

March 3, 2020 Revision

TERREBONNE PARISH CONSOLIDATED WATERWORKS DISTRICT NO. 1



2018-2019 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, 2019. The report is prepared in accordance with the terms of the DISTRICT's bond resolution authorizing and securing all outstanding bonds. Arthur A. De Fraités, 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 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 surface water treatment plants, two standpipes, 16 elevated storage towers, four ground storage tanks, and 911 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 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 Bayou Black, which uses an approximate 4.5-mile impounded segment of the bayou as an additional reservoir. A secondary source is from the Gulf Intracoastal Waterway (GIWW). Saltwater intrusion has been and will likely remain a problem in the GIWW. There are three 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 GIWW for the fiscal year. The exhibit also includes an extension of readings through December 2019. It is seen that there were six days in which salinity exceeded 250ppm during the fiscal period. High readings were recorded in October 2019 only. It is noticed that high salinity readings occurred again in late summer and fall of 2019. Through years of

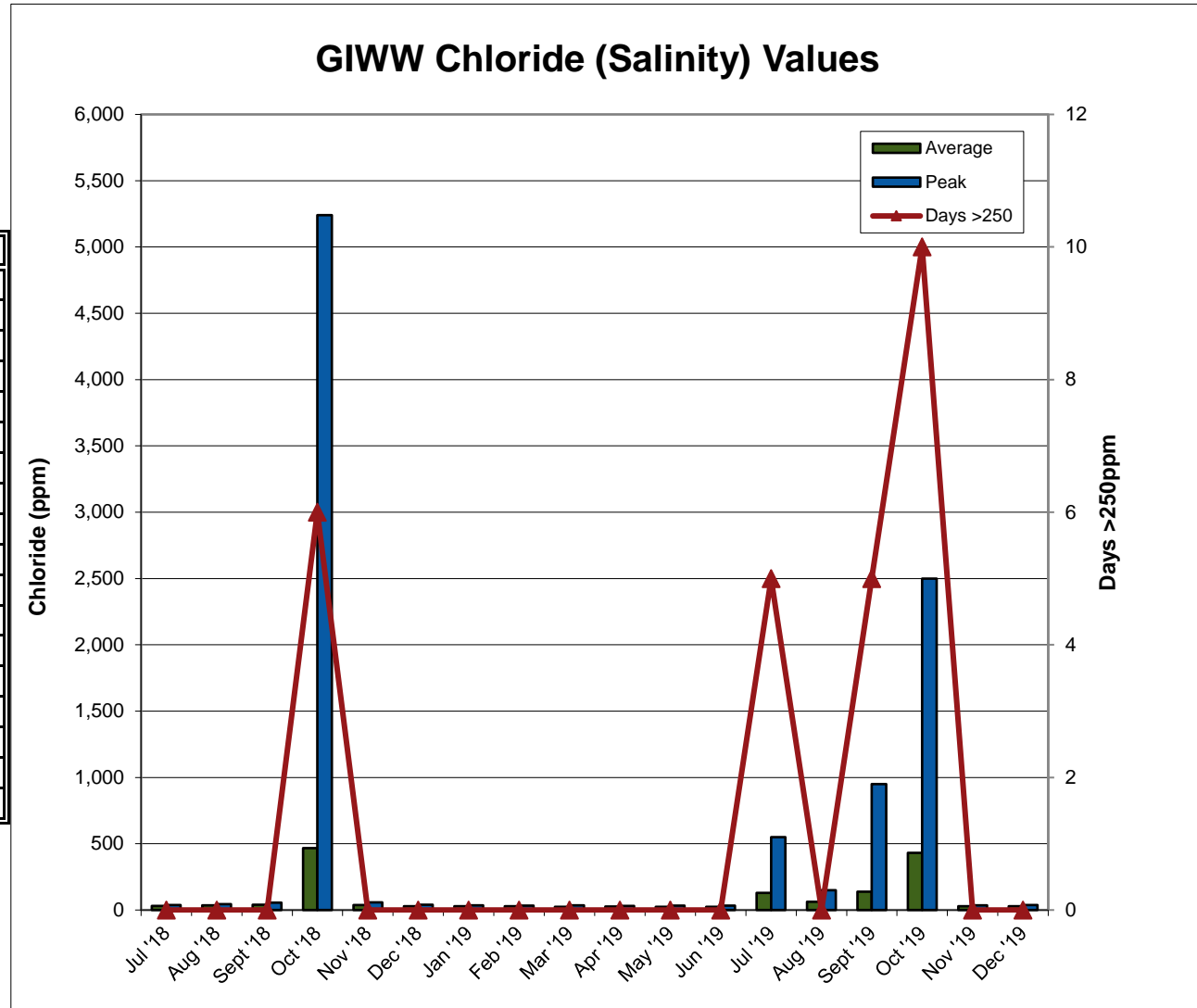
recording chloride levels in the GIWW, a pattern has become evident. Salinity levels peak during hurricane season between August and November. There is also a small peak in the spring from March through May in most years; however, this peak is much lower than in the Fall. This year is extremely low compared to recent years and is considered atypical. The last year to have such low salinity was in 2009.

The DISTRICT is aware of the higher levels of salinity during fall and coordinates their water requirements from other sources at these times. When GIWW salinity levels at the plant reach 100ppm, more frequent testing occurs and monitoring at Minors Canal begins. When levels in the GIWW reach 200ppm, the raw water source is shifted from the GIWW to the Bayou Black reservoir. If Minors Canal reaches 100ppm, Minors Gate is closed to protect Bayou Black and the reservoir. It is possible for the Schriever WTP to supply water to the Houma WTP distribution area, but it currently only occurs if there is an equipment failure or contamination of the Bayou Black reservoir.

The primary source of saltwater contamination is the interconnection of the Houma Navigational Canal with the GIWW. 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, 2018 to June 30, 2019

Month	Average	Peak	Days >250
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
Jan '19	28	36	0
Feb '19	28	34	0
Mar '19	24	36	0
Apr '19	26	31	0
May '19	24	33	0
Jun '19	24	32	0
Jul '19	129	550	5
Aug '19	61	150	0
Sept '19	139	950	5
Oct '19	431	2500	10
Nov '19	28	35	0
Dec '19	29	38	0



TREATMENT PLANTS:

The raw water supply for the DISTRICT is processed by two 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 a point 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. Each storage tank has a mixer so the water does not become stagnant and is mixed with new water coming in.

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 WTP's 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 DISTRICT 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 DISTRICT has upgraded the programmable logic controller (PLC) for the SCADA system.

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. In January 2020, the DISTRICT began troubleshooting an expected restriction in the line.

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. Currently the backwash water is returned to the reservoir 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. This project to return the slurry to Bayou LaFourche instead of the reservoir is on the Capital Improvement list and is in the beginning stages of planning. 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. Prior to the rerouting, the intake structure at the LaFort Canal Pump Station needs to be modified because significant amounts of air are being sucked up during pumping operations. Once this is fixed, then the rerouting project can begin the planning stages.

Another project underway is the renovation of the Schriever Water Treatment Plant office which is being completed in-house by the operators. Additional offices were created, and a new speaker system installed. Painting is still in process.

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, replacing the roof on the main building and lab building, repaving the concrete driveway on the west side of the plant, grading the site to minimize pooling, and dredging the reservoir. The replacement of chemical storage tanks has begun but is not completed at the time of this report.

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 can produce 4 mgd of treated water. Since the demand from the plant has been reduced in recent years, they operate one clarifier at 4 mgd 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 must 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 elevator repair was completed within the 2018-2019 Fiscal Year. The raw water intake structure is currently being repaired. The structure itself had corroded, so the DISTRICT is replacing the steel. The pumps and motors will not be replaced at this time. The HVAC system was also replaced.

During the site visit, the operators discussed capital projects they would like to see. These included replacing the chemical storage tanks, replacing the screen structure at the Waterproof intake station, replacing the floor tile in the control room, and rehabilitating/replacing the concrete floors in the chlorine room and alum containment areas.

Another concern for the Houma WTP is the Hanson Canal Pump Station project that is being constructed 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 making chemical feed adjustments as necessary when the project goes online.

