



City of Austin

Recommendation for Action

File #: 24-4483, **Agenda Item #:** 7.

5/2/2024

Posting Language

Approve an ordinance suspending an increase in water and wastewater rates proposed by Undine, LLC for its customers located in the City's corporate limits in the area known as Greenshores on Lake Austin.

Lead Department

Austin Water.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

November 8, 2012 - Council approved Ordinance No. 20121108-004 suspending water and wastewater rates proposed by PK-RE Development Company, Inc. on a 7-0 vote.

For More Information:

Inquiries should be directed to Blanca Madriz, 512-972-0115 or Blanca.Madriz@austintexas.gov.

Additional Backup Information:

Under Texas Water Code Chapter 13, the Council has the regulatory authority with exclusive original jurisdiction to review rates charged to water and wastewater customers within the City's corporate limits who are served by non-City utilities. The Council has authority to determine that the rates are just and reasonable and that in all other respects, the rates meet State and local law. City Code Chapter 15-4 sets out the City's process for reviewing non-City utility rate filings.

Undine, LLC (Undine) an investor-owned utility with customers in the area known as Greenshores on Lake Austin, filed a Statement of Intent to Change Rates to increase water and wastewater rates for its Greenshores customers, including a few that reside in Austin's corporate limits. Undine proposed an effective date of May 2, 2024, for the rate increase. The Council is authorized by Texas Water Code Section 13.187 to suspend Undine's proposed rate increase for 90 days in order to consider the factors necessary for making its final determination to approve, modify, or deny the rate change.

Of Undine's affected 167 water customers and 100 wastewater customers, only a few (approximately six) are within Austin's full purpose corporate limits. The remaining customers rates fall within the regulatory jurisdiction of the Public Utility Commission of Texas (PUCT). Undine is simultaneously seeking the PUCT's approval for the rate increase affecting its Greenshores customers. Undine's filing indicates that each affected customer has been provided written notice of the proposed rate changes.

Austin Water staff is currently reviewing the rate filing and recommends the 90-day suspension to ensure a complete and thorough review of the rate increase before final action is taken by the Council.