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November 12, 2021

Public Utility Commission of Texas Attn: Commission Advising & Docket Management P.O. Box 13326 Austin, TX 78711-3326

RE: Commission Docket No. 52758 – Petition of McAllen Public Utility Appealing Wholesale Water Rates Charged by the Hidalgo County Water Improvement District No. 3

Dear Commissioners:

We are writing to encourage the Commission to proceed as expeditiously as is legally allowable in considering the requests for relief detailed in the Original Petition filed by the McAllen Public Utility on October 27, 2021. McAllen has petitioned the Commission to review and make a determination on whether the rates charged by Hidalgo County Water Improvement District No. 3 adversely affect the public interest and are unreasonable.

The Commission's consideration of this matter is of the utmost importance to many of our constituents. The City of McAllen or the District is located either partially or wholly within our legislative districts. Over 90 percent of the District's bounded area is within McAllen's corporate limits. The City of McAllen, through the McAllen Public Utility, is the District's only municipal water customer. The Utility annually purchases a substantial majority of raw water delivered by the District to treat and provide water to over 150,000 residents.

The District partially justifies the 17 percent rate increase to fulfill its new "Legislative responsibilities" required under Senate Bill 2185, which the Legislature passed earlier this year. As enacted, Senate Bill 2185 is intended to improve transparency, end conflicts of interests, and prohibit contracts such as those entered by the District with private businesses owned by board members or staff of the District. Essentially, with this new rate increase, the District is passing on the costs to correct years of improper actions and mismanagement at the expense of the ratepayers in the City of McAllen.

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This matter is extremely important to McAllen's citizens, and we encourage the Commission to carefully but quickly consider this matter and move expeditiously toward a hearing. Please do not hesitate to contact any of our offices if you have any questions or need any additional information.

Sincerely,

Juan "Chuy" Hinojosa State Senator, District 20

Sergio Muñoz, Jr.,

State Representative, District 36

Saja Maria

R.D. "Bobby" Guerra State Representative, District 41 Oscar Longoria

State Representative, District 35

Terry Canales

State Representative, District 40