses per Customer
Terrebonne CWWD#1
July 1, 2015 to June 30, 2016

<u>Operating Expenses</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Difference</u>
<u>Department</u>			
Administration	\$804,212	\$939,926	\$135,714
Billings & Collections	1,023,198	1,036,506	13,308
Meter Reading	716,859	701,449	(15,410)
Warehouse & Meter Shop	218,958	266,968	48,010
Operations	134,842	138,985	4,143
Engineering	630,821	867,195	236,374
Maintenance & Field Crews	3,099,634	2,548,584	(551,050)
Waterplant*	3,948,027	4,110,969	162,942
Bac-T-Lab	411,580	398,249	(13,331)
Total Operating Expenses (BEFORE Depreciation)	\$10,988,131	\$11,008,831	\$20,700
Add:			
Depreciation	\$3,503,221	\$3,631,042	\$127,821
Total Operating Expenses (AFTER Depreciation)	\$14,491,352	\$14,639,873	\$148,521
Average Number of Customers	43,552	43,688	136
Operating Expense/Customer/Month (BEFORE Depreciation)	\$21.02	\$21.00	(\$0.02)
Operating Expense/Customer/Month (AFTER Depreciation)	\$27.73	\$27.93	\$0.20

* Waterplant expenses does not include filter amortization.

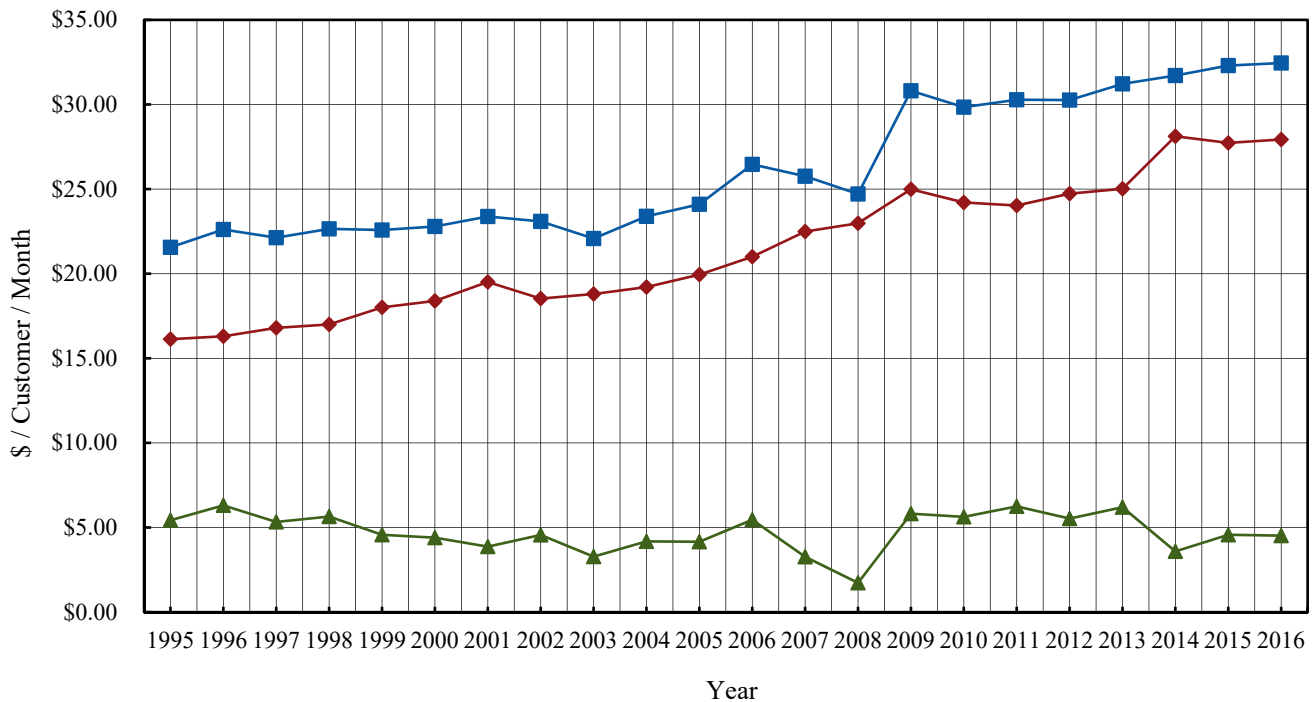
TABLE VIII
Net Surplus per Customer
Terrebonne CWWD#1
July 1, 2015 to June 30, 2016

	<u>Actual</u> <u>2014-2015</u>	<u>Actual</u> <u>2015-2016</u>	<u>Difference</u>
<u>REVENUE</u>			
Operating Revenue	\$16,313,731	\$16,257,528	\$ (56,203)
Other Revenue	564,395	752,355	187,960
TOTAL REVENUE	\$16,878,126	\$17,009,883	131,757
<u>EXPENSES</u>			
Operating Expenses	\$10,988,131	\$11,008,831	\$ 20,700
OPERATING SURPLUS (BEFORE Depreciation)	\$5,889,995	\$6,001,052	111,057
Less: Depreciation	\$3,503,221	\$3,631,042	\$ 127,821
OPERATING SURPLUS (AFTER Depreciation)	\$2,386,774	\$2,370,010	(16,764)
Average Number of Customers	43,552	43,688	136
Operating Surplus/Customer/Month (BEFORE Depreciation)	\$11.27	\$11.45	\$ 0.18
Operating Surplus/Customer/Month (AFTER Depreciation)	\$4.57	\$4.52	\$ (0.05)

TABLE IX
History of Revenue, Expenses and Net Surplus
 Terrebonne CWWD#1
 July 1, 2015 to June 30, 2016

<u>YearEnding June 30th</u>	<u>Total Revenue per Customer/Mo.</u>	<u>Total Expenses per Customer/Mo.</u>	<u>Net Surplus per Customer/Mo.</u>
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
2015	\$32.30	\$27.73	\$4.57
2016	\$32.45	\$27.93	\$4.52

Revenue, Expenses & Net Surplus per Customer per Month



■ Total Revenue per Customer/Mo.
 ◆ Total Expenses per Customer/Mo.
 ▲ Net Surplus per Customer/Mo.

