



Control Number: 47833



Item Number: 283

Addendum StartPage: 0

47833

January 13, 2019

Public Utility Commission of Texas  
Water Utility Regulation  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326

RECEIVED

2019 FEB -6 AM 9:09

PUBLIC UTILITY COMMISSION  
FILING CLERK

To Whom It May Concern:

This correspondence is in reference to the Class "C" Water Company PUC Annual Report for Escondido Creek Estates, Inc., CCN Number 11600. Due to the fact that I was unable to prepare a balance sheet that is balanced, I contacted PUC for assistance in this matter. Lisa Fuentes then contacted TRWA to provide assistance in the preparation of the report. Refugio Rodriguez, FMT Specialist with TRWA, came to provide assistance. After reviewing my records and the balance sheet as I had prepared it, he spoke with a PUC representative to explain the situation. It was advised that I submit the balance sheet as is, even though it is not balanced, along with a timeline related to the situation.

The time line is attached to the Class "C" Water Company PUC Annual Report for Escondido Creek Estates, Inc.

Thank you for your consideration and assistance in this matter.

Sincerely,



Delora Unterbrink  
Secretary/Bookkeeper  
Escondido Creek Estates, Inc.  
361-728-3181

283

Class "C" Water Company PUC Annual Report 2017  
Escondido Creek Estates, Inc. CCN 11600

Timeline of Events:

**February 1, 2006**

Gary Unterbrink purchased Escondido Creek Water Supply From Richard Thallman for \$100,000. He paid \$1,000 down and financed \$99,000 @5% interest to be paid to Mr. Thallman in 144 equal payments of \$915.64.

**July 2011**

- 1) It was determined that the electrical power from AEP (electric provider) was no longer adequate to run the pumps at the water plant.
- 2) Upgrades at the plant required to meet TCEQ standards totaled approximately \$50,000.
- 3) This brought the total to make the plant operable to between an estimated \$93,000 and \$100,000. This was not financially feasible as the original loan was \$100,000.
- 4) The decision was made to convert from a ground water system to a purchased water system. The plant was disconnected from the system and the entire plant was dismantled. The well was plugged and abandoned, and the lot was cleaned and prepared for sale. The money received from the sale of the lot where the plant was located and the sale of the salvaged equipment was used to reduce the principal of the original loan of \$99,000 made by Richard Thallman.

**October 25, 2011**

A new loan was prepared:

\$58,878.00 @ interest rate of 5%; Note payable to Richard Thallman

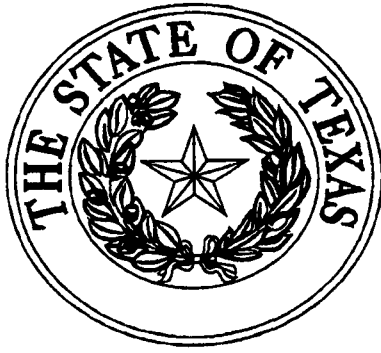
Payments of \$388.57: First payment in November 2011; Last payment in October 2031.

As of December 31, 2017, the balance on the loan note was \$46,492.01.

The system currently consists of looped lines to service forty ¾" residential meters. The water purchased from the City of Kingsville flows through two master meters owned by the City of Kingsville. The only assets of Escondido Creek Estates, Inc. are the water distribution system and the Certificate of Convenience and Necessity issued by the TCEQ.

When I took over the bookkeeping duties in July 2013, the Quick Books did not have any records entered that showed the value of the system's assets nor did it have any depreciation entries. I spoke to the accountant who prepares the taxes for Escondido Creek Estates, Inc., and she said that she was not required to prepare a balance sheet due to the small size of the corporation. Consequently, I cannot provide you with a Balance Sheet that is balanced.

Delora Unterbrink  
Secretary/Bookkeeper  
Escondido Creek Estates, Inc.  
1238 East County Rd 2328  
Riviera, Texas 78379  
361-728-3181



**CLASS "C" WATER COMPANY  
PUC ANNUAL REPORT  
OF**

CCN Number

11600

Official Company Name:

Escondido Creek Estates, Inc.

D/B/A Name(s)

None

**TO THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

**For the Year Ended** 2017

**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: Escondido Creek Estates, Inc.  
List all assumed name(s) or d/b/a names: Escondido Creek Water Supply Co.  
2 Certificate of Convenience and Necessity No. 11600 Calendar Year Ending 2017  
3 Street Address: 1238 East Co. Rd. 2328  
4 City or Town: Riviera, Tx CCN No.: 11600  
5 Email Address escondidocreekwater@gmail.com  
6 County: Kleberg Zip Code: 78379  
7 TCEQ PWS Number(s) 1370034  
8 Water Quality Dicharge Permit Number(s) NA

