



Control Number: 47361



Item Number: 14

Addendum StartPage: 0

APPLICATION OF HOUSE HAHL §  
 COMMERCIAL OWNERS §  
 ASSOCIATION, INC. FOR A SEWER §  
 CERTIFICATE OF CONVENIENCE §  
 AND NECESSITY IN HARRIS COUNTY §

2011 SEP 27 AM 11:16  
 PUBLIC UTILITY COMMISSION  
 PUBLIC UTILITY COMMISSION  
 OF TEXAS  
 FILING CLERK

HOUSE HAHL COMMERCIAL OWNERS ASSOCIATION, INC.'S  
 RESPONSES TO COMMISSION STAFF'S  
 SECOND REQUEST FOR INFORMATION

Applicant, House Hahl Commercial Owners Association, Inc. (HHCOA) submits the following Responses to Commission Staff's Second Request for Information.

**Objections and Responses to Commission Staff's Second Request for Information**

Staff 2-1 Provide clarification regarding whether House Hahl Commercial Owners Association, Inc. has long-term debt as follows:

- a) Provide a debt amortization schedule for House Hahl COA illustrating the total debt borrowed, monthly payments, interest and principal, loan origination date, interest rate, and loan maturation date.
- b) Refer to hand numbered page 123 of the application which states no debt exists for House Hahl Commercial Subdivision. Also, refer to hand numbered page 105 of the application which states debt exists for Soren Transportation for a total of \$393,210. Please explain the relationship between House Hahl Commercial Subdivision, House Hahl COA, and Soren Transportation and how that relationship impacts the application of House Hahl COA for a sewer CCN.

**Response:** House Hahl COA does not have a loan for the wastewater treatment plant and distribution system (the facilities). Soren Strategies LLC and LEG Transport LLC own the facilities and have a lease in place with House Hahl COA (lease document was previously submitted).

The loan reference on hand numbered page 105 of the application stating debt exists to Soren Transport was inaccurate. The loan amount was used to calculate rates. Upon further review of the documents, it has been determined that was an erroneous way to calculate rates. A new set of documents is included here, (as Attachment A) taking out the loan amount and including the lease payment, instead.

The name Soren Transport that was used in that document should have been Soren Strategies, as Soren Strategies LLC and LEG Transport LLC are the owners of the facilities as indicated above. Michael Keyser is president of both Soren Strategies LLC and House Hahl COA. Soren Strategies and LEG Transport have committed to support House Hahl COA to ensure financial stability and viability.

Staff 2-2 Refer to hand numbered page 103 of the application, total line for annual depreciation expense of \$13,293. Clarify if House Hahl COA's annual projected depreciation expense for fiscal years 2017-2021 will remain constant at \$13,293 or provide updated projections of annual depreciation for years 2017-2021.

Response: Since House Hahl COA does not have a loan for the facilities, nor owns the facilities, there is no annual depreciation. Depreciation expense has been removed from the Financial worksheet information has been amended to reflect the removal of deprecation expense and is being resubmitted with this filing (see Attachment A).

Staff 2-3 Refer to hand numbered pages 115-122 of the application:

- a) State what fiscal year – fiscal year 1 projections correspond to – 2017, 2018, or 2019, etc. for House Hahl Commercial Subdivision.
- b) Please reconcile and correct the net income (loss) between the two following reports as necessary: Projected Income/Expense Statements Fiscal Year 1 – Fiscal Year 8 for House Hahl COA on pages 115-122 and Page 123 of the application.

Response: The pro forma document has been revised to include five years instead of eight and to include the actual year that each addresses. The first year of the pro forma begins with 2018 since House Hahl COA does not yet have a CCN or the ability to charge for service. The revised pro forma is included with this filing (See Attachment B).

Staff 2-4 If any information provided to RFI 2-1, 2-2, or 2-3 above results in updates to projected equity for fiscal years 2017-2021, please provide those updates.

Response: Please see attached revised pro forma for years 2018 – 2022 (Attachment B).

Staff 2-5 Please provide an equivalent number of commercial connections that will be associated with ultimate development.

Response: As indicated in the application and the pro forma, there will be 14 potential ultimate commercial connections to the system. Since there is no way to know what type of commercial customer might buy property in the commercial subdivision, there is no way to know how many employees or customers each might have.

Respectfully submitted,

WaterEngineers, Inc.  
17230 Huffmeister Road, Suite A  
Cypress, Texas 77429  
Telephone: (281) 373-0500  
Fax (281) 373-1113

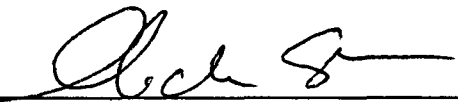
By: Shelley Young  
Shelley Young, P.E.

Engineer for House Hahl Commercial  
Owners Association, Inc.