SECTION III

**PERFORMANCE OF ACTUAL
AND BUDGETED YEAR**

GENERAL:

Each year, the engineering 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, 2016, 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, 2015 to June 30, 2016

	<u>Actual</u> <u>2015-2016</u>	<u>Budgeted</u> <u>2016-2017</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,833,615	\$16,250,000	\$416,385
Lafourche Parish Sales	33,610	33,000	(610)
Service Connections	203,280	210,000	6,720
Meter Installation Fees	139,159	135,000	(4,159)
Penalties & Reconnect Fees	47,864	72,000	24,136
Total Operating Revenue	<hr/> \$16,257,528	<hr/> \$16,700,000	<hr/> \$442,472
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	\$206,757	\$220,000	\$13,243
Garbage collections	130,779	130,000	(779)
Interest on Investments	33,110	15,000	(18,110)
LA Act 125	13,582	13,000	(582)
Miscellaneous	368,127	50,000	(318,127)
Total Other Revenue	<hr/> \$752,355	<hr/> \$428,000	<hr/> (\$324,355)
Total Revenue	<hr/> \$17,009,883	<hr/> \$17,128,000	<hr/> \$118,117

TABLE XI
Audited and Budgeted Operating Expenses
 Terrebonne CWWD#1
 July 1, 2015 to June 30, 2016

<u>OPERATING EXPENSES</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>BUDGETED</u> <u>2016-2017</u>	<u>Difference</u>
<u>DEPARTMENT</u>			
Administrative	\$939,926	\$1,029,547	\$89,621
Billings and Collections	1,036,506	1,135,057	98,551
Meter Reading	701,449	727,876	26,427
Warehouse and Meter Shop	266,968	310,609	43,641
Utilities - Operations	138,985	150,000	11,015
Engineering	867,195	1,138,322	271,127
Maintenance and Field Crews	2,548,584	2,803,963	255,379
Waterplant	4,110,969	4,334,802	223,833
Bac-T-Lab	398,249	430,650	32,401
TOTAL OPERATING EXPENSES	\$11,008,831	\$12,060,826	\$1,051,995
(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, the DISTRICT has five outstanding bonds. The 2010 bonds and 2014 DHH bonds require 125% of that year's principal and interest payment to meet parity. The 2012A, 2012B, and 2014 bonds mandate that revenues are sufficient to realize an operating surplus to cover 120% of the maximum future annual debt payment before depreciation and amortization. The principal and interest payments for 2015 through 2037 were evaluated to determine which requirement would yield the highest parity for each year. It was determined that for the years 2015, 2016, and 2017, the highest parity would be 120% of the 2023 payment. From 2018 through 2037 the highest requirement is 125% of that year's payments.

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 \$2,696,535 and had an excess of \$2,869,210. It is projected that the DISTRICT will meet its required 120% of the maximum debt payment and have an excess of \$1,935,332 for the 2016-2017 fiscal year. The debt retirement schedule (**Appendix C**) shows the semi-annual debt payments for future years.

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 and the 20% coverage by the operating revenue. For the 2015-2016 fiscal year, the DISTRICT had a surplus of 20.97%. It is anticipated that the surplus for 2016-2017 will be approximately 14.82%.

TABLE XII
Audited and Budgeted Surplus and Parity Income
Terrebonne CWWD#1
July 1, 2015 to June 30, 2016

	<u>Actual</u> <u>2015-2016</u>	<u>Budgeted</u> <u>2016-2017</u>	<u>Difference</u>
<u>REVENUE</u>			
Total Operating Revenue	\$16,257,528	\$16,700,000	\$442,472
Total Other Revenue	752,355	428,000	(\$324,355)
Total Revenue	\$17,009,883	\$17,128,000	\$118,117
<u>EXPENSES</u>			
Total Operating Expenses	\$11,008,831	\$12,060,826	\$1,051,995
Service Connections (Parts & Contract Labor)	104,287	150,000	\$45,713
Total Expenses	\$11,113,118	\$12,210,826	\$1,097,708
Surplus (BEFORE Depreciation)	\$5,896,765	\$4,917,174	(\$979,591)
less: Transfers			
Revenue Bonds (Sinking Fund & Reserve)	\$2,006,193	\$2,173,910	\$167,717
Depreciation & Contingency Fund	868,164	856,400	(\$11,764)
Total Transfers	\$2,874,357	\$3,030,310	\$155,953
Net Surplus	\$3,022,408	\$1,886,864	(\$1,135,544)
<u>PARITY INCOME</u>			
Net Surplus	\$3,022,408	\$1,886,864	(\$1,135,544)
Transfer: Revenue Bond Sinking Fund	2,006,193	2,173,910	\$167,717
Transfer: Depreciation & Contingency Fund	868,164	856,400	(\$11,764)
Service Connections (Parts & Contract Labor)	104,287	150,000	\$45,713
Reserve Filter Media Amortization	104,000	104,000	\$0
Total Parity Income	\$6,105,052	\$5,171,174	(\$933,878)
<u>REQUIRED PARITY INCOME</u>			
Maximum Amount of Principal & Interest	\$2,696,535	\$2,696,535	\$0
Coverage @ 120% of Maximum Principal & Interest	\$539,307	\$539,307	\$0
Required Parity Income	\$3,235,842	\$3,235,842	\$0
Excess Income for Parity Purposes	\$2,869,210	\$1,935,332	(\$933,878)
% of Operating Revenue Available for Projects	20.97%	14.82%	

SECTION IV

CAPITAL OUTLAY

2010 BOND ISSUE:

The DISTRICT applied and received a loan from the Louisiana Department of Health and Hospitals (LDHH), through the Drinking Water State Revolving Fund (DWSRF), for a \$1.9 million at 3.45% interest, 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. This bond issue requires 125% coverage of that year's principal and interest payments to meet parity. It also requires a minimum of \$200,000 in the Depreciation and Contingencies Fund.

