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PUC DOCKET NO. 56589

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

APPELLANT'S REQUEST FOR INFORMATION NO. 3 PURSUANT TO 16 TAC § 22.144

- (1) Before the Public Utility Commission of Texas (Commission), ratepayers residing within the jurisdiction of the Grand Lakes Municipal Utility District No. 2 (MUD) are fighting a bogus rate order [56589-5 | 56589-6] that was announced on February 19, 2024.
- (2) Exhibit 1 of our petition/rate appeal [56589-1] and Exhibit 5 of our brief [56589-49] documented that the new rate order [56589-5 | 56589-6] increases residents' monthly water bills by 2.0 to 3.7 times. In fact, the increase goes to 4.5 times for a monthly usage below 1,000 gallons.
- (3) We have documented before that the contested rate order was orchestrated by the MUD's Attorney, the law firm Schwartz, Page & Harding LLP. Per the MUD's 12/18/2023 Board Meeting Minutes [56589-3], the new rate order was approved by the MUD's Board following a presentation by Charlie Chapline—part of the family that owns the water company (Municipal District Services | MDS Water).
- (4) The water company (Municipal District Services | MDS Water) is just an operator that gets hired and fired. It gets reimbursed for its services regardless of the MUD's finances. It *cannot* propose or request rate increases when <u>not</u> having a full overview of the MUD's financial situation. It is the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) that drove this *questionable* agenda in the background.
- (5) Rate design cannot be based on arbitrariness, wishes, and fantasy—it *must* be based on a detailed study that addresses water/wastewater cost of service for the MUD, average water/wastewater demand/ usage by customer type, MUD's expenses, MUD's revenues, MUD's cash balance, proposed water/ wastewater charges, and impact of the proposed water/wastewater charges on all customers. A transparent MUD would have published the said study beforehand, and allowed ratepayers to submit their comments within a specified deadline. Not to our surprise, this did *not* happen
- (6) Ratepayers are entitled to justice and are determined to pursue justice. Through **Request for Information No. 3**, filed pursuant to 16 Texas Administrative Code § 22.144, the MUD is hereby asked to furnish the detailed rate design (see the previous paragraph) it used to come up with the monthly water/ wastewater residential rates in the contested rate order [56589-5] 56589-6].

(7) Instructions and guidance:

- The MUD can make it simple and 'come clean' or make it complex, continue denial and defiance, let the

case extend over several years, and spend hundreds of thousands of ratepayers' funds on legal fees.

- Being the mastermind, the MUD's Attorney is ineligible to answer on behalf of others, or to attempt to

influence and/or guide others.

- None of the parties responding to this request must seek the advice of any attorney. Under oath, each

individual involved must *unhesitatingly* furnish all material and details in their possession.

- Those responding to this request for information must deliver their statement under oath.

(8) With obvious abuse of the discovery process (incomplete responses, concealed details, delays,

refusals, objections, redaction, etc), a Motion to Compel will ask the Commission to intervene.

Katy, Texas on the 17th day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.

George J. Walile

6819 Rosemont Park Ln Katy, TX 77494-6590

george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on June 17, 2024.

- The Board via the District's Attorney (the law firm Schwartz, Page & Harding LLP).

- Commission's Legal Division | Attorney assigned to this docket.

George J. Wakileh, Ph.D.