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 public water systems of the DISTRICT include major transmission lines ranging from 16 inches to 36 inches in diameter. The two WTPs are

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interconnected through the ground storage tanks at the Houma WTP. Two ground storage tanks are located at the Houma Plant and two are located at the Schriever Plant. The Schriever Plant has a combined storage capacity of six million gallons, while the Houma Plant has a combined storage of four million gallons. Two 3-million-gallon stand pipes and 16 water towers within the network additionally support the system. The total water storage capacity of the DISTRICT is 18.95 million gallons. The system is comprised of approximately 911 miles of transmission and distribution piping ranging in sizes (as a % of the total) as follows:

36-inches - 14-inches	7.62%
12-inches - 8-inches	60.46%
6-inches - 4-inches	29.26%
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 materials 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>
Cameron Isle Business Park	Waterline	1,714
Evangeline Estates Subdivision	Waterline	1,110
Southdown Elementary School	Waterline	1,074
Hillcrest Subdivision Waterline Relocation	Waterline	63
<u>Capital Commercial Development, Phase 4C</u>	<u>144 Units</u>	<u>880</u>
TOTAL	144 Units	4,841

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. At that

time the DISTRICT decided not to increase the rates; however, in the fall of 2019 the minimum rates were increased to \$10.00 for Residential, \$20.00 for Commercial, and \$30.00 for Export.

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 2018-2019 audit, the cost of producing water averaged \$1.23/1,000 gallons. The City Power Plant was paying \$1.30/1,000 gallons from August 1, 2012 through August 31, 2019. On September 1, 2019, the Power Plant's rate structure began to mimic the commercial customer rates with a fixed charge and then a variable rate of \$3.85/1,000 gallons after the initial 2,000 gallons and then \$4.40/1,000 gallons after 30,000 gallons. The difference is that the fixed rate in September 2019 was \$15.00 and then was increased again in October 2019 to \$20.00.

TABLE I
Water Rates

Terrebonne CWWD#1
July 1, 2018 to June 30, 2019

"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 August 1, 2012 through August 31, 2019
\$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 \$1.65080 per 1,000 gallons. The rate is established annually by the DISTRICT'S Auditor. The rate is set at the annual cost of water production plus 40%. The rate per 1,000 gallons for the ensuing year will be \$1.23174+\$0.49269, or \$1.72443.

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 2018-2019 was \$900/service. This cost increased by \$228 since last year. This means that the cost to install a service connection is now more than what is being charged by the DISTRICT. The DISTRICT may want to evaluate the possibility of raising this fee so that it does not lose money.

PROPERTY VALUATION:

Although the DISTRICT does not have ad valorem tax bonds outstanding currently, 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, 2018 to June 30, 2019

<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/Transfer Fee	\$25.00	8/1/2012
Disconnect/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, 2018 to June 30, 2019

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)
2019	\$1,007,034,509	\$178,986,935	\$1,186,021,444	\$56,324,531

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 23.44% to 35.59% with an annual average of 28.73%, which is slightly higher than the US average range. The average “Unaccounted for Water” is approximately 2% 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, 2018 to June 30, 2019

MONTH	NUMBER OF CUSTOMERS	NET SALES (\$)	QUANTITY SOLD (Gallons)	AVERAGE BILL (per Customer per Month)	AVERAGE CONSUMPTION (per Customer per Month (Gals.))
July, 2018	43,640	\$1,362,868.82	308,868,300	\$31.23	7,078
August	43,394	\$1,351,495.57	310,304,700	\$31.14	7,151
September	43,470	\$1,341,899.00	309,654,700	\$30.87	7,123
October	43,568	\$1,329,582.77	300,174,400	\$30.52	6,890
November	43,318	\$1,281,225.30	289,681,100	\$29.58	6,687
December	43,350	\$1,217,299.06	276,188,800	\$28.08	6,371
January, 2019	43,360	\$1,243,744.48	280,211,200	\$28.68	6,462
February	43,347	\$1,232,728.50	279,900,400	\$28.44	6,457
March	43,231	\$1,139,375.12	254,995,500	\$26.36	5,898
April	43,326	\$1,270,710.82	285,900,100	\$29.33	6,599
May	43,406	\$1,300,397.25	291,160,400	\$29.96	6,708
June	43,371	\$1,366,336.50	314,549,700	\$31.50	7,253

TOTAL \$15,437,663.19 3,501,589,300

Average number of Customers per Month**43,398**

Average Customer Bill per Month**\$29.64**

Average Customer Consumption per Month**6,724** gallons per month

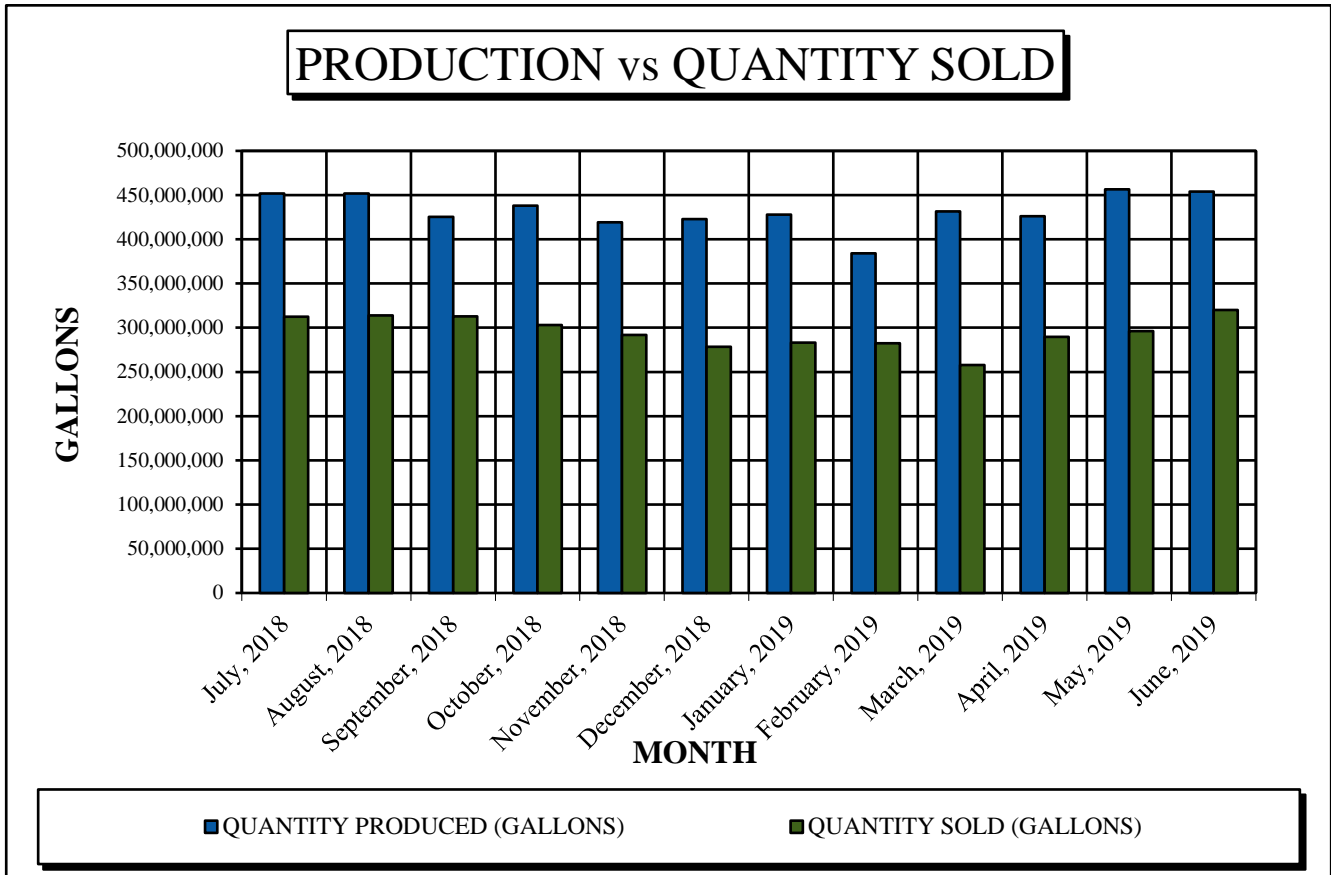
TABLE V
History of Customer Usage
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

Year Ending 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
2019	43,398	\$29.64	6,724

