



Filing Receipt

Filing Date - 2024-05-21 04:44:03 PM

Control Number - 56589

Item Number - 23

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

BRIEF IN RESPONSE TO THE REQUEST FOR PROOF OF REPRESENTATION

(1) On 5/20/2024, the Public Utility Commission of Texas (PUCT or Commission) entered an order [56589-20] that says that “the residents only signed a general petition” and “nowhere on the pages the residents signed is there an agreement ... for ... representation in this proceeding at the Commission.” The order requires filing proof of representation by 6/3/2024.

(2) For all practical purposes, the Commission’s demand is utterly unreasonable, unnecessary, and unfair. The Commission’s requirement that the Lead Petitioner (Petitioner of Record) furnish proof of their representation of the remaining petitioners on the petitioner list is an unlawful requirement and an absolute abuse of discretion on the side of the Commission’s Legal Staff. It is noted that the order is drafted by Alexander Scheifler, presumably a law clerk supporting the Administrative Law Judge. A law clerk’s demands and interpretation of the law are not law and can be challenged.

(a) In this digital age, the Commission does not have the platform to facilitate efficient handling of residents’ petitions. As such, residents are placed at a great disadvantage compared to a utility, a district, or even a law firm representing a third party. In result, residents’ rights to fairness, justice, and equality of arms are impaired. Additionally, stringent formalistic procedural requirements essentially render the appeal process to the Commission fictitious, nonexistent in practice.

(b) Even though the petitioner list does not specifically name one individual as the Lead Petitioner (Petitioner of Record), it is unequivocally clear who that individual is. It is the individual whose name appears as the first name on the petition; it is the individual who prepared the petitioner list and printed it out; it is the individual who walked door to door over a period of 9 days, from 6pm to 8:30pm, spending a total of 23 hours to collect 92 signatures; it is the individual who talked to the residents about what is being done at the Grand Lakes Municipal Utility District No. 2 (Water District of MUD) explained the issues, and answered residents’ questions; it is the individual who wrote articles supported by evidence about the irregularities and mishandling of residents’ funds at the Grand Lakes MUDs. Does the Commission expect the petitioner list to be revised by naming the representative (Lead Petitioner | Petitioner of Record), spending another 23 hours to get it signed anew and lodged with the Commission? No rational observer will ever support this arbitrary, unreasonable, unnecessary demand.

(c) Grand Lakes residents contest an illegal Rate Order [56589-5], which is the subject of the petition [56589-1] before the Commission. Any and all issues originating during the proceeding are **already** covered by the petition pending before the Commission. No new petition or authorized representation are required before residents become able to challenge any action that could materialize, respond to the Commission's requests, or invoke any procedure. Insisting on the contrary breaches residents' right to a fair hearing, right to justice, and right to equality of arms.

(d) How would the PUCT verify the representation if a Board of Directors were to appear before the Commission? Do the voting ballots and election results count in lieu of resident endorsement? Will the Commission request members of the Board of Directors to furnish proof of representation specifically stating that they are entitled to speak on behalf of residents in the proceeding before the Commission?

(e) Consider the ballots cast in an election. Whoever wins is automatically entitled to speak on behalf of the constituents in all matters **without** the need to get a specific, additional endorsement in the form of text detailing such entitlement on the ballot or in a separate proof of representation. The petition [56589-1] the residents filed with the PUCT exemplifies an analogous situation, such that the Commission's request for an additional and separate proof of representation is unjustified.

(f) The petition [56589-1] filed with the PUCT satisfied the 10% requirement, such that the case before the Commission is on behalf of **all** ratepayers residing within the jurisdiction of the MUD, **not only** the 92 ratepayers who signed the petition. With the petition, the residents portray a unified and explicit objective of challenging injustice, arbitrariness, wrongdoing, and abuse of authority administered by the MUD's Board of Directors, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP), and the water company (Municipal District Services | MDS Water). **No state law** requires that the residents' petitioner list explicitly state who their representative is. And in the absence of such statement on the petitioner list, **no state law** requires the Lead Petitioner (Petitioner of Record) to furnish proof of their representation of the remaining petitioners on the petitioner list. As the petition materialized, the matter of representation is an **internal matter** to the petitioners themselves and something that the Commission cannot, and must not, dispute or challenge. A change of the Lead Petitioner (Petitioner of Record) will entail that the Commission be informed via a pleading or letter, but nothing else.

(g) As elaborated below, the Commission's reference to 16 Texas Administrative Code § 22.101(a) is misleading; likely based on misunderstanding or hasty interpretation. The provision reads:

(a) Generally. Any person may appear before the commission or in a hearing in person or by authorized representative. The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person. The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.

First, note the use of ‘may’, not ‘must’, in the discretion given to the presiding officer.

Second, the clause “The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person” applies to a representative of a person, not a party. The clause does not apply in our case, as the Lead Petitioner (Petitioner of Record) in the instant case represents a party, not a person.

Third, note the placement of the clause “The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person” as the second, not last, sentence. As such, when invoked based on a discretionary use of ‘may’, the clause is **binding** on the sentence *before* it, not the sentence(s) *after* it. This is further corroborated by the use of ‘person’ in the first two sentences and ‘party’ in the third sentence. Thus, the only applicable requirement in our case is advanced by the third sentence, namely “The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.” The authorized representative (Lead Petitioner | Petitioner of Record) has already been using “on behalf of 92 ratepayers residing within the jurisdiction of Grand Lakes MUD No. 2”, later changed to “on behalf of Grand Lakes MUD No. 2 ratepayers” because, once the 10% requirement is met, the case before the Commission is on behalf of all ratepayers residing within the MUD’s jurisdiction, not just the 92 ratepayers that signed the petition. In result, the petitioners have already fulfilled the requirement in the third sentence of § 22.101(a).

All in all, the Commission’s demand for proof of resident representation is unjustified.

(h) Good cause, preserving residents’ rights, equality of arms, and the proper administration of justice necessitate that the Commission not place stringent, unreasonable, unjustified, unfair demands on the residents; demands that—in result—deny residents the right to seek justice, stop wrongdoing, and nullify an invalid rate order.

(3) For clarity—in the request [56589-16], the petitioners challenged the representation alleged by attorneys from the law firm Lloyd Gosselink Rochelle & Townsend, P.C. That is a completely different story from the discussion surrounding the Commission’s demand for proof of resident representation. The MUD’s Attorney is the law firm Schwartz, Page & Harding LLP. At the said law firm, three individuals (Christopher T. Skinner, Gordon Cranner, and Melia Berry) are involved in administering the MUD. For the purpose of following this case before the Commission, the use of attorneys from another law firm is totally unjustified. The District’s Attorney cannot engage and retain consultants without such being documented in a Board Meeting Agenda and the corresponding Minutes, and without the voting and approval of the Board. And the District’s Attorney must not discard residents’ funds when they themselves

are the ones expected—and of course paid—to follow the entirety of the MUD's legal business, not the least a case of their own creation.

PRAYER

(4) Against the preceding background, the petitioners respectfully ask the Commission to reverse Order No. 3 and drop/forgo the demand on resident representation because it is *already* met. If the Commission objects and insists on its demand, the petitioners / residents respectfully ask the Commission to bring the case to an appeals body.

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

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



CERTIFICATE OF SERVICE

I, George J. Wakileh, certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on May 21, 2024.

- The Board via the District's Attorney (the law firm Schwartz, Page & Harding LLP).
- Attorneys from the law firm Lloyd Gosselink Rochelle & Townsend, P.C.
- Kevin Pierce, Attorney assigned to this docket | PUCT's Legal Division – kevin.pierce@puc.texas.gov.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-05-23 05:51:31 PM

Control Number - 56589

Item Number - 32

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

APPEAL PURSUANT TO 16 TEXAS ADMINISTRATIVE CODE § 22.123(a)

I. Background

(1) Incorporating by reference Order No. 3 [56589-20], our pleading [56589-23], and Order No. 4 [56589-31] as if fully set forth herein.

(2) The appeal concerns the Commission's unlawful, unjustified, improper, and arbitrary Order No. 3 [56589-20]. The order set a requirement for the Lead Petitioner (Petitioner of Record) to furnish by 6/3/2024 proof of representation of the remaining petitioners on the petitioner list. The Order used 16 Texas Administrative Code § 22.101(a) as the basis for the request, when reference to the said provision is manifestly unlawful, unjustified, improper, and arbitrary at best.

(3) Brief [56589-23] documented that the Commission's requirement is unlawful, unjustified, improper, unreasonable, unnecessary, unfair, and arbitrary at best. The brief documented that grounding the Commission's request on 16 Texas Administrative Code § 22.101(a) is not just misleading, but utterly wrong and unlawful.

(4) In Order No. 4 [56589-31], the presiding officer (Administrative Law Judge | ALJ) continued arbitrary treatment of the case, having denied the appellants' Motion for Reconsideration [56589-23] without any valid **legal reasoning** whatsoever. The ALJ went on to justify her striking mishandling of the case by rushing to decide the matter while **excluding** the counterparty and Commission Staff. The ALJ wrote:

The ALJ is ruling on Mr. Wakileh's request promptly and without waiting for responses from Grand Lake MUD No. 2 and Commission Staff so that Mr. Wakileh may, if he wishes to do so, appeal Order No. 3 under 16 Texas Administrative Code (TAC) § 22.123(a) within the short time frame allowed for such appeals.

II. Grounds for Appeal

(5) The Commission's Order No. 3 [56589-20] and Order No. 4 [56589-31] are unjustified, improper, and unlawful. The two orders prejudice a substantial or material right of the residents&petitioners in docket no. 56589. The orders materially affect the course of the proceedings before the Commission. The orders represent a striking abuse of power, position, and authority. No law clerk, presiding officer, or administrative law judge can ever, subjectively, arbitrarily, and unlawfully, misrepresent the requirement

in 16 Texas Administrative Code § 22.101(a), thus—in objective or in result—disadvantaging a party and causing it unwarranted harm.

(6) Incorporating by reference our pleading [56589-23] as if fully set forth herein, the Commission is respectfully asked to entertain all arguments advanced in the brief as grounds for appealing the unlawful, flawed, unjust requirement set in Order No. 3 [56589-20]. We will, however, repeat here the part that proves that the Commission’s reference to 16 Texas Administrative Code § 22.101(a) is utterly unlawful, flawed, unjustified, and arbitrary. The provision reads:

(a) Generally. Any person may appear before the commission or in a hearing in person or by authorized representative. The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person. The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.

First, note the use of ‘may’, not ‘must’, in the discretion given to the presiding officer.

Second, the clause “The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person” applies to a representative of a person, not a party. The clause does not apply in our case, as the Lead Petitioner (Petitioner of Record) in the instant case represents a party (Grand Lakes residents / ratepayers), not a person.

