

WIENER, WEISS & MADISON
A Professional Corporation

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RECEIVED

MAY 18 2022

May 17, 2022

LA Public Service Commission

BY FEDERAL EXPRESS

Mr. Brandon Frey
Executive Secretary
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, Louisiana 70821-9154

ROUTE TO	ROUTE FROM
DEPT. <u>Bull</u> DATE <u>5/18</u>	DEPT. _____
DEPT. _____ DATE _____	DEPT. _____
DEPT. _____ DATE _____	DEPT. _____
DEPT. _____ DATE _____	DEPT. _____

Re: Request of Eagle Water, LLC, a Louisiana limited liability company ("Eagle Water") and the Consolidated Waterworks/Sewerage District No. 1 of the Parish of Bossier, Louisiana (the "District") for Commission Approval and/or Non-Opposition to Change of Control related to the purchase and sale of certain wastewater and sewerage collection systems.

Dear Mr. Frey:

On behalf of Eagle Water and the District, we hereby request that the Louisiana Public Service Commission (the "Commission") issue a letter of approval and/or non-opposition to the extent required by law with respect to the change in control of Eagle Water resulting from the purchase and sale of certain assets (the "Proposed Transaction") of Eagle Water to the District constituting all or part of the following wastewater and sewerage collection systems (collectively the "Acquired Systems"):

Option to Purchase Sewer Facilities Within 1,095 days of the Effective Date:

1. Turtle Creek Sewer Facilities;
2. Jones Cypress Unit I, Unit II and Unit III Sewer Facilities;

Eagle Water and the District submit this request pursuant to the Commission's General Order of March 18, 1994, In Re: *Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers, and All Other Changes of Ownership or Control of Public Utilities Subject to Commission Jurisdiction* (the "Order"). By its terms, the Order governs the purchase, sale or lease of public utilities that are currently subject to the Commission's jurisdiction. The Proposed Transaction does not involve the purchase, sale or lease of any water systems. Rather, the Proposed Transaction is related solely to the purchase, sale and lease of wastewater and sewerage collection systems within the Acquired Systems. The Proposed Transaction does not involve any other wastewater and sewerage collection systems owned or operated by Eagle Water, other than the Acquired Systems. To be clear, following the consummation of the Proposed Transaction, Eagle Water will continue to own and operate wastewater and sewerage collection

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systems outside of the Acquired Systems. By filing this request, the District does not submit to any jurisdiction that is inconsistent with the Order or any other Louisiana laws.

Eagle Water is a Louisiana limited liability company with its principal place of business in Caddo Parish, Louisiana. Eagle Water is a water and sewerage company subject to Commission jurisdiction. The District is a consolidated waterworks/sewerage district within Bossier Parish created by the Bossier Parish Police Jury pursuant to Louisiana Revised Statutes section 33:7711. The District was formed for the purpose of implementing a new master plan for the provision of water and sewerage services to the residents of Bossier Parish (the "Master Plan"). The District is not, and will not be, subject to Commission jurisdiction.

Effective July 12, 2018, Eagle Water and the District entered into that certain "Sewerage Property Option Agreement" (the "Option Agreement") whereby Eagle Water granted and gave the District the exclusive option to purchase certain assets of Eagle Water constituting all or part of the Acquired Systems. The Option Agreement is conditioned upon Commission approval due to Eagle Water's representation that it had the legal right, power and authority to enter into those Agreements. A copy of the executed Option Agreement is attached hereto as Exhibit A. By letter from the District dated June 11, 2021, the District extended the Option Agreement an additional 364 days, which set to expire on July 11, 2022. A copy of the executed June 11, 2021 letter from the District is attached hereto as Exhibit A-1.

The aggregate purchase price (the "Purchase Price") for the wastewater and sewerage collection, treatment, and discharge business for the systems listed on Exhibit 1 attached to the Option Agreement shall be an amount equal to the appraised value of the systems as of the date of the Exercise Notice as determined by the Robert Russell, MAI, subject to the adjustments provided by the terms of the Option Agreement and the terms of the definitive acquisition agreement to be executed in connection with the sale and purchase of the Subject Property (or any portion thereof as directed by THE DISTRICT, in its sole discretion). With respect to the appraised value of the systems and properties listed on Exhibit 1 as of the date of the Exercise Notice, in the event that the appraised value exceeds **FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00)**: (i) Eagle Water shall accept cash payment by THE DISTRICT for the Purchase Price in the amount of **FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00)**; and (ii) the difference between **FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00)** and the appraised value shall be constitute a donation by Eagle Water to THE DISTRICT. For the sake of clarity, in no event shall THE DISTRICT be required to pay more than **FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00)** in cash for the properties and systems listed on Exhibit 1 of the Option Agreement, subject to the adjustments provided by the terms of the Option Agreement and the terms of the definitive acquisition agreement to be executed in connection with the sale and purchase of the Subject Property (or any portion thereof as directed by THE DISTRICT, in its sole discretion).

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In the event the District elects to exercise its option granted by the Option Agreement, and upon the subsequent execution of the asset purchase agreement, and the closings contemplated thereby, the District will take over the provision of sewerage services to Eagle Water's existing customers located within the Acquired Systems. The District also intends to provide water and sewerage services to a broader customer base comprised of Bossier Parish residents upon the implementation the Master Plan. The Proposed Transaction will be transparent and seamless for the existing customers of Eagle Water.

It is further brought to the Commission's attention that by letter of non-opposition, executed by then acting Executive Secretary, Eve Kahao Gonzalez, dated March 30, 2016, in Docket No. S-33979, and by letter of non-opposition, executed by then acting Executive Secretary, Brandon M. Frey, dated May 7, 2021, in Docket No. S-35917, the Commission did previously provide approval to Eagle Water and the District for the purchase and sale to the District of the Turtle Creek Sewer Facilities (and related assets thereto). However, in both instances, as a result of various factors involved with the purchase of the Turtle Creek Sewer Facilities, those proposed transactions was never completed between Eagle Water and the District. Thus, based on the passage of time and out of an abundance of caution, the District does again hereby seek a letter of non-opposition from the Commission with respect to the District's purchase of the Turtle Creek Sewer Facilities (and related assets thereto).

The Proposed Transaction will benefit the public interest because: (1) it will permit the District to provide a higher level of sewerage services to Eagle Water's existing customers at just and reasonable rates and (2) it is an essential step in the District's implementation of the Master Plan, which will result in a higher level of water and sewerage services to the residents of Bossier Parish. Eagle Water and the District respectfully request that the Commission issue a letter of approval and/or non-opposition because the Proposed Transaction will not result in any material adverse effect with respect to any of the eighteen factors set forth in the Order.

1. The Proposed Transaction is in the public interest. As indicated above, the Proposed Transaction will permit the District to provide a higher level of sewerage services to Eagle Water's existing customers at just and reasonable rates and is an essential step in the District's implementation of the Master Plan, which will result in a higher level of water and sewerage services to the residents of Bossier Parish. The District will be a stronger, more effective, more responsive, and more innovative supplier of sewerage services because of its higher level of financial and personnel resources.

Further, the need for a centralized collection and treatment system for the area between Bossier City and Benton mirrors that of the Hwy. 80 area east of Bossier City to Haughton, which the

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Public Service Commission approved earlier. One of the treatment systems in this area discharges almost directly into Cypress Lake Reservoir.

The North Bossier area between Bossier City and Benton has experienced very high residential growth in the last 15 years or more. The expansion of the District's services into this region of the District's boundary, and the new Ordinances passed by the Bossier Parish Police Jury, will ensure that all developments in this area will have their sewerage properly collected and properly treated at a centralized treatment facility and the effluent will discharge into the best receiving stream available, which is the Red River, thereby protecting and preserving this fragile ecosystem.

2. The District is ready, willing, and able to continue providing safe, reliable, and adequate service to Eagle Water's ratepayers. Further, the increased level of financial resources, expertise, and personnel of the District will improve the services currently available to Eagle Water's ratepayers.

