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PUBLIC UTILITY COMMISSION
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WATER AND WASTEWATER UTILITIES ANNUAL REPORT

Docket No. W3134

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

of

Aqua Texas Inc

Exact Legal Name of Utility/Respondent

13201

Certificate of Convenience and Necessity (CCN) No.

Submitted to the



for the

Calendar Year Ended

2014

Section 1: Utility Information

Utility Name Aqua Texas, Inc

Address 1106 Clayton Lane, Suite 400W

Austin, TX 78723

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

Telephone Number (512) 990-4400 Fax Number (512) 990-4410

E-mail Address kascheibelhut@aquaamerica.com

Contact Person Kurt Scheibelhut Title Manager, Rates and Planning

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.

13201

Number of PWSs

149

TCEQ PWS ID No.

See Attached List

TCEQ PWS ID No.

(if the utility has more PWS ID Nos., please indicate in Section 10)

Number of Wastewater Systems

11

Sewer CCN No.

21059

TCEQ Sewer Discharge Permit No.

See attached List

TCEQ Sewer Discharge Permit No.

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

	CCN	System Name	PWS #
1	13201	DOGWOOD HILLS EAST	0010039
2	13201	LAME DUCK WATER SYSTEM	0180072
3	13201	CHINA SPRING RANCHES	0180082
4	13201	CHEROKEE POINT WATER CO	0320015
5	13201	EAGLES BLUFF	0370052
6	13201	FRF WATER SYSTEMS 1 3 4 5 6 7 8	0490042
7	13201	WREN WATER SYSTEM	0610009
8	13201	WOODLAND HILLS	0610084
9	13201	HIDDEN VALLEY WATER SYSTEM	0610099
10	13201	SARATOGA ESTATES	0610163
11	13201	FOXBAKE COMBINED WS	0610164
12	13201	SONGBIRD ADDITION	0610165
13	13201	HANBY ACRES	0610166
14	13201	PONDER ACRES WATER SYSTEM	0610201
15	13201	TRAIL CREEK WATER SYSTEM	0610203
16	13201	CINNAMON RIDGE	0610209
17	13201	DOVE HOLLOW WATER SYSTEM	0610210
18	13201	WILLOW WOOD ADDITION MEADOW VISTA	0610212
19	13201	SPANISH OAKS ADDITION	0610214
20	13201	SPRING HILL ESTATES	0610218
21	13201	STONY HILLS WATER SYSTEM	0610220
22	13201	OLD STONY ESTATES	0610224
23	13201	PONDEROSA RANCH	0610233
24	13201	RADECKE ROAD WATER SYSTEM	0610234
25	13201	STONE VALLEY FARM	0610236
26	13201	WILLOW SPRINGS ADDITION	0610237
27	13201	SHALE CREEK COMMUNITY	0610238
28	13201	MOUNTAIN LAKES ADDITION	0720037
29	13201	HERITAGE ESTATES	0910139
30	13201	FOREST LAKE SUBDIVISION	0920026
31	13201	LAKE UTILITY CO	1070059
32	13201	CARRIZO WATER CORP FOREST GROVE	1070074
33	13201	LAKE PALESTINE WATER CO	1070198
34	13201	PHOENIX WATER WORKS	1070211
35	13201	HIGH POINT WATER CO	1070233
36	13201	SAFARI WATER SYSTEM	1070247
37	13201	LONG CREEK WATER	1110017
38	13201	ROCK HARBOR ESTATES	1110024
39	13201	SANDY BEACH SUBDIVISION	1110026
40	13201	WHIPPOORWILL BAY SUBDIVISION	1110027
41	13201	BRAZOS RIVER ACRES	1110028
42	13201	MOUNTAIN VIEW SUBDIVISION	1110035
43	13201	BOYNTON WATER	1110042
44	13201	RIVER COUNTRY ACRES	1110045
45	13201	EASTWOOD VILLAGE	1110052
46	13201	LAKE COUNTRY ACRES	1110059

