

Many questions are being asked about the new water company, Undine, who purchased the water utility from Crystal Systems, and their new rates. There has been much incorrect information being passed around by well-meaning citizens, so I am going to try to provide factual information on the subject. Yes, our water bills are increasing quite dramatically. No, the City does not have jurisdiction to require Undine to make the rates lower, nor did we ever have the authority to do so. Undine, in purchasing Crystal Systems, was allowed to set their rate as established by a law, House Bill 1484, passed in the 87th Session of the Texas Legislature. This law amended the Public Utility Commission Water Code to allow purchasing private utilities to set their initial rate based on the rate they had established in other water utilities they owned. Prior to the passage of the law, privately owned water utility companies were required to keep the existing rate for a company they were purchasing for one year. They could then initiate a rate case before the PUC and request a higher rate. The purpose of my article is not to debate whether passage of HB 1484 was right or wrong, but simply to let you know how they legally set their rate and to clarify that the City did not have jurisdiction in setting the rate. Many of you, over 400, wrote letters of protest to the PUC and requested a hearing. The PUC did not set a hearing because the rate has been established by the law, not a policy or regulation. In other words, their hands were tied. What the City was able to do, thanks to Alderman Kashouty, was convince Undine to graduate the new rates over a three-year period, to lessen the impact on our citizens. Unfortunately, our water rates are going higher.