Nguyen Kha serves as the Director of Public Utilities for Bossier Parish. See **Exhibit B** attached hereto and incorporated herein by reference. He maintains Class 4 Certifications in all wastewater disciplines through the State of Louisiana. Joe E. Ford, Jr., P.E., Bossier Parish Engineer and Larry Landry, who also maintains Class 4 Certifications in all water and wastewater disciplines, are both available to lend assistance when needed. With guidance from the Bossier Parish auditors, the Bossier Parish accounting department will conduct continuing oversight on accounts receivables and bank accounts. The appropriately certified operational staff will be added as the systems are acquired and the District grows, with Mr. Kha's oversight. At present, the members of the governing body of the District are the duly elected members of the Bossier Parish Police Jury. Financially, the District has the full backing of the Bossier Parish Police Jury, giving it the means to raise capital to sustain its mission of continued service. The District has: (i) received \$15,500,000 from Capital Outlay from the Louisiana Legislature for the Master Plan and construction of a 3 MGD Wastewater Treatment Facility which has been operational for about 5 years; (ii) borrowed \$27,750,000 from the Louisiana Department of Environmental Quality Revolving Loan Fund for a 20 year term bearing interest at 0.95% percent per annum; (iii) received a commitment from the Louisiana Department of Environmental Quality Revolving Loan Fund to loan an additional \$7,000,000 for a 20 year term bearing interest at 0.95% percent per annum, for additional construction in the North Bossier area and the highway 80 area east of Bossier City to Haughton; and (iv) borrowed \$11,800,000 in private bonds for a 30 year term for acquisition and other purposes. See **Exhibit C** attached hereto and incorporated herein by reference. Based on the District's present rates and the number of customers the District has and expects to acquire within these transactions and otherwise, the District will have the necessary funds to repay all debt and operate and maintain the District's collection and treatment system.

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3. The Proposed Transaction will improve the financial condition of the District. The revenues from Eagle Water's ratepayers will provide a steady income stream that will improve the financial condition of the District and will facilitate the acquisition of additional sources of capital. The ten-year projected income statement attached as Exhibit D and incorporated herein by reference was developed by the District. It is the intention of the District to acquire other wastewater treatment systems within the District's boundaries. The Eagle Water acquisition is critical in the sequential development of the District and the necessary customer base needed to continue further development of the District to serve a larger portion of Bossier Parish. Bossier Parish has the resources, financial and personnel, to assist the District in its implementation of the Master Plan.

4. The Proposed Transaction will improve the quality of service to Eagle Water's ratepayers. As provided above, the increased level of financial resources, expertise, and personnel of the District will improve the services currently available to Eagle Water's ratepayers.

The development of the District, beginning with the prior acquisition of properties owned by Red Chute Utilities, LLC, will establish a more robust organization with stronger financial capabilities and a better trained and experienced staff to serve the customers of the District, including Eagle Water's ratepayers. Additionally, the District will have the resources to improve the existing treatment facilities with the ultimate aspiration of building a regional treatment facility near the Red River which will be compliant with Louisiana Department of Environmental Quality and United States Environmental Protection Agency requirements. Many of the wastewater systems within the District's boundaries do not consistently meet their respective permit requirements, thereby adversely impacting the environment and the surrounding community, and have done so for decades. The Master Plan will improve the quality of life for the persons living within the District's boundaries by (a) improving the drinking water facilities and increasing supply, (b) providing better operation and maintenance of the wastewater collection system, and (c) ultimately relocating the wastewater treatment plant facilities out of neighborhoods to a location better able to accept the superiorly treated effluent into a continually flowing water body. Presently, many of the effluents of waste treatment facilities within the District's boundaries are the only contributing flow to streams and bayous during certain parts of the year.

5. The Proposed Transaction will result in both net short-term and long-term benefits to ratepayers because of the immediate improvement in the quality of services resulting from the increased level of financial resources, expertise, and personnel of the District and the long-term synergies that will be created by the Master Plan.

Further, the District has already legally passed, by ordinance, a rate schedule which will be implemented at the District's discretion, in the future. See Exhibit E attached hereto and incorporated herein by reference. The rates will be satisfactory for repaying the bonds necessary

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for acquisition and construction of the Master Plan, as well as proper operation and maintenance of the Master Plan to meet State and Federal permit requirements. As a not-for-profit utility, the District's rates will be structured to be adequate to ensure that the District has the ability to repay loans, to operate and maintain the systems to meet Louisiana Department of Health and Hospitals and Louisiana Department of Environmental Quality permit requirements, and to build a required reserve fund.

6. The Proposed Transaction will not adversely affect competition. The District is a not-for-profit governmental entity, which implies that the District can offer comparable services generally at a lower price with the ability to raise capital at a lower rate than private industry. Although a private system may offer a lower cost at this time, such a system does not have the financial ability to develop a centralized waterworks/sewerage system equivalent to the Master Plan, and offer the services at a lower rate than the District.

7. The Proposed Transaction will improve the quality of management of the resulting public utility, the District, because of the synergistic combination of the expertise and best practices of Eagle Water and the District. Such synergistic cooperation will enhance operations, customer service, and customer satisfaction. As part of the Proposed Transaction, one or more representatives of Eagle Water will enter into a consulting agreement whereby said representative(s) will furnish time, information, and assistance in order to facilitate the District's assumption of Eagle Water's operations. Further, Mr. Kha, Director of Public Utilities, has extensive experience in the planning, operation, and maintenance of water and wastewater facilities.

8. The District will treat its employees fairly, reasonably, and consistent with its legal obligations. The governing authority of the District has a long record of such fair and reasonable employee treatment.

9. The Proposed Transaction will be fair and reasonable to the sole member of Eagle Water, LLC and its customers. The aggregate purchase price was the result of an appraisal which was reviewed by a qualified review appraiser pursuant to the provisions of the Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. §§4601-55 (the "Uniform Act") and the regulations promulgated thereunder, which are found in 49 CFR Part 24 (the "Uniform Act Regulations").

10. The Proposed Transaction will be beneficial on an overall basis to the economy of Louisiana, and to the economies of the communities in Louisiana in which Eagle Water currently provides, and the District will provide, service. One of the driving forces behind the Master Plan is the facilitation of economic growth in Bossier Parish. Long-term economic development in Bossier Parish will be greatly hindered, if not made impossible, without the implementation of the

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Master Plan. The implementation of the Master Plan is not possible without the Commission's approval of and/or non-opposition to the Proposed Transaction.

11. The Proposed Transaction will not preserve the jurisdiction of the Commission; however, the District's governing authority, the Bossier Parish Police Jury, has a long history of providing services to the residents of Bossier Parish in a safe, efficient and reliable manner and at reasonable rates. The District, through its governing authority, the Bossier Parish Police Jury, will safeguard the mission of the Commission, despite the fact that it is not subject to Commission jurisdiction, through the provision of safe, efficient, and reliable services to its ratepayers at reasonable rates.

As provided above, the members of the governing body of the District are the duly elected members of the Bossier Parish Police Jury. Accordingly, the District is accountable to the voters of Bossier Parish. This level of accountability precludes the necessity of Commission oversight.

12. No conditions are necessary to prevent adverse consequences that may result from the Proposed Transaction.

13. The District is an entity which was formed in 2011 which falls within the definition of a "political subdivision" of Louisiana as such term is defined in Article VI, Section 44(2) of the Constitution of Louisiana. The District's first acquisition of a water and sewerage collection system occurred on December 21, 2011, when it acquired nearly all of the assets of Red Chute Utilities, Inc. Further, the District acquired on July 12, 2018, the water and sewerage collection systems of (1) Cypress Bend Garden District, (2) Cypress Bend and Haymeadow/Kingston Korner from Eagle Water. Accordingly, the District does not have a long history of compliance with the regulatory authorities in Louisiana or in any other jurisdiction. However, the Director of Public Utilities, Mr. Kha, does have a credible history of compliance with the United States Environmental Protection Agency, Louisiana Department of Environmental Quality and Louisiana Department of Health and Hospitals through his employment experiences both with the municipality and with private companies. The Louisiana Department of Environmental Quality and Louisiana Department of Health and Hospitals have both voiced their support for the formation of the District in order to solve some respective longstanding deficiencies within the District's boundaries.

