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Item Number - 319

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Commissioner



Greg Abbott
Governor

Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Katie Moore Marx *KMM*
Administrative Law Judge

RE: **Docket No. 52797** – *Application of Conroe Resort Utilities, LLC and Undine Texas, LLC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

DATE: September 24, 2024

Enclosed is a Revised Proposed Order in the above-referenced case. By copy of this memo, the parties to this proceeding are being served with the Revised Proposed Order.

The Revised Proposed Order includes the maps, certificates, and tariffs, as well as additional ordering paragraph, Ordering Paragraph No. 2, and a revised ordering paragraph, Ordering Paragraph No. 11.

The deadline for corrections or exceptions to the Revised Proposed Order remains September 27, 2024.

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DOCKET NO. 52797

APPLICATION OF CONROE RESORT UTILITIES, LLC, UNDINE TEXAS, LLC, AND UNDINE TEXAS ENVIRONMENTAL, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MONTGOMERY COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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REVISED PROPOSED ORDER

This Order addresses the application of Conroe Resort Utilities, LLC, Undine Texas, LLC, and Undine Texas Environmental, LLC for approval of the sale, transfer, or merger of facilities and certificate rights in Montgomery County. The applicants seek approval of: (1) the sale and transfer to Undine Texas of all facilities and service area held by Conroe Resort under certificate of convenience and necessity (CCN) number 11942; (2) the amendment of Undine Texas' CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942; (3) the sale and transfer to Undine Texas Environmental of all facilities and service area held by Conroe Resort under CCN number 20638; (4) the amendment of Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638; and (5) the cancellation of Conroe Resort's CCN numbers 11942 and 20638. Additionally, the Commission determines the initial rates for the water and sewer systems at issue to be the phase one approved rates as reflected in Undine Texas and Undine Texas Environmental's tariffs.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Conroe Resort is a Texas limited liability company registered with the Texas secretary of state under file number 800827099.
2. Conroe Resort operates, maintains, and controls facilities for providing retail water service under CCN number 11942 in Montgomery County.

3. Conroe Resort owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 1700416.
4. Conroe Resort operates, maintains, and controls facilities for providing retail sewer service in its certificated area under CCN number 20638 in Montgomery County.
5. Conroe Resort owns and operates a sewer system that is permitted with the TCEQ under permit number WQ0012493001.
6. Undine Texas is a Delaware limited liability company registered with the Texas secretary of state under file number 802339329.
7. Undine Texas operates, maintains, and controls facilities for providing retail water service in its certificated areas under CCN number 13260 in multiple counties, including Montgomery County.
8. Undine Texas owns and operates multiple public water systems registered with the TCEQ.
9. Undine Texas Environmental is a Texas limited liability company registered with the Texas secretary of state under file number 801768069.
10. Undine Texas Environmental operates, maintains, and controls facilities for providing retail sewer service in its certificated areas under CCN number 20816 in Brazoria, Parker, and Tarrant counties.
11. Undine Texas Environmental owns and operates multiple sewer systems that are permitted with the TCEQ.

Application

12. On November 8, 2021, Conroe Resort and Undine Development, LLC filed the application at issue in this proceeding.
13. On June 14, July 22, and August 11 and 15, 2022, Conroe Resort and Undine Development supplemented the application.
14. On August 25, 2022, the applicants amended the application to replace Undine Development with Undine Texas and Undine Texas Environmental as applicants.
15. On August 26 and 30, and October 19, 2022, and February 21 and 22, March 3, April 12, and June 8, 13, 15, and 21, 2023, the applicants supplemented the application.

16. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer to Undine Texas of all facilities and service area held by Conroe Resort under CCN number 11942;
 - b. the amendment of Undine Texas' CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942;
 - c. the sale and transfer to Undine Texas Environmental of all facilities and service area held by Conroe Resort under CCN number 20638;
 - d. the amendment of Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638; and
 - e. the cancellation of Conroe Resort's CCN numbers 11942 and 20638.
17. Additionally, in the application, the applicants seek the following:
 - a. authorization for Undine Texas to charge the customers served by the public water system being acquired the rates that are currently in force for its public water systems; and
 - b. authorization for Undine Texas Environmental to charge the customers served by the sewer system being acquired the rates that are currently in force for its sewer systems.
18. The requested water and sewer areas are identical in area and boundaries and include approximately 282 acres, 294 current water connections, and 289 current sewer connections.
19. The requested area is located approximately 2.7 miles northeast of downtown Montgomery, Texas and is generally bounded on the north by Walden Road; on the east by Fountainview Drive; on the south by Lake Conroe; and on the west by Walden Road and Lake Conroe.
20. In Order No. 11 filed on September 27, 2022, the ALJ found the application, as supplemented and amended, administratively complete.

Notice

21. On February 1, 2022, Undine Development filed the affidavit of Carey A. Thomas, senior vice president of Undine Development, attesting that notice was provided to all current customers, neighboring systems, and cities on January 28, 2022.
22. In Order No. 3 filed on February 23, 2022, the ALJ found the notice of the application sufficient.
23. On August 16, 2022, Undine Development filed the affidavit of Ms. Thomas attesting that notice was provided to all current customers, neighboring systems, and cities on August 15, 2022.
24. In Order No. 14 filed on December 20, 2022, the ALJ withdrew Order No. 3 and the finding that notice was sufficient.
25. On April 12, 2023, Undine Texas and Undine Texas Environmental filed the affidavit of Ms. Thomas, senior vice president of Undine Texas and Undine Texas Environmental, attesting that revised notice was provided to all current customers, landowners, neighboring utilities, and affected parties on April 6, 2023.
26. In Order No. 22 filed on April 20, 2023, the ALJ found the revised notice of the application sufficient.
27. On June 8, 2023, Undine Texas and Undine Environmental filed the affidavit of Vince Tillman, chief financial officer of Undine Texas and Undine Texas Environmental, attesting that notice was provided to the one owner of a tract of land of 25 acres or more that is wholly or partially located within the requested area.
28. In Order No. 34 filed on June 20, 2024, the ALJ found the supplemental notice sufficient.

