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PUC DOCKET NO. 56589

PETITION BY RESIDENTS OF GRAND LAKES MUNICIPAL UTILITY	§ §	BEFORE THE
DISTRICT NO. 2 APPEALING THE WATER RATES ESTABLISHED BY	§ §	PUBLIC UTILITY COMMISSION
THE DISTRICT'S BOARD OF DIRECTORS	§ §	OF TEXAS

GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2'S RESPONSE TO APPELLANT'S SEVENTH REQUEST FOR INFORMATION

Grand Lakes Municipal Utility District No. 2 (GLMUD), files this Response to the Seventh Request for Information (RFI) filed by Appellant. The discovery request was received by GLMUD on June 26, 2024; therefore, these responses are timely filed. Pursuant to 16 Texas Administrative Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C.

816 Congress Avenue, Suite 1900 Austin, Texas 78701 (512) 322-5800 (512) 472-0532 (Fax)

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RICHARD A. ARNETT II State Bar No. 24131230 rarnett@lglawfirm.com

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 17, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.

JAMIE L. MAULDIN

PUC DOCKET NO. 56589

GLMUD'S RESPONSE TO APPELLANT'S SEVENTH RFI

APPELLANT 7-1 Because the Audit Reports disagree with the MUD's statement regarding the approximately 90% decline in revenue from the SPA with the City of Houston, the MUD is asked to (a) qualify and quantify its statements; and (b) detail the reason(s) for the decline in revenue from the SPA.

RESPONSE: See Attachment Appellant 7-1(a) for GLMUD's Strategic Partnership Agreement Report.

HdL Companies is a sales and use tax consultant engaged by the District to provide sales and use tax consulting services, including the preparation of periodic reports—such as Attachment Appellant 7-1(a), the HdL report for the 4th quarter of 2023—regarding the collection of sales and use tax within the jurisdictional boundaries of the District pursuant to the SPA with the City of Houston. The SPA Report's graphs and charts demonstrate the District's year to date income has declined by more than 90%. See Attachment Appellant 7-1(a) at Bates 2.

For Appellant 7-1(b), GLMUD does not have this information in its custody, possession, or control.

Prepared by: Gordon Cranner, Christopher Skinner Sponsored by: Gordon Cranner, Christopher Skinner



GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2



2023 Q4

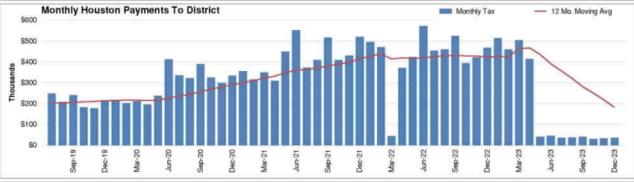
HdL Companies

GLMUD2 - Houston Payments To District Trend

					FI	SCAL YEAR				
		2020		2021		2022		2023		2024
Sep	s	238,975	\$	387,750	s	515,596	s	523,700	\$	40,220
Oct	s	180,750	s	323,430	s	407,972	s	392,170	s	29,768
Nov	s	176,633	s	297,510	s	428,938	s	420,350	s	31,199
Dec	s	214,125	\$	332,526	s	517,885	s	466,555	s	34,153
Jan	s	215,543	s	354,510	s	493,792	s	512,866		
Feb	s	200,337	s	313,831	s	469,199	s	458,066		
Mar	s	209,585	\$	348,397	S	42,732	s	503,763		
Apr	s	194,462	\$	307,911	s	369,937	s	413,004		
May	\$	236,515	\$	448,219	s	421,950	\$	39,836		
Jun	\$	411,844	\$	550,062	\$	570,101	s	43,478		
Jul	\$	333,860	\$	370,841	\$	452,352	s	35,403		
Aug	\$	320,677	\$	407,671	\$	459,371	s	37,394		
YEAR	s	2,933,307	\$	4,442,659	\$	5,149,826	s	3,846,585	\$	135,340

		Change:	FY '24/'23							
	Mon	th	Year-to-Date							
	\$	%	s	YTD %						
s	(483,480)	-92.3%	S (483,480)	-92.3%						
s	(362,402)	-92.4%	\$ (845,882)	-92.4%						
s	(389,151)	-92.6%	\$ (1,235,033)	92.4%						
\$	(432,402)	-92.7%	\$ (1,667,435)	-92.5%						