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

MONTH	QUANTITY PRODUCED (GALLONS)	QUANTITY SOLD (GALLONS)	OTHER SALES NOT METERED (GALLONS)	TOTAL QUANTITY SOLD (GALLONS)	KNOWN FLUSHINGS (GALLONS)	WATER LOSS IN SYSTEM
July, 2018	451,679,000	308,868,300	3,434,800	312,303,100	11,882,895	28.23%
August, 2018	451,926,000	310,304,700	3,576,160	313,880,860	13,075,095	27.65%
September, 2018	425,259,000	309,954,700	2,846,780	312,801,480	12,292,098	23.55%
October, 2018	437,873,000	300,174,400	2,949,040	303,123,440	13,862,486	27.61%
November, 2018	419,213,000	289,681,100	2,064,080	291,745,180	13,050,827	27.29%
December, 2018	422,838,000	276,188,800	2,441,290	278,630,090	13,211,454	30.98%
January, 2019	427,896,000	280,211,200	2,912,610	283,123,810	12,881,000	30.82%
February, 2019	384,094,000	279,900,400	2,690,660	282,591,060	11,468,171	23.44%
March, 2019	431,556,000	254,995,500	2,887,560	257,883,060	12,888,558	37.26%
April, 2019	426,258,000	285,900,100	3,752,410	289,652,510	12,224,885	29.18%
May, 2019	456,338,000	291,160,400	4,861,400	296,021,800	13,059,290	32.27%
June, 2019	454,102,000	314,549,700	5,599,280	320,148,980	16,294,888	25.91%
TOTAL	5,189,032,000	3,501,889,300	40,016,070	3,541,905,370	156,191,647	28.73%
AVG/MONTH	432,419,333	291,824,108	3,334,673	295,158,781	13,015,971	28.73%

PLATE 2
Quantity of Water Produced and Sold
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019



PLANT PRODUCTION	MONTH	QUANTITY PRODUCED (GALLONS)	WATER LOSS IN THE SYSTEM
Least Production Months	February, 2019	384,094,000	23.44%
	November, 2018	419,213,000	27.29%
	December, 2018	422,838,000	30.98%
	September, 2018	425,259,000	23.55%
Average Production Months	April, 2019	426,258,000	29.18%
	January, 2019	427,896,000	30.82%
	March, 2019	431,556,000	37.26%
	October, 2018	437,873,000	27.61%
Highest Production Months	July, 2018	451,679,000	28.23%
	August, 2018	451,926,000	27.65%
	June, 2019	454,102,000	25.91%
	May, 2019	456,338,000	32.27%

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, 2019. 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, 2019.

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 2007 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. An ordinance raised the variable rates by \$0.10 per year through 2017 (fiscal year ending 2018) which explains the slight increases in revenue through 2018 and then a decrease in 2019. As is expected, expenses continued to increase with only a slight decrease in 2015 and 2016. Due to the increase in expenses and the decrease in revenues, the surplus per customer per month decreased by over \$1.00 in 2019. This does not seem to be significant, but it is the lowest surplus per customer since 2008. The increase in the minimum rate which began in Fall of 2019 should bring the surplus back up some.

TABLE VI
Total Revenue Per Customer
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

	<u>Actual</u> <u>2017-2018</u>	<u>Actual</u> <u>2018-2019</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,988,412	\$15,459,210	(\$529,202)
Lafourche Parish Sales	\$32,445	\$30,062	-\$2,383
Service Connections	\$159,140	\$137,555	-\$21,585
Meter Installation Fees	\$136,771	\$137,025	\$254
Penalties & Reconnect Fees	\$126,924	\$159,063	\$32,139
Total Operating Revenue	\$16,443,692	\$15,922,915	(\$520,777)
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	\$209,446	\$215,064	\$5,618
Garbage collections	\$110,557	\$110,232	-\$325
* Interest on Investments	\$243,610	\$466,478	\$222,868
LA Act 125	\$25,672	\$25,620	-\$52
Miscellaneous	\$159,586	\$179,107	\$19,521
Total Other Revenue	\$748,871	\$996,501	\$247,630
Total Revenue	\$17,192,563	\$16,919,416	(\$273,147)
Average Number of Customers	43,424	43,398	(26)
Operating Revenue/Customer/Month	\$31.56	\$30.58	(\$0.98)
Other Revenue/Customer/Month	\$1.44	\$1.91	\$0.47
Total Revenue/Customer/Month	\$33.00	\$32.49	(\$0.51)

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

TABLE VII
Operating Expenses Per Customer
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

<u>Operating Expenses</u>	<u>Actual</u> <u>2017-2018</u>	<u>Actual</u> <u>2018-2019</u>	<u>Difference</u>
<u>Department</u>			
Administration	\$995,817	\$1,018,946	\$23,129
Billings & Collections	\$1,161,820	\$1,179,306	\$17,486
Meter Reading	\$710,390	\$760,862	\$50,472
Warehouse & Meter Shop	\$391,772	\$454,406	\$62,634
Operations	\$152,499	\$149,442	(\$3,057)
Engineering	\$1,282,645	\$1,347,564	\$64,919
Maintenance & Field Crews	\$2,685,736	\$2,615,218	(\$70,518)
Waterplant*	\$4,111,111	\$4,036,397	(\$74,714)
Bac-T-Lab	\$438,293	\$444,613	\$6,320
Total Operating Expenses (BEFORE Depreciation)	\$11,930,083	\$12,006,754	\$76,671
Add:			
Depreciation	\$3,450,734	\$3,699,560	\$248,826
Total Operating Expenses (AFTER Depreciation)	\$15,380,817	\$15,706,314	\$325,497
Average Number of Customers	43,424	43,398	(26)
Operating Expense/Customer/Month (BEFORE Depreciation)	\$22.89	\$23.06	\$0.17
Operating Expense/Customer/Month (AFTER Depreciation)	\$29.52	\$30.16	\$0.64

* Waterplant expenses does not include filter amortization.

TABLE VIII
Net Surplus Per Customer
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

<u>REVENUE</u>	<u>Actual</u> <u>2017-2018</u>	<u>Actual</u> <u>2018-2019</u>	<u>Difference</u>
Operating Revenue	\$16,443,692	\$15,922,915	\$ (520,777)
Other Revenue	\$748,871	\$996,501	\$247,630
TOTAL REVENUE	\$17,192,563	\$16,919,416	(273,147)
<u>EXPENSES</u>			
Operating Expenses	\$11,930,083	\$12,006,754	\$ 76,671
OPERATING SURPLUS (BEFORE Depreciation)	\$5,262,480	\$4,912,662	(349,818)
Less: Depreciation	\$3,450,734	\$3,699,560	\$ 248,826
OPERATING SURPLUS (AFTER Depreciation)	\$1,811,746	\$1,213,102	(598,644)
Average Number of Customers	43,424	43,398	(26)
Operating Surplus/Customer/Month (BEFORE Depreciation)	\$10.10	\$9.43	\$ (0.67)
Operating Surplus/Customer/Month (AFTER Depreciation)	\$3.48	\$2.33	\$ (1.15)

TABLE IX

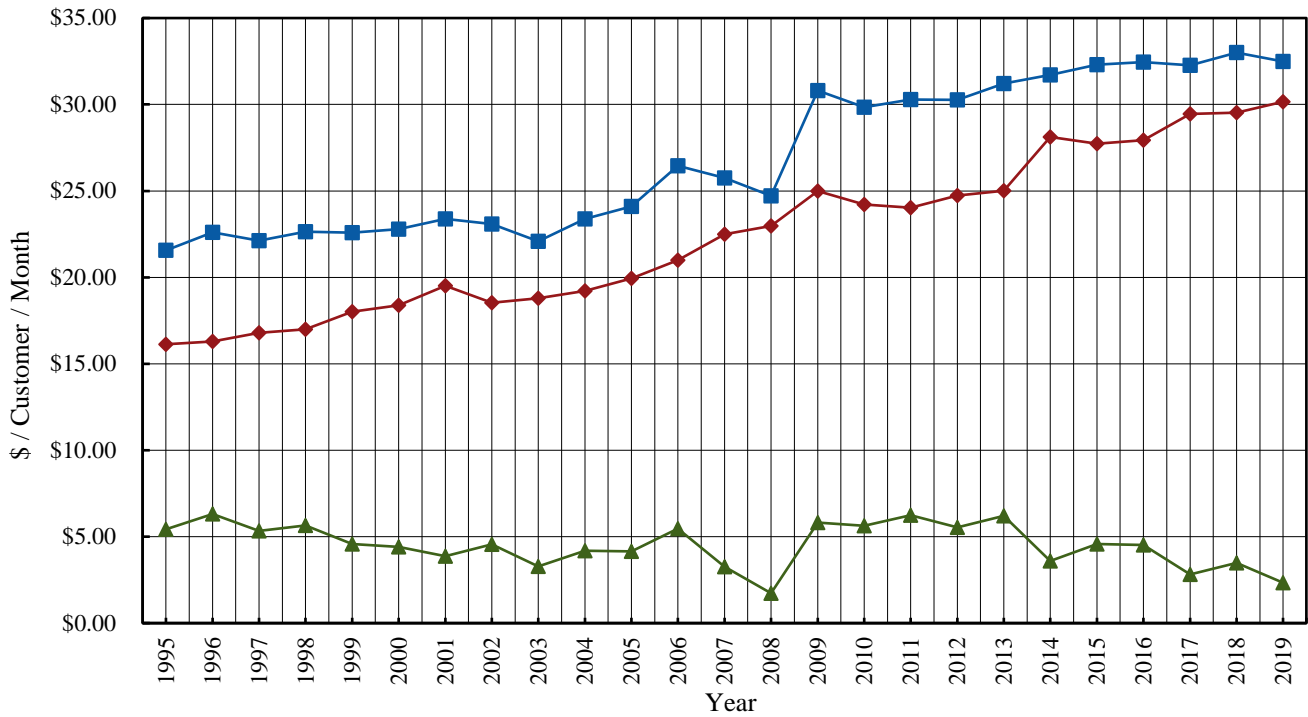
History of Revenue, Expenses and Net Surplus

