

MARCH 13, 2018

TERREBONNE PARISH CONSOLIDATED WATERWORKS DISTRICT NO. 1



Melanie B Caillouet

03/13/2019



2017-2018 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, 2018. 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, from December 20, 1994 to December 31, 2015 at his retirement. Ms. Melanie B. Caillouet is now completing the annual engineer's report per bond requirements. 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 Houma Water Treatment Plant and the Schriever Water Treatment Plant. The plants and their systems are known as Public Water System Nos. 1109001 and 1109002, 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 910 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 four (4) sections of Lafourche Parish, namely Marydale Subdivision, the Grand Bois Community, the Pointe-Aux-Chenes Community, and Ferry Road.

RAW WATER SOURCES:

The Schriever Plant obtains its water from Bayou Lafourche, which originates at the Mississippi River in Donaldsonville. The water from Bayou Lafourche is pumped to a raw water reservoir at the Schriever Plant. 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.

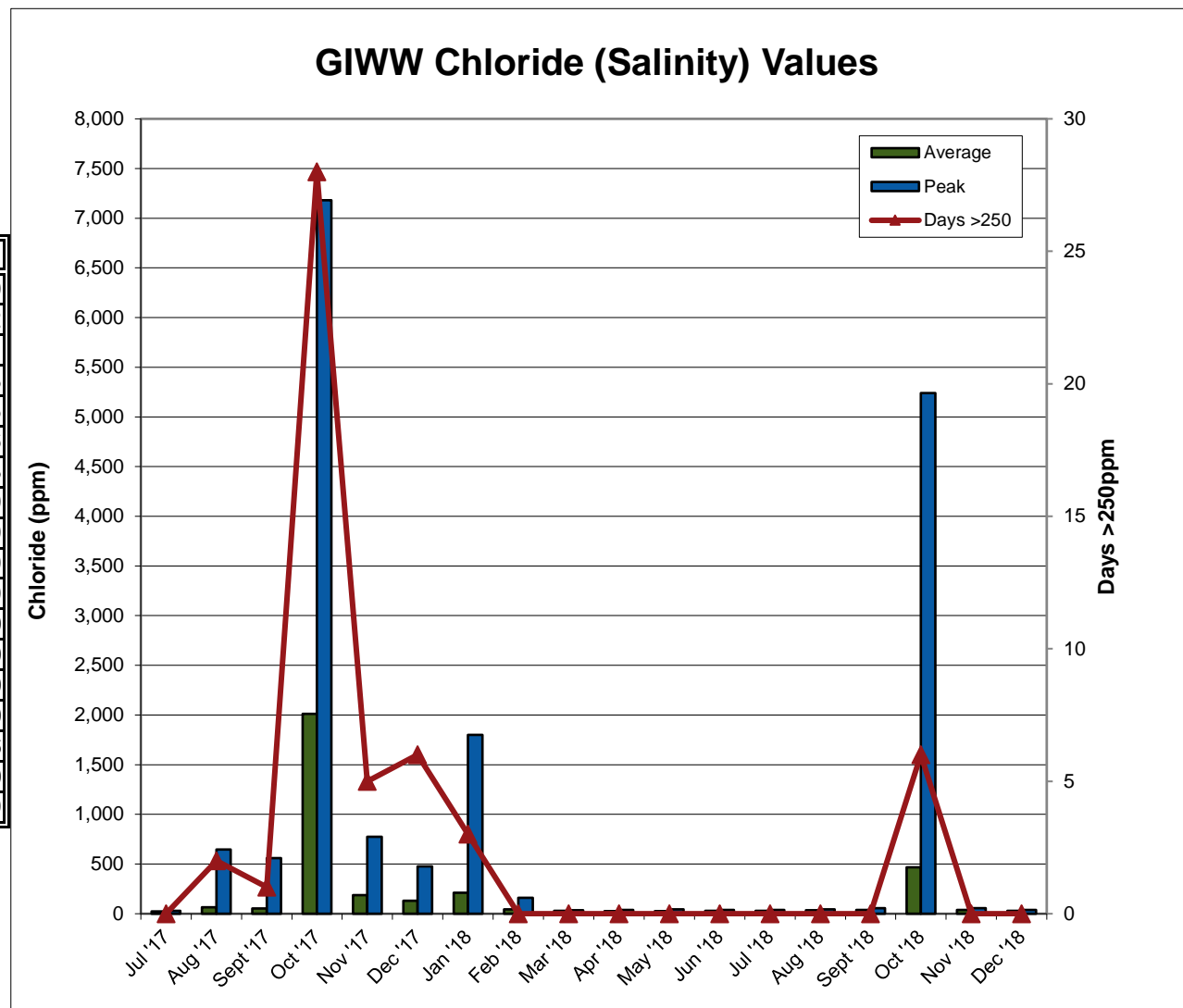
Plate 1 indicates average and maximum readings of chloride (salinity) in the raw water of the Houma Plant from the Gulf Intracoastal Waterway for the fiscal year. The exhibit also includes an extension of readings through December 2018. It is seen that there were 45 days in which salinity exceeded 250ppm during the fiscal period. High readings were recorded from August through January 2018. It is noticed that high salinity readings occurred again in fall of 2018.

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. There is also a small peak in the spring from March through May in most years; however, this peak is much lower than in the Fall. 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 CWWD#1
 July 1, 2017 to June 30, 2018

Month	Average	Peak	Days >250
Jul '17	22	30	0
Aug '17	65	646	2
Sept '17	52	560	1
Oct '17	2011	7180	28
Nov '17	187	775	5
Dec '17	130	475	6
Jan '18	210	1800	3
Feb '18	43	160	0
Mar '18	30	36	0
Apr '18	27	39	0
May '18	28	43	0
Jun '18	29	39	0
Jul '18	31	37	0
Aug '18	35	45	0
Sept '18	39	55	0
Oct '18	467	5240	6
Nov '18	38	57	0
Dec '18	29	39	0



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 operate 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 the 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. The backwash water from the filters is sent back to the reservoir causing a silting problem in the reservoir. (It is the DISTRICT's hopes that LDEQ will permit the backwash to be sent back to Bayou Lafourche. This would reduce silting in the reservoir and should not cause a silting problem in Bayou Lafourche because of the velocity of the bayou.) 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. The water is commingled in the header, before being pumped into two pipes, one heading north and the other south. Any excess water from the clearwells is stored in the ground storage tanks on site.

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. The SCADA system at the Schriever WTP is equipped to monitor pressures in the distribution system. The operators at the Schriever WTP are now responsible for monitoring those pressures during non-office hours. The SCADA system software is in the process of being upgraded, but the equipment will soon have to be upgraded because the current equipment will no longer be supported by the manufacturer.

One of the ground storage tanks were taken offline in February 2018, so two valves could be replaced. One of the valves was replaced, but the other is in a location that would require significant construction work and therefore was not replaced. The tank is not back in service at this time. Mixers were installed in both tanks in January of 2018, to stop short circuiting.

There are two capital projects currently underway that will enhance the operations of the plant. Those are the installation of a return line from the plant to Bayou Lafourche for the backwash water and the Lefort Canal pipe rerouting to bypass the reservoir. The backwash water is returned to the reservoir at this time which allows a high amount of solids to settle out of the water column, which in turn needs to be dredged periodically to maintain capacity. The Lefort Canal Rerouting would allow the raw water to bypass the reservoir completely and would allow the reservoir to be dredged without affecting the raw water. The reservoir would not be taken out of service completely but would be used as a backup source of water. The Schriever Water

Treatment Plant office is currently being renovated in-house by the operators. Additional offices are being created, the walls repainted, and a new speaker system installed.

During the site visit, the operators discussed in-house maintenance projects and projects they would like to see come to fruition within the next five years. Those include installing air scour on the 16 filters on the west treatment train, replace the roof on the main building, repaving the concrete driveway on the west side of the plant, and replacing the roof on the lab building. Other in-house items include replacing the chemical storage tanks and dredging the reservoir.

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 additional contact time. Pumps then take the water from the clearwell and transfer it to four carbon vessels where it is filtered even further. Ammonia and sodium hypochlorite have to be injected to make chloramines before the water enters the ground storage tanks since the carbon filters removed the chlorine. 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.

