

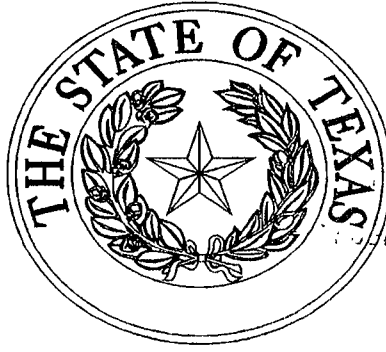


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Item Number: 25

Addendum StartPage: 0



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

CCN Number

11735 20578

Official Company Name:

Lajitas Municipal Services Company LLC

D/B/A Name(s)

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended 2018

25

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: Lajitas Municipal Services Company LLC
List all assumed name(s) or d/b/a names: _____
2 Certificate of Convenience and Necessity No. 11735 20578 Calendar Year Ending 2018
3 Street Address: 1 Water Plant Road
4 City or Town: Lajitas CCN No.: 11735 20578
5 Email Address: BFarley@lajitasgolfresort.com
6 County: Brewster Zip Code: 79852
7 TCEQ PWS Number(s) 220018
8 Water Quality Discharge Permit Number(s) WQ0014282001

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership:
Corporation: _____ Partnership: _____ Individual: _____ Other: LLC
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 partnerships, please provide the percentage of ownership for each partner.
Kelcy L. Warren, Manager of Warren Lajitas Interests, LLC, in turn the sole Managing Member of Lajitas Municipal Services Company LLC.
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: 12/20/2007
13 Is the utility under common ownership or control by another corporation? Y N If yes, by whom? _____
N/A

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

14 Name and Title: Robert Farley, Plant Manager
15 Address: 100 Main Street
16 City: Lajitas
17 Telephone Number with Area Code: 432-424-5132
18 Cell Phone Number with Area Code: _____
19 Fax Number with Area Code: _____
20 e-mail address: BFarley@lajitasgolfresort.com
21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility: Lajitas Municipal Services Company LLC

| Line # | ASSETS | End of Year 12/31/2018 | End of Prior Year 12/31/2017 |
|--------|--|---------------------------|---------------------------------|
| | <u>UTILITY PLANT</u> | | |
| 1 | 101 Utility Plant in Service | \$ 58,495 | \$ 56,731 |
| 2 | TOTAL UTILITY PLANT | \$ 58,495 | \$ 56,731 |
| 3 | 108 Less: Accumulated Amortization | \$ - | \$ - |
| 4 | 110 Less: Accumulated Depreciation | \$ (22,201) | \$ (22,201) |
| 5 | NET UTILITY PLANT | \$ 36,294 | \$ 34,530 |
| 6 | <u>CURRENT ASSETS</u> | xxxx | xxxx |
| 7 | 131-135 Cash | \$ (129) | \$ (240) |
| 8 | 141-143 Accounts Receivable | \$ (552) | \$ (15) |
| 9 | 151 Plant Materials and Supplies (not previously expensed) | \$ - | \$ - |
| 10 | 171-174 Other Current Assets | \$ 3,135 | \$ - |
| 11 | TOTAL CURRENT ASSETS | \$ 2,454 | \$ (255) |
| 12 | <u>TOTAL ASSETS*</u> | \$ 38,748 | \$ 34,275 |
| | <u>LIABILITIES & EQUITY</u> | | |
| | <u>EQUITY</u> | | |
| 13 | 201 Common Stock (Beginning Eq) | \$ 62,815 | \$ 62,815 |
| 14 | 211 Other paid in capital | \$ 1,885,368 | \$ 1,610,139 |
| 15 | 215 Retained Earnings | \$ (1,918,301) | \$ (1,642,793) |
| 16 | 218 Proprietary Capital | \$ - | \$ - |
| 17 | TOTAL STOCKHOLDERS' EQUITY | \$ 29,882 | \$ 30,161 |
| | <u>LONG-TERM DEBT</u> | xxxx | xxxx |
| 18 | 224 Long-term debt (more than 1 year) | \$ - | \$ - |
| | <u>CURRENT LIABILITIES (less than 1 year)</u> | xxxx | xxxx |
| 19 | 231 Accounts Payable | \$ - | \$ - |
| 20 | 232 Notes Payable | \$ - | \$ - |
| 21 | 241.0 Other Current Liabilities | \$ 8,866 | \$ 4,114 |
| | TOTAL CURRENT LIABILITIES | \$ 8,866 | \$ 4,114 |
| | <u>OTHER LIABILITIES and DEFERRED CREDITS</u> | xxxx | xxxx |
| 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> | \$ 38,748 | \$ 34,275 |