VERIFICATION

STATE OF TEXAS                   §  
  §  
COUNTY OF HARRIS           §

I hereby verify that the foregoing Responses to Commission Staff's First Request for Information Nos. Staff 2-1, Staff 2-2, Staff 2-3, Staff 2-4 and Staff 2-5 are true and correct.

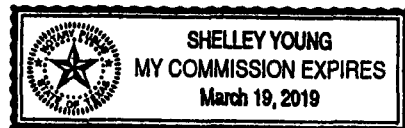
By: 

Michael Keyser  
House Hahl Commercial Owners  
Association, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 26<sup>th</sup> day of September, 2017.

  
Notary Public, State of Texas

[SEAL]

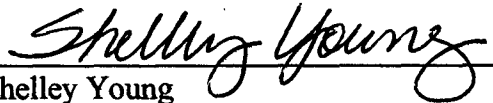


Shelley Young  
Printed Name

My Commission Expires: 3/19/2019

CERTIFICATE OF SERVICE

I hereby certify that on September 26, 2017, the foregoing document and attachments were filed with all parties of record in this proceeding via electronic submission through the PUC Filer and via delivery of hard copies to Central Records at the PUC.

  
Shelley Young

## ATTACHMENT A

### SECTION III. PLANT & EQUIPMENT INFORMATION – SEWER

#### A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

**Table III. A.**

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E]= [C] - [D]
None				€
				€
				€
				€
				€

- Attach additional sheet(s) if necessary –

€ If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B**



## B. ORIGINAL COST & DEPRECIATION SCHEDULE – SEWER

Please provide the following inventory of the water utility plant being used to provide water service at the end of the test year (for sewer attach a similar list). You will be responsible for supporting this information with invoices or other documentation. Round your figures to the nearest dollar. **Figures should be computed as of the end of the test year.** @ **HOUSEHOLD COA DOES NOT OWN ANY OF THE FACILITIES. THE COA IS LEASING THE FACILITIES (SEE ATTACHED LEASE)**

Table III. B. **COA IS LEASING THE FACILITIES (SEE ATTACHED LEASE)**

[A]  Item	[B]  Date of Installation	[C]		[D]  Original Cost when installed (\$)	Depreciation			[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)	[G] = [D]-[F] Net Book Value (\$)
		Service Life (yrs)			Years in Service					
		*	**		Yrs ≡	Mos ≡	Days ≡≡≡			
Land		n/a								
Collection Sewers										
Gravity		50								
Force		50								
Pumping Equipment		5								
Treatment & Disposal Equipment		25								
Structures:										
Wood		15								
Masonry		30								
Plant Sewers		50								
Outfall sewer lines		50								
Laboratory Equipment		10								
Meters and Service (taps not covered by fees)		20								
Office Equipment		10								
Vehicles		5								
Shop Tools		15								
Heavy Equipment		10								
Fencing		20								
Other: (Please list)										
Total								0€	0 €	0∠

\* TCEQ Suggested Service Life \*\* Other Service Life

€ Enter this number in Table VI. A., Line [O], Column €    ∠ If [F] is greater than [D], enter the total for [D]

∠ Enter this number in Table IV. E., Line [A]

### C. DEVELOPER CONTRIBUTIONS - SEWER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

**Table III. C.**

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III.B.)
None				
Total				€

€ Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

## SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – SEWER

### A. EQUITY

How much equity or total capital does the company have in the utility? 0

Enter also in **Table IV. D., Box  $\angle$**  below

### B. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 8.0 %

Enter also in **Table IV. D., Box  $\nabla$**  below

### NOTE: You may choose

- an average equity return established by the staff each year and included with the Annual Report Instructions **OR**
- an interest rate that you think is fair that is less than the rate established by the staff **OR**
- to use the **Rate of Return Worksheet** which is attached to the **Instructions**.

### C. BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? \_\_\_\_\_ YES X NO

If YES, explain status of applicant at this time. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## D. DEBT & EQUITY - SEWER

List the following information concerning debt and equity of the utility and attach copies of notes payable:

**Round all percentages to two (2) decimal places.**

**Table IV. D. SEWER**

[A] Name of Bank/Lender	[B] Date of Issue	[C] Date of Maturity	[D] Original Amount of Loan	[E] Outstanding or Unpaid Balance- End of Test Year	[F] Interest Rate	[G] Weighted Average [E]) ®*[F]
Part 1 - Debt						
N/A			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
Total			\$ €	\$ €		©
Part 2 - Investment/Equity						
				\$ ∠	% ∇	™
Total Debt & Equity				\$ ®		
					Rate of Return	Π