14. The District has the financial ability to operate, maintain, and upgrade, as required, the physical systems and operations of Eagle Water. . As indicated in Factor 2 above, the District has: (i) received \$15,500,000 from Capital Outlay from the Louisiana Legislature for the Master Plan and construction of a 3 MGD Wastewater Treatment Facility which has been operational for about 5 years; (ii) borrowed \$27,750,000 from the Louisiana Department of Environmental Quality Revolving Loan Fund for a 20 year term bearing interest at 0.95% percent per annum; (iii)

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received a commitment from the Louisiana Department of Environmental Quality Revolving Loan Fund to loan an additional \$7,000,000 for a 20 year term bearing interest at 0.95% percent per annum, for additional construction in the North Bossier area and the highway 80 area east of Bossier City to Haughton; and (iv) borrowed \$11,800,000 in private bonds for a 30 year term for acquisition and other purposes. Based on the District's present rates and the number of customers the District has and expects to acquire within these transactions and otherwise, the District will have the necessary funds to repay all debt and operate and maintain the District's collection and treatment system.

15. Eagle Water and the District do not believe that repairs and/or improvements are required to implement the Proposed Transaction; Eagle Water's wastewater systems are operational. Further, in the event that additional repairs and/or improvements are required, the District is, and will continue to remain, able to make all repairs and/or improvements necessitated by the Proposed Transaction.

16. The District is able to obtain all necessary health, safety, and other permits.

17. The financing of the Proposed Transaction will not adversely impact any of Eagle Water's customers. The financing mechanisms listed above will not entail the encumbrance of any assets of Eagle Water.

18. No conditions should be attached in connection with the Proposed Transaction.

On behalf of Eagle Water and the District, we further request that notice of this request be published in the next edition of the Commission's Bulletin, and interested parties be given fifteen (15) days to file any notice of intervention and/or protest.

In conclusion, Eagle Water and the District request that the Commission issue a letter of approval and/or non-opposition with respect to the change in control resulting from the Proposed Transaction. If the Commission has any questions concerning the Proposed Transaction or this request, we ask that it please contact the undersigned.

[Signatures on following page]

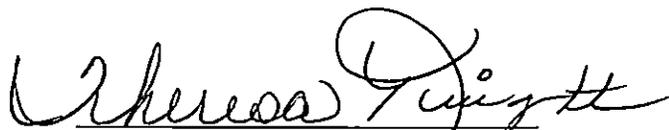
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Thank you in advance for your favorable consideration of this request.

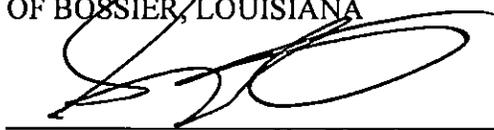
Very truly yours,

FOR EAGLE WATER, LLC



Theresa A. Knight, Managing Member
6124 Dillingham Avenue
Shreveport, Louisiana 71106

FOR THE CONSOLIDATED
WATERWORKS/SEWERAGE
DISTRICT NO. 1 OF THE PARISH
OF BOSSIER, LOUISIANA



Geoffrey D. Westmoreland
Wiener, Weiss & Madison, APC
330 Marshall Street, Suite 1000
Shreveport, Louisiana 71101
Email: gwest@wwmlaw.com

cc: Patrick R. Jackson, Parish Attorney
Courthouse Annex Building
200 Burt Blvd.
Benton, Louisiana 71006

And

W. James Hill III, Esquire
The Smitherman Law Firm, L.C.
8570 Business Park Drive, Suite 100
Shreveport, LA 71105

Enclosures

SEWERAGE PROPERTY OPTION AGREEMENT

This sewerage property option agreement (the "Agreement") is made by and between EAGLE WATER, LLC, a Louisiana limited liability company, with a mailing address of 6614 Colquitt Road, Keithville, Louisiana 71047 ("Grantor"), the undersigned member of Grantor (hereinafter collectively referred to as "Member"), and the CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT NO. 1 OF THE PARISH OF BOSSIER, LOUISIANA, a political subdivision of the state of Louisiana, with a mailing address of 204 Burt Boulevard, Benton, Louisiana 71006 ("THE DISTRICT").

WITNESSETH:

1. Grant of Option

In consideration of the payments to be made, Grantor does hereby grant and give to THE DISTRICT, and THE DISTRICT accepts the right and exclusive option to purchase (hereinafter referred to as the "Option"), upon the terms and conditions hereinafter set forth, all movable and immovable property owned by Grantor and used by Grantor in the wastewater and sewerage collection, treatment, and discharge business for the systems listed on Exhibit 1 attached hereto, or any portion thereof as directed by THE DISTRICT, in its sole discretion (collectively the "Subject Property") free and clear of any and all encumbrances.

2. Option Consideration and Term

As consideration for the granting of the Option (the "Option Consideration"), THE DISTRICT shall pay to Grantor the following amounts:

<u>Covered Period</u>	<u>Total Payment</u>
Days 1 - 1,095	\$2,000.00
Days 1,096-1,460	\$2,000.00

Upon full execution of this Agreement by Grantor, Member and THE DISTRICT, THE DISTRICT shall pay to Grantor the sum of TWO Thousand and 00/100 Dollars (\$2,000.00) as Option Consideration.

a. Initial Option Period. The initial term of the option (hereafter "Initial Option Period") shall commence on the date on which the later of Grantor, Member or THE DISTRICT executes this Agreement, as shown by the dates on the acknowledgments attached hereto (the "Effective Date"), and shall expire at 5:00 p.m. on the date that is 1,095 days from the Effective Date unless extended as set forth herein.

b. First Extension Period. THE DISTRICT may at its sole discretion extend the Option for an additional 365 days (the "First Extension Period") by paying Grantor the sum of Two Thousand and 00/100 Dollars (\$2,000.00) on or before the last day of the Initial Option Period. The First Extension Period shall expire at 5:00 pm on the date that is 1,460 days from the Effective Date.

c. Payment of Option Consideration. The Option Consideration shall be paid by check delivered to Grantor at the addresses set forth in Paragraph 8 of this Agreement. Failure of THE DISTRICT to deliver to Grantor the Option Consideration for the Initial Option Period within ten (10) days of the Effective Date shall render this Agreement null and void. Failure of THE DISTRICT to deliver to Grantor the Option Consideration for the First Extension Period before the termination of the Initial Option Period or earlier exercise of the Option by THE DISTRICT shall constitute a termination of all of THE DISTRICT's rights under this Agreement. In the event that THE DISTRICT timely delivers to Grantor the Option Consideration for the First Extension Period, but fails to exercise the Option prior to the expiration of the First Extension Period, all rights of THE DISTRICT under this Agreement shall lapse.

e. Credit of Option Consideration toward Purchase Price. It is the intent of the parties that should the Option be timely exercised by THE DISTRICT, the Option Consideration shall be credited toward the Purchase Price (hereinafter defined). It is further the intent of the parties that should THE DISTRICT fail or refuse to timely exercise the Option, the Option Consideration paid hereunder shall be retained by Grantor, except as provided in Paragraph 6 hereof.

