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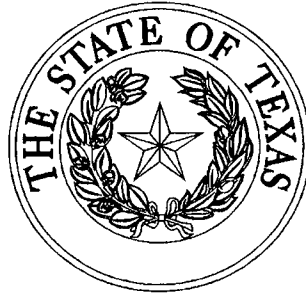
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PUBLIC UTILITY COMMISSION
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**CLASS "B" WATER COMPANY
PUC ANNUAL REPORT
OF**

48918
CCN Number
13089 & 20987

Official Company Name:

C & R Water Supply, Inc.

D/B/A Name(s)

None

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended ____ **2018**

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

Annual Report for Class B Water and/or Sewer Systems
Pursuant to TWC § 13.136 and Title 16 Texas Administrative Code (TAC) Chapter 24

I. UTILITY INFORMATION

- A. Utility Name: C & R Water Supply, Inc.
List all assumed name(s) or d/b/a names: None
- B. Street Address, City or Town & Zip code: P.O. Box 187, Willis, TX 77378
County: See Attached List CCN No.: 13089 & 20987
- C. List All PWS System names and numbers: See Attached List
- D. List All WQ Permitted system names and numbers: _____
- E. Type of Ownership:
Corporation: _____ X Partnership: _____ Individual: _____ Other: _____
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner. Michael Pawaloski & Richard Wagner
- g. 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
- H. Date the utility was formed or incorporated: 20-Feb-08
- I. Is the utility commonly owned or controlled by another corporation? Y (N)
If yes, by whom? _____

PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- A. Name and Title: Bret W. Fenner, P.E.
- B. Street Address, city, zip code: 200 Harbor Circle, Georgetown, TX 78633
- C. Telephone Number with Area Code: 512-917-7541
Cell Phone Number with Area Code: 512-917-7541
Fax Number with Area Code: 512-692-1967
e-mail address: bretfenner@yahoo.com
- D. If not an officer, owner or employee, give name of firm employed by:
B & D Environmental, Inc.
- E. List all entities under common control or ownership with this utility by entity name, CCN No(s)., Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information. None
- F. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information.
None
- G. If the utility owner owns multiple CCN's, please list all CCN numbers owned: _____

Name of Utility: C & R Water Supply, Inc.

Year End:

2018

2. BALANCE SHEETS

<u>ASSETS</u>	End of Year 12/31/2018	End of Year 12/31/2017
<u>UTILITY PLANT</u>		
101 Utility Plant in Service	\$ 5,087,948	\$ 5,388,052
103 Property held for Future Use	\$ 178,666	\$ 178,666
105 Construction Work In Progress	\$ 0	\$ 0
114, 115 Net Utility Plant Acquisition Adjustment	\$ 0	\$ 0
TOTAL UTILITY PLANT	\$ 5,226,614	\$ 5,566,718
108 Less: Accumulated Depreciation	\$ 4,332,458	\$ 4,322,458
110 Less: Accumulated Amortization	\$ 0	\$ 0
NET UTILITY PLANT	\$ 934,156	\$ 1,244,260
<u>CURRENT ASSETS</u>		
131-135 Cash	\$ 762,692	\$ 738,446
141-143 Accounts Receivable		
144 Notes Receivable	\$ 0	\$ 4,305
144-145 Accounts Receivable-Affiliates/Common Ownership	\$ 0	\$ 0
151 Plant Materials and Supplies		
162 Prepayments	\$ 0	\$ 0
171-174 Other Current Assets	\$ 914,216	\$ 616,790
TOTAL CURRENT ASSETS	\$ 1,676,908	\$ 1,359,541
<u>OTHER ASSETS and DEFERRED CHARGES</u>		
181 Deferred Debt Expense	\$ 0	\$ 0
182-186 Deferred Charges/Debits	\$ 0	\$ 0
190 Accum. Deferred Income Taxes	\$ 0	\$ 0
TOTAL OTHER ASSETS and DEFERRED CHARGES	\$ 0	\$ 0
<u>TOTAL ASSETS</u>	<u>\$ 2,611,064</u>	<u>\$ 2,603,801</u>
<u>LIABILITIES & EQUITY</u>		
<u>STOCKHOLDERS' EQUITY</u>		
201 Common Stock	\$ 1,000	\$ 1,000
211 Other paid in capital	\$ 50,000	\$ 50,000
215 Retained Earnings	\$ 1,455,692	\$ 1,567,905
TOTAL STOCKHOLDERS' EQUITY	\$ 1,506,692	\$ 1,619,905
<u>LONG-TERM DEBT</u>		
224 Long-term debt, excluding current portion	\$ 725,343	\$ 548,625
<u>CURRENT LIABILITIES</u>		
Current Portion of Long-term Debt	\$ 0	\$ 0
231 Accounts Payable	\$ (1,988)	\$ (2,603)
232 Notes Payable	\$ 0	\$ 0
233, 234 Payables to Affiliates/Common Ownership	\$ 0	\$ 0
236 Accrued Taxes	\$ 0	\$ 0
237 Accrued Interest	\$ 0	\$ 0
241.0 Other Current Liabilities	\$ 381,018	\$ 438,874
TOTAL CURRENT LIABILITIES	\$ 379,030	\$ 436,271
<u>OTHER LIABILITIES and DEFERRED CREDITS</u>		
252 Advances for Construction	\$ 0	\$ 0
253 Other Deferred Credits	\$ 0	\$ 0
255 Deferred Investment Tax Credits	\$ 0	\$ 0
271-272 Net Contributions in Aid of Construction	\$ 0	\$ 0
281-283 Accumulated Deferred Inc. Taxes	\$ 0	\$ 0
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	\$ 0	\$ 0
<u>TOTAL LIABILITIES & EQUITY</u>	<u>\$ 2,611,064</u>	<u>\$ 2,603,801</u>

