



## Filing Receipt

**Received - 2022-03-21 12:31:54 PM**

**Control Number - 52460**

**ItemNumber - 12**

**DOCKET NO. 52460**

**APPLICATION OF MOUNTAIN PEAK § PUBLIC UTILITY COMMISSION  
SPECIAL UTILITY DISTRICT TO §  
AMEND ITS CERTIFICATE OF § OF TEXAS  
CONVENIENCE AND NECESSITY IN §  
ELLIS AND JOHNSON COUNTIES §**

**COMMISSION STAFF’S FINAL RECOMMENDATION ON APPLICATION**

On August 23, 2021, Mountain Peak Special Utility District (Mountain Peak SUD) filed an application to amend its water certificate of convenience and necessity (CCN) in Ellis and Johnson Counties. Mountain Peak SUD holds water CCN No. 10908. Mountain Peak SUD filed supplemental information on October 25, 2021.

On January 21, 2022, the administrative law judge (ALJ) filed Order No. 4, establishing a deadline of March 21, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a final recommendation on the application. Therefore, this pleading is timely filed.

**I. FINAL RECOMMENDATION OF APPROVAL**

Staff has reviewed the application and supplemental information and, as detailed in the attached memoranda from Jolie Mathis of the Commission’s Infrastructure Division and Fred Bednarski III of the Commission’s Rate Regulation Division, recommends that the application be approved. Staff’s review indicates that the application meets the applicable technical, managerial, and financial requirements of Texas Water Code Chapter 13 and 16 Texas Administrative Code Chapter 24, and therefore, Mountain Peak SUD is capable of providing continuous and adequate water service. Additionally, Staff recommends that approval of the application is necessary for the service, accommodation, convenience, and safety of the public. Accordingly, Staff recommends approval of Mountain Peak SUD’s application.

**II. CONCLUSION**

For the reasons detailed above, Staff recommends that Mountain Peak SUD’s application, as supplemented, be approved. Staff respectfully requests the entry of an order consistent with this recommendation.

Dated: March 21, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Managing Attorney

/s/ Jenna Keller  
Jenna Keller  
State Bar No. 24123891  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7285  
(512) 936-7268 (facsimile)  
Jenna.Keller@puc.texas.gov

**DOCKET NO. 52460**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 21, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Jenna Keller  
Jenna Keller

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Jenna Keller, Attorney  
Legal Division

**FROM:** Jolie Mathis,  
Infrastructure Division

**DATE:** March 21, 2022

**RE:** Docket No. 52460 – *Application of Mountain Peak Special Utility District to Amend its Certificate of Convenience and Necessity in Ellis and Johnson Counties*

---

### **1. Application**

On August 23, 2021, Mountain Peak Special Utility District (Mountain Peak SUD) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10908 in Ellis and Johnson Counties, Texas under Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237

The requested area includes 2 customer connections and approximately 33 acres of uncertificated area. The application proposes the addition of approximately 33 acres to CCN No. 10908.

### **2. Notice**

The deadline to intervene was January 21, 2022; there were no motions to intervene, protests, or opt-out requests received.

### **3. Factors Considered**

Under TWC §§ 13.241 and 13.246, and 16 TAC §§ 24.11(e) and 24.227, the Commission must consider certain factors when granting or amending a water or sewer CCN. Therefore, the following factors were considered.

- 3.1. *Consideration of the adequacy of service currently provided to the requested area and system compliance (TWC § 13.246(c)(1); 16 TAC § 24.227(a) and (e)(1)).*

Customers in the requested area currently receive service from Mountain Peak SUD's Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) registered as Mountain Peak SUD, PWS ID No. 0700042. Mountain Peak SUD has violations listed in the TCEQ database that have since been resolved.

No additional construction is necessary for Mountain Peak SUD to serve the requested area. The Commission's complaint records, which go back to 2017, show 5 complaints against Mountain Peak SUD.

**3.2. *Consideration of the need for additional service in the requested area (TWC § 13.246(c)(2); 16 TAC § 24.227(e)(2)).***

There is a need for service as there are 2 existing customers and potential new customers in the requested area.

**3.3. *Consideration of the effect of granting an amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any other retail public utility of the same kind already servicing the proximate area (TWC §§ 13.241(b) and 13.246(c)(3), 16 TAC § 24.227(e)(3)).***

Mountain Peak SUD will be the certificated entity for the requested area and will be required to provide adequate and continuous service to the requested area.

The landowners in the area will have a water provider available when they need to request water service.

There will be no effect on any retail public utility servicing the proximate area. All retail public utilities in the proximate area were provided notice of the CCN amendment requested in this application and did not request to intervene.

**3.4. *Consideration of the managerial and technical ability of the applicant to provide adequate service (TWC § 13.246(c)(4); 16 TAC § 24.227(a) and (e)(4)).***

Mountain Peak SUD has a TCEQ approved PWS registered as Mountain Peak SUD, PWS ID No. 0700042. Mountain Peak SUD has violations listed in the TCEQ database that have since been resolved. No additional construction is necessary for Mountain Peak SUD to serve the requested area. The Commission's complaint records, which go back to 2017, show 5 complaints against Mountain Peak SUD.

**3.5. *The applicants' demonstration that regionalization or consolidation with another retail public utility is not economically feasible when construction of a physically separate water or sewer system is required to provide service to the requested area. (TWC § 13.241(d); 16 TAC § 24.227(b)).***

Construction of a physically separate water system is not required to provide service to the requested area.

3.6. *Consideration of the feasibility of obtaining service from an adjacent retail public utility (TWC § 13.246(c)(5); 16 TAC § 24.227(e)(5)).*

Mountain Peak SUD is currently serving customers in the requested area, has facilities in the requested area to serve any future customers, and has sufficient capacity. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

3.7. *Consideration of the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service (TWC § 13.246(c)(6); 16 TAC §§ 24.227(a) and (e)(6), 24.11(e)).*

The Rate Regulation Division will be addressing this criterion in a separate memo.

3.8. *Requirement of the applicant to provide a bond or other financial assurance in a form and amount specified by the Commission to ensure that continuous and adequate utility service is provided (TWC §§ 13.246(d); 16 TAC § 24.227(f)).*

The Rate Regulation Division will be addressing this criterion in a separate memo.

3.9. *Consideration of the environmental integrity and the effect on the land to be included in the certificated area (TWC § 13.246(c)(7) and (9); and 16 TAC § 24.227(e)(7) and (9)).*

The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

3.10. *Consideration of the probable improvement in service or lowering of cost to consumers (TWC § 13.246(c)(8); 16 TAC § 24.227(e)(8)).*

Mountain Peak SUD will continue to provide water service to the existing customers in the area. There will be no change in the quality or cost of service to customers.

#### **4. Recommendation**

Based on the mapping review by Tracy Montes, Infrastructure Division, and my technical and managerial review, I recommend that Mountain Peak SUD meets all of the statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules and regulations, and thus, is capable of providing continuous and adequate service. I further recommend that approving this application to amend its water CCN No.10908 is necessary for the service, accommodation, convenience, and safety of the public.