	CCN	System Name	PWS #
47	13201	CANYON CREEK ADDITION	1110070
48	13201	NORTH FORK CREEK	1110074
49	13201	RIVER RUN SUBDIVISION	1110076
50	13201	SUNSET ACRES SUBDIVISION	1110077
51	13201	BLUE WATER SHORES	1110079
52	13201	NOLAN CREEK ESTATES	1110080
53	13201	PLAZA EAST	1110082
54	13201	HUNTERWOOD SUBDIVISION WATER SYSTEM	1110083
55	13201	RIDGE UTILITIES	1110084
56	13201	SUNCHASE MEADOWS	1110087
57	13201	NORTH FORK CREEK II	1110088
58	13201	COUNTRY MEADOWS SUBDIVISION	1110089
59	13201	MIDHAVEN ESTATES	1110094
60	13201	SUNSET CANYON WATER - MOORE ESTATES	1110102
61	13201	MALLARD POINTE SUBDIVISION	1110112
62	13201	PENINSULA ADDITION	1110115
63	13201	BENTWATER ON LAKE GRANBURY	1110116
64	13201	GRANBURY INDUSTRIAL PARK	1110127
65	13201	ROCKWALL EAST MINI RANCH	1160011
66	13201	HOLIDAY ESTATES WATER	1160028
67	13201	QUINLAN NORTH SUBDIVISION	1160063
68	13201	QUINLAN SOUTH SUBDIVISION	1160064
69	13201	BARROW SUBDIVISION	1160066
70	13201	CRAZY HORSE SUBDIVISION	1160067
71	13201	OAK RIDGE ESTATES	1160079
72	13201	COUNTRY WOOD ESTATES	1160093
73	13201	OAKVIEW FARMS SUBDIVISION	1260010
74	13201	PEACEFUL MEADOWS SUBDIVISION	1260067
75	13201	SHADY HILLS ESTATES WATER SYSTEM	1260071
76	13201	SHADY MEADOWS ESTATES	1260072
77	13201	RANCO VILLA SUBDIVISION	1260078
78	13201	GARDEN ACRES	1260092
79	13201	WALDEN ESTATES	1260101
80	13201	CHINA SPRING WATER CO	1550021
81	13201	NORTH COUNTY WATER SUPPLY	1550049
82	13201	WESTERN HILLS WATER SYSTEM	1550072
83	13201	RIVERCREST WATER CO	1550089
84	13201	SMITH WATER	1550091
85	13201	TUBBS WATER SYSTEM	1550125
86	13201	GOODALL WATER SYSTEM	1550126
87	13201	NORTH BOSQUE ESTATES WATER SUPPLY	1550129
88	13201	BEHRINGER WATER SYSTEM	1550130
89	13201	CRESTWOOD WATER CO	1580016
90	13201	TANGLEWOOD ESTATES	1840011
91	13201	LIVE OAK HILLS ADDITION	1840012
92	13201	ASHCREEK ADDITION	1840013

	CCN	System Name	PWS #
93	13201	SPRINGTOWN SUBDIVISION	1840015
94	13201	LA JUNTA	1840016
95	13201	AGNES SUBDIVISION	1840017
96	13201	LAZY BEND ESTATES	1840018
97	13201	SHANGRI LA SUBDIVISION	1840021
98	13201	FLAT ROCK ESTATES	1840035
99	13201	DEER BUTTE SUBDIVISION	1840037
100	13201	LAGO LINDO ESTATES	1840038
101	13201	REMUDA RANCH ESTATES	1840047
102	13201	WINDSOR ESTATES	1840076
103	13201	KINBROOK ESTATES	1840094
104	13201	SANDY ACRES ADDITION	1840098
105	13201	TIMBERCREEK VALLEY	1840108
106	13201	SADDLE CLUB ESTATES	1840130
107	13201	BOLING RANCH ESTATES	1840133
108	13201	WOODLANDS OF PARKER COUNTY & OLD BANK	1840138
109	13201	ENCHANTED LAKES WATER SYSTEM	2120045
110	13201	WWW WATER SYSTEM	2120077
111	13201	SQUAW CREEK SUBDIVISION WATER SYSTEM	2130021
112	13201	GREENFIELDS ON SQUAW CREEK	2130036
113	13201	COTTONWOOD HILLS ESTATES	2200045
114	13201	LINKWOOD ESTATES SUBDIVISION	2200061
115	13201	SLAY ESTATES	2200072
116	13201	HERITAGE OAKS ADDITION	2200090
117	13201	BLUE MOUND ESTATES	2200100
118	13201	SOUTHWOOD ADDITION	2200108
119	13201	AVONDALE HEIGHTS	2200184
120	13201	EAGLES NEST	2200185
121	13201	FOREST ACRES GARDENS	2200186
122	13201	LUNAR LANE WATER SYSTEM	2200208
123	13201	SILVER CREEK ESTATES	2200277
124	13201	RANCH OAKS SUBDIVISION	2200291
125	13201	NORTH RIDGE ESTATES	2200326
126	13201	NORTH FORK ESTATES	2200329
127	13201	SUN VALLEY ESTATES WATER SUPPLY	2200337
128	13201	SAVANNA ESTATES	2200338
129	13201	VAN ZANDT FARMS	2200341
130	13201	CARSON RANCH	2200343
131	13201	THE RESORT AT EAGLE MOUNTAIN LAKE	2200344
132	13201	PRAIRIE RIDGE ESTATES	2200348
133	13201	GAP WATER	2210023
134	13201	KILLOUGH ADDITION	2490013
135	13201	DECATUR ACRES WATER	2490030
136	13201	SINGING MEADOWS SUBDIVISION	2490031
137	13201	KINGS REST SUBDIVISION	2490032
138	13201	OLD CHISOLM ESTATES	2490036

