



## **Filing Receipt**

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**Item Number - 108**

**PUC DOCKET NO. 56589**

<b>PETITION BY RESIDENTS OF GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2 APPEALING THE WATER RATES ESTABLISHED BY THE DISTRICT'S BOARD OF DIRECTORS</b>	<b>§ § § § § §</b>	<b>BEFORE THE  PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**OBJECTIONS OF GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2'S  
TO APPELLANT'S SIXTH, ELEVENTH, TWELFTH, THIRTEENTH,  
AND FOURTEENTH REQUEST FOR INFORMATION**

Grand Lakes Municipal Utility District No. 2 (GLMUD) files these Objections to the Appellant's Sixth, Eleventh, Twelfth, Thirteenth, and Fourteenth Requests for Information (RFI).<sup>1</sup> Petitioners filed the RFIs on June 26, 2024—after the 3:00 pm deadline<sup>2</sup>—and June 27, 2024, and GLMUD made good faith efforts to negotiate with Petitioners prior to filing these Objections.<sup>3</sup> Therefore, these Objections are timely filed.<sup>4</sup> For administrative efficiency and to avoid excessive filings, GLMUD grouped its Objections to Appellant's Sixth, Eleventh, Twelfth, Thirteenth, and Fourteenth RFIs into this single filing. GLMUD respectfully shows as follows:

**I. OBJECTIONS TO APPELLANT'S SIXTH RFI**

Petitioners continue to argue that dates related to PDF generation and website management excuse Petitioners' untimely Petition.<sup>5</sup> As detailed in various GLMUD Responses, however, these claims are baseless and outside the scope of this rate appeal.<sup>6</sup> Thus, GLMUD objects to Appellant's Sixth RFI as irrelevant, and respectfully requests the Public Utility Commission of Texas (Commission) to sustain the objections below.

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<sup>1</sup> Appellant's Request for Information (RFI) No. 6 (Jun. 26, 2024); Appellant's RFI No. 11 (Jun. 27, 2024); Appellant's RFI No. 12 (Jun. 27, 2024); Appellant's RFI No. 13 (Jun. 27, 2024); Appellant's RFI No. 14 (Jun. 28, 2024).

<sup>2</sup> 16 Tex. Admin. Code (TAC) § 22.144(b)(2).

<sup>3</sup> Appellant's RFI No. 6; Appellant's RFI No. 11; Appellant's RFI No. 12; Appellant's RFI No. 13; Appellant's RFI No. 14; *see* 16 TAC § 22.144(d).

<sup>4</sup> 16 TAC § 22.144(d) (requiring Objections to be filed within ten calendar days of receipt of the RFI).

<sup>5</sup> Appellant's RFI No. 6.

<sup>6</sup> Grand Lakes Municipal Utility District No. 2's (GLMUD) Response to Petitioners' Request for an Investigation per 16 TAC § 22.241 at 4-5 (Jun. 26, 2024) (GLMUD's Response to Request for Investigation); GLMUD's Response to Petitioners' Brief – the MUD's Board Meeting Minutes are Illegitimate (Jun. 20, 2024) (GLMUD's Response to Petitioners' Brief).

**APPELLANT 6-1** The MUD is hereby asked to fill in the last two columns of the table below. Documentary evidence in the form of from-to emails and screenshots of the timestamps documenting the upload to the MUD's website is not needed now. This will be requested later *only if* the furnished data does not make sense.

Rate Order	Signed	PDF generated	MUD's transmittal to Touchstone District Services	Touchstone District Services' upload to the MUD's website
12/18/2023	01/29/2024	01/29/2024 2:19:47PM	Date/time: .....   .....	Date/time: .....   .....
Removed from the MUD's website on instruction by the MUD's Attorney #			Date/time: .....   .....	Date/time: .....   .....
---- Created anew from a Word document ----		02/06/2024 3:26:35PM	If transmitted, date/time must be furnished	If uploaded, date/time must be furnished
---- Modified without being signed anew ----		02/26/2024 9:27:59AM	Date/time: .....   .....	Date/time: .....   .....
Current/latest version at the MUD's website :			Date/time: .....   .....	Date/time: .....   .....
# <a href="https://www.grandlakesmud2.com/static/31091113d7b906a1cc3b31cf9f75bfd/Rate_Order_12_18_24_bfa1a3d1d1.pdf">https://www.grandlakesmud2.com/static/31091113d7b906a1cc3b31cf9f75bfd/Rate_Order_12_18_24_bfa1a3d1d1.pdf</a>				
* <a href="https://www.grandlakesmud2.com/static/244a14cd8cb9786eb6f4b2fd148f9301/Rate_Order_12_18_2023_revised_a835042e10.PDF">https://www.grandlakesmud2.com/static/244a14cd8cb9786eb6f4b2fd148f9301/Rate_Order_12_18_2023_revised_a835042e10.PDF</a>				
* Any other versions of the 12/18/2023 rate order that were added to or deleted from the MUD's website, and the residents are not aware of, must be added in separate rows.				
* Time must be given as hh:mm:ss AM/PM.				