Third, note the placement of the clause “The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person” as the second, not last, sentence. As such, when invoked based on a discretionary use of ‘may’, the clause is **binding** on the sentence(s) *before* it, not the sentence(s) *after* it. This is further corroborated by the use of ‘person’ in the first two sentences and ‘party’ in the third sentence. Thus, the only applicable requirement in our case is advanced by the third sentence, namely “The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.” The authorized representative (Lead Petitioner | Petitioner of Record) has already been using “on behalf of 92 ratepayers residing within the jurisdiction of Grand Lakes MUD No. 2”, later changed to “on behalf of Grand Lakes MUD No. 2 ratepayers” because, once the 10% requirement is met, the case before the Commission is on behalf of all ratepayers residing within the MUD’s jurisdiction, not just the 92 ratepayers that signed the petition. In result, the petitioners have already fulfilled the requirement in the third sentence of § 22.101(a).

All in all, the Commission’s demand for the Lead Petitioner (Petitioner of Record) to furnish proof of resident representation is unlawful, unjustified, improper, and arbitrary.

(7) Good cause, residents' rights, equality of arms, and administration of justice necessitate that the Commission not place stringent, unreasonable, unjustified, unfair demands on the residents; demands that—in result—deny residents the right to justice, stop wrongdoing, and nullify an invalid rate order.

(8) Order No. 4 [56589-31] is not reasoned. The reasoning requirement is an indivisible part of the right to justice and fairness in all types of legal proceedings. The reasoning requirement is binding on judges, courts, and administrative entities. Each and every legal decision must detail the factual and legal grounds the decision is based on. This is such that (i) the appeal can respond to the judge's arguments; and (ii) the appeals body can have a meaningful basis for examining the contested ruling and the appeal. Barring such pillars, a non-reasoned ruling would essentially circumvent the appeal process in a modern democratic society built on the principles of justice and the rule of law.

(9) In rendering the non-reasoned Order No. 4 [56589-31], the ALJ would have also discarded all factual and legal matter advanced in the brief [56589-23], which documented that the Commission's requirement in Order No. 3 [56589-20] is unjustified, improper, arbitrary, and has no legal basis *whatsoever*. Thus, the ALJ has **breached** the right to procedural fairness, the right to substantive examination, and the right to genuine administration of evidence. All three rights are an indivisible part of the right to justice and fairness in all types of legal proceedings.

(10) Order No. 4 [56589-31] excluded the counterparty and Commission Staff such that the right to adversarial proceedings is ignored. This right is an indivisible part of the right to justice and fairness in all types of legal proceedings.

III. The Commission's Duties, Responsibilities, and Obligations

(11) The case before the Commission is a meritorious case that highlights enormous injustice against all ratepayers residing within the jurisdiction of Grand Lakes Municipal Utility District No. 2 (MUD). The MUD's Attorney (the law firm Schwartz, Page & Harding LLP) has for years been mishandling residents funds. The same law firm administers three other water districts (Grand Lakes MUD No. 1, Grand Lakes MUD No. 4, and Grand Lakes WCID) in the Grand Lakes community in Katy, Fort Bend County, Texas. Grand Lakes MUD No. 2, MUD No. 1, and MUD No. 4 host 682, 1072, and 985 residences respectively. That is a total of 2,739 residences. In addition, the Grand Lakes community hosts 37 commercial entities. The law firm's violations in administering the four water districts are *appalling* and have lasted for years. Residents have the right to speak out and demand justice. It is believed that the Commission wants to crush the instant case to avoid publicity and uncovering punishable violations. But such treatment means that injustice and wrongdoing will continue, inflicting enormous unwarranted long-lasting harm on all residents.

(12) The Commission is entrusted with securing justice, hindering injustice, and applying the law properly. The law cannot be interpreted subjectively or arbitrarily. The Commission and its staff must have the courage to acknowledge a mistake, misunderstanding, or misinterpretation. To proceed with denial and defiance when 16 Texas Administrative Code § 22.101(a) is unmistakably misinterpreted and misapplied, is a saddening and regrettable sign of injustice and disregard for the law.

(13) Order No. 3 [56589-20] is unlawful and must be modified, withdrawn, or repealed. The same goes for Order No. 4 [56589-31]. With no commissioner balloting in favor of the Appeal, such that the Appeal is implicitly denied, the Commission becomes consciously involved in injustice, wrongdoing, disregard for the law, abuse of the law, and mishandling of the instant case (docket no. 56589). With no commissioner balloting in favor of the Appeal, the Commission would have already terminated docket no. 56589 with appalling wrongdoing and injustice. Consequently, this means that the appeal process against illegitimate municipal utility district rate orders—something that the Commission advertises to residents—is fictitious, artificial, and useless; available on paper but not in practice.

(14) The Commission is at will to treat the instant appeal as a Motion for Reconsideration pursuant to 16 Texas Administrative Code § 22.123(b).

IV. PRAYER

(15) Order No. 3 [56589-20] is modified, withdrawn, or repealed. Modification entails removing the requirement for the Lead Petitioner (Petitioner of Record) to furnish by 6/3/2024 proof of representation of the remaining petitioners on the petitioner list, because 16 Texas Administrative Code § 22.101(a) – the alleged basis for the Commission’s request – does not place such requirement on a party’s representative; it places the requirement on a person’s representative. Grand Lakes residents/ratepayers are a party, not a person. The representative of Grand Lakes residents/ratepayers represents a party, not a person.

Katy, Texas on the 23rd day of May 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



DOCKET NO. 56589

CERTIFICATE OF SERVICE

I, George J. Wakileh, certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on May 23, 2024.

- The Board via the District's Attorney (the law firm Schwartz, Page & Harding LLP).
- Attorneys from the law firm Lloyd Gosselink Rochelle & Townsend, P.C.
- Kevin Pierce, Attorney assigned to this docket | PUCT's Legal Division.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-05-23 11:41:25 PM

Control Number - 56589

Item Number - 34

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

REQUEST TO THE COMMISSION'S LEGAL DIVISION TO INTERVENE

Legal Division

- Ms. Marisa Lopez Wagley, Division Director
- Mr. John York Harrison, Senior Managing Attorney

(1) Reference is made to Order No. 3 [56589-20], our pleading (Motion for Reconsideration) [56589-23], Order No. 4 [56589-31], our appeal [56589-32], and the Motion to Stay [56589-33]. The Administrative Law Judge (ALJ) rushed to decline our pleading (Motion for Reconsideration) [56589-23], while excluding the Commission Staff and the counterparty.

(2) Being unfairly prejudiced by the ALJ's arbitrary interpretation of 16 Texas Administrative Code (TAC) § 22.101(a), residents request the prompt intervention of the Commission's Legal Division and expect a prompt resolution of the matter. The issue complained of is one of principle and benefits the general public. The law must be applied properly and interpreted correctly. Justice and the rule of law become meaningless if challenging an error or oversight is met with defiance, arbitrariness, or retaliation. We are afraid that this incident will create an unhealthy atmosphere that harms the proceedings.

(3) Our interpretation of TAC § 22.101(a) is in paragraph (2).(g) of the Motion for Reconsideration [56589-23] and paragraph (6) of the appeal [56589-32]. Residents insist on this interpretation because of the provision's use of two different terms; 'person' and 'party'. The Grand Lakes ratepayers are a 'party', not a 'person'. And the Lead Petitioner (Petitioner of Record) in the instant case represents a 'party' (Grand Lakes ratepayers), not a 'person'. All other paragraphs in both submissions also argue against the ALJ's arbitrary and unlawful demand and the ALJ's utterly flawed interpretation of TAC § 22.101(a).

Katy, Texas on the 23rd day of May 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



DOCKET NO. 56589

CERTIFICATE OF SERVICE

I, George J. Wakileh, certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on May 23, 2024.

- Ms. Marisa Lopez Wagley, Division Director, Legal Division
- Mr. John York Harrison, Senior Managing Attorney, Legal Division
- Kevin Pierce, Attorney assigned to this docket | PUCT's Legal Division.
- The MUD's Board via the MUD's Attorney (the law firm Schwartz, Page & Harding LLP).
- Attorneys from the law firm Lloyd Gosselink Rochelle & Townsend, P.C.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-05-25 12:23:00 PM

Control Number - 56589

Item Number - 38

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

REQUEST TO THE OFFICE OF POLICY AND DOCKET MANAGEMENT TO INTERVENE

Office of Policy and Docket Management

- Ms. Shelah Cisneros, Deputy Commission Counsel | Shelah.Cisneros@puc.texas.gov

(1) This submission is filed as a pleading in **docket no. 56589**, but must be treated as a letter addressed as above. A similar request to intervene was made on 5/23/2024 to the Legal Division (Ms. Marisa Lopez Wagley | Division Director and Mr. John York Harrison | Senior Managing Attorney).

(2) Order No. 3 [56589-20], our pleading (Motion for Reconsideration) [56589-23], Order No. 4 [56589-31], and our appeal [56589-32] are incorporated by reference as if fully set forth herein. In Order No. 5 [56589-37], the Administrative Law Judge (ALJ) granted our Motion to Stay [56589-33] Order No. 3, but that is only because bias and partiality would have become very evident if the motion were not granted. In any case, as elaborated below, a stay of Order No. 3 does not change the picture.

(3) After two weeks of instituting our petition disputing a questionable rate order, the ALJ acted against the interests of residents/ratepayers and caused them unwarranted harm, costs, and delays. Through arbitrary, flawed, unwarranted, unlawful interpretation of the law, and by falsely claiming that her demand is grounded on 16 Texas Administrative Code § 22.101(a), the ALJ required the Lead Petitioner (Petitioner of Record) to furnish by 6/3/2024 proof of representation of the remaining petitioners.

(4) The aforementioned clause sets no such requirement whatsoever. Paragraph (2).(g) of our Motion for Reconsideration [56589-23] and paragraph (6) of our appeal [56589-32] comment on TAC § 22.101(a). Our interpretation is indisputable because of the provision's use of two different terms; 'person' and 'party', which can **by no means** be *philosophized* by the Public Utility Commission of Texas. The Grand Lakes ratepayers are a 'party', not a 'person'. And the Lead Petitioner (Petitioner of Record) in the instant case represents a 'party' (Grand Lakes ratepayers), not a 'person'. The first two sentences in TAC § 22.101(a) apply to a 'person', such that they are inapplicable in the instant case. The third sentence of TAC § 22.101(a) applies to a 'party'—it is applicable in the instant case, and the requirement set in this sentence is *already* met. All other paragraphs in both submissions [56589-23 and 56589-32] also argument against the ALJ's arbitrary and unlawful demand and the ALJ's utterly flawed interpretation of TAC § 22.101(a).

