

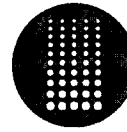


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Addendum StartPage: 0



**Monarch
Utilities I, L.P.**

A SouthWest Water Company

Customer Service
866.654.SWWC (7992)

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**PUBLIC UTILITY COMMISSION
FILING CLERK**

March 16, 2018

Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711

Re: Docket 47797: Monarch Utilities I, L.P. as Temporary Manager of Aero Valley Water System (TCEQ PWS No. 0610243)

To the Commission:

On January 25, 2018, Monarch Utilities I, L.P. was appointed Temporary Manager of the above referenced public water system serving customers in Denton County. Attached are seven copies of the Temporary Manager's Report for the period of February 1 through February 28, 2018.

If you have any questions or need additional information please contact me.

Sincerely,

Monarch Utilities I, L.P. Temporary Manager
by George Freitag, P.E.
Texas Regulatory Manager
1620 Grand Avenue Parkway #140
Pflugerville, TX 78660

TEMPORARY MANAGER'S REPORT

Monarch Utilities I, LP is pleased to provide the following report relating to Aero Valley Water System, PWS ID #TX0610243, for the period ending February 28, 2018. The temporary management was initiated on January 25, 2018.

- I. Inventory of All Property. The inventory has not changed since the last reporting period.
- II. Business Transactions for this Period.
 - A. Financial Statements have been prepared for the period ending February 28, 2018, and include (1) a Balance Sheet, (2) an Income and Expense Report..
 - B. For this period, income from the sale of water was received totaling \$0.00.
 - C. To date, expenses have been incurred totaling \$1,003.33 (please see attached summary for February).
 - D. This resulted in net operating capital remaining of -\$1,003.33.
- III. Status of System's Accounts.
 - A. Water bills were rendered on or about the first of March for the previous 30 day period to 31 water customers. The total of current charges come to \$3,875.
- IV. Significant Events to Bring the System into Compliance.
 - A. Sale of the Utility.

No sale has occurred.
 - B. TCEQ FMT Assistance.

No TCEQ FMT assistance has been requested or initiated.
 - C. System Repairs.
 - Repaired one (1) leak on the poly line to Boeing Way.
 - Repaired one (1) leak on a 2" line behind 700 Boeing Way.
 - Added a total of twelve (12) gallons of sodium hypochlorite (12.5%) to chemical tank during the month.
 - Flushed dead end line during the month (2,500 gallons flushed).
 - Cleared more debris and weeds from plant site and general housekeeping of site.
 - Installed a double check valve on connection of poly water line to prevent backflow.
 - Trenched a ditch and buried a portion of the poly water line running through creek to Boeing Way at the request of the property owner whose property allows for the connection of the line.

D. Bacteriological Tests.

- Bacteriological sample (one) collected from distribution system and submitted to lab. No bacteria found.
- Bacteriological sample (one) collected from well and submitted to lab. No bacteria found.

E. Planned Improvements.

No planned improvements have been identified this reporting period.

F. Other Events.

- Filed application on February 2 for approval of temporary rates (PUC Docket No. 48025.
- Received and processed 19 customer applications and are reviewing eight additional.
- Boil Water Notice issued on 1/31/18 remains in effect until cross connections throughout the system are identified and corrected.
- Received a Notice of Violation (NOV) from TCEQ regarding failure to perform lead and copper sampling the last half of 2017 (prior to temporary management assignment). A public notice was hand delivered to all sites and the certificate of delivery was provided to TCEQ.
- Contacted the electric supplier and transferred the electric service account to Monarch's responsibility.
- Communicated informally with customer representative and scheduled a community meeting for March 20.

V. Customer Complaint Record. In the month of February 2018, the following calls were received from customers of the Aero Valley Water System:

<u>No:</u>	<u>Complaint</u>
0	Calls regarding low water pressure
0	Calls regarding no water
0	Calls regarding water line leaks
0	Calls regarding color of water
0	Calls regarding sediment in water
0	Calls regarding water odor
12	Other – misc. Calls related to Boil Water Notice or service applications.

If I may provide additional information relating to Aero Valley Water System, please do not hesitate to contact me at (512) 219-2288.

Respectfully submitted,

George Freitag for
Monarch Utilities I, L.P.
Aero Valley Water System

Encl: Financial Statements
cc: Ms. Tammy Benter, PUC, Water Utility Regulations,
P.O. Box 13326, Austin, TX 78711-3326

Water Accounting

Water volume pumped through master meter(s) from:
2/1/18 to 2/28/2018

122,000 Gallons

Total water volume billed from:
2/1/18 to 2/28/2018

0 Gallons

*Flat rate billing for this system: not by gallonage.

Total water loss: **Not applicable**

0 Gallons

Percentage loss: **Not applicable**

0 %

Statement of Cash Flow
for Monarch Utilities I, L.P.
Temporary Manager for Aero Valley Water system
Month Ending February 28, 2018

<u>Beginning Cash Balance</u>		<u>\$0</u>
<u>Cash Receipts</u>		
Water service billings	\$0	
Customer deposits	\$0	
Total Cash Receipts	\$0	
<u>Cash Disbursements</u>		
Accounting fees	\$0	
Receivership fees	\$0*	
Automobile expenses	\$0	
Office supplies	\$0	
Postage and delivery	\$0	
Utilities	\$0	
Repairs and maintenance	-\$147.80 (cumulative -\$933.33)	
TCEQ regulatory assessment fees	\$0	
Bank service fees	\$0	
Telephone	\$0	
Lab test fees	-\$50.00	
Property taxes	\$0	
Customer deposit reimbursements	\$0	
Other	\$0	
Total Cash Disbursements for month	-\$197.80	
<u>Net Receipt</u>		<u>\$0</u>
<u>Ending Cash Balance</u>		<u>-\$197.80</u>

- Daily operating costs provided by Monarch personnel are still being determined. 14 trips totaling 59 man hours were made for direct operations. Additional, significant managerial time was spent related to Aero Valley.

Current Assets & Liabilities
for Monarch Utilities I, LP
Temporary Manager for Aero Valley Water System
ending February 28, 2018

Current Assets

Savings/checking	\$0
Accounts receivable	\$3,875
 Total Current Assets	 \$3.875

Current Liabilities

Accounts payable	\$ still under review *
Temporary Manager escrow	\$0
TCEQ regulatory assessment fees	\$0
System improvements	\$ still under review
 Total Current Liabilities	 \$ still under review

- There are historical sampling analysis fees incurred by the previous owner and manager that are unpaid. More information will be supplied in the next monthly report.

Month February, 2018

Total hrs!	39
Manhours ^o	59