**Objection:** The request seeks irrelevant information.

**APPELLANT 6-2.a** Why did the MUD's Attorney generate the rate order anew on 2/6/2024?

**Objection:** The request seeks irrelevant information.

**APPELLANT 6-2.b** What was specifically done or changed on 2/6/2024?

**Objection:** The request seeks irrelevant information.

**APPELLANT 6-2.c** What was done with the PDF document generated on 2/6/2024?

**Objection:** The request seeks irrelevant information.

**APPELLANT 6-3** Since the PDF document of 2/26/2024 was generated using Adobe Distiller, not through scanning on a printer, how did the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) affix the signature page dated 1/29/2024 to the rate order to end with the modified PDF document of 2/26/2024?

**Objection:** The request seeks irrelevant information.

Information irrelevant to the rate appeal is not discoverable.<sup>7</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>8</sup>

GLMUD's PDF generation and website management are irrelevant to this TWC § 13.043 rate appeal. TWC § 13.043 rate appeals are narrow in scope—the Commission may consider “only the information that was available to the governing body at the time” of the rate change, reasonable rate case expenses, and the utility's financial integrity.<sup>9</sup> The Commission, ultimately, must ensure the appealed rates are “just and reasonable” and “not unreasonably preferential, prejudicial, or discriminatory.”<sup>10</sup>

Information related to GLMUD's PDF generation and website management has no tendency to support a finding regarding the appealed rates' just and reasonableness or discriminatory effect. Such information has no nexus with GLMUD's cost of service,<sup>11</sup> budget,<sup>12</sup> customer characteristics and rate design,<sup>13</sup> or rate case expenses.<sup>14</sup>

To the extent Petitioners seek this information to excuse their untimely Petition, the information is, again, irrelevant. TWC § 13.043(c) unambiguously required Petitioners to file their petition “within 90 days after the effective day of the rate change.”<sup>15</sup> Noticeably absent from this “mandatory and jurisdictional” requirement are exceptions related to PDFs or Municipal Utility

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<sup>7</sup> See Tex. R. Civ. P. (TRCP) 192.3(a); *see also* 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>8</sup> Tex. R. Evid. (TRE) 401; *see also* 16 TAC § 22.141 (applying the TRE to Commission discovery).

<sup>9</sup> Tex. Water Code (TWC) §§ 13.043(e), (j).

<sup>10</sup> TWC § 13.043(j).

<sup>11</sup> *Petition of Paloma Lake Municipal Utility District No. 1, et al. Appealing the Ratemaking Actions of the City of Round Rock in Travis and Williamson Counties*, Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (Apr. 29, 2022) (providing that “just and reasonable” rates are “set within a range of reasonable values” to recover a utility's “cost of service”).

<sup>12</sup> *Id.* (holding “just and reasonable” rates “collect only expenses actually realized or which can be anticipated with reasonable certainty”).

<sup>13</sup> *Ratepayers Appeal of the Decision by Windermere Oaks Water Supply Corporation to Change Water and Sewer Rates*, Docket No. 50788, Order Remanding Proceeding at 6 (Jun. 30, 2022) (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>14</sup> See TWC § 13.043(c).

<sup>15</sup> TWC § 13.043(c); *see also* GLMUD's Motion to Dismiss Response to Petition at 2-3 (Jun. 4, 2024).

District (MUD) websites.<sup>16</sup>

In sum, dates related to PDFs and information regarding GLMUD's website management have no tendency to make a TWC § 13.043 fact of consequence more or less probable. GLMUD's objection to Appellants 6-1, 6-2.a, 6-2.b, 6-2.c, and 6-3 as irrelevant should therefore be sustained.