Terrebonne CWWD#1

July 1, 2018 to June 30, 2019

<u>Year Ending June 30th</u>	<u>Total Revenue Per Customer/Mo.</u>	<u>Total Expenses (Before Depre.) Per Customer/Mo.</u>	<u>Net Surplus Per Customer/Mo.</u>
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
2019	\$32.49	\$30.16	\$2.33

Revenue, Expenses & Net Surplus Per Customer per Month



■ Total Revenue Per Customer/Mo. ◆ Total Expenses (Before Depre.) 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, 2019, 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 as shown in the DISTRICT’s budget. 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. The auditor includes the filter media in the audit under line item “Depreciation and Amortization”. 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, 2018 to June 30, 2019

	<u>Actual</u> <u>2018-2019</u>	<u>Budgeted</u> <u>2019-2020</u>	<u>Difference</u>
<u>Operating Revenue</u>			
Sales	\$15,459,210	\$15,550,000	\$90,790
Lafourche Parish Sales	\$30,062	\$31,000	\$938
Service Connections	\$137,555	\$138,600	\$1,045
Meter Installation Fees	\$137,025	\$130,000	-\$7,025
Penalties & Reconnect Fees	\$159,063	\$125,000	-\$34,063
Total Operating Revenue	\$15,922,915	\$15,974,600	\$51,685
<u>Contract Services and Other Revenue</u>			
<u>Service Agreements</u>			
Sewerage Districts	\$215,064	\$210,000	(\$5,064)
Garbage collections	\$110,232	\$130,000	\$19,768
Interest on Investments	\$466,478	\$350,000	-\$116,478
LA Act 125	\$25,620	\$25,000	-\$620
Miscellaneous	\$179,107	\$60,000	-\$119,107
Total Other Revenue	\$996,501	\$775,000	(\$221,501)
Total Revenue	\$16,919,416	\$16,749,600	(\$169,816)

TABLE XI
Audited and Budgeted Operating Expenses
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

<u>OPERATING EXPENSES</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>BUDGETED</u> <u>2019-2020</u>	<u>Difference</u>
<u>DEPARTMENT</u>			
Administrative	\$1,018,946	\$1,116,560	\$97,614
Billings and Collections	\$1,179,306	\$1,265,294	\$85,988
Meter Reading	\$760,862	\$790,330	\$29,468
Warehouse and Meter Shop	\$454,406	\$399,341	(\$55,065)
Utilities - Operations	\$149,442	\$150,000	\$558
Engineering	\$1,347,564	\$1,474,880	\$127,316
Maintenance and Field Crews	\$2,615,218	\$2,874,447	\$259,229
Waterplant	\$4,036,397	\$4,473,166	\$436,769
Bac-T-Lab	\$444,613	\$544,148	\$99,535
TOTAL OPERATING EXPENSES (BEFORE Depreciation & Amortization)	\$12,006,754	\$13,088,166	\$1,081,412

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 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 newest bond issued in 2019 requires that revenues are sufficient to realize an operating surplus to cover 125% of the maximum future annual debt payment before depreciation and amortization. The principal and interest payments for 2020 through 2037 were evaluated to determine which requirement would yield the highest parity for each year. It was determined the 2019 bond requirement of 125% of the future maximum annual payment would be the greatest requirement for all future years. Since the 2019 bonds were not issued until the fall of 2019, it does not play a part in the parity requirement for the 2018-2019 fiscal year.

It is seen that the system met its parity income requirements for the 2018-2019 fiscal year with sufficient funds to cover 125% of the 2019 debt payment which is \$2,684,416 and had an excess of \$1,704,505. It is projected that the DISTRICT will meet its required 125% of the 2020 parity requirement of \$3,305,286 and have an excess of \$460,148 for the 2019-2020 fiscal year. The debt retirement schedule (**Appendix C**) shows the semi-annual debt payments for future years.

TABLE XII
Audited and Budgeted Surplus and Parity Income
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

	<u>Actual</u> <u>2018-2019</u>	<u>Budgeted</u> <u>2019-2020</u>	<u>Difference</u>
<u>REVENUE</u>			
Total Operating Revenue	\$15,922,915	\$15,974,600	\$51,685
Total Other Revenue	\$996,501	\$775,000	(\$221,501)
Total Revenue	\$16,919,416	\$16,749,600	(\$169,816)
<u>EXPENSES</u>			
Total Operating Expenses	\$12,006,754	\$13,088,166	\$1,081,412
Service Connections (Parts & Contract Labor)	\$147,523	\$75,000	(\$72,523)
Total Expenses	\$12,154,277	\$13,163,166	\$1,008,889
Surplus (BEFORE Depreciation)	\$4,765,139	\$3,586,434	(\$1,178,705)
less: Transfers			
Revenue Bonds (Sinking Fund & Reserve)	\$2,515,230	\$2,689,814	\$174,584
Depreciation & Contingency Fund	\$863,175	\$837,480	(\$25,695)
Total Transfers	\$3,378,405	\$3,527,294	\$148,889
Net Surplus	\$1,386,734	\$59,140	(\$1,327,594)
<u>PARITY INCOME</u>			
Net Surplus	\$1,386,734	\$59,140	(\$1,327,594)
Transfer: Revenue Bond Sinking Fund	\$2,515,230	\$2,689,814	\$174,584
Transfer: Depreciation & Contingency Fund	\$863,175	\$837,480	(\$25,695)
Service Connections (Parts & Contract Labor)	\$147,523	\$75,000	(\$72,523)
Reserve Filter Media Amortization	\$104,000	\$104,000	\$0
Total Parity Income	\$5,016,662	\$3,765,434	(\$1,251,228)
<u>REQUIRED PARITY INCOME</u>			
Maximum Amount of Principal & Interest	\$2,649,726	\$2,589,295	(\$60,431)
*Coverage @ 125% of Annual Principal & Interest	\$662,432	\$647,324	(\$15,108)
Required Parity Income	\$3,312,158	\$3,236,619	(\$75,539)
Excess Income for Parity Purposes	\$1,704,505	\$528,815	(\$1,175,689)
% of Operating Revenue Available for Projects	14.86%	7.36%	

*The bond ordinances differ in coverage requirements. Therefore, the higher of the coverage requirements was used. The 125% coverage of the maximum succeeding year will be higher 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 \$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 payment for these 2012B bonds was in 2017. In the fall of 2019, a bond was issued to refund most of the 2012A bonds. Due to this refunding, the remaining \$1.765 million will be paid off in November 2022.

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 amount will 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.

2019 BOND ISSUE:

The DISTRICT refinanced most of the 2012A bonds in the amount of \$14.32 million at a variable interest rate not exceeding 3.248%. They were paying 4% interest prior. This bond issue requires 125% 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 2037.

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 the projects authorized prior to June 30, 2019 is approximately \$2.9 million. The DISTRICT also has authorized one local capital improvement project for the 2019-2020 Fiscal Year, which has a total budget of \$125,000.

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 require funds to be set aside if the DISTRICT decides to move forward with them.