Intervenors

29. In Order No. 7 filed on April 13, 2022, the ALJ granted the Office of Public Utility Counsel's (OPUC) motion to intervene.
30. In Order No. 22 filed on April 20, 2023, the ALJ granted Richard Poole's motion to intervene.

31. In Order No. 26 filed on May 11, 2023, the ALJ granted the motions to intervene of Eugene Barrington, Jean Niland-McGrath, J.K. Harvill, Kyle Pryor, and Deborah Grazian.

Referral to the State Office of Administrative Hearings

32. On July 2, 2023, the Commission referred this proceeding to the State Office of Administrative Hearings (SOAH).
33. On March 7, 2024, the SOAH mediators filed a report stating that the parties participated in a mediation on March 6, 2024, and that a resolution was reached.
34. In SOAH Order No. 7 filed on April 18, 2024, the SOAH ALJ noted that the mediators' report did not state which parties participated in the mediation and provided notice of his intent to remand the matter to the Commission.
35. No party filed an objection to the notice of intent to remand.
36. In SOAH Order No. 8 filed on May 3, 2024, this proceeding was remanded back to the Commission.

Evidentiary Record

37. In Order No. 13 filed on December 1, 2022, the ALJ admitted the following evidence into the record:
- a. The application and all attachments filed on November 8, 2021;
 - b. Confidential attachments to the application filed on November 9, 2021;
 - c. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on December 8, 2021;
 - d. Affidavits regarding notice filed on February 1, 2022;
 - e. Commission Staff's recommendation on sufficiency of notice filed on February 18, 2022;
 - f. Undine Development's response to Commission Staff's first requests for information filed on March 11, 12, and 14, 2022;
 - g. Undine Development's response to the Office of Public Utility Counsel's first request for information, filed on June 28 and 29, 2022;

- h. Conroe Resort and Undine Development's supplement to the application filed on July 22, 2022;
 - i. Conroe Resort and Undine Development's supplemental mapping filed on August 11, 2022;
 - j. Conroe Resort and Undine Development's supplemental mapping filed on August 15, 2022;
 - k. Undine Development's confirmation of notice filed on August 16, 2022;
 - l. Applicants' amendment to the application filed on August 25, 2022;
 - m. Applicants' mapping correction filed on August 26, 2022;
 - n. Applicants' correction to application amendment filed on August 30, 2022;
 - o. Undine Texas' confirmation of supplemental notice filed on September 14, 2022;
 - p. Commission Staff's recommendation on administrative completeness and notice, and motion for a determination of applicable rates filed on September 20, 2022;
 - q. Undine Texas' brief regarding Texas Water Code § 13.3011 filed on October 7, 2022;
 - r. OPUC's brief in response to Order No. 11 filed on October 14, 2022;
 - s. Applicants' supplement to application filed on October 19, 2022; and
 - t. Commission Staff's final recommendation filed on October 21, 2022.
38. In Order No. 32 filed on July 19, 2023, the ALJ admitted the following evidence into the record:
- a. Undine's supplemental information, filed June 8, 13, 15, and 21, 2023; and
 - b. Commission Staff's response to Order No. 27 including confidential attachments filed on June 28, 2023.
39. In SOAH Order No. 7 filed on April 18, 2024, the SOAH ALJ admitted the following evidence into the record:
- a. Joint request for certification filed on September 18, 2023;

- b. Joint request for referral to mediation filed on January 25, 2024; and
 - c. SOAH mediation report filed on March 7, 2024.
40. In Order No. 34 filed on June 20, 2024, the ALJ admitted Commission Staff's June 13, 2024 response to Order No. 33 into the record of this proceeding.
41. In Order No. 40 filed on September 12, 2024, the ALJ admitted the following evidence into the record:
- a. Undine Development's supplemental information filed on June 14, 2022;
 - b. Commission Staff's confidential attachment to its final recommendation filed on October 24, 2022;
 - c. Undine Texas Environmental's financial assurance supplement filed on February 21, 2023;
 - d. Undine Texas' financial assurance supplement filed on February 21, 2023;
 - e. Commission Staff's clarification filed on February 21, 2023;
 - f. Undine Texas' clarification and confidential attachment filed on February 22, 2023;
 - g. Commission Staff's recommendation on revised notice filed on April 14, 2023;
 - h. Commission Staff's final recommendation filed on May 12, 2023;
 - i. Conroe Resort, Undine Texas, and Undine Texas Environmental's supplement to the application filed August 19, 2024;
 - j. Conroe Resort's consent form filed on August 27, 2024;
 - k. Undine Texas and Undine Texas Environmental's consent form filed on September 6, 2024; and
 - l. The final maps, certificates and tariffs as attached to the joint motion to admit evidence filed on September 11, 2024.

Sale

42. The 120-day deadline for the Commission to notify all known parties to the transaction and OPUC whether the Commission would hold a public hearing to determine if the transaction would serve the public interest was December 15, 2022.

43. No order making a determination to hold a hearing was filed by that deadline.
44. On December 20, 2023, Undine Texas and Undine Texas Environmental filed their notice of intent to close.
45. In Order No. 14 filed on December 20, 2022, the ALJ withdrew the finding that notice was sufficient and required the applicants to file proof of revised notice.
46. On February 1, 2023, Undine Texas and Undine Texas Environmental filed proof that the sale had closed on January 24, 2023, and that customer deposits were transferred from Conroe Resorts to Undine Texas and Undine Texas Environmental.
47. In Order No. 39 filed on September 10, 2024, the ALJ found the closing documentation sufficient.