2012 BOND ISSUE:

Two (2) bonds were issued in 2012. Series 2012A was the issuance of \$17.3 million for new Capital Improvement Projects. Series 2012B was the refinancing of Series 2009 Bonds at 3.0% interest. These bond issues require 120% coverage of the maximum principal and interest payments for future years to meet parity. It also requires a minimum of \$300,000 in the Depreciation and Contingencies Fund.

2014 BOND ISSUES:

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. This bond issue requires 120% coverage of the maximum principal and interest payments for future years to meet parity. It also requires a minimum of \$300,000 in the Depreciation and Contingencies Fund.

The DISTRICT also issued \$4.2 million in bonds through LDHH's DWSRF. LDHH is forgiving \$1.125 million of these bonds. The remaining bonds have a 3.45% interest rate. This

bond issue requires 125% coverage of that year's principal and interest payments to meet parity. It also requires a minimum of \$200,000 in the Depreciation and Contingencies Fund.

Table XIII shows the 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, 2016 is approximately \$6.8 million. The DISTRICT has authorized only one additional local capital improvement project for the 2016-2017 Fiscal Year, which has a budget of \$125,000.

FUTURE PROJECTS:

During the site visits to the WTPs, the operators discussed other projects they would like to see completed at the plants that would be beneficial to the treatment process. These projects are not necessary at this time, but will be considered capital projects if the DISTRICT decides to move forward with them.

1. Add air scour to the Schriever WTP west side filters
2. Add air scour to the Houma WTP filters
3. Replace the intake pumps and structure at the Houma WTP
4. Replace/repair the roof over the filters at the Houma WTP

TABLE XIII
Incomplete Projects
Terrebonne CWWD#1
July 1, 2015 to June 30, 2016

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 Engineering and Design, LLC	\$ 400,000.00	\$ -	\$ -	\$ -	\$ 400,000.00	\$ 263,927.84	\$ 136,072.16
CIP-11-12-11	Capital Improvement Project Facilitator	Arthur A. DeFraitcs,Jr.	\$ 50,000.00	\$ -	\$ -	\$ 17,439.50	\$ 67,439.50	\$ 67,439.50	\$ -
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 Engineering and Design, LLC	\$ 908,188.00	\$ 566,562.00	\$ 5,645,250.00	\$ 178,074.87	\$ 7,298,074.87	\$ 6,237,281.43	\$ 1,060,793.44
CIP-1-14-02	30" Transmission Main Along US Hwy 90 From LA Hwy 316 to LA Hwy 311	Milford & Associates, Inc.	\$ 747,991.69	\$ 575,334.00	\$ 5,753,340.00	\$ 6,567.00	\$ 7,083,232.69	\$ 6,029,190.50	\$ 1,054,042.19
CIP-3-15-01	2 - 2 MGD Ground Storage Tanks - Houma City Plant	All South Consulting Engineers, LLC	\$ 79,680.00	\$ 200,000.00	\$ 1,465,320.00	\$ -	\$ 1,745,000.00	\$ 1,637,239.11	\$ 107,760.89
SUBTOTAL			\$ 2,310,859.69	\$ 1,341,896.00	\$ 12,863,910.00	\$ 202,081.37	\$ 16,718,747.06	\$ 14,241,403.38	\$ 2,477,343.68
2012A REVENUE BOND AMOUNT							\$ 17,300,000.00		
2012A REVENUE BONDS NOT ALLOCATED AS OF JUNE 30							\$ 581,252.94		

Funds Provided by DWSRF 2014A Bonds

**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	\$ 440,000.00	\$ (102,423.98)	\$ 489,576.02	\$ 489,576.02	\$ -
**CIP-9-12-05	Tie 24" Transmission Line to City System	Milford & Associates, Inc.	\$ 78,492.00	\$ 28,423.00	\$ 499,515.00	\$ (74,474.16)	\$ 531,955.84	\$ 531,955.84	\$ -
*CIP-9-12-06(XX)	12" on Tunnel Blvd from Liberty to Gabasse	Shaw Coastal, Inc.	\$ 111,962.00	\$ 45,000.00	\$ 448,650.00	\$ (551,380.18)	\$ 54,231.82	\$ 54,231.82	\$ -
CIP-9-12-06	12" on Tunnel Blvd from Liberty to Gabasse	David Waitz Engineering, Inc.	\$ 76,793.00	\$ 45,000.00	\$ 448,650.00	\$ -	\$ 570,443.00	\$ 4,978.33	\$ 565,464.67
CIP-9-16-04	Waterline Along Bayou Blue Road	All South Consulting Engineers, LLC	\$ 200,000.00	\$ 140,000.00	\$ 1,200,000.00	\$ -	\$ 1,540,000.00	\$ -	\$ 1,540,000.00
SUBTOTAL			\$ 576,139.60	\$ 301,530.40	\$ 3,036,815.00	\$ (728,278.32)	\$ 3,186,206.68	\$ 1,080,742.01	\$ 2,105,464.67
DWSRF 2014A BOND AMOUNT							\$ 4,200,000.00		
DWSRF 2014A BONDS NOT ALLOCATED AS OF JUNE 30							\$ 1,013,793.32		