Mountain Peak SUD consented to the attached map and certificate on February 26, 2022.

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Jenna Keller, Attorney  
Legal Division

**FROM:** Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** March 21, 2022

**RE:** Docket No. 52460 - *Application of Mountain Peak Special Utility District to Amend its Certificate of Convenience and Necessity in Ellis and Johnson Counties*

---

On August 23, 2021, Mountain Peak Special Utility District (Mountain Peak SUD) filed an application to add approximately 33 acres to its Certificate of Convenience and Necessity (CCN) number 10908 in Ellis and Johnson Counties to provide water service.

I recommend a finding that Mountain Peak SUD demonstrates the financial and managerial capability needed to provide continuous and adequate service to the area subject to this application. My conclusions are based on information provided by Mountain Peak SUD before the date of this memorandum and may not reflect any changes in Mountain Peak SUD's status after this review.

***Ability to serve: financial ability and stability (Texas Water Code (TWC §§ 13.241(a) and 13.246(c)(6))***

An owner or operator of a retail public utility must have the financial resources to operate and manage the utility and to provide continuous and adequate service to the current and requested utility service areas, as established by 16 Texas Administrative Code (TAC) § 24.11. Mountain Peak SUD must demonstrate that it meets one of the five leverage tests under 16 TAC § 24.11(e)(2) as well as the operations test under 16 TAC § 24.11(e)(3).

***Leverage test***

My analysis is based on financial statements ending December 31, 2020, which are provided in Attachment FB-1. These financial statements contain an unqualified auditor's opinion from YWRD, P.C. stating that the financial statements present fairly, in all material respects, the financial position of Mountain Peak SUD as of December 31, 2020.

Mountain Peak SUD's 2020 financial statements report long-term debt of \$2,385,014 and equity of \$25,173,025. The debt-to-equity ratio is 0.09. Because the ratio is less than 1.0, I recommend a finding that Mountain Peak SUD meets the leverage test specified in 16 TAC § 24.11(e)(2)(A).

Operations test

An owner or operator must demonstrate sufficient available cash to cover projected cash shortages for operations and maintenance expense during the first five years of operations, as required by 16 TAC § 24.11(e)(3).

Mountain Peak SUD's financial statements include \$1,679,003 in operating income excluding depreciation expense and a cash and cash equivalents balance of \$10,549,282 that together indicate Mountain Peak SUD will have sufficient cash to cover projected shortages. Mountain Peak SUD currently has facilities in place to serve the requested area. Future improvements will be funded by developer contributions, Mountain Peak SUD's ability to issue debt and increase taxes, as well with cash reserves and operating income. Sufficient cash and net operating income available to cover possible future shortages provide an indication of financial stability and financial and managerial capability. Therefore, I recommend a finding that Mountain Peak SUD meets the operations test specified in 16 TAC § 24.11(e)(3).

***Financial assurance (TWC § 13.246(d))***

Because Mountain Peak SUD meets the financial tests, I do not recommend that the Commission require additional financial assurance.





# ANNUAL FILING AFFIDAVIT

STATE OF TEXAS COUNTY OF ELLIS

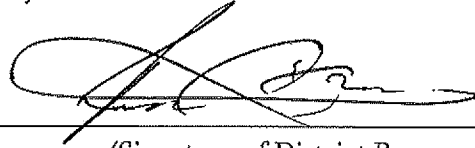
I, RANDEL KIRK, GENERAL MANAGER of the  
(Name of Duly Authorized District Representative)

MOUNTAIN PEAK SPECIAL UTILITY DISTRICT  
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of the Directors of the District on the 8<sup>th</sup> day of JUNE, 2021 its annual audit report for the fiscal year or period ended 12/31/2020 and those copies of the annual audit report have been filed in the district office, located at:

5671 WATERWORKS RD. MIDLOTHIAN, TEXAS 76065  
(Address of District)

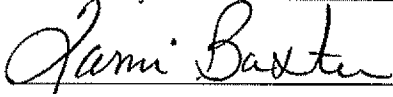
The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

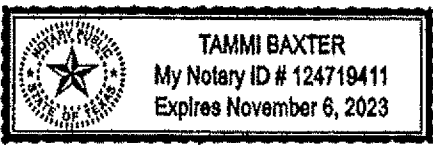
Date: 06/08/2021 By:   
(Signature of District Representative)

RANDEL KIRK, GENERAL MANAGER  
(Typed Name & Title of above District Representative)

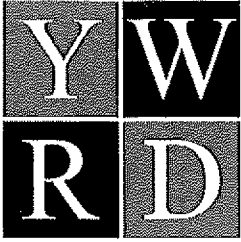
Sworn to and Subscribed to before me by this 8<sup>th</sup> day of JUNE, 2021

(SEAL)

  
(Signature of Notary)



My Commission Expires On: NOVEMBER 6, 2023  
Notary Public in the State of Texas.



# YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Glen Wilson, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Brandon Diviney, CPA

May 10, 2021

To the Board of Directors of  
Mountain Peak Special Utility District

We have audited the financial statements of the business-type activities of for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for accumulated depreciation is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the allowance for accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Board of Directors of  
Mountain Peak Special Utility District

Page Two

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes an uncorrected misstatement of the financial statements. Management has determined that its effect is immaterial to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 10, 2021.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to 's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as 's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Board of Directors of  
Mountain Peak Special Utility District  
Page Three

We were engaged to report on supplementary financial data, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

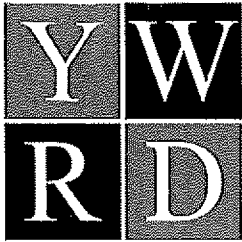
Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Mountain Peak Special Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*YWRD, P.C.*

YWRD, P.C.  
*Certified Public Accountants*



# YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Glen Wilson, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Brandon Diviney, CPA

May 10, 2021

To the Board of Directors  
Mountain Peak Special Utility District  
5671 Waterworks Road  
Midlothian, Texas, 76065

In planning and performing our audit of the financial statements of the Mountain Peak Special Utility District as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in Mountain Peak Special Utility District's internal control to be a material weakness:

Preparation of Financial Statements – We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Board as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. However, based on current auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.

From a practical standpoint, we prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with entities of your size.