Purchasers' Compliance History

48. The Commission's complaint records, which date back five years, show 100 informal complaints against Undine Texas. The Commission's Consumer Protection Division has evaluated and closed all of the complaints against Undine Texas.
49. Undine Texas has been subject to enforcement actions by the Commission and the TCEQ for non-compliance with rules, orders, or state statutes.
50. Undine Texas is actively working on resolving the violations that have been identified by the TCEQ at each of their water and sewer systems.
51. The Commission's complaint records, which date back five years, show no informal complaints against Undine Texas Environmental.
52. Undine Texas Environmental has not been under enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
53. Neither Undine Texas nor Undine Texas Environmental have a history of continuing mismanagement or misuse of revenues as a utility service provider.
54. Undine Texas and Undine Texas Environmental demonstrated a compliance status that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

55. There are currently 294 current water connections and 289 current sewer connections in the requested area being served by Conroe Resort through its public water system and sewer system, and such service has been continuous and adequate.
56. The last TCEQ compliance investigation of Conroe Resort's water and sewer systems was June 8, 2021.
57. Conroe Resort has no unresolved violations listed in the TCEQ database.
58. Capital improvements are necessary for Undine Texas and Undine Texas Environmental to continue providing continuous and adequate service to the requested area.

Need for Additional Service

59. There are 294 current water connections and 289 current sewer connections in the requested area that are receiving service from Conroe Resort and have an ongoing need for service.
60. This is an application to transfer only existing facilities, customers, and service area.
61. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transactions and Granting the Amendments

62. Undine Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
63. Undine Texas Environmental will be required to provide continuous and adequate sewer service to current and future customers in the requested area.
64. Landowners in the requested area will be able to obtain water service from Undine Texas and sewer service from Undine Texas Environmental.
65. All retail public utilities in the proximate area were provided notice of the application and no protests or adverse comments were filed.
66. There will be no effect on any retail public utility providing service in the proximate area.

Initial Rates

67. Undine Texas and Undine Texas Environmental requested approval to charge acquired customers initial rates and service charges that are shown in the water and sewer tariffs

issued to Undine Texas and Undine Texas Environmental, respectively, at the time the application was filed.

68. The application was considered filed on September 27, 2022, when it was deemed administratively complete.
69. On the date the application was filed, Undine Texas's tariff in force for its other public water systems was the tariff approved in Docket No. 50017.¹
70. The phase one rates requested by Undine Texas, which were approved in Docket No. 50017, are as follows:

Meter Size (includes 0 gallons)	Monthly Base Rate
5/8"	\$37.81

Gallage Tier	Charge Per 1,000 Gallons
0 – 6,000 gallons	\$2.02
6,001 – 15,000 gallons	\$2.94
15,001 – 25,000 gallons	\$5.25
25,001+ gallons	\$7.79

71. Undine Texas's phase one water tariff rates approved in Docket No. 50017 are just and reasonable initial rates for Undine Texas to charge to customers served by Conroe Resort's public water system, identification number 1700416.
72. On the date the application was filed, Undine Texas Environmental's tariff in force for its other public sewer systems was the tariff approved in Docket No. 50018.²

¹ *Application of Pure Utilities, LC and Undine Texas, LLC for Sale, Transfer, or Merger of Water Facilities and Certificate Rights in Liberty, Polk, San Jacinto, and Tyler Counties, and to Decertify a Portion of Pure Utilities, LC's Certificated Area and to Amend Uncertificated Water Service Area in Liberty and Polk Counties*, Docket No. 50017, Notice of Approval (Mar. 4, 2021).

² *Application of Pure Utilities, LC and Undine Texas Environmental, LLC for Sale, Transfer, or Merger of Sewer Facilities and Certificate Rights and to Decertify a Portion of Pure Utilities, LC's Certificated Area, and to Amend Uncertificated Sewer Service Area in Polk County*, Docket No. 50018, Notice of Approval (Mar. 12, 2021).

73. The phase one rates requested by Undine Texas Environmental, which were approved in Docket No. 50018, is a flat rate for all meter sizes of \$75.00.
74. Undine Texas Environmental's phase one water tariff rates approved in Docket No. 50018 are just and reasonable initial rates for Undine Texas Environmental to charge to customers served by Conroe Resort's public sewer system, TCEQ permit number WQ0012493001.

Ability to Serve: Managerial and Technical

75. Undine Texas owns and operates numerous TCEQ-registered public water systems in Texas.
76. Undine Texas Environmental owns and operates numerous TCEQ-permitted sewer systems in Texas.
77. Undine Texas and Undine Texas Environmental both employ or contract with licensed operators who will be responsible for the operation of the public water system and sewer system being transferred.
78. Undine Texas and Undine Texas Environmental each have the managerial and technical capability to provide adequate and continuous service to the requested service area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

79. Conroe Resort is currently serving customers throughout the requested area, and such service has been continuous and adequate.
80. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed; at a minimum, an interconnect would need to be installed to connect to a neighboring retail public utility.
81. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

82. It will not be necessary for Undine Texas to construct a physically separate water system to serve the requested area.
83. It will not be necessary for Undine Texas Environmental to construct a physically separate sewer system to serve the requested area.

84. Because the requested area will not require construction of a physically separate water or sewer system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

85. Undine Texas and Undine Texas Environmental's parent, Undine Group, LLC, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio that is less than one. Therefore, Undine Texas and Undine Texas Environmental satisfy the leverage test.
86. Undine Group provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed transactions. Therefore, Undine Texas and Undine Texas Environmental satisfy the operations test.
87. The cost of Undine Texas proposed capital improvements for the water system being transferred exceeds \$100,000.
88. The cost of Undine Texas Environmental's proposed capital improvements for the sewer system being transferred exceeds \$100,000.
89. Undine Texas and Undine Texas Environmental submitted loan approval documents indicating they possess the funds necessary for the purchase of Conroe Resort's water system, the purchase of Conroe Resort's sewer system, and for the construction of the capital improvements necessary for Undine Texas and Undine Texas Environmental to continue providing continuous and adequate service to existing customers.
90. Undine Texas and Undine Texas Environmental each demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

91. There is no need to require Undine Texas and Undine Texas Environmental to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

92. The effect on environmental integrity and the land will be temporary as capital improvements are made to enable Undine Texas and Undine Texas Environmental to provide continuous and adequate service to the requested area.