Distribution System

1. Highway 55 Waterline Replacement Project – Replace approximately 19,000 feet of 8-inch waterline from Klondyke tank to Highway 665
2. Abandon redundant lines in the City of Houma
 - a. Saadi Street
 - b. Main Street Downtown
 - c. Grinage Street
 - d. Goode Street
 - e. Verrett Street
3. Replace waterlines along Highway 24 South (Main Street) from Highway 311 to Highway 660

4. Rehabilitation of the Lower Dulac Tank and Dulac Tank
5. Demolition of Grand Caillou Tank
6. Commissioning of South Terrebonne Pump
7. Replace inoperable valves in various locations

Schriever Water Treatment Plant

1. Conduct maintenance on the raw water reservoir
2. Renovate the Lefort Canal structure
3. Renovations to the chlorine room, including repairs to the cylinder racks, pain, and adding heaters
4. Inspection and possible repairs to the walls of the filters and clarifiers on the east side of the plant
5. Installation of automated valves on the filters

Houma Water Treatment Plant

1. Conduct maintenance on the raw water reservoir
2. Install VFD controls on the Reservoir Intake Pumps
3. Ground storage tank bypass for Schriever WTP to supply water to Houma WTP's service area

TABLE XIII
Incomplete Projects
Terrebonne CWWD#1
July 1, 2018 to June 30, 2019

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. DeFraithe, 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	\$ (532,032.76)	\$ 1,004,082.24	\$ 805,326.23	\$ 198,756.01
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			\$ 772,347.60	\$ 281,067.40	\$ 3,927,858.68	\$ (1,358,021.52)	\$ 3,623,252.16	\$ 2,605,821.15	\$ 1,017,431.01
DWRLF 2014A BOND AMOUNT							\$ 4,200,000.00		
DWRLF 2014A BONDS NOT ALLOCATED AS OF JUNE 30							\$ 576,747.84		
Funds Provided with Grant Assistance (Remainder to be Paid by District Surplus)									
**L-9-15-04	Waterline Replacement Montegut	Providence Engineering and Design, LLC	\$ 46,800.00	\$ 12,845.00	\$ 260,000.00	\$ (16,870.74)	\$ 302,774.26	\$ 302,774.26	\$ -
L-4-17-01	Replacement of Water Mains Along Palm Avenue	Aptim	\$ 80,052.00	\$ 17,798.16	\$ 355,963.13	\$ -	\$ 453,813.29	\$ 27,799.10	\$ 426,014.19
SPN-H.008411	Bayou Terrebonne Bridge (LA660 & LA24) Waterline Relocation	Milford & Associates, Inc.	\$ 54,112.79	\$ 22,455.00	\$ 170,406.00	\$ 3,136.07	\$ 250,109.86	\$ 214,867.91	\$ 35,241.95
SPN-H.001498	Waterline Replacement Under Company Canal	Providence Engineering and Design, LLC	\$ 55,000.00	\$ 10,500.00	\$ 105,000.00	\$ (10,130.61)	\$ 160,369.39	\$ 42,806.00	\$ 117,563.39
SPN-H.010890	Hollywood Road Roundabout	High Tide Consultants	\$ -	\$ -	\$ 225,000.00	\$ -	\$ 225,000.00	\$ 18,394.00	\$ 206,606.00
SUBTOTAL			\$ 235,964.79	\$ 63,598.16	\$ 1,116,369.13	\$ (23,865.28)	\$ 1,392,066.80	\$ 606,641.27	\$ 785,425.53
GRANT AMOUNT							\$ 737,998.78		
AMOUNT PROVIDED BY DISTRICT							\$ 654,068.02		
Local Projects Committed prior to June 30, 2019 (Funds Provided by District Surplus)									
L-12-15-05	Office Renovations	Houston Lirette, Architect	\$ 94,487.00	\$ 74,448.70	\$ 650,000.00	\$ 24,272.44	\$ 843,208.14	\$ 785,354.58	\$ 57,853.56
L-1-16-02	Office Roof Replacement	Houston Lirette, Architect	\$ -	\$ -	\$ 150,000.00	\$ 51,886.39	\$ 201,886.39	\$ 183,580.50	\$ 18,305.89
**L-12-16-04	Water Model Build & Calibration	IDModeling	\$ -	\$ -	\$ 103,425.00	\$ -	\$ 103,425.00	\$ 103,425.00	\$ -
**L-6-17-02	Tank Painting - Bayou Black	David Waitz Engineering	\$ 16,000.00	\$ 22,122.75	\$ 426,455.00	\$ (86,491.75)	\$ 378,086.00	\$ 378,086.00	\$ -
**L-9-17-03	Schriever System Assessment	Corona Environmental Consulting, LLC	\$ 68,940.00	\$ -	\$ -	\$ 8,364.00	\$ 77,304.00	\$ 77,304.00	\$ -
*L-9-18-02	Schriever Plant High Service Piping	Providence Engineering and Design, LLC	\$ -	\$ -	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ 11,916.00	\$ 988,084.00
L-3-19-01	Poine-Aux-Chenes Tank Relocate Overflow Line	Hide Tide Consultants, LLC	\$ 500.00	\$ -	\$ 23,625.00	\$ -	\$ 24,125.00	\$ -	\$ 24,125.00
L-5-19-02	Neptune Pilot Program	In-House	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL			\$ 179,927.00	\$ 96,571.45	\$ 2,353,505.00	\$ (1,968.92)	\$ 2,628,034.53	\$ 1,539,666.08	\$ 1,088,368.45
BALANCE FOR ALL PROJECTS AUTHORIZED PRIOR TO JUNE 30, 2019							\$ 2,891,224.99		
Local Projects Committed after June 30, 2019 (Funds Provided by District Surplus)									
L-7-19-01	Waterline Participation 2019-2020	In-House	\$ -	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00
SUBTOTAL			\$ -	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00

*Contract was terminated.
** Completed prior to June 30, 2019.

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

As of June 30, 2019, the DISTRICT has a balance in various accounts for Annual Capital Outlay purposes in the following amounts:

Surplus Fund (Cash)	\$ 9,098	
Surplus Fund – CD Invest.	825,000	
Surplus Fund – LAMP	12,724,000	
Depreciation & Contingency – CD Invest.	1,950,000	
Depreciation & Contingency – Savings	1,065,329	
Depreciation & Contingency – LAMP	<u>1,123,000</u>	
		\$ 17,696,427
Less: Reserve for Capital and <u>Contingency Fund</u>		(-\$ 300,000)
Total Funds Available for Annual Capital Projects		\$ 17,396,427

In addition to the funds in the DISTRICT’s accounts, five projects (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. 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 (DOTD). H.001498 is the Waterline Replacement Under Company Canal is fully funded (\$160,370) by DOTD. DOTD is also providing all funding in the amount of \$255,000 for H.010890, Hollywood Road Roundabout.

The capital improvement and local projects that began prior to June 30, 2019 will be funded as shown below. The DISTRICT has annual projects and projects that they have committed to for the 2019-2020 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	(-\$ 1,017,431)
Funds for Grant Assisted Projects	(-\$ 785,426)
Funds for Local Projects Committed prior to June 30, 2019	(-\$ 1,088,368)
Funds for 2019-2020 Committed Local Projects	(-\$ 125,000)
<u>Funds for 2019-2020 Annual Projects</u>	<u>(-\$ 1,420,000)</u>
Funds Required for Previously Committed Projects	(-\$ 4,436,225)

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

Total Unassigned Surplus Capital Funds

Unrestricted Funds (D&C, Surplus, and Bonds)	\$ 17,396,427
Projected Reimbursements from Grant Projects	\$ 697,878
<u>Funds Required for Previously Committed Projects</u>	<u>(-\$ 4,436,225)</u>
Total Unallocated Surplus Funds	\$ 13,658,080

Of the \$17,396,427 Total Unallocated Surplus Funds, \$576,748 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, 2019 is approximately \$13.1 million for other projects the DISTRICT would like to undertake in 2019-2020.

