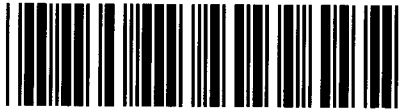


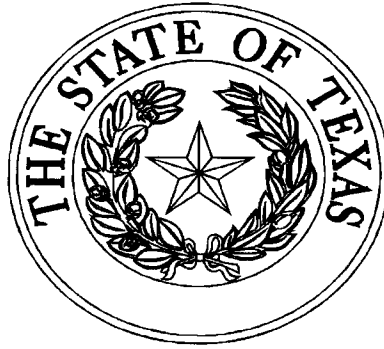


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PUBLIC UTILITY COMMISSION
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**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number

12685

Official Company Name:

Shalako Estates and Canyon Springs Water Systems

D/B/A Name(s)

Shalako Water Supply, Canyon Springs Water System

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended _____ *12/31/2014*

84

Annual Report for Class C Water and/or Sewer Utilities

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326
pursuant to TWC § 13.136

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

1 Utility Name: Shalako Estates and Canyon Springs Water Systems
List all assumed name(s) or d/b/a name: Shalako Estates Water Supply, Canyon Springs Water System
2 Certificate of Convenience and Necessity No. 12685 Calendar Year Ending 12/31/2014
3 Street Address: PO Box 326
4 City or Town: Hunt CCN No.: 12685
5 Email Address: vlasekwater@hctc.net
6 County: Kerr Zip Code: 78024
7 TCEQ PWS Number(s) 1330006, 1330119
8 Water Quality Discharge Permit Number(s) _____

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership:
Corporation: _____ Partnership: _____ Individual: X Other: _____
10 If a corporation, list names and titles of the officers. If an individual or partnership, list the name of the individual or each partner and provide the title for each. For partnerships, please provide the percentage of ownership for each partner.

11 If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.

12 Date the utility was formed or incorporated: 10/12/1992
13 Is the utility under common ownership or control by another corporation? Y N If yes, by whom? _____

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

14 Name and Title: Ryan Smith
15 Address: PO Box 326
16 City: Hunt
17 Telephone Number with Area Code: 830-238-4877
18 Cell Phone Number with Area Code: _____
19 Fax Number with Area Code: 830-367-1346
20 e-mail address: vlasekwater@hctc.net
21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility:

Line #	ASSETS	End of Year 12/31/2014	End of Prior Year 12/31/2013
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service		N / A
2	TOTAL UTILITY PLANT	\$ 456,905	
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	\$ 428,148	
5	NET UTILITY PLANT	\$ 28,757	
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	\$ 12,075	
8	141-143 Accounts Receivable	\$ 7,196	
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS	\$ 19,271	
12	<u>TOTAL ASSETS*</u>	\$ 48,028	
	<u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock		
14	211 Other paid in capital		
15	215 Retained Earnings	\$ 40,832	
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY	\$ 40,832	
	<u>LONG-TERM DEBT</u>	xxxx	xxxx
18	224 Long-term debt (more than 1 year)	\$ -	
	<u>CURRENT LIABILITIES (less than 1 year)</u>	xxxx	xxxx
19	231 Accounts Payable	\$ -	
20	232 Notes Payable		
21	241.0 Other Current Liabilities		
	TOTAL CURRENT LIABILITIES	\$ -	
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>	xxxx	xxxx
22	253 Other Deferred Credits		
23	271-272 Net Contributions in Aid of Construction		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ -	
25	<u>TOTAL LIABILITIES & EQUITY*</u>	\$ 40,832	

Add NARUC accounts as needed, and if not shown above.