**APPELLANT 6-4.a Is the Rate Order lawful and valid when signed by the Secretary, not the President / Vice President?**

**Objection:** The request asks GLMUD to admit to a proposition of law.

**APPELLANT 6-4.b Is the Rate Order lawful and valid when the Secretary alone signed it on 1/29/2024 without attestation by another officer?**

**Objection:** The request asks GLMUD to admit to a proposition of law.

"A party may not be compelled to answer legal conclusions."<sup>17</sup> Whether a document is "lawful" necessarily requires a legal conclusion. Because Texas law prohibits Petitioners from compelling GLMUD to answer legal conclusions through discovery, GLMUD's objections to Appellant 6-4.a and 6-4.b should be sustained.

**II. OBJECTIONS TO APPELLANT'S ELEVENTH RFI**

Petitioners argue that various GLMUD Board Meeting minutes do not "mention" previous TCEQ violations.<sup>18</sup> Petitioners claim, without legal authority, that GLMUD's Board Meeting minutes are improper due to the alleged omissions and demand information regarding the manner in which GLMUD processed the violations.<sup>19</sup> As detailed in previous GLMUD Responses, however, the Texas Open Meetings Act (TOMA) controls Board Meeting minutes, and the

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<sup>16</sup> *Petition by Outside City Ratepayers Appealing the Water Rates Established by the City of Leander*, Docket No. 53063, Order Remanding Proceeding to State Office of Administrative Hearings at 6 (Sept. 29, 2022); *see generally* TWC § 13.043.

<sup>17</sup> *Esparza v. Diaz*, 802 S.W.2d 772, 775 (Tex. App.—Houston [14th Dist.] 1990, no writ) (quoting *Gore v. Cunningham*, 297 S.W.2d 287, 291 (Tex. Civ. App.—Beaumont 1956, writ ref'd n.r.e)).

<sup>18</sup> Appellant's RFI No. 11.

<sup>19</sup> *Id.*

Commission lacks jurisdiction to consider TOMA violations.<sup>20</sup> Thus, GLMUD objects to Appellant's Eleventh RFI as irrelevant, and respectfully requests the Commission to sustain the objections below.

**APPELLANT 11-1 The MUD is asked to detail when, where, and how it informed the Grand Lakes community residents of the TCEQ investigations and citations / violations; documented the TCEQ violations of November 2021 / June 2024; tracked to closure the respective violations; and documented the corrective measures taken to remedy the violations.**

**Objection:** The request seeks irrelevant information.

Information irrelevant to the rate appeal is not discoverable.<sup>21</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>22</sup>

GLMUD's administrative practice related to TCEQ violations—including how it notified residents and “documented” and “tracked” the investigations and violations—are irrelevant to this TWC § 13.043 rate appeal. TWC § 13.043 rate appeals are narrow in scope: the Commission may consider “only the information that was available to the governing body at the time” of the rate change, reasonable rate case expenses, and the utility's financial integrity.<sup>23</sup> The Commission, ultimately, must ensure the appealed rates are “just and reasonable” and “not unreasonably preferential, prejudicial, or discriminatory.”<sup>24</sup>

Information regarding GLMUD's TCEQ violation processing procedure has no tendency to support a finding regarding the appealed rates' just and reasonableness or discriminatory effect. Such information has no nexus with GLMUD's cost of service,<sup>25</sup> budget,<sup>26</sup> customer

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<sup>20</sup> *Complaint of Carol D. Gillespie Against Avalon Water Supply and Sewer Services Corporation* (37985-1), Docket No. 43146, Final Order at 4 (Mar. 9, 2017) (holding “the Commission lacks jurisdiction to adjudicate” alleged violations under TOMA); *see* GLMUD's Response to Request for Investigation at 3-4, GLMUD's Response to Petitioners' Brief.

<sup>21</sup> *See* TRCP 192.3(a); *see also* 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>22</sup> TRE 401; *see also* 16 TAC § 22.141 (applying the TRE to Commission discovery).

<sup>23</sup> TWC §§ 13.043(c), (j).

<sup>24</sup> TWC § 13.043(j).

<sup>25</sup> Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (providing that “just and reasonable” rates are “set within a range of reasonable values” to recover a utility's “cost of service”).