The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy and we have answered any questions that management might have. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Under the circumstances, the most effective controls lie in management's knowledge of the District's financial operations. It is the responsibility of management and those charged with governance to make the decisions whether to accept the degree of risk associated with this condition because of cost and other consideration. Regarding the specific situations listed above, we would offer the following specific recommendations: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your accounting information to the amounts reported in the financial statements.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*YWRD, P.C.*

YWRD, P.C.  
*Certified Public Accountants*

Client: MOUNTAIN PEAK SPECIAL UTILITY DISTRICT  
Report: Uncorrected Misstatement

Account	Description	Debit	Credit	Net Income Effect
<b>PPAP01</b>				
	To propose a prior period adjustment to adjust construction in progress to actual.			
1420	SYSTEM UPGRADE-CONSTRUCTION	0.00	47,054.22	
3300	RETAINED EARNINGS - P.O 'S	<u>47,054.22</u>	<u>0.00</u>	
<b>Total</b>		<u><b>47,054.22</b></u>	<u><b>47,054.22</b></u>	<u><b>0.00</b></u>
<b>GRAND TOTAL</b>		<u><b>47,054.22</b></u>	<u><b>47,054.22</b></u>	<u><b>0.00</b></u>

***MOUNTAIN PEAK SPECIAL UTILITY DISTRICT***

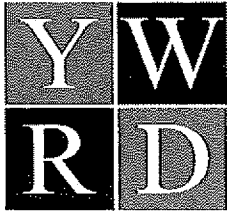
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2020



## TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis (unaudited)	4-7
Basic Financial Statements:	
Statement of Net Position	8
Statement of Revenues, Expenses, and Change in Net Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-21
Supplementary Financial Data:	
Notes Required by the Water District Accounting Manual (Omitted - fully disclosed in the Financial Statements)	
Schedule of Services and Rates	23
Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual	24
Schedule of Cash and Temporary Investments	25
Analysis of Taxes Levied and Receivable (Omitted - Taxes not assessed by District)	
Debt Service Requirements - By Years	
Utility System Revenue Refunding Bonds, Series 2008	26
Utility System Revenue Bonds, Series 2009A	27
Utility System Revenue Refunding Bonds, Series 2019	28
All Series	29
Analysis of Changes in Long-Term Debt	30
Comparative Schedule of Revenues and Expenses	31
Board Members, Key Personnel and Consultants	32



# YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Glen Wilson, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Brandon Diviney, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Mountain Peak Special Utility District  
Midlothian, Texas

We have audited the accompanying financial statements of the business-type activities of Mountain Peak Special Utility District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Mountain Peak Special Utility District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Mountain Peak Special Utility District, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Mountain Peak Special Utility District's basic financial statements. The supplementary financial data is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Board of Directors of  
Mountain Peak Special Utility District  
Page Three

The supplementary financial data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial data is fairly stated in all material respects in relation to the basic financial statements as a whole.

*YWRD, P.C.*

YWRD, P.C.  
*Certified Public Accountants*

Waxahachie, Texas  
May 10, 2021

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Mountain Peak Special Utility District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$25,173,025 (net position). Of this amount, \$10,205,938 (unrestricted net position) may be used to meet the government's ongoing obligations to customers and creditors.
  
- The District's total net position increased by \$2,820,659.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of two components: 1) fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains one type of proprietary fund. The enterprise fund is used to report the functions that are intended to recover all of their costs through user fees and charges. The District uses the enterprise fund to account for its operations.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources and liabilities, with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Change in Net Position shows the revenue sources and expenses and reflects the net change in position for the fiscal year. This statement can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges.

The Statement of Cash Flows provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities.

The fund financial statements can be found on pages 8-10 of this report.

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 11-21 of this report.

**FINANCIAL ANALYSIS OF THE DISTRICT**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$25,173,025 as of December 31, 2020.

A large portion of the District's net position (55%) reflects its investments in capital assets (e.g., land, construction in progress, buildings, system improvements, and machinery and equipment). The District uses these capital assets to provide service to customers; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT'S NET POSITION**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 13,156,400	\$ 11,221,298
Capital assets	16,482,756	15,618,412
Total assets	<u>29,639,156</u>	<u>26,839,710</u>
Deferred Outflows of Resources	<u>80,652</u>	<u>92,174</u>
Long term liabilities	2,739,208	3,041,249
Other liabilities	1,807,575	1,538,269
Total liabilities	<u>4,546,783</u>	<u>4,579,518</u>
Net position:		
Net investment in capital assets	13,863,392	12,713,119
Restricted	1,103,695	1,045,445
Unrestricted	10,205,938	8,593,802
Total net position	<u>\$ 25,173,025</u>	<u>\$ 22,352,366</u>

An additional portion of the District's net position (4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$10,205,938, may be used to meet the District's ongoing obligation to customers and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The following table provides a summary of the District's operations. The District's operations increased net position by \$2,820,659 in the current year.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT'S CHANGE IN NET POSITION**

	<u>2020</u>	<u>2019</u>
Revenues:		
Operating	\$ 5,921,803	\$ 4,894,690
Nonoperating	72,126	65,003
Total revenues	<u>5,993,929</u>	<u>4,959,693</u>
Expenses:		
Depreciation and amortization	847,238	830,785
Other operating	4,242,800	3,587,392
Nonoperating	100,392	192,299
Total expenses	<u>5,190,430</u>	<u>4,610,476</u>
Income before capital contributions	803,499	349,217
Capital contributions	<u>2,017,160</u>	<u>1,017,569</u>
Changes in net position	2,820,659	1,366,786
Net position - beginning	<u>22,352,366</u>	<u>20,985,580</u>
Net position - ending	<u><u>\$ 25,173,025</u></u>	<u><u>\$ 22,352,366</u></u>

**CAPITAL ASSETS**

The District's investment in capital assets as of December 31, 2020 amounts to \$16,482,756 (net of accumulated depreciation).

Major capital asset events during the current fiscal year included the following:

- Approximately \$60,000 of machinery and equipment was added.
- Approximately \$1,647,000 of construction in progress was incurred.
- Approximately \$355,000 of construction in progress was completed.
- Approximately \$136,000 of construction in progress was expensed for scrapped projects.

**Capital Assets at Year-End  
Net of Accumulated Depreciation**

	<u>2020</u>	<u>2019</u>
Land	\$ 773,999	\$ 633,262
Construction in progress	1,426,345	270,356
Buildings and building improvements	180,551	204,016
System improvements	13,868,656	14,272,768
Machinery and equipment	<u>233,205</u>	<u>238,010</u>
Total	<u><u>\$ 16,482,756</u></u>	<u><u>\$ 15,618,412</u></u>

Additional information on the District's capital assets can be found in note 3.D on page 17 of this report.

## LONG TERM DEBT

At the end of the current fiscal year, the District had a total bonded debt of \$2,735,000. The District's bonds are secured solely by the revenues of the District.

### Outstanding Debt at Year End Bonds and Note Payable

	<u>2020</u>	<u>2019</u>
Revenue bonds	<u>\$ 2,735,000</u>	<u>\$ 3,040,000</u>
	<u>\$ 2,735,000</u>	<u>\$ 3,040,000</u>

Additional information on the District's long term-debt can be found in note 3.1 on pages 19-21 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the 2021 Budget, operating revenues are budgeted to increase by 15.44% from the 2020 budget year with water sales making up about 91% of budgeted revenues. The District's water rates are reviewed by staff and the Board of Directors on an annual basis and were last adjusted in July of 2011.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mountain Peak Special Utility District, 5671 Waterworks Road, Midlothian, Texas 76065.