2. Statements of Income

Name of Utility: Shalako Estates and Canyon Springs Water Systems

Line #				
	Water		Sewer	Total
	Report Year		Report Year	Report Year
	A		B	C=A+B
	Report Calendar Year <u>2014</u>			
1	Total Revenue:		\$ 156,952	
	Operating Expenses:			
2	601 O & M Salaried Labor	\$ 18,942		\$ 18,942
3	604 Employee Benefits			\$ -
4	631, 635, 636 O & M Contract labor			\$ -
5	620 Operating/Maint Supplies	\$ 57,861		\$ 57,861
6	610 Purchased Water			\$ -
7	615 Purchased Power	\$ 10,349		\$ 10,349
8	635 Testing Expense	\$ 2,891		\$ 2,891
9	618 Chemicals	\$ 3,666		\$ 3,666
10	656-659 Insurance	\$ 6,725		\$ 6,725
11	601 General Office Salaries			\$ -
12	675 General Office Expenses	\$ 34,626		\$ 34,626
13	632 Contract Accounting			\$ -
14	633 Legal	\$ 1,440		\$ 1,440
15	634 Management			\$ -
16	666 Amortization- Rate Case Expense			\$ -
17	403 Depreciation Expense			\$ -
18	667-675 Other Misc. Expenses			\$ -
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			\$ -
20	409.0 State Franchise Taxes/Reg Assess.	\$ 1,701		\$ 1,701
21	408 All Other Taxes	\$ 2,944		\$ 2,944
22	Total Expenses	\$ 141,145	\$ -	\$ 141,145
				\$ -
23	Net Operating Income	\$ 15,807	\$ -	\$ 15,807
				\$ -
24	421, 433 Non-Operating Income			\$ -
	Non-Operating Deductions:			\$ -
25	426 Other			\$ -
26	427 Interest			\$ -
27	Net Income	\$ 15,807	\$ -	\$ 15,807

Name of Utility:

Shalako Estates and Canyon Springs Water Systems

2014

PUC Annual Report
Page 4

3-S. Sewer Plant-in-Service - Changes since the last Annual Report

Name of Utility:

Date Plant Installed/Retired mm/yyyy	Plant Additions		Plant Retirements		Plant Adjustments	Changes Since the Last Annual Report
	List Major Items by Class	Amounts	List Major Items by Class	Amounts		
WATER						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
SEWER						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
TOTALS						\$0
						\$0

4. Other Operating Information

<u>Connection information</u>		End of Year 12/31/2014	End of Prior Year 12/31/2013	<u>Connection information</u>	End of Year mm/dd/yyyy	End of Prior Year
<u>WATER:</u>				<u>SEWER</u>		
1	Number of active water connections	233	228	Number of active sewer connections	N/A	
	5/8" or 3/4"			Residential		
	3/4"	219	\$ 212	Non-residential		
	1"	12	\$ 14			
	1 1/2"	2	\$ 2			
	2"					
	List all additional meter sizes:			List all additional meter sizes:		
	Unmetered water connections			Unmetered water connections		
2	Number of inactive water connections	6		Number of inactive water connections		
	5/8" or 3/4"					
	3/4"	6				
	1"					
	1 1/2"					
	2"					
	List all additional meter sizes:			List all additional meter sizes:		
	Unmetered, inactive connections			Unmetered, inactive connections		
3	Number of active sewer connections			Number of active sewer connections		
4	Number of inactive sewer connections			Number of inactive sewer connections		
5	Total gallons purchased	0				
6	Total gallons pumped	22,800,306				
	Total Water Produced	22,800,306				
7	Total gallons sold	16,646,558				
8	Gallons unaccounted for	6,153,748				
				Total amount of sewer treated (gallons)		

Management and Operations

- | | |
|--|-----|
| 1. Do you have an Application form or formal process for new customers? | Yes |
| 2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review? | Yes |
| 3. Do you have written operating procedures for routine operations? | Yes |
| 4. Do you have a written emergency action plans? | Yes |
| 5. Do you have written personnel policies and procedures? | Yes |
| 6. Do you have risk management and safety procedures? | Yes |
| 7. Do you have customer service policies (including billing and collection)? | Yes |
| 8. Do you prepare an annual written budget for financial planning purposes? | Yes |
| 9. Provide a list of all affiliates and entities under Common Control (if any). | |
| 10. If you purchase wholesale water or sewer services, please list the name(s) of the wholesaler and describe the service(s) purchased from each | |
| 11. If you have a current capital improvement/replacement plan, please attach a copy. | |