(5) The ALJ has already caused much unwarranted damage, costs, and delays. The ALJ has granted the counterparty an unwarranted extension until 6/21/2024 to file a response to the petition. The ALJ justified this long, costly delay by the counterparty's need to discuss the contested rate order, but the residents (petitioners) had already, repeatedly, stated that the rate order is a sham, a bogus scam, and a punishable activity that has been orchestrated since December 2023 by the water district's attorney (the law firm Schwartz, Page & Harding LLP), some consultants, and the water company (Municipal District Services, LLC), with the full and intimate involvement of the district's Board of Directors. Since January 2024, the rate order has been, and continues to be, discussed in each and every monthly meeting for the district's Board of Directors.

(6) If residents were to be represented before the Commission by an attorney, we would have already paid over \$15,000, when examining the case on the merits has not even started yet. The Commission must rethink its water rate appeal process if justice – which is not even guaranteed to be served – would cost residents at least \$50,000 in attorney fees. In result, this appeal process is fictitious, artificial, and useless.

(7) This letter is to be treated by the Office of Policy and Docket Management as a:

- Complaint against the Administrative Law Judge (ALJ). Justice and the rule of law become meaningless if challenging an error, misunderstanding, misinterpretation, or oversight is met with defiance, arbitrariness, or retaliation. We are afraid that this incident will create an unhealthy atmosphere that harms the proceedings. We are afraid that justice will not be served in the instant case (**docket no. 56589**).

- Request to issue a reasoned opinion that discusses the requirements set in 16 TAC § 22.101(a). This request is justified because the law must be applied properly and interpreted – should the need arise – correctly. The issue is one of principle and benefits the general public.

Katy, Texas on the 25th day of May 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

DOCKET NO. 56589

CERTIFICATE OF SERVICE

Service of this letter on the counterparty is not needed. However, the Legal Division – which got a similar request from the residents – is set on copy. Notice is sent via electronic mail on May 25, 2024.

- Ms. Marisa Lopez Wagley, Division Director, Legal Division.
- Mr. John York Harrison, Senior Managing Attorney, Legal Division.
- Mr. Kevin Pierce, Attorney assigned to this docket | PUCT's Legal Division.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-03 02:42:16 PM

Control Number - 56589

Item Number - 47

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

REQUEST FOR REFERRAL TO THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

I. Background

(1) Incorporating by reference Order No. 3 [56589-20], our pleading [56589-23], Order No. 4 [56589-31], our appeal [56589-32], our motion to stay [56589-33], Order No. 5 [56589-37], and the Commission's vote to not add our appeal to any open meeting agenda [56589-46], as if fully set forth herein.

(2) The matter concerns the Commission's unlawful, unjustified, improper, and arbitrary Order No. 3 [56589-20]. The order says that “the residents only signed a general petition” and “nowhere on the pages the residents signed is there an agreement ... for ... representation in this proceeding at the Commission.” The order set a requirement for the Lead Petitioner (Petitioner of Record) to furnish by 6/3/2024 proof of representation of the remaining petitioners on the petitioner list. The Order uses 16 Texas Administrative Code § (“Rule”) 22.101(a) as the basis for the request, when reference to the said provision is manifestly unlawful, unjustified, improper, and arbitrary at best.

(3) Brief [56589-23] documented that the Commission's requirement is unlawful, unjustified, improper, unreasonable, unnecessary, unfair, and arbitrary at best. The brief documented that grounding the Commission's request on Rule 22.101(a) is not just misleading, but utterly wrong and unlawful.

(4) In Order No. 4 [56589-31], the Commission's presiding officer (Administrative Law Judge | ALJ) continued arbitrary treatment of the case, having denied the appellants' Motion for Reconsideration [56589-23] without any valid **legal reasoning** whatsoever. The ALJ went on to justify her striking mishandling of the case by rushing to decide the matter while **excluding** the counterparty and Commission Staff. The ALJ wrote:

The ALJ is ruling on Mr. Wakileh's request promptly and without waiting for responses from Grand Lake MUD No. 2 and Commission Staff so that Mr. Wakileh may, if he wishes to do so, appeal Order No. 3 under 16 Texas Administrative Code (TAC) § 22.123(a) within the short time frame allowed for such appeals.

(5) The petitioners requested the intervention of the Commission's Legal Division [56589-34] and Deputy Commission Counsel / Office of Policy and Docket Management – [56589-38]. Our brief [56589-44] asked the Commission to have the courage to acknowledge an error, misunderstanding, misinterpretation,

or oversight. We asked the Commission to find a way to nullify Order No. 3 [56589-20] without having to waste much time, effort, resources, and money going through an unnecessary appeal process.

(6) In [56589-46], the Commission voted to not add our appeal to any open meeting agenda.

(7) Petitioners request this docket be referred to the State Office of Administrative Hearings (“SOAH”) for a hearing on the merits regarding Rule 22.101(a) and the Commission’s unlawful demand for the Petitioners’ Representative to furnish proof of representation by 6/3/2024.

II. Grounds for Referral

(8) The Commission’s Order No. 3 [56589-20] and Order No. 4 [56589-31] are unjustified, improper, and unlawful. The two orders prejudice a substantial or material right of the residents/petitioners in docket no. 56589. The orders materially affect the course of the proceedings before the Commission. The orders represent a striking abuse of power, position, and authority. No law clerk, presiding officer, or administrative law judge can ever, subjectively, arbitrarily, and unlawfully, misrepresent the requirement in Rule 22.101(a), thus—in objective or in result—disadvantaging a party and causing it unwarranted harm.

(9) The SOAH is respectfully asked to entertain all arguments advanced in our briefs as grounds for referring the unlawful, flawed, unjust requirement set in Order No. 3 [56589-20].

(10) For all practical purposes, the Commission’s demand is utterly unlawful, unreasonable, unnecessary, and unfair. The Commission’s requirement that the Lead Petitioner (Petitioner of Record) furnish proof of their representation of the remaining petitioners on the petitioner list is an unlawful requirement and an absolute abuse of discretion on the side of the Commission’s Legal Staff. It is not clear who authored the order and what role was played by the Legal Division and any law clerk supporting the Administrative Law Judge. In any case, the Commission’s interpretation of the law is not law and can be challenged.

(11) In this digital age, the Commission does not have the platform to facilitate efficient handling of residents’ / ratepayers’ petitions. As such, residents are placed at a great disadvantage compared to a utility, a district, or even a law firm representing a third party. In result, residents’ rights to fairness, justice, and equality of arms are impaired. Additionally, stringent formalistic procedural requirements essentially render the appeal process to the Commission fictitious, nonexistent in practice.

(12) Even though the petitioner list does not specifically name one individual as the Lead Petitioner (Petitioner of Record), it is unequivocally clear who that individual is. It is the individual whose name appears as the first name on the petition; it is the individual who prepared the petitioner list and printed it out; it is the individual who walked door to door over a period of 9 days, from 6pm to 8:30pm, spending a total of 23 hours to collect 92 signatures; it is the individual who talked to the residents about what is

being done at the Grand Lakes Municipal Utility District No. 2 (Water District of MUD) explained the issues, and answered residents' questions; it is the individual who wrote articles supported by evidence about the irregularities and mishandling of residents' funds at the Grand Lakes MUDs. Does the Commission expect the petitioner list to be revised by naming the representative (Lead Petitioner | Petitioner of Record), spending another 23 hours to get it signed anew and lodged with the Commission? No rational observer will ever support this arbitrary, unreasonable, unnecessary, unfair demand.

(13) Grand Lakes residents contest an illegal Rate Order [56589-5], which is the subject of the petition [56589-1] before the Commission. Any and all issues originating during the proceeding are **already** covered by the petition pending before the Commission. No new petition or authorized representation are required before residents become able to challenge any action that could materialize, respond to the Commission's requests, or invoke any procedure. Insisting on the contrary breaches residents' right to a fair hearing, right to justice, and right to equality of arms.

(14) How would the Commission verify the representation if a Board of Directors were to appear before the Commission? Do the voting ballots and election results count in lieu of resident endorsement? Will the Commission request members of the Board of Directors to furnish proof of representation specifically stating that they are entitled to speak on behalf of residents in the proceeding before the Commission?

(15) Consider the ballots cast in an election. Whoever wins is automatically entitled to speak on behalf of the constituents in all matters **without** the need to get a specific, additional endorsement in the form of text detailing the entitlement on the ballot or in a separate proof of representation. The petition [56589-1] the residents filed with the Commission exemplifies an analogous situation, such that the Commission's request for an additional and separate proof of representation is unjustified.

(16) The petition [56589-1] filed with the Commission satisfied the 10% requirement, such that the case before the Commission is on behalf of **all** ratepayers residing within the jurisdiction of the MUD, **not only** the 92 ratepayers who signed the petition. With the petition, the residents portray a unified and explicit objective of challenging injustice, arbitrariness, wrongdoing, mishandling of funds, and abuse of authority administered by the MUD's Board of Directors, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP), and the water company (Municipal District Services | MDS Water). **No state law** requires that the residents' petitioner list explicitly state who their representative is. And in the absence of such statement on the petitioner list, **no state law** requires the Lead Petitioner (Petitioner of Record) to furnish proof of their representation of the remaining petitioners on the petitioner list. As the petition materialized, the matter of representation is an **internal matter** to the petitioners themselves and something that the Commission cannot, and must not, dispute or challenge. A change of the Lead

Petitioner (Petitioner of Record) will entail that the Commission be informed via a pleading or letter, but nothing else.

(17) *All in all*, the Commission's demand for the Lead Petitioner (Petitioner of Record) to furnish proof of resident representation is unlawful, unjustified, improper, and arbitrary.

(18) Good cause, residents' rights, equality of arms, and administration of justice necessitate that the Commission not place stringent, unreasonable, unjustified, unfair demands on the residents; demands that—in result—deny residents the right to justice, stop wrongdoing, and nullify an invalid rate order.

(19) Order No. 4 [56589-31] is not reasoned. The reasoning requirement is an indivisible part of the right to justice and fairness in all types of legal proceedings. The reasoning requirement is binding on judges, courts, and administrative entities. Each and every legal decision must detail the factual and legal grounds the decision is based on. This is such that (i) the appeal can respond to the judge's arguments; and (ii) the appeals body can have a meaningful basis for examining the contested ruling and the appeal. Barring such pillars, a non-reasoned ruling would essentially circumvent the appeal process in a modern democratic society built on the principles of justice and the rule of law.

(20) In rendering the non-reasoned Order No. 4 [56589-31], the ALJ would have also discarded all factual and legal matter advanced in the brief [56589-23], which documented that the Commission's requirement in Order No. 3 [56589-20] is unjustified, improper, arbitrary, and has no legal basis *whatsoever*. Thus, the ALJ has **breached** the right to procedural fairness, the right to substantive examination, and the right to genuine administration of evidence. All three rights are an indivisible part of the right to justice and fairness in all types of legal proceedings.

(21) Order No. 4 [56589-31] excluded the counterparty and Commission Staff such that the right to adversarial proceedings is ignored. This right also is an indivisible part of the right to justice and fairness in all types of legal proceedings.