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

2. Statements of Income

Name of Utility: Lajitas Municipal Services Company LLC

| Line # | Report Calendar Year | Report Year | | |
|--------|---|---------------|---------------|--------------|
| | | Water | Sewer | Total |
| | | Report Year | Report Year | Report Year |
| | 2018 | A | B | C=A+B |
| 1 | Total Revenue: | \$ 121,266 | \$ 110,443 | \$ 231,709 |
| | Operating Expenses: | | | |
| 2 | 601 O & M Salaried Labor | \$ 61,574.76 | \$ 56,838.24 | \$ 118,413 |
| 3 | 604 Employee Benefits | \$ 16,875.25 | \$ 15,577.15 | \$ 32,452 |
| 4 | 631, 635, 636 O & M Contract labor | \$ - | \$ - | \$ - |
| 5 | 620 Operating/Maint Supplies | \$ 24,142.56 | \$ 22,285.44 | \$ 46,428 |
| 6 | 610 Purchased Water | \$ - | \$ - | \$ - |
| 7 | 615 Purchased Power | \$ 133,440.84 | \$ 123,176.16 | \$ 256,617 |
| 8 | 635 Testing Expense | \$ 886.60 | \$ 818.40 | \$ 1,705 |
| 9 | 618 Chemicals | \$ 11,664.12 | \$ 10,766.88 | \$ 22,431 |
| 10 | 656-659 Insurance | \$ - | \$ - | \$ - |
| 11 | 601 General Office Salaries | \$ - | \$ - | \$ - |
| 12 | 675 General Office Expenses | \$ 51.48 | \$ 47.52 | \$ 99 |
| 13 | 632 Contract Accounting | \$ - | \$ - | \$ - |
| 14 | 633 Legal | \$ 10,148.84 | \$ 9,368.16 | \$ 19,517 |
| 15 | 634 Management | \$ - | \$ - | \$ - |
| 16 | 666 Amortization- Rate Case Expense | \$ - | \$ - | \$ - |
| 17 | 403 Depreciation Expense | \$ - | \$ - | \$ - |
| 18 | 667-675 Other Misc. Expenses | \$ 258.44 | \$ 238.56 | \$ 497 |
| | Taxes: | xxxx | xxxx | xxxx |
| 19 | 409 Federal Income Taxes | \$ 4,710.47 | \$ 4,348.13 | \$ 9,059 |
| 20 | 409.0 State Franchise Taxes/Reg Assess. | \$ - | \$ - | \$ - |
| 21 | 408 All Other Taxes | \$ - | \$ - | \$ - |
| 22 | Total Expenses | \$ 263,753 | \$ 243,465 | \$ 507,218 |
| 23 | Net Operating Income | \$ (142,487) | \$ (133,022) | \$ (275,509) |
| 24 | 421, 433 Non-Operating Income | \$ - | \$ - | \$ - |
| | Non-Operating Deductions: | | | |
| 25 | 426 Other | \$ - | \$ - | \$ - |
| 26 | 427 Interest | \$ - | \$ - | \$ - |
| 27 | Net Income | \$ (142,487) | \$ (133,022) | \$ (275,509) |

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

Name of Utility: Lajitas Municipal Services Company LLC

[illegible]

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

Name of Utility: Lajitas Municipal Services Company LLC

| | 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 | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$0 |
| | | | | | | | \$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 Year 12/31/2018 | End of Prior Year 12/31/2017 | <u>Connection information</u> | | End of Year 12/31/2018 | End of Prior Year 12/31/2017 |
|---|--|---------------------------|------------------------------------|---|--|---------------------------|------------------------------------|
| <u>WATER:</u> | | | | <u>SEWER:</u> | | | |
| 1 Number of active water connections | | 309 | 309 | Number of active sewer connections | | 222 | 222 |
| 5/8" or 3/4" | | 301 | 301 | Residential | | 71 | 71 |
| 3/4" | | | | Non-residential | | 151 | 151 |
| 1" | | | | | | | |
| 1 1/2" | | | | | | | |
| 2" | | 8 | 8 | | | | |
| List all additional meter sizes: | | | | List all additional meter sizes: | | | |
| Unmetered water connections | | 13 | | Unmetered water connections | | | |
| | | | | | | | |
| 2 Number of inactive water connections | | 5 | 5 | Number of inactive water connections | | | |
| 5/8" or 3/4" | | 5 | 5 | | | | |
| 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 | | | | Number of active sewer connections | | 222 | 222 |
| 4 Number of inactive sewer connections | | | | Number of inactive sewer connections | | 5 | 5 |
| | | | | | | | |
| 5 Total gallons purchased | | 0 | | | | | |
| 6 Total gallons pumped | | 56,037,000 | | | | | |
| Total Water Produced | | 56,037,000 | | | | | |
| 7 Total gallons sold | | 41,761,491 | | | | | |
| 8 Gallons unaccounted for | | 14,275,509 | | | | | |
| | | | | Total amount of sewer treated (gallons) | | 0 | |
| <u>Management and Operations</u> | | | | Yes or No | | | |
| 1. Do you have an Application form or formal process for new customers? | | | | Yes | | | |
| 2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review? | | | | Yes | | | |
| 3. Do you have written operating procedures for routine operations? | | | | Yes | | | |
| 4. Do you have a written emergency action plans? | | | | Yes | | | |
| 5. Do you have written personnel policies and procedures? | | | | Yes | | | |
| 6. Do you have risk management and safety procedures? | | | | Yes | | | |
| 7. Do you have customer service policies (including billing and collection)? | | | | Yes | | | |
| 8. Do you prepare an annual written budget for financial planning purposes? | | | | 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: Lajitas Municipal Services Company LLC

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

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) |
| | | | | |

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

as:

County of Brewster

Kelley L. Warren makes oath and says that he/she is Managing Member
 (Name of affiant) (Official title of affiant)

of Warren Lajitas Interests, LLC, entered the Managing Member of
Lajitas Capital Partners LLC, entered the Managing Member of
 (Exact legal title or name of the respondent)

Resident.

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 January 1, 2018 to and including December 31, 2018

Subscribed and sworn to and before me, a Notary Public
 in and for the State and County above-named, this 15 day of April 2019

Kelley L. Warren
 (Signature of affiant)

My commission expires March 2022
 (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Texas

as:

County of Brewster

Kelley L. Warren makes oath and says that he is Managing Member
 (Name of affiant) (Official title of affiant)

of Warren Lajitas Interests, LLC, entered the Managing Member of
Lajitas Capital Partners, LLC, entered the Managing Member of
 (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 correct statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2018 to and including December 31, 2018

Subscribed and sworn to before me, a Notary Public
 in and for the State and County above-named, this 15th day of April 2019

Kelley L. Warren
 (Signature of affiant)

My commission expires March 2022
 (Signature of officer authorized to administer oaths)