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	\$ 185,816.21	\$ 414,383.79
**SPN-246-01-0054	LA Hwy 57 Waterline Relocation	T. Baker Smith, Inc.	\$ 311,651.75	\$ 187,147.00	\$ 1,559,817.50	\$ (126,261.60)	\$ 1,932,354.65	\$ 1,932,354.65	\$ -
**L-10-13-04	Waterline Replacement Along Shrimper's Row	All South Consulting Engineers, LLC	\$ 125,234.00	\$ 36,356.00	\$ 604,943.50	\$ (25,313.59)	\$ 741,219.91	\$ 741,219.91	\$ -
L-9-15-04	Waterline Replacement Montegut	In House	\$ -	\$ -	\$ 260,000.00	\$ -	\$ 260,000.00	\$ -	\$ 260,000.00
SPN-H.008411	Bayou Terrebonne Bridge (LA660 & LA24) Waterline Relocation	Milford & Associates, Inc.	\$ 54,112.79	\$ 22,455.00	\$ 170,406.00	\$ -	\$ 246,973.79	\$ -	\$ 246,973.79
SUBTOTAL			\$ 574,498.54	\$ 292,969.00	\$ 3,064,856.00	\$ (151,575.19)	\$ 3,780,748.35	\$ 2,859,390.77	\$ 921,357.58
GRANT AMOUNT							\$ 2,451,619.65		
AMOUNT PROVIDED BY DISTRICT							\$ 1,329,128.70		

Local Projects Committed prior to June 30, 2016 (Funds Provided by District Surplus)

**L-9-13-02	Tank Painting & Repairs 2013-2014	Milford & Associates, Inc.	\$ 158,200.00	\$ 34,320.00	\$ 528,200.00	\$ (304,345.26)	\$ 416,374.74	\$ 416,374.74	\$ -
L-1-15-01	Bayou Blue Intracoastal Waterline Crossing	Providence Engineering and Design, LLC	\$ 51,400.00	\$ 19,600.00	\$ 195,000.00	\$ -	\$ 266,000.00	\$ 36,357.30	\$ 229,642.70
**L-2-15-02	Theriot Tank Booster Chlorination station	In House	\$ -	\$ -	\$ 40,000.00	\$ 5,366.13	\$ 45,366.13	\$ 45,366.13	\$ -
**L-7-15-03	Waterline Participation 2015-2016	In House	\$ -	\$ -	\$ 125,000.00	\$ (103,899.00)	\$ 21,101.00	\$ 21,101.00	\$ -
L-12-15-05	Office Renovations	Houston Lirette, Architect	\$ 94,487.00	\$ 74,448.70	\$ 650,000.00	\$ -	\$ 818,935.70	\$ -	\$ 818,935.70
L-1-16-01	Office Back Warehouse Renovations	In House	\$ -	\$ -	\$ 138,520.00	\$ -	\$ 138,520.00	\$ -	\$ 138,520.00
L-1-16-02	Office Roof Replacement	In House	\$ -	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00
SUBTOTAL			\$ 304,087.00	\$ 128,368.70	\$ 1,826,720.00	\$ (402,878.13)	\$ 1,856,297.57	\$ 519,199.17	\$ 1,337,098.40

Local Projects Committed after June 30, 2016 (Funds Provided by District Surplus)

L-7-16-03	Waterline Participation 2016-2017	In House	\$ -	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00
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*Contract was terminated.
** Completed in 2015-2016.

**TERREBONNE PARISH CONSOLIDATED
WATERWORKS DISTRICT NO. 1**

As of June 30, 2016, the DISTRICT has a balance in various accounts for Annual Capital Outlay purposes in the following amounts:

Surplus Fund (Cash)	\$	302,595	
Surplus Fund – CD Invest.		725,000	
Surplus Fund – LAMP		9,320,000	
Depreciation & Contingency – CD Invest.		865,000	
Depreciation & Contingency – Savings		1,657,488	
Depreciation & Contingency – LAMP		<u>623,000</u>	
			\$ 13,493,083
Construction Fund – Checking			\$ 7,409
Construction Fund – Savings			\$ 204,257
<u>Construction Fund – LAMP</u>			<u>\$ 775,000</u>
Total Funds Available			\$ 14,479,749
Less: Reserve for Capital and			
<u>Contingency Fund</u>			<u>(-\$ 300,000)</u>
Total Funds Available for Annual Capital Projects			\$ 14,179,749

In addition to the funds in the DISTRICT's accounts, three projects have been awarded grants from various federal and state departments. Most of those funds were reimbursed in previously fiscal years. The funds remaining after June 30, 2016 are as follows:

EPA STAG Grant Funds (CIP-9-12-08)	\$	291,000
DOTD State Funding (SPN-H.008411)	\$	0
LCDBG Grant Funds (L-9-15-04)	\$	<u>0</u>
	\$	291,000

The capital improvement and local projects that were begun prior to June 30, 2016 will be funded as shown below. The DISTRICT has annual projects and projects that they have committed to for the 2016-2017 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	(-\$ 2,477,344)
Funds for DWSRF 2014A Bond Projects	(-\$ 2,105,465)
Funds for Grant Assisted Projects	(-\$ 921,358)
Funds for Local Projects Committed prior to June 30, 2016	(-\$ 1,337,098)
Funds for 2015-2016 Committed Local Projects	(-\$ 125,000)
<u>Funds for 2015-2016 Annual Projects</u>	<u>(-\$ 2,075,000)</u>
Funds Required for Previously Committed Projects	(-\$ 9,041,265)

**TERREBONNE PARISH CONSOLIDATED
WATERWORKS DISTRICT NO. 1**

Total Unassigned Surplus Capital Funds

Unrestricted Funds (D&C, Surplus, and Bonds)	\$ 14,179,749
Total Grant Funds	\$ 291,000
<u>Funds Required for Previously Committed Projects</u>	<u>(-\$ 9,041,265)</u>
Total Unallocated Surplus Funds	\$ 5,429,484

Of the \$5,429,484 Total Unallocated Surplus Funds, \$1,595,046 is remaining from the 2012A and 2014A Revenue Bond Issues and must be used for projects meeting the bond issue requirements. Therefore, the Unallocated Surplus Funds for the DISTRICT as of June 30, 2016 is approximately \$3.8 million for other projects the DISTRICT would like to undertake in 2016-2017. The distribution system is aging and some areas, such as Downtown Houma, need maintenance, repairs, or upgrades. The DISTRICT plans to conduct a study of the distribution system to determine the areas of need and develop a five-year capital improvement plan for this projects.