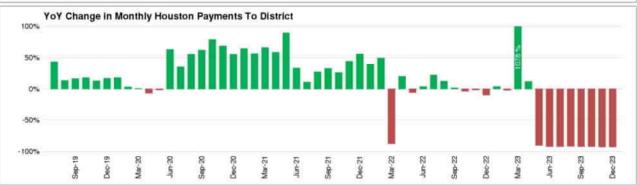




TABLE A

GLMUD2 HOUSTON SPA AREA BUSINESSES REPORTING STATUS

ID	Loc No.	BUSINESS NAME	Permit Date	J 22	F	M	Α	М	J	J	Α	s	0	N	D	J 23	F	М	A	М	J.	,	4 5	c	N	D
32040800503	2	DENNY'S #8009	Sep-19	Υ	γ	Y	γ	γ	γ	γ	Y	Y	Y	Υ	Y	Υ	Y	Y	Y	Y	Y	1	7	Y	Y	Y
32088940088	1	DIRTY DOUGH	Apr-23												П	\neg	П	Т	Т	Т	Т	Т	Т	Т	Τ	Y
32062668861	1	DROX MANAGEMENT, LLC	Jun-17	Υ	N	Υ	Υ	γ	Υ	Υ	Y	Y	Y	Υ	Y	Υ	Y	Y	Υ	N	Y	1	7	Y	Y	N
16218670194	261	FIRESTONE COMPLETE AUTO CARE 47C5	Dec-07	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Y	Υ	Υ	N	Y	Y	Υ	Y	Y	Y	Y	1	YY	Y	Y	Υ
32062695971	7	MCDONALD'S OF SEVEN MEADOWS	Feb-18	Υ	Υ	Υ	Υ	Υ	Υ	Υ	Y	Υ	Υ	Υ	Y	Υ	Y	Y	Y	Y	ΥY	7	ΥY	Y	Y	Y
32081315387	40	PAPA JOHN'S PIZZA #3415	Dec-21			Y	Υ	Υ	Υ	Y	Y	Υ	Y	Υ	Y	Y	Y	Y	Y '	Y	Y	1	7	/ X		\Box
12325186182	163	PENSKE TRUCK LEASING CO. L.P.	Oct-15	N	Υ	N	Υ	Y	Υ	N	Y	N	N	Υ	N	N	Y	N	N	Y	N I	1	Y N	IN	Y	N
12601004364	1122	REDBOX AUTOMATED RETAIL LLC	Jul-08	Y	Υ	Y	Υ	Y	Y	Y	Y	Y	Y	Υ	Y	Υ	Y	N	Y	Y	Y	1	7	Y	Y	Y
12601004364	2547	REDBOX AUTOMATED RETAIL, LLC	Oct-09	Υ	Υ	γ	Υ	Υ	Y	Υ	Y	Υ	Y	Υ	Υ	Y	Υ	N	Y	Y	Y	1	7	Y	TY	Y
15818533190	129	THE HOME DEPOT #6561	Feb-02	Υ	Υ	Υ	Υ	Υ	Υ	γ	Υ	Υ	Y	Υ	Υ	Υ	Y	Y	Y	Y	Y	1	YY	Y	Y	Y
16401808106	15	TRUSTMARK NAT. BANK, FRY RD BRANCH	Apr-09	N	Υ	N	N	N	γ	N	N	N	N	N	N	N	N	N	N	N	N I	1	N N	IN	I	N
32072926838	10	URGENTVET- KATY	Oct-22												1	Y	Y	Y	Y	Y	Y	7	7	Y	Y	Y
13619240255	704	WALGREENS #07491	Feb-04	N	Y	N	Υ	γ	Y	N	Υ	N	N	Υ	N	N	Y	N	N	Y	N I	1	7 1	1 N	Y	N
		No. Businesses	Reporting	7	9	8	10	10	11	8	10	8	8	9	8	9	11	7	9 1	10	9 !) 1	1 5	8	10	8

	Not located in District's SPA
X	Inactive
Y	Reporting but should not be
Υ	Reporting as expected
N	Not reporting as expected
N	Not reporting but should be