TABLE XIV
Additional Local Projects for 2019-2020
 Terrebonne CWWD#1

Annual Projects

Tank Painting & Repairs	\$ 20,000.00
Residential Meter Replacements (20 yrs.)	\$ 250,000.00
Large Meter Replacements (2"+) (10 yrs.)	\$ -
Treatment Plant - Capital Improvements	\$ 300,000.00
a. Houma WTP - Raw Water Intake Structure Improvements (replace corroded beams)	
b. Houma WTP - Trial for Chlorine Dioxide Generation (using TMB Purate method)	
c. Schriever WTP - Install Fiber Optic Lines from the Plant to the Lab and Upgrade Computer System	
d. Schriever WTP - Control Room Renovations	
Replacements of Critical System Valves	\$ 200,000.00
Vehicles & Equipment	\$ 200,000.00
Carbon - Rotational Replacement	\$ 325,000.00
Technology Upgrades	\$ 125,000.00
a. Install New Document Server at the Main Office with Automatic Offsite Backup at the Schriever WTP	
	\$ 1,420,000.00

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 the DISTRICT. 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.

The latest developments in this case as reported by DISTRICT’s counsel (supplied by our insurer, ARCH) include a successful “exception of venue” for most defendants, including Waterworks. This means that the Court in Iberville Parish told Mr. Carmouche’s attorneys that they must transfer all of their various claims to the Parishes where each defendant is domiciled.

Subsequent to those events, the very latest development related by ARCH’s attorneys is that plaintiffs have agreed to settle with all 169 defendants insured by ARCH (and possibly other companies) for a relatively nominal sum, in return for a full and final release and dismissal (with prejudice) of the DISTRICT regarding all of plaintiff’s claims and the lawsuit. Although as of this writing the settlement documents and funds are still in the works, the lead attorney has high confidence that the settlement will be finalized under those terms, with the court-ordered dismissal soon to follow.

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.

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 underway with the re-scheduling of the project’s Engineer, Gene Milford, expected soon, as well as the DISTRICT’s applicable witness. Once discovery is completed, 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

16 employees

Field Force

Department Head - Curtis Jackson, Field Superintendent

20 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

20 employees

Bac-T-Lab

Department Head - Ray Percle, Supervisor

3 employees

SECTION VII

INSURANCE

GENERAL:

The provisions of the DISTRICT's bond resolutions provide 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)

Insurer	Type of Coverage	Amount of Insurance	Expiration Date
Tokio Marine Specialty Insurance Company	Automobile liability	\$ 1,000,000	July 1, 2019
Tokio Marine Specialty Insurance Company	General liability	\$ 3,000,000	July 1, 2019
Tokio Marine Specialty Insurance Company	Excess liability	\$ 10,000,000	July 1, 2019
Louisiana United Businesses' Association	Workers' compensation	\$ 1,000,000	July 1, 2019
North American Elite Insurance Company	Combined building & personal property	\$ 30,000,000	June 1, 2019
Tokio Marine Specialty Insurance Company	Public employee dishonesty, forgery or alteration, theft, disappearance & destruction	\$ 100,000	June 1, 2019
Allianz Global Corporate & Specialty	Computer equipment and software	\$ 409,000	July 1, 2019
American Bankers Insurance	Flood	\$ 500,000	August 1, 2019

APPENDIX A

Departmental Expenses



PROVIDENCE

APPENDIX A
Departmental Expenses
Terrebonne CWWD#1
July 1, 2018 to June 30, 2019

2018-2019 Annual Engineer's Report

A-1

Providence Engineering and Design, LLC

	ADMINISTRATION	BILLINGS & COLLECTIONS	CUSTOMER SERVICE	WAREHOUSE & METER SHOP	ENGINEERING	OPERATIONS	DISTRIBUTION & FIELD CREWS	WATERPLANT	LAB	TOTAL
Accounting	\$54,205									\$54,205
Attorney	99,990									99,990
Backflow Prevention Program										0
Bayou Black Reservoir Maintenance								6,486		6,486
Board Members	13,782									13,782
Bond Agent Fees	2,600									2,600
Chemicals							7,943	1,203,431		1,211,374
Collection Agency		6,360								6,360
Computer Supplies					7,093					7,093
Consulting Engineer	16,681									16,681
Data Processing		254,613								254,613
DHH Emergency Rule										0
Employee Group Insurance	67,539	94,208	125,317	39,155	94,952		205,499	174,046	38,358	839,074
Equipment & Bld'g.Repairs	36,048	42,200	4,800	3,207					4,794	91,049
Equipment - Field Repairs							115,986			115,986
Freight				388					1,654	2,042
Gasoline and Oil	1,997	1,997	21,135	3,877	16,969		39,735	11,863	7,939	105,512
Generator Fuel								5,761		5,761
GIS Network					79,955					79,955
Insurance and Bonds	34,762	28,518	34,776	15,140	50,290		132,850	216,672	17,156	530,164
Janitorial Service	19,000								7,594	26,594
Lab Analysis									47,925	47,925
Lab Equipment and Supplies									26,420	26,420
Meter Parts and Repair				816						816
Office Supplies and Expenses	46,951	48,333	582	2,264	12,247		1,359	21,328	5,425	138,489
Other Postemployment Benefit	25,481	39,491	85,269	104,398	126,607		110,768	144,926	24,485	661,425
Payroll Taxes	44,004	32,166	35,960	21,056	72,026		92,705	103,833	18,657	420,407
Plant Maintenance								205,875		205,875
Plant Supplies								8,654		8,654
Postage		226,113								226,113
Publish Proceedings	2,387									2,387
Radio Communications	12,090	2,473	8,438	1,501	16,724		16,023	3,213	3,333	63,795
Raw Water Cost								126,679		126,679
Retirement Expenses	57,183	44,508	49,296	18,300	90,285		115,799	139,834	25,114	540,319
Salaries	451,486	350,005	387,231	226,349	759,416		963,759	1,087,333	200,354	4,425,933
Seminars and Schools	9,810	2,019	2,300	1,649	13,955		4,686	3,732	3,304	41,455
Small Tools				1,593			6,209	437		8,239
Telephone Service		6,108						11,224	1,622	18,954
Tractor Repairs								4,104		4,104
Truck and Auto Repair	150	194	5,758		7,045		21,254	2,065	3,104	39,570
Uniforms							5,081	311		5,392
Utilities	22,800					149,442		554,590	7,375	734,207
Warehouse Supplies				14,713						14,713
Waterline Maintenance							775,562			775,562
Wattertower Maintenance										0
TOTAL	\$1,018,946	\$1,179,306	\$760,862	\$454,406	\$1,347,564	\$149,442	\$2,615,218	\$4,036,397	\$444,613	\$12,006,754
Average No. of Customers	43,398									
Annual costs per customer	\$23.48	\$27.17	\$17.53	\$10.47	\$31.05	\$3.44	\$60.26	\$93.01	\$10.25	\$276.68
Monthly costs per customer	\$1.96	\$2.26	\$1.46	\$0.87	\$2.59	\$0.29	\$5.02	\$7.75	\$0.85	\$23.06

APPENDIX B

Departmental Expenses and Budget



PROVIDENCE

APPENDIX B

Departmental Expenses and Budget

Terrebonne CWWD#1

July 1, 2018 to June 30, 2019

<u>ADMINISTRATIVE</u>	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
Salaries	\$435,968	\$443,929	\$7,961	\$482,500	\$38,571
Other Postemployment Benefits	14,190	35,960	21,770	35,960	0
Employee Group Insurance	96,753	95,332	(1,421)	119,000	23,668
Payroll Taxes	42,112	44,003	1,891	47,000	2,997
Retirement Expenses	30,005	33,435	3,430	36,000	2,565
Office Supplies and Expenses	40,827	43,376	2,549	50,000	6,624
Accounting	50,000	54,205	4,205	50,000	(4,205)
Attorney	93,839	99,990	6,151	110,000	10,010
Board Members	14,240	13,782	(458)	17,000	3,218
Bond Agent Fees	2,600	2,600	0	2,600	0
Consulting Engineers	9,200	16,681	7,481	15,000	(1,681)
Insurance and Bonds	33,757	34,761	1,004	33,000	(1,761)
Janitorial Service	18,000	19,000	1,000	24,000	5,000
Publishing Proceedings	2,846	2,387	(459)	5,000	2,613
Communications	14,506	12,090	(2,416)	13,000	910
Equipment Repair (Office)	61,009	36,048	(24,961)	32,000	(4,048)
Truck and Auto Repair*	78	150	72	500	350
Seminars and Schools	6,451	9,810	3,359	19,000	9,190
Utilities	29,436	20,506	(8,930)	25,000	4,494
TOTAL	\$995,817	\$1,018,045	\$22,228	\$1,116,560	\$98,515