The roof was replaced on a filter building and completed in April of 2018. The SCADA software will be upgraded when the bugs are worked out at the Schriever WTP. The elevator is in the process of being repaired as an in-house project.

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 screen structure at the Waterproof intake station, replacing the floor tile in the control room, and rehabilitating the concrete floors in the chlorine room. The operators would also like to see the HVAC system replaced but they understand this is a project that will likely happen more than five years out.

Another concern for the Houma WTP is the Hanson Canal Pump Station project that is being conducted by Terrebonne Parish Consolidated Government. It is our understanding that the pumps will be bigger and thus pump more water from Bayou Black into the Hanson Canal. By redirecting this flow, how will the raw water source for the Houma WTP be impacted? Will salinity become a bigger issue because there is not as much fresh water coming downstream thus allowing more water to travel upstream? The operators are aware and will be monitoring the raw water source closer and make chemical feed adjustments as necessary when the project goes on line.

It is recommended that a formal five-year capital project plan be developed. This plan could be in a table format and divided into administration, engineering, Schriever WTP, Houma WTP, distribution system, meter, and laboratory for each year. The DISTRICT can then decide how to allocate capital and maintenance projects, so it could be evenly distributed throughout the next five years and each department can see that their needs will be met.

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 4 million gallons. Two (2) - three million gallon stand pipes and 16 water towers within the network additionally support the system. The total water storage capacity of the DISTRICT is

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

18.95 million gallons. The system is comprised of approximately 910 miles of transmission and distribution piping ranging in sizes (as a % of the total) as follows:

36-inches - 14-inches	7.61%
12-inches - 8-inches	60.27%
6-inches - 4-inches	29.46%
Less than 4-inches	2.66%

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 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.

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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>
Arthur De Fraites Drive Extension	Waterline	425
Bon Ami Estates, Phase A	20 Lots	1,421
Cameron Isles Business Park, Unit 1	8 Lots	1,760
<u>Dependable Storage</u>	<u>Waterline</u>	<u>535</u>
TOTAL	28 Lots	4,141

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 \$3.60 and \$3.85 per 1,000 gallons, respectively. Above 30,000 gallons they paid \$4.15 and \$4.40 per 1,000 gallons, respectively. Export customers paid \$4.47 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. A water rate study was conducted in September 2017 that recommended the rates be increased if the DISTRICT wanted to maintain a 20% residual. Due to the funds available, the DISTRICT has decided not to increase the rates.

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 2017-2018 audit, the cost of producing water averaged \$1.18/1,000 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 per gallon plus 40% 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, 2017 to June 30, 2018

"S" Rate: Single Occ. Residential

Meter	Gallons	Effective Beginning July 1, 2017
All Meters	2,000 Gals. (Minimum)	\$7.50
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.60
	Over 30,000 Gals.	\$4.15

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

"C" Rate: Commercial, Industrial, and Institutional

Meter	Gallons	Effective Beginning July 1, 2017
All Meters	2,000 Gals. (Minimum)	\$15.00
Rate per 1,000 gallons	Above Minimum to 30,000 Gals.	\$3.85
	Over 30,000 Gals.	\$4.40

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, 2017
All Meters	2,000 Gals. (Minimum)	\$30.00
Rate per 1,000 gallons	Above Minimum	\$4.47

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 \$1.76970 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 \$1.17914+\$0.47166, or \$1.65080.

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 2017-2018 was \$672/service. This cost increased by approximately \$125 since last year.

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, 2017 to June 30, 2018

<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
Call-Out 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
Meter Damage Fee	\$150.00	

*In Addition To Required Reconnect Fee

TABLE III
History of Assessed Valuation
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

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
2017	\$951,124,643	\$181,919,325	\$1,133,043,968	\$28,993,265
2018	\$948,226,968	\$181,469,945	\$1,129,696,913	(\$3,347,055)

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**. “Unaccounted for Water” for water distribution systems is typically between 20 and 25% in the Southeastern United States. The monthly “Unaccounted for Water” in the system ranged from 11.49% to 35.59% with an annual average of 26.34%, which is slightly higher than the US average range. The average “Unaccounted for Water” is approximately 5% higher than last year. This increase in “Unaccounted for Water” is partially due to the DISTRICT better managing the flushing points. In the past, flushing was largely estimated based on time and flow rates of the autoflushers. Meters have been installed on most of the flushing points, thus minimizing the need for estimations. It is now known that the previous estimations were higher than actuality. 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, 2017 to June 30, 2018

MONTH	NUMBER OF CUSTOMERS	NET SALES (\$)	QUANTITY SOLD (Gallons)	AVERAGE BILL (per Customer per Month)	AVERAGE CONSUMPTION (per Customer per Month (Gals.))
July, 2017	43,379	\$1,363,869.61	311,939,200	\$31.44	7,191
August	43,537	\$1,363,500.41	319,923,200	\$31.32	7,348
September	43,302	\$1,404,558.23	326,529,200	\$32.44	7,541
October	43,494	\$1,291,143.67	299,043,500	\$29.69	6,876
November	43,440	\$1,309,037.45	302,962,700	\$30.13	6,974
December	43,217	\$1,302,325.19	299,150,000	\$30.13	6,922
January, 2018	43,248	\$1,324,386.23	307,276,800	\$30.62	7,105
February	43,418	\$1,427,922.89	332,036,800	\$32.89	7,647
March	43,449	\$1,190,514.40	272,105,300	\$27.40	6,263
April	43,431	\$1,206,277.04	276,228,500	\$27.77	6,360
May	43,667	\$1,311,853.37	301,731,000	\$30.04	6,910
June	43,509	\$1,463,261.09	339,576,900	\$33.63	7,805

TOTAL	\$15,958,649.58	3,688,503,100
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Average number of Customers per Month	43,424
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Average Customer Bill per Month	\$30.63
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Average Customer Consumption per Month 7,078 gallons per month

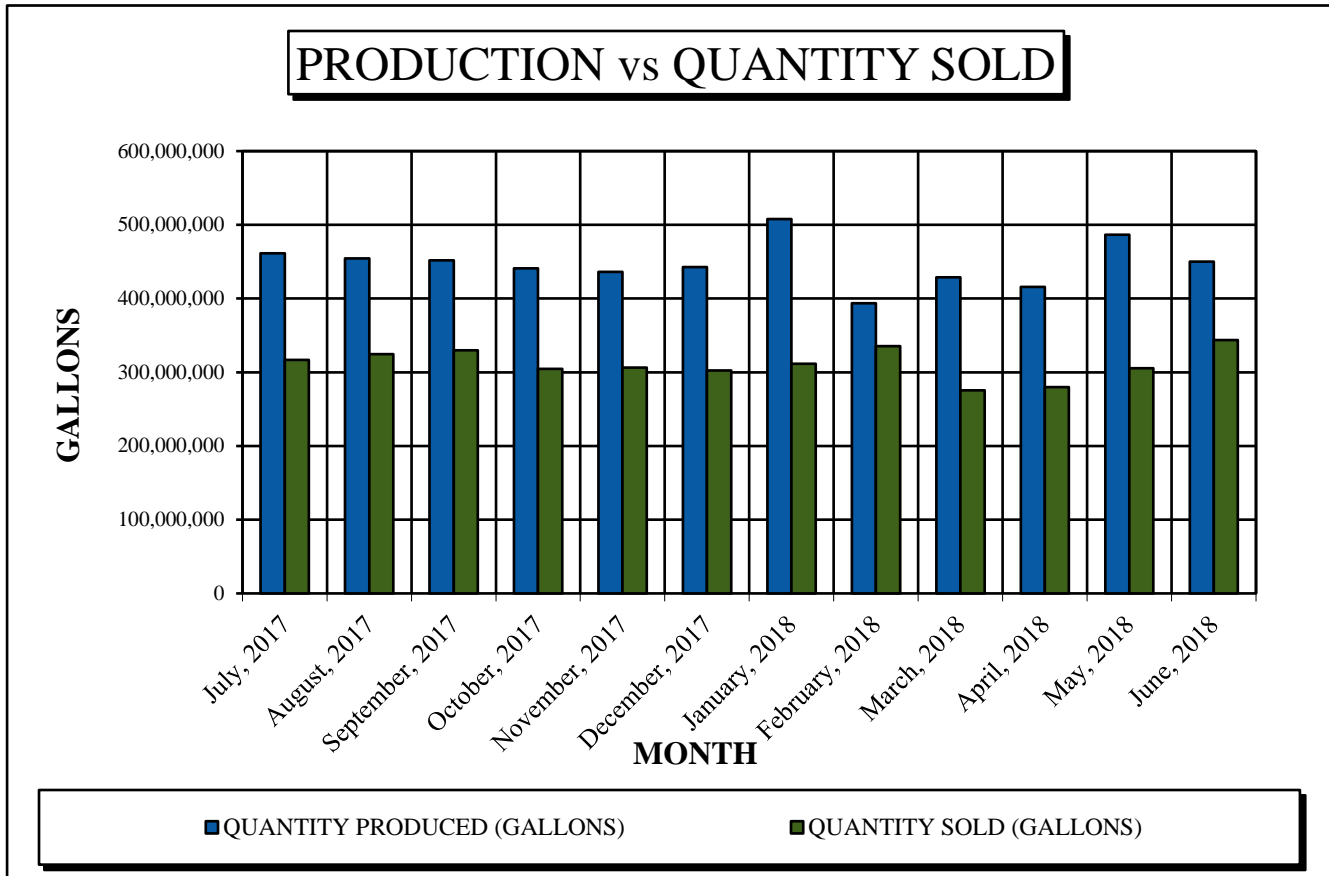
TABLE V
History of Customer Usage
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