€ Total amount of original loans

€ Total amount of the outstanding balance on the loans

∠ Equity in the utility - From **Section IV. A.**

∇ Return on Equity - From **Section IV. B.**

® Total of € + ∠

© Total weighted average of debt - To **Table V, Line [C]**

™ Weighted average of Investment/Equity ∠) ®\*∇

Π Sum of © + ™ - To **Table IV. E., Line [G]**

**E. INVESTED CAPITAL & RETURN - SEWER****Table IV. E.**

Net Book Value - From <b>Table III. B., Box ∠</b>	[A]	\$0 (WWTP is leased)
Working cash allowance - (Amount From <b>Table VI. A., Line [L] Column ∠, Box <sup>TM</sup> () 8</b> )	[B]	\$
Materials and supplies	[C]	\$
Subtotal - Sum of [A] thru [C]	[D]	\$
Developer Contributions - From <b>Table III. C., Box ∈</b>	[E]	\$
Total invested capital [D] - [E]	[F]	\$
Rate of return - From <b>Table IV. D., Box []</b>	[G]	%
<b>Return/Interest</b> - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in <b>Table V., Line [A] and Table VI. A., Line [Q], Column ∉</b>	[H]	\$ 0

**SECTION V - INCOME TAX CALCULATION – SEWER**

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

**Table V.**

Return - From <b>Table IV. E., Line [H]</b>	[A]	\$0
Interest Calculation		
Total Invested Capital - From <b>Table IV. E., Line [F]</b>	[B]	\$
Weighted Cost of Debt Capital - Percentage From <b>Table IV. D., Box ©</b>	[C]	%
Interest [B]*[C]	[D]	\$
Taxable Income [A] - [D]	[E]	\$
Enter Income Tax from Tax Table ( <b>Appendix A</b> )	[F]	\$ 0 ∈

∈ To **Table VI. A., Line [P], Column ∉**

# SECTION VI - UTILITY INCOME & EXPENSE INFORMATION – SEWER

## A REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing sewer utility service over your selected twelve month "test year."@

**Note 1** - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the variable portion.

**TABLE VI. A.**

Test Year _____ to _____	Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of ∠ that is fixed ( Note 1)		Fixed Expenses (Note 1)	Variable Expenses (Note 1)
					Rec.	Act.		
		€	£	∠=€+£	∇		®=(∠*∇)/100	©=∠-®
Salaries and Wages	[A]				75			
Contract Labor	[B]	15,688		15,688	90		14,119	1,569
Treatment Plant Lease	[C]	43,957		43,957	0		43,957	
Chemicals for treatment	[D]	1,382		1,382	0			1,382
Utilities (electricity)	[E]	5,388		5,388	0			5,388
Repairs/maintenance/supplies	[F]	1,800		1,800	50		900	900
Office expenses	[G]	1,200		1,200	50		600	600
Accounting & Legal fees	[H]	750		750	100		750	
Sampling	[I]	4,977		4,977	100		4,977	
Misc.-Permitting (\$300) ; Reserve Account (\$1,800)	[J]	2,100		2,100	100		2,100	
Sludge Hauling	[K]	7,949		7,949	50		3,975	3,974
<b>Subtotal - Sum of Line [A] thru Line [K]</b>	[L]	85,191		85,191 <sup>TM</sup>			71,378	13,813
Payroll Taxes	[M]				50			
Property and other taxes	[N]				100			
Annual Depreciation and Amortization - From Table	[O]				100			
Income Taxes - From Table V, Line [F]	[P]				100			
Return - From Table IV. E., Line [H]	[Q]				100			
<b>Subtotal - Sum of Line [L] thru Line [O]</b>	[R]	85,191		85,191				
Other Revenues	[S]				100			
<b>Total Cost = Line [R] - Line [S]</b>	[T]	85,191		85,191			71,378	13,813
<b>Alternative Allocation between Fixed and Variable</b>	[U]			85,191	67		57,078	28,113

<sup>TM</sup> Divide this amount by 8 and enter the result in Table IV. E., Line [B],  $\prod$  To Table X. A., Line [D]  $\sqrt{\quad}$  To Table IX. B., Line [A]  $\cdot$  To Table IX. A., Line [A]

## B. KNOWN & MEASURABLE

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

---

---

---

---

---

---

---

---

---

---

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

## SECTION VII - CUSTOMER INFORMATION - SEWER

### NUMBER OF CUSTOMERS

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

**TABLE VII**

Connection Type	Line	Beginning of period €	End of period €	Equivalency Factor ∠	Meter Equivalents ∇=€ * ∠
Non-Metered Connections:					
Residential	[A]			1	
Commercial	[B]	14	14	1	
Standby	[C]			1	
Metered Connections:					
5/8" x 3/4"	[D]			1	
3/4"	[E]			1.5	
1"	[F]	2		2.5	5
1-1/2"	[G]			5	
2"	[H]	12	12	8	96
3"	[I]			15	
Other: 8"	[J]			120	
Total	[K]				101®

® To Table IX. B., Line [B] AND Table X. A., Line [F]

## SECTION VIII – TREATMENT INFORMATION - SEWER

Please provide the following information regarding sewer utility operations over your selected twelve month "test year".