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

<u>BILLINGS AND COLLECTIONS</u>	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
Salaries	\$337,423	\$342,709	\$5,286	\$360,000	\$17,291
Other Postemployment Benefits	11,918	63,444	51,526	63,444	0
Employee Group Insurance	115,697	107,426	(8,271)	126,350	18,924
Payroll Taxes	31,474	32,166	692	35,500	3,334
Retirement Expenses	23,485	26,024	2,539	27,500	1,476
Gasoline and Oil	1,916	1,997	81	2,500	503
Office Supplies and Expenses	59,566	48,333	(11,233)	60,000	11,667
Collection Agency	9,286	6,360	(2,926)	7,500	1,140
Data Processing	257,843	254,613	(3,230)	265,000	10,387
Equipment Maintenance/Lease	43,144	42,200	(944)	44,000	1,800
Insurance and Bonds	26,550	28,518	1,968	27,500	(1,018)
Postage	233,969	226,113	(7,856)	235,000	8,887
Communications	8,636	8,581	(55)	9,000	419
Truck and Auto Repairs	395	194	(201)	500	306
Seminars and Schools	518	2,019	1,501	1,500	(519)
TOTAL	\$1,161,820	\$1,190,697	\$28,877	\$1,265,294	\$74,597

APPENDIX B

Departmental Expenses and Budget

Terrebonne CWWD#1

July 1, 2018 to June 30, 2019

	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>CUSTOMER SERVICE - FIELD</u>					
Salaries	\$367,666	\$378,258	\$10,592	\$404,000	\$25,742
Other Postemployment Benefits	54,759	86,030	31,271	86,030	0
Employee Group Insurance	142,416	136,735	(5,681)	149,500	12,765
Payroll Taxes	33,936	35,959	2,023	39,800	3,841
Retirement Expenses	25,365	28,824	3,459	30,000	1,176
Gasoline and Oil	25,867	19,776	(6,091)	20,000	224
Office Supplies and Expenses	522	582	60	1,000	418
Small Tools	81	0	(81)	1,500	1,500
Insurance and Bonds	39,146	34,776	(4,370)	33,500	(1,276)
Communications	6,973	8,438	1,465	7,500	(938)
Equipment Repair (Office)	5,974	4,800	(1,174)	7,500	2,700
Truck and Auto Repairs	6,629	5,760	(869)	7,500	1,740
Schools & Seminars	1,056	2,300	1,244	2,500	200
TOTAL:	\$710,390	\$742,238	\$31,848	\$790,330	\$48,092
<u>WAREHOUSE AND METER SHOPS</u>					
Salaries	\$185,531	\$221,838	\$36,307	\$223,000	\$1,162
Other Postemployment Benefits	76,140	31,291	(44,849)	31,291	0
Employee Group Insurance	51,665	46,317	(5,348)	51,500	5,183
Payroll Taxes	17,601	21,056	3,455	22,000	944
Retirement Expenses	9,062	10,965	1,903	10,700	(265)
Gasoline and Oil	839	2,783	1,944	3,000	217
Office Supplies and Expenses	3,038	2,264	(774)	3,500	1,236
Small Tools	2,124	1,593	(531)	2,000	407
Warehouse Supplies	18,945	14,713	(4,232)	20,000	5,287
Freight	423	388	(35)	1,000	612
Insurance and Bonds	12,717	15,140	2,423	16,000	860
Communication	1,275	1,501	226	1,600	99
Equipment Repairs	7,950	3,207	(4,743)	8,500	5,293
Meter Repairs Parts	1,647	816	(831)	3,000	2,184
Truck and Auto Repairs	0	0	0	750	750
Schools & Seminars	2,815	1,649	(1,166)	1,500	(149)
TOTAL	\$391,772	\$375,521	(\$16,251)	\$399,341	\$23,820

*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, 2018 to June 30, 2019

<u>ENGINEERING</u>	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
Salaries	\$753,751	\$741,306	(\$12,445)	\$866,000	\$124,694
Other Postemployment Benefits	91,579	68,880	(22,699)	68,880	0
Employee Group Insurance	155,228	154,865	(363)	201,500	46,635
Payroll Taxes	71,733	72,026	293	85,000	12,974
Retirement Expenses	46,481	52,790	6,309	62,500	9,710
Computer Supplies	4,116	7,093	2,977	7,500	407
Gasoline and Oil	13,410	15,878	2,468	16,000	122
Office Supplies and Expenses	10,423	8,601	(1,822)	9,500	899
GIS Network	43,377	79,955	36,578	60,000	(19,955)
Insurance and Bonds	51,464	50,291	(1,173)	56,000	5,709
Communications	13,410	16,724	3,314	15,000	(1,724)
Truck and Auto Repair	6,463	7,045	582	7,000	(45)
Seminars and Schools	21,210	13,955	(7,255)	20,000	6,045
TOTAL:	\$1,282,645	\$1,289,409	\$6,764	\$1,474,880	\$185,471

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

DISTRIBUTION AND FIELD CREWS

Salaries	\$999,036	\$984,154	(\$14,882)	\$1,070,000	\$85,846
Other Postemployment Benefits	45,933	157,447	111,514	157,447	0
Employee Group Insurance	279,176	246,798	(32,378)	299,000	52,202
Payroll Taxes	94,300	92,705	(1,595)	105,500	12,795
Retirement Expenses	68,256	67,708	(548)	76,000	8,292
Chemicals	20,138	7,943	(12,195)	2,500	(5,443)
Gasoline and Oil	38,491	37,284	(1,207)	37,000	(284)
Office Supplies and Expenses	3,044	1,359	(1,685)	5,000	3,641
Small Tools	12,774	6,209	(6,565)	10,000	3,791
Backflow Prevention Program	0	0	0	7,500	7,500
DHH Emergency Rule	0	0	0	0	0
Freight	75	0	(75)	0	0
Insurance and Bonds	156,921	132,850	(24,071)	165,000	32,150
Communications	17,373	16,023	(1,350)	13,000	(3,023)
Equipment Repairs (Field)	125,891	115,986	(9,905)	150,000	34,014
Truck and Auto Repair	20,550	21,253	703	16,000	(5,253)
Water Tower Maintenance	32,764	0	(32,764)	50,000	50,000
Waterline Maintenance	759,714	695,132	(64,582)	700,000	4,868
Seminars and Schools	6,938	4,686	(2,252)	6,500	1,814
Uniforms	4,362	5,081	719	4,000	(1,081)
TOTAL:	\$2,685,736	\$2,592,618	(\$93,118)	\$2,874,447	\$281,829

*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, 2018 to June 30, 2019

	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
<u>OPERATIONS</u>					
Utilities	\$152,499	\$129,581	(\$22,918)	\$150,000	\$20,419
<u>WATER PLANT</u>					
Salaries	\$1,029,490	\$1,072,269	\$42,779	\$1,285,000	\$212,731
Other Postemployment Benefits	63,235	143,966	80,731	143,966	0
Employee Group Insurance	274,287	260,623	(13,664)	332,500	71,877
Payroll Taxes	97,813	103,833	6,020	126,500	22,667
Retirement Expenses	71,847	81,762	9,915	96,300	14,538
Chemicals	1,211,898	1,192,917	(18,981)	1,200,000	7,083
Computer Supplies	0	0	0	0	0
Generator Fuel	7,503	5,761	(1,742)	15,000	9,239
Gasoline and Oil	17,216	11,863	(5,353)	12,000	137
Office Supplies and Expenses	11,890	20,283	8,393	13,000	(7,283)
Raw Water Cost	160,835	116,162	(44,673)	130,000	13,838
Small Tools	301	437	136	2,000	1,563
Plant Supplies	7,599	8,654	1,055	9,000	346
Freight	0	0	0	1,000	1,000
Insurance and Bonds	263,318	216,671	(46,647)	266,000	49,329
Lab Analysis	81	0	(81)	0	0
Communications	19,856	14,437	(5,419)	20,000	5,563
Bayou Black Reservoir Maint.	4,270	6,486	2,216	7,000	514
Plant Maintenance	259,114	200,411	(58,703)	225,000	24,589
Tractor Repairs	3,039	4,104	1,065	3,000	(1,104)
Truck and Auto Repair	2,207	2,065	(142)	5,000	2,935
Seminars and Schools	3,691	3,732	41	5,000	1,268
Uniforms	339	311	(28)	900	589
Utilities	601,282	522,331	(78,951)	575,000	52,669
Reserve Filter Media	104,000	104,000	0	0	(104,000)
TOTAL:	\$4,215,111	\$4,093,078	(\$122,033)	\$4,473,166	\$380,088

