

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED AUGUST 31, 2013

GULF COAST WATER AUTHORITY

GCWA DEBT - LA MARQUE DEBT



RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Gulf Coast Water Authority

Issue(s):

\$ 2,140,000 Water System Contract Revenue Refunding Bonds, Series 2011D (La Marque)

Filing Format X electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

X Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

___ Annual Financial Report or CAFR

X Financial Information & Operating Data

___ Other (describe)

X Fiscal Period Covered: FYE 2013

___ Monthly ___ Quarterly X Annual ___ Other:

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Bob Webb

Name: Bob Webb Title: Business Administrator

Employer: Gulf Coast Water Authority

Voice Telephone Number: (409) 935-2438

Email Address: bwebb@gcwater.org

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Water System Contract Revenue Refunding Bonds, Series 2011D (La Marque)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/14	\$ 175,000	40223N ML7
08/15/15	180,000	40223N MM6
08/15/16	180,000	40223N MN3
08/15/17	185,000	40223N MP8
08/15/18	195,000	40223N MQ6
08/15/19	200,000	40223N MR4
08/15/20	215,000	40223N MS2
08/15/21	220,000	40223N MT0
08/15/22	270,000	40223N MU7
	<u>\$ 1,820,000</u>	

FINANCIAL STATEMENTS

The audited financial statements for the Authority for the fiscal year ended August 31, 2013 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the Authority and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described.

GULF COAST WATER AUTHORITY

/s/ Bob Webb

Bob Webb

Business Administrator

Approved for Submission:

02/28/2014

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Gulf Coast Water Authority with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Kristin Garcia

**GULF COAST WATER AUTHORITY
CITY OF LA MARQUE PROJECT
2013 CONTRACT REVENUE DEBT REPORT**

TABLE 1 - DEBT SERVICE REQUIREMENTS

Fiscal Year Ending August 31	Series 2011B ⁽¹⁾	Series 2011D	Total Debt Service Requirements
2014	\$ 37,119	\$ 249,650	\$ 286,769
2015	37,290	247,650	284,940
2016	36,943	244,050	280,993
2017	37,070	245,450	282,520
2018	36,874	248,050	284,924
2019	37,128	245,250	282,378
2020	36,835	250,250	287,085
2021	36,992	244,500	281,492
2022	37,089	283,500	320,589
	<u>\$ 333,340</u>	<u>\$ 2,258,350</u>	<u>\$ 2,591,690</u>

(1) Represents the City's share (9.7707%) of the Gulf Coast Water Authority's Water System Contract Revenue Refunding Bonds (South Project) Series 2011B. Several other governmental entities will pay the remaining debt service on the Series 2011B Bonds. The City and those other governmental entities are jointly and severally obligated on the debt service for the Series 2011B Bonds and the \$17,730,000 Gulf Coast Water Authority Water System Contract Revenue Refunding Bonds (South Project), Series 2011A, 98.15% of which are paid by the City of Galveston and 1.85% of which are paid by the City of League City.

TABLE 2 - CURRENT INVESTMENTS

As of September 30, 2013, La Marque's investable funds were invested in the following categories:

Description	Book Value	Market Value
TexPool	\$ 5,029,721	\$ 5,029,721
LOGIC	2,783,042	2,783,042
CD's	400,000	400,000
Money Market	40,813	40,813
Mutual Funds	728,771	728,771
Total	<u>\$ 8,982,347</u>	<u>\$ 8,982,347</u>

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

HISTORICAL WATER CONSUMPTION (GALLONS)

Fiscal Year Ended	Estimated City Population ⁽¹⁾	Number of Customers	Water Usage (MG)				Total Revenue
			Average Day Usage	Peak Day Usage	Peak Month Usage	Total Usage	
9/30							
2009	14,194	5,889	2.770	3.988	August	758.938	\$ 1,724,860
2010	14,509	5,654	2.301	2.902	August	750.000	1,522,003
2011	15,341	6,053	2.172	4.885	August	660.927	1,714,884
2012	14,200	5,641	2.359	2.800	August	735.130	1,520,966
2013	14,200	6,552	2.360	2.930	July	864.262	1,628,231

(1) Source: the City.