	CCN	System Name	PWS #
139	13201	STONEGATE WATER	2490037
140	13201	SUNSHINE MEADOWS WATER UTILITY	2490040
141	13201	HIGHLAND MEADOWS WATER SYSTEM	2490042
142	13201	STRAWBERRY ESTATES	2490045
143	13201	MESA RIDGE SUBDIVISION	2490047
144	13201	DIAMOND RIDGE	2490052
145	13201	REATTI ESTATES	2490056
146	13201	HIGHLAND HILLS	2490057
147	13201	CHISHOLM SPRINGS	2490060
148	13201	HAWK RIDGE	2490077
149	13201	CLEAR LAKES	2500017

Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
OPERATING REVENUES:			
Utility Service/Sales	\$ 15,218,209.00	\$ 1,172,056.00	\$ 16,390,265.00
Fees (Tap, Reconnection, etc.)	\$ 463,752.00	\$ 13,899.00	\$ 477,651.00
OTHER REVENUES:			
Please Identify:	\$ 43,411.00	\$ 1,534.00	\$ 44,945.00
TOTAL REVENUES	\$ 15,725,372.00	\$ 1,187,489.00	\$ 16,912,861.00

Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	\$ 1,539,848.00	\$ 124,583.00	\$ 1,664,431.00
Contract Labor	\$ 999,239.00	\$ 103,516.00	\$ 1,102,755.00
Purchased Water	\$ 258,751.00	\$ 58,082.00	\$ 316,833.00
Chemicals for Treatment	\$ 190,315.00	\$ 22,640.00	\$ 212,955.00
Utilities (electricity)	\$ 1,091,651.00	\$ 49,092.00	\$ 1,140,743.00
Repairs/Maintenance/Supplies	\$ 191,409.00	\$ 11,081.00	\$ 202,490.00
Office Expenses	\$ 112,841.00	\$ 6,608.00	\$ 119,449.00
Professional Fees (Accounting, Legal)	\$ 262,836.00	\$ 18,537.00	\$ 282,373.00
Insurance	\$ 515,982.00	\$ 40,928.00	\$ 556,910.00
Depreciation & Amortization	\$ 1,752,962.00	\$ 77,982.00	\$ 1,830,944.00
Miscellaneous (describe in remarks below)	\$ 1,548,774.00	\$ 228,398.00	\$ 1,777,172.00
Subtotal	\$ 8,464,608.00	\$ 742,447.00	\$ 9,207,055.00
Taxes:			
Federal Income Taxes	\$ 1,930,603.00	\$ 109,593.00	\$ 2,040,196.00
Property and Other Taxes (Payroll, etc.)	\$ 603,556.00	\$ 18,120.00	\$ 621,676.00
Regulatory Expenses (Rate Case, Permits)	\$ 43,280.00	\$ 18,900.00	\$ 62,180.00
Other (describe in remarks below)	\$ 1,123,372.00	\$ 99,744.00	\$ 1,223,116.00
TOTAL EXPENSES	\$ 12,165,419.00	\$ 988,804.00	\$ 13,154,223.00

Remarks:

Other Revenues: (See List Attached)
Miscellaneous: (See List Attached)
Other (See List Attached)

CCN	Other Revenues	Water	Sewer	Total
13201	Royalty Interest - Mineral Rights	43,411.00	1,534.00	44,945.00

P & L Detail (Miscellaneous Expense and Other Expense)