CURRENT SPA AREA BUSINESS LIST

SPA Name	Taxpayer No.	Loc No.	Location Name	Location Address	City	Zip Code
GRAND LAKES MUD 2	32040800503	2	DENNY'S #8009	6920 S FRY RD	KATY	77494
GRAND LAKES MUD 2	32088940088	1	DIRTY DOUGH	6920 S FRY RD #J	KATY	77494
GRAND LAKES MUD 2	32062668861	1	DROX MANAGEMENT, LLC	6920 S FRY RD	KATY	77494
GRAND LAKES MUD 2	1 621 8670 194	261	FIRESTONE COMPLETE AUTO CARE 47C5	6820 S FRY RD	KATY	77494
GRAND LAKES MUD 2	32062695971	7	MCDONALD'S OF SEVEN MEADOWS	7104 S FRY RD	KATY	77494
GRAND LAKES MUD 2	32081315387	40	PAPA JOHN'S PIZZA #3415	6920 S FRY RD	KATY	77494
GRAND LAKES MUD 2	12325186182	163	PENSKE TRUCK LEASING CO. L.P.	6850 S FRY RD	KATY	77494
GRAND LAKES MUD 2	12601004364	1122	REDBOX AUTOMATED RETAIL LLC	6802 S FRY RD	KATY	77494
GRAND LAKES MUD 2	12601004364	2547	REDBOX AUTOMATED RETAIL, LLC	7104 S FRY RD	KATY	77494
GRAND LAKES MUD 2	15818533190	129	THE HOME DEPOT #6561	6850 S FRY RD	KATY	77494
GRAND LAKES MUD 2	16401808106	15	TRUSTMARK NATIONAL BANK, FRY ROAD BRANC	17100 S FRY RD	KATY	77494
GRAND LAKES MUD 2	32072926838	10	URGENTVET - KATY	6920 S FRY RD #C	KATY	77494
GRAND LAKES MUD 2	13619240255	704	WALGREENS #07491	6802 S FRY RD	KATY	77494

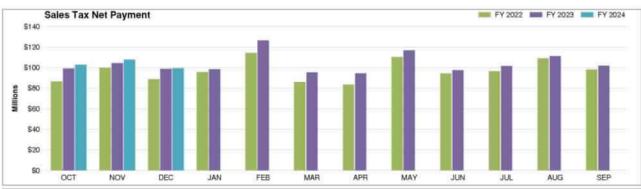
	IN ACTIVE/OUT OF BUSINESS									
As of Date	Taxpayer No.	Loc No.	Location Name	Location Address	City	Zip Code				
Mar-22	32058646509	1	CLEAN AND CLEANER (permit still active 12/	LEAN AND CLEANER (permit still active 12/15/2: 6920 \$ FRY RD		RY 6922 S FF				
Jul-23	32081315387	40	PAPA JOHN PIZZA	6920 S FRY RD	6921 S FF	RY 6922 S FF				

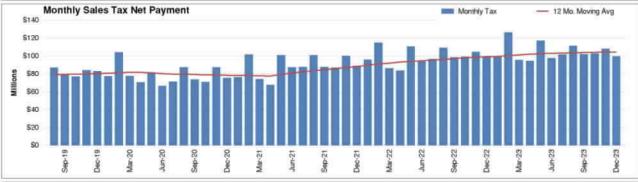
Harris Co. (34) Cities - Sales Tax Net Payment Trend

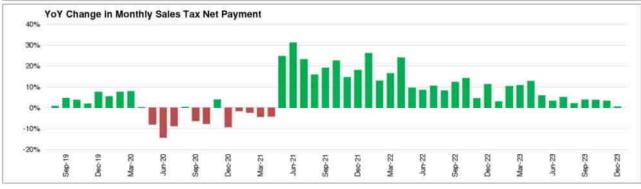
			FISCAL YEAR		
	2020	2021	2022	2023	2024
Oct	\$ 76,558,243	\$ 70,589,743	\$ 86,522,907	\$ 98,863,488	\$ 102,471,712
Nov	\$ 83,703,125	\$ 86,998,344	\$ 99,734,355	\$ 104,185,050	\$ 107,537,802
Dec	\$ 82,798,027	\$ 75,073,626	\$ 88,628,621	\$ 98,591,252	\$ 99,141,016
Jan	\$ 77,009,200	\$ 75,780,412	\$ 95,611,294	\$ 98,435,727	
Feb	\$ 103,729,924	\$ 101,258,052	\$ 114,351,212	\$ 126,162,474	
Mar	\$ 77,164,086	\$ 73,739,429	\$ 85,856,426	\$ 95,085,722	
Apr	\$ 70,258,365	\$ 67,335,214	\$ 83,457,040	\$ 94,203,460	
May	\$ 80,588,637	\$ 100,549,941	\$ 110,177,246	\$ 116,582,539	
Jun	\$ 66,194,340	\$ 86,899,882	\$ 94,233,348	\$ 97,341,510	
Jul	\$ 70,733,810	\$ 87,188,523	\$ 96,361,212	\$ 101,332,695	
Aug	\$ 86,797,797	\$ 100,519,139	\$ 108,785,463	\$ 110,969,170	
Sep	\$ 73,314,982	\$ 87,238,966	\$ 97,971,968	\$ 101,712,835	
YEAR	\$ 948,850,535	\$,013,171,270	\$,161,691,092	\$,243,465,921	\$ 309,150,530

