



Control Number: 48246



Item Number: 10

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B & D ENVIRONMENTAL, INC.

200 HARBOR CIRCLE
GEORGETOWN, TEXAS 78633
PHONE NO: (512) 264-9124
FAX NO: (512) 692-1967

EMAIL: brettfenner@yahoo.com

June 28, 2018

Public Utility Commission
Central Records
1701 N. Congress P.O. Box 13326
Austin, Texas 78711-3326

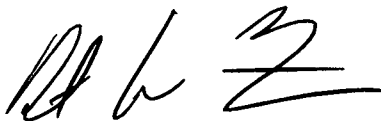
Re: Docket No. 48246 - Application of Nerro Supply Investors, Inc. (Nerro) to Amend a Water
Certificates of Convenience and Necessity in Montgomery County

In response to the staff's request for additional information regarding this application please find the
following information:

1. Copies of Nerro's balance sheet and profit and loss statement for 2016.
2. A list of Nerro's current financial loans outstanding and the amount currently paid on each loan per month.
3. Projected financial statements for a five-year period (2018 - 2022).

Should you have any further questions concerning this application, please do not hesitate to contact me at
(512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.
B & D Environmental, Inc.

Enclosures

RECORDED
2018 JUN 28 PM 1:00
PUBLIC UTILITY COMMISSION
CENTRAL RECORDS

Nerro Supply, LLC

BALANCE SHEET

As of December 31, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
BBVA Compass **7513	2,256.39
Post Oak Bank **9907	128,081.50
Total Bank Accounts	\$130,337.89
Accounts Receivable	
Accounts Receivable	58,826.48
Total Accounts Receivable	\$58,826.48
Other Current Assets	
Intercompany Balances	
Due (to)/from BSH2O	378,690.55
Due (to)/from BSWR	1,109,498.14
Due (to)/from GUS	-309,002.76
Due (to)/from WW POA Standby	-522,837.76
Total Intercompany Balances	656,348.17
Total Other Current Assets	\$656,348.17
Total Current Assets	\$845,512.54
Fixed Assets	
1000 Land	260,386.38
Allendale .444 Acres	9,400.00
Allendale 33.6 Acres	13,281.00
Bayridge Sewer .5104 Acres	10,286.00
Bayridge Water .2010 Acres	4,054.00
Bayridge Water 50.7 Acres	18,765.00
Brazos Valley Land 10 Tracts	141,128.14
Hillgreen .444 Acres	9,400.00
Hillgreen 33.6 Acres	13,281.00
KBR .46 Acres	29,978.00
KBR 5 Acres	13,351.00
Loch Ness Cove .444 Acres	9,400.00
Loch Ness Cove 33.6 Acres	13,281.00
Northwest Water Land Tracts	261,905.92
Oaks Grande .3150 Acres	6,353.00
Oaks Grande 50.7 Acres	18,764.00
Oaks of Houston .51 Acres	51,086.00
Oaks of Houston 38 Acres	68,217.90
River Club .444 Acres	9,399.00
River Club 33.6 Acres	13,280.00
Riverwood .3340 Acres	6,737.00
Riverwood 50.6 Acres	18,746.00
Wildwood Tract 1	47,959.35
Wildwood Tract 2	72,406.00

	TOTAL
Wildwood Tract 3	1,625.00
Woodhaven .444 Acres	9,399.00
Woodhaven 33.6 Acres	13,279.17
Total 1000 Land	1,145,148.86
1200 Depreciable Assets	
KBR	
System Improvements-KBR	47,773.02
Total KBR	47,773.02
Nerro 1 Distribution Lines	
Water Distribution Lines	391,714.00
Water Distribution Lines - Hillgreen	7,741.59
Water Distribution Lines - Lochness Cove	3,836.92
Water Distribution Lines - Riverclub	2,755.42
Water Distribution Lines - Woodhaven	13,856.84
Total Nerro 1 Distribution Lines	419,904.77
Nerro 1 Water Systems	321,365.00
Blowers	19,442.00
Ground Storage Tanks	121,691.00
Lift Stations	100,809.00
Pressure Tanks	72,179.00
Pump House Bldgs/Misc/Fence	115,210.00
System Improvements-Allendale	16,247.71
System Improvements-Hillgreen	7,078.80
System Improvements-Lochness	6,694.33
System Improvements-River Club	24,909.68
System Improvements-Woodhaven	12,322.77
Total Nerro 1 Water Systems	817,949.29
Nerro 2 Water/Sewer Systems	
Sewage Collection Lines/Taps	478,355.96
Sewage Treatment Plants	360,032.00
System Improvements-Bayridge	324,064.65
System Improvements-Lost Lakes	32,848.94
System Improvements-Oaks @ Houston Point	8,684.83
System Improvements-Riverwood	19,679.00
Total Nerro 2 Water/Sewer Systems	1,223,665.38
Nerro 3 Distribution Lines	
Water Distribution Lines - Lakewood Estates	23,432.18
Total Nerro 3 Distribution Lines	23,432.18
Nerro 3 Water Systems	
Brazos Valley Water Systems	262,095.11
System Improvements-Benchley Oaks	4,387.42
System Improvements-Lakewood Estates	15,737.00
System Improvements-Oak Forest	8,458.58
System Improvements-Smetana	17,951.66
Total Nerro 3 Water Systems	308,629.77
Nerro 4 Distribution Lines	
Water Distribution Lines - Lakeview N Marshall	6,241.25
Water Distribution Lines - Little Oak Forest	2,562.35
Water Distribution Lines - Somerville	8,522.28