Improvement of Service or Lowering Cost to Consumers

93. Undine Texas and Undine Texas Environmental will continue to provide water service to Conroe Resort's existing water customers in the requested area.

94. Reliability and quality of water service is expected to improve under Undine Texas' management.

95. Undine Texas requested authorization to charge the customers served by the public water system being acquired the rates that were in force for their customers at the time the application was filed, as shown on page nine of the version of its water tariff that was approved in Docket No. 50017.

96. Undine Texas Environmental will continue to provide sewer service to Conroe Resort's existing sewer customers in the requested area.

97. Reliability and quality of water service is expected to improve under Undine Texas Environmental's management.

98. Undine Texas Environmental requested authorization to charge the customers served by the sewer system being acquired the rates that were in force for their customers at the time the application was filed, as shown on page three of the version of its sewer tariff that was approved in Docket No. 50018.

99. If authorization is granted, rates for customers in the requested area will be higher than the rates currently charged by Conroe Resort because Undine Texas and Undine Texas Environmental will charge its current water and sewer tariffs' rates.

Maps, Certificates, and Tariff Pages

100. On August 26, 2024, Commission Staff emailed Conroe Resort the final proposed map related to this docket.

101. On August 27, 2024, Conroe Resort filed a consent form concurring with the proposed final maps.

102. On August 26, 2024, Commission Staff emailed Undine Texas and Undine Texas Environmental the final proposed maps and tariff pages related to this docket.
103. On September 4, 2024, Commission Staff emailed Undine Texas and Undine Texas Environmental the final proposed certificates related to this docket.
104. On September 6, 2024, Undine Texas and Undine Texas Environmental filed a consent form concurring with the proposed final map.
105. On September 11, 2024, Undine Texas, Undine Texas Environmental, and Commission Staff filed a joint motion to admit evidence and attached the final maps, certificates, and applicable tariff pages.

Informal Disposition

106. More than 15 days have passed since the completion of notice provided in this docket.
107. Conroe Resort, Undine Texas, Undine Texas Environmental, OPUC, Richard Poole, Eugene Barrington, Jean Niland-McGrath, J.K. Harvill, Kyle Pryor, Deborah Grazian and Commission Staff are the only parties to this proceeding.
108. Commission Staff recommended approval of the application.
109. All disputed issues were addressed in the agreement between the parties, so no hearing is needed.
110. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Conroe Resort, Undine Texas, and Undine Texas Environmental are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).

3. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2), and 16 TAC § 24.239(c).³
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. The Commission processed this application in accordance with the requirements of the TWC, the Administrative Procedure Act,⁴ and Commission rules.
6. Conroe Resort, Undine Texas, and Undine Texas Environmental completed the sale and transfer under TWC § 13.301(f) and 16 TAC § 24.239(i).
7. Conroe Resort, Undine Texas, and Undine Texas Environmental complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
8. After consideration of the factors in TWC § 13.246(c), Undine Texas and Undine Texas Environmental demonstrated that they are capable of rendering continuous and adequate water and sewer service to every customer in the requested area, as required by TWC §§ 13.241(a) and 13.301(b).
9. Undine Texas and Undine Texas Environmental demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service, as required by TWC § 13.251.
10. Undine Texas and Undine Texas Environmental demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
11. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of physically separate water and sewer systems is not required.
12. It is not necessary for Undine Texas or Undine Texas Environmental to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).

³ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Order are made to the version in effect at the time the application was filed.

⁴ Tex. Gov't Code §§ 2001.001–.903.

13. The extension of Undine Texas's water utility rates and tariff to customers served by Conroe Resort's public water system, identification number 1700416, complies with TWC §§ 13.182 and 13.3011.
14. The extension of Undine Texas Environmental sewer utility rates and tariff to customers served by Conroe Resort's public sewer system, TCEQ permit number WQ0012493001, complies with TWC §§ 13.182 and 13.3011.
15. Undine Texas, Undine Texas Environmental, and Conroe Resort demonstrated that the sale and transfer of Conroe Resort's facilities and certificated service area under CCN numbers 11942 to Undine Texas and under CCN number 20638 to Undine Texas Environmental will serve the public interest and is necessary for the continued service, accommodation, convenience, or safety of the public as required by TWC §§ 13.246(b) and 13.301(d) and (e).
16. Under TWC § 13.257(r) and (s), Undine Texas and Undine Texas Environmental must each record a certified copy of the certificate and the map approved by this Order, along with a boundary description of the service area, in the real property records of Montgomery County within 31 days of receiving this Order and submit to the Commission evidence of the recording.
17. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale and transfer of all facilities and service area held by Conroe Resort under CCN number 11942 to Undine Texas.
2. The Commission determines the initial rates for the water and sewer systems at issue to be the phase one approved rates as reflected in Undine Texas and Undine Texas Environmental's tariffs, effective the date of this Order.
3. The Commission amends Undine Texas's CCN number 13260 to include all facilities and service area previously held by Conroe Resort under CCN number 11942.