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above.
PUC Water Annual Report

3. STATEMENT OF REVENUES

(Actual Revenues for the report year)

Water	Prior Year Reported 2017 (A)	Current Reporting Year 2018 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
CUSTOMER CLASS				
Metered Sales:				
5/8" or 3/4"	\$ 1,489,144	\$ 1,560,435		\$ 1,560,435
3/4"				
1"	\$ 1,388	\$ 1,388		\$ 1,388
1 1/2"	\$ 5,555	\$ 5,555		\$ 5,555
2"	\$ 4,443	\$ 4,443		\$ 4,443
List all additional meter sizes.				
SUB-TOTAL	\$ 1,500,530	\$ 1,571,821	\$ 0	\$ 1,571,821

Unmetered Sales:

	\$ 0	\$ 0		\$ 0
List and explain if any rates are set on a basis other than meter size				
	\$ 0	\$ 0	\$ 0	\$ 0

470.0 Late fees - Water

\$ 40,270

\$ 37,891

\$ 37,891

471-474 Other Revenue

\$ 41,096

\$ 1,467,240

\$ 42,442

TOTAL WATER REVENUE**\$ 1,581,896****\$ 3,076,952****\$ 0****\$ 3,076,952**

To Statement of Income

Sewer
CUSTOMER CLASS
Metered (measured) Sales (if any):

	Prior Year Reported 2017 (A)	Current Reporting Year 2018 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
	\$ 533,990	\$ 552,744		\$ 552,744
SUB-TOTAL	\$ 533,990	\$ 552,744	\$ 0	\$ 552,744

Unmetered (flat rate) Sales:

SUB-TOTAL	\$ 0	\$ 0	\$ 0	\$ 0

470.0 Late fees - Sewer

\$ 13,423

\$ 12,630

\$ 12,630

536 Other Revenue

\$ 13,699

\$ 14,148

\$ 14,148

TOTAL SEWER REVENUE**\$ 561,112****\$ 579,522****\$ 0****\$ 579,522****TOTAL REVENUE****\$ 2,143,008****\$ 3,656,474****\$ 0****\$ 3,656,474**