**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2020

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 10,549,282
Restricted cash and cash equivalents	28,048
Investments	685,084
Receivables (net of allowance for uncollectibles)	661,873
Inventory	121,515
Prepaid items	28,986
Total current assets	12,074,788

Noncurrent assets:

Restricted cash and cash equivalents	1,081,612
Capital assets:	
Non-depreciable	2,200,344
Depreciable (net of accumulated depreciation)	14,282,412
Total noncurrent assets	17,564,368
Total assets	29,639,156

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amount on refunding	80,652
Total deferred outflows of resources	80,652

**LIABILITIES**

Current liabilities:

Accounts payable	970,474
Accrued payroll payable	12,385
Compensated absences	39,194
Customer deposits payable	615,244
Due to other governments	203,507
Current portion of long-term debt	292,917
Current liabilities payable from restricted assets:	
Accrued interest payable	5,965
Current portion of long-term debt	22,083
Total current liabilities payable from restricted assets	28,048
Total current liabilities	2,161,769

Long-term debt	2,385,014
Total liabilities	4,546,783

**NET POSITION**

Net investment in capital assets	13,863,392
Restricted for debt service	1,103,695
Unrestricted	10,205,938
Total net position	\$ 25,173,025

The notes to financial statements are an integral part of this statement.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
For the Year Ended December 31, 2020

**OPERATING REVENUES**

Water sales	\$ 5,343,260
Connection fees	204,549
Miscellaneous	280,838
Late charges	93,156
Total operating revenues	5,921,803

**OPERATING EXPENSES**

Contract services	75,986
Dues and subscriptions	24,983
Insurance-employee	185,497
Fuel/auto/equipment	73,238
Repairs and maintenance - system	1,043,373
Repairs and maintenance - office	35,340
Uniforms	5,921
Water samples	20,651
Insurance-liability/property	46,599
Miscellaneous	49,861
Postage	24,021
Legal	40,701
Accounting	24,720
Office	9,210
Telephone	9,348
Payroll	712,530
Employee retirement plan	34,309
Payroll taxes	55,734
Seminars, meetings and training	4,270
Water purchases	1,025,279
Utilities	474,023
Prairieland GCD fees	267,206
Depreciation	847,238
Total operating expenses	5,090,038

**OPERATING INCOME** 831,765

**NONOPERATING REVENUES (EXPENSES)**

Interest	72,126
Interest and fiscal charges	(100,392)
Total nonoperating revenue (expenses)	(28,266)

**INCOME BEFORE CONTRIBUTIONS** 803,499

Capital contributions 2,017,160

**CHANGE IN NET POSITION** 2,820,659

**TOTAL NET POSITION, BEGINNING** 22,352,366

**TOTAL NET POSITION, ENDING** \$ 25,173,025

The notes to financial statements are an integral part of this statement.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 5,937,137
Payments to suppliers	(3,460,050)
Payments to employees	(710,444)
Net cash provided by (used for) operating activities	<u>1,766,643</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(1,662,307)
Contributed capital from customers	2,017,160
Principal paid on capital debt	(305,000)
Interest and fiscal charges paid on capital debt	(82,206)
Net cash provided by (used for) capital and related financing activities	<u>(32,353)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on cash and cash equivalents	72,126
Proceeds from maturity of investments	676,513
Purchase of investments	(685,084)
Net cash provided by investing activities	<u>63,555</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 9,797,845

Cash and cash equivalents January 1 (including \$1,052,294 reported in restricted accounts) 9,861,097

Cash and cash equivalents December 31 (including \$1,109,660 reported in restricted accounts) \$11,658,942

**Reconciliation of operating income to net cash provided by (used for) operating activities:**

Operating income	\$ 831,765
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation and amortization	847,238
(Increase) decrease in accounts receivable	(86,666)
(Increase) decrease in inventory	(42,162)
(Increase) decrease in prepaid items	142
Increase (decrease) in accounts payable and accrued expenses	82,584
Increase (decrease) in accounts payroll payable	6,675
Increase (decrease) in due to other governments	29,656
Increase (decrease) in compensated absences	(4,589)
Net increase in customer deposits	102,000
Total adjustments	<u>934,878</u>
Net cash provided by (used for) operating activities	<u>\$ 1,766,643</u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Capital assets purchased on account	<u>\$ 52,850</u>
-------------------------------------	------------------

The notes to financial statements are an integral part of this statement.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

Pursuant to a petition filed, Mountain Peak Special Utility District (the "District") was created by order of the Texas Water Commission, dated December 18, 2002, pursuant to, and operating under, the provisions of Chapter 65, Texas Water Code. Creation of the District was confirmed at an election held within the boundaries of the District on November 4, 2003.

The District is a political sub-division organized for the purpose of furnishing a water supply for the District CCN number 10908. The authorized service area lies primarily in the northern part of Ellis County, with a portion extending into the eastern part of Johnson County.

The financial statements are prepared on the basis of Governmental Accounting Standards Board (GASB) Statement Number 34, Financial Statements, Management Discussion and Analysis for State and Local Governments and related standards. This statement provides significant changes in terminology, a presentation of net position, as well as an inclusion of a management discussion and analysis.

Accounting principles generally accepted in the United States of America require that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The District does not have any component units that meet these criteria.

**B. Measurement focus, basis of accounting, and basis of presentation**

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees charged from the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation and debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation and debt service).

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement focus, basis of accounting, and basis of presentation (continued)**

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets; restricted for debt service; and unrestricted components.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operation. The principal operating revenues are charges to customers for sales and services and connection fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

**C. Assets, deferred outflows of resources, liabilities, and net position**

**1. Cash and cash equivalents**

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**2. Investments**

Investments maturing more than three months from the date acquired are classified as investments held to maturity. Investments for the District are reported at fair value.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, deferred outflows of resources, liabilities, and net position (continued)**

**3. Restricted assets**

Certain proceeds of the District's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

**4. Receivables**

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of sixty days comprise the trade accounts receivable allowance for uncollectibles.

**5. Inventory and prepaid items**

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**6. Capital assets**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment are depreciated using the straight line method over the following estimated useful lives:

<b>Capital asset classes</b>	<b>Lives</b>
Buildings and building improvements	20
System improvements	10-50
Machinery and equipment	3-7

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, deferred outflows of resources, liabilities, and net position (continued)**

**7. *Deferred outflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**8. *Compensated absences***

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. All sick pay is accrued when incurred.

**9. *Long-term liabilities***

Bonds payable are reported at face value, net of applicable discounts and deferred loss on refunding. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Losses occurring from advance refunding of debt are deferred and amortized as interest expense over the remaining life of the refunded bonds, or the life of the new bonds, whichever is shorter.

**10. *Net position***

Net position comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position are classified in the following three components:

*Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, deferred outflows of resources, liabilities, and net position (continued)**

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary information**

**1. Budgetary basis of accounting**

The District's annual budget is adopted on a budgetary basis of accounting. The legal level of budgetary control is the fund level.

**2. Compliance with finance related legal and contractual provisions.**

The District has no material violations of finance related legal and contractual provisions, including the Texas Public Funds Investment Act.