		Change:	FY	24/23						
	Month	i .	Year-to-Date							
	\$	%		S	YTD %					
s	3,608,224	3.6%	s	3,608,224	3.6%					
s	3,352,752	3.2%	s	6,960,976	3.4%					
S	549,764	0.6%	s	7,510,740	2.5%					

YoY Change 6.8% 14.7% 7.0% na

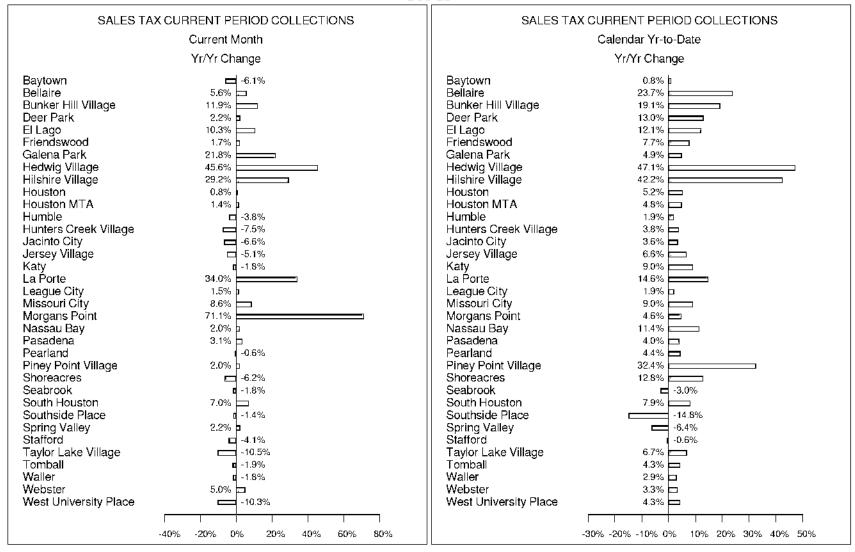






SALES TAX TREND HARRIS CO. CITIES and HMTA

Dec-23



HdL Companies

Ft Bend Co. (15) Cities - Sales Tax Net Payment Trend

			FISCAL YEAR		
	2020	2021	2022	2023	2024
Oct	\$ 9,117,028	\$ 9,014,822	S 11,463,214	\$ 13,218,769	\$ 13,661,516
Nov	\$ 10,441,417	\$ 11,224,492	S 13,556,678	\$ 13,986,481	\$ 14,493,026
Dec	\$ 10,372,154	\$ 10,012,304	\$ 11,421,024	\$ 12,551,633	\$ 12,907,213
Jan	\$ 9,197,121	\$ 9,670,371	\$ 12,861,902	\$ 12,751,273	
Feb	S 12,412,827	\$ 13,947,854	\$ 15,821,524	\$ 16,064,695	
Mar	\$ 8,956,040	\$ 9,205,717	\$ 11,507,135	\$ 11,556,323	
Apr	\$ 8,557,442	\$ 8,550,236	\$ 11,183,564	\$ 11,508,828	
May	\$ 10,224,939	\$ 13,881,514	\$ 15,012,017	\$ 14,572,538	
Jun	\$ 8,124,094	\$ 11,657,211	\$ 12,919,096	\$ 11,850,146	
Jul	\$ 8,849,411	\$ 10,990,195	\$ 13,059,184	\$ 13,825,339	
Aug	\$ 10,972,419	\$ 13,654,659	\$ 14,509,893	S 14,650,474	
Sep	\$ 9,313,313	\$ 11,283,916	\$ 12,987,858	\$ 12,243,639	
YEAR	\$ 116.538.204	\$ 133,093,292	\$ 156,303,090	\$ 158,780,135	\$ 41,061,755