3: Exercise of Option

Provided THE DISTRICT's rights have not expired as provided in the preceding Paragraph of this Agreement, then the Option may be exercised by THE DISTRICT by furnishing notice as set forth in Paragraph 8 hereof (the "Exercise Notice"). THE DISTRICT may exercise the Option with respect to all or less than all of the Subject Property in its sole discretion. If THE DISTRICT elects to purchase less than all of the Subject Property, it shall have the right to exercise its option for the remaining portion of the Subject Property at any point during the term of this Agreement. The Exercise Notice shall be in writing, signed by THE DISTRICT and in substantially the following form: "THE CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT NO. 1 OF THE PARISH OF BOSSIER, LOUISIANA, acting herein through William R. Altimus, Parish Administrator, hereunto duly authorized, hereby notifies you that THE CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT NO. 1 OF THE PARISH OF BOSSIER, LOUISIANA exercises its option to purchase for the "Purchase Price" as defined in that certain Sewerage Property Option Agreement between you and THE CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT NO. 1 OF THE PARISH OF BOSSIER, LOUISIANA (the "Option"), less amounts paid to date under that Option, the "Subject Property," as defined in the Option. THE CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT

NO. 1 OF THE PARISH OF BOSSIER, LOUISIANA represents that it has had no dealings or negotiations with any broker or agent in connection with the "Subject Property" which is the subject of this Option." The date of the exercise of the Option shall be the date the Exercise Notice is given by THE DISTRICT to Grantor by any of the methods provided in Paragraph 8 hereof.

4. Further Actions and Closing

In the event that the Option is exercised by THE DISTRICT, Grantor and Member shall cooperate with THE DISTRICT and its representatives and shall execute and deliver such documents and take such other actions as THE DISTRICT may request, in its sole discretion, *including, but not limited to*, all documents and actions (a) necessary to put THE DISTRICT in possession and control of the Subject Property or any portion thereof as directed by THE DISTRICT, in its sole discretion and (b) necessary for obtaining any and all additional easements, servitudes, and right-of-ways as directed by THE DISTRICT, in its sole discretion. Any and all such easements, servitudes, and right-of-ways, if and when obtained by Grantor, shall be included in the Subject Property to be conveyed to THE DISTRICT for the identical consideration set forth herein.

Further, in the event that the Option is exercised by THE DISTRICT, the sale and purchase of the Subject Property pursuant to a definitive acquisition agreement, the terms of which shall be acceptable to THE DISTRICT, in its sole discretion, shall be consummated and closed (hereinafter referred to as the "Closing") by Grantor, Member and THE DISTRICT within ninety (90) days of the date of the exercise of the Option.

Further, in the event that the Option is exercised by THE DISTRICT, the Grantor shall:

- a. Enter into a lease agreement in favor of Grantee for the exclusive right to use and operate the sewerage treatment facility for the properties described on Exhibit I,

with a rental rate of \$1.00 per year for a term of two (2) years.

- b. Enter into a deed for the conveyance of 50 foot by 50 foot site suitable for a sewerage lift station. The lift station site must be on either the east side or west side of West Lakeshore Drive.

5. **Hold Harmless and Entry onto Property**

During the term of the Option, Grantor also grants THE DISTRICT permission to enter upon the Subject Property, with Grantor's consent, for the purposes of making a survey, percolation tests, deep hole tests, such tests for contamination as THE DISTRICT may deem necessary to determine the surface or subsurface condition of the soil or water on, over and under the Subject Property or such other tests as THE DISTRICT may deem necessary to evaluate the condition of the Subject Property, all at THE DISTRICT's sole risk, cost and expense. THE DISTRICT shall be responsible for and reimburse Grantor for any loss or damage occasioned by its entry (or the entry of its agents, employees, contractors or invitees) on the Subject Property for such purposes. THE DISTRICT shall have the right to review all of Grantor's records pertaining to the Subject Property in Grantor's possession or control.

6. **Amount and Payment of Purchase Price; Free Inspection Period**

The aggregate purchase price (the "Purchase Price") for the wastewater and sewerage collection, treatment, and discharge business for the systems listed on Exhibit 1 and Exhibit 2 attached hereto shall be an amount equal to the appraised value of the systems as of the date of the Exercise Notice as determined by the Robert Russell, MAI, subject to the adjustments provided by the terms of this Agreement and the terms of the definitive acquisition agreement to be executed in connection with the sale and purchase of the Subject Property (or any portion thereof as directed by THE DISTRICT, in its sole discretion). With respect to the appraised value of the systems and

properties listed on Exhibit 1 as of the date of the Exercise Notice, in the event that the appraised value exceeds FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00): (i) Eagle Water shall accept cash payment by THE DISTRICT for the Purchase Price in the amount of FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00); and (ii) the difference between FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00) and the appraised value shall constitute a donation by Eagle Water to THE DISTRICT. For the sake of clarity, in no event shall THE DISTRICT be required to pay more than FIVE HUNDRED THOUSAND AND NO/CENTS (\$500,000.00) in cash for the properties and systems listed on Exhibit 1, subject to the adjustments provided by the terms of this Agreement and the terms of the definitive acquisition agreement to be executed in connection with the sale and purchase of the Subject Property (or any portion thereof as directed by THE DISTRICT, in its sole discretion).

In the event that THE DISTRICT shall not timely exercise the Option for the systems and properties listed on Exhibit 1, Grantor shall retain all Option Consideration paid hereunder unless: (1) THE DISTRICT does not exercise the Option because of Grantor's failure to obtain, in a timely manner, all necessary governmental approvals related to the transfer of the Subject Property from Grantor to THE DISTRICT, including, without limitation, approval from, or consent by, the Louisiana Public Service Commission ("Approval Default"), or (2) within 270 days of the Effective Date of this Agreement (the "Free Inspection Period"), THE DISTRICT shall have notified Grantor that (i) THE DISTRICT has inspected the Subject Property, and THE DISTRICT, in its sole discretion, has (for any reason whatsoever) determined that the Subject Property is unsuitable for THE DISTRICT's intended purposes or (ii) THE DISTRICT is unable to obtain financing in the amount of the Purchase Price for the purpose of purchasing the Subject Property. It is the intent of subpart (2) of the preceding sentence to permit THE DISTRICT during the Free

Inspection Period to inspect the Subject Property and to decide whether the Subject Property is suitable for THE DISTRICT's purposes. In the absence of an Approval Default, after the expiration of the Free Inspection Period, any Option Consideration paid to Grantor under this Agreement shall be non-refundable and shall then inure to THE DISTRICT's benefit only as a credit against the Purchase Price, and then only if THE DISTRICT timely exercises the Option. For the purpose of this Agreement, the exercise of the Option as to all or any portion of the Subject Property constitutes an exercise of the Option.

7. Zoning

During the term of the Option, THE DISTRICT shall have the right to apply for and endeavor to obtain for the Subject Property from the appropriate governmental authorities, any change of zone, variance, special use permit, or any other authorization as may be desired by THE DISTRICT or required under any local, county, state or federal law, ordinance or regulation to allow the use of the Subject Property for any business as THE DISTRICT or its tenants or successors or assigns may desire to conduct on the Subject Property, all at its own cost and expense.

8. Notices

All notices to be given Grantor shall be in writing and delivered by hand, by reputable overnight courier or by certified mail, return receipt requested, addressed to Grantor as follows:

Eagle Water, LLC
c/o Theresa A. Knight, Managing Member
6614 Colquitt Road
Keithville, Louisiana 71047

AND

W. James Hill III, Esquire
The Smitherman Law Firm, L.C.

8570 Business Park Drive, Suite 100
Shreveport, LA 71105
Telephone: 318-227-1975
Telecopy: 318-222-0482

or at such other addresses as Grantor shall from time to time designate by written notice to THE DISTRICT furnished in accordance with the terms of this Paragraph. All notices to be given to THE DISTRICT shall be in writing and delivered by hand, by reputable overnight courier or by certified mail, return receipt requested, addressed to THE DISTRICT as follows:

THE CONSOLIDATED WATERWORKS/SEWERAGE DISTRICT NO. 1 OF
THE PARISH OF BOSSIER, LOUISIANA
c/o William R. Altimus
204 Burt Boulevard
Benton, Louisiana 71006

AND:

Patrick R. Jackson, Parish Attorney
Courthouse Annex Building
200 Burt Blvd.
Benton, Louisiana 71006
Telephone: 318-965-4030
Telecopy: 318-965-0304

AND:

Reid A. Jones
Wiener, Weiss & Madison, A.P.C.
330 Marshall Street, Suite 1000
Shreveport, Louisiana 71101
Telephone: 318-226-9100
Telecopy: 318-424-5128

or such other address as THE DISTRICT shall from time to time designate by written notice to Grantor furnished in accordance with the terms of this Paragraph. Notice shall be deemed given on the date delivered if delivered in person, one (1) business day after the date of deposit with a reputable overnight carrier, or three (3) days after the postmarked date of mailing if sent via U.S.