To Statement of Income

4. Statements of Income

	Water Test Year 2018	Sewer Test Year 2018	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 Total Revenue: 1	\$ 3,076,952	\$ 579,522	\$ 3,656,474	\$ 0	\$ 3,656,474
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
2 Operating Expenses:					
2 601.1/701.1 O & M Salaried Labor	\$ 493,715	\$ 73,773	\$ 567,488		\$ 567,488
3 604/704 Employee Benefits	\$ 85,366	\$ 12,756	\$ 98,122		\$ 98,122
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 125,216	\$ 18,711	\$ 143,927		\$ 143,927
5 620/720 Operating/Maint Supplies	\$ 435,796	\$ 98,495	\$ 534,291		\$ 534,291
6 610/710 Purchased Water	\$ 0	\$ 0	\$ 0		\$ 0
7 615/715 Purchased Power	\$ 71,437	\$ 62,196	\$ 133,633		\$ 133,633
8 635/735 Testing Expense	\$ 23,885	\$ 12,957	\$ 39,842		\$ 39,842
9 618/718 Chemicals	\$ 47,334	\$ 4,017	\$ 51,351		\$ 51,351
10 656-659/756-759 Insurance	\$ 123,980	\$ 18,526	\$ 142,506		\$ 142,506
11 601.2/701.2 General Office Salaries	\$ 525,784	\$ 78,566	\$ 604,350		\$ 604,350
12 650/750 Transportation	\$ 69,085	\$ 10,323	\$ 79,408		\$ 79,408
13 675 General Office Expenses	\$ 72,969	\$ 10,903	\$ 83,872		\$ 83,872
14 632, 633, 634 Contract Acctg, legal, Mgnt	\$ 16,240	\$ 2,427	\$ 18,667		\$ 18,667
15 666 Amortization- Rate Case Expense	\$ 0	\$ 0	\$ 0		\$ 0
16 403 Depreciation Expense	\$ 0	\$ 0	\$ 0		\$ 0
17 667-675 Other Misc. Expenses	\$ 49,590	\$ 7,410	\$ 57,000		\$ 57,000
			XXXX	XXXX	XXXX
18 Taxes:					
18 409 Federal Income Taxes	\$ 0	\$ 0	\$ 0		\$ 0
19 409 State Franchise Taxes/Reg Assess.	\$ 26,935	\$ 4,025	\$ 30,960		\$ 30,960
20 408 All Other Taxes	\$ 47,271	\$ 7,063	\$ 54,334		\$ 54,334
21 Total Expenses	\$ 2,214,603	\$ 422,148	\$ 2,639,751	\$ 0	\$ 2,639,751
			XXXX	XXXX	XXXX
22 Net Operating Income	\$ 862,349	\$ 157,374	\$ 1,016,723	\$ 0	\$ 1,016,723
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 0	\$ 0	\$ 0		\$ 0
24 Non-Operating Deductions:					
25 426 Other	\$ 314,149	\$ 63,498	\$ 377,647		\$ 377,647
26 427 Interest	\$ 11,173	\$ 1,670	\$ 12,843		\$ 12,843
27 Net Income	\$ 537,027	\$ 92,206	\$ 626,233	\$ 0	\$ 626,233

1. Carried over from Statements of Revenues

2018

5(a). Water Plant In Service - Changes Since the Previous Annual Report

[illegible]

2018

5(b). Sewer Plant In Service - Changes Since the Previous Annual Report

[illegible]

Name of Utility:

C & R Water Supply, Inc

Year End:

2018

6(a). Capital Structure

Year Ended 12/31/2018

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232.00 Short-Term Debt	\$ 381,018	\$ 0	\$ 381,018	14.70%
224.0 Long-Term Debt	\$ 725,343	\$ 0	\$ 725,343	27.70%
Common Equity:				
201.0 Common Stock	\$ 1,000	\$ 0	\$ 1,000	
218.0 Proprietary Capital				
211.0 Misc. Paid-in-Capital	\$ 50,000	\$ 0	\$ 50,000	
215.0 Retained Earnings	\$ 1,455,692	\$ 0	\$ 1,455,692	
216.0 Recquired Stock	\$ 0	\$ 0	\$ 0	
Total Equity	\$ 1,506,692	\$ 0	\$ 1,506,692	57.60%
Total Capital	\$ 2,613,053	\$ 0	\$ 2,613,053	100.00%

Debt Detail

Type	Principal Amount	Cost Rates	Interest Expense
232.0 Short Term Debt.			
Trucks	\$ 15,633	N/A	Various
Customer Deposits	\$ 238,557	0.00%	\$ 0.00
First Bank of Conroe	\$ 126,442	N/A	Various
224.0 Long-Term Debt			
Dodge	\$ 176,966	5.00%	\$ 8,215.00
Wells Fargo	\$ 5,072	5.00%	\$ 235.00
Ford	\$ 94,644	5.00%	\$ 4,393.00
Wagner	\$ 448,661	0.00%	\$ 0
Total Long-Term Debt	\$ 725,343	5.00%	\$ 12,843.00

6(b). RATE BASE AND EARNINGS CALCULATION

RATE BASE SUMMARY

Description	Water (a)	Sewer (b)	Total (c) = (a) + (b)	Reference (schedule)
1 Additions:	xxxx	xxxx	xxxx	
2 Utility plant	4,426,515	661,433	5,087,948	5(a) & 5(b)
3 Materials and supplies				2
4 Working cash (capital) (attach schedule)				
5 Prepayments				2
6 Other (attach schedule or itemize)				
7 TOTAL ADDITIONS (Add Lines 2 through 6)	4,426,515	661,433	5,087,948	
8 Deductions:	xxxx	xxxx	xxxx	
9 Reserve for depreciation (Accumulated)	3,769,238	563,220	4,332,458	2
# Advances for construction				2
# Contributions in aid of construction				2
# Accumulated deferred income taxes				2
# Accumulated deferred investment tax credits				2
# Other (attach schedule or itemize)				2
# TOTAL DEDUCTIONS (Add lines 9 through 14)	3,769,238	563,220	4,332,458	
# RATE BASE (Line 7, less Line 15)	657,287	482,13	755,490	