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
2017	43,421	\$30.62	7,143
2018	43,424	\$30.63	7,078

PLATE 2
Quantity of Water Produced and Sold
Terrebonne CWWD#1
July 1, 2017 to June 30, 2018

MONTH	QUANTITY PRODUCED (GALLONS)	QUANTITY SOLD (GALLONS)	OTHER SALES NOT METERED (GALLONS)	TOTAL QUANTITY SOLD (GALLONS)	KNOWN FLUSHINGS (GALLONS)	WATER LOSS IN SYSTEM
July, 2017	461,255,000	311,939,200	4,975,002	316,914,202	24,203,537	26.05%
August, 2017	454,581,000	319,923,200	4,531,860	324,455,060	18,628,793	24.53%
September, 2017	451,687,000	326,529,200	3,399,580	329,928,780	16,197,605	23.37%
October, 2017	441,141,000	299,043,500	5,522,573	304,566,073	16,812,627	27.15%
November, 2017	436,246,000	302,962,700	3,427,923	306,390,623	16,204,094	26.05%
December, 2017	442,678,000	299,150,000	3,467,720	302,617,720	18,513,334	27.46%
January, 2018	507,935,000	307,276,800	4,413,170	311,689,970	15,461,221	35.59%
February, 2018	393,649,000	332,036,800	3,542,690	335,579,490	12,822,092	11.49%
March, 2018	428,716,000	272,105,300	3,352,460	275,457,760	18,176,730	31.51%
April, 2018	415,679,000	276,228,500	3,606,500	279,835,000	17,915,654	28.37%
May, 2018	486,502,000	301,731,000	3,900,260	305,631,260	18,392,536	33.40%
June, 2018	450,302,000	339,576,900	4,209,680	343,786,580	19,394,646	19.35%
TOTAL	5,370,371,000	3,688,503,100	48,349,418	3,736,852,518	212,722,869	26.46%
AVG/MONTH	447,530,917	307,375,258	4,029,118	311,404,377	17,726,906	26.46%

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018



PLANT PRODUCTION	MONTH	QUANTITY PRODUCED (GALLONS)	WATER LOSS IN THE SYSTEM
Least Production Months	February, 2018	393,649,000	11.49%
	April, 2018	415,679,000	28.37%
	March, 2018	428,716,000	31.51%
	November, 2017	436,246,000	26.05%
Average Production Months	October, 2017	441,141,000	27.15%
	December, 2017	442,678,000	27.46%
	June, 2018	450,302,000	19.35%
	September, 2017	451,687,000	23.37%
Highest Production Months	August, 2017	454,581,000	24.53%
	July, 2017	461,255,000	26.05%
	May, 2018	486,502,000	33.40%
	January, 2018	507,935,000	35.59%

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, 2018. 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, 2018.

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 and 2016. Due to the slight increase in expenses and a larger increase in revenues, the surplus per customer per month increased in 2018.

TABLE VI
Total Revenue per Customer
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

	<u>Actual</u> <u>2016-2017</u>	<u>Actual</u> <u>2017-2018</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,720,382	\$15,988,412	\$268,030
Lafourche Parish Sales	32,384	32,445	61
Service Connections	160,052	159,140	(912)
Meter Installation Fees	139,918	136,771	(3,147)
Penalties & Reconnect Fees	142,205	126,924	(15,281)
Total Operating Revenue	\$16,194,941	\$16,443,692	\$248,751
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	207,280	209,446	\$2,166
Garbage collections	120,886	110,557	(10,329)
* Interest on Investments	103,505	243,610	140,105
LA Act 125	18,337	25,672	7,335
Miscellaneous	167,969	159,586	(8,383)
Total Other Revenue	\$617,977	\$748,871	\$130,894
Total Revenue	\$16,812,918	\$17,192,563	\$379,645
Average Number of Customers	43,421	43,424	3
Operating Revenue/Customer/Month	\$31.08	\$31.56	\$0.48
Other Revenue/Customer/Month	\$1.19	\$1.44	\$0.25
Total Revenue/Customer/Month	\$32.27	\$33.00	\$0.73

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

TABLE VII
Operating Expenses per Customer
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

<u>Operating Expenses</u>	<u>Actual 2016-2017</u>	<u>Actual 2017-2018</u>	<u>Difference</u>
<u>Department</u>			
Administration	\$950,358	\$995,817	\$45,459
Billings & Collections	1,164,198	1,161,820	(2,378)
Meter Reading	712,342	710,390	(1,952)
Warehouse & Meter Shop	282,917	391,772	108,855
Operations	126,270	152,499	26,229
Engineering	1,151,659	1,282,645	130,986
Maintenance & Field Crews	2,607,659	2,685,736	78,077
Waterplant*	4,318,640	4,111,111	(207,529)
Bac-T-Lab	421,555	438,293	16,738
Total Operating Expenses (BEFORE Depreciation)	\$11,735,598	\$11,930,083	\$194,485
Add:			
Depreciation	\$3,612,806	\$3,450,734	(\$162,072)
Total Operating Expenses (AFTER Depreciation)	\$15,348,404	\$15,380,817	\$32,413
Average Number of Customers	43,421	43,424	3
Operating Expense/Customer/Month (BEFORE Depreciation)	\$22.52	\$22.89	\$0.37
Operating Expense/Customer/Month (AFTER Depreciation)	\$29.46	\$29.52	\$0.06

* Waterplant expenses does not include filter amortization.