<sup>26</sup> *Id.* (holding “just and reasonable” rates “collect only expenses actually realized or which can be anticipated with reasonable certainty”).

characteristics and rate design,<sup>27</sup> or rate case expenses.<sup>28</sup>

To the extent Petitioners request this information to support TOMA claims, this information is, again, irrelevant. Because the Commission lacks jurisdiction to consider TOMA violations, information regarding TOMA compliance has no tendency to make a fact of consequence in this proceeding more or less probable.<sup>29</sup> GLMUD's objection to Appellant 11-1 as irrelevant should therefore be sustained.

### III. OBJECTIONS TO APPELLANT'S TWELFTH RFI

**APPELLANT 12-1a Fill in the following table by stating and itemizing in full (never using 'other') the annual monetary amounts the law firm Schwartz, Page & Harding LLP received from *each* of the Grand Lakes four entities (MUD No. 2, MUD No. 1, MUD No. 4, and WCID). The full pictures can *only* be seen when the amounts the law firm received from the four entities are detailed. The multi-year amounts will reveal if enormous year-over-year increases materialized; a troubling situation with *multiple* incidents observed and documented throughout the Grand Lakes MUDs' financial figures.**

**Objection:** GLMUD objects to the request for information related to "MUD No. 1, MUD No. 4, and WCID" as irrelevant.

Information irrelevant to the rate appeal is not discoverable.<sup>30</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>31</sup>

Payments from various entities—entities not participating in this rate appeal—to Schwartz, Page, & Harding LLP (SHP) are irrelevant. TWC § 13.043 rate appeals are narrow in scope—the Commission may consider "only the information that was available to the governing body at the time" of the rate change, reasonable rate case expenses, and the utility's financial integrity.<sup>32</sup> The

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<sup>27</sup> Docket No. 50788, Order Remanding Proceeding at 6 (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>28</sup> See TWC § 13.043(e).

<sup>29</sup> Docket No. 43146, Final Order at 4; see TRCP 192.3(a); see also 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>30</sup> See TRCP 192.3(a); see also 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>31</sup> TRE 401; see also 16 TAC § 22.141 (applying the TRE to Commission discovery).

<sup>32</sup> TWC §§ 13.043(e), (j).

Commission, ultimately, must ensure the appealed rates are “just and reasonable” and “not unreasonably preferential, prejudicial, or discriminatory.”<sup>33</sup>

Payment information related to SHP, MUD No. 1, MUD No. 4, and WCID has no tendency to support a finding regarding the appealed rates’ just and reasonableness or discriminatory effect. Indeed, neither SHP, MUD No. 1, MUD No. 4, nor WCID are parties to this proceeding. Such information, therefore, has no nexus with GLMUD’s cost of service,<sup>34</sup> budget,<sup>35</sup> customer characteristics and rate design,<sup>36</sup> or rate case expenses.<sup>37</sup> Thus, “payment” information related to SHP, MUD No. 1, MUD No.4, and WCID has no tendency to make a TWC § 13.043 fact of consequence more or less probable. GLMUD’s objection to Appellant 12-1a as irrelevant should therefore be sustained.

#### **IV. OBJECTIONS TO APPELLANT’S THIRTEENTH RFI**

**APPELLANT 13-1 The MUD’s Attorney (the law firm Schwartz, Page & Harding LLP) is asked to number and list all districts it administers in the state of Texas. To reduce the work time on this RFI, it is possible to supplement the list in [56589-79 | Exhibit 1].**

**Objection:** The request seeks irrelevant information.

Information irrelevant to the rate appeal is not discoverable.<sup>38</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>39</sup>

SHP’s clients are irrelevant to this TWC § 13.043 rate appeal. TWC § 13.043 rate appeals are narrow in scope: the Commission may consider “only the information that was available to the governing body at the time” of the rate change, reasonable rate case expenses, and the utility’s

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<sup>33</sup> TWC § 13.043(j).

<sup>34</sup> Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (providing that “just and reasonable” rates are “set within a range of reasonable values” to recover a utility’s “cost of service”).

<sup>35</sup> *Id.* (holding “just and reasonable” rates “collect only expenses actually realized or which can be anticipated with reasonable certainty”).

<sup>36</sup> Docket No. 50788, Order Remanding Proceeding at 6 (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>37</sup> See TWC § 13.043(e).