	TOTAL
Total Nerro 4 Distribution Lines	17,325.88
Nerro 4 Water Systems	
System Improvements-Somerville Place	12,178.46
Total Nerro 4 Water Systems	12,178.46
Nerro NW 1 Distribution Lines	
Water Distribution Lines - Hazy Hollow	3,817.79
Total Nerro NW 1 Distribution Lines	3,817.79
Nerro NW 1 Water Systems	
Northwest Water Systems	486,396.70
System Improvements-Hazy Hollow	18,056.10
Total Nerro NW 1 Water Systems	504,452.80
Nerro NW 2 Water Systems	
System Improvements-White Oak Valley	2,659.82
Total Nerro NW 2 Water Systems	2,659.82
Wildwood Shores Water/Sewer System	
System Improvements-Wildwood	50,986.80
Water Distribution Lines - Wildwood	14,786.00
Wildwood Estates Sewer System	151,374.00
Wildwood Estates Site Improve.	4,605.75
Wildwood Estates Water System	139,687.00
Total Wildwood Shores Water/Sewer System	361,439.55
Total 1200 Depreciable Assets	3,743,228.71
Accumulated Depreciation	-588,779.52
Total Fixed Assets	\$4,299,598.05
Other Assets	
Intangible Assets	
Accumulated Amortization	-206,867.12
Goodwill & Customer Base	600,000.00
Loan Fees	2,771.00
Loan Fees-Post Oak Loan 2016 02	69,304.98
Loan Fees-Post Oak Loan 2016 03	40,230.64
Total Intangible Assets	505,439.50
Security Deposit	1,505.00
Total Other Assets	\$506,944.50
TOTAL ASSETS	\$5,652,055.09
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	546,611.01
Total Accounts Payable	\$546,611.01
Other Current Liabilities	
Accrued Liabilities - Franchise Tax	2,755.48
Other Liabilities	100.00
Regulatory Assess-BVGCD	174.99
Regulatory Assess-GRP Fees	-5,775.43
Regulatory Assess-TCEQ Payable	19,158.69
Water Deposits	31,438.94

	TOTAL
Water Deposits - Northwest Water	351.95
Total Other Current Liabilities	\$48,204.62
Total Current Liabilities	\$594,815.63
Long-Term Liabilities	
Post Oak Bank-Nerro Loan	2,821,395.86
Post Oak Bank-NWW Loan	469,205.97
Total Long-Term Liabilities	\$3,290,601.83
Total Liabilities	\$3,885,417.46
Equity	
32000 Retained Earnings	-274,324.69
Members Equity	
30400 Member Equity-Blackswan	2,145,418.64
Total Members Equity	2,145,418.64
Net Income	-104,456.32
Total Equity	\$1,766,637.63
TOTAL LIABILITIES AND EQUITY	\$5,652,055.09