Mail certified, return receipt requested.

9. Place of Closing

The Closing shall take place at the offices of THE DISTRICT, 204 Burt Boulevard, Benton, Louisiana 71006, or the offices of its counsel, Wiener, Weiss & Madison, a P.C., 330 Marshall Street, Suite 1000, Shreveport, Louisiana 71101.

10. Recordation

THE DISTRICT may, at its election, record this Agreement within the Conveyance Records and any other public record of Bossier Parish. In the event that THE DISTRICT has recorded this Agreement, then at any time after the expiration of the rights of THE DISTRICT under this Agreement, on request of Grantor, THE DISTRICT shall execute an instrument in recordable form, confirming the expiration of this Agreement and all rights of THE DISTRICT in or to the Subject Property.

11. Agreements of Grantor

Grantor agrees, until the earlier to occur of (i) the termination of this Agreement, (ii) the expiration of this Agreement or (iii) Closing:

a. from the date of this Agreement, not to erect any new improvements on the Subject Property; and

b. from the date of this Agreement, not to voluntarily encumber the Subject Property with any servitudes, easements, agreements, licenses or leases or with any mortgage or other monetary lien or encumbrance without the prior written consent of THE DISTRICT.

12. Representations and Warranties of Grantor

Grantor represents and warrants to THE DISTRICT as follows, which representations and warranties shall be deemed made by Grantor to THE DISTRICT as of the date hereof, shall be

continuing representations throughout the term of this Agreement, but which representations and warranties shall not survive the Closing:

- a. Grantor has the legal right, power and authority to enter into this Agreement;
- b. Since the date of its execution of this Agreement, Grantor has not granted, and will not grant, an option or other right to purchase or otherwise acquire any portion of the Subject Property or any interest therein to any party except THE DISTRICT pursuant to this Agreement unless said party agrees to be bound by this Agreement;
- c. From the date of this Agreement to the date of Closing, Grantor shall not voluntarily and intentionally grant any interest in the Subject Property to any party whatsoever unless said party agrees to be bound by this Agreement, and Grantor shall not voluntarily and intentionally create or allow any liens or encumbrances to be placed on the Subject Property;
- d. Grantor is not a foreign person and is not in any manner controlled by a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- e. In the event Grantor receives notices from any governmental agency relating to the Subject Property, Grantor shall immediately notify, and furnish a copy to, THE DISTRICT;
- f. From the date of installation of each sewerage line installed by or utilized by Grantor in its wastewater and sewerage collection, treatment, and discharge business, Grantor has had and currently has the legal right, power and authority to locate such sewerage lines in each and every location where such sewerage lines have been and are currently located; and
- g. Grantor has had and currently has the legal right, power and authority to locate each manhole and lift station utilized by Grantor in its wastewater and sewerage collection, treatment, and discharge business in each and every location where such manhole and lift station has been and currently is located.

13. **Compliance with Federal Law**

The granting of the Option by Grantor, the exercise of the Option by THE DISTRICT, and the execution, delivery and performance of this Agreement and any other document contemplated by this Agreement shall be done in compliance with all applicable Federal law, including without limitation, the Uniform Relocation Assistance and Real Property Acquisition Act (42 U.S.C. 4601-55) and the regulations promulgated under the Uniform Act (49 C.F.R. §24.1-603).

14. Miscellaneous

a. The captions of this Agreement are for convenience and reference only and shall not be deemed or construed to bind, modify, increase or decrease the terms and conditions of this Agreement, or any interpretation or construction thereof. Any reference in this Agreement to the singular or to any gender shall similarly apply to the plural or to every other gender.

b. The terms and conditions contained in this Agreement shall apply to and be binding upon the parties herein and their respective successors, heirs, executors, administrators, and assigns.

c. This Agreement, and any and all exhibits annexed hereto and made a part of this Agreement, constitutes the entire agreement of the parties, and any and all other or prior agreements, representations or warranties are hereby terminated, canceled and agreed to be void and of no force or effect. No change, amendment, deletion or addition to this Agreement shall be effective unless in writing and signed by the parties.

d. The parties agree that they will execute and deliver or cause to be executed and delivered such further instruments, instruments of correction or instruments of conveyance and transfer, and take such actions as either may reasonably request of the other to effectuate the terms of this Agreement and convey and transfer the Subject Property in the event of a timely exercise of the Option by THE DISTRICT. The terms of this subsection shall survive the Closing.

e. This Agreement has been negotiated, is being executed and delivered, and will be performed in whole or in part, in the State of Louisiana. This Agreement and any litigation between the parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, interpreted and enforced pursuant to the laws of the State of

Louisiana (and the applicable federal laws of the United States of America) without giving effect to its choice of law principles.

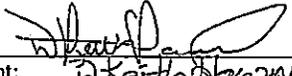
f. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

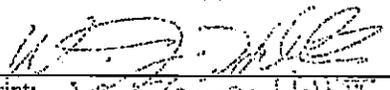
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOWS]

STATE OF LOUISIANA
PARISH OF BOSSIER

THUS DONE AND PASSED at my office in said Parish, in the presence of the undersigned competent witnesses and me, Notary, as of the 12th day of July, 2018.

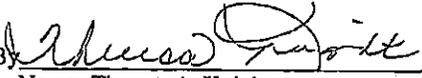
WITNESSES:

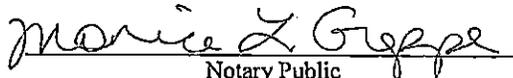

Print: Keith


Print: Theresa A. Knight

GRANTOR:

EAGLE WATER, LLC

By 
Name: Theresa A. Knight
Title: Managing Member


Notary Public

Monica L. Grappe
Notary Public ID # 52093

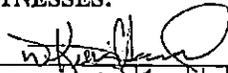
Grantor Signature Page – Option Agreement

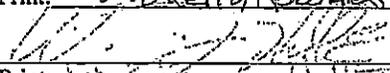
Exhibit A

STATE OF LOUISIANA
PARISH OF BOSSIER

THUS DONE AND PASSED at my office in said Parish, in the presence of the undersigned competent witnesses and me, Notary, as of the 12th day of July, 2018.

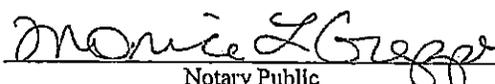
WITNESSES:


Print: J. W. Keith Howard


Print: W. J. Williams

MEMBER:


Theresa A. Knight, individually


Notary Public

Monica L. Grappe
Notary Public ID # 52093

Member Signature Page – Option Agreement

Exhibit A

STATE OF LOUISIANA
PARISH OF BOSSIER

THUS DONE AND PASSED at my office in said Parish, in the presence of the undersigned competent witnesses and me, Notary, as of the 12th day of July, 2018.