4. The Commission approves the sale and transfer of all facilities and service area held by Conroe Resort under CCN number 20638 to Undine Texas Environmental.
5. The Commission amends Undine Texas Environmental's CCN number 20816 to include all facilities and service area previously held by Conroe Resort under CCN number 20638.
6. The Commission cancels Conroe Resort's CCN numbers 11441 and 20638.
7. The Commission approves the maps, certificates, and tariff pages attached to this Order.
8. The Commission issues the certificates attached to this Order.
9. Undine Texas must provide service to every customer or qualified applicant for service within the approved area under CCN number 13260 that requests water service and meets the terms of Undine Texas's water service policies, and such service must be continuous and adequate.
10. Undine Texas Environmental must provide service to every customer or qualified applicant for service within the approved area under CCN number 20816 that requests sewer service and meets the terms of Undine Texas Environmental's sewer service policies, and such service must be continuous and adequate.
11. Within ten days of the date this Order is filed, Undine Texas, Undine Texas Environmental, and Commission Staff must provide to the Commission clean copies of Undine Texas and Undine Texas Environmental's most current, comprehensive water and sewer tariffs, including the tariff pages approved by this Order, to be stamped *Approved* and retained by Central Records. The water and sewer tariffs must include the applicable effective beginning and end dates for each rate year for the acquired Conroe Resort utilities.
12. The Commission denies all other motions and any other requests for general or specific relief that have not be expressly granted.

Signed at Austin, Texas the _____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER



Public Utility Commission of Texas

By These Presents Be It Known To All That

Undine Texas, LLC

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Undine Texas, LLC is entitled to this

Certificate of Convenience and Necessity No. 13260

to provide continuous and adequate water utility service to that service area or those service areas in Brazoria, Brazos, Burleson, Chambers, Denton, Fort Bend, Gregg, Harris, Jackson, Jasper, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Smith, Tarrant, Tyler, and Walker counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52797 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Undine Texas, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Undine Texas Environmental, LLC

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Undine Texas Environmental, LLC is entitled to this

Certificate of Convenience and Necessity No. 20816

to provide continuous and adequate water or sewer utility service to that service area or those service areas in Brazoria, Chambers, Gregg, Harris, Montgomery, Parker, Polk, Smith, Tarrant, and Walker counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52797 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Undine Texas Environmental, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

PUCT Docket No. 52797
 Undine Texas, LLC
 Portion of Water CCN No. 13260
 Transfer all of Conroe Resort Utilities, LLC, CCN No. 11942 in Montgomery County



Water CCN

- 13260 - Undine Texas LLC
- 12892 - T & W Water Service Company
- 12103 - Del Lago Estates WSC
- 11222 - Stanley Lake MUD



0 500 1,000
Feet



PUCT Docket No. 52797
Undine Texas Environmental, LLC
Portion of Sewer CCN No. 20816
Transfer all of Conroe Resort Utilities, LLC, CCN No. 20638 in Montgomery County



Sewer CCN

-  20816 - Undine Texas Environmental LLC
-  20586 - UA Holdings 1994-5 LP
-  20691 - Del Lago Estates WSC
-  20483 - Stanley Lake MUD





WATER UTILITY TARIFF Docket No. 52797

Undine Texas, LLC
(Utility Name)

17681 Telge Rd.
(Business Address)

Cypress, Texas 77429
(City, State, Zip Code)

(713) 574-5953
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13260

This tariff is effective in the following counties:

Brazoria, Brazos, Burleson, Chambers, Denton, Fort Bend, Gregg, Harris, Henderson, Jackson, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Smith, Tarrant, Tyler, Upshur, and Walker

This utility provides service in the following cities or unincorporated towns (if any):

City of Manvel (Brandi Estates),
City of Iowa Colony (Magnolia Bend formerly Kucera Farms, Spring Crossing, and
288 Business Park)
City of Beach City
Kenefick (Pure Utilities Riverboat Bend Subdivision)

“The rates set or approved by the cities for the systems within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the Public Utility Commission of Texas and will have to be obtained from the city or utility.”

This tariff is effective in the following subdivisions and public water systems:

See attached lists

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 – RATE SCHEDULE	8
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APPENDIX A – DROUGHT CONTINGENCY PLAN	
APPENDIX B – SAMPLE SERVICE AGREEMENT	
APPENDIX C – APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Orbit Systems Inc.)

System Name	PWS ID No.	County
723 Utility/Riverside Ranch Subdivision	0790425	Fort Bend
Angle Acres Water System	0200244	Brazoria
Bayou Colony Subdivision	0200358	Brazoria
Beechwood Subdivision	0200245	Brazoria
Bernard Oaks Subdivision	0200338	Brazoria
Blue Sage Gardens Subdivision	0200323	Brazoria
Brandi Estates *	0200325	Brazoria
Briar Meadows	0200410	Brazoria
Colony Cove	0200324	Brazoria
Colony Trails	0200604	Brazoria
Coronado Country	0200275	Brazoria
Country Acres Estates	0200274	Brazoria
Country Meadows	0200273	Brazoria
Crystal Lake Estates	0790510	Fort Bend
Demi-John Place Water System	0200185	Brazoria
Demi-John Island Water System	0200234	Brazoria
Larkspur Subdivision	0200339	Brazoria
Lee Ridge	0200506	Brazoria
Los Robles Subdivision, formerly Brazos Oaks Subdivision	0200639	Brazoria
Mark V Estates	0200432	Brazoria
Mooreland	0200094	Brazoria
Quail Valley Ranches Sec. IV	0200592	Brazoria
Riverside Estates	0200058	Brazoria
Rosharon Road Estates	0200346	Brazoria
Ryan Long I	0200110	Brazoria
Ryan Long II	0200108	Brazoria
San Bernard River Estates	0200460	Brazoria
Sandy Meadows Estates	0200335	Brazoria
Snug Harbor	0200053	Brazoria
Spanish Bit Plantation	1610102	Matagorda
Village Lakes	0200638	Brazoria
Wilco Water/Holiday Beach	0200083	Brazoria
Wolf Glen	0200370	Brazoria

*Brandi Estates subject to City of Manvel's jurisdiction

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Community Utility Company)

System Name	PWS ID No.	County
Forest Manor Subdivision	1010264	Harris
Heathergate Estates	1011302	Harris
Sweetgum Estates	1700113	Montgomery

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Consumers Water, Inc.)

