



undine
WATER IS OUR ELEMENT

**2024 Rate Case
Undine Development, LLC
(Greenshores)**

December 2024



TEXAS UTILITY REGULATORS

Public Utility Commission – Jurisdiction over rates and service

PUC Office of Public Engagement – Mike Hoke, Director

<https://www.puc.texas.gov/agency/about/ope/>

Texas Commission on Environmental Quality – Water Quality and Standards

Office of Public Utility Counsel – Represents the interests of residential and small commercial consumers in utility proceedings in Texas

WATER SYSTEM REQUIREMENTS

Water Production	Requirement	Actual
.6 gpm per connection	199,584 per day	~220,000

Water Ground Storage Tank		
200 gallons per connection	47,200	365,000

Maintain water pressure of at least 35 psi throughout the system

Rates

How and Why Rates Change

Rates must cover all the components and costs of providing water, including:

- Additional investment in the utility system (repairs, replacements, improvements)
- Reasonable Increases in Operations & Maintenance costs
- Earning a reasonable rate of return ensures continued investment and compliance by private utility owners

The Rate Process

- Utility submits an application with the PUC
- Customers are provided notice
- Expenses must be “used and useful”, “prudent, reasonable and necessary”
- The PUC conducts an audit of the company expenses and cap ex to ensure reasonability
- Customers may provide input / comments
- The Office of Public Utility Counsel (“OPUC”) may intervene on behalf of all customers

RATE DESIGN

“The challenge for IOUs is to design rates that cover their regular expenses and that allow for the opportunity to earn a reasonable rate of return on their investment without undercharging or overcharging customers.”

<https://www.puc.texas.gov/faucetfacts/investor-owned-utilities.aspx>

Major Greenshores Improvements

- **Replacement of the water in-take and portions of pipeline**
- **Rehabilitation of water wells to supplement lake water**
- **New filtration equipment in the water treatment plant**
- **Replacement of ground storage tank**
- **Installation of the force main and corresponding elimination of the need for pump & haul of sewage**
- **Upgrades to the sewer treatment facility and collection system**

IT HAS BEEN 12 YEARS SINCE THE LAST RATE REVIEW IN GREENSHORES

Undine has invested approximately \$ 4.5 MM in capital in water and/or wastewater system improvements since the last PUC rate review in 2012.

- Water – \$1,442,130**
- Sewer – \$3,039,497**

Greenshores 2012 Rate Filing Settlement

The settlement agreement which resulted in the current Greenshores tariff, based on the 2011 test year, called for 58% of the calculated revenue requirement to be held in abeyance for possible recovery in a future rate case.

This agreement to reduce the revenue requirement resulted in \$1,129,404 being kept out of rates of the current tariff.

- Water – \$646,980**
- Sewer – \$482,424**

GREENSHORES RATE BASE

June 30, 2024

Water	\$1,641,509
Sewer	\$3,408,993
TOTAL	\$5,050,502

Requested overall rate of return 9.40%

RATE FILING FACTS

Total Greenshores Customer Count - 408

Water 232

Sewer 176

Total Cap Ex by Undine – \$4,481,627

Water ~ \$1.5 MM (water intake, water plant, GST, generators)

Sewer ~ \$3.0 MM (force main, WWTP, drip field, lift station)

Revenue requirement is reduced by the \$460,000 CIAC

O.H. Allocation of ~\$91,000 is ~2% of Undine's total overhead

Revenue Requirement has increased by:

Water + \$ 130,649

Sewer + \$ 270,357

REQUESTED 2024 RATES

	CURRENT	NEW
WATER Base Rate-5/8"	\$40.00	\$51.40
3/4"	\$60.00	\$77.10
1"	\$100.00	\$128.51
Usage Rates		
0 – 10,000 gallons	\$5.00	\$6.43
10 – 25,000	\$8.00	\$10.28
25 – 50,000	\$12.00	\$15.42
50 +	\$14.00	\$17.99

Requested overall rate of return 9.40%

Requested 2024 Sewer Rates

	CURRENT	NEW
SEWER Base Rate	5/8 " \$70.00	\$123.04
	3/4 " \$105.00	\$184.56
	1" \$175.00	\$307.60
Usage Rate (Winter Averaging)	\$12.00	\$21.09

Greenshores

Drought Contingency Plan

Greenshores Drought Contingency Plan

Enforcement of the DCP was problematic in 2023. Violations were required to be observed and documented by utility staff and a portion of the community was reluctant to comply with mandatory watering restrictions, resulting in the triggering of Stage 4 conditions.

Therefore, the DCP is being revised, with the primary goal of staying out of Stage 4, by reducing irrigation usage of those highest consumers, who were using from 50,000 to over 150,000 gallons per month.