APPENDIX B

Departmental Expenses and Budget

Terrebonne CWWD#1

July 1, 2018 to June 30, 2019

<u>LAB</u>	<u>ACTUAL</u> <u>2017-2018</u>	<u>ACTUAL</u> <u>2018-2019</u>	<u>Increase /</u> <u>(Decrease)</u>	<u>Budget</u> <u>2019-2020</u>	<u>Budget</u> <u>Increase /</u> <u>(Decrease)</u>
Salaries	\$186,727	\$193,004	\$6,277	\$245,000	\$51,996
Other Postemployment Benefits	8,906	23,898	14,992	23,898	0
Employee Group Insurance	64,258	62,059	(2,199)	75,000	12,941
Payroll Taxes	17,324	18,657	1,333	24,000	5,343
Retirement Expenses	12,900	14,684	1,784	18,500	3,816
Computer Supplies	0	0	0	750	750
Gasoline and Oil	7,759	7,939	180	9,000	1,061
Lab Equipment and Supplies	24,326	24,057	(269)	17,000	(7,057)
Office Supplies and Expenses	5,630	5,425	(205)	6,500	1,075
Freight	7,959	1,654	(6,305)	3,000	1,346
Insurance and Bonds	18,675	17,156	(1,519)	19,000	1,844
Janitorial Services	7,594	7,594	0	8,000	406
Lab Analysis	45,525	47,925	2,400	62,000	14,075
Communications	3,285	4,955	1,670	5,500	545
Equipment and Building Repairs	6,151	4,794	(1,357)	8,000	3,206
Truck and Auto Repair	6,662	3,110	(3,552)	4,000	890
Seminars and Schools	4,507	3,304	(1,203)	7,000	3,696
Utilities	8,483	7,376	(1,107)	8,000	624
TOTAL:	\$436,671	\$447,591	\$10,920	\$544,148	\$96,557

APPENDIX C
COMBINED DEBT SERVICE SCHEDULE



PROVIDENCE

APPENDIX C
Combined Debt Service Schedule
 Terrebonne CWWD#1
 July 1, 2018 to June 30, 2019

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

Payment Date	UNREFUNDED SERIES 2012A BONDS			SERIES 2010 BONDS				REFUNDING SERIES 2014 BONDS			TAXABLE SERIES 2014 BONDS				REFUNDING BONDS, DATED 12-Dec-19			Semi-Annual Total	Bond Year Total	Fiscal Year Total (ending 6/30)	Bond Year Total Less Admin. Fcc.
	Principal Due	Interest Rate	Interest Due	Principal Due	Interest Rate	Administrative Interest Rate	Interest Due	Principal Due	Interest Rate	Interest Due	Principal Due	Interest Rate	Administrative Interest Rate	Interest Due	Principal Due	Interest Rate	Interest Due				
01-May-20			35,300.00				20,337.75			61,725.00				45,108.75			151,085.08	313,556.58	313,556.58		
01-Nov-20	565,000	4.000%	35,300.00	90,000	2.950%	0.500%	20,337.75	985,000	3.000%	61,725.00	125,000	2.950%	0.500%	45,108.75	125,000	1.865%	195,649.75	2,248,121.25	2,561,677.83	2,542,707.83	
01-May-21			24,000.00				18,785.25			46,950.00				42,952.50			194,484.13	327,171.88	2,575,293.13		
01-Nov-21	590,000	4.000%	24,000.00	93,000	2.950%	0.500%	18,785.25	1,015,000	3.000%	46,950.00	130,000	2.950%	0.500%	42,952.50	135,000	1.965%	194,484.13	2,290,171.88	2,617,343.76	2,599,448.76	
01-May-22			12,200.00				17,181.00			31,725.00				40,710.00			193,157.75	294,973.75	2,585,145.63		
01-Nov-22	610,000	4.000%	12,200.00	96,000	2.950%	0.500%	17,181.00	1,035,000	3.000%	31,725.00	134,000	2.950%	0.500%	40,710.00	135,000	2.005%	193,157.75	2,304,973.75	2,599,947.50	2,583,167.50	
01-May-23							15,525.00			16,200.00				38,398.50			191,804.38	261,927.88	2,566,901.63		
01-Nov-23				100,000	2.950%	0.500%	15,525.00	1,080,000	3.000%	16,200.00	139,000	2.950%	0.500%	38,398.50	775,000	2.126%	191,804.38	2,355,927.88	2,617,855.76	2,602,225.76	
01-May-24							13,800.00							36,000.75			183,566.13	233,366.88	2,589,294.76		
01-Nov-24				103,000	2.950%	0.500%	13,800.00				143,000	2.950%	0.500%	36,000.75	790,000	2.176%	183,566.13	1,269,366.88	1,502,733.76	1,488,298.76	
01-May-25							12,023.25							33,534.00			174,970.93	220,528.18	1,489,895.06		
01-Nov-25				107,000	2.950%	0.500%	12,023.25				148,000	2.950%	0.500%	33,534.00	805,000	2.311%	174,970.93	1,280,528.18	1,501,056.36	1,487,851.36	
01-May-26							10,177.50							30,981.00			165,669.15	206,827.65	1,487,355.83		
01-Nov-26				110,000	2.950%	0.500%	10,177.50				153,000	2.950%	0.500%	30,981.00	825,000	2.411%	165,669.15	1,294,827.65	1,501,655.30	1,489,725.30	
01-May-27							8,280.00							28,341.75			155,723.78	192,345.53	1,487,173.18		
01-Nov-27				114,000	2.950%	0.500%	8,280.00				159,000	2.950%	0.500%	28,341.75	850,000	2.531%	155,723.78	1,315,345.53	1,507,691.06	1,497,076.06	
01-May-28							6,313.50							25,599.00			144,967.03	176,879.53	1,492,225.06		
01-Nov-28				118,000	2.950%	0.500%	6,313.50				164,000	2.950%	0.500%	25,599.00	870,000	2.581%	144,967.03	1,328,879.53	1,505,759.06	1,496,509.06	
01-May-29							4,278.00							22,770.00			133,739.68	160,787.68	1,489,667.21		
01-Nov-29				122,000	2.950%	0.500%	4,278.00				170,000	2.950%	0.500%	22,770.00	895,000	2.631%	133,739.68	1,347,787.68	1,508,575.36	1,500,735.36	
01-May-30							2,173.50							19,837.50			121,965.95	143,976.95	1,491,764.63		
01-Nov-30				126,000	2.950%	0.500%	2,173.50				176,000	2.950%	0.500%	19,837.50	915,000	2.731%	121,965.95	1,360,976.95	1,504,953.90	1,498,573.90	
01-May-31														16,801.50			109,471.63	126,273.13	1,487,250.08		
01-Nov-31														182,000	2.950%	0.500%	109,471.63	1,248,273.13	1,374,546.26	1,369,676.26	
01-May-32														13,662.00			96,165.93	109,827.93	1,358,101.06		
01-Nov-32														188,000	2.950%	0.500%	13,662.00	1,267,827.93	1,377,655.86	1,373,695.86	
01-May-33														10,419.00			81,950.58	92,369.58	1,360,197.51		
01-Nov-33														195,000	2.950%	0.500%	10,419.00	1,282,369.58	1,374,739.16	1,371,719.16	
01-May-34														7,055.25			67,120.10	74,175.35	1,356,544.93		
01-Nov-34														201,000	2.950%	0.500%	7,055.25	1,300,175.35	1,374,350.70	1,372,305.70	
01-May-35														3,588.00			51,586.23	55,174.23	1,355,349.58		
01-Nov-35														208,000	2.950%	0.500%	3,588.00	1,318,174.23	1,373,348.46	1,372,308.46	
01-May-36																	35,333.95	35,333.95	1,353,508.18		
01-Nov-36														1,090,000	3.131%		35,333.95	1,125,333.95	1,160,667.90	1,160,667.90	
01-May-37																	18,270.00	18,270.00	1,143,603.95		
01-Nov-37														1,125,000	3.248%		18,270.00	1,143,270.00	1,161,540.00	1,161,540.00	
	1,765,000		143,000.00	1,179,000			257,749.50	4,115,000		313,200.00	2,615,000			831,519.00	14,320,000		4,586,629.49	30,126,097.99	30,126,097.99	30,126,097.99	29,968,233.01