System Name	PWS ID No.	County
Greengate Acres	1010132	Harris
Huffman Heights	1010700	Harris
Highland Mobile Home Subdivision	1010285	Harris
Highland Ridge	1010157	Harris
Joy Village	1700021	Montgomery
Lakewood Colony	1700029	Montgomery
Meadowlake Estates	1010287	Harris
Pioneer Trails	1700114	Montgomery
Peach Creek Oaks	1700051	Montgomery
Porter Terrace	1700161	Montgomery
Spring Forest	1700033	Montgomery
Springmont	1010255	Harris
Tall Cedars Mobile Home Subdivision	1010219	Harris
Urban Acres Subdivision	1010252	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Suburban Utility Company)

System Name	PWS ID No.	County
Beaumont Place	1010098	Harris
Castlewood Subdivision	1010111	Harris
Cypress Bend Subdivision	1010119	Harris
Reservoir Acres Subdivision	1010197	Harris

**LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Gulf Coast Utility Company, Inc.)**

Subdivision Name	PWS ID No.	County
Cold River Ranch Subdivision, Southwood Estates*	0200403	Brazoria
Magnolia Bend (formerly Kucera Farms) Subdivision*	0200665	Brazoria
Spring Crossing Subdivision / 288 Business Park*	0200666	Brazoria

* Magnolia Bend Rates subject to City of Iowa Colony's jurisdiction

**LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Chuck Bell dba Chuck Bell Water Systems, LLC)**

Subdivision Name	PWS ID No.	County
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	1260084	Johnson
Crowley II Acre Subdivision, Stonefield Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson

LIST OF SUBDIVISIONS AND SYSTEMS

System Name	PWS ID No.	County
Cape Shores Subdivision	1200044	Jackson
Grunwald 109	0790636	Fort Bend
Tejas Lakes Subdivision, Tejas Landing	0790504	Fort Bend
The Reserve at Angleton	0200807	Brazoria

**LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Terra Southwest)**

System Name	PWS ID No.	County
East Ponder Estates	0610061	Denton
Hilltown Addition	0610112	Denton

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Texas Water Systems, Inc.)

System Name	PWS ID No.	County
Brookshires Camp Joy Water System	2300015	Upshur
Cape Tranquility System	1070176	Henderson
Country Club Estates	2300021	Upshur
Friendship Water System	2300020	Upshur
Garden Acres System	0920031	Gregg
Garden Valley Resort	2120081	Smith
Mount Sylvan Water System	2120034	Smith
Rosewood Water System	2300026	Upshur
Stallion Lake Ranch	2120104	Smith

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply, LLC)

Subdivision Name	PWS ID No.	County
Allendale Water System	1700187	Montgomery
*Bayridge Water System	0360028	Chambers
Hillgreen Water Company	1700539	Montgomery
Loch Ness Cove Water System	1700148	Montgomery
Lost Lake	0360108	Chambers
*Oaks at Houston Point	0360126	Chambers
River Club Water Company	1700185	Montgomery
Woodhaven Estates	1700481	Montgomery
Wildwood Shores, Sam Houston Forest Subdivision	2360078	Walker

*Bayridge Water system and Oaks at Houston Point are within the city limits of the City of Beach City.

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply Investors, LLC)

Subdivision Name	PWS ID No.	County
Hazy Hollow East Estates	1700013	Montgomery
High Meadows Industrial Park		
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Brazos Valley Septic & Water, Inc.)

Subdivision Name	PWS ID No.	County
Apache Hills	0260019	Burleson
Benchley Oaks	0210039	Brazos
Lakeview North	0260010	Burleson
Lakeway Manor	1980017	Robertson
Lakewood Estates	0210042	Brazos
Little Oak Forest	0260037	Burleson
Marshal Oaks	0260010	Burleson
Oak Forest	1980017	Robertson
Smetana Forest	0210010	Brazos
Somerville Place	0260010, 0260021	Burleson
Whispering Woods	0260032	Burleson

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Pure Utilities, L.C.)

System Name	PWS ID No.	County
Bar D	1460076	Liberty
Barlow Lakes	2290015	Tyler
BE&O (Texas Water Supply)	1870131	Polk
Bentwood Bend	1870154	Polk
Commodore Cape	1870026	Polk
Forest Springs	1870059	Polk
Lakeside Village	1870095	Polk
Mont Neches	2290027	Tyler
Riverboat Bend Subdivision	1460088	Liberty
Six Lakes	1460015	Liberty
Spring Creek	1870149	Polk
Tanglewood Forest	2040054	San Jacinto
Taylor Lake Estates	1870064	Polk
Town Bluff	2290043	Tyler
West Leggett Development	1870131	Polk
Westwood Estates (Texas Water Supply)	1870131	Polk
Whitetail Ridge	2290012	Tyler

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Crystal Systems Texas, Inc)

System Name	PWS ID No.	County
Crystal Systems	2120015	Smith

*Within the City of Lindale and Hideaway city limits

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Conroe Resort Utilities, LLC)

System Name	Subdivision Name	PWS ID No.	County
Conroe Resort	Del Lago Subdivision La Toretta Resort West Palm Villas Lakeview Marina	1700416	Montgomery

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1

Effective Date: August 1, 2020

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonage Charge</u>
5/8"	<u>\$37.81</u> (Includes 0 gallons)	<u>\$2.02</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$56.72</u>	<u>\$2.94</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$94.53</u>	<u>\$5.25</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$189.05</u>	<u>\$7.79</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$302.48</u>	
3"	<u>\$567.15</u>	
4"	<u>\$983.06</u>	
Other (Unmetered)	<u>\$60.50</u>	