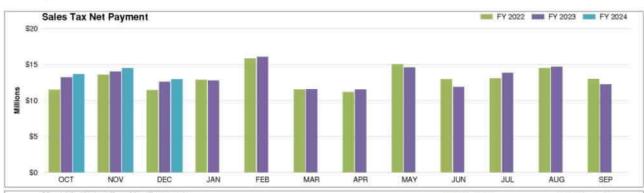
		Change:	FY'	24/23						
	Month	i .	Year-to-Date							
	s	%		S	YTD %					
s	442,748	3.3%	s	442,748	3.3%					
s	506,545	3.6%	s	949,293	3.5%					
s	355,580	2.8%	s	1,304,873	3.3%					

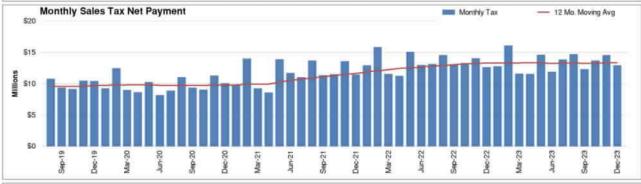
YoY Change

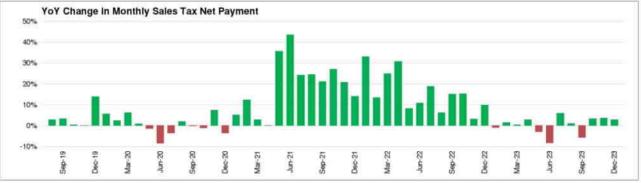
14.2%

17.4%

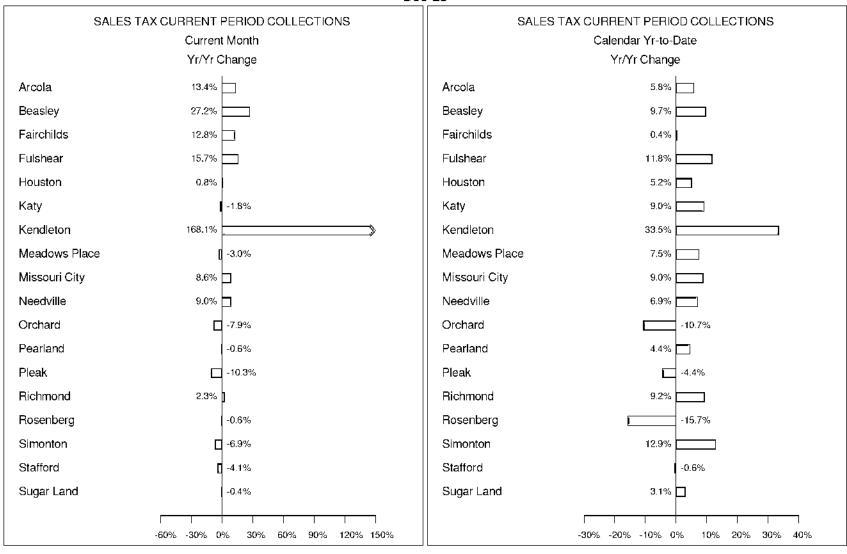
1.6%







SALES TAX TREND Ft Bend County (Cities) Dec-23



Data: Texas Comptroller of Public Accounts

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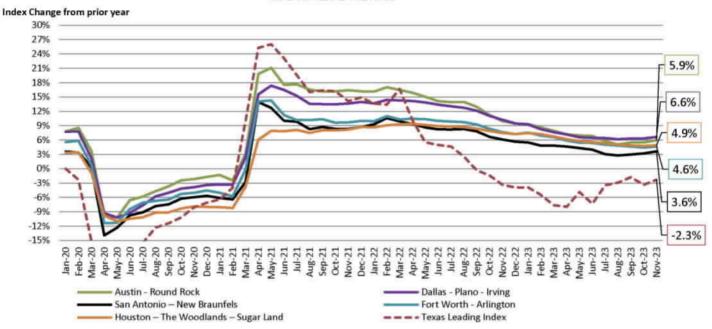
HdL® Companies

TEXAS ECONOMIC INDEXES TREND

The Federal Reserve Bank of Dallas' <u>Texas Leading Index (TLI)</u> is a single summary statistic that sheds light on the future of the Texas economy. **TLI** is a composite of eight leading indicators that tend to change direction before the overall economy. The Index's change trend is an indicator of future economic "growth".

The Federal Reserve Bank of Dallas' Metro Business Cycle Index (BCI) shows the broad movements in local Texas economies. BCI summarizes movements in nonagricultural employment, unemployment rate, inflation-adjusted wages and inflation-adjusted retail sales. The Index change trend is an indicator of economic "growth".

MAJOR TEXAS METROS



TEXAS BORDER METROS

Index Change from prior year