THE DISTRICT:

WITNESSES:

Holly J. Fisk
Print: HOLLY J. FISK

Doracah Starks
Print: Doracah Starks

THE CONSOLIDATED
WATERWORKS/SEWERAGE
DISTRICT NO. 1 OF THE PARISH OF
BOSSIER, LOUISIANA

By: The Bossier Parish Police Jury,
governing authority of the Consolidated
Waterworks/Sewerage District No. 1 of
the Parish of Bossier, Louisiana

By: *William R. Altimus*

Name: William R. Altimus
Title: Administrator

Monica L. Grappe
Notary Public

Monica L. Grappe
Notary Public ID # 52093

THE DISTRICT Signature Page – Option Agreement

Exhibit A

EXHIBIT 1

Wastewater and sewerage collection, treatment, and discharge business for systems subject to Purchase during the Initial Option Period and, if exercised, the First Extension Period

SYSTEM
Jones Cypress Unit I, Unit II, Unit III, and Cypress Garden South
Turtle Creek

LEGAL DESCRIPTION

Option agreement → Turtle Creek
oxidation pond
and access tracks

TRACT 1

A 3.86 Acre, more or less, tract of land located in sections 2 and 11, Township 14 North-Range 13 West, Bossier Parish, Louisiana and being more particularly described as follows: From the most Northernly corner of Lot 23, Turtle Creek Subdivision, as recorded on Book 1364, Pages 651-654, records of Bossier Parish, Louisiana, run thence South 49 degrees 03 minutes 21 seconds West along rear lot lines of Lots 23 and 22 a distance of 30.40 feet to the point of beginning of the tract herein described, thence run North 41 degrees 26 minutes 23 seconds West a distance of 513.84 feet to a point, thence run North 61 degrees 59 minutes 04 seconds East a distance of 342.63 feet to the southernly right of way line of West Lakeshore Drive, thence run along said right of way along a curve to the left, having a chord bearing South 43 degrees 00 minutes 26 seconds East a distance of 446.16 feet, a radius of 362.40 feet, thence along the curve a distance of 461.37 feet, thence run South 49 degrees 03 minutes 21 seconds West a distance of 344.04 feet to the point of beginning.

TRACT 2

A 5.28 Acre, more or less, tract of land located in sections 2 and 11, Township 14 North-Range 13 West, Bossier Parish, Louisiana and being more particularly described as follows: From the most Northernly corner of 23, Turtle Creek Subdivision as recorded in Book 1364, Pages 651 - 654, records of Bossier Parish, Louisiana, run thence South 49 degrees 03 minutes 21 seconds West along rear lot lines of Lot 22 and 23 a distance of 35.40 feet to the point of beginning of the tract herein described thence run South 49 degrees 03 minutes 21 seconds West a distance of 549.07 feet to a point, thence run North 49 degrees 38 minutes 25 seconds East a distance of 394.15 feet to a point, thence run South 41 degrees 26 minutes 23 seconds East a distance of 513.84 feet to the point of beginning.

Date: December 16, 2015
For: Eagle Water, LLC

Scale: 1"=100'

369261

RECORDED
This the 18th day of March,
A. D., 1982
In CONVEYANCES VOLUME 583
PAGE 281

Wm. M. ...
11 26 1982
1982

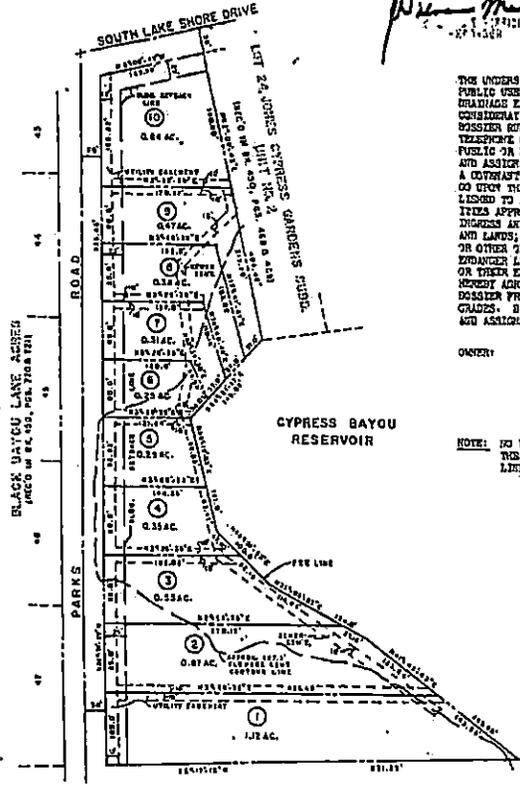
Wm. M. ...
Clerk & Ex-Officio
Recorder-Bossier Parish.

THE UNDERSIGNED OWNER HEREBY DEDICATED TO THE STATE AND PUBLIC USE IN PERPETUITY THE STREETS AND DRAINAGE FACILITIES SHOWN HEREON. FOR VALUABLE CONSIDERATION THE OWNER HEREBY GRANTS UNTO BOSSIER RURAL ELECTRIC, SOUTH CENTRAL BELL TELEPHONE CO., AND/OR ANY OTHER PUBLIC UTILITY, PUBLIC OR PRIVATE, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, EXCLUSIVELY AND IN PERPETUITY, AS A COVENANT RUNNING WITH THE LAND, THE RIGHT TO GO UPON THE EASEMENT FOR UTILITIES NEARBY ESTABLISHED TO INSTALL, MAINTAIN, AND REMOVE FACILITIES APPROPRIATE TO THEIR SERVICES; TO MAKE DRENCH AND EGRESS THEREIN, OVER ADJACENT LOTS AND LANDS; TO TRIM AND/OR CUT AND REMOVE TREES OR OTHER OBSTRUCTIONS AS MAY INTERFERE WITH OR ENDANGER LIFE OR OPERATION OF SUCH FACILITIES OR THEIR EFFICIENCY. THE UNDERSIGNED OWNER HEREBY AGREES TO HOLD HARMLESS THE PARISH OF BOSSIER FROM SUITABLE DUES TO CHANGES IN STREET GRADERS, BENDING HEREIN THEIR REELS, SUCCESSORS AND ASSIGNS.

OWNER: CYPRESS DEVELOPMENT CO., INC.

J. ...
J. ... PRESIDENT

NOTE: NO PERMANENT STRUCTURE TO BE BUILT BELOW THE 187.50 FT. MEAN SEA LEVEL EASEMENT LINE AS SHOWN ON THIS PLAN.



I HEREBY CERTIFY THAT THIS SUBDIVISION COMPLIES WITH ORDINANCE NO. 509 OF 1974, BOSSIER PARISH, LA.
Sammie L. Craft
SAMMIE L. CRAFT
P.L.S. NO. 1077

JONES CYPRESS GARDENS SUBD.
UNIT NO. 3.

LOCATED IN SEC. 11, T15N-R13W, BOSSIER PARISH, LOUISIANA

DATE: JAN. 1982

SCALE: 1"=100'