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES**

**A. Deposits and investments**

**1. Deposits**

*Custodial credit risk-deposits*. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year end, the District's bank balance was \$12,367,619, of which \$1,312,512 was covered by federal depository insurance. Of the remaining uninsured balance of \$11,055,107, \$10,148,551 was covered by collateral pledged in the District's name by the safekeeping department of the pledging bank's agent. The District had an uninsured, uncollateralized balance at one financial institution of \$906,556.



**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**A. Deposits and investments (continued)**

**2. Investments**

Public funds of the District may be invested in obligations of the United States of America, its agencies and instrumentalities; direct obligations of the State of Texas and agencies thereof; other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or the United States of America; obligations of the States, agencies thereof, Counties, Cities, Districts and other political subdivisions; repurchase agreements; certificates of deposit; and joint pools of political subdivisions in the State of Texas or other investments authorized by the covenants contained in the proceedings authorizing the issuance of bonds, notes or other obligations.

The District's investments carried at fair value as of December 31, 2020 are:

	<u>Category of Risk</u>	<u>Fair Value</u>
Certificates of deposit	N/A	<u>\$ 685,084</u>

**B. Restricted assets**

The balances of the restricted asset accounts are as follows:

Revenue bond debt service account	\$ 689,694
Revenue bond reserve account	<u>419,966</u>
	<u>\$ 1,109,660</u>

**C. Receivables**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

<b><u>Receivables:</u></b>	
Accounts	\$ 718,049
Other	64,075
Less: allowance for uncollectibles	<u>(120,251)</u>
Net total receivables	<u>\$ 661,873</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**D. Capital assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 633,262	\$ 140,737	\$ -	\$ 773,999
Construction in progress	270,356	1,647,395	(491,406)	1,426,345
Total capital assets not being depreciated	<u>903,618</u>	<u>1,788,132</u>	<u>(491,406)</u>	<u>2,200,344</u>
Capital assets being depreciated:				
Buildings and building improvements	441,285	-	-	441,285
System improvements	21,529,968	355,105	-	21,885,073
Machinery and equipment	805,203	59,750	-	864,953
Total capital assets being depreciated	<u>22,776,456</u>	<u>414,855</u>	<u>-</u>	<u>23,191,311</u>
Less accumulated depreciation for:				
Buildings and building improvements	(237,269)	(23,465)	-	(260,734)
System improvements	(7,257,200)	(759,217)	-	(8,016,417)
Machinery and equipment	(567,193)	(64,555)	-	(631,748)
Total accumulated depreciation	<u>(8,061,662)</u>	<u>(847,237)</u>	<u>-</u>	<u>(8,908,899)</u>
Total capital assets being depreciated, net	<u>14,714,794</u>	<u>(432,382)</u>	<u>-</u>	<u>14,282,412</u>
Capital assets, net	<u>\$ 15,618,412</u>	<u>\$ 1,355,750</u>	<u>\$ (491,406)</u>	<u>\$ 16,482,756</u>

The construction in progress consists of system improvements.

**E. Construction commitments**

The District has construction projects outstanding as of December 31, 2020. These projects consist of system improvements and are evidenced by contractual commitments with \$953,500 spent to date and \$1,636,700 of commitment remaining.

**F. Other significant commitments**

The District has renewed a contract with City of Midlothian whereby the City agrees to sell treated water to the District. The contract requires the District to purchase a minimum amount of water on an annualized basis whether or not the District actually takes and utilizes said water amount. The contract is for a period of twenty years ending in 2036.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**F. Other significant commitments (continued)**

A schedule of future minimum payments due under the contract at the current rate is shown below:

Year Ending December 31	Annual Payment
2021	\$ 314,375
2022	314,375
2023	314,375
2024	314,375
2025	314,375
Thereafter	3,458,125
	\$ 5,030,000

Actual payments for the year ended December 31, 2020 were \$862,037.

**G. Retirement plan**

The District participates in a defined contribution Salary Reduction Simplified Employee Pension Plan (SARSEP), which is administered by Lincoln National Life Insurance Company. Under the terms of the plan, qualifying employees may elect to contribute to the plan a percentage of their compensation which is partially matched by the District. The cost to the District, including administration fees and included in employee retirement plan expense for the year ended December 31, 2020 totaled \$34,309. The amount contributed by employees for the year ended December 31, 2020 totaled \$33,650.

**H. Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not materially exceeded this commercial coverage in any of the past three fiscal years.

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**I. Long-term liabilities**

Revenue Bonds

The District issues bonds where the District pledges income derived from the acquired or constructed assets to pay debt service. The bonds were issued to finance the acquisition and construction of major capital facilities and to provide funds for the refunding of prior revenue bonds. Revenue bonds outstanding at year end are as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2008 - Refunding	\$ 2,555,000	12/1/2027	3.95%-5.14%	\$ 1,390,000
2009A	995,000	12/1/2029	0.00%	450,000
2019 - Refunding	995,000	12/1/2029	0.00%	895,000
				<u>\$ 2,735,000</u>

Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Revenue bonds	\$ 3,040,000	\$ -	\$ (305,000)	\$ 2,735,000	\$ 315,000
For issuance discount	(42,534)	-	7,548	(34,986)	-
Total bonds payable	2,997,466	-	(297,452)	2,700,014	315,000
Compensated absences	43,783	15,002	(19,591)	39,194	39,194
	<u>\$ 3,041,249</u>	<u>\$ 15,002</u>	<u>\$ (317,043)</u>	<u>\$ 2,739,208</u>	<u>\$ 354,194</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**I. Long-term liabilities (continued)**

The debt service requirements for the District's bonds and note payable are as follows:

<u>Year Ending December 31</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 315,000	\$ 72,366
2022	325,000	63,678
2023	340,000	54,693
2024	345,000	45,214
2025	355,000	35,438
2026-2029	1,055,000	46,669
	<u>\$ 2,735,000</u>	<u>\$ 318,058</u>

The District has a noninterest bearing bond payable to Texas Water Development Board. However, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 1.65%, which was the District's long-term borrowing rate at January 2010. The bond is payable in annual installments, including interest, beginning in December 2010 and ending in December 2029. The total unamortized discount at December 31, 2020 was \$34,986.

The resolutions authorizing issuance of the District's bonds provided certain requirements as follows:

*Debt service account.* This section requires monthly transfers from the system account to the debt service account in the amount equal to 1/6 of next maturing interest plus 1/12 of next maturing principal for debt service payments, per the resolutions authorizing issuance of the District's bonds.

*Reserve account.* A reserve account is required by the resolution authorizing issuance of the bonds issued by the District.

Total amounts required to be on deposit in the debt service and reserve accounts compared to actual amounts on deposit are as follows:

Required Present Balance	<u>\$ 28,114</u>
Actual Present Balance	<u>\$ 689,694</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)**

**I. Long-term liabilities (continued)**

<u>Issue</u>	<u>Reserve Required Ultimate Balance</u>	<u>Reserve Required Present Balance</u>	<u>Reserve Actual Present Balance</u>
2009A	\$ 50,000	\$ 50,000	\$ 50,000
Other	289,229	289,229	369,966
	<u>\$ 339,229</u>	<u>\$ 339,229</u>	<u>\$ 419,966</u>

*Additional bonds.* This section required, among other things, that net revenues of the water system amount to 1.25 times average annual principal and interest requirements on all revenue bonds, present and proposed, in order to issue additional revenue bonds.