TABLE XIV
Additional Local Projects for 2016-2017
 Terrebonne CWWD#1

Annual Projects

Tank Painting & Repairs (15 yrs.)	\$ 600,000.00
Residential Meter Replacements (20 yrs.)	\$ 250,000.00
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	\$ 125,000.00
Carbon - Rotational Replacement	\$ 325,000.00
New Waterline Construction/Financing	\$ 125,000.00
	<u>\$ 2,075,000.00</u>

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 two (2) litigations involving damages caused by the system. One (1) of the litigations will be settled and the other 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:

“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 the 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 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 insurance attorney reports that this case has had no movement except that plaintiffs' attorneys have withdrawn with no replacements having come yet. This will make disposing of the case difficult against unrepresented plaintiffs. The insurance attorney believes that his client may want to simply wait to see if no activity occurs within a three-year period, at which time it could be summarily dismissed for “abandonment”. That three-year period will be reportedly reached on April 3, 2017.

“Consolidated Waterworks District No. 1 of the Parish of Terrebonne v. Weeks Marine, Inc., No. 175886”. On or about December 3 or 4, 2014, Weeks Marine, Inc. reported to Waterworks that one of its spud barges may have struck a submerged waterline near Weeks’ facility on the Gulf Intracoastal Waterway. Subsequent reports from customers in the area and other tests confirmed that indeed the line in that area was severed and inoperative. Waterworks retained Providence/GSE Associates, LLC to provide an estimate and a design for replacing the 4-inch severed line with a larger 12-inch line which better suits Waterworks’ needs. The lawsuit will only seek the dollar amount to replace the smaller line that was actually severed (estimated now at \$250,000.00); the relatively low additional materials cost for the larger line (approximately \$21,000.00) will not be sought from Weeks, since Louisiana law provides that a wrongdoer (such as Weeks) is only responsible for the damages needed to make a victim (such as Waterworks) whole.

Correspondence to and from Weeks Marine’s insurance carrier was done before suit, but the parties were unable to agree on a dollar amount before the one-year anniversary date, making suit necessary. (Suit was filed on November 24, 2015.)

The project to replace the waterline is being completed as of this writing, and the actual cost that will have been incurred will form the basis of Waterworks’ claim. That actual cost amount will be somewhat lower than the \$250,000.00 originally estimated.

Weeks is not mounting a defense based on denying liability (fault) for the incident and rupture. Rather, Weeks has argued that its exposure should be mitigated by a couple of factors. First, Weeks maintains that it should only be liable for the cost of replacing the 4-inch cast iron pipe that was destroyed which was decades-old (late 1950’s). The old cast iron pipe was shorter in length than the new PE pipe that was bored at a considerable depth below the channel, as mandated by the Corps of Engineers. However, Providence/GSE’s quote on material cost shows that cast iron pipe would actually be more expensive than the PE, at the present quantities. Weeks also is arguing that the pipe that it ruptured should be discounted since it was decades old (late 1950’s) and therefore was depreciated. The depreciation argument may hold some weight, but

when Weeks tries to claim that its exposure should be lessened because the current cost of materials and labor for the greater amount of PE pipe used for replacement would be higher than installing the shorter amount of cast iron pipe it damaged, Weeks should be unsuccessful. That's because such an installation method (laying iron pipe in a shallow trench at the bottom of the channel) is no longer feasible from a cost standpoint-- labor and materials would be much more expensive and laying a pipe on the bottom of a channel is prohibited by current Corps regulations.

Attempts at settling out-of-court with Weeks and its insurer for the costs of the replacement line will continue as the suit progresses, but a trial date will be obtained and the case will move forward to trial if necessary.

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, supplies, and contractual labor, and distributes work among several engineering firms inside and outside of 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:

Legal Advisor	Mr. David Norman
Engineering Consultant (per bond covenants)	Ms. Melanie B. Caillouet, Providence Engineering and Design, LLC
Bond Counsel	Mr. Jerry Osborne, Foley & Judell, L. L. P.
Certified Public Accountants	Bourgeois Bennett, L.L.C.

MANAGEMENT PERSONNEL:

Mr. Michael Sobert is the General Manager of the DISTRICT and has been 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, and EPA, and Louisiana Department of Health and Hospitals (LDHH) requirements. He supervises all personnel of the DISTRICT and is responsible for informing the Board of Commissioners of its operating condition.

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

Mr. Emery Chauvin, a registered professional civil engineer (license inactive), became a member of the staff in January 2001. He served as Superintendent of the Distribution System until his retirement in fall of 2016. He maintained the highest level of LDHH certifications that are required to operate a potable water distribution system during his employment.

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 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

6 employees

Billing and Collecting

Department Head - Monique Prosperie, Billing & Collecting Manager

7 employees

Customer Service Representatives

Department Head – Kevin Cunningham, Supervisor

8 employees

Engineering

Department Head - Mary Trahan, Operations Manager

11 employees

Field Force

Department Head - Emery Chauvin, Superintendent, Distribution

Curtis Jackson, Field Superintendent

20 employees

Warehouse and Meter Shop

Supervised by Office Manager

3 employees

Water Plants

Department Head - Michael LeCompte, Superintendent, Water Treatment

Schriever Water Treatment Plant - Ivy Theriot, Supervisor

Houma Water Treatment Plant - Randy Hille, Supervisor

16 employees

Bac-T-Lab

Department Head - Ray Percle, Supervisor

3 employees

SECTION VII

INSURANCE

GENERAL:

The provisions of the DISTRICT's bond resolutions, 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 further provides 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 the bond resolution.