Rate Year 2

Effective Date: August 1, 2021

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonage Charge</u>
5/8"	<u>\$44.37</u> (Includes 0 gallons)	<u>\$2.21</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$66.56</u>	<u>\$3.13</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$110.93</u>	<u>\$5.44</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$221.85</u>	<u>\$7.98</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$354.96</u>	
3"	<u>\$665.55</u>	
4"	<u>\$1,153.62</u>	
Other (Unmetered)	<u>\$70.99</u>	

Rate Year 3

Effective Date: August 1, 2022

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonage Charge</u>
5/8"	<u>\$50.93</u> (Includes 0 gallons)	<u>\$2.41</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$76.40</u>	<u>\$3.33</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$127.33</u>	<u>\$5.64</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$254.65</u>	<u>\$8.18</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$407.44</u>	
3"	<u>\$763.95</u>	
4"	<u>\$1,324.18</u>	
Other (Unmetered)	<u>\$81.49</u>	

Rate Case Expenses

Monthly Rate Case Expense Surcharge \$1.12 per month
 Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$244,178.13 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Additional Pass Through Charges

All Former Orbit Systems, Inc. Customers (see list on pages 1-4)

Brazoria County Groundwater Conservation District Production Fee \$0.03 per 1,000 gallons of water usage

723 Utility/Riverside Ranch Subdivision Only

North Fort Bend Water Authority Production Fee..... \$4.57 per 1,000 gallons of water usage
\$4.25 / (1 - 0.07) = \$4.57

(Tariff Control No. 51828)

Forest Manor Subdivision Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$3.82 per 1,000 gallons of water usage
\$2.51 / (1 - 0.3434) = \$3.82

(Tariff Control No. 55325)

Heathergate Subdivision Only

City of Houston Groundwater Reduction Plan (GRP) Fee \$3.82 per 1,000 gallons of water usage
\$2.51 / (1 - 0.3434) = \$3.82

(Tariff Control No. 55325)

Sweetgum Forest, Sweetgum Estates Customers Only

Aqua Texas, Inc. Regional Pass Through Gallonage Charge \$7.66 per 1,000 gallons of water usage
\$5.01 / (1 - 0.345546) = \$7.66

(Tariff Control No. 50072)

Porter Terrace Customers Only

San Jacinto River Authority (SJRA)..... \$4.15 per 1,000 gallons of water usage
\$2.99 / (1 - 0.2801) = \$4.15

(Tariff Control No. 55047)

Spring Forest Customers Only

San Jacinto River Authority (SJRA)..... \$4.09 per 1,000 gallons of water usage
\$2.99 / (1 - 0.2695) = \$4.09

(Tariff Control No. 55047)

Greengate Acres Customers Only

North Harris County Regional Water Authority (NHCRWA)..... \$6.66 per 1,000 gallons of water usage
\$4.60 / (1 - 0.3094) = \$6.66

(Tariff Control No. 51788)

Springmont Customers Only

North Harris County Regional Water Authority (NHCRWA)..... \$5.98 per 1,000 gallons of water usage
\$4.60 / (1 - 0.2308) = \$5.980

(Tariff Control No. 51788)

SECTION 1.0 -- RATE SCHEDULE (Continued)

Huffman Heights Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee \$2.08 per 1,000 gallons of water usage $\$2.51 / (1 + 0.2067) = \2.08 *(Tariff Control No. 55325)*Urban Acres Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee \$3.82 per 1,000 gallons of water usage $\$2.51 / (1 - 0.3434) = \3.82 *(Tariff Control No. 55325)*Meadowlake Estates Subdivision Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee \$5.23 per 1,000 gallons of water usage $\$3.43 / (1 - 0.3434) = \5.23 *(Tariff Control No. 55325)*Pioneer Trails Subdivision Customers Only:Crystal Springs Wholesale Purchase Water Fee \$23.95 per connection *(Tariff Control No. 46849)* plus\$8.59 per 1,000 gallons of water usage $\$5.999 / (1 - 0.3013) = \8.59 *(Tariff Control No. 51788)*Cypress Bend Subdivision Customers Only:North Harris County Regional Water Authority (NHCRWA)..... \$5.47 per 1,000 gallons of water usage $\$3.85 / (1 - 0.296) = \5.47 *(Tariff Control No. 49346)*Castlewood Subdivision Customers Only:City of Houston Groundwater Reduction Plan (GRP) Fee \$2.91 per 1,000 gallons of water usage $\$2.51 / (1 - 0.1377) = \2.91 *(Tariff Control No. 55325)*Beaumont Place Subdivision Customers Only:Harris County MUD No. 421 \$4.75 per 1,000 gallons of water usage

During the time of the emergency interconnect with Harris County MUD No. 421, Undine's current gallonage charge will not apply.

*(Tariff Control No. 47883)*Bell Manor Subdivision Customers Only:Purchased Water Fees for Johnson County Special Utility District... \$2.51 per 1,000 gallons of water usageBear Creek Estates Subdivision Customers OnlyNorthern Trinity Groundwater Conservation District Water Production Fee... \$0.15 per 1,000 gallons of water usage $\$0.125 / (1 - 0.15) = \0.15 *(Tariff Control No. 48031)*All former Chuck Bell Water Systems, LLC Customers only except Bear Creek Estates in Tarrant CountyPrairielands Groundwater Conservation District Water Production Fee... \$0.24 per 1,000 gallons of water usage

SECTION 1.0 -- RATE SCHEDULE (Continued)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Online Payment or Automatic Bank Draft

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CREDIT CARD, AND ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,200.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

- a) Residential \$25.00
- b) Commercial \$50.00

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$50.00
- c) After hours reconnection \$50.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$65.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00 or 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