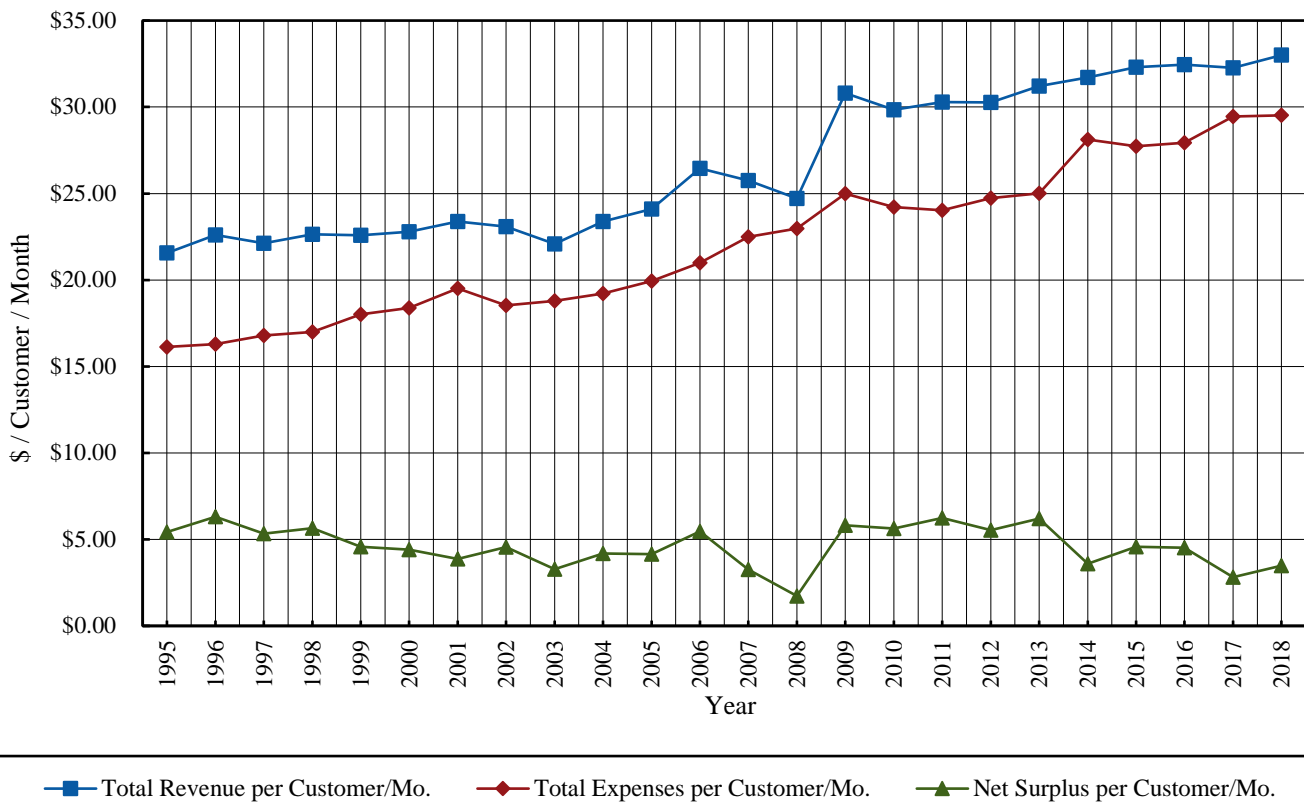
TABLE VIII
Net Surplus per Customer
Terrebonne CWWD#1
July 1, 2017 to June 30, 2018

	<u>Actual</u> <u>2016-2017</u>	<u>Actual</u> <u>2017-2018</u>	<u>Difference</u>
<u>REVENUE</u>			
Operating Revenue	\$16,194,941	\$16,443,692	\$ 248,751
Other Revenue	617,977	748,871	130,894
TOTAL REVENUE	\$16,812,918	\$17,192,563	379,645
<u>EXPENSES</u>			
Operating Expenses	\$11,735,598	\$11,930,083	\$ 194,485
OPERATING SURPLUS (BEFORE Depreciation)	\$5,077,320	\$5,262,480	185,160
Less: Depreciation	\$3,612,806	\$3,450,734	\$ (162,072)
OPERATING SURPLUS (AFTER Depreciation)	\$1,464,514	\$1,811,746	347,232
Average Number of Customers	43,421	43,424	3
Operating Surplus/Customer/Month (BEFORE Depreciation)	\$9.74	\$10.10	\$ 0.36
Operating Surplus/Customer/Month (AFTER Depreciation)	\$2.81	\$3.48	\$ 0.67

TABLE IX
History of Revenue, Expenses and Net Surplus
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

<u>YearEnding</u> <u>June 30th</u>	<u>Total</u> <u>Revenue per</u> <u>Customer/Mo.</u>	<u>Total</u> <u>Expenses per</u> <u>Customer/Mo.</u>	<u>Net Surplus</u> <u>per</u> <u>Customer/Mo.</u>
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
2017	\$32.27	\$29.46	\$2.81
2018	\$33.00	\$29.52	\$3.48

Revenue, Expenses & Net Surplus per Customer per Month



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, 2018, 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, 2017 to June 30, 2018

	<u>Actual</u> <u>2017-2018</u>	<u>Budgeted</u> <u>2018-2019</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,988,412	\$16,050,000	\$61,588
Lafourche Parish Sales	32,445	31,000	(1,445)
Service Connections	159,140	138,600	(20,540)
Meter Installation Fees	136,771	130,000	(6,771)
Penalties & Reconnect Fees	126,924	115,000	(11,924)
Total Operating Revenue	\$16,443,692	\$16,464,600	\$20,908
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	\$209,446	\$209,000	(\$446)
Garbage collections	110,557	130,000	19,443
Interest on Investments	243,610	135,000	(108,610)
LA Act 125	25,672	25,000	(672)
Miscellaneous	159,586	60,000	(99,586)
Total Other Revenue	\$748,871	\$559,000	(\$189,871)
Total Revenue	\$17,192,563	\$17,023,600	(\$168,963)

TABLE XI
Audited and Budgeted Operating Expenses
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

<u>OPERATING EXPENSES</u>	<u>ACTUAL</u> <u>2017-2018</u>	<u>BUDGETED</u> <u>2018-2019</u>	<u>Difference</u>
<u>DEPARTMENT</u>			
Administrative	\$995,817	\$1,079,960	\$84,143
Billings and Collections	1,161,820	1,252,444	90,624
Meter Reading	710,390	782,030	71,640
Warehouse and Meter Shop	391,772	376,741	(15,031)
Utilities - Operations	152,499	150,000	(2,499)
Engineering	1,282,645	1,340,180	57,535
Maintenance and Field Crews	2,685,736	3,108,697	422,961
Waterplant	4,111,111	4,571,866	460,755
Bac-T-Lab	438,293	467,298	29,005
TOTAL OPERATING EXPENSES	\$11,930,083	\$13,129,216	\$1,199,133
(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 125% of the 2018 debt payment which is \$2,684,416 and had an excess of \$2,682,064. It is projected that the DISTRICT will meet its required 125% of the 2019 debt payment of \$2,684,982 and have an excess of \$642,157 for the 2018-2019 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 2017-2018 fiscal year, the DISTRICT had a surplus of 20.39%. It is anticipated that the surplus for 2018-2019 will be approximately 7.98%.

TABLE XII
Audited and Budgeted Surplus and Parity Income
Terrebonne CWWD#1
July 1, 2017 to June 30, 2018

	<u>Actual</u> <u>2017-2018</u>	<u>Budgeted</u> <u>2018-2019</u>	<u>Difference</u>
<u>REVENUE</u>			
Total Operating Revenue	\$16,443,692	\$16,464,600	\$20,908
Total Other Revenue	748,871	559,000	(\$189,871)
Total Revenue	\$17,192,563	\$17,023,600	(\$168,963)
<u>EXPENSES</u>			
Total Operating Expenses	\$11,930,083	\$13,129,216	\$1,199,133
Service Connections (Parts & Contract Labor)	125,710	75,000	(\$50,710)
Total Expenses	\$12,055,793	\$13,204,216	\$1,148,423
Surplus (BEFORE Depreciation)	\$5,136,770	\$3,819,384	(\$1,317,386)
less: Transfers			
Revenue Bonds (Sinking Fund & Reserve)	\$2,344,079	\$2,684,793	\$340,714
Depreciation & Contingency Fund	884,751	851,230	(\$33,521)
Total Transfers	\$3,228,830	\$3,536,023	\$307,193
Net Surplus	\$1,907,940	\$283,361	(\$1,624,579)
<u>PARITY INCOME</u>			
Net Surplus	\$1,907,940	\$283,361	(\$1,624,579)
Transfer: Revenue Bond Sinking Fund	2,344,079	2,684,793	\$340,714
Transfer: Depreciation & Contingency Fund	884,751	851,230	(\$33,521)
Service Connections (Parts & Contract Labor)	125,710	75,000	(\$50,710)
Reserve Filter Media Amortization	104,000	104,000	\$0
Total Parity Income	\$5,366,480	\$3,998,384	(\$1,368,096)
<u>REQUIRED PARITY INCOME</u>			
Maximum Amount of Principal & Interest	\$2,684,416	\$2,684,982	\$566
*Coverage @ 125% of Annual Principal & Interest	\$671,104	\$671,246	\$142
Required Parity Income	\$2,684,416	\$3,356,228	\$671,812
Excess Income for Parity Purposes	\$2,682,064	\$642,157	(\$2,039,908)
% of Operating Revenue Available for Projects	20.39%	7.98%	

*The bond ordinances differ in coverage requirements. Therefore, the higher of the coverage requirements was used. The 125% coverage will be higher from 2018 until the bonds are paid off in 2037.