Nerro Supply, LLC

PROFIT AND LOSS

January - December 2016

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
INCOME													
IOU Revenue (Nerro 1 & 2)													\$0.00
Late	2,761.50	2,670.59	1,750.70	1,794.02	1,548.75	1,707.82	2,183.90	1,727.10	3,733.97	3,058.86	2,238.48	2,607.72	\$27,783.41
Fees/Reconnect/Adjustments													
Sewer Revenue - IOU	10,817.44	10,369.44	11,744.35	12,845.79	12,464.71	12,635.02	12,322.32	15,239.78	12,670.80	12,886.94	12,148.27	12,443.31	\$148,588.17
Tap Fees - IOU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		750.00	0.00	\$750.00
Water Revenue - IOU	30,412.56	30,558.42	41,050.38	34,403.56	39,518.92	33,626.72	35,151.67	46,589.42	40,594.96	34,679.40	35,660.65	39,495.37	\$441,742.03
Total IOU Revenue (Nerro 1 & 2)	43,991.50	43,598.45	54,545.43	49,043.37	53,532.38	47,969.56	49,657.89	63,556.30	56,999.73	50,625.20	50,797.40	54,546.40	\$618,863.61
IOU Revenue (Nerro 3)													\$0.00
Late	1,176.78	1,605.36	1,907.78	1,043.86	1,357.09	1,362.59	1,286.92	1,164.91	1,296.62	1,248.27	832.70	1,097.82	\$15,380.70
Fees/Reconnect/Adjustments													
POSGWD Water Fee	-20.04		-18.26	-20.04	-60.13	-20.04	-21.81	-20.04	-20.04	-20.04	-20.04		\$ -240.48
Tap Fees - IOU	0.00	500.00	500.00	0.00	500.00	1,000.00	0.00	1,000.00	1,000.00	1,500.00	0.00	1,000.00	\$7,000.00
Water Revenue - IOU	23,378.98	25,081.63	26,300.85	25,446.90	26,735.98	27,359.15	25,484.23	30,170.38	27,966.11	26,492.65	25,745.84	27,206.73	\$317,369.43
Total IOU Revenue (Nerro 3)	24,535.72	27,186.99	28,690.37	26,470.72	28,532.94	29,701.70	26,749.34	32,315.25	30,242.69	29,220.88	26,558.50	29,304.55	\$339,509.65
IOU Revenue (Nerro NW 1&2)													\$ -9.90
Late	1,079.48	239.17	3,861.90	3,933.75	3,742.19	4,163.45	2,947.65	3,955.59	4,409.13	2,997.17	2,550.42	2,584.07	\$36,463.97
Fees/Reconnect/Adjustments													
NHCRWA Pumpage Fee	-2,576.93	-4,360.22	-2,288.27	-2,879.39	-1,538.39	-2,744.42	-2,967.14	-4,205.31	-2,625.74	-3,718.86	-3,275.76	-3,772.56	\$ -36,952.99
SJRA Pumpage Fee		-22,271.70	-10,740.74	-10,869.60	-13,396.72	-13,108.14	-16,677.96	-15,114.43	-9,670.58	-14,682.27	-11,302.21	-15,520.60	\$ -153,354.95
Water Revenue - IOU	47,911.38	75,309.97	81,565.28	63,866.22	79,729.52	70,286.53	65,988.32	75,463.28	82,359.51	71,329.20	63,613.63	83,676.97	\$861,099.81
Total IOU Revenue (Nerro NW 1&2)	46,413.93	48,917.22	72,398.17	54,050.98	68,536.60	58,597.42	49,290.87	60,099.13	74,472.32	55,925.24	51,576.18	66,967.88	\$707,245.94
KBR Facilities													\$0.00
KBR Facility	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	12,072.00	\$144,864.00
KBR Facility-Parking Lot Rental	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	\$6,600.00
Total KBR Facilities	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	12,622.00	\$151,464.00
Wildwood Revenue													\$0.00
Late Fees/Reconnect/Adj-Wildwood	79.97	990.00	208.16	206.90	155.00	1,670.00	70.00	94.50	55.00	65.50	1,008.07	1,941.10	\$6,544.20
Sewer Revenue - Wildwood	2,134.14	3,160.82	4,260.83	2,498.77	2,332.70	2,358.45	2,377.00	2,667.42	2,404.10	2,340.15	2,599.00	2,413.05	\$31,546.43
Tap Fees - Wildwood						2,800.00					1,400.00	6,450.00	\$10,650.00
Water Revenue - Wildwood	2,512.76	3,378.46	3,807.81	2,708.96	2,805.23	2,692.86	2,906.83	3,788.07	3,004.82	2,941.31	2,589.38	2,824.97	\$35,961.46
Wildwood Standby Fees			5,401.27	38,445.87	32,825.34			22,340.67		8,418.04		6,847.98	\$114,279.17
Total Wildwood Revenue	4,726.87	7,529.28	13,678.07	43,860.50	38,118.27	9,521.31	5,353.83	28,890.66	5,463.92	13,765.00	7,596.45	20,477.10	\$198,981.26
Total Income	\$132,290.02	\$139,853.94	\$181,934.04	\$186,047.57	\$201,342.19	\$158,411.99	\$143,673.93	\$197,483.34	\$179,800.66	\$162,158.32	\$149,150.53	\$183,917.93	\$2,016,064.46
COST OF GOODS SOLD													
50100 Operations													\$0.00
Operations - KBR	3,857.00	3,842.00	3,744.50	4,107.00	4,022.00	4,063.11	3,871.93	3,948.88	3,722.00	3,722.00	3,722.00	3,722.00	\$46,344.42
Operations - Nerro 1	4,944.76	6,109.32	4,666.88	4,545.03	5,780.63	5,071.33	5,837.90	4,575.00					\$41,530.85
Operations - Nerro 2	6,709.40	6,761.61	6,260.31	6,469.15	6,625.28	6,294.44	9,536.96	6,697.24	4,030.37	4,341.25	4,000.00	4,000.00	\$71,726.01
Operations - Nerro 3	3,262.30	3,292.30	3,372.40	3,202.91	5,290.64	3,249.58	5,225.16	3,000.00					\$29,895.29
Operations - Nerro 4	3,954.64	4,052.90	4,025.05	3,938.62	4,870.40	4,107.59	6,244.38	3,750.00					\$34,943.58
Operations - NW#1	900.00	4,363.42	232.50	2,665.15	617.33	2,143.67	3,515.36						\$14,437.43
Operations - NW#2	1,225.96	1,226.25	900.75	412.74	578.94	1,672.27	1,800.00						\$7,816.91

