



Control Number: 46309



Item Number: 16

Addendum StartPage: 0

Patterson Professional Services, LLC  
1508 Hwy 377 North  
Collinsville, Texas 76233  
903-429-3008

RECEIVED

2017 MAY -2 AM 10:29

PUBLIC UTILITY COMMISSION  
FILING CLERK

April 28, 2017

Public Utility Commission  
P.O. Box 13326  
Austin, Texas 78711-3326

RE: Notice of Temporary Rate for Services Provided for a Nonfunctioning Utility.  
Aero Valley Water Service PWS# 0610243

Dear PUC:

As the Temporary Manager, see PUC Docket No. 46309 for the Aero Valley Water Service, I am providing notice that I will immediately begin charging a temporary rate under Texas Water Code § 13.046 and 16 Texas Administrative Code § 24.147. The temporary rate increase for this utility is based on the following information and is necessary to provide continuous and adequate service.

The previous twelve-month history of income and expenses for this water utility/system is as follows:

Total Income Received since April 21, 2016:	\$ 9,622.84
Total Expenses Incurred since April 21, 2016:	(\$20,390.20)
Resulting in a deficit of:	(\$10,767.36)

Electrical	\$ 692.22	Chlorine	\$ 65.14
Repairs	\$5,796.01	Billing	\$ 115.53
Operation & Maintenance	\$5,287.78	Laboratory fees	\$ 875.15
Manager's fees	\$4,752.00	Travel/Mileage	\$2,806.37

Travel/Mileage expense is the cost of our operator traveling at least once each week to do rounds plus responding to additional customer calls. Round trip from our offices in Collinsville to Aero Valley and back to Collinsville is 106.4 miles x \$0.535 per mile (2017 IRS rate) = \$56.93 per trip.

The current rate is a flat rate of \$58.67 as the system does not have any meters. The estimated annual revenue from the utility is \$19,713.12. We estimate that there are at least 50 customers on this system – only 33 admit to having water and are billed and only 28 actually pay.

We estimate that it will cost approximately \$2,000.00 per month to operate the water system resulting in rate of \$71.43 per month for each of the 28 paying customers. It will cost an additional \$64.10 per customer over the next 6 months to recover the \$10,767.36 deficit for a total cost of \$135.53. Alexander Hinz of the TCEQ Receivership Program facilitated a meeting with the Aero Valley property owners on March 9, 2017 and they agreed to pay a flat rate of \$125.00 per month.

I will begin charging a temporary flat rate of \$125.00 beginning with the billing at the end of the month of May, 2017. I will provide notice to the customers on May 1, 2017 which is prior to the first bill at the temporary rate.

The estimated annual revenue with the new rate is \$42,000.00 (based on 28 paying customers). This is an annual increase of \$22,286.88. The increased rate will be used to reimburse Patterson Professional Services for the expenses incurred to date and should be fully reimbursed at the end of 6 months. This rate will also

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help provide continuous and adequate service to the customers and will help with meeting compliance issues of the TCEQ and PUC.

Also, the Lower Colorado River Authority is still owed \$2,706.18 for seven (7) outstanding invoices from 2006 to 2013 and will not release the results of their testing of this water system until these invoices are paid. This results in the system receiving multiple violations which needs to be addressed to bring the system into compliance. These costs are **not** included in this temporary rate.

I am also requesting that this temporary rate to remain in effect until this utility is in compliance with PUC and TCEQ rules. This rate is subject to increase due to pending violations and associated compliance costs.

Respectfully yours,



Mark Patterson  
Temporary Manager/Receiver

Patterson Professional Services, LLC  
1508 Hwy 377 North  
Collinsville, Texas 76233  
903-429-3008

April 28, 2017

RE: Customer Notice of Temporary Rate for Services Provided for a Nonfunctioning Utility.  
Aero Valley Water Service PWS# 0610243

Dear Aero Valley Water System Customer:

As the Temporary Manager, see PUC Docket No. 46309, for the Aero Valley Water Service, I am providing notice that I will immediately begin charging a temporary rate under Texas Water Code § 13.046 and 16 Texas Administrative Code § 24.147. The temporary rate increase for this utility is based on the following information and is necessary to provide continuous and adequate service.

The previous twelve-month history of income and expenses for this water utility/system is as follows:

Total Income Received since April 21, 2016:	\$ 9,622.84		
Total Expenses Incurred since April 21, 2016:	(\$20,390.20)		
Resulting in a deficit of:	(\$10,767.36)		
Electrical	\$ 692.22	Chlorine	\$ 65.14
Repairs	\$5,796.01	Billing	\$ 115.53
Operation & Maintenance	\$5,287.78	Laboratory fees	\$ 875.15
Manager's fees	\$4,752.00	Travel/Mileage	\$2,806.37

Travel/Mileage expense is the cost of our operator traveling at least once each week to do rounds plus responding to additional customer calls. Round trip from our offices in Collinsville to Aero Valley and back to Collinsville is 106.4 miles x \$0.535 per mile (2017 IRS rate) = \$56.93 per trip.

The current rate is a flat rate of \$58.67 as the system does not have any meters. The estimated annual revenue from the utility is \$19,713.12. We estimate that there are at least 50 customers on this system – only 33 admit to having water and are billed and only 28 actually pay.

We estimate that it will cost approximately \$2,000.00 per month to operate the water system resulting in rate of \$71.43 per month for each of the 28 paying customers. It will cost an additional \$64.10 per customer over the next 6 months to recover the \$10,767.36 deficit for a total cost of \$135.53. Alexander Hinz of the TCEQ Receivership Program facilitated a meeting with the Aero Valley property owners on March 9, 2017 and they agreed to pay a flat rate of \$125.00 per month.

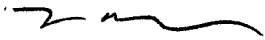
I will begin charging a temporary flat rate of \$125.00 beginning with the billing at the end of the month of May, 2017. I will provide notice to the customers on May 1, 2017 which is prior to the first bill at the temporary rate.

The estimated annual revenue with the new rate is \$42,000.00 (based on 28 paying customers). This is an annual increase of \$22,286.88. The increased rate will be used to reimburse Patterson Professional Services for the expenses incurred to date and should be fully reimbursed at the end of 6 months. This rate will also help provide continuous and adequate service to the customers and will help with meeting compliance issues of the TCEQ and PUC.

Also, the Lower Colorado River Authority is still owed \$2,706.18 for seven (7) outstanding invoices from 2006 to 2013 and will not release the results of their testing of this water system until these invoices are paid. This results in the system receiving multiple violations which needs to be addressed to bring the system into compliance. These costs are **not** included in this temporary rate.

I am also requesting that this temporary rate to remain in effect until this utility is in compliance with PUC and TCEQ rules. This rate is subject to increase due to pending violations and associated compliance costs.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Mark Patterson', with a stylized flourish at the end.

Mark Patterson  
Temporary Manager/Receiver