CCN	Miscellaneous	Water	Sewer	Total
13201	Miscellaneous (Bad Debt)	163,815.00	3,174.00	166,989.00
13201	Miscellaneous (Building Rent)	138,704.00	13,549.00	152,253.00
13201	Miscellaneous (Customer Operations - Direct)	118,238.00	9,516.00	127,754.00
13201	Miscellaneous (Customer Operations)	189,408.00	15,258.00	204,666.00
13201	Miscellaneous (Dues)	10,210.00	533.00	10,743.00
13201	Miscellaneous (Engineering)	6,953.00	2,131.00	9,084.00
13201	Miscellaneous (Equipment Rent)	18,290.00	1,442.00	19,732.00
13201	Miscellaneous (Fines / Penalties)	434.00	6,402.00	6,836.00
13201	Miscellaneous (Lab Testing)	142,924.00	108,619.00	251,543.00
13201	Miscellaneous (Mgt Fees - Corp)	553,649.00	44,599.00	598,248.00
13201	Miscellaneous (Mgt Fees - Regional)	9,055.00	729.00	9,784.00
13201	Miscellaneous (Mgt Fees - Texas)	(18,735.00)	(1,222.00)	(19,957.00)
13201	Miscellaneous (Miscellaneous)	(89,512.00)	396.00	(89,116.00)
13201	Miscellaneous (Transportation - Fuel-Diesel)	9,542.00	361.00	9,903.00
13201	Miscellaneous (Transportation - Fuel-Gasoline)	167,528.00	11,545.00	179,073.00
13201	Miscellaneous (Transportation - Leases)	20,459.00	1,648.00	22,107.00
13201	Miscellaneous (Transportation - Other)	51,746.00	4,784.00	56,530.00
13201	Miscellaneous (Travel and Entertainment)	38,375.00	3,380.00	41,755.00
13201	Miscellaneous (Uniforms)	17,692.00	1,551.00	19,243.00
	Total Miscellaneous	1,548,774.00	228,398.00	1,777,170.00

CCN	Other	Water	Sewer	Total
13201	Depreciation / Amortization (Debt Issue Costs)	4,370.00	423.00	4,793.00
13201	Other (Interest Expense - Customer Deposits)	4,696.00	242.00	4,938.00
13201	Other (Interest Expense)	1,126,160.00	99,168.00	1,225,328.00
13201	Other (AFUDC)	(11,853.00)	(89.00)	(11,942.00)
	Total Other	1,123,372.00	99,744.00	1,223,117.00

Section 5: Operating Items

Debt Information:

Annual interest expense on long and/or short term debt?	\$ 4,642,190.28
Annual principal payment on debt?	\$ 480,266.04
Annual interest rate on debt?	5 %
Annual debt principal and interest?	\$ 5,122,456.32
Principal balance on outstanding debt at end of this reporting period?	\$ 94,995,696.00

Regulatory Assessment Fee:

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

\$ 164,493.02

Rate Change:

What was the effective date of the last Rate Change?

03/15/2014

Section 6: Customer Information

Connection Type Water	Number of Connections at	
	Beginning of the Calendar Year	End of the Calendar Year
Total	19,905	19,707

Connection Type Wastewater	Number of Connections at	
	Beginning of the Calendar Year	End of the Calendar Year
Total	1,524	1,580

Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?	<u>1,714,012,200.00</u> gallons
B What is the total amount of water sold/billed?	<u>1,357,839,100.00</u> gallons
C How much water was lost?	<u>356,173,100.00</u> gallons
What is the total percent of water loss?	<u>20.78</u> %

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

Section 8: Wastewater Treated

What is the total amount of wastewater treated?	<u>63,102,800.00</u> gallons
Comments?	

Section 9: Utility Management & Operations Assessment

Utility Policy and Procedures

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

Did you or any utility staff attend any other utility/business related conferences?
this year? If so, please list them in Section 10.

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
or have access to 30 Texas Administrative Code (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 or have access to the TAC 16?

☒ Yes ☐ No

Do you have a copy of or have access to 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 Web site, Swift Reach (Reverse 911)

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

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

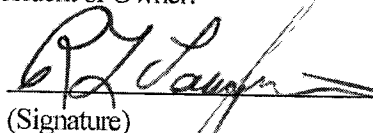
TCEQ Drinking Water Conference
TCEQ Water Quality Conference
Aqua Leadership Training
Accounting / Finance Conference
Sam Houston Operators Meeting
American Water Works Association (AWWA) Conference
Investor-Owned Water And Sewer Companies of Texas (IWSCOT)
National Association of Water Companies (NAWC)
Texas Water Conservation Association (TWCA)

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 24 day of March, 2015.

President or Owner:



(Signature)

Robert L. Laughman

(Printed name)