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
Operations - Wildwood	5,348.30	5,671.42	5,953.88	5,183.90	6,311.75	5,565.79	5,279.64	5,182.50	5,000.00	5,000.00	5,000.00	5,000.00	\$64,497.18
Total 50100 Operations	30,202.36	35,319.22	29,156.27	30,524.50	34,096.97	32,167.78	41,311.33	27,153.62	12,752.37	13,063.25	12,722.00	12,722.00	\$311,191.67
50200 Connection Charge													\$0.00
Connections - Nerro 1	2,647.00	2,422.52	2,230.00	2,234.50	2,237.00	2,248.50	2,235.50	2,378.74	6,859.77	6,837.31	6,901.24	6,880.52	\$46,112.60
Connections - Nerro 2	2,349.00	2,515.24	2,280.00	2,336.50	2,307.00	2,322.50	2,337.99	2,693.78	7,385.46	7,497.40	7,460.15	7,380.50	\$48,865.52
Connections - Nerro 3	2,319.50	2,317.00	2,321.50	2,331.00	2,324.00	2,331.00	2,366.00	2,625.46	7,495.77	7,434.34	7,347.53	8,187.84	\$49,400.94
Connections - Nerro 4	2,301.50	2,263.50	2,247.50	2,264.00	2,313.50	2,297.50	2,322.50	2,589.91	7,056.23	7,098.19	7,166.92	7,088.49	\$47,009.74
Connections - NW 1	12,970.23	12,960.96	12,512.00	12,563.00	12,512.00	12,699.00	13,400.29	14,263.41	16,999.51	16,372.82	16,521.64	16,511.38	\$170,286.24
Connections - NW 2	8,245.00	8,713.01	8,364.00	8,415.00	8,432.00	8,449.00	9,977.94	9,345.37	10,916.51	10,792.45	10,813.95	10,715.68	\$113,179.91
Connections - Wildwood	1,004.30	1,001.00	1,008.00	1,012.50	1,008.00	1,019.50	1,506.91	1,101.21	3,181.70	3,239.08	3,239.64	3,211.03	\$21,532.87
Total 50200 Connection Charge	31,836.53	32,193.23	30,963.00	31,156.50	31,133.50	31,367.00	34,147.13	34,997.88	59,894.95	59,271.59	59,451.07	59,975.44	\$496,387.82
50300													\$0.00
Disconnects/Reconnects													
Disconnects/Reconnects - Nerro 1	25.00		326.25	973.95	510.70	477.50	684.39	1,205.48	2,511.03	613.24	152.00	176.24	\$7,655.78
Disconnects/Reconnects - Nerro 2	372.50	400.00	652.50	407.85	627.50	330.00	258.75	1,996.25		9.90			\$5,055.25
Disconnects/Reconnects - Nerro 3	1,545.67	687.50	1,148.45	528.75	581.25	1,247.75	530.00	877.33	360.00	225.00			\$7,731.70
Disconnects/Reconnects - Nerro 4	274.05	164.40	419.70	542.50		317.50	287.50	596.25	225.00	337.50			\$3,164.40
Disconnects/Reconnects - NW#1				2,033.88	2,903.75	1,505.00	1,741.25	613.52		247.75	167.10	297.19	\$9,509.44
Disconnects/Reconnects - NW#2	22.50			896.50	1,543.75	876.25	598.91	353.50	772.36	123.53	216.09	208.13	\$5,611.52
Disconnects/Reconnects - Wildwood		67.50	228.75	75.00	150.00	50.00	266.25	479.01	744.39	247.50	11.90		\$2,320.30
Total 50300 Disconnects/Reconnects	2,239.72	1,319.40	2,775.65	5,458.43	6,316.95	4,804.00	4,367.05	6,121.34	4,612.78	1,804.42	547.09	681.56	\$41,048.39
50400 Repairs													\$0.00