(22) For clarity—in the request [56589-16], the petitioners challenged the representation alleged by attorneys from the law firm Lloyd Gosselink Rochelle & Townsend, P.C. That is a completely different story from the discussion surrounding the Commission's demand for proof of resident representation. The MUD's Attorney is the law firm Schwartz, Page & Harding LLP. At the said law firm, three individuals (Christopher T. Skinner, Gordon Cranner, and Melia Berry) are involved in administering the MUD. For the purpose of following this case before the Commission, the use of attorneys from another law firm is totally unjustified. The District's Attorney cannot engage and retain consultants without such being documented in a Board Meeting Agenda, without the voting and approval of the Board, and without the

corresponding approved and publicly published Minutes. Additionally, the District's Attorney must not discard residents' funds when they themselves are the ones expected—and of course paid—to follow the entirety of the MUD's legal business, not the least a case of their own creation.

(23) The case before the Commission is a meritorious case that highlights enormous injustice against all ratepayers residing within the jurisdiction of Grand Lakes Municipal Utility District No. 2 (MUD). The MUD's Attorney (the law firm Schwartz, Page & Harding LLP) has for years been mishandling residents' funds. The same law firm administers three other water districts (Grand Lakes MUD No. 1, Grand Lakes MUD No. 4, and Grand Lakes WCID) in the Grand Lakes community in Katy, Fort Bend County, Texas. Grand Lakes MUD No. 2, MUD No. 1, and MUD No. 4 host 682, 1072, and 985 residences, respectively. That is a total of 2,739 residences. In addition, the Grand Lakes community hosts 37 commercial entities. The law firm's violations in administering the four water districts are *appalling* and have lasted for years. Residents have the right to speak out and demand justice. It is believed that the Commission wants to crush the instant case to avoid publicity and uncovering punishable violations. But such treatment means that injustice and wrongdoing will continue, inflicting enormous unwarranted long-lasting harm on all Grand Lakes residents.

(24) The Commission is entrusted with securing justice, hindering injustice, and applying the law properly. The law cannot be interpreted subjectively or arbitrarily. The Commission and its staff must have the courage to acknowledge a mistake, misunderstanding, or misinterpretation. To proceed with denial and defiance when Rule 22.101(a) is unmistakably misinterpreted and misapplied, is a saddening and regrettable sign of injustice and disregard for the law.

(25) Order No. 3 [56589-20] is unlawful and must be modified, withdrawn, or repealed. The same goes for Order No. 4 [56589-31]. With no commissioner balloting in favor of the Appeal, the Appeal was implicitly denied, such that the Commission is consciously involved in injustice, wrongdoing, disregard for the law, abuse of the law, and mishandling of PUC docket no. 56589. With no commissioner balloting in favor of the Appeal, the Commission has already terminated PUC docket no. 56589 with appalling wrongdoing and injustice. Consequently, this means that the appeal process against illegitimate municipal utility district rate orders—something that the Commission advertises to residents—is fictitious, artificial, and useless; available on paper but not in practice.

III. Further on Person, Party, Representative, and 16 TAC §§ 22.2, 22.102(a), 22.101(a)

(26) The Commission's reference to Rule 22.101(a) is utterly unlawful, flawed, unjustified, and arbitrary. The provision reads:

(a) Generally. Any person may appear before the commission or in a hearing in person or by authorized representative. The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person. The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.

(27) *First*, note the use of 'may', not 'must', in the discretion given to the presiding officer.

(28) *Second*, the clause "The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person" applies to a representative of a person, not a party. The clause does not apply in our case, as the Lead Petitioner (Petitioner of Record) in the instant case represents a party (Grand Lakes residents / ratepayers), not a person.

(29) *Third*, note the placement of the clause "The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person" as the second, not last, sentence. As such, when invoked based on a discretionary use of 'may', the clause is **binding** on the sentence(s) *before* it, not the sentence(s) *after* it. This is further corroborated by the use of 'person' in the first two sentences and 'party' in the third sentence. Thus, the only applicable requirement in our case is advanced by the third sentence, namely "The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding." The authorized representative (Lead Petitioner | Petitioner of Record) has already been using "**On behalf of 92 ratepayers residing within the jurisdiction of Grand Lakes MUD No. 2**", later changed to "**On behalf of Grand Lakes MUD No. 2 ratepayers**" because, once the 10% requirement is met, the case before the Commission is on behalf of all ratepayers residing within the MUD's jurisdiction, not just the 92 ratepayers that signed the petition. In result, the petitioners have already fulfilled the requirement in the third sentence of Rule 22.101(a).

(30) Citing Rule 22.101(a), Order No. 3 [56589-20] *wrongly* required the petitioners' representative to furnish by 6/3/2024 proof of representation. Our briefs [56589-23], [56589-32], [56589-33], [56589-34], and [56589-38] have already refuted the Commission's unwarranted, unlawful demand. The indisputable application and/or interpretation of Rule 22.101(a) is further confirmed through Rule 22.2 that defines 'Applicant', 'Complainant', 'Person', 'Party', and 'Authorized representative'; and Rule 22.102 that classifies 'Party' / 'Parties'.

16 Texas Administrative Code § 22.2 ‘Definitions’

The following terms, when used in this chapter, shall have the following meanings, unless the context or specific language of a section clearly indicates otherwise:

(5) Applicant: A person, including commission staff, who seeks action from the commission by written application, petition, complaint, notice of intent, appeal, or other pleading that initiates a proceeding.

(14) Complainant: A person, including commission staff or the Office of Public Utility Counsel, who files a complaint intended to initiate a proceeding with the commission regarding any act or omission by the commission or any person subject to the commission’s jurisdiction.

(31) Person: An individual, partnership, corporation, association, governmental subdivision, entity, or public or private organization.

(30) Party: A party under Subchapter F [Parties] of this Chapter [Chapter 22 ‘Procedural Rules’].

(10) Authorized representative: A person who enters an appearance on behalf of a party, or on behalf of a person seeking to be a party or otherwise to participate, in a proceeding. The appearance may be entered in person or by subscribing the representative’s name upon any pleading filed on behalf of the party or person seeking to be a party or otherwise to participate in the proceeding. The authorized representative shall be considered to remain a representative of record unless a statement or pleading to the contrary is filed or stated in the record.

16 Texas Administrative Code § 22.102 ‘Classification of Parties’

(a) ... Parties to proceedings before the commission shall be classified into the following categories:

- (1) applicants, or complainants;
- (2) respondents;
- (3) intervenors; and

(4) commission staff representing the public interest.

16 Texas Administrative Code § 22.101 ‘Representative Appearances’

(a) ... Any person may appear before the commission or in a hearing in person or by authorized representative. The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person. The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.

(31) Per Rule 22.2(5), ‘Applicants’ are ‘Persons’ who seek action from the Commission by written petition or appeal that initiates a proceeding. Per this rule, the Grand Lakes ratepayers/residents are then ‘Applicants’ as they approached the Commission on May 6/7, 2024 with a petition appealing the water rates established by the Grand Lakes Municipal Utility District No. 2.

(32) Per Rule 22.2(30), ‘Party’ is a ‘Party’ under Subchapter F [‘Parties’] of Chapter 22 [‘Procedural Rules’]. Subchapter F [‘Parties’] embodies the following Rules:

§22.101 Representative Appearances

§22.102 Classification of Parties

§22.103 Standing to Intervene

§22.104 Motions to Intervene

§22.105 Alignment of Parties

§22.106 Statement of No Access

(33) Rule 22.102(a)(1) classifies ‘Applicants’ as a ‘Party’/‘Parties’ to proceedings before the Commission.

(34) Rules 22.2(5), 22.2(30), and 22.102(a)(1) then mean that the Grand Lakes ratepayers/residents are ‘Applicants’ and a ‘Party’ to a proceeding (**PUC Docket No. 56589**) before the Commission.

(35) Per Rule 22.2(10), and considering only the portion that applies to a ‘Party’ [the Grand Lakes residents/ratepayers situation]: An ‘Authorized representative’ is a ‘Person’ who—on behalf of a ‘Party’ in a proceeding—enters an appearance in person or by subscribing the representative’s name upon any pleading filed on behalf of the ‘Party’. This definition is further corroborated by the third sentence in Rule 22.101(a); cf. the next paragraph.

(36) Rule 22.101(a), third sentence, reads: “The authorized representative of a party shall specify the particular persons or classes of persons the representative is representing in the proceeding.” The ‘Authorized Representative’ of the ‘Party’ – the ‘Applicants’, the Grand Lakes residents/ratepayers – specifies the (classes of) persons he represents in the proceeding as “**On behalf Grand Lakes MUD No. 2 ratepayers**”. Thus, the ‘Party’ / ‘Applicants’ – the Grand Lakes residents/ratepayers – and the ‘Authorized Representative’ have met the requirement set in Rule 22.101(a).

(37) Rule 22.101(a), second sentence, reads: “The presiding officer may require a representative to submit proof of his or her authority to appear on behalf of another person.” This sentence does not apply to the Grand Lakes ratepayers/residents and the proceeding (**PUC Docket No. 56589**) before the Commission, where the representative appears or subscribes his name on behalf of a ‘Party’, not on behalf of a ‘Person’. A ‘Person’ is an ‘Individual’ for the purpose of the Grand Lakes ratepayers/residents; cf. the next paragraph and Rule 22.2(31).

(38) Per Rule 22.2(31), a ‘Person’ is an ‘Individual’ when it comes to the Grand Lakes ratepayers/residents. All other definitions [partnership, corporation, association, governmental subdivision, entity, or public or private organization] do not apply to the Grand Lakes ratepayers/residents.

IV. PRAYER

(39) Petitioners respectfully request that the Commission refer this matter to the SOAH.

(40) PUC Order No. 3 [**56589-20**] is modified, withdrawn, or repealed. Modification entails removing the requirement for the Lead Petitioner (Petitioner of Record) to furnish by 6/3/2024 proof of representation of the remaining petitioners on the petitioner list, because Rule 22.101(a) – the alleged basis for the Commission’s request – does not place such requirement on a party’s representative; it places the requirement on a person’s representative. Grand Lakes residents/ratepayers are a party, not a person. The representative of Grand Lakes residents/ratepayers represents a party, not a person.