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 Revolving Loan Fund (DWRLF), for a \$1.9 million at 3.45% interest. These funds were used to pay the remainder of the North and South Terrebonne Standpipes Renovation (L-02-017-02) and the construction of a ground storage tank at the Schriever Water Treatment Project (CIP-07-03-06). 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. This bond issue will be paid off in 2030.

2012 BOND ISSUES:

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. The last payments for these bonds are in 2037 and 2017 for the 2012A and 2012B bonds, respectively.

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. This bond will expire in 2023.

The DISTRICT also issued \$4.2 million in bonds through LDHH's DWRLF. 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. This bond will be paid off in 2035.

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 all of the projects authorized prior to June 30, 2018 is approximately \$3.7 million. The DISTRICT also has authorized three local capital improvement projects for the 2018-2019 Fiscal Year, which have a total budget of \$1,825,000.

FUTURE PROJECTS:

The staff discussed other projects they would like to see completed at the plants and in the distribution system. These projects are not necessary at this time but will be considered capital projects if the DISTRICT decides to move forward with them.

Distribution System

1. Replace two miles of 6-inch CI pipe along Main Street from St. Bridget to Bayou Blue Road
2. Replace two miles of 8-inch CI pipe along Hwy. 55 from Susan Street to Pointe-aux-Chenes Road
3. Replace one mil of 8-inch AC pipe along Hwy. 55 from 2089 to 2142 (near Madison Canal
4. Replace one mile of pipe in the City of Houma

Schriever Water Treatment Plant

1. Install a return line to Bayou Lafourche for the backwash water sludge
2. Conduct maintenance on the raw water reservoir
3. Renovate the Lefort Canal structure

Houma Water Treatment Plant

1. Conduct maintenance on the raw water reservoir
2. Renovate the reservoir intake structure

TABLE XIII
Incomplete Projects
Terrebonne CWWD#1
July 1, 2016 to June 30, 2017

Project No.	Project Description	Engineer	Engineering Fee	Other/ Contingencies	Construction Cost	Overbudget / (Under Budget)	Total Project Budget	Paid to Date	Balance
Funds Provided by DWRLF 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	Aptim	\$ 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	\$ 644,323.68	\$ (115,149.94)	\$ 650,966.74	\$ 650,966.74	\$ -
**CIP-11-12-11	Capital Improvement Project Facilitator	Arthur A. DeFraites,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-9-16-04	Waterline Along Bayou Blue Road	All South Consulting Engineers, LLC	\$ 221,208.00	\$ 119,537.00	\$ 1,195,370.00	\$ -	\$ 1,536,115.00	\$ 405,050.39	\$ 1,131,064.61
SUBTOTAL			\$ 772,347.60	\$ 281,067.40	\$ 3,227,858.68	\$ (825,988.76)	\$ 3,455,284.92	\$ 2,205,545.31	\$ 1,249,739.61
DWRLF 2014A BOND AMOUNT							\$ 4,200,000.00		
DWRLF 2014A BONDS NOT ALLOCATED AS OF JUNE 30							\$ 744,715.08		
Funds Provided with Grant Assistance (Remainder to be Paid by District Surplus)									
**L-1-15-01	Bayou Blue Intracoastal Waterline Crossing	Providence Engineering and Design, LLC	\$ 51,400.00	\$ 19,600.00	\$ 195,000.00	\$ (69,834.99)	\$ 196,165.01	\$ 196,165.01	\$ -
L-9-15-04	Waterline Replacement Montegut	In House	\$ -	\$ -	\$ 260,000.00	\$ 4,776.33	\$ 264,776.33	\$ 39,002.67	\$ 225,773.66
L-4-17-01	Replacement of Water Mains Along Palm Avenue	Aptim	\$ -	\$ -	\$ 296,834.00	\$ -	\$ 296,834.00	\$ -	\$ 296,834.00
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	\$ 33,305.36	\$ 213,668.43
SPN-H.001498	Waterline Replacement Under Company Canal	Providence Engineering and Design, LLC	\$ 55,000.00	\$ 10,500.00	\$ 105,000.00	\$ -	\$ 170,500.00	\$ -	\$ 170,500.00
SPN-H.010890	Hollywood Road Roundabout	High Tide Consultants	\$ -	\$ -	\$ 225,000.00	\$ -	\$ 225,000.00	\$ -	\$ 225,000.00
SUBTOTAL			\$ 160,512.79	\$ 52,555.00	\$ 1,252,240.00	\$ (65,058.66)	\$ 1,400,249.13	\$ 268,473.04	\$ 1,131,776.09
GRANT AMOUNT							\$ 1,012,665.66		
AMOUNT PROVIDED BY DISTRICT							\$ 387,583.47		
Local Projects Committed prior to June 30, 2018 (Funds Provided by District Surplus)									
L-12-15-05	Office Renovations	Houston Lirette, Architect	\$ 94,487.00	\$ 74,448.70	\$ 650,000.00	\$ -	\$ 818,935.70	\$ 73,216.33	\$ 745,719.37
L-1-16-02	Office Roof Replacement	Houston Lirette, Architect	\$ -	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 15,384.21	\$ 134,615.79
L-12-16-04	Water Model Build & Calibration	IDModeling	\$ -	\$ -	\$ 103,425.00	\$ -	\$ 103,425.00	\$ 102,092.60	\$ 1,332.40
L-6-17-02	Tank Painting - Bayou Black	David Waitz Engineering	\$ 16,000.00	\$ 22,122.75	\$ 426,455.00	\$ -	\$ 464,577.75	\$ 16,000.00	\$ 448,577.75
L-9-17-03	Schriever System Assessment	Corona Environmental Consulting, LLC	\$ 68,940.00	\$ -	\$ -	\$ 8,364.00	\$ 77,304.00	\$ 76,543.54	\$ 760.46
SUBTOTAL			\$ 179,427.00	\$ 96,571.45	\$ 1,329,880.00	\$ 8,364.00	\$ 1,614,242.45	\$ 283,236.68	\$ 1,331,005.77
Local Projects Committed after June 30, 2018 (Funds Provided by District Surplus)									
L-7-18-01	Waterline Participation 2018-2019	In-House	\$ -	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00
L-9-18-02	Schriever Plant High Service Piping	Providence Engineering and Design, LLC	\$ -	\$ -	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
L-9-18-03	Slurry Line - Schriever Plant to Bayou Lafourche	David Waitz Engineering, Inc.	\$ -	\$ -	\$ 700,000.00	\$ -	\$ 700,000.00	\$ -	\$ 700,000.00
SUBTOTAL			\$ -	\$ -	\$ 1,825,000.00	\$ -	\$ 1,825,000.00	\$ -	\$ 1,825,000.00

*Contract was terminated.

** Completed prior to June 30, 2018.

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

As of June 30, 2018, the DISTRICT has a balance in various accounts for Annual Capital Outlay purposes in the following amounts:

Surplus Fund (Cash)	\$ 4,995	
Surplus Fund – CD Invest.	825,000	
Surplus Fund – LAMP	12,690,000	
Depreciation & Contingency – CD Invest.	1,600,000	
Depreciation & Contingency – Savings	1,359,533	
Depreciation & Contingency – LAMP	<u>1,123,000</u>	
		\$ 17,602,528
<u>Construction Fund</u>		<u>0</u>
Total Funds Available		\$ 17,602,528
Less: Reserve for Capital and		
<u>Contingency Fund</u>		<u>(-\$ 300,000)</u>
Total Funds Available for Annual Capital Projects		\$ 17,302,528

In addition to the funds in the DISTRICT's accounts, six projects (L-1-15-01, L-9-15-04, L-4-17-01, SPN-H.008411, SPN-H.001498, and SPN-H.010890) received funds from various federal, state, and local departments or through litigation. L-1-15-01 is the Bayou Blue Intracoastal Waterline Crossing. Through a litigation settlement, the DISTRICT was awarded \$174,287.77. Terrebonne Parish Consolidated Government is providing \$205,074 for L-9-15-04, Waterline Replacement Montegut and L-4-17-01, Replace Water Mains Along Palm Avenue. H.008411 is the Bayou Terrebonne Bridge (LA660 & LA24) Waterline Relocation project and is fully funded (\$237,803.89) by LA Department of Transportation and Development (LA DOTD). H.001498 is the Waterline Replacement Under Company Canal is fully funded (\$170,500) by LA DOTD. LA DOTD is providing \$255,000 for H.010890, Hollywood Road Roundabout.