Name of Utility: Shalako Estates and Canyon Springs Water Systems

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of TEXAS

as:

County of KERR

Ryan Smith makes oath and says that he/she is Water Operator / Co-Manager
(Name of affiant) (Official title of affiant)
of Shalako Estates + Canyon Springs Water Systems
(Exact legal title or name of the respondent)

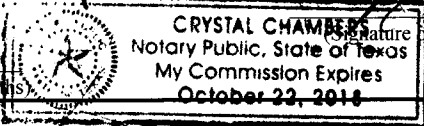
The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2014 to and including December 31, 2014.

Subscribed and sworn to and before me, a Notary Public
in and for the State and County above-named, this 2nd day of May
My commission expires Crystal Chamm
(Signature of officer authorized to administer oaths)

 (Signature of affiant)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of _____

as

County of _____

_____ makes
(Name of affiant) (Official title of affiant)
of _____
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a correct statement of the business and affairs of the above named respondent during the period of time from and including _____ to and including _____

Subscribed and sworn to before me, a _____
in and for the State and County above-named, this _____ day of _____

(Signature of affiant)

My commission expires _____
(Signature of officer authorized to administer oaths)

CCN 12685		2014		CCN 11570					
	Canyon Springs	Shalako	TOTAL 12685	Mary Meade	Rustic Hills	Village West	TOTAL 11570		
REVENUES									
Operating Revenues									
Utility Service/Sales									
Fees (Tap/Reconnect)									
Other Revenues									
Surcharges									
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
EXPENSES									
Salaries & Wages	\$ 15,686.57	\$ 3,255.70	\$ 18,942.27	\$ 10,063.08	\$ 7,603.52	\$ 5,237.51	\$ 22,904.11		
Contract Labor									
Purchased Water									
Chemicals for Treatment	\$ 3,444.76	\$ 220.74	\$ 3,665.50	\$ 1,133.54	\$ 604.63	\$ 198.67	\$ 1,936.84		
Utilities	\$ 7,976.88	\$ 2,371.86	\$ 10,348.74	\$ 8,240.46	\$ 2,537.47	\$ 2,283.89	\$ 13,061.82		
Repairs/Maintenance/Supplies	\$ 38,367.31	\$ 19,494.00	\$ 57,861.31	\$ 21,918.59	\$ 29,726.37	\$ 8,478.63	\$ 60,123.59		
Office Expenses	\$ 28,815.73	\$ 5,810.08	\$ 34,625.81	\$ 9,942.32	\$ 5,709.74	\$ 4,893.86	\$ 20,545.92		
Professional Fees	\$ 1,440.00		\$ 1,440.00						
Insurance	\$ 5,535.06	\$ 1,189.64	\$ 6,724.70	\$ 1,648.27	\$ 1,019.34	\$ 685.02	\$ 3,352.63		
Depreciation & Amortization									
Miscellaneous									
Subtotal	\$101,266.31	\$32,342.02	\$133,608.33	\$52,946.26	\$47,201.07	\$21,777.58	\$121,924.91		
Taxes									
Federal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Property	\$ 921.87	\$ 367.30	\$ 1,289.17	\$ 233.57	\$ 975.72	\$ 422.57	\$ 1,631.86		
Payroll	\$ 1,369.98	\$ 284.34	\$ 1,654.31	\$ 878.85	\$ 516.97	\$ 465.27	\$ 1,861.09		
Subtotal Prop / Payroll									
Regulatory Expenses	\$ 2,160.01	\$ 414.52	\$ 703.18	\$ 794.71	\$ 952.38	\$ 730.12	\$ 2,477.21		
Other									
Lab Fees	\$ 1,134.00	\$ 234.00	\$ 1,368.00	\$ 760.00	\$ 234.00	\$ 234.00	\$ 1,228.00		
TOTAL EXPENSES	\$106,852.16	\$33,642.18	\$135,679.51	\$55,613.39	\$49,880.14	\$22,741.70	\$125,630.12		