SCHEDULE OF INSURANCE IN FORCE

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

June 30, 2016

(Unaudited)

Insurer	Type of Coverage	Amount of Insurance	Expiration Date
Arch Insurance Company	Automobile liability	\$ 1,000,000	July 1, 2016
Arch Insurance Company	General liability	\$ 3,000,000	July 1, 2016
Louisiana United Businesses' Association	Workers' compensation	\$ 1,000,000	July 1, 2016
Continental Casualty Company	Combined building & personal property	\$ 30,000,000	June 1, 2017
Continental Casualty Company	Public employee dishonesty, forgery or alteration, theft, disappearance & destruction	\$ 100,000	June 1, 2017
Fireman's Fund Insurance Companies/ Allianz Global Corporate & Specialty	Computer equipment	\$ 336,307	July 1, 2016
Harleysville Mutual Insurance Company	Flood	\$ 500,000	August 1, 2016

APPENDIX A

Departmental Expenses



PROVIDENCE

APPENDIX A
Departmental Expenses
Terrebonne CWWD#1
July 1, 2015 to June 30, 2016

I-1

	ADMINISTRATION	BILLINGS & COLLECTIONS	METER READING	WAREHOUSE & METER SHOP	ENGINEERING	OPERATIONS	MAINTENANCE & FIELD CREWS	WATERPLANT	LAB	TOTAL
Accounting	\$51,250									\$51,250
Attorney	74,882									74,882
Backflow Prevention Program							0			0
Bayou Black Reservoir Maintenance								7,592		7,592
Board Members	15,609									15,609
Bond Agent Fees	5,600									5,600
Chemicals							26,200	1,343,698		1,369,898
Collection Agency		10,574								10,574
Computer Supplies					3,428			104	0	3,532
Consulting Engineer	8,500									8,500
Data Processing		172,018								172,018
DHH Emergency Rule							6,581			6,581
Employee Group Insurance	92,057	70,864	129,610	37,889	89,943		232,866	235,686	54,875	943,790
Equipment & Bld'g.Repairs	21,458	36,261	5,706	7,964					8,583	79,972
Equipment - Field Repairs							166,968			166,968
Freight				503			1,013	3,069	5,582	10,167
Gasoline and Oil	1,285	1,442	18,763	889	8,061		29,612	9,653	8,352	78,057
Generator Fuel								0		0
GIS Network					72,894					72,894
Insurance and Bonds	37,603	27,988	39,488	10,698	35,365		144,449	277,001	18,696	591,288
Janitorial Service	18,000								7,742	25,742
Lab Analysis								460	42,555	43,015
Lab Equipment and Supplies									18,708	18,708
Meter Parts and Repair			2,801	16,226						19,027
Office Supplies and Expenses	40,936	65,864	865	1,229	9,807		3,173	12,665	5,736	140,275
Other Postemployment Benefit	11,243	51,201	50,518	9,692	60,855		83,576	65,889	12,066	345,040
Payroll Taxes	42,512	26,967	34,978	12,996	44,216		79,933	91,643	16,035	349,280
Plant Maintenance								272,704		272,704
Plant Supplies								7,400		7,400
Postage		250,293								250,293
Publish Proceedings	4,561									4,561
Radio Communications	11,125	1,858	12,561		17,305		35,431	14,900	6,232	99,412
Raw Water Cost								141,456		141,456
Retirement Expenses	25,523	17,230	21,807	5,796	22,005		48,504	56,797	10,043	207,705
Salaries	444,052	296,262	373,653	139,006	485,130		839,791	980,445	171,412	3,729,751
Seminars and Schools	9,681	25			11,878		6,147	3,984	99	31,814
Small Tools			424	3,202			7,697	1,304		12,627
Telephone Service		6,037						7,991	1,370	15,398
Tractor Repairs								2,505		2,505
Truck and Auto Repair	684	1,622	10,275		6,308		20,777	2,001	2,280	43,947
Uniforms							4,590	907		5,497
Utilities	23,365					138,985		571,115	7,883	741,348
Warehouse Supplies				20,878						20,878
Waterline Maintenance							795,468			795,468
Watertower Maintenance							15,808			15,808
TOTAL	\$939,926	\$1,036,506	\$701,449	\$266,968	\$867,195	\$138,985	\$2,548,584	\$4,110,969	\$398,249	\$11,008,831
Average No. of Customers	43,688									
Annual costs per customer	\$21.51	\$23.73	\$16.06	\$6.11	\$19.85	\$3.18	\$58.34	\$94.10	\$9.12	\$252.00
Monthly costs per customer	\$1.79	\$1.98	\$1.34	\$0.51	\$1.65	\$0.27	\$4.86	\$7.84	\$0.76	\$21.00

APPENDIX B

Departmental Expenses and Budget



APPENDIX B
Departmental Expense and Budget
 Terrebonne CWW#1
 July 1, 2015 to June 30, 2016

	<u>ACTUAL</u> <u>2014-2015</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>ADMINISTRATIVE</u>					
Salaries	\$367,734	\$445,337	\$77,603	\$426,500	(\$18,837)
Other Postemployment Benefits	901	11,243	10,342	28,897	17,654
Employee Group Insurance	73,442	92,057	18,615	107,000	14,943
Payroll Taxes	35,915	42,512	6,597	43,150	638
Retirement Expenses	24,759	25,523	764	34,000	8,477
Office Supplies and Expenses	33,466	40,936	7,470	40,000	(936)
Accounting	45,285	51,250	5,965	50,000	(1,250)
Attorney	77,469	74,882	(2,587)	125,000	50,118
Board Members	16,605	15,609	(996)	17,000	1,391
Bond Agent Fees	1,000	5,600	4,600	5,000	(600)
Consulting Engineers	15,195	8,500	(6,695)	15,000	6,500
Consulting Risk Manager	0	0	0	0	0
Insurance and Bonds	30,579	37,603	7,024	35,000	(2,603)
Janitorial Service	16,500	18,000	1,500	20,000	2,000
Publishing Proceedings	4,633	4,561	(72)	5,000	439
Radio Communications	9,142	11,125	1,983	10,000	(1,125)
Equipment Repair (Office)	15,469	21,458	5,989	25,000	3,542
Truck and Auto Repair*	1,093	684	(409)	1,000	316
Seminars and Schools	10,616	9,681	(935)	19,000	9,319
Utilities	24,409	23,365	(1,044)	23,000	(365)
TOTAL	\$804,212	\$939,926	\$135,714	\$1,029,547	\$89,621

