



Control Number: 51843



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February 26, 2021

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FILING CLERK

Ms. Ana Maria Trevino  
PUC Filing Clerk  
Public Utility Commission  
1701 N. Congress Ave., 8<sup>th</sup> Floor  
Austin, TX 78701

RE: PUC Docket No. \_\_\_\_\_; *Application of CSWR-Texas Utility Operating Company, LLC for Temporary Rates for a Nonfunctioning Utility*

Dear Ms. Trevino:

On February 3, 2021, the Public Utility Commission of Texas ("Commission") appointed CSWR-Texas Utility Operating Company, LLC ("CSWR Texas" or the "Company") as Temporary Manager for Farrar Water Supply Corporation ("Farrar Water"), a public water system that provides retail water utility service in Limestone County, Texas.<sup>1</sup> As the Temporary Manager for Farrar Water, CSWR Texas is providing notice that it will immediately begin charging temporary rates to customers of this system pursuant to Texas Water Code §§ 13.046(a) and 13.4132 and 16 Tex. Admin. Code § 24.363. Pursuant to Texas Water Code § 13.046(b), the Company requests that the Commission determine the temporary rates are reasonable. A notice of the temporary rates will be mailed to customers with the first bill that includes the temporary rates no later than March 7, 2021. Attachment A to this letter is a copy of that notice.

There are currently 19 customers taking service on this system. There is currently no tariff in effect for this system but a customer of the system, Donna Jones, is collecting \$50 per month to defray costs. The \$50 amount is arbitrary and is not based on the true costs of service. Donna Jones has expended \$3,091.29 of her own funds on behalf of the system and CSWR Texas proposes to repay this claim and recover the payment over a six-month surcharge. Based on its initial review of the system, and conversations with Donna Jones and with its TCEQ-licensed operators, CSWR Texas calculates that the total annual cost to operate the system is approximately \$14,734. Attachment B to this letter is a summary of CSWR Texas's calculation of the temporary rate. CSWR Texas will also charge the temporary manager's fee of \$15 per connection per month approved by the Commission in Docket No. 51551. Because this system does not have any miscellaneous fees currently in place, CSWR Texas will begin charging the miscellaneous fees described in Attachment A.

The Company has attached to this letter a confidential copy of the operating agreement currently in place with the operators of the system (Attachment C) as evidence of the current operations and costs. The agreement encompasses operation of both Farrar Water and Oak High

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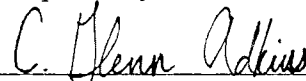
<sup>1</sup> *Commission Staff's Petition for an Order Appointing a Temporary Manager to the Farrar Water Supply Corporation*, Docket No. 51551, Final Order (Feb. 3, 2021).

WS, a separate water system that CSWR Texas anticipates it will operate as temporary manager pending Commission approval. The costs of the operator agreement have been allocated between Farrar Water and Oak High for the purpose of calculating the temporary rate. Attachment D to this letter is an invoice from the operator documenting operating costs and repairs that CSWR Texas has already undertaken in its role as temporary manager. CSWR Texas will continue to evaluate its actual monthly costs and will provide additional information to support the proposed temporary rates as it becomes available. However, based on CSWR Texas's experience operating water and wastewater utilities, the proposed temporary rates are reasonable and are sufficient to allow CSWR Texas to provide continuous and reliable water service.

CSWR Texas requests that the temporary rates remain in effect for as long as the rates produce adequate revenue for CSWR Texas to provide continuous and adequate retail water service. CSWR Texas reserves its right to increase the temporary rates due to unforeseen capital expenses, operational expenses, and compliance costs.

Thank you for your time and attention to this matter. If you have any questions, please feel free to contact me.

Respectfully submitted,



Evan D. Johnson

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State Bar No. 24103097

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**ATTORNEYS FOR CSWR-TEXAS UTILITY  
OPERATING COMPANY, LLC**

On February 3, 2021, the Public Utility Commission of Texas (“Commission”) appointed CSWR-Texas Utility Operating Company, LLC (“CSWR Texas”) as Temporary Manager for Farrar Water Supply Corporation (“Farrar Water”), a public water system that provides retail utility service in Limestone County, Texas.<sup>1</sup> Pursuant to the Commission’s order, CSWR Texas has the authority and the duty to perform acts necessary to assure continuous and adequate retail water service.