**Table VIII**

Total number of gallons treated (total master meter reading for the year)	[A]	1,560,000	gallons
Total number of gallons treated by another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons treated <b>[C]=[A]+[B]</b>	[C]	1,560,000€	gallons
Source of Purchased Treatment		N/A	

€ To Table IX. A., Line [B] and Table X. A., Line [B]



## SECTION IX - RATE DESIGN - SEWER

### A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Costs	[A]	\$13,813	From Table VI. A., Line [T], Box · or Line [U], Box ·
Total # of Gallons Treated	[B]	1,560,000	From Table VIII, Line [B]
Total # of 1,000 Gallons Treated	[C]	1,560	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$8.85	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ©

### B. BASE RATE CALCULATIONS

Table IX. B.

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
		€	€	∠	∇=€ * ∠	®=€ + ∇
Total fixed costs - From Table VI. A., Line [T], Box √	[A]	71,378				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ®	[B]	101				
Base charge per meter equivalent or for each unmetered connection [A])[B] and then divide by 12	[C]	58.89				
Base charge per meter size						
5/8" x 3/4" or unmetered	[D]	58.89		©		
3/4"	[E]	88.34		©		
1"	[F]	147.23		©		
1-1/2"	[G]	294.45		©		
2"	[H]	471.12		©		
3"	[I]	883.35		©		
Other: 4"	[J]	1,766.70		©		

© From Table IX. A., Line [D]

## SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER

After you have performed the calculations in **SECTION IX**, you may find that the cost per 1,000 gallons is not what you think your customers will approve. If that is the case, then the following will allow you to calculate a rate structure that still recovers your revenue requirement, but with rates that you think may be more appropriate for your customers.

**Table X. A.**

	Line		
Cost per 1,000 gallons	[A]	\$5.00	This is the rate that you think is appropriate
Total # of 1,000 Gallons billed	[B]	1,560	From Table IX. A., Line [C]
Total Cost to be recovered through gallage charge	[C]	\$7,800	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$85,191	From Table VI. A., Line [T] Box II
Total to be recovered through base rate	[E]	\$77,391	Subtract Line [C] from Line [D]
Total number of meter Equivalents	[F]	101	From Table VII, Line [K], Box ®
Base rate per meter equivalent	[G]	\$63.85	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B, Line [A] Column €

**Table X. B.**

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
		€	£	∠	∇=£ * ∠	®=€ + ∇
Base charge per meter equivalent or for each unmetered connection From Table X. A, Line [G]	[A]	\$				
Base rate per meter size						
5/8" x 3/4" or unmetered	Multiply [A] € by 1	[B]	63.85	0	©	
3/4"	Multiply [A] € by 1.5	[C]	95.78	0	©	
1"	Multiply [A] € by 2.5	[D]	159.63	0	©	
1-1/2"	Multiply [A] € by 5.0	[E]	319.25	0	©	
2"	Multiply [A] € by 8.0	[F]	510.80	0	©	
3"	Multiply [A] € by 15.0	[G]	957.75	0	©	
Other: 4"	Multiply [A] € by 30.0	[H]	1,915.50	0	©	

© From Table X. A., Line [A]

## ATTACHMENT B

**FINANCIAL ASSUMPTIONS AND DATA  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**INCOME AND EXPENSE**

Development Rate, New Connections/Month =	0.5								
Maximum Number of Connections =	14								
AVERAGE ANNUAL WATER USE/EQUIV. CONN. =	500	GAL/DAY							
AVERAGE ANNUAL WATER USE/EQUIV. CONN. =	15,000	GAL/MONTH							
BASE WATER RATE =	\$0.00	Gal Included	-	Plus	\$0.00	/1000 GAL			
WATER CONSERVATION RATE =	\$0.00	Gal In Excess of				Gal/Month			
SEWER RATE =	\$510.80	Gal Included				\$5.00			
EXCESS SEWER USE RATE =	\$5.00	/Gal in Excess of				Gal/Month			
AVERAGE MONTHLY WATER/SEWER BILL/CONN. =	\$585.80								
Water Tap Fee =	\$0.00								
Sewer Tap Fee =	\$1,000.00								
BAD DEBTS =	1.00%	OF SALES							
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	
WATER PLANT CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WWTP CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SYSTEM CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CONTRIBUTIONS IN AID OF CONSTRUCTION =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET SYSTEM CAPITAL COST TO UTILITY =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SALVAGE VALUE =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVG LIFE, YEARS =	30	30	30	30	30	30	30	30	30
DEPRECIATION/MONTH =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**VARIABLE OPERATING COSTS**