Repairs - KBR				2,118.65	1,195.68		854.38			60.00			\$4,228.71
Repairs - Nerro 1	19,052.68	4,134.68	2,140.02	11,412.03	1,343.23	4,220.66	2,863.63	3,608.47	4,225.44	2,579.22	543.85		\$56,123.91
Repairs - Nerro 2	5,250.93	1,242.10	5,245.15	10,616.82	4,915.22			4,752.64	1,786.15	1,946.16	2,118.31	3,895.88	\$41,769.36
Repairs - Nerro 3	6,860.28	931.54	9,080.97	7,609.13	6,256.20	6,829.15	3,562.15	2,073.74	1,448.13	7,798.80	3,784.88	2,482.79	\$58,717.76
Repairs - Nerro 4	1,047.43	2,867.08	950.00	1,056.63	5,526.00	7,541.07		6,435.10	1,683.12	6,739.97	1,134.68	3,122.56	\$38,103.64
Repairs - NW#1	1,173.04	1,418.00	6,415.00	913.30	135.00	2,296.57	3,129.81		1,006.58	4,392.36	7,055.21	359.65	\$28,294.52
Repairs - NW#2	1,080.00	1,275.00	4,247.50			900.00	5,047.87				1,525.14	4,756.37	\$18,831.88
Repairs - Wildwood	3,879.64	2,029.82	6,387.37	2,560.99	4,646.83	3,906.08	5,678.60	2,157.10	884.64	8,620.56	974.48	1,532.64	\$43,258.75
Total 50400 Repairs	38,344.00	13,898.22	34,466.01	36,287.55	24,018.16	25,693.53	21,136.44	19,027.05	11,034.06	32,137.07	17,136.55	16,149.89	\$289,328.53
50500 Maintenance													\$0.00
Maintenance - KBR	-83.87	236.25	694.50					680.25	3,444.54	3,099.31	165.00	165.00	\$8,400.98
Maintenance - Nerro 1	2,870.45	1,349.36	749.63	395.00	622.26	921.73	1,970.04	2,238.53	4,249.04	789.39	6,464.01	946.00	\$23,565.44
Maintenance - Nerro 2	818.75	1,266.73	546.15	372.29	529.45	2,104.43	2,288.88	3,874.88	1,812.75	3,721.69	4,742.52	1,173.01	\$23,251.53
Maintenance - Nerro 3		2,031.87	471.73			1,016.73	517.74	986.57	1,854.09	810.42	2,620.50	1,877.28	\$12,186.93
Maintenance - Nerro 4	733.88	160.00	603.75	225.00	329.56	2,171.62	1,196.06	2,114.14	3,086.24	1,777.04	2,185.87	634.75	\$15,217.91
Maintenance - NW#1	363.66	211.56		50.00	56.04		3,722.25	970.24	3,584.52	2,354.34	2,191.50	1,727.00	\$15,231.11
Maintenance - NW#2	607.50	798.75	300.00	453.65	601.90	2,843.50	2,997.90	900.00	2,097.49	1,122.00	1,345.65	2,090.38	\$16,158.72
Maintenance - Wildwood							478.82	530.08	2,155.04	613.50	900.46	1,951.42	\$6,629.32
Total 50500 Maintenance	5,310.37	6,054.52	3,365.76	1,495.94	2,139.21	9,058.01	13,171.69	12,294.69	22,283.71	14,287.69	20,615.51	10,564.84	\$120,641.94
50700 Lab Fees													\$0.00
Lab Fees - KBR	1,449.60	1,749.00	1,404.60		4,558.20		1,749.00	22.50	2,933.70	1,761.00		1,298.55	\$16,926.15
Lab Fees - Nerro 1	1,253.08	781.50	155.40	450.95	765.24	53.40	614.88	2,036.05	820.86	876.00	240.00	1,868.70	\$9,916.06
Lab Fees - Nerro 2	1,428.15	1,022.41	2,790.24	1,337.72	2,466.81	1,116.45	1,087.80	832.05	1,247.72	1,960.80	288.00	3,290.20	\$18,868.35