Katy, Texas on the 3rd day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I, George J. Wakileh, certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on June 3, 2024. Service on the LGRT attorneys will no longer be attempted as they are ineligible to act in the instant proceeding.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-05 09:56:25 AM

Control Number - 56589

Item Number - 49

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 AND RESPONSE TO THE MUD’S FRIVOLOUS MOTION TO DISMISS

Contents

- I. Introduction
- II. Background
- III. About the Grand Lakes community
- IV. The MUD’s utterly false claims
- V. The 10% requirement is met
- VI. The 90-day requirement is met
- VII. The December 18, 2023 Board Meeting Agenda and Minutes
- VIII. The December 18, 2023 rate order: The MUD’s conscious, malicious, punishable tampering
- IX. The rate order of December 18, 2023 is not lawfully approved or signed
- X. The MUD’s bogus claim “typographical / scrivener’s errors do not invalidate legal documents”
- XI. The December 18, 2023 rate order: A financial crime premeditated through complicity
- XII. The new rates in numbers – Unlawful, unjustified, unreasonable, and unjust
- XIII. Illegitimate collection of water fees by ignoring proration
- XIV. Illegitimate collection of wastewater fees with 0 gallons / \$0 in water consumption
- XV. The rate order’s impact on other customer types
- XVI. Disqualification of director Gregory Henry, Secretary of the MUD’s Board
- XVII. Response to the MUD’s frivolous Motion to Dismiss
- XVIII. Concluding remarks
- XIX. PRAYER
- Exhibit 1 – Affidavit
- Exhibit 2
- Exhibit 3
- Exhibit 4
- Exhibit 5
- Exhibit 6

I. Introduction

(1) On 6/4/2024, attorneys from the law firm Lloyd Gosselink Rochelle & Townsend P.C. (LGRT) filed with the Public Utility Commission of Texas (PUCT | Commission) a Response to our petition [56589-1] and a frivolous Motion to Dismiss, citing 16 Texas Administrative Code § (Rule) 22.181(d)(1).

(2) The LGRT attorneys continue a conscious, persistent, malicious pattern of legal thuggery and abuse of the law and the proceedings before the Commission; blurring legal, moral, and ethical lines; and furnishing false, irrelevant, inaccurate, misleading, or incomplete statements and information.

(3) The LGRT attorneys are not yet authorized or eligible to act on behalf of Grand Lakes Municipal Utility District No. 2 (MUD or District) before the Commission. The Commission is asked to prevent LGRT from filing pleadings in docket no. 56589, and to declare all material filed thus far by LGRT inadmissible and invalid. In the absence of a lawful proof of authority to represent the MUD, only the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) can file pleadings, briefs, responses, and motions with the Commission.

II. Background

(4) Homeowners seated within the jurisdiction of Grand Lakes MUD No. 2 lodged an appeal with the Public Utility Commission of Texas (PUCT) because the MUD and the Water Company (Municipal District Services | MDS Water) have been illegally charging rates without a proper Rate Order in place. The huge increase in rates is also contested as unlawful, unjustified, unreasonable, and unjust.

(5) Besides being unlawful, the contested Rate Order has been repeatedly tampered with in a punishable manner. The said rate order can never remain in force. It must be nullified. If it were to happen, the Commission's approval of charging rates per an unlawful and invalid rate order sets a precedent indicative of wrongdoing and injustice becoming the norm rather than the exception.

(6) On May 6, 2024, the residents/ratepayers emailed the appeal to the PUCT's Division of Utility Outreach (DUO@puc.texas.gov). It was requested that the Commission respond in writing, but electronically, with any questions or requests for clarification.

(7) Executive Counsel David Gordon responded on May 7, 2024, instructing that the Commission's Interchange Filer be used.

(8) On May 7, 2024, the Petition dated May 6, 2024 accompanied by a Petitioner List signed by 92 residents were e-filed via the Commission's Interchange Filer. The cause was given Control No. 56589.

(9) The original petition was not styled as preferred or required, but all other briefs, pleadings, and responses filed with the Commission are properly styled.

III. About the Grand Lakes community

(10) Grand Lakes is a community in Katy, Fort Bend County, Texas, with 2,739 residences falling within the jurisdiction of three Municipal Utility Districts (MUDs) and a Water Control and Improvement District (WCID).

(11) All four water districts are administered by the same law firm (Schwartz, Page & Harding LLP), the same Operator (Municipal District Services | MDS Water), and *almost* the same set of Consultants (Engineer, Auditor, Bookkeeper, Tax Assessor/Collector, etc), making mishandling of residents' funds, conflict of interest, abuse of authority, complicity, and indifference the norm rather than the exception.

(12) The number of residences in the different Grand Lakes districts is summarized below.

- Grand Lakes Phase 4 Grand Lakes MUD# 2 402 residences
- Grand Lakes Phase 2 Grand Lakes MUD# 2 280 residences
- Grand Lakes Phase 3 Grand Lakes MUD# 1 1,072 residences
- Grand Lakes Phase 1 Grand Lakes MUD# 4 985 residences
- Total 2,739 residences.

(13) Grand Lakes MUD No. 2 is a *local government* seated at the address '1300 Post Oak Blvd, Ste 2400, Houston, TX 77056', which is the address for the law firm Schwartz, Page & Harding LLP, the MUD's Attorney. Having controlled the Grand Lakes water districts for many years, and in the full absence of meaningful public oversight, the MUD's Attorney became powerful, fearless, and ruthless.

(14) Individuals at the law firm Schwartz, Page & Harding LLP involved in administering the MUD are:

- Christopher T. Skinner <cskinner@sphllp.com>.
- Gordon Cranner <gcranner@sphllp.com>.
- Melia Berry <mberry@sphllp.com>.

(15) The District's current Board Members are:

- Michael Christopher McClusky, President | retired insurance agent
- J. Scot Vann, Vice President | owner of an environmental consulting company
- Gregory Henry, Secretary | owner of computer services and property management companies
- Bradley Allen Baker, Assistant Secretary | electrical engineer
- William Don Butler, Director | banker.

(16) The water company (Municipal District Services | MDS Water) has the address: 406 W. Grand Pkwy S, Ste 260, Katy, TX 77494 | (281) 290-6500 | info@mdswater.com.

(17) The MUD must comply with all provisions of applicable statutes and regulations of the United States, State of Texas, City of Houston Ordinances, and City of Houston Charter implementing such statutes or regulations.

(18) The water company is registered in the state of Texas with Taxpayer Number 32033608277 | SOS File Number 0800862569. The water company must comply with Texas Business Organizations Code, Chapters 12, 21, 101, and other relevant codes.

IV. The MUD's utterly false claims

(19) The counterparty has repeatedly and consciously stated that "Petitioners filed their petition 96 days after the appealed rates' effective date", "the Petition failed to include several of the items recommended in Rule 24.103", "GLMUD approved the appealed rates on December 18, 2023", "the Rate Order included a typographical / clerical error", "GLMUD provided notice of rate increase on three separate occasions", and "the appealed rates are just and reasonable". Such claims are utterly false. They lack any and all credibility, reliability, and legitimacy. They are refuted throughout this brief.

V. The 10% requirement is met

(20) The contested rate order impacts 682 residences falling within the jurisdiction of Grand Lakes Municipal Utility District No. 2: 402 residences in Grand Lakes phase 4 and 280 residences in Grand Lakes phase 2. With 92 signatures, the requirement that the petition be signed by 10% of the impacted ratepayers is met ($10\% \times 682 = 68.2$).

VI. The 90-day requirement is met

(21) The 90-day deadline is met because there is no lawful reference date in the instant case.

(22) *First*, **section VII** below refutes all false claims and misleading information regarding the Agenda and Minutes for the December 18, 2023 Board Meeting.

(23) *Second*, **section VIII** below refutes all false claims and misleading information regarding the December 18, 2023 rate order; its approval, signing, announcement, and upload to the MUD's website.

(24) *Third*, the effective date on an unlawful rate order that underwent multiple rounds of conscious, punishable tampering is irrelevant. The effective date was changed without ever documenting the change or announcing it to the residents. See **section VIII** below for the details.

(25) *Fourth*, the rate order of December 18, 2023 is not lawfully approved or signed. See **section IX** below for the details.

(26) *Fifth*, the December 18, 2023 rate order is a financial crime premeditated through complicity. See **section XI** below for the details.

VII. The December 18, 2023 Board Meeting Agenda and Minutes

(27) The MUD claims that it “provided notice of rate increase on three separate occasions.” This is blatantly false. The MUD’s notices of a monthly Board Meeting are not notices of a rate increase, even if a rate increase were an item on the Agenda (scheduled for discussion). See the next two paragraphs.

(28) MUD notices published at the Fort Bend County Clerk’s Office in Richmond, Texas (11-16 miles south of S. Fry Rd in Katy, Texas) or at the Steel Gate for the Grand Lakes MUD No. 2 Lift Station No. 1 (7250 S. Fry Rd, Katy, TX) are useless, purposeless, and a waste.

(29) The December 18, 2023 Board Meeting Agenda is *of no significance whatsoever*, even if residents got to see it on or before December 18, 2023 through notices or at the MUD’s website. This is because: [i] The Agenda does not mean that the intended meeting will actually take place. Absence and weather conditions are just some causes to think of. [ii] For whatever reason(s), an item on the Agenda is not necessarily guaranteed to be discussed in a Board Meeting. [iii] The Meeting Agenda does not mean that the rate order became known, approved, signed, and lawful. It was not, indeed.

(30) The December 18, 2023 date is irrelevant because the rate order was neither signed nor approved on that date. **Section IX** below refutes in detail the falsity of this bogus claim.

(31) Of significance is *not only* when the December 18, 2023 Board Meeting Minutes got approved and signed, *but also* when the residents got to access them through the MUD’s website. Only after the Minutes for a Board Meeting get approved in the *next* monthly meeting, signed, and then published at the MUD’s website, do residents get a chance to know the details of what went on in the previous monthly meeting.

(32) The Minutes for the December 18, 2023 Board Meeting did not get approved until the next board meeting, held on January 29, 2024.

(33) Document properties for the December 18, 2023 Board Meeting Minutes show that the PDF document was created on 2/14/2024 11:35AM, sixteen days after the January 29, 2024 meeting during which the said Minutes were approved [**Exhibit 6 | Left**].

(34) When did the Minutes get uploaded to the MUD’s website? Residents do not know the answer right now, but will require an answer through the discovery process. At times, it took the MUD 4 to 5 months

to publish the Board Meeting Minutes. This is *not* at all an oversight. It is consciously done to hide information and prevent residents from questioning *dubious* decisions.

(35) So, what does this mean? Residents did not get to see the approved and signed December 18, 2023 Board Meeting Minutes until February 14, 2024 at the earliest. The date could be several weeks later, depending on when the actual uploading occurred. As noted, discovery will give the answer.

VIII. The December 18, 2023 rate order: The MUD's conscious, malicious, punishable tampering

(36) Document properties for the contested Rate Order [56589-5] with the date of December 18, 2023 and Effective Date of February 1, 2023 show that the PDF document was created on 1/29/2024 2:20PM via a Canon iR-ADV C7770 printer [Exhibit 6 | Center].

(37) When did the rate order get uploaded to the MUD's website? Residents do not know the answer right now, but will require an answer through the discovery process. At times, the MUD published crucial documents after several weeks, even months.