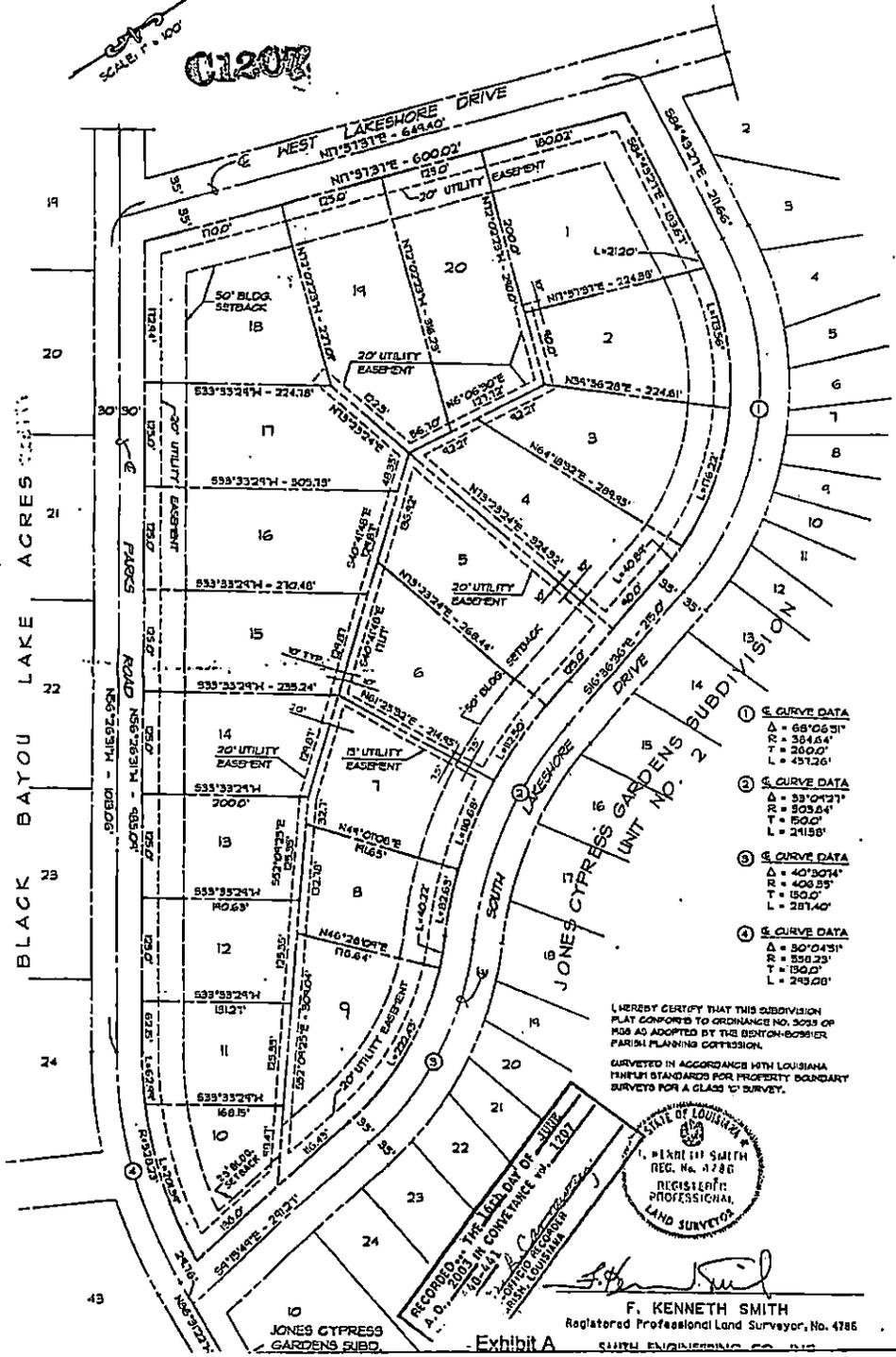
SAMMIE L. CRAFT & ASSOC.
ENGINEERS - SURVEYORS
BOSSIER, LA.

Exhibit A

777517
CYPR 55 GARDENS SOUTH 2.007

SCALE 1" = 100'

C1207



- ① S CURVE DATA
 $\Delta = 68^{\circ}06'51''$
 $R = 384.64'$
 $T = 260.00'$
 $L = 457.26'$
- ② S CURVE DATA
 $\Delta = 33^{\circ}04'21''$
 $R = 303.84'$
 $T = 50.00'$
 $L = 211.58'$
- ③ S CURVE DATA
 $\Delta = 40^{\circ}30'14''$
 $R = 406.25'$
 $T = 150.00'$
 $L = 281.40'$
- ④ S CURVE DATA
 $\Delta = 30^{\circ}04'51''$
 $R = 336.23'$
 $T = 150.00'$
 $L = 243.68'$

I HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ORDINANCE NO. 3093 OF MOG AS ADOPTED BY THE BENTON-BOSCHER PARISH PLANNING COMMISSION.

SURVEYED IN ACCORDANCE WITH LOUISIANA PRACTICE STANDARDS FOR PROPERTY BOUNDARY SURVEYS FOR A CLASS 'C' SURVEY.



F. KENNETH SMITH
 Registered Professional Land Surveyor, No. 4786

RECORDED THE 11th DAY OF JUNE
 A. D. 2001 IN COMMISSION NO. 1307
 STATE OF LOUISIANA

Exhibit A

BOSSIER PARISH POLICE JURY

P.O. Box 70

BENTON, LOUISIANA 71006

PHONE: 318-965-2329 • FAX: 318-965-3703

June 11, 2021

Via Hand Delivery
and Email (eaglewater@aol.com)

Eagle Water, LLC
Attn: Theresa A. Knight
6614 Colquitt Road
Keithville, Louisiana 71047

Re: "Sewerage Property Option Agreement" – Eagle Water, LLC –
Consolidated Waterworks/Sewerage District No. 1 of the Parish of
Bossier, Louisiana; Effective Date July 12, 2018 (the
"Agreement")

Dear Mrs. Knight,

On behalf of The District (as that term is defined in the above referenced Agreement), The District hereby exercises the First Extension Period of the Option (as those terms are defined in the Agreement) covering the period 1,096 days to 1,460 days from the Effective Date of the Agreement. A check in the amount of \$2,000.00 payable to Eagle Water, LLLC is enclosed as the Option Consideration for the exercise of this First Extension Period of the Option, as further provided in the Agreement. The District represents that it has had no dealings or negotiations with any broker or agent in connection with the "Subject Property" which is the subject of this Option.

The Bossier Parish Police Jury governing authority of the
Consolidated Waterworks/Sewerage District No. 1 of the
Parish of Bossier, Louisiana

By: 

William R. Altimus - Administrator

cc: W. James Hill, III (via Email and Certified Mail, Return Receipt Requested)
Butch Ford – Bossier Parish Police Jury (via Email only)
Patrick Jackson (via Email only)
Geoffrey D. Westmoreland (via Email only)

Nguyen Kha
2204 Surrey Lane
Bossier City, LA, 71111

Tel: (318) 505-7951
Email: nkha@bossierparishla.gov

EDUCATION

- Bachelor of Science – Louisiana Tech University, Ruston, LA
- Woodlawn High School, Shreveport, LA

EXPERIENCE

Public Utility Director / Assistant Parish Engineer
Consolidated Waterworks and Sewerage District 1 of Bossier (CWSD #1) / Bossier Parish Police Jury

May 2010 – present

- Responsible for Operation / Maintenance of CWSD #1 wastewater and water facilities which include a 3 MGD sewerage treatment plant and multiple water wells.
- Plan, coordinate and review capital improvement projects.
- Develop and manage annual operating budget.

Project Engineer / Land Surveying Intern
Atchley and Atchley, Inc.

May 1996 – April 2010

- Designed and put together plans and specification for drainage, water and sewer, and development projects
- Worked on Subdivision, ALTA, and other types of plats and surveys.

LICENSES / CERTIFICATIONS

- Wastewater collection Class 4 - #15-065
- Wastewater treatment Class 4 - #15-595
- Water distribution Class 2 - #15-1290
- Water production Class 2 - #15-1288
- Water treatment Class 2 - #15-1289
- Professional Engineer (Civil Engineering) - PE.0029599
- Land Surveying Intern – LSI.0000469

REFERENCES

Available upon request.

BOBBY JINDAL
GOVERNOR



HAROLD LEGGETT, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE SECRETARY

August 18, 2009

Honorable Glenn Benton
Police Jury President, Bossier Parish
P.O. Box 70
Benton, LA 71006

RE: Wastewater/Sewer Improvement Project
AI #159090

Dear President Benton:

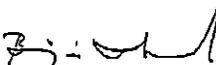
Congratulations! After a careful preliminary technical review of the information you submitted in your Clean Water State Revolving Fund (CWSRF) loan application, your wastewater/sewer improvement project has been recommended for funding through the CWSRF program in the amount of \$17,750,000. This funding will be in the form of a low interest loan with a fixed rate of 0.95 percent and a twenty year pay back term.

Your project is recommended for the loan in FY 2010 based on the premise that you can incur the debt, have the demonstrated ability to repay the debt, can meet all the standard technical and engineering requirements as well as all conditions that are required under the state and federal guidelines to close on this loan.