EARNINGS CALCULATION

17 Return (Note 1)	639,076
18 Rate of Return (Line 17/Line 16)	84.59%
19 <u>Earned</u> Return on Ending Equity (Notes 2, 3)	144.45%

Note 1 Schedule 4 Statements of Income, line 26 plus line 27

Note 2: Based on reported capital structure in Schedule 6 Capital Structure Earnings

Note 3: Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed.

Name of Utility: C & R Water Supply, Inc. **Year End:** 2018

7. Rate of Return

Year Ended 12/31/2018

	Balance	Capital Structure %	Cost Rates	Weighted Cost of Capital
	(a)	(b)	(c)	(c)=(a) x (b)
224.0 Long-Term Debt	725,343	27.70%	5.00%	1.39%
Common Equity*	1,506,692	57.60%	10.94%	6.30%
Total		85.30%		7.69%

*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c) and provide the docket number in which that ROE was granted here ==>>

N/A

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at water@puc.state.tx.us (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here==>>

10.94

Name of Utility: C & R Water Supply, Inc. Year End: 2018

8. Connection Count

METERED CUSTOMERS BY METER SIZE

Number of Customers						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Meter size/ descriptio n	End of Prior Year	Additions or change	End of Report Year	Meter Ratios	Meter Equivalencies
Water				(C + D)		(E x F)
1	5/8" x 3/4"	2358	-3	2355	1	2355
2	3/4"				1.5	
3	1"	1	0	1	2.5	2.5
4	1 1/2"	2	0	2	5	10
5	2"	1	0	1	8	8
6	List all Additional meter sizes					
7	Unmetered					
8		2362	-3	2359		2375.5
						Total Water
Sewer		747	-3	750		750
9						
10						
11						
12						
13		747	0	750		750
						Total Sewer

9. VOLUMETRIC INFORMATION

	(Report in 1,000 gallons)	Report Year
	Description	
1.	Water Pumped	184,565,400
2.	Purchased Water	0
3.	Total Water Produced (1. + 2.)	184,565,400
4.	Total Water Sold	172,161,783
5.	Water Lost (3 - 4)	12,403,617

2018

C+R Water Supply, Inc.
(Company Name)

2018

VERIFICATION

OATH

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

State of _____ as:

County of _____

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

of _____
(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 _____ to and including _____

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

(Signature of affiant)

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

SUPPLEMENTAL OATH

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

State of Texas

County of Montgomery as:

Michael Pawalbuski mal Vice President
(Name of affiant) (Official title of affiant)

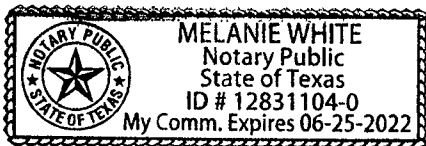
of C+R Water Supply, Inc.
(Exact legal title or name of the respondent)

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 11/2013 to and including 12/2018

Subscribed and sworn to before me, a Notary Public
in and for the State and County above-named, this 30th May 2019

(Signature of affiant)

My commission expires 6/25/22
(Signature of officer authorized to administer oaths)



LIST OF SUBDIVISIONS OR SYSTEMS

SUBDIVISION	PWS ID NUMBER	COUNTY
Bee Creek Estates	1700685	Montgomery
Bridgepoint Subdivision	1700316	Montgomery
Clear Water Cove Inc. Clearwater Point Hard Times Boating Club Shiloh Marina	1700480	Montgomery
Creekside Acres Water System	1700680	Montgomery
Emerson Estates Crockett Trace Kellyon Oaks The Villages	1700683	Montgomery
Mt. Pleasant Village Water System	1700423	Montgomery
Rogers Road Water System Oak Hills Subdivision The Oaks of Willis	1700590	Montgomery
Timberline Estates	1700728	Montgomery
Timber Oaks Crossing	1700697	Montgomery

The following public water systems were added in Docket 42966.

Five Oaks Estates	1460159	Liberty
HWY 59 Estates	1460160	Liberty
River Oaks Sunshine Acres	1450017	Leon
Shannon Estates Water System	0930052	Grimes
Trails End	2040066	San Jacinto