(38) Greg Henry, Secretary of the MUD's Board of Directors, signed the contested Rate Order [56589-5] on January 29, 2024 (see the first screenshot in Exhibit 3). The said officer is disqualified because of the contract Grand Lakes Community Association awarded to KPM Management, which the officer owns (see section XVI below).

(39) Dated December 18, 2023 but carrying an Effective Date of February 1, 2023, the MUD announced the contested Rate Order [56589-5] at the MUD's website on February 19, 2024. Most residents got to know of the new rates through the insert accompanying the water bill, received in late February 2024.

(40) Following residents' letters dated 2/25-26/2024 [56589-10], Melia Berry (a paralegal at the MUD's Attorney, the law firm Schwartz, Page & Harding LLP) amended the rate order PDF created on 2/6/2024 3:27PM, such that it became modified on 2/26/2024 9:28AM [Exhibit 6 | Right]. It must be emphasized that residents could document this tampering in late March 2024, only after the amended rate order [56589-5] with the changed effective date was uploaded to the MUD's website.

(41) The paralegal changed the rate order's Effective Date from February 1, 2023 to February 1, 2024, but *without* changing the signature page (signed on January 29, 2024 by Gregory Henry, Secretary of the Grand Lakes MUD No. 2 Board), *without* any notice of the revision, and *without* any notice to the residents.

(42) The rate order with the effective date of February 1, 2023 [56589-5] was at the following link. On unlawful instruction from the law firm Schwartz, Page & Harding LLP, Touchstone District Services, the company that hosts and administers the MUD's website (<https://www.grandlakesmud2.com/>), removed the rate order [56589-5] from the MUD's website (see the third screenshot in **Exhibit 3**), *without ever* documenting the revision, publicizing the revision, or informing residents.

https://www.grandlakesmud2.com/static/3109f113d7b906a1cc3b31cf9f75bfed/Rate_Order_12_18_24_bfa1a3dfdf.pdf

(43) In late March 2024, on unlawful instruction from the law firm Schwartz, Page & Harding LLP, Touchstone District Services uploaded the revised rate order [56589-6] with the effective date changed from February 1, 2023 to February 1, 2024 to the following link at the MUD's website. Again, the MUD did so *without ever* documenting the revision, publicizing the revision, or informing residents.

https://www.grandlakesmud2.com/static/244a14cd8cb9786eb684b2fd146f9508/Rate_Order_12_18_2023_revised_a835042e10.PDF

(44) This is unlawful, punishable tampering with an official government document because: [i] Quality and revision control procedures are not followed. [ii] Retroactive amendments are indisputably unlawful. No document can ever be revised in March 2024; changing the Effective Date from February 2023 to February 2024; keeping a signature page with the date January 29, 2024; and *without ever* documenting the revision, publicizing the revision, or informing residents.

(45) Both Rate Orders (the original and the revised) are unlawful and invalid; they must be nullified.

(46) We note that the rate order the counterparty furnished as **Attachment A** to the briefs [56589-39] and [56589-48] is the amended (tampered with) version that was published in late March 2024. The petitioners have this version at [56589-6] while the original with the effective date of February 1, 2023 is found at [56589-5].

IX. The rate order of December 18, 2023 is not lawfully approved or signed

(47) The following questions prove that the rate order dated December 18, 2023 is not lawfully approved or signed. It cannot be legitimate when based on enormous deficiencies and irregularities.

- How can the said document be valid and by which standards?

- How can the said document be official and valid by being signed by two (out of five) officers without voting by all five Board members?

- If the said document was lawfully approved and signed on 12/18/2023, why was it signed again by the Board's Secretary alone on 1/29/2024 [56589-5 and 56589-6]?

- Page 43 of the said rate order [56589-5 and 56589-6] reads: “The President or Vice President is authorized to execute and the Secretary or Assistant Secretary is authorized to attest this Order on behalf of the Board and the District.” If the President / Vice President is authorized to execute and the Secretary / Assistant Secretary is authorized to attest the rate order, how can the rate order signed on 1/29/2024 by the Board’s Secretary *alone* be lawful and valid?
- Where is the seal on page 48/52 of the rate order (**Attachment A** to the counterparty’s briefs [56589-39] and [56589-48])? Is the rate order valid in the absence of the seal?
- Where are the signatures for the President and Secretary? Is the MUD’s Attorney (the law firm Schwartz, Page & Harding LLP) authorized to use ‘/s/ Michael McClusky’ and ‘/s/ Greg Henry’ as signatures for the two officers?
- Who granted such authorization? How is the authorization governed and by which document?
- Which law allows the use of ‘/s/ followed by the name’ as a valid signature on the MUD’s documents?
- Where is ‘/s/’ defined?
- Do the said officers have valid digital signatures stored in a database administered by an authorized and government-approved service provider?

X. The MUD’s bogus claim “typographical / scrivener’s errors do not invalidate legal documents”

(48) The counterparty furnishes false, irrelevant, and misleading information when claiming that “GLMUD promptly addressed [the] typographical error and notified its ratepayers of the correct effective date on February 19, 2024 [**Attachment C** to [56589-39]]. Thus, the scrivener’s error did not prejudice Petitioners and is irrelevant.” Residents note that the February 19, 2024 announcement [**Exhibit 2**] followed by the insert accompanying the late February water bills were the first time the bogus rate order was announced to residents/ratepayers. Announced then was the rate order [56589-5] with the effective date of February 1, 2023. No previous announcement from the MUD’s side ever informed the residents/ratepayers about the intended rate increase effective February 2024.

(49) The counterparty states: “In Texas, obvious scrivener’s errors provide no basis to invalidate legal documents.” There is no credibility, reliability, or legitimacy to such statement. Tampering with an official government document is punishable. The rate order exemplifies a MUD’s Attorney that, over time and in the absence of state agency monitoring, became powerful and fearless. The MUD’s Attorney orchestrated an illegitimate rate order and had it ready for the 12/18/2023 Board Meeting following secretive coordination with multiple consultants (see paragraphs (50) to (55)). The MUD’s Attorney struggled with a consistent message that substantiates a *shady* rate order with a huge impact on residents’ monthly water bills. The MUD’s Attorney followed with a consistent, persistent pattern of wrongdoing, where the rate order got modified, one document got deleted from the MUD’s portal, another got added to the MUD’s portal, and instructions were given to the media company that hosts the MUD’s portal to

add/delete/modify documents; all done *without* any date and version control documentation of the changes, and *without* any notice to the residents.

XI. The December 18, 2023 rate order: A financial crime premeditated through complicity

(50) The following text from the Agenda and Minutes¹ for the MUD's Board Meeting of 12/18/2023 [56589-3] highlights the *bogus nature* of the said rate order. Residents' notes continue after the citation.

Agenda for the MUD's Board Meeting of 12/18/2023 [56589-3]

5. Presentation by Best Trash, LLC, the District's solid waste collection and recycling services provider, regarding annual rate increase and consideration of amended Rate Order in connection with same;

Minutes for the MUD's Board Meeting of 12/18/2023 [56589-3]

Mr. Skimmer then queried the Board as to whether it wanted to amend the District's Rate Order relative to the CPI adjustment. Following discussion, the Board concurred to approve the CPI increase, ..., and to defer, until later in the meeting, consideration of an adjustment to the District's monthly flat rate charge for residential sanitary sewer service relative to the CPI increase.

...

Mr. Chapline next presented to and reviewed with the Board a 2024 proposed Rate Schedule for the amendment of Section 3.02 - Monthly Rates for Residential Water Service and Section 3.03 - Monthly Rate for Residential Sanitary Sewer Service of the District's Rate Order. He noted that an additional Rate Schedule relative to Section 3.04 - Monthly Rates for Commercial Water Service of the District's Rate Order will be presented to the Board for consideration at the January Board meeting. He noted that the proposed water rate and sanitary sewer rate changes, if approved today, would go into effect on February 1, 2024. A copy of the 2024 proposed Rate Schedule is attached hereto as **Exhibit H**. It was moved by Director Baker, seconded by Director Henry and unanimously carried, that the Board: (i) approve the 2024 Rate Schedule as presented; and (ii) amend the District's Rate Order with respect to the District's 2024 proposed Rate Schedule, and that any and all Rate Orders heretofore adopted by the Board be revoked, and the attached Rate Order be passed and adopted.

(51) *First*, obviously, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) prepared the said rate order ahead of the 12/18/2023 Board Meeting after having secretive, punishable coordination with the water company (MDS Water), the solid waste collection and recycling service provider (Best Trash), and possibly other consultants like the accounting/bookkeeping firm. It should have gone as far as: "You say this and that, and let us hope that they approve it without any scrutiny."

(52) *Second*, amending the Rate Order to cater for the annual rate increase alleged by Best Trash is some form of *fictitious* reasoning that does not agree with that outlined in the 2/19/2024 announcement [Exhibit 2]. An enormous increase in the monthly water bill for 682 residences is not needed to cover a minor increase in the MUD's Solid Waste Collection and Recycling Services expenditure. The District's

¹ Also presented as Attachment D to the counterparty's briefs [56589-39] and [56589-48].

2022/2023 Audit Reports [56589-12] show the waste/recycling expenditure as \$236,013 in 2022 and \$258,129 in 2023. The 2022-to-2023 increase is \$22,116 or 9.37%.

(53) *Third*, Consumer Price Index (CPI) adjustment would never justify increasing the monthly water bill for 682 residences by 2.0 to 3.7 times. The Bureau of Labor Statistics wrote in a 2024 press release: “The all items [consumer price] index rose 3.4% for the 12 months ending April, a smaller increase than the 3.5% increase for the 12 months ending March. . . .”

(54) *Fourth*, the MUD’s Attorney used the water company to present the rate order, while the water company is just a consultant / an operator that gets hired and fired—it is not entitled to order a rate increase as it gets paid for its services regardless of the MUD’s finances. Charlie Chapline, the water company’s representative and part of the family owning the water company, does not have an overview of the MUD’s financial situation. Chapline has no authority or role within the MUD to propose rate increases or rate order amendments for private company profits; profits that residents end up paying for.

(55) *Fifth*, the water company’s Operations Report (part of **Attachment D** to the counterparty’s briefs [56589-39] and [56589-48]) sheds some light on the *bogus* scheme surrounding the contested rate order. As summarized below based on the very last page of the said **Attachment D**, the water company scheduled enormous water rate increases between 2024 and 2027 so that it increases its revenue from the Grand Lakes MUD No. 2 by \$936k in 2027 compared to 2023. Obviously, the water company is doing the same with the other two MUDs in Grand Lakes. What is the extra revenue needed for? Do the MUDs’ finances support such revenue increase? How, why, and where is this documented? Why do residents need to pay for the water company’s extra/increased revenue?

