



Control Number: 48918



Item Number: 74

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

48918
CCN Number
13166

Official Company Name:

Kerr County Water Systems, LLC

D/B/A Name(s)

Bumble Bee Hills Water Systems

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended _____

2018

GENERAL INSTRUCTIONS - Class C Utilities Only

1. This annual report (earnings report) is required by 16 TAC §24.73 and is used to monitor utility earnings and compile annual financial information to monitor financial conditions of Texas investor owned utilities. Each utility shall submit its report to the Commission in the form and manner prescribed herein. The reported information should reflect the 12-month period ending December 31. The report shall be filed not later than June 1 of the following year. Only one report needs to be completed for each Certificate of Convenience and Necessity (CCN) Number regardless of the number of Public Water Systems and/or number of Sewer Systems affiliated with each CCN. However, if you have multiple water CCNs or multiple sewer CCNs, a separate report must be submitted for each CCN, along with a summary report for all Texas water and sewer operations for affiliated entities. The summary should be submitted along with all the affiliated reports. If the utility possesses a water and sewer CCN (not multiples), then the utility may combine the water and sewer operations into one report, although water and sewer operations must be separately reported within that report.
2. Four copies of this report shall be prepared by each utility. Three copies should be mailed or delivered to the Filing Clerk of Central Records at the Commission's offices in Austin, TX by June 1 of the year following the calendar year. The other copy should be retained by the utility for reference. All water and sewer utilities are required by statute to complete and file this annual report. Note, if a utility has a water and sewer CCN and provides both water and sewer service, the utility shall file one annual report which contains information for both the water and sewer utility service.
Each sheet of the Excel file is pre-formatted to calculate certain items based on company specific inputs. Any supporting documents or workpapers filed in PDF format should be searchable. For specific instructions regarding the electronic filing of the report, please visit the Commission's website at: <http://www.puc.state.tx.us/industry/filings/FilingProceed.aspx>, and 16 TAC §22.72(g).
If the utility cannot complete the electronic forms, it may submit a hard copy rather than a Microsoft Excel spreadsheet.
3. Pencil entries will not be permitted on hard copy.
4. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable NARUC Uniform System of Accounts prescribed by this Commission, as set forth in 16 TAC §24.72 with detailed sub accounts listed in the form. The Texas Water Code defines Class B utility as a public utility providing retail water or sewer utility service to at least 500 but less than 10,000 taps or connections. Class B utilities must use the NARUC system of accounts for NARUC Class B utilities.
5. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
6. The report shall be filed consisting of data relative to a calendar year basis (December 31 year end).
7. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). Provide a full explanation.
8. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. If an audit is performed on the books and records of the utility by a certified public accountant, please submit a copy with this form. If the utility is a member of a controlled group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items will be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.
13. IF YOU ARE UNDER COMMON CONTROL with other water or sewer utilities operating in Texas, you must file a consolidated income statement and balance sheet including all entities under common control in Texas. These statements should be in addition to the attached schedules for the reporting utility.
14. Unless otherwise indicated, the information required in this report shall be taken from the reporting entity's financial statements, accounts and other records. Any deviation from records must be explained.

EXCERPT FROM TEXAS WATER CODE

CHAPTER 13.136(b)

(b) The utility commission by rule shall require each utility to annually file a service, financial, and normalized earnings report in a form and at times specified by utility commission rule. The report must include information sufficient to enable the utility commission to properly monitor utilities in this state. The utility commission shall make available to the public information in the report the utility does not file as confidential.

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: Kerr County Water Systems
List all assumed name(s) or d/b/a names: Bumble Bee Hills Water Systems
2 Certificate of Convenience and Necessity No. 13166 Calendar Year Ending 2018
3 Street Address: PO Box 555
4 City or Town: Hunt CCN No.: 13166
5 Email Address: suprina@stablewoodsprings.com
6 County: Kerr Zip Code: 78024
7 TCEQ PWS Number(s) 1330092
8 Water Quality Discharge Permit Number(s) _____

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.

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: _____
13 Is the utility under common ownership or control by another corporation? Y (N) If yes, by whom? _____

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

14 Name and Title: Suprina Espallargas, Manager
15 Address: PO Box 555
16 City: Hunt, TX 78024
17 Telephone Number with Area Code: 830-238-3619
18 Cell Phone Number with Area Code: 830-739-1019
19 Fax Number with Area Code: _____
20 e-mail address: suprina@stablewoodsprings.com
21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility: _____

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	\$ 342,408	\$ 340,306
2	TOTAL UTILITY PLANT	\$ 342,408	\$ 340,306
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	\$ (109,333)	\$ (95,231)
5	NET UTILITY PLANT	\$ 233,075	\$ 245,075
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	\$ 168,913	\$ 49,273
8	141-143 Accounts Receivable	\$ 7,320	\$ 6,155
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS	\$ 176,233	\$ 55,428
12	<u>TOTAL ASSETS*</u>	\$ 409,308	\$ 300,503
	<u>LIABILITIES & EQUITY</u>		
	<u>EQUITY</u>		
13	201 Common Stock		
14	211 Other paid in capital		
15	215 Retained Earnings	\$ 409,308	\$ 300,503
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY	\$ 409,308	\$ 300,503
	<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		
	TOTAL CURRENT LIABILITIES		
	<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>	\$ 409,308	\$ 300,503