EMPLOYEE SALARIES =	\$0	/Mo. Plus	\$0.00	/CONNECTION
OFFICE EXPENSE COST =	\$50	/Mo. Plus	\$0.00	/CONNECTION
CUSTOMER BILLING/COLLECTION COST =	\$50	/Mo. Plus	\$0.00	/CONNECTION
OPERATOR COST =	\$1,307	/Mo. Plus	\$0.00	/CONNECTION
VEHICLE & EQUIPMENT COST =	\$0	/Mo. Plus	\$0.00	/CONNECTION
ELEC. COST =	\$450	/Mo. Plus	\$0.00	/CONNECTION
CHEMICAL COST =	\$115	/Mo. Plus	\$0.00	/CONNECTION
SLUDGE DISPOSAL COST =	\$662	/Mo. Plus	\$0.00	/CONNECTION
TCEQ PERMIT FEES =	\$25	/Mo. Plus	\$0.00	/CONNECTION
REPAIR COST =	\$100	/Mo. Plus	\$0.00	/CONNECTION

**FIXED OPERATING COSTS**

WWTP LEASE =	\$3,300.00	/Mo.	(Increases 10% of then current lease payment/year)
LABORATORY COST =	\$415	/Mo. Plus	\$0.00 /CONNECTION
PROFESSIONAL FEES =	\$63	/Mo. Plus	\$0.00 /CONNECTION
EFFECTIVE LOCAL TAX RATE =	\$0.75	/ \$100	
LIAB/PROP INSURANCE =	\$0.75	/ \$100	

Fiscal Year	Seasonal Use Multiplier	Projected Use Gal/Day	Projected Monthly Cost for Water/Sewer	Projected Monthly Bill (*)
Month				
1 JAN	0.65	325	\$ 561.18	\$566.79
2 FEB	0.65	325	\$ 556.30	\$561.86
3 MAR	0.75	375	\$ 568.93	\$574.61
4 APR	1.00	500	\$ 585.80	\$591.86
5 MAY	1.20	600	\$ 603.80	\$609.84
6 JUN	1.35	675	\$ 612.05	\$618.17
7 JUL	1.35	675	\$ 615.43	\$621.58
8 AUG	1.35	675	\$ 615.43	\$621.58
9 SEP	1.20	600	\$ 600.80	\$606.81
10 OCT	1.10	550	\$ 596.05	\$602.01
11 NOV	0.75	375	\$ 567.05	\$572.72
12 DEC	0.65	325	\$ 561.18	\$566.79
SUMMATION	12.00	500.00	\$7,043.98	\$7,114.41

(\*) Including 1% TCEQ Regulatory Assessment (Sales Tax)

19

**PROJECTED INCOME & EXPENSE STATEMENT  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**FISCAL YEAR 1 (2018)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE CONNECTIONS.	8.0	8.5	9.0	9.5	10.0	10.5	11.0	11.5	12.0	12.5	13.0	13.5	129
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Water Charge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Income Per Customer, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Monthly Bill, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Total Monthly Water Pumped, Gal	80,600	77,350	104,625	142,500	186,000	212,625	230,175	240,638	216,000	213,125	146,250	136,013	1,985,900
GROSS WATER/SEWER USE INCOME	\$4,489	\$4,729	\$5,120	\$5,565	\$6,038	\$6,427	\$6,770	\$7,077	\$7,210	\$7,451	\$7,372	\$7,578	\$75,823
RESERVE FOR BAD DEBTS	\$45	\$47	\$51	\$56	\$60	\$64	\$68	\$71	\$72	\$75	\$74	\$78	\$758
WATER/SEWER INCOME (ADJUSTED)	\$4,445	\$4,681	\$5,069	\$5,509	\$5,978	\$6,362	\$6,702	\$7,007	\$7,138	\$7,376	\$7,298	\$7,500	\$75,064
TAP FEE INCOME	\$8,000	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$13,500
TOTAL MONTHLY INCOME	\$12,445	\$5,181	\$5,569	\$6,009	\$6,478	\$6,862	\$7,202	\$7,507	\$7,638	\$7,876	\$7,798	\$8,000	\$88,564
<b>EXPENSE</b>													
<b>GENERAL &amp; ADMINISTRATIVE</b>													
OFFICE EXPENSE	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$750
WWTP MONTHLY LEASE PAYMENT	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$39,600
INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADVALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
MONTHLY G&A	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$3,438	\$41,250
<b>OPERATIONS</b>													
OPERATOR COST	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
ELECTRICITY	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
CHEMICAL COST	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380
LABORATORY COST	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$4,980
SLUDGE DISPOSAL COST	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,944
TAP MAT'L & FIELD LABOR COST	\$6,000	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$10,125
REPAIR COSTS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
MONTHLY O & M COST	\$9,099	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$3,474	\$47,313
TOTAL MONTHLY EXPENSE	\$12,537	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$6,912	\$88,563
NET INCOME OR EXPENSE/MONTH	(\$92)	(\$1,730)	(\$1,342)	(\$902)	(\$434)	(\$49)	\$290	\$595	\$726	\$965	\$886	\$1,089	\$1

