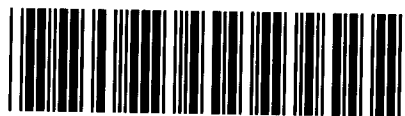




Control Number: 43134



Item Number: 114

Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION
FILING CLERK

WATER AND WASTEWATER UTILITIES ANNUAL REPORT

Docket No. 43134

(this number will be assigned by the Public Utility Commission after your document is filed)

of

SWWC Utilities, Inc. dba Hornsby Bend Utility Company
Exact Legal Name of Utility/Respondent

Water 11978; Sewer 20650
Certificate of Convenience and Necessity (CCN) No.

Submitted to the



for the

Calendar Year Ended

31-Dec-14

114

Section 1: Utility Information

Utility Name Hornsby Bend Utility Company
Address 12535 Reed Road
Sugar Land, Texas 77478

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed

Telephone Number 281-207-5800 Fax Number 281-207-5940

E-mail Address gfreitag@swwc.com

Contact Person George Freitag Title Regional Regulatory Manager

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☐ Individual ☐ Partnership ☒ Corporation ☐ NonProfit Association

Section 2: Utility Background

Water CCN No. 11978
Number of PWSs 1
TCEQ PWS ID No. 2270255
TCEQ PWS ID No. _____
(if the utility has more PWS ID Nos., please indicate in Section 10)

Number of Wastewater Systems 1

Sewer CCN No. 20650

TCEQ Discharge Permit No. TX0098612-001A/TPDES 13138-001

TCEQ Discharge Permit No. _____

(if the Utility has more Discharge Permit Nos., please indicate in Section 10)

Section 3: Revenues

	Water	Wastewater	Total
			Water + Wastewater
OPERATING REVENUES:			
Utility Service/Sales	2,100,459	1,960,469	4,060,928
Fees (Tap, Reconnection, etc.)	90,129	93,968	184,096
OTHER REVENUES:			
Please Identify: Penalties, Fees and non-Tariff	68,984	68,674	137,658
TOTAL REVENUES	\$ 2,259,572	\$ 2,123,111	\$ 4,382,682

Section 4: Expenses

	Water	Wastewater	Total
			Water + Wastewater
Salaries & Wages	315,286	295,117	610,403
Contract Labor	14,327	11,622	25,949
Purchased Water	1,037,189	14,536	1,051,725
Chemicals for Treatment	85	40,991	41,076
Utilities (electricity)	39,508	86,133	125,641
Repairs/Maintenance/Supplies	57,919	149,993	207,912
Office Expenses	47,990	46,824	94,814
Professional Fees (Accounting, Legal)	18,718	18,501	37,219
Insurance	17,999	17,558	35,557
Depreciation & Amortization	619,946	342,662	962,608
Miscellaneous (describe in remarks below)	284,070	294,686	578,756
Subtotal	\$ 2,453,038	\$ 1,318,622	\$ 3,771,660
Taxes:			
Federal Income Taxes	(26,200)	161,947	135,747
Property and Other Taxes (Payroll, etc.)	(107,048)	337,172	230,124
Regulatory Expenses (Rate Case, Permits)	6,844	6,765	13,608
Other (describe in remarks below)	4,791	4,241	9,032
TOTAL EXPENSES	\$ 2,331,424	\$ 1,828,747	\$ 4,160,171

Remarks:
Miscellaneous includes allocations of corporate overhead and support departments, bad debt and bank charges, lease expenses, and other minor items.
Schedules are prepared in accordance with generally accepted accounting principles as applied to regulated enterprises.
Other is primarily composed of interest charges, including intercompany interest charges.
Revenue is based upon the accrual method for the calendar year and includes unbilled revenue.

Section 5: Operating Items**Debt Information:**

Annual interest expense on long and/or short term debt?

Annual principal payment on debt?

Annual interest rate on debt?

Annual debt principal and interest?

Principal balance on outstanding debt at end of this reporting period?

Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2014?

\$37,786**Rate Change:**

What was the effective date of the last Rate Change?

January 1, 2014**Section 6: Customer Information**

Connection Type Water	Number of Connections at*	
	Beginning of Calendar Year 2014	End of Calendar Year 2014
Total	1,966	2,145

Connection Type Wastewater	Number of Connections at*	
	Beginning of Calendar Year 2014	End of Calendar Year 2014
Total	1,929	2,121

* Active Connections

Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped? 160,693,000 gallons

B What is the total amount of water sold/billed? 150,815,000 gallons

C How much water was lost? 9,878,000 gallons

What is the total percent of water loss? 6.15% %

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions.

Comments? Total gallons pumped includes both groundwater produced and purchased water.

Total water billed/sold includes non-revenue water used for flushing and lost in leak repair.

Section 8: Wastewater Treated

What is the total amount of wastewater treated? 130,397,000 gallons

Comments? The exact costs of treatment are difficult to break out,

but make up a significant portion of the expenses included in Section 4.

Section 9: Utility Management & Operations Assessment

Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have a copy of your approved tariff and drought contingency plan for customers to review?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have Written Operating Procedures for Routine Operations?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have Written Emergency Actions Plan(s)?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have Written Personnel Procedures?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have Risk Management & Safety Policies?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have Customer Service Policies? (including billing & collection)?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Do you have a Written Budget? (normally updated annually)?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☒ Yes ☐ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

Rules and Regulations

If you own/operate a public water system, do you have a copy of 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308 and 30 TAC 309?

☒ Yes ☐ No

Do you have a copy of the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of the Texas Water Code Chapter 13?

☒ Yes ☐ No

Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☒ Yes ☐ No ☐ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☒ Newsletter ☒ Meetings

☒ Other Website and Utility Communications

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☐ Yes ☐ No

Section 10: Remarks (please feel free to attach additional pages if necessary)

Utility/Business Related Conferences we attend: IWSCOT, NAWC, Texas AWWA,
TCEQ PWS Conference, Texas AWWA Conservation and Reuse Committee,
TCEQ Environmental Trade Fair, Central Texas TMDL Annual Stakeholder Meeting,
TCEQ Drinking Water Advisory Group Quarterly Meetings, Central Texas
Water Efficiency Network, Texas Water Utilities Association, TXWARN

Section 11: Sworn Statement

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 31st day of March, 2015.

President or Owner: Charles W. Profilet, Jr.
(Signature)

Charles W. Profilet, Jr. P.E.
(Printed Name)

Managing Director - Texas Utilities
(Title)