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

The capital improvement and local projects that began prior to June 30, 2018 will be funded as shown below. The DISTRICT has annual projects and projects that they have committed to for the 2018-2019 fiscal year that also must be funded and are therefore included in the following calculations. They are shown on **Table XIV**.

Funds for DWRLF 2014A Bond Projects	(-\$ 0)
Funds for Grant Assisted Projects	(-\$ 387,583)
Funds for Local Projects Committed prior to June 30, 2017	(-\$ 1,331,006)
Funds for 2017-2018 Committed Local Projects	(-\$ 1,825,000)
<u>Funds for 2018-2019 Annual Projects</u>	<u>(-\$ 1,950,000)</u>
Funds Required for Previously Committed Projects	(-\$ 5,493,589)

Total Unassigned Surplus Capital Funds

Unrestricted Funds (D&C, Surplus, and Bonds)	\$ 17,302,528
<u>Funds Required for Previously Committed Projects</u>	<u>(-\$ 5,493,589)</u>
Total Unallocated Surplus Funds	\$ 11,808,939

Of the \$17,302,528 Total Unallocated Surplus Funds, \$744,715 is remaining from the 2014A Revenue Bond Issue and must be used for projects meeting the bond issue requirements. Therefore, the Unallocated Surplus Funds for the DISTRICT as of June 30, 2018 is approximately \$11 million for other projects the DISTRICT would like to undertake in 2018-2019. 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 these projects.

TABLE XIV
Additional Local Projects for 2018-2019
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
	<hr/>
	\$ 1,950,000.00

SECTION V

LITIGATION

GENERAL:

From time to time, the DISTRICT gets involved in litigation, which may affect their financial status. Currently the DISTRICT is involved in (or has an interest in) two (2) litigation matters.

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

1) *Nolan Carmouche v. Shell Oil Co. et al.*, No.78185", 18th Judicial District for the Parish of Iberville

This is a suit brought for personal injuries by Nolan Carmouche, who claims he contracted a terminal silica-related condition as a result of working over a number of years with and around silica. Among others, Plaintiff sued every entity that contracted with any of his five or so employers for such work, which totaled in the hundreds.

One such entity was the DISTRICT. Prior to the end of 2008, the Terrebonne Parish Consolidated Government (TPCG) provided general liability coverage on behalf of Waterworks. Coverage for and defense of all of plaintiff's claims against the DISTRICT arising before the end of 2008 have been tendered to and accepted by TPCG. As of this writing, a search of the DISTRICT's records has revealed that only one of plaintiff's employers did any work with the DISTRICT before 2008 during a time when plaintiff said he was employed by it.

No employer of plaintiff contracted with or did work for the DISTRICT after 2008 during the times when plaintiff reported that he was employed with them. Nevertheless, the DISTRICT has tendered coverage for and defense of these claims to its own liability carrier, ARCH, for any exposure to post-2008 claims, and ARCH has agreed to provide such coverage and defense as of this writing, with its usual "reservation of rights" letter.

Therefore, the DISTRICT should have no exposure for any of the claims asserted in this litigation.

2) *Byron E. Talbot, Contractor, Inc. v. Consolidated Waterworks District No.1, LaGreca Services, Inc. and The Gray Insurance Company, No. 180,744*”, 32nd Judicial District for the Parish of Terrebonne

This is a suit for contractual and other damages which grew out of a DISTRICT Capital Improvements Project known as “30-Inch Water Main along U.S. Hwy. 90 from Bayou Blue to LA Hwy. 311”, Project No. CIP-1-14-02 (the “Project”).

As the DISTRICT Board well knows, the Project ran into difficulties when a large segment of submerged pipeline was allowed to sit for a lengthy period of time filled with surrounding swamp water. The contractor, Byron E. Talbot, Contractor, Inc., (“BET”) had employed a subcontractor, LaGreca Service, Inc. (“LaGreca”) to bore this segment of the pipeline under and through a designated wetlands area. Due to the alleged actions/inactions of LaGreca, swamp water was allowed to fill that segment of pipeline and remain within it for several months.

Because of this contamination, BET halted work on the on-going Project and expended much time and effort trying to clean the pipe for suitable use. These attempts at cleaning and decontamination involved a large amount of water for repeated flushing and running a mechanical “pig” through the affected area. The dollar amount of the water used for this cleaning was calculated at \$392,103.66. Additionally, the Project was delayed because of these cleaning efforts and “liquidated damages” in the amount of \$180,000.00 were incurred and owed to the DISTRICT pursuant to the Project’s contract.

Moreover, BET maintains that it suffered its own damages as a result of delays necessary to clean the affected pipeline extra costs incurred for which BET sued LaGreca as the at-fault party. Pursuant to an agreement between BET and the DISTRICT, BET will also seek to recoup the DISTRICT’s damages from LaGreca and its bond company as enumerated above in the same lawsuit.

To date, various pre-trial motions have been argued and resolved. The DISTRICT has been dismissed from the case as a named party. Pre-trial discovery is or should be underway and a trial date is expected to be set, and the possibility of settlement will be explored.

The DISTRICT should have no exposure itself for any out-of-pocket liability, and it stands a good chance at successfully recouping its damages from the at-fault parties.

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 Master 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 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.

Ms. Cecilia Norman has been serving as the Chief Administrative Officer 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.

Mrs. Mary Trahan has been serving as Operations Manager for the DISTRICT since 2014. She maintains the highest levels of LDHH certifications that are required to operate the distribution systems of the two (2) Public Water Supplies the DISTRICT operates. Her duties consist of assisting the General Manager in operating the DISTRICT and supervising the engineering and distribution departments.

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, Chief Administrative Officer

5 employees

Billing and Collecting

Department Head - Monique Prosperie, Billing & Collecting Manager

8 employees

Customer Service Representatives

Department Head – Kevin Cunningham, Supervisor

8 employees

Engineering

Department Head - Mary Trahan, Operations Manager

12 employees

Field Force

Department Head - Curtis Jackson, Field Superintendent

21 employees

Warehouse and Meter Shop

Supervised by Chief Administrative Officer

3 employees

Water Plants

Schriever Water Treatment Plant - Ivy Theriot, Supervisor

Houma Water Treatment Plant - Randy Hille, Supervisor

18 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, 2018

(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, 2018
Arch Insurance Company	General liability	\$ 3,000,000	July 1, 2018
Arch Insurance Company	Excess liability	\$ 10,000,000	July 1, 2018
Louisiana United Businesses' Association	Workers' compensation	\$ 1,000,000	July 1, 2018
Continental Casualty Company	Combined building & personal property	\$ 30,000,000	June 1, 2018
Arch Insurance Company	Public employee dishonesty, forgery or alteration, theft, disappearance & destruction	\$ 100,000	June 1, 2018
Fireman's Fund Insurance Companies/ Allianz Global Corporate & Specialty	Computer equipment	\$ 178,790	July 1, 2018
American Bankers Insurance	Flood	\$ 500,000	July 1, 2018
Indian Harbor Insurance Company	Pollution Liability	\$ 2,000,000	July 1, 2019

APPENDIX A

Departmental Expenses



PROVIDENCE

APPENDIX A
Departmental Expenses
 Terrebonne CWW#1
 July 1, 2017 to June 30, 2018