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
Lab Fees - Nerro 3	901.44	225.60	229.20	796.46	20.35	259.12	444.09	668.20	31.20	687.60	471.05	1,282.11	\$6,016.42
Lab Fees - Nerro 4	355.50	374.40	198.00	309.45	110.40	216.60	1,760.79	509.25	436.80	1,326.90	495.60	1,131.92	\$7,225.61
Lab Fees - NW#1	184.80	92.40		212.40	184.80	2,303.14	109.20		157.50	1,180.20		88.00	\$4,512.44
Lab Fees - NW#2				150.00	429.18		1,602.48	15.60	594.78	1,848.60	336.00	671.52	\$5,648.16
Lab Fees - Wildwood	36.30	763.80	336.39	1,233.60	759.00	1,368.60	616.80	1,820.85	558.00	1,038.76	719.47	1,530.70	\$10,782.27
Total 50700 Lab Fees	5,608.87	5,009.11	5,113.83	4,490.58	9,293.98	5,317.31	7,985.04	5,904.50	6,780.56	10,679.86	2,550.12	11,161.70	\$79,895.46
50800 Chemicals													\$0.00
Chemicals - KBR	1,271.69	381.07	338.50	693.96	723.55	285.12	530.64	294.84	564.15	351.00	339.63	375.38	\$6,149.53
Chemicals - Nerro 1	865.06		753.12	251.16	750.41	673.20		679.80	1,308.60	1,206.38	1,023.00		\$7,510.73
Chemicals - Nerro 2	1,483.79	1,687.80	1,575.36	1,329.53	652.80	1,082.76	753.88		913.80	1,360.50	1,429.50	968.27	\$13,237.99
Chemicals - Nerro 3	511.80	1,972.44	346.20	555.96	1,556.16	440.70		2,537.00	799.50	448.50	1,287.00	1,680.25	\$12,135.51
Chemicals - Nerro 4	2,218.42	192.12	270.48	606.96	137.76	615.91		1,727.90			721.50	429.00	\$6,920.05
Chemicals - NW#1	960.98	595.50	156.00	2,284.37	312.00	156.00		306.00	72.00	2,862.05	264.00	242.00	\$8,210.90
Chemicals - NW#2		871.01	30.00							1,188.00		146.16	\$2,235.17
Chemicals - Wildwood	200.62				98.40	84.48	186.19	572.77	172.32	796.80		806.90	\$2,918.48
Total 50800 Chemicals	7,512.36	5,699.94	3,469.66	5,721.94	4,231.08	3,338.17	1,470.71	6,118.31	3,830.37	8,213.23	5,064.63	4,647.96	\$59,318.36
50900 Plant Utilities													\$0.00
Plant Utilities - KBR													\$0.00
KBR Plant Utilities		544.50	425.70	528.35	731.07	555.66	845.04	574.65	606.36	618.34	533.40	513.16	\$6,476.23
Total Plant Utilities - KBR		544.50	425.70	528.35	731.07	555.66	845.04	574.65	606.36	618.34	533.40	513.16	\$6,476.23
Plant Utilities - Nerro 1													\$0.00
Allendale	141.02		129.49	123.37		504.67	371.47	300.58	255.76	466.19	167.67	177.78	\$2,638.00
Hillgreen		132.18	273.75			522.35	259.24		152.37	121.52	281.55	97.70	\$1,840.66
Loch Ness	124.35	76.65		111.93		686.68	97.89	211.80	173.75	132.18	322.58	135.19	\$2,073.00
River Club	215.10	156.59	194.66	147.75		1,056.81	236.42	225.16	169.36	169.92	176.00	182.78	\$2,930.55
Woodhaven	358.00	199.00	190.00		220.00	737.00	293.00	481.00	429.00	220.00	463.00	192.00	\$3,782.00
Total Plant Utilities - Nerro 1	838.47	564.42	787.90	383.05	220.00	3,507.51	1,258.02	1,218.54	1,180.24	1,109.81	1,410.80	785.45	\$13,264.21
Plant Utilities - Nerro 2													\$0.00
Bayridge LS		326.66	324.58	361.17	366.58	336.49	525.80	174.73	312.77	322.75	280.00	230.35	\$3,561.88
Bayridge Water		152.02	115.15	131.23	117.89	118.05	126.90	133.30	121.24	119.55	113.84	110.12	\$1,359.29
Bayridge WWTP		829.99	746.39	736.01	753.57	788.31	778.10	793.02	808.27	787.01	776.25	753.13	\$8,550.05
Lost Lakes		62.81	57.84	78.02	63.13	57.02	65.21	102.64	75.62	57.34	65.38	71.87	\$756.88
Oaks at Houston LS		25.37	22.21	22.75	25.22	22.22	36.99	26.27	26.39	24.75	23.06	22.79	\$278.02
Oaks at Houston Water		250.77	229.09	269.72	324.58	239.80	244.36	354.65	345.83	299.21	282.27	329.36	\$3,169.64
River Ridge	10.99	10.99	11.08	10.99		175.30	14.18	11.07	10.99	10.99	10.99	11.09	\$288.66
Riverwood		484.91	415.51	397.45	384.80	416.13	507.02	439.51	432.40	414.52	435.53	479.59	\$4,807.37
Total Plant Utilities - Nerro 2	10.99	2,143.52	1,921.85	2,007.34	2,035.77	2,153.32	2,298.56	2,035.19	2,133.51	2,036.12	1,987.32	2,008.30	\$22,771.79
Plant Utilities - Nerro 3													\$0.00
Benchley Oaks		410.18	347.02	308.95	328.70	334.94	332.40	530.48	758.05	1,471.25			\$4,821.97
Lakewood Estates		267.59	209.85	179.74	201.87	158.67	220.59	201.56	262.16	572.41	210.68		\$2,485.12
Oak Forest		198.91	222.51	293.31		489.87	149.38	178.71	212.79	310.34	170.56	152.29	\$2,378.67
Smentana Forest		125.59	115.26	127.33	149.25	109.00	123.54	181.79	215.38	440.50			\$1,587.64
Total Plant Utilities - Nerro 3		1,002.27	894.64	909.33	679.82	1,092.48	825.91	1,092.54	1,448.38	2,794.50	381.24	152.29	\$11,273.40
Plant Utilities - Nerro 4													\$0.00
Apache Hills		193.90	94.50	101.62	105.63	124.44	211.75	142.24	121.77	112.88	136.46	119.44	\$1,464.63
Lakeview		391.00	105.95	107.96	107.02	105.31	182.38	202.29	197.17	168.93	144.46	98.64	\$1,811.11
Little Oak Forest		165.60	84.53	86.30	83.86	89.44	102.12	95.34	89.22	89.55	90.99	82.76	\$1,059.71
Somerville		337.05	139.10	164.58	149.45	179.71	365.79	389.71	180.93	158.37	153.47	162.92	\$2,381.08
Whispering Woods		158.70	78.51	83.08	78.42	78.31	87.44	85.65	78.31	80.54	86.10	85.65	\$980.71
Total Plant Utilities - Nerro 4		1,246.25	502.59	543.54	524.38	577.21	949.48	915.23	667.40	610.27	611.48	549.41	\$7,697.24
Plant Utilities - NW#1													\$0.00
Hazy Hollow East Estates	2,030.57	1,818.32	1,809.94	1,816.75	1,965.93	2,336.97	2,314.28	2,200.51	2,117.39	1,864.99	1,942.40	1,937.88	\$24,155.93