**PROJECTED INCOME & EXPENSE STATEMENT  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**FISCAL YEAR 2 (2019)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	14	14	14	14	14	14	14	14	14	14	14	14	168
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Sewer Income Per Customer, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Monthly Bill, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Total Monthly Water Pumped, Gal	141,050	127,400	162,750	210,000	260,400	283,500	292,950	292,950	252,000	238,700	157,500	141,050	2,560,250
GROSS WATER/SEWER USE INCOME	\$7,856	\$7,788	\$7,965	\$8,201	\$8,453	\$8,569	\$8,616	\$8,616	\$8,411	\$8,345	\$7,939	\$7,856	\$98,616
RESERVE FOR BAD DEBTS	\$79	\$78	\$80	\$82	\$85	\$86	\$86	\$86	\$84	\$83	\$79	\$79	\$986
WATER/SEWER INCOME (ADJUSTED)	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
TAP FEE INCOME	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500
TOTAL MONTHLY INCOME	\$8,278	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$98,129
<b>EXPENSE</b>													
<b>GENERAL &amp; ADMINISTRATIVE</b>													
OFFICE EXPENSE	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$750
WWTP MONTHLY LEASE PAYMENT	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$3,630	\$43,560
INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AD VALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
TOTAL G&A	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$3,768	\$45,210
<b>OPERATIONS</b>													
OPERATOR COST	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
ELECTRICITY	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
CHEMICAL COST	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380
LABORATORY COST	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$4,980
SLUDGE DISPOSAL COST	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,944
TAP MAT'L & FIELD LABOR COST	\$375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375
REPAIR COSTS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
MONTHLY O & M COST	\$3,474	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$37,563
TOTAL MONTHLY EXPENSE	\$7,242	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$6,867	\$82,773

**PROJECTED INCOME & EXPENSE STATEMENT  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**FISCAL YEAR 3 (2020)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	14	14	14	14	14	14	14	14	14	14	14	14	168
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Sewer Income Per Customer, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Monthly Bill, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Total Monthly Water Pumped, Gal	141,050	127,400	162,750	210,000	260,400	283,500	292,950	292,950	252,000	238,700	157,500	141,050	2,560,250
GROSS WATER/SEWER USE INCOME	\$7,856	\$7,788	\$7,965	\$8,201	\$8,453	\$8,569	\$8,616	\$8,616	\$8,411	\$8,345	\$7,939	\$7,856	\$98,616
RESERVE FOR BAD DEBTS	\$79	\$78	\$80	\$82	\$85	\$86	\$86	\$86	\$84	\$83	\$79	\$79	\$986
WATER/SEWER INCOME (ADJUSTED)	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
TAP FEE INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY INCOME	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
<b>EXPENSE</b>													
<b>GENERAL &amp; ADMINISTRATIVE</b>													
OFFICE EXPENSE	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$750
WWTP MONTHLY LEASE PAYMENT	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$3,993	\$47,916
INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADVALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
TOTAL G&A	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$4,131	\$49,566
<b>OPERATIONS</b>													
OPERATOR COST	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
ELECTRICITY	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
CHEMICAL COST	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380
LABORATORY COST	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$4,980
SLUDGE DISPOSAL COST	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,944
TAP MAT'L & FIELD LABOR COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REPAIR COSTS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
MONTHLY O & M COST	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$37,188
TOTAL MONTHLY EXPENSE	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$7,230	\$86,754
NET INCOME OR EXPENSE/MONTH	\$548	\$481	\$656	\$890	\$1,139	\$1,254	\$1,300	\$1,300	\$1,098	\$1,032	\$630	\$548	\$10,875