Your timely response to this letter confirming your municipality's ability to meet the financial, technical/engineering requirements and all applicable state and federal laws to properly close on this loan is essential. Should you fail to respond in the next 30 days, or are unable to meet any of the aforementioned state or federal conditions or requirements necessary to close on this loan, we will use the funds to support the next municipality and will reconsider your application in FY 2011. Once again, your timely response to this letter is critical. In your response, please provide us with your timeline that verifies your ability to begin construction in the next twelve months.

If you have any questions, please contact me immediately at (225) 219-3957 or by email at bjsharakhani@la.gov.

Sincerely,


Bijan Sharakhani, P.E.
Administrator

C V. Alex Appasaling, Ph.D.
Deputy Secretary

Harold Leggett, Ph.D.
Secretary

Exhibit C

EXHIBIT D
INCOME STATEMENT - SEWER AND WATER
 (FY 2021 - FY 2023)
CONSOLIDATED WATER & SEWERAGE DISTRICT NO. 7 OF BOSSIER PARISH, LOUISIANA
 February 12, 2021

FISCAL YEAR	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Comments
Year Ended	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	
OPERATING INCOME (SEWER)														
SEWER CUSTOMER (RESIDENTIAL)	5600	5900	6250	6250	6500	6750	7000	7250	7500	7750	8000	8250	8500	
SEWER FEES (RESIDENTIAL)	\$1,074,000.00	\$1,338,800.00	\$1,633,400.00	\$1,765,000.00	\$1,925,000.00	\$2,107,000.00	\$2,300,000.00	\$2,500,000.00	\$2,700,000.00	\$2,900,000.00	\$3,100,000.00	\$3,299,000.00	\$3,497,000.00	
SEWER CUSTOMER (COMMERCIAL)	72	72	72	72	72	72	72	72	72	72	72	72	72	
SEWER FEES (COMMERCIAL)	\$150,000.00	\$180,000.00	\$180,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	
IMPACT FEES	\$150,000.00	\$150,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$225,000.00	
TOTAL SEWER OPERATING INCOME	\$1,374,000.00	\$1,668,800.00	\$1,838,400.00	\$1,940,000.00	\$2,100,000.00	\$2,482,000.00	\$2,675,000.00	\$2,875,000.00	\$3,075,000.00	\$3,275,000.00	\$3,475,000.00	\$3,674,000.00	\$3,872,000.00	
OPERATING INCOME (WATER)														
WATER CUSTOMER (RESIDENTIAL-COMMERCIAL)	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	
WATER FEES (RESIDENTIAL-COMMERCIAL)	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	
TOTAL WATER OPERATING INCOME	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	
TOTAL INCOME	\$1,874,000.00	\$2,168,800.00	\$2,338,400.00	\$2,440,000.00	\$2,600,000.00	\$2,982,000.00	\$3,175,000.00	\$3,375,000.00	\$3,575,000.00	\$3,775,000.00	\$3,975,000.00	\$4,174,000.00	\$4,372,000.00	
OPERATING EXPENSES														
OPERATION AND MAINTENANCE (SEWER)	\$1,714,800.00	\$1,670,000.00	\$1,555,000.00	\$2,040,000.00	\$2,125,000.00	\$2,210,000.00	\$2,295,000.00	\$2,380,000.00	\$2,465,000.00	\$2,550,000.00	\$2,635,000.00	\$2,720,000.00	\$2,805,000.00	
OPERATION AND MAINTENANCE (WATER)	\$313,200.00	\$330,000.00	\$345,000.00	\$350,000.00	\$375,000.00	\$390,000.00	\$405,000.00	\$420,000.00	\$435,000.00	\$450,000.00	\$465,000.00	\$480,000.00	\$495,000.00	
TOTAL SEWER OPERATING EXPENSES	\$2,028,000.00	\$2,000,000.00	\$1,900,000.00	\$2,390,000.00	\$2,500,000.00	\$2,600,000.00	\$2,690,000.00	\$2,800,000.00	\$2,900,000.00	\$3,000,000.00	\$3,100,000.00	\$3,200,000.00	\$3,300,000.00	
NON-OPERATING EXPENSES (SEWER & WATER)														
LOAN DEBT - PAID (LOANS 1-2 - \$17.450 MILLION)	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00	
LOAN DEBT - PAID (LOAN 3 - \$7 MILLION)	\$1.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
LOAN DEBT - BOND RESERVE FUND (LOAN 3)	\$24,780.00	\$0.00	\$55,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	\$56,000.00	
OPEN MARKET - PRINCIPAL & INTEREST	\$1,764,780.00	\$2,115,000.00	\$2,115,000.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	\$2,373,200.00	
TOTAL COBLENDED NON-OPERATING EXPENSES	\$3,892,780.00	\$4,315,000.00	\$4,415,000.00	\$4,873,200.00	\$5,073,200.00	\$5,173,200.00	\$5,273,200.00	\$5,373,200.00	\$5,473,200.00	\$5,573,200.00	\$5,673,200.00	\$5,773,200.00	\$5,873,200.00	
TOTAL EXPENSES	\$7,920,780.00	\$6,315,000.00	\$6,315,000.00	\$7,263,200.00	\$7,573,200.00	\$7,773,200.00	\$7,973,200.00	\$8,173,200.00	\$8,373,200.00	\$8,573,200.00	\$8,773,200.00	\$8,973,200.00	\$9,173,200.00	
NET INCOME (LOSS)	\$31,220.00	\$181,800.00	\$423,400.00	\$176,800.00	\$326,800.00	\$310,800.00	\$402,000.00	\$502,000.00	\$602,000.00	\$702,000.00	\$802,000.00	\$902,000.00	\$1,002,000.00	

EXHIBIT E
CWSD RATE SCHEDULE

FOR RESIDENTIAL SEWER:

2021 – Flat rate of \$45
2022 – Flat rate of \$51
2023 – Flat rate of \$54

FOR MOBILE HOME PARK AND APARTMENT SEWER *:

2021 – Flat rate of \$37
2022 – Flat rate of \$41.20
2023 – Flat rate of \$42.23

*If combined usage exceeds 2000 gallons of usage per unit, rates will be adjusted up based on user fees for commercial sewer.

COMMERCIAL SEWER:

2021 – \$57 for first 2000 gallons + \$0.0025 for each additional gallon
2022 – \$60 for first 2000 gallons + \$0.003 for each additional gallon + 3% inflation adjustment
2023 – \$60 for first 2000 gallons + \$0.0035 for each additional gallon + 3% inflation adjustment

RESIDENTIAL WATER FOR CWSD:

2021 – \$27 for first 2000 gallons + \$0.003 for each additional gallon
2022 – \$30 for first 2000 gallons + \$0.0035 for each additional gallon + 3% inflation adjustment
2023 – \$30 for first 2000 gallons + \$0.004 for each additional gallon + 3% inflation adjustment

COMMERCIAL WATER FOR CWSD:

2021 – \$42 for first 2000 gallons + \$0.003 for each additional gallon
2022 – \$45 for first 2000 gallons + \$0.0035 for each additional gallon + 3% inflation adjustment
2023 – \$45 for first 2000 gallons + \$0.004 for each additional gallon + 3% inflation adjustment

RESIDENTIAL WATER FOR CENTRAL BOSSIER:

2021 – \$23 for first 2000 gallons + \$0.0023 for each additional gallon
2022 – \$26 for first 2000 gallons + \$0.0028 for each additional gallon + 3% inflation adjustment
2023 – \$26 for first 2000 gallons + \$0.0033 for each additional gallon + 3% Inflation adjustment

COMMERCIAL WATER FOR CENTRAL BOSSIER:

2021 – \$41.50 for first 5000 gallons + \$0.0023 for each additional gallon
2022 – \$44.50 for first 5000 gallons + \$0.0028 for each additional gallon + 3% inflation adjustment
2023 – \$44.50 for first 5000 gallons + \$0.0033 for each additional gallon + 3% inflation adjustment