



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 577** HLS 14RS 531
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2014 12:17 PM	Author: BROWN, TERRY
Dept./Agy.: Waterworks District No. 3 of Rapides Parish	
Subject: Acquisition of water system	Analyst: Staci Cefalu

DISTRICTS/WATERWORKS REF +\$18,000 LF RV See Note Page 1 of 1
 Authorizes Waterworks District No. 3 of Rapides Parish to acquire a privately owned water system located in Grant Parish

Purpose of Bill: This measure authorizes Waterworks District No. 3 of Rapides Parish to acquire, by donation, one privately owned water system located in Grant Parish, after the governing authorities of the district and Grant Parish enter into an agreement relative to the maintenance and operation of the system and the supply of water services.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$3,500</u>	<u>\$3,500</u>	\$17,500
Annual Total	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$17,500

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>	\$90,000
Annual Total	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$90,000

EXPENDITURE EXPLANATION

Local fund expenditures may increase by approximately \$3,500 annually.

According to officials with Waterworks District No. 3 of Rapides Parish (the District), operating the newly acquired water system will increase expenditures by an estimated \$3,500 annually (labor costs and maintenance).

REVENUE EXPLANATION

Local fund revenue may increase by approximately \$18,000 annually.

According to officials with the District, acquiring the privately owned water system is anticipated to increase revenue by approximately \$18,000 annually. The calculation is based on 162 currently active meters at the average monthly charge per meter of \$34 (162 x \$34 = approximately \$5,500). The District currently sells water to the privately owned system at an average of \$4,000 per month. Therefore the net increase in annual revenue to the District would be \$18,000. (\$5,500 - \$4,000 = \$1,500 x 12 months = \$18,000 annually).

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Joy Irwin
Director of Advisory Services