*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	\$300,801	\$296,262	(\$4,539)	\$323,500	\$27,238
Other Postemployment Benefits	11,410	51,201	39,791	34,007	(17,194)
Employee Group Insurance	87,195	70,864	(16,331)	94,850	23,986
Payroll Taxes	27,796	26,967	(829)	32,000	5,033
Retirement Expenses	20,853	17,230	(3,623)	26,000	8,770
Gasoline and Oil	1,684	1,442	(242)	1,500	58
Office Supplies and Expenses	59,685	65,864	6,179	60,000	(5,864)
Collection Agency	16,692	10,574	(6,118)	15,000	4,426
Data Processing	190,259	172,018	(18,241)	220,000	47,982
Equipment Maintenance/Lease	24,556	36,261	11,705	40,000	3,739
Insurance and Bonds	27,584	27,988	404	30,500	2,512
Postage	246,837	250,293	3,456	247,000	(3,293)
Radio Communications	1,855	1,858	3	2,500	642
Truck and Auto Repairs	332	1,622	1,290	1,000	(622)
Seminars and Schools	0	25	25	1,000	975
Telephone	5,659	6,037	378	6,200	163
TOTAL	\$1,023,198	\$1,036,506	\$13,308	\$1,135,057	\$98,551

*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 CWWWD#1
 July 1, 2015 to June 30, 2016

	<u>ACTUAL</u> <u>2014-2015</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>METER READING</u>					
Salaries	\$372,766	\$373,653	\$887	\$362,000	(\$11,653)
Other Postemployment Benefits	40,990	50,518	9,528	50,126	(392)
Employee Group Insurance	128,533	129,610	1,077	147,000	17,390
Payroll Taxes	35,881	34,978	(903)	35,750	772
Retirement Expenses	25,886	21,807	(4,079)	29,000	7,193
Gasoline and Oil	29,535	18,763	(10,772)	18,000	(763)
Office Supplies and Expenses	4,678	865	(3,813)	3,500	2,635
Small Tools	1,015	424	(591)	2,500	2,076
Insurance and Bonds	45,704	39,488	(6,216)	42,000	2,512
Radio Communications	12,645	12,561	(84)	15,000	2,439
Equipment Repair (Office)	5,431	5,706	275	7,500	1,794
Meter Parts & Supplies	597	2,801	2,204	2,500	(301)
Truck and Auto Repairs	12,803	10,275	(2,528)	12,000	1,725
Schools & Seminars	395	0	(395)	1,000	1,000
Uniforms	0	0	0	0	0
TOTAL:	\$716,859	\$701,449	(\$15,410)	\$727,876	\$26,427

WAREHOUSE AND METER SHOPS

Salaries	\$117,136	\$139,006	\$21,870	\$157,500	\$18,494
Other Postemployment Benefits	14,329	9,692	(4,637)	22,659	12,967
Employee Group Insurance	26,385	37,889	11,504	46,500	8,611
Payroll Taxes	11,341	12,996	1,655	15,750	2,754
Retirement Expenses	5,392	5,796	404	9,200	3,404
Gasoline and Oil	1,401	889	(512)	1,000	111
Office Supplies and Expenses	2,400	1,229	(1,171)	2,500	1,271
Small Tools	2,721	3,202	481	2,000	(1,202)
Warehouse Supplies	18,175	20,878	2,703	20,000	(878)
Freight	739	503	(236)	1,000	497
Insurance and Bonds	9,452	10,698	1,246	12,000	1,302
Equipment Repairs	5,726	7,964	2,238	8,000	36
Meter Repairs Parts	3,761	16,226	12,465	12,000	(4,226)
Schools & Seminars	0	0	0	500	500
TOTAL	\$218,958	\$266,968	\$48,010	\$310,609	\$43,641

*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 CWW#1
 July 1, 2015 to June 30, 2016

	<u>ACTUAL</u> <u>2014-2015</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>ENGINEERING</u>					
Salaries	\$360,154	\$485,130	\$124,976	\$661,500	\$176,370
Other Postemployment Benefits	26,781	60,855	34,074	26,222	(34,633)
Employee Group Insurance	67,382	89,943	22,561	166,500	76,557
Payroll Taxes	34,104	44,216	10,112	64,750	20,534
Retirement Expenses	20,455	22,005	1,550	52,350	30,345
Computer Supplies	5,922	3,428	(2,494)	6,000	2,572
Gasoline and Oil	10,467	8,061	(2,406)	9,500	1,439
Office Supplies and Expenses	6,752	9,807	3,055	6,500	(3,307)
GIS Network	39,912	72,894	32,982	50,000	(22,894)
Insurance and Bonds	25,726	35,365	9,639	51,000	15,635
Radio Communications	15,027	17,305	2,278	22,000	4,695
Truck and Auto Repair	3,476	6,308	2,832	6,000	(308)
Equipment & Building Repairs	0	0	0	0	0
Seminars and Schools	14,663	11,878	(2,785)	16,000	4,122
Freight	0	0	0	0	0
Uniforms	0	0	0	0	0
TOTAL:	\$630,821	\$867,195	\$236,374	\$1,138,322	\$271,127