Proposed revisions are expected to include:

- A MAXIMUM allotted monthly usage as a violation*
- Use of flow-restricting devices as a penalty*
- *LCRA has revised their DCP, including “triggers” and violations*



Feb. 21, 2024

At its Feb. 21 meeting, the LCRA Board of Directors approved a new requirement limiting outdoor watering of ornamental landscaped areas to no more than once a week until the drought eases. See the [news release](#).

The requirement is an amendment to LCRA's [Drought Contingency Plan for Firm Water Customers](#) and applies to all LCRA firm, domestic, temporary, landscape irrigation and recreational customers. You and other firm water customers now are required to adopt a maximum once-per-week watering schedule as part of your drought response measures. The new schedule must be triggered anytime the combined storage of lakes Buchanan and Travis is below 900,000 acre-feet. (Combined storage now is just under 847,000 acre-feet).

**Greenshores
July 2023 Water Billing Stats**

<u>BILLED USAGE</u>	<u>STATUS</u>	<u>BILLED USAGE</u>	<u>STATUS</u>	<u>BILLED USAGE</u>	<u>STATUS</u>	<u>BILLED USAGE</u>	<u>STATUS</u>	<u>BILLED USAGE</u>	<u>STATUS</u>	<u>BILLED USAGE</u>	<u>STATUS</u>
152	Regular	36	Regular	26	Regular	17	Regular	10	Regular	6	Regular
150	Regular	35	Regular	26	Regular	17	Regular	10	Regular	6	Regular
115	Regular	34	Regular	24	Regular	17	Regular	10	Regular	5	Regular
107	Regular	34	Regular	24	Regular	17	Regular	10	Regular	5	Regular
97	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
90	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
89	Regular	33	Regular	23	Regular	16	Regular	10	Regular	5	Regular
84	Regular	33	Regular	23	Regular	15	Regular	10	Regular	4	Regular
81	Regular	32	Regular	23	Regular	15	Regular	9	Regular	4	Regular
80	Regular	32	Regular	23	Regular	15	Regular	9	Regular	4	Regular
77	Regular	32	Regular	22	Regular	15	Regular	9	Regular	4	Regular
76	Regular	32	Regular	22	Regular	14	Regular	9	Regular	4	Regular
76	Regular	31	Regular	22	Regular	14	Regular	9	Regular	4	Regular
73	Regular	31	Regular	22	Regular	14	Regular	9	Regular	4	Regular
56	Regular	31	Regular	22	Regular	14	Regular	9	Regular	3	Regular
54	Regular	31	Regular	21	Regular	14	Regular	9	Regular	3	Regular
54	Regular	31	Regular	21	Regular	13	Regular	9	Regular	3	Regular
53	Regular	31	Regular	20	Regular	13	Regular	9	Regular	3	Regular
52	Regular	31	Regular	20	Regular	13	Regular	9	Regular	3	Regular
50	Regular	31	Regular	20	Regular	13	Regular	9	Regular	2	Regular
50	Regular	31	Regular	20	Regular	13	Regular	8	Regular	2	Regular
49	Regular	30	Regular	20	Regular	13	Regular	8	Regular	2	Regular
47	Regular	30	Regular	19	Regular	13	Regular	8	Regular	1	Final
45	Regular	30	Regular	19	Regular	12	Regular	8	Regular	1	Regular
44	Regular	29	Regular	19	Regular	12	Regular	8	Regular	1	Regular
43	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
42	Regular	28	Regular	19	Regular	12	Regular	8	Regular	0	Regular
41	Regular	28	Regular	18	Regular	12	Regular	7	Regular	0	Regular
41	Regular	27	Regular	18	Regular	12	Regular	7	Regular	0	Regular
41	Regular	27	Regular	18	Regular	12	Regular	7	Regular	0	Regular
40	Regular	27	Regular	18	Regular	12	Regular	7	Regular		
40	Regular	27	Regular	18	Regular	11	Regular	7	Regular		
38	Regular	27	Regular	18	Regular	11	Regular	7	Regular	232	# of Customers
38	Regular	27	Regular	18	Regular	11	Regular	7	Regular	5,473,000	Total System Usage
38	Regular	27	Regular	18	Regular	11	Regular	6	Regular	23,591	Avg Cust. Usage
37	Regular	27	Regular	18	Regular	10	Regular	6	Regular	761	Cust. Gallons/Day
36	Regular	26	Regular	17	Regular	10	Regular	6	Regular	176,548	System Usage/Day
36	Regular	26	Regular	17	Regular	10	Regular	6	Regular		



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The information contained in this presentation or otherwise presented by Undine's representatives relating Undine's proposed 2024 rate case is intended solely for informational purposes based on current expectations. The information is subject to change and therefore should not be construed as legally binding statements of fact.