Usage, gal	2023	2024	2025	2026	2027
5,000	\$27	\$70	\$86	\$102	\$104
10,000	\$44	\$94	\$110	\$127	\$128
15,000	\$61	\$124	\$142	\$161	\$163
20,000	\$78	\$153	\$174	\$196	\$197
50,000	\$210	\$360	\$411	\$463	\$464
60,000	\$264	\$439	\$500	\$562	\$563
Revenue	\$641,708	\$1,225,105	\$1,397,490	\$1,565,828	\$1,578,104
ΔRevenue against 2023		\$583,397	\$755,782	\$924,120	\$936,396
\$0.50 and above rounded to \$1 \$0.49 and below dropped.					

(56) *Sixth*, **Attachment C** to the counterparty’s brief [56589-39] presented the February 19, 2024 rate increase announcement and the Strategic Partnership Agreement (SPA) the MUD has with the City of Houston. Without any substantiation of the claim whatsoever, the announcement and the counterparty’s attorneys claim that the SPA’s revenues have dropped by approximately 90%. Why and how did such revenue drop by 90%? How can the MUD—which has no debt—control and reduce its expenses rather than

always seek extra revenues to balance its budget? What measures is the MUD implementing in this regard? Why are the annual tax the MUD derives from residents and the revenue the MUD derives from the water/ wastewater service based on the pre-February-2024 rates not enough to cover the MUD's expenses? Where are all the financial figures (expenses and revenues) that support the huge rate increase?

(57) *Seventh*, with reference to the SPA, residents note that page 37/42 of the MUD's Audit Reports [56589-12] for the years ended August 31, 2023 and August 21, 2022 show that the District recorded the following revenues related to the SPA. To present false information to residents is deplorable and reprehensible because the drop in SPA revenue from 2022 to 2023 is 35%, not 90%. And the SPA revenue in 2023 is better than that in 2018, 2019, and 2020.

Revenue – MUD's General Fund	2023	2022	2021	2020	2019	2018
Strategic Partnership Agreement	3,363,106	5,157,931	4,570,506	3,082,081	2,471,961	2,023,049

(58) *Eighth*, page 21/42 of the MUD's Audit Reports for 2022 and 2023 [56589-12] shows that the MUD has abundance of money (\$7.8m in 2022 and \$9.1m in 2023) in cash, certificates of deposit, and short-term investments in Texas CLASS, which also generated an interest income.

Grand Lakes MUD No. 2 Investments	2023	2022
Cash	\$96,538	\$150,659
Certificates of deposit	\$1,885,000	\$2,445,000
Short-term investments (Texas CLASS)	\$7,153,066	\$5,227,099
Total	\$9,134,604	\$7,822,758
Investment (Interest) Income	\$393,317	\$38,713

(59) *Ninth*, rate orders cannot be based on the MUD's consultants' wishes and fantasy. Rate orders must be based on a lawful, proper, transparent, detailed financial model that presents the expenses, revenues, cost of service, and rate calculations. The MUD has not furnished such details.

(60) *Tenth*, the water company operates 130 districts (see <https://mdswater.com/districts/>). The law firm Schwartz, Page & Harding LLP administers over 100 districts. The financial figures floating around in this docket show that state agencies must be present and worried at all times. A rate-increase-driven \$1m increase in revenue for the water company over a four-year period means \$130m for the districts operated by one water company. What is this money used for? How are residents' rights and finances protected?

(61) How did the five Board Members fulfill their legal, moral, ethical, and civic duties, responsibilities, and obligations when approving a 50-page rate order on the spot; *without* any reading, analysis, or review; *without* being presented with a thorough report that details the MUD's financial situation, how the new rates were calculated, and what the impact of such rates is on residents?

(62) Five Board Members representing 682 residents cannot conduct the MUD’s business through arbitrariness, subjectivity, indifference, negligence, and imprudence. The five board members are a retired insurance agent, the owner of a computer services company and a property management company, the owner of an environmental consulting firm, a banker, and an electrical engineer. None of the said individuals can invoke confusion, ignorance, negligence, or negligent ignorance when it comes to financial, commercial, contractual, or legal matters. None of the said individuals would have approved an action with a huge financial impact on their own businesses. Why do they do it as part of the MUD?

(63) When choosing to approve just about anything presented to them during the MUD’s monthly Board Meeting, Board Members must be investigated, brought to justice, and held accountable.

(64) The following text from the Minutes for the MUD’s Board Meeting of 4/15/2023 [56589-45] again highlights the *bogus nature* of the said rate order. The District’s finances are available electronically, at the push of a button. But the MUD – specifically, the MUD’s Attorney, the law firm Schwartz, Page & Harding LLP – has no genuine interest in releasing the MUD’s finances to hide what is a sham; a scam; a bogus punishable act orchestrated through complicity—the contested rate order. Each and every Board Meeting is further attended by the Bookkeeper (Municipal Accounts & Consulting, LP), Auditor (FORVIS, now Forvis Mazars), Tax Collector (Wheeler & Associates, Inc), and other Consultants, who have intimate knowledge about the MUD’s budget, revenues, and expenditures.

Minutes for the MUD’s Board Meeting of 4/15/2024 [56589-45]

Also attending the meeting were: ...; Taylor Watson of Municipal Accounts & Consulting, LP (“MAC”); Ashlie Whittemore of Wheeler & Associates, Inc (“Wheeler”); Sherri Greenwood of FORVIS, LLC (“FORVIS”); ...

RATE ORDER: The Board deferred discussion of the District's Rate Order until the review of the District's finances has been concluded.

XII. The new rates in numbers – Unlawful, unjustified, unreasonable, and unjust

(65) Anew, we present in **Exhibit 5** our spreadsheet, which documents 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. For convenience, presented below are the contested rates compared to the old ones, in addition to three examples of monthly usage and the resulting bill pursuant to the new rate order.

2023	Min. fee	Min. use	Flat rate	\$/1,000 gal	Usage, gallons	2024	Base fee	Min. use	Flat rate	\$/1,000 gal	Usage, gallons
Water	\$0.00	0	N	\$0.50	1 20,000	Water	\$25.00	1	Y	\$0.00	1 10,000
			N	\$1.50	20,001 50,000		N		\$1.00	10,001 20,000	
			N	\$2.50	50,001 500,000		N		\$2.00	20,001 50,000	
Wastewrr Reg. WA	\$10.00 \$2.90	0 1	Y	\$10.00	0 500,000	Wastewrr Reg. WA	\$20.00 \$4.90	0 1	Y N	\$20.00 \$4.90	0 500,000 1 500,000

- * 5,000 gallons: the residential monthly water bill increases by \$42.50; from \$27.00 to \$69.50.
- * 7,500 gallons: the residential monthly water bill increases by \$46.25; from \$35.50 to \$81.75.
- * 10,000 gallons: the residential monthly water bill increases by \$50.00; from \$44.00 to \$94.00.

(66) This rate increase is unlawful, unjust, unreasonable, unjustified, and imposes economic hardship. **Exhibit 4** shows that the MUD has zero debt outstanding. A \$45 average monthly increase in the residential water bill for 682 residences increases the MUD's monthly revenue by \$30,690. Annually, this amounts to \$368,280. The question to the MUD is: *what is this money needed for*, especially when the residents pay an annual MUD tax and an annual WCID tax and when the MUD increased such taxes through other bogus expenses like the security (Sheriff and Constable) expense?

(67) The MUD is at an unconditional obligation to furnish, at all times, *all* financial, commercial, contractual, and legal details on cost of service and rate design. To avoid scrutiny and facilitate advancing unjustified, unfair, unlawful decisions, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) has been preventing such details. The MUD's Attorney has been administering the MUD through an appalling pattern of secrecy, restricted access to information, arbitrariness, abuse of authority, conflict of interest, and a decision-making process that could not be respected by rational, honorable observers.

(68) The contested rate order is a bogus, punishable activity that was *never* substantiated by a detailed Water/Wastewater Cost of Service Rate Study, published in advance of the proposed rate changes, with the residents given the opportunity to review and critique the study. Such study should genuinely detail:

- * Cost of Service Approach, Assumptions, and Analysis by Customer Type.
- * Revenue Analysis: Expenses, Customer Demand, Revenues, Cash Balance, and Adjustment Needs.
- * Rate Design: Existing Charges, Proposed Charges, and Impact on All Customers (Single-Family Residences, Apartments, Builders, Commercial Entities, and Park and Recreational Facilities).

(69) **Attachment B** to the counterparty's brief [56589-39] presented the rate orders for the Grand Lakes MUD No. 4 and Grand Lakes MUD No. 1, falsely claiming that the [Grand Lakes MUD No. 2] appealed rates are lower than the adjacent MUDs' rates currently in effect. Next is residents' rebuttal of this false, inaccurate, and misleading statement.

(70) *First*, the MUD is not at will to subjectively or arbitrarily decide rates. And unreasonable, unjust, unjustified, or unlawful water/sewer rates do not become lawful just because they compare to rates in neighboring markets. MUDs have different profiles (size, customer types, age, debt, etc) and can only be compared when all criteria used in the comparison match.

(71) *Second*, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) has for years been mishandling residents' funds. The same law firm administers all water districts (Grand Lakes MUD No. 2, Grand Lakes MUD No. 1, Grand Lakes MUD No. 4, and Grand Lakes WCID) in the Grand Lakes

community in Katy, Fort Bend County, Texas. Grand Lakes MUD No. 2, MUD No. 1, and MUD No. 4 host 682, 1072, and 985 residences, respectively. That is a total of 2,739 residences. In addition, the Grand Lakes community hosts 37 commercial entities. The law firm's violations in administering the four water districts are *appalling* and have lasted for years. A thorough audit and a rigorous investigation will uncover many millions in mishandled funds and appalling criminality.

(72) *Third*, with only 682 residences compared to 1072 and 985, Grand Lakes MUD No. 2 is the smallest compared to the other two MUDs.

(73) *Fourth*, while Grand Lakes MUD No. 2 has zero debt outstanding (see the screenshot from the Texas Bond Review Board in **Exhibit 4**), the other two Grand Lakes MUDs have \$4.5m and \$5.7m in debt. Grand Lakes WCID has \$3.2m in debt.

(74) Rate orders that are based on arbitrariness and fantasy cannot be lawful. Rate Orders are not, and must not be, a tool available for exploitation by the MUD's consultants (law firm, water company, and others). With or without the Board's approval, the MUD's consultants are not entitled to any penny of residents' funds, *even if* the amount they would like to (unlawfully) claim does not impose any economic hardship on residents. The MUD's consultants must sustain their businesses through sound and lawful investments, not by orchestrating bogus schemes aimed at draining residents' finances and funds.

(75) The MUD did not furnish any budget, cost of service, methodology, or analysis in support of the increased rates. The MUD did not furnish any proof of budget deficit or strained cash flow. Grand Lakes MUD No. 2 does derive tax revenue from residents. Residential properties in Grand Lakes pay both MUD and WCID annual tax.

