



Control Number: 45522



Item Number: 708

Addendum StartPage: 0

45522



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PUBLIC UTILITY COMMISSION
FILED CLERK

April 26, 2016

VIA FEDEX

Tammy Benter
Director
Public Utility Commission of Texas (the "Commission")
Central Records
1701 N Congress, Suite 8-100
Austin, Texas 78701

Re: Request to Transition to Allocated Water Billing

Dear Director Benter:

Pursuant to Texas Water Code § 13.502(e), Gaines Investment Trust ("Gaines") respectfully requests Commission approval to change from submetering water billing to allocated water billing at one of our apartment communities. Mission at La Villita (CCN/Regnum S6063) located at 635 East Royal Lane Irving, TX 75039 (the "Property") is experiencing significant submeter equipment failure, forcing Gaines to abandon the submetering system.

Transitioning to an allocated water billing would be for good cause because:

- The Property's submeters are outfitted with Inovonics Frequency Agile ("FA") wireless transmitters that were installed more than 10 years ago, exceeding the expected lifetime of the equipment.
- The Inovonics FA product line was discontinued in 2011; the discontinuation forces the Property to not only replace transmitters, but also the supporting data logger, receiver, and repeaters required by the new transmitter product line.
- 10% of unit meters at the Property cannot transmit meter reads and that number is expected to quickly grow.
- The cost to replace the Property's wireless metering system exceeds \$35,000 (see enclosure), an amount which is cost prohibitive as this expense cannot be supported by the Property's budget.
- Because the meters are located within the units, switching to a visual manual metering reading method would be labor intensive, prone to reading errors, and result in excessive, consistent intrusion into our residents' homes.
- It has also been our experience that meters being located within the units can result in meters being disabled and/or damaged as a means to avoid being invoiced for water and sewer usage.
- If the Commission does not approve an allocated billing, the Property will be forced to cease water billing and recover water costs through rent increases which will fail to communicate pricing signals to encourage conservation, and without allocated billing residents will not see a decrease in costs from their conservation efforts, removing all incentive to conserve.

708

Should the Commission approve our request, and pursuant to Tex. Admin. Code tit. 16, § 24.123(c), no resident will be billed on an allocated basis for water unless a lease addendum with the following verbiage is on file:

Notice of Change of Allocation Formula: You are currently being billed for water and wastewater based on your submeter readings. However, we have applied with the PUC to convert to an allocation billing method. Upon approval from the PUC, and the expiration of at least 35 days from the date of your signature below, you will begin paying water and wastewater charges based upon the above allocation formula, for determining your share of the master metered water/ wastewater bill. After conversion to allocated billing, the allocation formula cannot be changed except as follows: (1) the new formula is one approved by the PUC; (2) you receive notice of the new formula at least 35 days before it takes effect; and (3) you agree to the change in a signed lease renewal or signed mutual agreement.

The formula will be as follows:

Allocation of master metered bill based on combination of occupancy and square footage of the apartment

Gaines thanks the Commission for any relief it is able to provide in this situation. We believe that the above outlines good cause to transition to an allocated billing and we look forward to your approval. Should you have any questions please do not hesitate to reach out to our Controller, Dudley Was, or me at (858) 454-0322.

Very truly yours,

GAINES INVESTMENT TRUST

By: 

Don Stratford
Chief Financial Officer

Enclosure

MAINTENANCE PROPOSAL



Property Information

Attention <u>Dudley Was</u>	
Property Name <u>Mission at La Vallita</u>	Proposal Date <u>3/31/2016</u>
Property Acct# <u>003-461</u>	Proposal Exp Date <u>5/15/2016</u>
Address 1 <u>635 E Royal Lane</u>	Prop Mgmt <u>Gaines</u>
Address 2 _____	Phone <u>972-556-1630</u>
City <u>Irving</u>	case# _____
State <u>TX</u>	Email _____
ZIP <u>75039</u>	YES rep <u>Alisha Roper</u>

System Information

DCU / Modem #: <u>972-556-2065</u>	Total # of meters: <u>360</u>
Read Type <u>FA</u>	Meters Functioning: <u>0</u>
Meter Type <u>MM</u>	Meters To Be Serviced: <u>360</u>
Proposal Coordinator <u>Vince Calangan</u>	% of Meters Operational: <u>0.00%</u>

Equipment & Labor Estimate

P/N	Equipment Description	Qty	Unit Price	Total Price
34100	RDL8500 Remote Data Logger w/transformer	1	\$ 1,274.00	\$ 1,274.00
34001	EN4000 ES Serial Receiver for RDL	1	\$ 234.00	\$ 234.00
36004	EN5040-T ES Indr Rptr w/ Trans	13	\$ 221.00	\$ 2,873.00
36000	EN1501 EchoStream PMT w/Batt	360	\$ 45.50	\$ 16,380.00
Subtotal:				\$ 20,761.00

L/T	Labor Description	Qty	Unit Price	Total Price
L/T	Labor	1	\$ 12,660.00	\$ 12,660.00
Subtotal:				\$ 12,660.00
			Sales Tax <u>8.00%</u>	\$ 1,660.88
			Labor Tax <u>0.00%</u>	\$ -
Total Estimate:				\$ 35,081.88

By signing this document, you are authorizing YES to perform all work specified in this document. You will be invoiced on the actual work performed.

Please select one of the following options:

<input type="checkbox"/>	I agree to pay all invoices submitted for the above work within 30 days after receipt of the invoice. In the event that YES is not paid in full within 90 days for work performed pursuant to this document, I authorize YES to deduct all monies owed from resident collections.
<input type="checkbox"/>	I agree to withhold resident collections until invoice is paid in full.

I have read and understand this maintenance proposal, and agree to all of its terms.

Signature _____	Date _____
Print Name _____	

Bill To Address If Other Than Property : _____