PASS THROUGH ADJUSTMENT CLAUSE:
The utility may pass on only to those customers served by a system subject to the jurisdiction of any Regional Water Authority and/or any Groundwater Reduction Plan, any increase or decrease in its Underground Water District Pumpage Fee or Purchased Water Fee, thirty (30) days after noticing of any change to all affected customers and filing notice with the PUC as required by 16 TAC § 24.25(b)(2)(F). The charge shall be calculated as follows:

$R = G / (1 - L)$, Where:

R = proposed pass-through rate;

G = new gallonage charge from source (per 1000 gallons);

L = system average line loss for preceding 12 months, not to exceed 0.15



**SEWER UTILITY TARIFF
Docket No. 52797**

Undine Texas Environmental, LLC
(Utility Name)

17681 Telge Road
(Business Address)

Cypress, TX 77429
(City, State, Zip Code)

(713) 574-5953
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificates of Convenience and Necessity:

20816, 20832, 21029, 21026

This tariff is effective in the following counties:

Brazoria, Chambers, Fort Bend, Galveston, Harris, Johnson, Montgomery, Parker, Polk, Tarrant, & Walker

This tariff is effective in the following cities or unincorporated towns (if any):

Beach City (Bayridge Subdivision, Oaks at Houston Point, and Sunflower Subdivision), Houston (Bellmar Terrace, Meadowland, and part of Assumption Heights), Iowa Colony (Spring Crossing and 288 Business Park), Town of Dennis (Sugartree)

THE RATES SET OR APPROVED BY THE CITY FOR THE SYSTEMS ENTIRELY WITHIN ITS CORPORATE BOUNDARY ARE NOT PRESENTED IN THIS TARIFF. THOSE RATES ARE NOT UNDER THE ORIGINAL JURISDICTION OF THE PUBLIC UTILITY COMMISSION OF TEXAS AND WILL HAVE TO BE OBTAINED FROM THE CITY OR UTILITY

This tariff is effective in the following subdivisions and public sewer systems:

See attached list

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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SECTION 3.0 – EXTENSION POLICY	17
APPENDIX A – SAMPLE SERVICE AGREEMENT	

LIST OF SUBDIVISIONS AND SYSTEMS

System Name	WQ Number	County
Angle Acres WWTP	WQ 0012420-001	Brazoria
1484 Wastewater Treatment Plant	WQ 0016318-001	Montgomery
Beechwood WWTP	WQ 0012113-001	Brazoria
Cold River Ranch	WQ 0012780-001	Brazoria
Country Vista WWTP	WQ 0013769-001	Johnson
Crystal Palace WWTP	WQ 0012936-001	Galveston
Grand Ranch	WQ 0013846-001	Johnson
Grasslands WWTP	WQ 0012672-001	Brazoria
Grunwald WWTP	WQ 0016195-001	Fort Bend
Laguna WWTP	WQ 0014452-001	Galveston
Mayfair	WQ 0013518-001	Tarrant
Mayfair South	WQ 0013518-001	Tarrant
Mayfair West	WQ 0013518-001	Tarrant
Reserve at Angleton WWTP	WQ 0016046-001	Brazoria
Spring Crossing/288 Business Park*	WQ 0012780-001	Brazoria
Southwood Estates	WQ 0012780-001	Brazoria
Sugartree**	WQ 0014163-001	Parker
Tiemann WWTP	WQ 0016197-001	Fort Bend

* Spring Crossing/288 Business Park subject to City of Iowa Colony’s jurisdiction

**Sugartree subject to the Town of Dennis’s jurisdiction

Formerly Nerro Supply, LLC		
*Bayridge Subdivision	WQ 0013643-001	Chambers
Greens Bayou Fabrication Yard	WQ 0003792-000	Harris
*Oaks at Houston Point	WQ 0013643-001	Chambers
*Sunflower Subdivision	WQ 0013643-001	Chambers
Wildwood Shores	WQ 0014154-001	Walker

* Entirely within the City of Beach City

Formerly Pure Utilities, L.C.		
Lakeside Village	WQ 0014014-001	Polk
Kalita Point Utilities, Kalita Point	WQ 0011465-001	Polk
Kalita Point Utilities, Indian Hill	WQ 0011621-001	Polk

Formerly Nitsch & Son Utility Company, Inc.		
System Name	WQ Number	County
Durkee Manor WWTP	WQ0010419001	Harris

Subdivisions: Airline Village, Assumption Heights*, Bellmar, Bellmar Estates, Bellmar Terrace*, Durkee Manor, Meadowland*

*Within the City of Houston city limits

Formerly Conroe Resort Utilities, LLC		
System Name	WQ Number	County
Conroe Resort	WQ0012493001	Montgomery

Subdivisions: Del Lago Subdivision, LaToretta Resort, West Pam Villas, and Lakeview Marina

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1

Effective Date: August 1, 2020

Meter Size:

Monthly Minimum Charge

All Meters

\$75.00 Flat Rate

Rate Year 2

Effective Date: August 1, 2021

Meter Size:

Monthly Minimum Charge

All Meters

\$92.50 Flat Rate

Rate Year 3

Effective Date: August 1, 2022

Meter Size:

Monthly Minimum Charge

All Meters

\$110.00 Flat Rate

Volume charges are determined based on average consumption for winter period which includes the following months: N.A.

RATE CASE EXPENSES \$1.12 per month

Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$85,289.03 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X , Check X , Money Order X , Credit Card X , Other (specify Online Payment or Automatic Bank Draft)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CREDIT CARD AND ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT 1.0%

PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$865.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF, INCLUDING COSTS RELATED TO ROAD BORES, ROCK CUTS, AND UNUSUALLY LONG TAPS.

SECTION 1.0 – RATE SCHEDULE (Continued)

TAP FEE (Large Connection Tap)..... Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected \$50.00
- c) After hours reconnection \$50.00

TRANSFER FEE \$65.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (HIGHER OF \$5.00 OR 10% OF THE BILL) \$5.00 or 10 %

COMMISSION RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.