**PROJECTED INCOME & EXPENSE STATEMENT  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**FISCAL YEAR 4 (2021)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	14	14	14	14	14	14	14	14	14	14	14	14	168
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Sewer Income Per Customer, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Monthly Bill, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Total Monthly Water Pumped, Gal	141,050	127,400	162,750	210,000	260,400	283,500	292,950	292,950	252,000	238,700	157,500	141,050	2,560,250
GROSS WATER/SEWER USE INCOME	\$7,856	\$7,788	\$7,965	\$8,201	\$8,453	\$8,569	\$8,616	\$8,616	\$8,411	\$8,345	\$7,939	\$7,856	\$98,616
RESERVE FOR BAD DEBTS	\$79	\$78	\$80	\$82	\$85	\$86	\$86	\$86	\$84	\$83	\$79	\$79	\$986
WATER/SEWER INCOME (ADJUSTED)	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
TAP FEE INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY INCOME	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
<b>EXPENSE</b>													
<b>GENERAL &amp; ADMINISTRATIVE</b>													
OFFICE EXPENSE	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$750
WWTP MONTHLY LEASE PAYMENT	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$4,392	\$52,708
INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADVALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
TOTAL G&A	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$4,530	\$54,358
<b>OPERATIONS</b>													
OPERATOR COST	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
ELECTRICITY	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
CHEMICAL COST	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380
LABORATORY COST	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$4,980
SLUDGE DISPOSAL COST	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,944
TAP MAT'L & FIELD LABOR COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REPAIR COST	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
MONTHLY O & M COST	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$37,188
TOTAL MONTHLY EXPENSE	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$7,629	\$91,546
NET INCOME OR EXPENSE/MONTH	\$149	\$82	\$257	\$490	\$740	\$854	\$901	\$901	\$698	\$632	\$231	\$149	\$6,084



**PROJECTED INCOME & EXPENSE STATEMENT  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**FISCAL YEAR 5 (2022)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	14	14	14	14	14	14	14	14	14	14	14	14	168
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Use In Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, G	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Water Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Monthly Sewer Use In Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	10,075	9,100	11,625	15,000	18,600	20,250	20,925	20,925	18,000	17,050	11,250	10,075	
Monthly Sewer Income Per Customer, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Monthly Bill, \$	\$ 561.18	\$ 556.30	\$ 568.93	\$ 585.80	\$ 603.80	\$ 612.05	\$ 615.43	\$ 615.43	\$ 600.80	\$ 596.05	\$ 567.05	\$ 561.18	\$ 7,043.98
Total Monthly Water Pumped, Gal	141,050	127,400	162,750	210,000	260,400	283,500	292,950	292,950	252,000	238,700	157,500	141,050	2,560,250
GROSS WATER/SEWER USE INCOME	\$7,856	\$7,788	\$7,965	\$8,201	\$8,453	\$8,569	\$8,616	\$8,616	\$8,411	\$8,345	\$7,939	\$7,856	\$98,616
RESERVE FOR BAD DEBTS	\$79	\$78	\$80	\$82	\$85	\$86	\$86	\$86	\$84	\$83	\$79	\$79	\$986
WATER/SEWER INCOME (ADJUSTED)	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
TAP FEE INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY INCOME	\$7,778	\$7,710	\$7,885	\$8,119	\$8,369	\$8,483	\$8,530	\$8,530	\$8,327	\$8,261	\$7,859	\$7,778	\$97,629
<b>EXPENSE</b>													
<b>GENERAL &amp; ADMINISTRATIVE</b>													
OFFICE EXPENSE	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$750
WWTP MONTHLY LEASE PAYMENT	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$4,832	\$57,978
ADVALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
TOTAL G&A	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$4,969	\$59,628
<b>OPERATIONS</b>													
OPERATOR COST	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$1,307	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
ELECTRICITY	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
CHEMICAL COST	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$1,380
LABORATORY COST	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$4,980
SLUDGE DISPOSAL COST	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,944
TAP MAT'L & FIELD LABOR COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
REPAIR COSTS	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
MONTHLY O & M COST	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$3,099	\$37,188
TOTAL MONTHLY EXPENSE	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$8,068	\$96,816
NET INCOME OR EXPENSE/MONTH	(\$290)	(\$358)	(\$183)	\$51	\$301	\$415	\$462	\$462	\$259	\$193	(\$209)	(\$290)	\$813

**SUMMARY OF INCOME & EXPENSE  
FOR SEWER CCN APPLICATION  
FOR HOUSE HAHL COMMERCIAL SUBDIVISION  
BY HOUSE HAHL COA, INC.**