<sup>38</sup> See TRCP 192.3(a); see also 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>39</sup> TRE 401; see also 16 TAC § 22.141 (applying the TRE to Commission discovery).



financial integrity.<sup>40</sup> The Commission, ultimately, must ensure the appealed rates are “just and reasonable” and “not unreasonably preferential, prejudicial, or discriminatory.”<sup>41</sup>

Information related to SHP or its clients—parties that are not involved in this proceeding—has no tendency to support a finding regarding the appealed rates’ just and reasonableness or discriminatory effect. Such information has no nexus with GLMUD’s cost of service,<sup>42</sup> budget,<sup>43</sup> customer characteristics and rate design,<sup>44</sup> or rate case expenses.<sup>45</sup> Thus, information related to SHP or its clients has no tendency to make a TWC § 13.043 fact of consequence more or less probable. GLMUD’s objection to Appellant 13-1 as irrelevant should therefore be sustained.

## **V. OBJECTIONS TO APPELLANT’S FOURTEENTH RFI**

**APPELLANT 14-1a State your age within a two-year range. No day, month, or year is needed.**

**Objection:** The request (1) seeks irrelevant information and (2) constitutes harassment.

GLMUD first addresses its objections to Appellant 14-1a as irrelevant. GLMUD next addresses its objections to Appellant 14-1a as harassing.

### **A. Appellant 14-1a seeks irrelevant information.**

Information irrelevant to the rate appeal is not discoverable.<sup>46</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>47</sup>

The GLMUD Board of Directors’ ages are irrelevant to this TWC § 13.043 rate appeal. TWC § 13.043 rate appeals are narrow in scope—the Commission may consider “only the information that was available to the governing body at the time” of the rate change, reasonable

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<sup>40</sup> TWC §§ 13.043(c), (j).

<sup>41</sup> TWC § 13.043(j).

<sup>42</sup> Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (providing that “just and reasonable” rates are “set within a range of reasonable values” to recover a utility’s “cost of service”).

<sup>43</sup> *Id.* (holding “just and reasonable” rates “collect only expenses actually realized or which can be anticipated with reasonable certainty”).

<sup>44</sup> Docket No. 50788, Order Remanding Proceeding at 6 (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>45</sup> See TWC § 13.043(e).

<sup>46</sup> See TRCP 192.3(a); see also 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>47</sup> TRE 401; see also 16 TAC § 22.141 (applying the TRE to Commission discovery).

rate case expenses, and the utility's financial integrity.<sup>48</sup> The Commission, ultimately, must ensure the appealed rates are "just and reasonable" and "not unreasonably preferential, prejudicial, or discriminatory."<sup>49</sup>

The GLMUD Board of Directors' ages have no tendency to support a finding regarding the appealed rates' just and reasonableness or discriminatory effect. Such information has no nexus with GLMUD's cost of service,<sup>50</sup> budget,<sup>51</sup> customer characteristics and rate design,<sup>52</sup> or rate case expenses.<sup>53</sup> Thus, the information requested has no tendency to make a TWC § 13.043 fact of consequence more or less probable. GLMUD's objection to Appellant 14-1a as irrelevant should therefore be sustained.

**B. Appellant 14-1a is harassing.**

The Texas Rules of Civil Procedure limit discovery "to protect the movant from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, or property rights."<sup>54</sup> Additionally, harassing discovery requests are grounds for sanctions.<sup>55</sup> Appellants' demand for the age of each GLMUD Board of Directors does not call for admissible evidence—rather, it is meant solely to harass the GLMUD Board of Directors through the discovery process. GLMUD's objection to Appellant 14-1a as harassing should therefore be sustained.

**APPELLANT 14-1b State your affiliation(s).**

**Objection:** The request is (1) impermissibly vague; and (2) overly broad.

GLMUD first addresses its objections to Appellant 14-1b as impermissibly vague. GLMUD next addresses its objections to Appellant 14-1a as overly broad.

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<sup>48</sup> TWC §§ 13.043(c), (j).

<sup>49</sup> TWC § 13.043(j).

<sup>50</sup> Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (providing that "just and reasonable" rates are "set within a range of reasonable values" to recover a utility's "cost of service").

<sup>51</sup> *Id.* (holding "just and reasonable" rates "collect only expenses actually realized or which can be anticipated with reasonable certainty").

<sup>52</sup> Docket No. 50788, Order Remanding Proceeding at 6 (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>53</sup> See TWC § 13.043(e).

<sup>54</sup> TRCP 192.6(b).

<sup>55</sup> TRCP 215.3.

