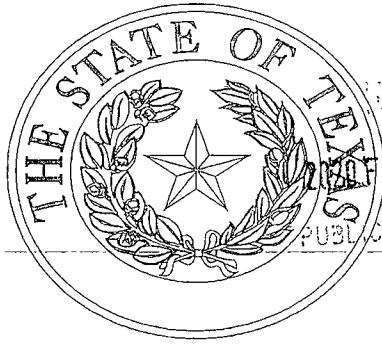


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PUBLIC UTILITY COMMISSION
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CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF

47835

CCN Number

12965 / 20886

Official Company Name:

Hammond Mound Utilities, Inc.

D/B/A Name(s)

N/A

TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS

For the Year Ended 2017

200

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: Hammond Mound Utilities, Inc.
List all assumed name(s) or d/b/a names: N/A
2 Certificate of Convenience and Necessity No. 12965 / 20886 Calendar Year Ending 2017
3 Street Address: 17230 Huffmeister Road, Suite A
4 City or Town: Cypress CCN No.: 12965 / 20886
5 Email Address: syoung@waterengineers.com
6 County: Waller Zip Code: 77429
7 TCEQ PWS Number(s) 2370074
8 Water Quality Dicharge Permit Number(s) WQ0013984001

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership:
Corporation: XX Partnership: _____ Individual: _____ 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 parterships, please provide the percentage of ownership for each partner.
Mark Marcotte, President
Curtis Jones, Vice President
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.
N/A
12 Date the utility was formed or incorporated: 1/13/1998
13 Is the utility under common ownership or control by another corporation? Y N If yes, by whom? No

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

14 Name and Title: Shelley Young, Consultant
15 Address: 17230 Huffmeister Road, Suite A
16 City: Cypress, Texas 77429
17 Telephone Number with Area Code: 281-373-0500
18 Cell Phone Number with Area Code: 281-468-1694
19 Fax Number with Area Code: 281-373-1113
20 e-mail address: syoung@waterengineers.com
21 If not an officer, owner or employee, give name of firm employed by:
WaterEngineers, Inc.

1. Balance Sheet

Name of Utility: Hammond Mound Utilities, Inc.

Line #	<u>ASSETS</u>	End of Year <u>12/31/2017</u>	End of Prior Year <u>12/31/2016</u>
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$ 2,040,931	\$ 2,040,931
2	TOTAL UTILITY PLANT	\$ 2,040,931	\$ 2,040,931
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	\$ 571,577	\$ 518,385
5	NET UTILITY PLANT	\$ 1,469,354	\$ 1,522,546
6	<u>CURRENT ASSETS</u>		
7	131-135 Cash	\$ 3,720	\$ 747
8	141-143 Accounts Receivable		
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS	\$ 3,720	\$ 747
12	<u>TOTAL ASSETS*</u>	<u>\$ 1,473,074</u>	<u>\$ 1,523,293</u>
	 <u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock	\$ 1,000	\$ 1,000
14	211 Other paid in capital	\$ 780,184	\$ 780,184
15	215 Retained Earnings	\$ 691,593	\$ 741,769
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY	\$ 1,472,777	\$ 1,522,953
	<u>LONG-TERM DEBT</u>		
18	224 Long-term debt (more than 1 year)		
	<u>CURRENT LIABILITIES (less than 1 year)</u>		
19	231 Accounts Payable	\$ 10	\$ 347
20	232 Notes Payable		
21	241.0 Other Current Liabilities	\$ 287	\$ (7)
	TOTAL CURRENT LIABILITIES	\$ 297	\$ 340
	<u>OTHER LIABILITIES and DEFERRED CREDITS</u>		
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>	<u>\$ 1,473,074</u>	<u>\$ 1,523,293</u>

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

2. Statements of Income

Name of Utility: Hammond Mound Utilities, Inc.

		Water Report Year	Sewer Report Year	Total Report Year
Line #	Report Calendar Year <u>2017</u>			
		A	B	C=A+B
1	Total Revenue:	\$ 14,733	\$ 13,344	\$ 28,077
	Operating Expenses:			
2	601 O & M Salaried Labor			
3	604 Employee Benefits			
4	631, 635, 636 O & M Contract labor	\$ 1,247	\$ 2,948	\$ 4,195
5	620 Operating/Maint Supplies	\$ 819	\$ 2,206	\$ 3,025
6	610 Purchased Water			
7	615 Purchased Power	\$ 3,430	\$ 6,431	\$ 9,861
8	635 Testing Expense	\$ 718	\$ 1,585	\$ 2,303
9	618 Chemicals	\$ 259	\$ 167	\$ 426
10	656-659 Insurance			
11	601 General Office Salaries			
12	675 General Office Expenses	\$ 27	\$ 8	\$ 35
13	632 Contract Accounting	\$ 100	\$ 100	
14	633 Legal/Engineering	\$ 50		\$ 50
15	634 Management			
16	666 Amortization- Rate Case Expense			
17	403 Depreciation Expense	\$ 17,793	\$ 35,399	\$ 53,192
18	667-675 Other Misc. Expenses			
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			
20	409.0 State Franchise Taxes/Reg Assess.	\$ 150	\$ 150	\$ 300
21	408 All Other Taxes	\$ 1,926	\$ 3,741	\$ 5,667
22	Total Expenses	\$ 26,519	\$ 52,735	\$ 79,054
23	Net Operating Income	\$ (11,786)	\$ (39,391)	\$ (50,977)
24	421, 433 Non-Operating Income			
	Non-Operating Deductions:			
25	426 Other			
26	427 Interest			
27	Net Income	\$ (11,786)	\$ (39,391)	\$ (50,977)