2017-2018 Annual Engineer's Report

A-1

Providence Engineering and Design, LLC

	ADMINISTRATION	BILLINGS & COLLECTIONS	METER READING	WAREHOUSE & METER SHOP	ENGINEERING	OPERATIONS	MAINTENANCE & FIELD CREWS	WATERPLANT	LAB	TOTAL
Accounting	\$50,000									\$50,000
Attorney	93,839									93,839
Backflow Prevention Program										0
Bayou Black Reservoir Maintenance								4,270		4,270
Board Members	14,240									14,240
Bond Agent Fees	2,600									2,600
Chemicals							20,138	1,211,898		1,232,036
Collection Agency		9,286								9,286
Computer Supplies					4,116					4,116
Consulting Engineer	9,200									9,200
Data Processing		257,843								257,843
DHH Emergency Rule										0
Employee Group Insurance	96,753	115,697	142,416	51,665	155,228		279,176	274,287	64,258	1,179,480
Equipment & Bld'g.Repairs	61,009	43,144	5,974	7,950					6,151	124,228
Equipment - Field Repairs							125,891			125,891
Freight				423			75		7,959	8,457
Gasoline and Oil	1,916	1,916	25,867	839	13,410		38,491	17,216	7,759	107,414
Generator Fuel								7,503		7,503
GIS Network					43,377					43,377
Insurance and Bonds	33,757	26,550	39,146	12,717	51,464		156,921	263,318	18,675	602,548
Janitorial Service	18,000								7,594	25,594
Lab Analysis								81	45,525	45,606
Lab Equipment and Supplies									24,326	24,326
Meter Parts and Repair				1,647						1,647
Office Supplies and Expenses	40,827	59,566	522	3,038	10,423		3,044	11,890	5,630	134,940
Other Postemployment Benefit	14,190	11,918	54,759	76,140	91,579		45,933	63,235	8,906	366,660
Payroll Taxes	42,112	31,474	33,936	17,601	71,733		94,300	97,813	17,324	406,293
Plant Maintenance								259,114		259,114
Plant Supplies								7,599		7,599
Postage		233,969								233,969
Publish Proceedings	2,846									2,846
Radio Communications	14,506	2,651	6,973	1,275	13,410		17,373	8,002	3,285	67,475
Raw Water Cost								160,835		160,835
Retirement Expenses	30,005	23,485	25,365	9,062	46,481		68,256	71,847	12,900	287,401
Salaries	434,052	337,423	367,666	185,531	753,751		999,036	1,029,490	186,727	4,293,676
Seminars and Schools	6,451	518	1,056	2,815	21,210		6,938	3,691	4,507	47,186
Small Tools			81	2,124			12,774	301		15,280
Telephone Service		5,985						11,854	1,622	19,461
Tractor Repairs								3,039		3,039
Truck and Auto Repair	78	395	6,629		6,463		20,550	2,207	6,662	42,984
Uniforms							4,362	339		4,701
Utilities	29,436					152,499		601,282	8,483	791,700
Warehouse Supplies				18,945						18,945
Waterline Maintenance							759,714			759,714
Watertower Maintenance							32,764			32,764
TOTAL	\$995,817	\$1,161,820	\$710,390	\$391,772	\$1,282,645	\$152,499	\$2,685,736	\$4,111,111	\$438,293	\$11,930,083
Average No. of Customers	43,424									
Annual costs per customer	\$22.93	\$26.76	\$16.36	\$9.02	\$29.54	\$3.51	\$61.85	\$94.67	\$10.09	\$274.74
Monthly costs per customer	\$1.91	\$2.23	\$1.36	\$0.75	\$2.46	\$0.29	\$5.15	\$7.89	\$0.84	\$22.90

APPENDIX B

Departmental Expenses and Budget



APPENDIX B
Departmental Expenses and Budget
Terrebonne CWWD#1
July 1, 2017 to June 30, 2018

	ACTUAL 2016-2017	ACTUAL 2017-2018	Increase / (Decrease)	Budget 2018-2019	Budget Increase / (Decrease)
<u>ADMINISTRATIVE</u>					
Salaries	\$414,132	\$435,968	\$21,836	\$455,000	\$19,032
Other Postemployment Benefits	11,243	14,190	2,947	35,960	21,770
Employee Group Insurance	90,282	96,753	6,471	107,500	10,747
Payroll Taxes	42,045	42,112	67	46,000	3,888
Retirement Expenses	43,805	30,005	(13,800)	34,000	3,995
Office Supplies and Expenses	41,471	40,827	(644)	40,000	(827)
Accounting	51,400	50,000	(1,400)	53,000	3,000
Attorney	88,875	93,839	4,964	110,000	16,161
Board Members	13,848	14,240	392	17,000	2,760
Bond Agent Fees	2,600	2,600	0	4,000	1,400
Consulting Engineers	18,500	9,200	(9,300)	15,000	5,800
Insurance and Bonds	33,358	33,757	399	38,000	4,243
Janitorial Service	18,000	18,000	0	20,000	2,000
Publishing Proceedings	3,092	2,846	(246)	5,000	2,154
Radio Communications	8,578	14,506	5,928	15,000	494
Equipment Repair (Office)	36,262	61,009	24,747	37,000	(24,009)
Truck and Auto Repair*	239	78	(161)	500	422
Seminars and Schools	5,001	6,451	1,450	19,000	12,549
Utilities	27,627	29,436	1,809	28,000	(1,436)
TOTAL	\$950,358	\$995,817	\$45,459	\$1,079,960	\$84,143

*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	\$336,567	\$337,423	\$856	\$360,000	\$22,577
Other Postemployment Benefits	51,201	11,918	(39,283)	63,444	51,526
Employee Group Insurance	98,393	115,697	17,304	130,000	14,303
Payroll Taxes	31,272	31,474	202	36,000	4,526
Retirement Expenses	35,282	23,485	(11,797)	27,500	4,015
Gasoline and Oil	1,536	1,916	380	2,000	84
Office Supplies and Expenses	57,808	59,566	1,758	60,000	434
Collection Agency	10,397	9,286	(1,111)	10,000	714
Data Processing	218,524	257,843	39,319	242,000	(15,843)
Equipment Maintenance/Lease	46,196	43,144	(3,052)	44,000	856
Insurance and Bonds	26,786	26,550	(236)	32,000	5,450
Postage	240,614	233,969	(6,645)	235,000	1,031
Radio Communications	1,707	2,651	944	8,500	5,849
Truck and Auto Repairs	318	395	77	500	105
Seminars and Schools	1,365	518	(847)	1,500	982
Telephone	6,232	5,985	(247)	0	(5,985)
TOTAL	\$1,164,198	\$1,161,820	(\$2,378)	\$1,252,444	\$90,624

APPENDIX B
Departmental Expenses and Budget
Terrebonne CWWD#1
July 1, 2017 to June 30, 2018

	ACTUAL 2016-2017	ACTUAL 2017-2018	Increase / (Decrease)	Budget 2018-2019	Budget Increase / (Decrease)
<u>METER READING</u>					
Salaries	\$365,445	\$367,666	\$2,221	\$382,000	\$14,334
Other Postemployment Benefits	50,518	54,759	4,241	86,030	31,271
Employee Group Insurance	142,845	142,416	(429)	160,000	17,584
Payroll Taxes	35,197	33,936	(1,261)	37,750	3,814
Retirement Expenses	38,720	25,365	(13,355)	28,750	3,385
Gasoline and Oil	20,743	25,867	5,124	20,000	(5,867)
Office Supplies and Expenses	235	522	287	500	(22)
Small Tools	965	81	(884)	1,500	1,419
Insurance and Bonds	38,533	39,146	613	42,000	2,854
Radio Communications	9,805	6,973	(2,832)	7,500	527
Equipment Repair (Office)	1,884	5,974	4,090	7,500	1,526
Truck and Auto Repairs	6,790	6,629	(161)	7,500	871
Schools & Seminars	662	1,056	394	1,000	(56)
TOTAL:	\$712,342	\$710,390	(\$1,952)	\$782,030	\$71,640
<u>WAREHOUSE AND METER SHOPS</u>					
Salaries	\$146,279	\$185,531	\$39,252	\$197,000	\$11,469
Other Postemployment Benefits	9,692	76,140	66,448	31,291	(44,849)
Employee Group Insurance	48,227	51,665	3,438	53,500	1,835
Payroll Taxes	14,507	17,601	3,094	19,500	1,899
Retirement Expenses	11,284	9,062	(2,222)	10,500	1,438
Gasoline and Oil	1,391	839	(552)	3,000	2,161
Office Supplies and Expenses	3,488	3,038	(450)	3,500	462
Small Tools	930	2,124	1,194	2,000	(124)
Warehouse Supplies	18,040	18,945	905	20,000	1,055
Freight	341	423	82	1,000	577
Insurance and Bonds	10,327	12,717	2,390	18,000	5,283
Radio Communication	960	1,275	315	1,000	(275)
Equipment Repairs	16,069	7,950	(8,119)	9,500	1,550
Meter Repairs Parts	155	1,647	1,492	3,000	1,353
Truck and Auto Repairs	0	0	0	750	750
Schools & Seminars	1,227	2,815	1,588	3,200	385
TOTAL	\$282,917	\$391,772	\$108,855	\$376,741	(\$15,031)