**A. Appellant 14-1b lacks specificity.**

Under the Commission's rules at 16 TAC § 22.144(b)(1) and the Texas Rules of Civil Procedure 196.1, discovery requests must identify with reasonable particularity the information, documents, or material sought.<sup>56</sup> Appellants' fail to define "affiliation." This term is vague and subject to competing interpretations—GLMUD cannot identify the information requested. For example, "affiliation" could refer to a professional or personal affiliation. GLMUD's objection to Appellant 14-1b as impermissibly vague should therefore be sustained.

**B. Appellant 14-1b is impermissibly broad.**

The vague request is overly broad. A request is overbroad if it is not properly "tailored as to time, place, or subject matter."<sup>57</sup> Appellants' request for "affiliations" is not tailored as to subject matter. Rather, it requests *all* affiliations—personal, business, or any other affiliation. Responsive information, therefore, is potentially limitless in scope. Thus, Appellant 14-1b is impermissibly overbroad,<sup>58</sup> and GLMUD's objection should be sustained.

**APPELLANT 14-2a Do you have conscience?**

**Objection:** The request (1) is impermissibly vague; (2) seeks irrelevant information; and (3) constitutes harassment.

**APPELLANT 14-2b Do you know what oath of office is?**

**Objection:** The request (1) is impermissibly vague; (2) seeks irrelevant information; and (3) constitutes harassment.

**APPELLANT 14-2c In being a MUD officer (Board Member), do you really know what you are doing?**

**Objection:** The request (1) is impermissibly vague; (2) seeks irrelevant information; and (3) constitutes harassment.

**APPELLANT 14-2d Do you understand what 'due diligence' is?**

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<sup>56</sup> See also *In re TIG Ins. Co.*, 172 S.W.3d 160, 168 (Tex. App. – Beaumont 2005, no pet.).

<sup>57</sup> *In re K & L Auto Crushers*, 627 S.W.3d 239, 252 (Tex. 2021); see also *In re Nat'l Lloyds Ins. Co.*, 507 S.W.3d 219, 226 (Tex. 2016).

<sup>58</sup> See *In re Am. Optical Corp.*, 988 S.W.2d 711, 713 (Tex. 1998).

**Objection:** The request (1) is impermissibly vague; (2) seeks irrelevant information; and (3) constitutes harassment.

**APPELLANT 14-2f Do you discard your own money the way you discard the funds belonging to the MUD's residents?**

**Objection:** The request (1) is impermissibly vague; (2) seeks irrelevant information; and (3) constitutes harassment.

**APPELLANT 14-4a Given paragraph 8 above. Have you questioned the water company's authority to request a rate change?**

**Objection:** The request (1) seeks irrelevant information and (2) constitutes harassment.

**APPELLANT 14-4b Given paragraph 8 above. Have you questioned the water company's arguments to request a rate change? Give full details.**

**Objection:** The request (1) seeks irrelevant information and (2) constitutes harassment.

GLMUD first addresses its objections to Appellants 14-2a, 14-2b, 14-2c, 14-2d, and 14-2f as impermissibly vague. GLMUD next addresses its objections to Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b as irrelevant. Finally, GLMUD addresses its objections to Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b as harassing.

**A. Appellants 14-2a, 14-2b, 14-2c, 14-2d, and 14-2f lack specificity.**

Under the Commission's rules at 16 TAC § 22.144(b)(1) and the Texas Rules of Civil Procedure 196.1, discovery requests must identify with reasonable particularity the information, documents, or material sought.<sup>59</sup> Appellants fail to specify, for purposes of this discovery request what "conscience," "oath of office," "due diligence," "doing," and "funds belonging to the MUD's residents" mean. These phrases are vague and subject to multiple interpretations—GLMUD cannot identify the information requested. Thus, Appellants 14-2a, 14-2b, 14-2c, 14-2d, and 14-2f fails to identify "with reasonable particularity" the information sought.<sup>60</sup> GLMUD's objection to Appellants 14-2a, 14-2b, 14-2c, 14-2d, and 14-2f as impermissibly vague should therefore be sustained.

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<sup>59</sup> See also *In re TIG Ins. Co.*, 172 S.W.3d at 168.