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

Name of Utility: Hammond Mound Utilities, Inc.

2017

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		
	No Changes					\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
TOTALS		\$0		\$0	\$0	\$0

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

Name of Utility: Hammond Mound Utilities, Inc.

2017

		Plant Additions		Plant Retirements		Plant Adjustments	Changes Since the Last Annual Report
		List Major Items by Class	Amounts	List Major Items by Class	Amounts		
	Date Plant Installed/Retired mm/yyyy						
WATER		No Changes					\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
		TOTALS	\$0		\$0	\$0	\$0
SEWER							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
		TOTALS	\$0		\$0	\$0	\$0

4. Other Operating Information

<u>Connection information</u>	End of Prior Year		<u>Connection information</u>	End of Prior Year	
	End of Year 12/31/2017	12/31/2016		End of Year 12/31/2017	12/31/2016
<u>WATER:</u>			<u>SEWER</u>		
1 Number of active water connections			Number of active sewer connections		
5/8" or 3/4"			Residential 5/8" or 3/4"		
3/4"	5	5	Non-residential 3/4"	4	4
1"	9	9	1"	9	9
1 1/2"			1-1/2"		
2"	3	3	2"	2	2
List all additional meter sizes: 3"	1	1	List all additional meter sizes: 3"		
Unmetered water connections			Unmetered water connections		
2 Number of inactive water connections			Number of inactive water connections		
5/8" or 3/4"					
3/4"					
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	18	18	Number of active sewer connections	15	15
4 Number of inactive sewer connections			Number of inactive sewer connections		
5 Total gallons purchased	-				
6 Total gallons pumped	3,477,200				
Total Water Produced	3,477,200				
7 Total gallons sold	2,705,210				
8 Gallons unaccounted for	771,990				
Includes flushing			Total amount of sewer treated (gallons)	1,779,001	

Management and Operations

- | | |
|--|------------------------------|
| 1 Do you have an Application form or formal process for new customers? | <input type="checkbox"/> Yes |
| 2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review? | <input type="checkbox"/> Yes |
| 3 Do you have written operating procedures for routine operations? | <input type="checkbox"/> Yes |
| 4 Do you have a written emergency action plans? | <input type="checkbox"/> Yes |
| 5 Do you have written personnel policies and procedures? | <input type="checkbox"/> Yes |
| 6 Do you have risk management and safety procedures? | <input type="checkbox"/> Yes |
| 7 Do you have customer service policies (including billing and collection)? | <input type="checkbox"/> Yes |
| 8 Do you prepare an annual written budget for financial planning purposes? | <input type="checkbox"/> 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: Hammond Mound Utilities, Inc.

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)

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

County of Harris

Mark Marcotte makes oath and says that he/she is Vice President
(Name of affiant) (Official title of affiant)

of Hammond Mound Utilities, Inc.
(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.

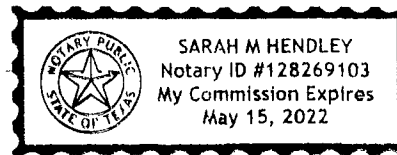
Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

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 1/1/2017 to and including 12/31/2017

Subscribed and sworn to and before me, a Sarah M. Hendley
in and for the State and County above-named, this 26th day of February 2017.

My commission expires Sarah M. Hendley; 5/15/2022
(Signature of officer authorized to administer oaths)

[Signature]
(Signature of affiant)



SUPPLEMENTAL OATH

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

State of Texas

as:

County of Harris

Mark Marcotte makes oath and says that he/she is Vice President
(Name of affiant) (Official title of affiant)

of Hammond Mound Utilities, 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 1/1/2017 to and including 12/31/2017

Subscribed and sworn to before me, a Sarah M. Hendley
in and for the State and County above-named, this 26th day of February 2017.

My commission expires Sarah M. Hendley; 5/15/2022
(Signature of officer authorized to administer oaths)

[Signature]
(Signature of affiant)