*Pledge and source of payment.* The District's outstanding bonds are payable solely from, and are secured by a lien on, the District's gross revenues.

**J. Subsequent event**

Subsequent to year end, the District entered into a construction contract for system improvements for approximately \$657,600 and received \$53,000 as a result of resolved litigation.

## Supplementary Financial Data

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**SCHEDULE OF SERVICES AND RATES**  
 December 31, 2020

**1. Services Provided by the District during the Fiscal Year:**

Retail Water  
 Wholesale Water

**2. Retail Service Providers**

**a. Retail Rates for a 5/8" Meter:**

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water	\$ 22.84	1,000	Y	\$ 4.00	1,001 to 5,000
				4.60	5,001 to 10,000
				5.40	10,001 to 20,000
				6.00	20,001 to 30,000
				6.60	30,001 to 40,000
				7.40	40,001 to 50,000
				9.60	50,001 and above

Total charges for 10,000 gallons usage: \$61.84

**b. Water Retail Connections:**

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	-	-	x 1.0	-
5/8" x 3/4"	-	-	x 1.0	-
3/4"	6,363	6,363	x 1.5	9,544
1"	86	86	x 2.5	215
1 1/2"	13	13	x 5.0	65
2"	29	29	x 8.0	232
3"	1	1	x 17.5	18
4"	-	-	x 30.0	-
6"	1	1	x 62.5	63
Total	<u>6,493</u>	<u>6,493</u>		<u>10,137</u>

**3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):**

Gallons pumped into system:	1,019,578	Water Accountability Ratio (Gallons billed / Gallons pumped) 72.8%
Gallons billed to customers:	741,825	



**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2020

	Original and Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Actual - Over (Under) Budget
<b>OPERATING REVENUES</b>					
Water sales	\$ 4,549,560	\$ 5,343,260	\$ (4,671)	\$ 5,338,589	\$ 789,029
Connection fees	135,000	204,549	-	204,549	69,549
Miscellaneous	179,968	280,838	(4,792)	276,046	96,078
Late charges	95,000	93,156	-	93,156	(1,844)
Total operating revenues	<u>4,959,528</u>	<u>5,921,803</u>	<u>(9,463)</u>	<u>5,912,340</u>	<u>952,812</u>
<b>OPERATING EXPENSES</b>					
Bad debt	-	-	7,488	7,488	7,488
Contract services	82,500	75,986	(10,373)	65,613	(16,887)
Dues and subscriptions	11,000	24,983	-	24,983	13,983
Insurance-employee	222,190	185,497	-	185,497	(36,693)
Fuel/auto/equipment	100,000	73,238	(6,414)	66,824	(33,176)
Repairs and maintenance - system	950,000	1,043,373	(151,882)	891,491	(58,509)
Repairs and maintenance - office	60,000	35,340	2,594	37,934	(22,066)
Uniforms	11,000	5,921	-	5,921	(5,079)
Water samples	30,000	20,651	12,887	33,538	3,538
Insurance-liability/property	46,444	46,599	(211)	46,388	(56)
Miscellaneous	36,037	49,861	-	49,861	13,824
Postage	27,500	24,021	-	24,021	(3,479)
Legal	180,000	40,701	(5,056)	35,645	(144,355)
Accounting	35,000	24,720	(1,060)	23,660	(11,340)
Office	35,000	9,210	4,226	13,436	(21,564)
Telephone	11,000	9,348	876	10,224	(776)
Payroll	746,204	712,530	(2,041)	710,489	(35,715)
Employee retirement plan	36,383	34,309	(210)	34,099	(2,284)
Payroll taxes	64,274	55,734	(325)	55,409	(8,865)
Seminars, meetings and training	12,000	4,270	-	4,270	(7,730)
Water purchases	850,422	1,025,279	(35,537)	989,742	139,320
Utilities	556,431	474,023	1,891	475,914	(80,517)
Prairieland GCD fees	140,000	267,206	(9,978)	257,228	117,228
Depreciation	-	847,238	(847,238)	-	-
Contingencies	302,874	-	-	-	(302,874)
Total operating expenses	<u>4,546,257</u>	<u>5,090,038</u>	<u>(1,040,363)</u>	<u>4,049,675</u>	<u>(496,582)</u>
OPERATING INCOME	413,270	831,765	1,030,900	1,862,665	1,449,395
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest	52,500	72,126	-	72,126	19,626
Interest and fiscal charges	(111,212)	(100,392)	(627)	(101,019)	10,193
Principal payments	(290,000)	-	(305,000)	(305,000)	(15,000)
Capital outlay:					
Vehicles	(100,000)	-	(59,750)	(59,750)	40,250
Equipment	(50,000)	-	-	-	50,000
Water line renewals	(1,000,000)	-	(287,070)	(287,070)	712,930
Engineering fees	(100,000)	-	(1,307,475)	(1,307,475)	(1,207,475)
Total nonoperating revenue (expenses)	<u>(1,598,712)</u>	<u>(28,266)</u>	<u>(1,959,922)</u>	<u>(1,988,188)</u>	<u>(389,476)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,185,442)	803,499	(929,022)	(125,523)	1,059,919
Capital contributions	1,185,442	2,017,160	-	2,017,160	831,718
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ 2,820,659</u>	<u>\$ (929,022)</u>	<u>\$ 1,891,637</u>	<u>\$ 1,891,637</u>
Number of persons employed by the District:					
Full-Time		14			

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENTS**  
December 31, 2020

	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>
<b>OPERATING:</b>				
Cash on hand	N/A	N/A	N/A	\$ 498
Citizens National Bank - Checking	145953	N/A	On Demand	980
Citizens National Bank - Checking	1695690	0.25%	On Demand	760,299
Citizens National Bank - Money Market	50222075	0.45%	On Demand	6,260,681
Citizens National Bank - Money Market	50101766	0.45%	On Demand	3,276,824
The Cowboy Bank of Texas - CD	11664	0.50%	02/28/21	35,277
The Cowboy Bank of Texas - CD	11665	0.50%	02/28/21	35,277
The Cowboy Bank of Texas - CD	11806	0.50%	01/09/21	50,313
The Cowboy Bank of Texas - CD	12642	0.60%	09/30/21	125,816
The Cowboy Bank of Texas - CD	12653	0.60%	10/21/21	126,868
InterBank - CD	55000621	0.65%	10/30/21	100,000
InterBank - CD	55001597	0.65%	06/29/21	127,270
Wells Fargo - Savings	3000840354816	0.03%	On Demand	84,263
TexasTrust	175218	N/A	On Demand	250,000
<b>TOTAL OPERATING</b>				<u>11,234,366</u>
<b>DEBT SERVICE:</b>				
Citizens National Bank - Money Market - Bonds	50103226	0.45%	On Demand	<u>689,694</u>
<b>TOTAL DEBT SERVICE</b>				<u>689,694</u>
<b>RESERVE:</b>				
Citizens National Bank - Money Market - Bonds	50102517	0.45%	On Demand	<u>419,966</u>
<b>TOTAL RESERVE</b>				<u>419,966</u>
<b>TOTAL</b>				<u>\$ 12,344,026</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**DEBT SERVICE REQUIREMENTS - BY YEARS**  
 December 31, 2020