<sup>60</sup> *Id.*

**B. Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b seek irrelevant information.**

Information irrelevant to the rate appeal is not discoverable.<sup>61</sup> Information is relevant only if it has a tendency to make a fact of consequence more or less probable than it would be without the evidence.<sup>62</sup>

GLMUD Board of Directors' subjective opinions related to conscience, duty, oath, personal finance, or contractor authority are irrelevant to this rate appeal. TWC § 13.043 rate appeals are narrow in scope—the Commission may consider “only the information that was available to the governing body at the time” of the rate change, reasonable rate case expenses, and the utility's financial integrity.<sup>63</sup> The Commission, ultimately, must ensure the appealed rates are “just and reasonable” and “not unreasonably preferential, prejudicial, or discriminatory.”<sup>64</sup>

Noticeably absent from these standards are inquiries related to individual MUD Board member opinions regarding oaths, personal finance, conscience, or contractor authority. The GLMUD Board of Directors' opinions on these abstract subjects, thus, have no tendency to support a finding regarding the appealed rates' just and reasonableness or discriminatory effect. Such information has no nexus with GLMUD's cost of service,<sup>65</sup> budget,<sup>66</sup> customer characteristics and rate design,<sup>67</sup> or rate case expenses.<sup>68</sup> The information requested therefore has no tendency to make a TWC § 13.043 fact of consequence more or less probable. GLMUD's objection to Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b as irrelevant should therefore be sustained.

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<sup>61</sup> See TRCP 192.3(a); *see also* 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>62</sup> TRE 401; *see also* 16 TAC § 22.141 (applying the TRE to Commission discovery).

<sup>63</sup> TWC §§ 13.043(c), (j).

<sup>64</sup> TWC § 13.043(j).

<sup>65</sup> Docket No. 48836, Order on Appeal of SOAH Order No. 17 at 3 (providing that “just and reasonable” rates are “set within a range of reasonable values” to recover a utility's “cost of service”).

<sup>66</sup> *Id.* (holding “just and reasonable” rates “collect only expenses actually realized or which can be anticipated with reasonable certainty”).

<sup>67</sup> Docket No. 50788, Order Remanding Proceeding at 6 (holding that findings related to customer characteristics are necessary to support nondiscriminatory rate designs).

<sup>68</sup> See TWC § 13.043(e).

**C. Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b are harassing.**

The Texas Rules of Civil Procedure limit discovery “to protect the movant from undue burden, unnecessary expense, harassment, annoyance, or invasion of personal, constitutional, or property rights.”<sup>69</sup> Additionally, harassing discovery requests are grounds for sanctions.<sup>70</sup> Appellants’ demands above do not seek admissible evidence—rather, they are meant to attack the GLMUD Board of Directors’ competence and integrity. Requests issued solely to harass the GLMUD Board of Directors are invalid and sanctionable. GLMUD’s objection to Appellants 14-2a, 14-2b, 14-2c, 14-2d, 14-2f, 14-4a, and 14-4b as harassing should therefore be sustained.

**APPELLANT 14-3 Comment on paragraphs 6 and 7 above.**

**Objection:** The request lacks specificity.

Under the Commission’s rules at 16 TAC § 22.144(b)(1) and the Texas Rules of Civil Procedure 196.1, discovery requests must identify with reasonable particularity the information, documents, or material sought.<sup>71</sup> Appellants fail to specify what “comments” they seek. “Comment” is vague and lacks specificity—GLMUD cannot identify the information requested. Thus, Appellant 14-3 fails to identify “with reasonable particularity” the information sought.<sup>72</sup> GLMUD’s objection to Appellant 14-3 should therefore be sustained.

**VI. PRAYER**

WHEREFORE, PREMISES CONSIDERED, GLMUD requests this objection be sustained and GLMUD be relieved of responding to these RFIs. GLMUD further requests any other relief to which it may be entitled.

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<sup>69</sup> TRCP 192.6(b); *see also* 16 TAC § 22.141 (applying the TRCP to Commission discovery).

<sup>70</sup> TRCP 215.3.

<sup>71</sup> *See also In re TIG Ins. Co.*, 172 S.W.3d at 168.

<sup>72</sup> *Id.*

Respectfully submitted,

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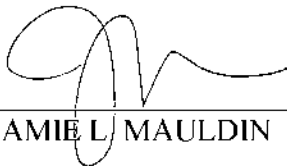
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**ATTORNEYS FOR GRAND LAKES  
MUNICIPAL UTILITY DISTRICT NO. 2**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on July 8, 2024 in accordance with the Order Suspending Rules, issued in Project No. 50664.



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JAMIE L. MAULDIN