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Public Utility Commission P. O. Box 13326 Austin, Texas 79711-3326

Commissioners,

My name is Bruce Moss and am a resident of the Del Lago subdivision in Montgomery County. We have recently been notified that Undine Development LLC has served notice of intent to purchase and transfer our water and sewer facilities from Conroe Resort Utilities in Montgomery County. Their letter (attached) indicates that without your review and approval, they will raise our rates from a current base of \$28.37 and \$2.21 per 1000 gallons to Undine's current approved rate of \$40.00 base and \$5.00 per gallon per 1000 gallons. That is an increase of close to double the current billing. Once we add on the San Jacinto assessment, the cost could go even higher. Undine is out of the Cypress, Texas area. If it costs more for water there. Is it right to pass the same costs to other areas without justification? Their approved rate does not mean it is fair, equitable or justified for residents living in a distant area. None of the surrounding developments are included and do not have to be concerned with a rate increase of this size. The included map, provided with Undine's notice, highlights the small area involved.

I have been told that your commission had to approve rate increases. Undine's letter states, *"This transaction will change a customer's rates and services to the current approved rates and services of Undine Development, LLC, which are higher than the current approved rate approved for Conroe Resorts Utilities, LLC for a 5/8" meter."* We have not been notified of a requested rate increase. It reads that our rate will increase to the incoming LLC's approved rate because that is what is approved for Cypress, Texas. Our most recent rate increase, as approved by your commission, is 1 November 2019. The Texas Water Code limits the increase to the lesser of either 5% or the change in annual price index. Roughly 100% is far from 5% per year (2019 to 2022 is 3 years or 15%?).

Sincerely,

une K. Max Bruce R. Moss

75 La Costa Drive Montgomery, Texas 77356

## Notice to Current Customers, Neighboring Systems, and Cities UNDINE DEVELOPMENT, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12407, 20948, NOTICE OF INTENT TO PURCHASE WATER AND SEWER FACILITIES AND TO TRANSFER WATER AND SEWER SERVICE AREA UNDER CCN NO. 11942,20638 FROM CONROE RESORT UTILITIES, LLC IN MONTGOMERY COUNTY, TEXAS

To: <u>Current Customers, Neighboring Systems, and Cities</u> Notice Mailed: January 28, 2022

Undine Development, LLC	17681 Telge Road	Cypress, TX	77429
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer water certificated service area under CCN No. 11942 and all of the sewer facilities and to transfer sewer certificated service area under CCN No. 20638, in Montgomery County, TX from:

Conroe Resort Utilities, LLC	600 Margaritaville Parkway	Montgomery, TX	77356
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivision: Margaritaville Lake Resort, Inverness at Del Lago.

The requested area is located approximately 2.7 miles <u>northeast</u> of downtown <u>Montgomery</u>, Texas, and is generally bounded on the north by <u>Walden Road</u>; on the east by <u>Fountainview Drive</u>; on the south by <u>Lake Conroe</u>; and on the west by <u>Walden Road</u> and <u>Lake Conroe</u>.

The requested area includes <u>294</u> water customer connections, <u>289</u> sewer customer connections, and includes approximately <u>282</u> acres of transferred area from Conroe Resort Utilities, LLC (CCN Nos. 11942 and 20638) to Undine Development, LLC (CCN Nos. 12407 and 20948).

## See enclosed map showing the requested area.

This transaction will change a customer's rates and services to the current approved rates and services of Undine Development, LLC, which are higher than the current approved rate for Conroe Resort Utilities, LLC for a 5/8" meter. A copy of the water and sewer tariffs for Undine Development, LLC (Docket No. 46150) can be viewed through our website: https://undinellc.com/Tariff/Undine%20Development%20Water%20Tariff.pdf

https://undinellc.com/Tariff/Undine%20Development%20Sewer%20Tariff.pdf or call: 713-574-5953 to request a copy. The new rates are found on Water and Sewer Tariff page 2.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired Notice Form Updated: April 8, 2021 individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date. The letter must include the person's name, address, email address and fax number if applicable.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

Carey A. Thomas Utility Representative

Undine Development, LLC Utility Name