UTILITY FUND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2013 ⁽¹⁾	2012	2011	2010	2009
Operating Revenues:					
Charges for Services	\$ 3,911,543	\$ 4,159,635	\$ 4,159,381	\$ 4,081,001	\$ 4,382,458
Total Operating Revenues	\$ 3,911,543	\$ 4,159,635	\$ 4,159,381	\$ 4,081,001	\$ 4,382,458
Operating Expenses:					
Personnel Services	\$ 883,817	\$ 1,066,691	\$ 1,144,125	\$ 1,088,670	\$ 992,734
Supplies	199,384	273,455	258,003	182,649	157,910
Maintenance and Repairs	301,681	175,100	537,705	541,995	454,133
Miscellaneous Services	264,120	239,223	142,591	145,536	136,431
Utilities	327,075	357,990	366,836	341,476	359,955
Purchased Water	593,966	508,115	876,550	834,902	821,804
Depreciation	-	1,101,575	1,052,030	1,089,414	1,082,688
Compensated Absences Expense	-	-	35,576	28,964	26,909
Total Operating Expenses	\$ 2,570,042	\$ 3,722,149	\$ 4,413,416	\$ 4,253,606	\$ 4,032,564
Operating Income	\$ 1,341,501	\$ 437,486	\$ (254,035)	\$ (172,605)	\$ 349,894
Non-Operating Expenses:					
Miscellaneous Revenue	\$ 230,748	\$ 10,224	\$ 357,442	\$ 36,137	\$ 16,696
Investment Earnings	2,612	3,578	3,456	3,098	41,044
Interest Expense and Fiscal Charges	-	(146,010)	(261,561)	(254,149)	(266,530)
Amortization of Deferred Expenses	-	-	(14,880)	(13,821)	(13,821)
Contingencies	-	-	(840)	(910)	(840)
Total Non-Operating Revenues (Expenses)	\$ 233,360	\$ (132,208)	\$ 83,617	\$ (229,645)	\$ (223,451)
Income Before Contributions and Transfers	\$ 1,574,861	\$ 305,278	\$ (170,418)	\$ (402,250)	\$ 126,443
Transfer In	-	1,784,048	1,047,708	725,829	217,615
Transfer Out	(907,462)	(206,969)	(1,147,467)	(1,266,684)	(285,180)
Change in Net Assets	667,399	1,882,357	(270,177)	(943,105)	58,878
Total Net Assets - Beginning October 1	\$ 12,163,136	\$ 9,335,478	\$ 9,222,827	\$ 10,165,932	\$ 10,107,054
Prior Period Adjustment	-	945,301 ⁽²⁾	382,828 ⁽²⁾	-	-
Total Net Assets - Ending September 30	\$ 12,830,535	\$ 12,163,136	\$ 9,335,478	\$ 9,222,827	\$ 10,165,932

(1) Unaudited, provided by the City.

(2) Restated.

COMPARATIVE STATEMENT OF REVENUES AND EXPENSES; CUSTOMER COUNT

<u>Revenues:</u>	Fiscal Year Ended September 30,				
	2013 ⁽¹⁾	2012	2011	2010	2009
Charges for Services	\$ 3,911,543	\$ 4,159,635	\$ 4,159,381	\$ 4,081,001	\$ 4,382,458
Interest Earned	2,612	3,578	3,456	3,098	41,044
Miscellaneous Income	230,748	10,224	357,442	36,137	16,696
Total Revenues	\$ 4,144,903	\$ 4,173,437	\$ 4,520,279	\$ 4,120,236	\$ 4,440,198
 <u>Operating Expenses:</u>					
Personal Services	\$ 883,817	\$ 1,066,691	\$ 1,144,125	\$ 1,088,670	\$ 992,734
Supplies	199,384	273,455	258,003	182,649	157,910
Repairs and Maintenance	301,681	175,100	537,705	541,995	454,133
Miscellaneous Services	264,120	239,223	142,591	145,536	136,431
Utilities	327,075	357,990	366,836	341,476	359,955
Purchased Water	593,966	508,115	876,550	834,902	821,804
Compensated Absences Expense	-	-	35,576	28,964	26,909
	\$ 2,570,042	\$ 2,620,574	\$ 3,361,386	\$ 3,164,192	\$ 2,949,876
 Net Revenue From Operations	 \$ 1,574,861	 \$ 1,552,863	 \$ 1,158,893	 \$ 956,044	 \$ 1,490,322
 System Customers	 6,552	 5,502	 6,053	 5,654	 5,900

(1) Unaudited, provided by the City.

MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2012)

<u>Water:</u>	
First 1,000 gallons	\$7.75
Over 1,000 gallons	3.30
 <u>Sewer:</u>	
First 1,000 gallons	\$17.15
Over 1,000 gallons to maximum 15,000 gallons	2.90

TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)

<u>Customer</u>	<u>Type of Business</u>	Estimated Fiscal Year 2013 Water Usage In Gallons	Estimated % of Total Water Usage
La Marque ISD	School	3,610,000	13.28%
Cedar Dr. Village	Apartments	1,962,000	7.21%
Super * Motel	Motel	1,652,000	6.07%
Sonic Drive In	Fast Food Retail	1,501,000	5.52%
WGB RV Park	RV Park	1,482,000	5.45%
Annette Doyle	Trailer Park	1,379,000	5.07%
Muy Pizza Houston	Fast Food Retail	1,214,000	4.46%
ACG 1956 L.P.	Outlet Mall	1,059,000	3.89%
Private Mini Storage	Storage	1,052,000	3.87%
Pilgrim Cleaners	Cleaners	1,027,000	3.77%
		15,938,000	58.59%

CITY OF LA MARQUE'S WATER AND SEWER SYSTEM DEBT SERVICE REQUIREMENTS

The City does not have any outstanding water and sewer system debt obligations.