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

2. Statements of Income

Name of Utility: Kerr County Water Systems, LLC

Line #	Report Calendar Year	2018		
		Water	Sewer	Total
		Report Year	Report Year	Report Year
		A	B	C=A+B
1	Total Revenue:	\$ 83,884		\$ 83,884
	Operating Expenses:			
2	601 O & M Salaried Labor			\$ -
3	604 Employee Benefits			\$ -
4	631, 635, 636 O & M Contract labor	\$ 19,934		\$ 19,934
5	620 Operating/Maint Supplies	\$ 1,648		\$ 1,648
6	610 Purchased Water			\$ -
7	615 Purchased Power	\$ 7,736		\$ 7,736
8	635 Testing Expense	\$ 504		\$ 504
9	618 Chemicals	\$ 1,788		\$ 1,788
10	656-659 Insurance	\$ 1,478		\$ 1,478
11	601 General Office Salaries			\$ -
12	675 General Office Expenses	\$ 2,466		\$ 2,466
13	632 Contract Accounting	\$ 12,900		\$ 12,900
14	633 Legal			\$ -
15	634 Management			\$ -
16	666 Amortization- Rate Case Expense			\$ -
17	403 Depreciation Expense	\$ 14,102		\$ 14,102
18	667-675 Other Misc. Expenses			\$ -
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			
20	409.0 State Franchise Taxes/Reg Assess.			
21	408 All Other Taxes	\$ 5,311		\$ 5,311
22	Total Expenses	\$ 67,867	\$ -	\$ 67,867
23	Net Operating Income	\$ 16,017	\$ -	\$ 16,017
24	421, 433 Non-Operating Income	\$ 92,788		\$ 92,788
	Non-Operating Deductions:			
25	426 Other			
26	427 Interest			
27	Net Income	\$ 108,805	\$ -	\$ 108,805

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

Name of Utility: Kerr County Water Systems, LLC

[illegible]

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

Name of Utility: N/A

	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
							\$0
SEWER							\$0
							\$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 mm/dd/yyyy	Year mm/dd/yyyy
<u>WATER:</u>				<u>SEWER:</u>		
1 Number of active water connections				Number of active sewer connections	N/A	
5/8" or 3/4"		66	66	Residential	N/A	
3/4"		5	5	Non-residential	N/A	
1"		11	11		N/A	
1 1/2"		0	0		N/A	
2"		6	6		N/A	
List all additional meter sizes:				List all additional meter sizes:	N/A	
Unmetered water connections				Unmetered water connections	N/A	
					N/A	
2 Number of inactive water connections				Number of inactive water connections	N/A	
5/8" or 3/4"		4	4		N/A	
3/4"		2	2		N/A	
1"		1	1		N/A	
1 1/2"		0	0		N/A	
2"		0	0		N/A	
List all additional meter sizes:				List all additional meter sizes:	N/A	
					N/A	
Unmetered, inactive connections				Unmetered, inactive connections	N/A	
					N/A	
3 Number of active sewer connections				Number of active sewer connections	N/A	
4 Number of inactive sewer connections				Number of inactive sewer connections	N/A	
					N/A	
5 Total gallons purchased		0			N/A	
6 Total gallons pumped		14,202,000			N/A	
Total Water Produced		14,202,000			N/A	
7 Total gallons sold		13,785,470			N/A	
8 Gallons unaccounted for		416,530			N/A	
				Total amount of sewer treated (gallons)	N/A	
<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?				No		
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?				No		
6. Do you have risk management and safety procedures?				No		
7. Do you have customer service policies (including billing and collection)?				No		
8. Do you prepare an annual written budget for financial planning purposes?				No		
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: N/A

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

County of Kerr

Suprina Espallargas
(Name of affiant)

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

of Kerr County Water Systems, LLC
(Exact legal title or name of the respondent)

The signed officer has reviewed the report

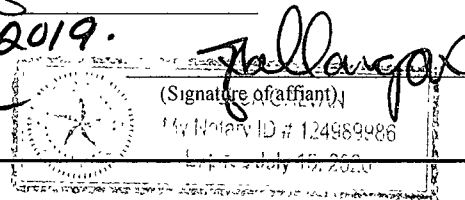
Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading

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 01-01-2018 to and including 12-31-2018

Subscribed and sworn to and before me, a Suprina Espallargas
in and for the State and County above-named, this 22nd day of May 2019.

My commission expires 7-15-20
(Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

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

State of _____

as.

County of _____

(Name of affiant)

mak

(Official title of affiant)

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 _____ to and including _____

Subscribed and sworn to 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)