	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	TOTAL
Total Plant Utilities - NW#1	2,030.57	1,818.32	1,809.94	1,816.75	1,965.93	2,336.97	2,314.28	2,200.51	2,117.39	1,864.99	1,942.40	1,937.88	\$24,155.93
Plant Utilities - NW#2													\$0.00
Shady Brook Acres	112.34	177.38	149.65	154.39	159.11	153.95	162.11	201.90	196.00	191.18	172.21	231.83	\$2,062.05
Spring Creek Valley Estates	896.90		984.60		987.18	549.81	598.04	554.23	578.29	633.78	734.55	758.82	\$7,276.20
White Oak Valley NW 2	529.74		517.84	503.10	528.27	510.27	538.01	526.44	595.71	1,148.12	200.87	1,345.49	\$6,943.86
Total Plant Utilities - NW#2	1,538.98	177.38	1,652.09	657.49	1,674.56	1,214.03	1,298.16	1,282.57	1,370.00	1,973.08	1,107.63	2,336.14	\$16,282.11
Plant Utilities - Wildwood													\$0.00
Wildwood	637.00	830.00	902.00		844.00	789.99	1,297.00	1,280.00	1,116.00	1,051.00	2,006.00	984.00	\$11,736.99
Total Plant Utilities - Wildwood	637.00	830.00	902.00		844.00	789.99	1,297.00	1,280.00	1,116.00	1,051.00	2,006.00	984.00	\$11,736.99
Total 50900 Plant Utilities	5,056.01	8,326.66	8,896.71	6,845.85	8,675.53	12,227.17	11,086.45	10,599.23	10,639.28	12,058.11	9,980.27	9,266.63	\$113,657.90
51000 Property Taxes													\$0.00
Property Taxes - Brazos Valley										3.17	1,039.02		\$1,042.19
Property Taxes - KBR											1,363.68		\$1,363.68
Property Taxes - Nerro 1 & 2		756.35			370.35	6.56	1.54		4,399.35		409.73		\$5,943.88
Property Taxes - NWW									7,692.53		3,667.29		\$11,359.82
Total 51000 Property Taxes		756.35			370.35	6.56	1.54		12,095.05		6,479.72		\$19,709.57
51100 Water Fee										1,250.00	2,979.50	3,795.61	\$8,025.11
Late Payment Penalty					124.97	533.64							\$658.61
Permits and Licenses	772.60	592.50			1,346.11			1,221.11			4,055.87	445.63	\$8,433.82
Total 51100 Water Fee	772.60	592.50			1,471.08	533.64		1,221.11		1,250.00	7,035.37	4,241.24	\$17,117.54
Total Cost of Goods Sold	\$126,882.82	\$109,169.15	\$118,206.89	\$121,981.29	\$121,746.81	\$124,513.17	\$134,677.38	\$123,437.73	\$131,828.08	\$164,860.27	\$141,582.33	\$129,411.26	\$1,548,297.18
GROSS PROFIT	\$5,407.20	\$30,684.79	\$63,727.15	\$64,066.28	\$79,595.38	\$33,898.82	\$8,996.55	\$74,045.61	\$47,972.58	\$-2,701.95	\$7,568.20	\$54,506.67	\$467,767.28
EXPENSES													
60400 Bank Service Charges	280.32	412.38	466.56	421.67	518.35	616.08	656.73	682.49	14.93	302.18	640.21	509.40	\$5,521.30
64900 Office Expense		84.02		781.08									\$865.10
66700 Professional Fees								1,000.00	1,000.00	3,000.00			\$5,000.00
Accounting Fees										2,450.00			\$2,450.00
Legal Fees		507.50					2,500.00		2,681.25				\$5,688.75
Total 66700 Professional Fees		507.50					2,500.00	1,000.00	3,681.25	5,450.00			\$13,138.75
67250 Regulatory Violations	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	1,930.00	\$23,160.00
Penalties								432.00					\$432.00
Total Expenses	\$2,210.32	\$2,933.90	\$2,396.56	\$3,132.75	\$2,448.35	\$2,546.08	\$5,086.73	\$4,044.49	\$5,626.18	\$7,682.18	\$2,570.21	\$2,439.40	\$43,117.15
NET OPERATING INCOME	\$3,196.88	\$27,750.89	\$61,330.59	\$60,933.53	\$77,147.03	\$31,352.74	\$3,909.82	\$70,001.12	\$42,346.40	\$-10,384.13	\$4,997.99	\$52,067.27	\$424,650.13
OTHER INCOME													
Wildwood Standby Fees - Contra			-5,401.27	-38,445.87	-32,825.34			-22,340.67		-8,418.04		-6,847.98	\$-114,279.17
Total Other Income	\$0.00	\$0.00	\$-5,401.27	\$-38,445.87	\$-32,825.34	\$0.00	\$0.00	\$-22,340.67	\$0.00	\$-8,418.04	\$0.00	\$-6,847.98	\$-114,279.17
OTHER EXPENSES													
Amortization Expense	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	4,167.95	\$50,015.40
Depreciation Expense	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	9,411.62	\$112,939.44
Franchise Taxes	-4,004.00					7,174.20							\$3,170.20
Interest Expense	1,929.58	1,921.26	1,788.24	1,901.52	1,831.20	1,882.98	1,813.48	1,864.61	1,856.07	1,786.77	1,836.90	1,769.00	\$22,181.61
Interest Expense-Mezz Debt	4,132.23	1,132.23	3,000.00		-3,000.00								\$5,264.46
Interest Expense-Post Oak Bank			8,446.49	11,095.02	10,875.00	11,237.50	10,836.68	11,151.11	11,108.35	10,708.47	11,023.83	10,623.59	\$107,106.04
Pumpage Fee - Prior Year	17,551.24	4,579.76											\$22,131.00
Total Other Expenses	\$33,188.62	\$21,212.82	\$26,814.30	\$26,576.11	\$30,459.97	\$26,700.05	\$26,229.73	\$26,595.29	\$26,543.99	\$26,074.81	\$26,440.30	\$25,972.16	\$322,808.15
NET OTHER INCOME	\$-33,188.62	\$-21,212.82	\$-32,215.57	\$-65,021.98	\$-63,285.31	\$-26,700.05	\$-26,229.73	\$-48,935.96	\$-26,543.99	\$-34,492.85	\$-26,440.30	\$-32,820.14	\$-437,087.32
NET INCOME	\$-29,991.74	\$6,538.07	\$29,115.02	\$-4,088.45	\$13,861.72	\$4,652.69	\$-22,319.91	\$21,065.16	\$15,802.41	\$-44,876.98	\$-21,442.31	\$19,247.13	\$-12,437.19