**II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS**

9 Type of Ownership:  
Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ Individual:  Other: Corporatio  
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 parterships, please provide the percentage of ownership for each partner.  
Gary L. Unterbrink - Sole Sharehdder, Director, President, & Secretar  
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.  
NA  
12 Date the utility was formed or incorporated: April 20, 1979  
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: Delora Unterbrink, Secretary & Bookkeeper  
15 Address: 1238 East Co. Rd. 2328  
16 City: Riviera, Tx 78379  
17 Telephone Number with Area Code: 361-728-3181  
18 Cell Phone Number with Area Code: 361-728-3181  
19 Fax Number with Area Code: None  
20 e-mail address: escondidocreekwater@gmail.com  
21 If not an officer, owner or employee, give name of firm employed by:  
NA

# 1. Balance Sheet

Name of Utility: Escondido Creek Estates, Inc. 2017

Line #	<u>ASSETS</u>	End of Year mm/dd/yyyy 12/31/2017	End of Prior Year mm/dd/yyyy 12/31/2016
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	0	0
2	TOTAL UTILITY PLANT	0	0
3	108 Less: Accumulated Amortization	0	0
4	110 Less: Accumulated Depreciation	0	0
5	NET UTILITY PLANT	0	0
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	8,551	6,589
8	141-143 Accounts Receivable	0	363
9	151 Plant Materials and Supplies (not previously expensed)	0	
10	171-174 Other Current Assets	0	
11	TOTAL CURRENT ASSETS	0	
12	<u>TOTAL ASSETS*</u>	8,551	6,952
	 <u>LIABILITIES &amp; EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock	1,000	1,000
14	211 Other paid in capital	0	0
15	215 Retained Earnings	0	0
16	218 Proprietary Capital	0	0
17	TOTAL STOCKHOLDERS' EQUITY	1,000	1,000
	<u>LONG-TERM DEBT</u>	xxxx	xxxx
18	224 Long-term debt (more than 1 year)	46,492	48,768
	<u>CURRENT LIABILITIES (less than 1 year)</u>	xxxx	xxxx
19	231 Accounts Payable	2,024	1,717
20	232 Notes Payable	0	
21	241.0 Other Current Liabilities	0	
	TOTAL CURRENT LIABILITIES	2,024	1,717
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>	xxxx	xxxx
22	253 Other Deferred Credits	0	0
23	271-272 Net Contributions in Aid of Construction	0	0
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	0	0
25	<u>TOTAL LIABILITIES &amp; EQUITY*</u>	49,516	51,485

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

## 2. Statements of Income

Name of Utility: Escondido Creek Estates, Inc. 2017

Line #		Water	Sewer	Total
		Report Year	Report Year	Report Year
	Report Calendar Year <u>2017</u>	<u>2017</u>	<u>NA</u>	<u>2017</u>
		A	B	C=A+B
1	<b>Total Revenue:</b>	46,110	-0-	46,110
	<b>Operating Expenses:</b>			
2	601 O & M Salaried Labor	0	0	0
3	604 Employee Benefits	0	0	0
4	631, 635, 636 O & M Contract labor	15,812	0	15,812
5	620 Operating/Maint Supplies	226	0	226
6	610 Purchased Water	19,818	0	19,818
7	615 Purchased Power	0	0	0
8	635 Testing Expense	894	0	894
9	618 Chemicals	0	0	0
10	656-659 Insurance	0	0	0
11	601 General Office Salaries	0	0	0
12	675 General Office Expenses	1,661	0	1,661
13	632 Contract Accounting	410	0	410
14	633 Legal	0	0	0
15	634 Management	0	0	0
16	666 Amortization- Rate Case Expense	0	0	0
17	403 Depreciation Expense	0	0	0
18	667-675 Other Misc. Expenses	262	0	262
	<b>Taxes:</b>	xxxx	xxxx	xxxx
19	409 Federal Income Taxes	0	0	0
20	409.0 State Franchise Taxes/Reg Assess.	403	0	403
21	408 All Other Taxes	0	0	0
22	<b>Total Expenses</b>	\$ 39,486	\$ 0	\$ 39,486
23	<b>Net Operating Income</b>	\$ 6,624	\$ 0-	\$ 6,624
24	421, 433 Non-Operating Income	1	0	1
	<b>Non-Operating Deductions:</b>			
25	426 Other	0	0	0
26	427 Interest	2387	0	2387
27	<b>Net Income</b>	\$ 4,238	\$ 0-	\$ 4,238

### 3. Water Plant-in-Service - changes since the last Annual Report

Name of Utility: Escondido Creek Estates, Inc - 2017

*NA - Purchased Water System*

Date Plant Installed/Retired mm/yyyy	Plant Additions		Plant Retirements		Plant Adjustments	Total Change the Last Annual Report
	List Major Items by Class	Amounts	List Major Items by Class	Amounts		
<i>NA</i>	<i>NA</i>	<i>0</i>	<i>NA</i>	<i>0</i>	<i>0</i>	<i>0</i> \$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
<b>TOTALS</b>		\$0		\$0	\$0	\$0