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

APPENDIX B
Departmental Expenses and Budget
 Terrebonne CWWD#1
 July 1, 2017 to June 30, 2018

	ACTUAL 2016-2017	ACTUAL 2017-2018	Increase / (Decrease)	Budget 2018-2019	Budget Increase / (Decrease)
<u>ENGINEERING</u>					
Salaries	\$674,717	\$753,751	\$79,034	\$767,000	\$13,249
Other Postemployment Benefits	60,855	91,579	30,724	68,880	(22,699)
Employee Group Insurance	144,554	155,228	10,674	185,800	30,572
Payroll Taxes	64,949	71,733	6,784	75,750	4,017
Retirement Expenses	59,373	46,481	(12,892)	54,750	8,269
Computer Supplies	4,982	4,116	(866)	6,000	1,884
Gasoline and Oil	10,763	13,410	2,647	15,500	2,090
Office Supplies and Expenses	11,383	10,423	(960)	8,500	(1,923)
GIS Network	39,160	43,377	4,217	60,000	16,623
Insurance and Bonds	45,712	51,464	5,752	56,000	4,536
Radio Communications	16,227	13,410	(2,817)	15,000	1,590
Truck and Auto Repair	9,205	6,463	(2,742)	7,000	537
Seminars and Schools	9,779	21,210	11,431	20,000	(1,210)
TOTAL:	\$1,151,659	\$1,282,645	\$130,986	\$1,340,180	\$57,535

*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	\$822,676	\$999,036	\$176,360	\$1,185,000	\$185,964
Other Postemployment Benefits	83,576	45,933	(37,643)	157,447	111,514
Employee Group Insurance	237,987	279,176	41,189	320,500	41,324
Payroll Taxes	80,748	94,300	13,552	116,750	22,450
Retirement Expenses	85,986	68,256	(17,730)	85,500	17,244
Chemicals	25,659	20,138	(5,521)	10,000	(10,138)
Gasoline and Oil	30,620	38,491	7,871	35,500	(2,991)
Office Supplies and Expenses	1,758	3,044	1,286	5,000	1,956
Small Tools	9,457	12,774	3,317	10,000	(2,774)
Backflow Prevention Program	0	0	0	25,000	25,000
DHH Emergency Rule	0	0	0	0	0
Freight	0	75	75	0	(75)
Insurance and Bonds	141,882	156,921	15,039	155,000	(1,921)
Radio Communications	26,464	17,373	(9,091)	20,000	2,627
Equipment Repairs (Field)	123,621	125,891	2,270	150,000	24,109
Truck and Auto Repair	27,292	20,550	(6,742)	19,000	(1,550)
Water Tower Maintenance	5,756	32,764	27,008	50,000	17,236
Waterline Maintenance	894,428	759,714	(134,714)	750,000	(9,714)
Seminars and Schools	5,668	6,938	1,270	10,000	3,062
Uniforms	4,081	4,362	281	4,000	(362)
TOTAL:	\$2,607,659	\$2,685,736	\$78,077	\$3,108,697	\$422,961

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

OPERATIONS

Utilities	\$126,270	\$152,499	\$26,229	\$150,000	(\$2,499)
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APPENDIX B
Departmental Expenses and Budget
Terrebonne CWW#1
July 1, 2017 to June 30, 2018

	ACTUAL 2016-2017	ACTUAL 2017-2018	Increase / (Decrease)	Budget 2018-2019	Budget Increase / (Decrease)
<u>WATER PLANT</u>					
Salaries	\$1,027,338	\$1,029,490	\$2,152	\$1,150,000	\$120,510
Other Postemployment Benefits	65,889	63,235	(2,654)	143,966	80,731
Employee Group Insurance	268,121	274,287	6,166	288,000	13,713
Payroll Taxes	100,137	97,813	(2,324)	113,500	15,687
Retirement Expenses	108,130	71,847	(36,283)	86,500	14,653
Chemicals	1,301,942	1,211,898	(90,044)	1,300,000	88,102
Computer Supplies	100	0	(100)	0	0
Generator Fuel	12,165	7,503	(4,662)	15,000	7,497
Gasoline and Oil	13,348	17,216	3,868	10,500	(6,716)
Office Supplies and Expenses	15,383	11,890	(3,493)	13,000	1,110
Raw Water Cost	125,035	160,835	35,800	155,000	(5,835)
Small Tools	1,559	301	(1,258)	2,000	1,699
Plant Supplies	7,871	7,599	(272)	9,000	1,401
Freight	2,390	0	(2,390)	1,500	1,500
Insurance and Bonds	258,724	263,318	4,594	266,000	2,682
Lab Analysis	0	81	81	3,000	2,919
Radio Communications	8,787	8,002	(785)	20,000	11,998
Bayou Black Reservoir Maintenance	6,962	4,270	(2,692)	7,000	2,730
Plant Maintenance	397,595	259,114	(138,481)	250,000	(9,114)
Tractor Repairs	4,199	3,039	(1,160)	3,000	(39)
Truck and Auto Repair	3,456	2,207	(1,249)	5,000	2,793
Seminars and Schools	4,931	3,691	(1,240)	5,000	1,309
Telephone	12,642	11,854	(788)	0	(11,854)
Uniforms	642	339	(303)	900	561
Utilities	571,294	601,282	29,988	620,000	18,718
Reserve Filter Media	104,000	104,000	0	104,000	0
TOTAL:	\$4,422,640	\$4,215,111	(\$207,529)	\$4,571,866	\$356,755

APPENDIX B
Departmental Expenses and Budget
Terrebonne CWW#1
July 1, 2017 to June 30, 2018

	ACTUAL 2016-2017	ACTUAL 2017-2018	Increase / (Decrease)	Budget 2018-2019	Budget Increase / (Decrease)
<u>LAB</u>					
Salaries	\$175,896	\$186,727	\$10,831	\$191,500	\$4,773
Other Postemployment Benefits	12,066	8,906	(3,160)	23,898	14,992
Employee Group Insurance	61,274	64,258	2,984	69,400	5,142
Payroll Taxes	16,934	17,324	390	19,000	1,676
Retirement Expenses	18,509	12,900	(5,609)	14,750	1,850
Computer Supplies	0	0	0	750	750
Gasoline and Oil	7,726	7,759	33	8,500	741
Lab Equipment and Supplies	25,073	24,326	(747)	17,000	(7,326)
Office Supplies and Expenses	5,766	5,630	(136)	6,500	870
Freight	7,577	7,959	382	8,000	41
Insurance and Bonds	17,532	18,675	1,143	22,000	3,325
Janitorial Services	7,742	7,594	(148)	8,000	406
Lab Analysis	37,379	45,525	8,146	45,000	(525)
Radio Communications	4,969	3,285	(1,684)	5,500	2,215
Equipment and Building Repairs	10,131	6,151	(3,980)	8,000	1,849
Truck and Auto Repair	1,444	6,662	5,218	4,000	(2,662)
Seminars and Schools	2,201	4,507	2,306	7,000	2,493
Telephone	1,009	1,622	613	0	(1,622)
Utilities	8,327	8,483	156	8,500	17
TOTAL:	\$421,555	\$438,293	\$16,738	\$467,298	\$29,005

APPENDIX C

COMBINED DEBT SERVICE SCHEDULE



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

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