<u>Due During Fiscal Years Ending</u>	<u>Utility System Revenue Refunding Bonds, Series 2008</u>		
	<u>Principal Due 12/1</u>	<u>Interest Due 6/1, 12/1</u>	<u>Total</u>
2021	\$ 175,000	\$ 54,735	\$ 229,735
2022	180,000	47,819	227,819
2023	190,000	40,706	230,706
2024	200,000	33,197	233,197
2025	205,000	25,293	230,293
2026	215,000	17,191	232,191
2027	225,000	8,694	233,694
	<u>\$ 1,390,000</u>	<u>\$ 227,635</u>	<u>\$ 1,617,635</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**DEBT SERVICE REQUIREMENTS - BY YEARS**  
December 31, 2020

Due During Fiscal Years Ending	Utility System Revenue Bonds, Series 2009A		
	Principal Due 12/1	Interest Due	Total
2021	\$ 50,000	\$ -	\$ 50,000
2022	50,000	-	50,000
2023	50,000	-	50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028	50,000	-	50,000
2029	50,000	-	50,000
	\$ 450,000	\$ -	\$ 450,000

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**DEBT SERVICE REQUIREMENTS - BY YEARS**  
December 31, 2020

<u>Due During Fiscal Years Ending</u>	<u>Utility System Revenue Refunding Bonds, Series 2019</u>		
	<u>Principal Due 12/1</u>	<u>Interest Due 6/1, 12/1</u>	<u>Total</u>
2021	\$ 90,000	\$ 17,631	\$ 107,631
2022	95,000	15,859	110,859
2023	100,000	13,987	113,987
2024	95,000	12,017	107,017
2025	100,000	10,145	110,145
2026	100,000	8,176	108,176
2027	100,000	6,205	106,205
2028	105,000	4,236	109,236
2029	110,000	2,167	112,167
	<u>\$ 895,000</u>	<u>\$ 90,423</u>	<u>\$ 985,423</u>

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**DEBT SERVICE REQUIREMENTS - BY YEARS**  
December 31, 2020

Due During Fiscal Years Ending	Annual Requirements for All Debt		
	Principal Due	Interest Due	Total
2021	\$ 315,000	\$ 72,366	\$ 387,366
2022	325,000	63,678	388,678
2023	340,000	54,693	394,693
2024	345,000	45,214	390,214
2025	355,000	35,438	390,438
2026	365,000	25,367	390,367
2027	375,000	14,899	389,899
2028	155,000	4,236	159,236
2029	160,000	2,167	162,167
	\$ 2,735,000	\$ 318,058	\$ 3,053,058

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**ANALYSIS OF CHANGES IN LONG-TERM DEBT**  
December 31, 2020

	Utility System Revenue Refunding Series 2008	Utility System Revenue Refunding Series 2009A	Utility System Revenue Refunding Series 2019	Totals
Interest Rate	3.95 -5.14%	N/A	1.97%	
Dates Interest Payable	6/1; 12/1	N/A	6/1; 12/1	
Maturity Dates	12/1/2027	12/01/29	12/01/29	
Beginning Debt Outstanding	\$ 1,555,000	\$ 500,000	\$ 985,000	\$ 3,040,000
Debt Retired During the Current Year	<u>(165,000)</u>	<u>(50,000)</u>	<u>(90,000)</u>	<u>(305,000)</u>
Ending Debt Outstanding	<u>\$ 1,390,000</u>	<u>\$ 450,000</u>	<u>\$ 895,000</u>	<u>\$ 2,735,000</u>
Interest Paid During the Current Year	<u>\$ 61,454</u>	<u>\$ -</u>	<u>\$ 20,752</u>	<u>\$ 82,206</u>

Paying Agent's Name and City:

Series 2008 Bank of America, N.A., Dallas, Texas  
Series 2009A Wells Fargo Bank, N.A., Austin, Texas  
Series 2019 Zions Bancorporation, N.A., Dallas, Texas

Bond Authority:

	Revenue Bonds
Amount Authorized By Board of Directors	\$ 4,540,000
Amount Issued	\$ 4,540,000
Remaining To Be Issued	\$ -

Restricted debt service cash and temporary investments as of December 31, 2020: \$ 689,694

Average annual debt service payment (Principal and Interest) for remaining term of all debt: \$ 339,229

**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
Five Years Ended December 31, 2020

	Amounts					Percent of Fund Total Revenues				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Operating Revenues:										
Water sales	\$ 5,343,260	\$ 4,432,209	\$ 4,320,930	\$ 3,612,372	\$ 3,160,158	90.2%	90.6%	89.9%	86.3%	88.4%
Connection fees	204,549	148,408	138,302	188,559	112,775	3.5%	3.0%	2.9%	4.5%	3.2%
Miscellaneous	280,838	214,717	180,174	131,872	80,426	4.7%	4.4%	3.7%	3.2%	2.2%
Late charges	93,156	99,356	95,426	92,052	76,323	1.6%	2.0%	2.0%	2.2%	2.1%
Prairieland GCD fee	-	-	72,269	161,138	146,492	0.0%	0.0%	1.5%	3.8%	4.1%
Total Operating Revenues	<u>5,921,803</u>	<u>4,894,690</u>	<u>4,807,101</u>	<u>4,185,993</u>	<u>3,576,174</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Expenses:										
Operation	4,242,800	3,587,392	3,085,780	3,052,452	2,840,890	71.6%	73.3%	64.2%	72.9%	79.4%
Depreciation and amortization	847,238	830,785	717,158	677,631	627,702	14.3%	17.0%	14.9%	16.2%	17.6%
Total Operating Expenses	<u>5,090,038</u>	<u>4,418,177</u>	<u>3,802,938</u>	<u>3,730,083</u>	<u>3,468,592</u>	<u>86.0%</u>	<u>90.3%</u>	<u>79.1%</u>	<u>89.1%</u>	<u>97.0%</u>
Operating Income	831,765	476,513	1,004,163	455,910	107,582	14.0%	9.7%	20.9%	10.9%	3.0%
Nonoperating Expenses										
Interest income	72,126	65,003	40,710	32,494	26,831	1.2%	1.3%	0.8%	0.8%	0.8%
Gain (loss) on disposal of assets	-	-	(1,503)	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Interest and fiscal charges	(100,392)	(137,178)	(156,455)	(152,129)	(148,331)	-1.7%	-2.8%	-3.3%	-3.6%	-4.1%
Bond issue costs	-	(55,121)	-	-	-	0.0%	-1.1%	0.0%	0.0%	0.0%
Total Nonoperating Expenses	<u>(28,266)</u>	<u>(127,296)</u>	<u>(117,248)</u>	<u>(119,635)</u>	<u>(121,500)</u>	<u>-0.5%</u>	<u>-2.6%</u>	<u>-2.4%</u>	<u>-2.9%</u>	<u>-3.4%</u>
Income (loss) before contributions	803,499	349,217	886,915	336,275	(13,918)	13.6%	7.1%	18.5%	8.0%	-0.4%
Capital contributions	2,017,160	1,017,569	1,002,684	2,399,700	1,082,750	34.1%	20.8%	20.9%	57.3%	30.3%
Change in net position	<u>\$ 2,820,659</u>	<u>\$ 1,366,786</u>	<u>\$ 1,889,599</u>	<u>\$ 2,735,975</u>	<u>\$ 1,068,832</u>	<u>47.6%</u>	<u>27.9%</u>	<u>39.3%</u>	<u>65.4%</u>	<u>29.9%</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>6,493</u>	<u>5,959</u>	<u>5,564</u>	<u>5,121</u>	<u>4,609</u>					



