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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

REBUTTAL OF THE MUD'S RESPONSE TO PETITIONERS' BRIEF ON RATE ORDER

(1) This pleading refutes the MUD's response [56589-65] to our brief [56589-55] of 6/17/2024 on the rate order. The Lloyd Gosselink Rochelle & Townsend P.C. (LGRT) attorneys continue to furnish false, distorted, misleading information that serves no purpose but wasting time, money, effort, and resources. Their objective is to justify a rate order that is a criminal act at best; a rate order that residents are fighting and demanding its examination by a neutral entity.

(2) The MUD's request to dismiss petitioners' brief [56589-55] of 6/17/2024 and deny our request for a default ruling is illegitimate, unwarranted, and frivolous.

(3) In PUC Docket No. 43146, the complainant asserted claims against a Water Supply and Sewer Services Corporation (WSC) based on violations of the Texas Open Meetings Act (TOMA | Texas Government Code, Chapter 551). Under TWC § 13.004(a), an individual could not institute with the Commission a complaint against a WSC, but the Commission may initiate an investigation or enforcement proceeding. That is not the situation in the instant case (PUC Docket No. 56589).

(4) In PUC Docket No. 43146, the Commission found one deviation, namely the WSC's 2013 annual meeting was held in June, outside of the time period [January 1 to May 1] set in TWC § 67.007(a). In result, for this single deviation of TWC, the Commission chose to not assume jurisdiction over the WSC.

(5) The case *Martin v. Victoria Independent School District* (no. 13-01-096-CV) does not whatsoever add value to the instant case (PUC Docket No. 56589). The *Martin v. VISD* case revolves around teachers' protected speech, topics of public interest, and ISD Board open versus closed meetings. The case was brought before, and heard by, the courts. The Victoria County Court at Law Number One judgment was voided/vacated for having no jurisdiction to hear such actions. The case continued before a trial court having jurisdiction with motions for summary judgment from both parties and multiple appeals.

(6) Grand Lakes Municipal Utility District No. 2 (MUD) is a local government and a political subdivision of the state. It is subject to TOMA; cf. Texas Government Code § 551.001(3). Our petition (rate appeal) [56589-1] against the MUD is not based on violations of TOMA. Filed under TWC § 13.043(b)(4), our

petition (rate appeal) is rather based on an illegitimate, unlawful, unjust, unreasonable, and unjustified rate order announced on February 19, 2024 with an effective date of February 1, 2023.

(7) Notice of the MUD's business – including, but not limited to, a rate increase – **must** be given by listing that business as an item on the Board Meeting Agenda – cf. Texas Government Code § 551.042 – and posting notice of the Board Meeting three days in advance. Our brief [56589-55] documented that the 12/18/2023 rate order is a voidable action per Texas Government Code § 551.141 because Texas Government Code § 551.042 **prohibits** the MUD's Board from deliberating and deciding items/ subjects/ topics/ matters/ issues that are not listed on the Agenda for a meeting for which notice was already posted.

(8) *First*, item no. 5 on the MUD's 12/18/2023 Meeting Agenda attempted to “amend the Rate Order in connection with a presentation by Best Trash regarding annual rate increase.” But the Minutes for the MUD's 12/18/2023 Board Meeting document that Best Trash talked about an “annual Consumer Price Index (“CPI”) rate adjustment of 6.5%,” not about amending the Rate Order's water/wastewater rates for residential customers.

(9) *Second*, Best Trash has nothing to do with the Rate Order and *cannot* request a Rate Order adjustment to cover any alleged (increase in) expenditures. The Trash Collection and Recycling Services expenditure is covered as part of the annual MUD tax that the residents pay, not as part of the water/ wastewater rates.

(10) *Third*, later in the MUD's 12/18/2023 Board Meeting, Charlie Chapline—part of the family that owns the water company—presented to and reviewed with the Board a 2024 proposed Rate Schedule for the amendment of the monthly rates for residential water/wastewater. This subject was not listed among item no. 11, A to G, of the Agenda, and could—as such—not have been deliberated and decided at the meeting. Pursuant to Texas Government Code § 551.042, the MUD's Board should have **prevented** the water company from presenting the rate order amendment proposal. The MUD's Board was *limited* to propose placing the subject/item (proposal for a rate order amendment) on the agenda for a future board meeting.

(11) Pursuant to Texas Government Code § 551.142, interested persons may bring before the district courts an action by mandamus or injunction to stop, prevent, or reverse a violation of TOMA by members of a governmental body. No matter what the Commission's decision is, the violation highlighted in our brief of 6/17/2024 [56589-55] is just another finding of a violation—among many others—in support of the theory that the 12/18/2023 rate order is a bogus, malicious, illegitimate scam that qualifies as a criminal offense under Texas Local Government Code § 180.010(a).

Katy, Texas on the 21st day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



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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 21, 2024.

- The Board via the District's Attorney (the law firm Schwartz, Page & Harding LLP).
- PUCT's Legal Division | Attorney assigned to this docket.



George J. Wakileh, Ph.D.