*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	\$907,939	\$839,791	(\$68,148)	\$884,000	\$44,209
Other Postemployment Benefits	64,836	83,576	18,740	89,713	6,137
Employee Group Insurance	245,360	232,866	(12,494)	267,000	34,134
Payroll Taxes	86,151	79,933	(6,218)	87,500	7,567
Retirement Expenses	61,872	48,504	(13,368)	70,750	22,246
Chemicals	12,992	26,200	13,208	35,000	8,800
Gasoline and Oil	49,054	29,612	(19,442)	26,000	(3,612)
Office Supplies and Expenses	4,025	3,173	(852)	5,000	1,827
Small Tools	12,645	7,697	(4,948)	12,000	4,303
Backflow Prevention Program	0	0	0	25,000	25,000
DHH Emergency Rule	110,045	6,581	(103,464)	5,000	(1,581)
Freight	162	1,013	851	500	(513)
Insurance and Bonds	140,662	144,449	3,787	175,500	31,051
Radio Communications	34,560	35,431	871	35,000	(431)
Equipment & Bldg. Maintenance	0	0	0	0	0
Equipment Repairs (Field)	198,792	166,968	(31,824)	150,000	(16,968)
Truck and Auto Repair	17,526	20,777	3,251	17,000	(3,777)
Water Tower Maintenance	38,502	15,808	(22,694)	125,000	109,192
Waterline Maintenance	1,091,547	795,468	(296,079)	775,000	(20,468)
Seminars and Schools	18,697	6,147	(12,550)	15,000	8,853
Uniforms	4,267	4,590	323	4,000	(590)
TOTAL:	\$3,099,634	\$2,548,584	(\$551,050)	\$2,803,963	\$255,379

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

OPERATIONS

Utilities	\$134,842	\$138,985	\$4,143	\$150,000	\$11,015
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APPENDIX B
Departmental Expense and Budget
 Terrebonne CWW#1
 July 1, 2015 to June 30, 2016

	<u>ACTUAL</u> <u>2014-2015</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>WATER PLANT</u>					
Salaries	\$937,052	\$980,445	\$43,393	\$1,013,000	\$32,555
Other Postemployment Benefits	68,339	65,889	(2,450)	96,902	31,013
Employee Group Insurance	214,514	235,686	21,172	280,000	44,314
Payroll Taxes	90,794	91,643	849	100,000	8,357
Retirement Expenses	65,002	56,797	(8,205)	81,000	24,203
Chemicals	1,246,511	1,343,698	97,187	1,300,000	(43,698)
Computer Supplies	1,228	104	(1,124)	1,500	1,396
Generator Fuel	9,605	0	(9,605)	15,000	15,000
Gasoline and Oil	14,992	9,653	(5,339)	9,500	(153)
Office Supplies and Expenses	12,388	12,665	277	12,000	(665)
Raw Water Cost	134,766	141,456	6,690	145,000	3,544
Small Tools	1,582	1,304	(278)	2,000	696
Plant Supplies	10,168	7,400	(2,768)	9,000	1,600
Freight	286	3,069	2,783	500	(2,569)
Insurance and Bonds	263,473	277,001	13,528	300,000	22,999
Lab Analysis	2,800	460	(2,340)	3,000	2,540
Radio Communications	14,218	14,900	682	15,000	100
Bayou Black Reservoir Maintenance	6,228	7,592	1,364	7,500	(92)
Plant Maintenance	238,001	272,704	34,703	250,000	(22,704)
Tractor Repairs	822	2,505	1,683	3,000	495
Truck and Auto Repair	5,280	2,001	(3,279)	6,000	3,999
Seminars and Schools	8,704	3,984	(4,720)	8,000	4,016
Telephone	6,581	7,991	1,410	7,000	(991)
Uniforms	921	907	(14)	900	(7)
Utilities	593,772	571,115	(22,657)	565,000	(6,115)
Reserve Filter Media	104,000	104,000	0	104,000	0
TOTAL:	\$4,052,027	\$4,214,969	\$162,942	\$4,334,802	\$119,833

APPENDIX B
Departmental Expense and Budget
 Terrebonne CWWWD#1
 July 1, 2015 to June 30, 2016

	<u>ACTUAL</u> <u>2014-2015</u>	<u>ACTUAL</u> <u>2015-2016</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>LAB</u>					
Salaries	\$167,222	\$171,412	\$4,190	\$177,500	\$6,088
Other Postemployment Benefits	23,155	12,066	(11,089)	11,200	(866)
Employee Group Insurance	51,890	54,875	2,985	64,000	9,125
Payroll Taxes	15,700	16,035	335	17,500	1,465
Retirement Expenses	11,378	10,043	(1,335)	14,200	4,157
Computer Supplies	0	0	0	750	750
Gasoline and Oil	10,360	8,352	(2,008)	9,000	648
Lab Equipment and Supplies	21,185	18,708	(2,477)	17,000	(1,708)
Office Supplies and Expenses	6,134	5,736	(398)	7,500	1,764
Freight	5,518	5,582	64	7,000	1,418
Insurance and Bonds	18,220	18,696	476	20,000	1,304
Janatorial Services	7,097	7,742	645	8,000	258
Lab Analysis	45,248	42,555	(2,693)	42,000	(555)
Radio Communications	6,221	6,232	11	6,500	268
Equipment and Building Repairs	5,962	8,583	2,621	7,000	(1,583)
Truck and Auto Repair	4,669	2,280	(2,389)	4,000	1,720
Seminars and Schools	1,727	99	(1,628)	7,000	6,901
Telephone	1,373	1,370	(3)	2,000	630
Utilities	8,521	7,883	(638)	8,500	617
TOTAL:	\$411,580	\$398,249	(\$13,331)	\$430,650	\$32,401

APPENDIX C

Revenue Bond Payment Schedule



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

UPLS SERVER 06c8d9f5prabhkara@prabhakara@Tencent.com@Wawa (CDS_wawawwa_10&12&1'&&14&14CMTxj)