**MOUNTAIN PEAK SPECIAL UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
 December 31, 2020

Complete District Mailing Address: 5671 Waterworks Road, Midlothian, Texas 76065

District Business Telephone Number: (972) 775-3765

Submission Date of the most recent District Registration Form: March 10, 2020

Limit on Fees of Office that a Director may received during a fiscal year: \$0

Name	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* 12/31/2020	Expense Reimbursements 12/31/2020	Title at Year End
<b>Board Members:</b>				
Clyde T. Bryant	5/13/2022	\$ -	\$ -	President
Mike Cull	5/14/2023	-	-	Vice-President
Ann Major	5/13/2022	-	-	Secretary/Treasurer
Doug Clark	5/4/2024	-	-	Director
Dale Knott	5/14/2023	-	-	Director
Sam Hartson	5/13/2022	-	-	Director
Donna Mullins	5/4/2024	-	-	Director
<b>Key Administrative Personnel:</b>				
Randel Kirk	2/88		109	General Manager
<b>Consultants:</b>				
Jackson Walker, L.L.P.	3/15		26,805	Attorney
Miller, Mentzer, P.C.	5/91		8,840	Attorney
YWRD, P.C.	5/01		23,660	Auditor
SAMCO - Mark McInley	2/15		-	Financial Advisor
Childress Engineers	1991		1,354,785	Engineer

\* Fees of Office are the amounts actually paid to a director during the District's fiscal year.



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

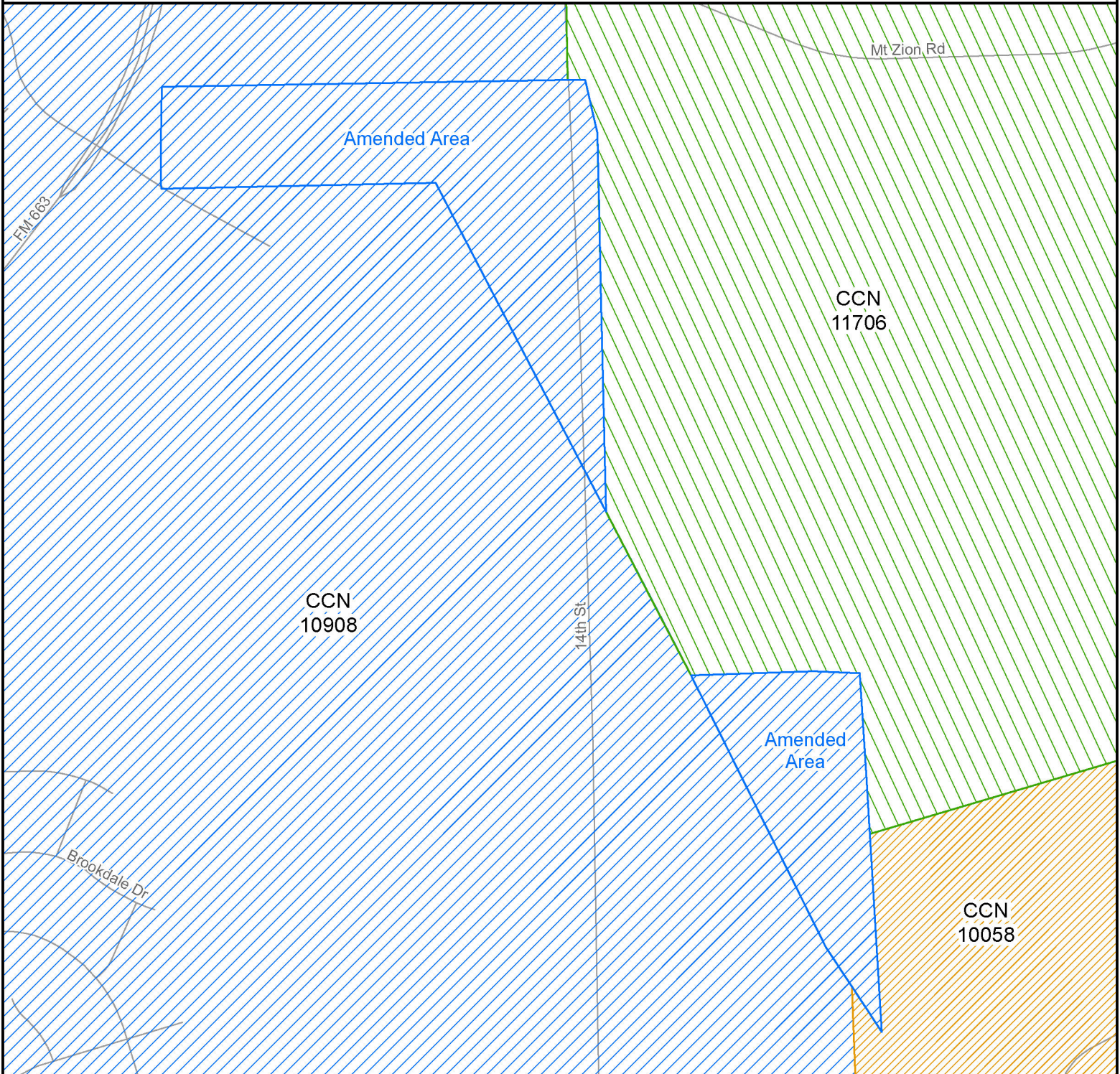
## **Mountain Peak Special Utility District**

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Mountain Peak Special Utility District is entitled to this

### **Certificate of Convenience and Necessity No. 10908**

to provide continuous and adequate sewer utility service to that service area or those service areas in Johnson and Ellis Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52460 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Mountain Peak Special Utility District, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Mountain Peak Special Utility District  
Portion of Water CCN No. 10908  
PUC Docket No. 52460  
Amended CCN No. 10908 in Ellis County



**Water CCN**

-  10908 - Mountain Peak SUD
-  11706 - City of Midlothian
-  10058 - Sardis-Lone Elm WSC