**PROJECTED INCOME & EXPENSE PROJECTIONS**

	DECEMBER 31					
	2017 FY 0	2018 FY 1	2019 FY 2	2020 FY 3	2021 FY 4	2022 FY 5
AVERAGE NUMBER OF CUSTOMERS	0	11	14	14	14	14
TOTAL ANNUAL WATER USE, 1000 GAL	0	1,985,900	2,560,250	2,560,250	2,560,250	2,560,250
WATER/SEWER USE INCOME (ADJUSTED)	\$0	\$75,064	\$97,629	\$97,629	\$97,629	\$97,629
TAP FEE INCOME	\$0	\$13,500	\$500	\$0	\$0	\$0
<b>TOTAL ANNUAL INCOME</b>	<b>\$0</b>	<b>\$88,564</b>	<b>\$98,129</b>	<b>\$97,629</b>	<b>\$97,629</b>	<b>\$97,629</b>
<b>EXPENSE</b>						
GENERAL & ADMINISTRATIVE						
OFFICE EXPENSE	\$0	\$600	\$600	\$600	\$600	\$600
EMPLOYEE SALARIES	\$0	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL FEES	\$0	\$750	\$750	\$750	\$750	\$750
WWTP LEASE PAYMENT	\$0	\$39,600	\$43,560	\$47,916	\$52,708	\$57,978
ADVALOREM TAXES	\$0	\$0	\$0	\$0	\$0	\$0
TCEQ PERMIT FEES	\$0	\$300	\$300	\$300	\$300	\$300
<b>TOTAL G&amp;A</b>	<b>\$0</b>	<b>\$41,250</b>	<b>\$45,210</b>	<b>\$49,566</b>	<b>\$54,358</b>	<b>\$59,628</b>
OPERATIONS						
OPERATOR COST	\$0	\$15,684	\$15,684	\$15,684	\$15,684	\$15,684
VEHICLE & EQUIPMENT COST	\$0	\$0	\$0	\$0	\$0	\$0
CUSTOMER BILLING COST	\$0	\$600	\$600	\$600	\$600	\$600
ELECTRICITY	\$0	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
CHEMICAL COST	\$0	\$1,380	\$1,380	\$1,380	\$1,380	\$1,380
SLUDGE DISPOSAL COST	\$0	\$7,944	\$7,944	\$7,944	\$7,944	\$4,980
TAP MAT'L & FIELD LABOR COST	\$0	\$10,125	\$375	\$0	\$0	\$0
REPAIR COSTS	\$0	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
<b>TOTAL OPERATING COST</b>	<b>\$0</b>	<b>\$42,333</b>	<b>\$32,583</b>	<b>\$32,208</b>	<b>\$32,208</b>	<b>\$29,244</b>
<b>TOTAL MONTHLY EXPENSE</b>	<b>\$0</b>	<b>\$88,563</b>	<b>\$82,773</b>	<b>\$86,754</b>	<b>\$91,546</b>	<b>\$96,816</b>
<b>INCOME (LOSS) BEFORE DEPRECIATION</b>	<b>\$0</b>	<b>\$1</b>	<b>\$15,356</b>	<b>\$10,875</b>	<b>\$6,084</b>	<b>\$813</b>
DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET INCOME (LOSS)</b>	<b>\$0</b>	<b>\$1</b>	<b>\$15,356</b>	<b>\$10,875</b>	<b>\$6,084</b>	<b>\$813</b>

**PROJECTED BALANCE SHEET**

	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
<b>ASSETS</b>						
CASH (CHECKING)	\$10,000	\$1	\$15,358	\$26,233	\$32,317	\$33,130
ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CURRENT ASSETS</b>	<b>\$10,000</b>	<b>\$1</b>	<b>\$15,358</b>	<b>\$26,233</b>	<b>\$32,317</b>	<b>\$33,130</b>
PROPERTY AND EQUIPMENT						
WATER PLANT	\$0	\$0	\$0	\$0	\$0	\$0
WASTEWATER PLANT	\$0	\$0	\$0	\$0	\$0	\$0
WATER DISTRIBUTION LINES	\$0	\$0	\$0	\$0	\$0	\$0
SEWAGE COLLECTION LINES	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
LESS ACCUMULATED DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL PROPERTY &amp; EQUIPMENT, NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$10,000</b>	<b>\$1</b>	<b>\$15,358</b>	<b>\$26,233</b>	<b>\$32,317</b>	<b>\$33,130</b>
<b>RETURN ON INVESTED CAPITAL ASSETS, %</b>		N/A	N/A	N/A	N/A	N/A
		No capital has been invested-leasing plant				
<b>LIABILITIES AND CAPITAL</b>						
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
SHORT TERM DEBT	\$10,000	\$0	\$0	\$0	\$0	\$0
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LIABILITIES</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OWNER/STOCKHOLDER EQUITY</b>						
COMMON STOCK	\$0	\$0	\$0	\$0	\$0	\$0
RETAINED EARNINGS (CUMMULATIVE)	\$0	\$0	\$1	\$15,358	\$26,233	\$32,317
NET INCOME	\$0	\$1	\$15,356	\$10,875	\$6,084	\$813
<b>TOTAL CAPITAL</b>	<b>\$0</b>	<b>\$1</b>	<b>\$15,358</b>	<b>\$26,233</b>	<b>\$32,317</b>	<b>\$33,130</b>
<b>TOTAL LIABILITIES + CAPITAL</b>	<b>\$10,000</b>	<b>\$1</b>	<b>\$15,358</b>	<b>\$26,233</b>	<b>\$32,317</b>	<b>\$33,130</b>

25