	Line of Credit	Nerro Loan	NWW Loan	\$500K Nov 2017
		2445	6064	2989
Original amount of loan	400,000.00	2,900,000.00	500,000.00	500,000.00
Issue date of loan	5/19/17	2/1/16	11/13/15	11/21/17
Maturity date of loan	10/1/18	2/1/31	11/13/30	11/20/32
Interest rate	WSJ Prime + 1%, floor 5%	5.75%	5.75%	5.75%
Balance at the end of 2017	223,330.09	2,690,074.82	442,247.85	497,895.30
Monthly Payment	\$363.89 (interest Only)	\$24,158.42	\$3,952.34	\$4,219.28

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash		201,662.39	194,202.19	507,062.33	987,646.60	1,469,727.30
Accounts Receivable		61,133.60	61,133.60	61,133.60	61,133.60	61,133.60
Inventories						
Income Tax Receivable						
Other		482,085.18	482,085.18	482,085.18	482,085.18	482,085.18
Total		744,881.17	737,420.97	1,050,281.11	1,530,865.38	2,012,946.08
FIXED ASSETS						
Land		1,145,148.86	1,145,148.86	1,145,148.86	1,145,148.86	1,145,148.86
Collection/Distribution System		553,522.18	553,522.18	553,522.18	553,522.18	553,522.18
Buildings						
Equipment		3,458,061.58	3,458,061.58	3,941,973.58	3,941,973.58	3,941,973.58
Other		471,959.53	471,959.53	471,959.53	471,959.53	471,959.53
Less: Accum. Depreciation or Reserves		731,665.68	874,552.02	1,051,867.18	1,229,182.34	1,406,497.50
Total		4,897,026.47	4,754,140.13	5,060,736.97	4,883,421.61	4,706,106.65
TOTAL ASSETS		5,641,907.64	5,491,561.10	6,112,018.08	6,414,286.99	6,719,052.73
CURRENT LIABILITIES						
Accounts Payable		53,874.92	53,874.92	53,874.92	53,874.92	53,874.92
Notes Payable, Current		497,895.30	497,895.30	497,895.30	497,895.30	497,895.30
Accrued Expenses						
Other		49,872.16	49,872.16	49,872.16	49,872.16	49,872.16
Total		601,642.38	601,642.38	601,642.38	601,642.38	601,642.38
LONGTERM LIABILITIES						
Notes Payable, Long-term		3,355,652.76	3,138,835.57	2,922,018.38	2,705,201.19	2,488,384.00
Other			51,600.00	51,600.00	51,600.00	51,600.00
TOTAL LIABILITIES		3,355,652.76	3,190,435.57	2,973,618.38	2,756,801.19	2,539,984.00
OWNER'S EQUITY						
Paid in Capital		2,120,918.64	2,120,918.64	3,011,918.64	3,011,918.64	3,011,918.64
Retained Equity		172,796.24	1,358,299.27	955,745.59	438,145.29	77,951.84
Other						
Current Period Profit or Loss		-7,460.20	312,860.04	480,584.27	482,070.07	487,555.87
TOTAL OWNER'S EQUITY		2,286,254.88	3,792,077.95	2,536,757.32	3,055,843.42	3,577,426.35
TOTAL LIABILITIES AND EQUITY		5,641,907.64	5,491,561.10	6,112,018.08	6,414,286.99	6,719,052.73
WORKING CAPITAL		143,238.79	135,778.59	448,636.73	929,223.00	1,411,303.07
CURRENT RATIO		1.24	1.23	1.75	2.54	3.35
DEBT TO EQUITY RATIO		1.47	0.84	1.17	0.90	0.71
EQUITY TO TOTAL ASSETS		0.10	0.69	0.42	0.48	0.53

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	2,737.00	2,757.00	2,777.00	3,764.00	3,784.00	
New Taps per Year	20.00	20.00	987.00	20.00	20.00	
Total Meters at Year End	2,757.00	2,777.00	3,764.00	3,784.00	3,804.00	
METER REVENUE						
Fees Per Meter	705.72	820.64	820.64	820.64	820.64	
Cost Per Meter	646.35	646.35	646.35	646.35	646.35	
Operating Revenue Per Meter	59.37	174.29	174.29	174.29	174.29	
GROSS WATER REVENUE						
Fees						
Other						
Gross Income	163,683.00	484,003.33	656,027.56	659,513.36	662,999.16	
OPERATING EXPENSES						
General & Administrative						
Interest	171,143.29	171,143.29	175,443.29	175,443.29	175,443.29	
Other						
NET INCOME	-7,460.20	312,860.04	480,584.27	482,070.07	487,555.87	

PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense	10,030.92	10,030.92	10,030.92	10,030.92	10,030.92	
Computer Expense						
Auto Expense						
Insurance Expense	10,163.76	10,163.76	10,163.76	10,163.76	10,163.76	
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes	29,121.39	29,121.39	29,121.39	29,121.39	29,121.39	
Professional Fees	3,750.00	13,750.00	3,750.00	3,750.00	3,750.00	
Other	98,904.00	98,904.00	98,904.00	98,904.00	98,904.00	
Total	151,970.07	151,970.07	151,970.07	151,970.07	151,970.07	
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries	786,239.94	786,239.94	786,239.94	786,239.94	786,239.94	
Auto Expense						
Utilities Expense	122,430.89	122,430.89	122,430.89	122,430.89	122,430.89	
Depreciation Expense	142,886.16	142,886.16	177,315.16	177,315.16	177,315.16	
Repair & Maintenance	383,091.12	383,091.12	383,091.12	383,091.12	383,091.12	
Supplies	59,658.53	59,658.53	59,658.53	59,658.53	59,658.53	
Other	135,716.83	135,716.83	135,716.83	135,716.83	135,716.83	
Total	1,630,023.47	1,630,023.47	1,630,023.47	1,630,023.47	1,630,023.47	
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income		312,860.04	480,584.27	482,070.07	487,555.87	
Depreciation (if Funded)	142,886.16	142,886.16	177,315.16	177,315.16	177,315.16	
Loan Proceeds			594,000.00			
Other	132.00		891,000.00			
Total Sources	143,018.16	455,746.30	2,142,899.43	659,395.23	664,871.03	
USES OF CASH						
Net Loss	7,460.20					
Principle Portion of Pmts.						
Fixed Asset Purchase			1,485,000.00			
Reserve						
Other						
TOTAL USES	7,460.20		1,485,000.00			
NET CASH FLOW	135,558.16	455,746.30	657,899.43	659,395.23	664,871.03	
DEBT SERVICE COVERAGE						
Cash Available for Debt Service (CADS)						
Net Income (Loss)	-7,460.20	312,860.04	480,584.27	482,070.07	487,555.87	
Depreciation , or Reserve Interest	142,886.16	142,886.16	177,315.16	177,315.16	177,315.16	
TOTAL	135,558.16	455,746.30	657,899.43	659,395.23	664,871.03	
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest	171,143.29	171,143.29	175,443.29	175,443.29	175,443.29	
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS	0.79	2.66	3.84	3.85	3.88	