

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter K. ENFORCEMENT, SUPERVISION, AND RECEIVERSHIP.

§24.357. Operation of a Utility by a Temporary Manager.

- (a) By emergency order under TWC §13.4132, the commission may appoint a person, municipality, or political subdivision under Chapter 22, Subchapter P of this title (relating to Emergency Orders for Water Utilities) to temporarily manage and/or operate a utility that has discontinued or abandoned operations or the provision of service, or which has been or is being referred to the attorney general for the appointment of a receiver under TWC §13.412.
- (b) A person, municipality, or political subdivision appointed under this section has the powers and duties necessary to ensure the continued operation of the utility and the provision of continuous and adequate service to customers, including the power and duty to:
 - (1) read meters;
 - (2) bill for utility services;
 - (3) collect revenues;
 - (4) disburse funds;
 - (5) request rate increases if needed;
 - (6) access all system components;
 - (7) conduct required sampling;
 - (8) make necessary repairs; and
 - (9) perform other acts necessary to assure continuous and adequate utility service as authorized by the commission.
- (c) Upon appointment by the commission, the temporary manager will post financial assurance with the commission in an amount and type acceptable to the commission. The temporary manager or the executive director may request waiver of the financial assurance requirements or may request substitution of some other form of collateral as a means of ensuring the continued performance of the temporary manager.
- (d) The temporary manager shall serve a term of 180 days, unless:
 - (1) specified otherwise by the commission;
 - (2) an extension is requested by the commission staff or the temporary manager and granted by the commission;
 - (3) the temporary manager is discharged from his responsibilities by the commission; or,
 - (4) a superseding action is taken by an appropriate court on the appointment of a receiver at the request of the attorney general.
- (e) Within 60 days after appointment, a temporary manager shall return to the commission an inventory of all property received.
- (f) Compensation for the temporary manager will come from utility revenues and will be set by the commission at the time of appointment. Changes in the compensation agreement may be approved by the commission.
- (g) The temporary manager shall collect the assets and carry on the business of the utility and shall use the revenues and assets of the utility in the best interests of the customers to ensure that continuous and adequate utility service is provided. The temporary manager shall give priority to expenses incurred in normal utility operations and for repairs and improvements made since being appointed temporary manager.

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- (h) The temporary manager shall report to the commission on a monthly basis. This report shall include:
 - (1) an income statement for the reporting period;
 - (2) a summary of utility activities such as improvements or major repairs made, number of connections added, and amount of water produced or treated; and
 - (3) any other information required by the commission.

- (i) During the period in which the utility is managed by the temporary manager, the certificate of convenience and necessity shall remain in the name of the utility owner; however, the temporary manager assumes the obligations for operating within all legal requirements.