New Monthly Bill	
Rate per connection per month for water service:	\$48.69 (flat rate)
Rate per 1,000 gallons of water used	\$2.58
Temporary Manager's fee per connection per month for water:	\$15.00
<b>Example bill at 5,000 gallons:</b>	<b>\$76.59</b>
<b>Example bill at 10,000 gallons:</b>	<b>\$89.49</b>

Comput. Stat. & Data Analysis  
16, 211-228, 1992. DOI: 10.1002/csta.3150160305  
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John Wiley & Sons, Inc.



In addition to monthly charges, as part of the temporary rate, CSWR Texas will implement the following miscellaneous fees:

- (1) New Tap Fee: actual cost of materials and labor to install a standard residential 5/8" or 3/4" Meter.
- (2) Turn-On/Turn-Off Requested by the Customer: \$27.50, 8 am to 5 pm Monday through Friday, when scheduled at least 24 hours in advance; \$164.00, before 8 am and after 5 pm and on Saturday & Sunday, or when scheduled with less than 24 hours' notice.
- (3) Reconnection Fee Associated with Non-Payment: \$25.00.
- (4) On-site Collection Charge: \$25.00.
- (5) Meter Test Fee: \$120.00.
- (6) Late Charge: 10% of the bill.
- (7) Returned Check Charge: \$25.00.

This temporary rate increase will allow CSWR Texas to recover the reasonable costs necessary to provide continuous and adequate retail water service in compliance with the rules of the Public Utility Commission of Texas and the Texas Commission on Environmental Quality. This temporary rate is subject to increase due to unforeseen capital expenses, operational expenses, and compliance costs.

If you have any questions, please contact us at 1-866-301-7725.

Sincerely,

A handwritten signature in black ink, appearing to read "Josiah Cox", with a long, sweeping horizontal line extending to the right.

Josiah Cox, President  
CSWR-Texas Utility Operating Company, LLC

Expenses		Flat	Usage
Electrical	\$ 3,215.64	\$ 1,607.82	\$ 1,607.82
Repairs	\$ 4,000.00	\$ 4,000.00	\$ -
O&M	\$ 3,576.47	\$ 3,576.47	\$ -
Managers Fees	\$ 1,710.00	\$ 1,710.00	\$ -
Chlorine	\$ 988.00	\$ 494.00	\$ 494.00
Billing	\$ 570.00	\$ 570.00	\$ -
Laboratory Fees	\$ 674.43	\$ 337.22	\$ 337.22
Total Annual Expenses	\$ 14,734.54	\$ 12,295.51	\$ 2,439.04
One Time Payment (over 6 months)	\$ 3,091.29	\$ 3,091.29	\$ -
Customers	19		
Rate w/o Temp Managers Fee		\$ 48.69	\$2.58 per 1000 gallons

**Attachment C is Confidential and  
will be provided pursuant to the  
Protective Order**



PO Box 9923, Spring, TX 77387 | P: (888) 562-4413

**INVOICE**

February 1, 2021  
Invoice No. 210201

To: CENTRAL STATES WATER RESOURCES

1650 Des Peres Road, Suite 303

St. Louis, MO 63131

Attn: Mr. Jay Favor, Directed, EH & S

630= 142.02

125.001= 4071.14

DATE RCVD 02/02/21 GL CODE See Below

PRCD BY Krista GL DATE 1/31/21

Description	Amount
Location: Well Site: <b>FARRAR</b> WSC, 521 Cedar Street, Donie, TX PWS ID TX 1470007	
1/29/21 – Delivery of Sodium Hypochlorite – (Bleach 12.5%) \$131.20 + \$10.82 tax <b>630</b>	\$142.02
1/30/21 – Secured wellsite with 5 locks & 1 chain (materials only) (labor n/c)	\$141.14
1/30/21 – Emergency Leak Repair, with full crew, excavator, pump to drain water from leak site, labor, equipment and fuel. Licensed operator on-site to make sure the well was pressuring up and the ground storage tank was filling with water. Note: the leak was severe enough to keep the well and boost pump continually running and not keeping up with the demand. The operator made sure that the well and boost pump were cycling properly before leaving.	\$3600.00
1/30/21 – materials including 2-inch 4 bolt repair clamp and 2-inch hymax coupling.	\$330.00
<b>APPROVED</b> <b>By JayFavor at 4:24 pm, Feb 09, 2021</b>	
<b>Total Amount Due:</b>	<b>\$4213.16</b>

125.001

125.001

125.001

**Make all checks payable to:**  
AGGREGATE WATER SERVICES, INC.

**If you have any questions concerning this invoice, call:**  
(936) 321-7721 or e-mail Heather at [heather@aggregatewater.com](mailto:heather@aggregatewater.com)

**THANK YOU FOR YOUR BUSINESS!**