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Raywood Fair Water Rate Committee
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RECEIVED
2017 DEC 19 AM 9:22
PUBLIC UTILITY COMMISSION
FILING CLERK

December 15, 2017

Docket No. 47805

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

Honorable Judge Huhn,

The petition to reduce the water rates that was effective for the June 30th billing cycle of the Raywood Water Supply Corporation hopefully will cause the new rate to be terminated and the old rate re-established. There are instances where moneys are grouped together making understanding how moneys were spent difficult or impossible. For instance, in a letter sent by Mr. Frank Fontenot, President of the Board of Directors dated Dec. 12th to the Rate Petitioners he discussed an answer to one of my questions about the amount of annual reimbursable mileage charged to the Water System. The letter indicated that total mileage expense to the Water System also included: accommodations, meals, and mileage for the nine Board Members and Manager to attend a training session in Galveston some 70 miles away. This is a terrible way to group expenses.

There are some remedies that could bring Raywood Water Supply Corporation in compliance with the standards of good accounting practices and objective planning for future equipment, facilities and the monetary requirements to sustain the operation of the system while meeting the requirements of the regulating agencies.

Good planning and open communication will help keep the rate payers more in tune with the actions of the Board of Directors, the Board President and the Director.

1. Any future rate increase can occur only after a letter of intent to increase the rates is mailed to each member's mailing address outlining the rate increase and an open public meeting called to discuss only the proposed rate increase. This would allow public input.

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2. The office staff is grossly overpaid when compared to the prevailing wages of similar workers in the local job market. This unnecessary extra expense is more than the Water Supply Corporation can afford. The Office salary must be reduced, this would leave more moneys for system operation and maintenance.
3. Expenses like bullet proof glass for the office is an example of wasteful spending; this expense is misguided since a worker is many times more likely to die in an auto crash going to and from work than in a robbery or other forms violence.
4. An independent audit of the financial condition of the Raywood Water Supply Corporation will answer any questions concerning the system's financial condition. This would answer questions about the expenses especially concerning the approximately \$150,000 that was collected over 60 months and was redirected from the stated cause without notifying the general membership.
5. The Fair Water Rate Committee would like to see the Raywood Water Supply Corporation, its Board of Directors, Board President and Manager have a renewed interest in providing quality drinking water at an economical and fair price.
6. A moratorium on future expansion should be intuited until the current upgrades mandated by the TCEQ are completed or the funds to make the improvements are available.


Herman J. Simien