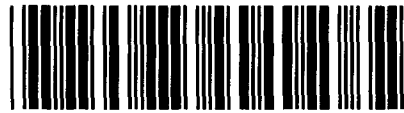


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**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

48918
CCN Number

12985 & 20900

Official Company Name:

Katy - Hockley Corp.

D/B/A Name(s)

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended _____ ***12/31/2018***

63

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: Katy - Hockley Corp.
List all assumed name(s) or d/b/a names: _____
2 Certificate of Convenience and Necessity No. 12985 Water & 20900 Sew Calendar Year Ending 12/31/2018
3 Street Address: 1222 Antoine Dr.
4 City or Town: Houston CCN No.: 12985 & 20900
5 Email Address: lisa@cunninghambuilding.com
6 County: Harris Zip Code: 77055
7 TCEQ PWS Number(s) 1013191
8 Water Quality Discharge Permit Number(s) 14109-001

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

9 Type of Ownership:
Corporation: 76-0579133 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 partnerships, please provide the percentage of ownership for each partner.
Christopher W. Cunningham - VP, Secretary, Treasurer
Rodney Broesche - 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.
12 Date the utility was formed or incorporated: 6/11/1998
13 Is the utility under common ownership or control by another corporation? NO If yes, by whom? _____

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

14 Name and Title: Chris Cunningham
15 Address: 1222 Antoine
16 City: Houston, Texas 77055
17 Telephone Number with Area Code: 713-838-1212
18 Cell Phone Number with Area Code: _____
19 Fax Number with Area Code: 713-683-9300
20 e-mail address: lisa@cunninghambuilding.com
21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility: Katy - Hockley Corp.

Line #		End of Year 12/31/2018	End of Prior Year 12/31/2017
	<u>ASSETS</u>		
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$ 876,790	\$ 877,103
2	TOTAL UTILITY PLANT	\$ 876,790	\$ 877,103
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	\$ 799,076	\$ 747,326
5	NET UTILITY PLANT	\$ 77,714	\$ 129,777
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	\$ 20,111	\$ 11,378
8	141-143 Accounts Receivable		
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets	\$ 130,495	\$ 130,495
11	TOTAL CURRENT ASSETS	\$ 150,606	\$ 141,873
12	<u>TOTAL ASSETS*</u>	\$ 228,320	\$ 271,650
	<u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock	\$ 7,800	\$ 7,800
14	211 Other paid in capital	\$ 607,716	\$ 607,716
15	215 Retained Earnings	\$ (457,320)	\$ (413,862)
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY	\$ 158,196	\$ 201,654
	<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	xxxx	xxxx
20	232 Notes Payable		
21	241.0 Other Current Liabilities	\$ 70,124	\$ 69,996
	TOTAL CURRENT LIABILITIES	\$ 70,124	\$ 69,996
	<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>	\$ 228,320	\$ 271,650

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

2. Statements of Income

Name of Utility: Katy - Hockley Corp.

Line #

Report Calendar Year _____

Water Report Year	Sewer Report Year	Total Report Year
2018	2018	2018
A	B	C=A+B
\$ 129,812	\$ 194,717	\$ 324,529

1	Total Revenue:			
	Operating Expenses:			
2	601 O & M Salaried Labor			\$ -
3	604 Employee Benefits			\$ -
4	631, 635, 636 O & M Contract labor	\$ 93,258	\$ 139,887	\$ 233,145
5	620 Operating/Maint Supplies			\$ -
6	610 Purchased Water			\$ -
7	615 Purchased Power			\$ -
8	635 Testing Expense			\$ -
9	618 Chemicals			\$ -
10	656-659 Insurance	\$ 2,092	\$ 3,138	\$ 5,230
11	601 General Office Salaries	\$ 9,178	\$ 13,766	\$ 22,944
12	675 General Office Expenses	\$ 130	\$ 196	\$ 326
13	632 Contract Accounting	\$ 932	\$ 1,398	\$ 2,330
14	633 Legal			\$ -
15	634 Management			\$ -
16	666 Amortization- Rate Case Expense			\$ -
17	403 Depreciation Expense			\$ -
18	667-675 Other Misc. Expenses	\$ 4,029	\$ 6,046	\$ 10,075
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			\$ -
20	409.0 State Franchise Taxes/Reg Assess.			\$ -
21	408 All Other Taxes	\$ 2,983	\$ 4,475	\$ 7,458
22	Total Expenses	\$ 112,602	\$ 168,906	\$ 281,508
23	Net Operating Income	\$ 17,210	\$ 25,811	\$ 43,021
24	421, 433 Non-Operating Income	\$ 19,709	\$ 29,562	\$ 49,271
	Non-Operating Deductions:			
25	426 Other			\$ -
26	427 Interest			\$ -
27	Net Income	\$ 36,919	\$ 55,373	\$ 92,292

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

Name of Utility: Katy - Hockley Corp.

[illegible]

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

Name of Utility: _____

	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

Name of Utility: Katy - Hockley Corp.

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
WATER:				SEWER:			
1 Number of active water connections				Number of active sewer connections			
5/8" or 3/4"		153	154	Residential		198	198
3/4"		48	48	Non-residential		4	4
1"		1	1				
1 1/2"							
2"		2	2				
List all additional meter sizes:				List all additional meter sizes:			
Unmetered water connections				Unmetered water connections			
2 Number of inactive water connections				Number of inactive water connections			7
5/8" or 3/4"			7				
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		202		Number of active sewer connections		202	202
4 Number of inactive sewer connections		6		Number of inactive sewer connections			6
5 Total gallons purchased		-					
6 Total gallons pumped		15,171,000					
Total Water Produced		15,171,000					
7 Total gallons sold		12,641,000					
8 Gallons unaccounted for		2,530,000					
				Total amount of sewer treated (gallons)			
<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: Katy - Hockley Corp

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)

Katy - Hockley Corp.
(Company Name)

12/31/2018

VERIFICATION

OATH

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

State of TEXAS

as:

County of HARRIS

Rodney Broesche
(Name of affiant)

President
(Official title of affiant)

of Katy - Hockley Corp.
(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 1/1/2018 to and including 12/31/2018

Subscribed and sworn to and before me, a notary public
in and for the State and County above-named, this 21 day of May, 2019

My commission expires

(Signature of officer authorized to administer oaths)

(Signature of affiant)

SUPPLEMENTAL OATH

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

State of TEXAS

as:

County of HARRIS

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

of Katy - Hockley Corp.
(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 and complete statement of the business and affairs of the above named respondent during the period of time from and including 1/01/2018 to and including 12/31/2018

Subscribed and sworn to before me, a notary public
in and for the State and County above-named, this 21 day of May, 2019

My commission expires

(Signature of officer authorized to administer oaths)

(Signature of affiant)