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

Name of Utility: *Escondido Creek Estates, Inc - 2017*

*NA - No Sewer Plant*

	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	<i>NA</i>	<i>NA</i>	<i>0</i>	<i>NA</i>	<i>0</i>	<i>NA</i>	\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
			<b>TOTALS</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>
					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Name of Utility:

Escondido Creek Estates, Inc. - 2017

4. Other Operating Information

<u>Connection information</u>	12/31/2017	12/31/2016	<u>Connection information</u>	End of Year	End of Prior
	mm/dd/yyyy	mm/dd/yyyy		mm/dd/yyyy	Year
<b>WATER:</b>			<b>SEWER:</b>		
1 Number of active water connections	40	40	Number of active sewer connections	0	
5/8" or 3/4"	0	0	Residential	0	
3/4"	40	40	Non-residential	0	
1"	40	41			
1 1/2"	0	0			
2"	0	0			
List all additional meter sizes:	0	0	List all additional meter sizes:	0	
Unmetered water connections	0	0	Unmetered water connections	0	
				0	
2 Number of inactive water connections	2	1	Number of inactive water connections	0	
5/8" or 3/4"	0	0			
3/4"	2	1			
1"	0	0			
1 1/2"	0	0			
2"	0	0			
List all additional meter sizes:	0	0	List all additional meter sizes:	0	
Unmetered, inactive connections	0	0	Unmetered, inactive connections	0	
3 Number of active sewer connections	0	0	Number of active sewer connections	0	
4 Number of inactive sewer connections	0	0	Number of inactive sewer connections	0	
5 Total gallons purchased	5,677,000				
6 Total gallons pumped	0				
Total Water Produced	\$19,818.00				
7 Total gallons sold	5,645,000				
8 Gallons unaccounted for	32,000				
			Total amount of sewer treated (gallons)	0	

Management and Operations

- |   |                                     |
|---|-------------------------------------|
| 1. Do you have an Application form or formal process for new customers?   | <input checked="" type="checkbox"/> |
| 2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review?                                     | <input checked="" type="checkbox"/> |
| 3. Do you have written operating procedures for routine operations?   | <input checked="" type="checkbox"/> |
| 4. Do you have a written emergency action plans?  | <input checked="" type="checkbox"/> |
| 5. Do you have written personnel policies and procedures?   | <input checked="" type="checkbox"/> |
| 6. Do you have risk management and safety procedures?   | <input checked="" type="checkbox"/> |
| 7. Do you have customer service policies (including billing and collection)?  | <input checked="" type="checkbox"/> |
| 8. Do you prepare an annual written budget for financial planning purposes?   | <input checked="" type="checkbox"/> |
| 9. Provide a list of all affiliates and entities under Common Control (if any).   | <input type="checkbox"/>            |
| 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. | NA                                  |
| 11. If you have a current capital improvement/replacement plan, please attach a copy.   | No                                  |
- Purchase wholesale water from City of Kingsri*

Name of Utility: Escondido Creek Estates, Inc 2017

**5. Affiliated Transactions**

**Charges by an Affiliate to the Reporting Utility**

Name of Affiliated company: NA

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)
NA	NA	NA	NA	NA

**Charges by an Reporting Utility to Affiliates**

Name of Affiliated company: NA

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)
NA	NA	NA	NA	NA

Escondido Creek Estates, Inc.

For the Year Ended 2017

(Company Name)

VERIFICATION

OATH

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

State of TX

County of Kleberg as

Gary Unterbrink (Name of affiant)

makes oath and says that he/she is Secretary (Official title of affiant)

Escondido Creek, Inc.

(Exact legal title or name of the respondent)

Signed officer has reviewed the report

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.

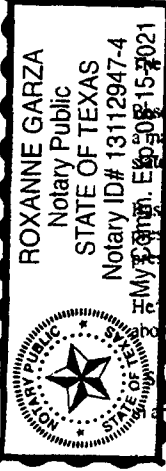
Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report

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 Jan. 1, 2017 to and including Dec. 31, 2017

Subscribed and sworn to and before me, a notary 30th day of Jan 2019

(Signature of affiant)

My commission expires 05/15/2021 (Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

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

State of TX

County of Kleberg as

Gary Unterbrink (Name of affiant)

mail President (Official title of affiant)

of Escondido Creek INC (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 statement of the business and affairs of the above named respondent during the period of time from and including Jan. 1, 2017 to and including Dec. 31, 2017

Subscribed and sworn to before me, a notary 30th day of Jan 2019

(Signature of affiant)

My commission expires 05/15/2021 (Signature of officer authorized to administer oaths)