XIII. Illegitimate collection of water fees by ignoring proration

(76) In February 2024, the water company (MDS Water | Municipal District Services) issued to all residents seated within the District water bills based on the new Rate Order [56589-5], even though (i) the said Order is invalid; and (ii) residents' water bills run from some day in January 2024 to 30 days later in February 2024. No proration was done whatsoever. All water bills were issued *as if* the invalid rate order became effective from January 2024.

(77) The counterparty goes further to state: "Proration is irrelevant to interim rates." Residents disagree. A legitimate rate order must be enforced through proper, legitimate proration. Water companies that enact bogus billing standards must be fired and penalized. The MUD's and water company's indifference to proration is a continuation to and amplification of their indifference to injustice and wrongdoing.

XIV. Illegitimate collection of wastewater fees with 0 gallons / \$0 in water consumption

(78) The latest rate order and all previous ones are prone to mishandling—with unjust support from the MUD, the water company has been collecting illegitimate fees from residents who are away from home. A resident on an international assignment for months, with a locked house and 0 gallons / \$0 in water consumption, continues to receive a monthly bill for the wastewater flat rate (\$10 before and \$20 now). The wastewater flat rate cannot, and must not, apply when a residence is locked and the water consumption is 0 gallons / \$0. In such case, the water bill must amount to \$0. This matter must be reviewed such that the water company is ordered to reimburse impacted residents for previous mishandling of this aspect.

XV. The rate order’s impact on other customer types

(79) Confirmed by the Minutes for the MUD’s Board Meeting of 12/18/2023 [56589-3], the contested rate order targeted residential customers *only*, making it unreasonably preferential, prejudicial, and discriminatory; cf. Texas Water Code § 13.043(j). It was stated that revised rates for commercial customers will be presented at the January Board Meeting, but that did not happen (see next paragraph).

Minutes for the MUD’s Board Meeting of 12/18/2023 [56589-3]

...

Mr. Chapline next presented to and reviewed with the Board a 2024 proposed Rate Schedule for the amendment of Section 3.02 - Monthly Rates for Residential Water Service and Section 3.03 - Monthly Rate for Residential Sanitary Sewer Service of the District's Rate Order. He noted that an additional Rate Schedule relative to Section 3.04 - Monthly Rates for Commercial Water Service of the District's Rate Order will be presented to the Board for consideration at the January Board meeting.

(80) The January Board Meeting was held on January 29, 2024. Evidenced by the Agenda [56589-3 | see item no. 12 in the Agenda] and Minutes [56589-25 | see the matter under Operations and Maintenance Report in the Minutes], no rate changes for commercial customers were presented by the water company or discussed in that Board Meeting. Other customers (Apartments, Park and Recreational Facilities) are also excluded.

XVI. Disqualification of director Gregory Henry, Secretary of the MUD’s Board

(81) While serving as Secretary of the Board of Directors of the Grand Lakes Municipal Utility District No. 2, Gregory Henry—who owns the property management company KPM Management—was, in 2023, awarded, by the Grand Lakes Community Association (which upkeepes all property under the jurisdiction of Grand Lakes MUD No. 4, No. 1, and No. 2), contract in connection with property located in the district and neighboring districts, as Managing Agent of the whole Grand Lakes Community.

(82) KPM Management seems to be a general partnership that does not have a Legal Name and is not registered with the Texas Secretary of State or the Texas Comptroller of Public Accounts. The company is registered with the Fort Bend County Tax Assessor/Collector as account no. 2757000040404914 | R465571 and address '5757 Flewellen Oaks Ln, Unit 404, Fulshear, TX 77441'. The company's website is <https://kpmcommunities.com/>.

(83) The contract could be based on a (business) relationship between Gregory Henry and Richard Powell (President of the Grand Lakes Community Association). The residents demanded that the Community (Homeowner) Association present a contractor qualification matrix showing all bidders and how KPM Management was selected as the winning bidder. This is the norm in Procurement and Supply Chain. The Community (Homeowner) Association never honored the request, making it clear that something irregular was done. KPM Management's contract was terminated as of January 31, 2024, likely based on this incident. Montage Community Services was awarded the contract from February 1, 2024.

(84) This should be a clear violation of Texas Water Code § 49.052 'Disqualification of Directors'. By vote of its remaining members, the Grand Lakes MUD No. 2 Board of Directors must remove the said officer/board member. That was not done. The Grand Lakes Community Association and the Grand Lakes MUD No. 2 maintain silence, essentially covering-up irregularities and shielding those involved.

(85) While disqualified, the said officer has on January 29, 2024 signed, on behalf of the MUD's Board of Directors, the Rate Order [56589-5] described above.

(86) For serving as Secretary of the Board on the Grand Lakes MUD No. 2, the said officer received, in fees and expenses, \$5,934 in 2022 and \$7,260 in 2023. Gregory Henry serves also as Assistant Secretary on the Fort Bend County MUD No. 165 (see <https://fbc mud165.org/board-and-consultants/>).

(87) This incident is representative of indifference, mismanagement, abuse of authority, conflict of interest, and disregard for the fundamentals of democracy, governance, justice, and the rule of law.

XVII. Response to the MUD's frivolous Motion to Dismiss

(88) The MUD's Motion to Dismiss must be denied for being frivolous and capricious and for being filed by attorneys who lack the lawful authority to represent the MUD.

(89) The claim that "the Petition failed to include several of the items recommended in Rule 24.103" is bogus at best. Use of the modal verb 'should' in Rule 24.103(a) is indicative of an advice, suggestion, or duty, while 'must' would have made the information a 'legal requirement'.

(90) Our petition [56589-1] fulfills Rule 24.103(a)(1) [“A clear and concise statement that the petition is an appeal of a specific rate action as well as a concise description and date of that rate action”]. In the *County of Reeves v. Texas Commission on Environmental Quality* (266 S.W.3d 530), the court stated that the rate-appeal rule does not even “purport to grant the agency authority to dismiss appeals based on the bare fact that a petition omits a ‘concise description’ of the signatories’ rate change” nor “prescribe any consequence for failing to comply” with the rate-appeal rule, “much less the outcome-determinative sanction of dismissal” nor that non-compliance. Accordingly, in [53063-65], by order dated 9/29/2022 and signed by the Chairman and Commissioners, the Commission concluded that it has jurisdiction over the appeal, rejected the proposal for a dismissal decision, and remanded the proceeding to the State Office of Administrative Hearings (SOAH) for further processing, including a hearing on the merits.

(91) “The effective date of the decision being appealed”, as suggested by Rule 24.103(a)(3), is not noted on the petition’s signature pages because the February 1, 2023 date is *irrelevant*. In late March 2024, through a conscious, punishable act of tampering with a government document, the MUD’s Attorney amended this date to February 1, 2024. Additionally, the MUD *never* officially informed the residents of the change. See **sections VI, VII, VIII, IX, and X** for exhaustive details.

(92) For the same reasons as in the previous paragraph and all the details set out in **sections VI, VII, VIII, IX, and X**, the petition is timely regardless of the date it was, is, or will be lodged on—the 90-day deadline is *always* met when considering that the rate order was first announced on February 19, 2024 [Exhibit 2]; the PDF document for the 12/18/2023 Board Meeting Minutes was created on 2/14/2024 11:35AM [Exhibit 6 | Left], sixteen days after the January 29, 2024 meeting; a paralegal at the MUD’s Attorney created the rate order’s PDF document on 2/6/2024 3:27PM and modified it on 2/26/2024 9:28AM [Exhibit 6 | Right]; and the PDF with the amended effective date was uploaded to the MUD’s website in late March 2024 with no official notification to the residents whatsoever. In its entirety, the contested rate order is a sham, a scam, a bogus punishable act, and a financial crime premeditated through complicity.

XVIII. Concluding remarks

(93) There is good cause to examine the instant case on the merits. Residents are entitled to their savings and the MUD is not entitled to over-collection in the absence of indisputable financial substantiation.

(94) The MUD’s denial, defiance, and unwillingness to correct are serious and worrying. The MUD’s Attorney, the water company, the Bookkeeper, the Auditor, and other Consultants serving the MUD must undergo serious questioning for working in complicity to ridicule, deceive, and rob the Grand Lakes

MUD No. 2 ratepayers, all with the blessing of the five members of the MUD's Board of Directors. This is made possible because of the frightening absence of stringent public oversight.

XIX. PRAYER

(95) The MUD's Motion to Dismiss is denied.

(96) The Grand Lakes MUD No. 2 rate order signed on January 29, 2024 is declared null and void; being illegitimate and unjustified.

(97) The MUD's residents/ratepayers be reimbursed for all water bill increases from February 2024.

(98) The Grand Lakes rate orders be clarified such that the wastewater flat rate does not apply when a residence is locked and the water consumption is 0 gallons / \$0. The water company reimburses impacted residents for previous mishandling of this aspect.

(99) Rates that prevailed before February 1, 2024 become interim rates established by the Commission to be in effect until a final and enforceable decision is made in the case.

(100) During the pendency of the instant case before the Commission, the Commission prevents the MUD and water company from initiating and executing physical or financial enforcement actions triggered by residents contesting the illegal Rate Order.

(101) The Commission orders the MUD's Board of Directors, MUD's Attorney (the law firm Schwartz, Page & Harding LLP), and water company (MDS Water | Municipal District Services) to reimburse the ratepayers for all costs, expenses, fees, and damages incurred through the said parties' ruthless courage to spend in legal fees, from ratepayers' funds, tens of thousands of dollars to defend financial crimes of their own premeditated creation.

(102) The Commission dismisses the MUD's bogus, reprehensible, punishable request to "recover its case expenses in defending the rate appeal through the final rates fixed by the Commission."

Katy, Texas on the 5th day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers




George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I, George J. Wakileh, certify that notice of the filing of this pleading is being provided to all parties of record via electronic mail on June 5, 2024. Service on the LGRT attorneys will no longer be attempted as they are ineligible to act in the instant proceeding.



George J. Wakileh, Ph.D.

Exhibit 1

Affidavit

I, George J. Wakileh, resident of the state of Texas, county of Fort Bend, under penalty of perjury, declare that I am over 18 years of age, of sound mind, and capable of making this affidavit.

I am a resident of the Grand Lakes community in Katy, Texas since January 2008. Before the Public Utility Commission of Texas (Commission) and in Docket No. 56589, I represent the ratepayers / residents of the Grand Lakes Municipal Utility District No. 2.

The facts and evidence detailed in this brief being lodged with the Commission today are, to the best of my knowledge and belief, true, correct, and complete.

This 5th day of June 2024
State of Texas
County of Fort Bend
Name: George J. Wakileh
Address: 6819 Rosemont Park Ln, Katy, TX 77494-6590



George J. Wakileh, Ph.D.

Exhibit 2

Announcement of February 19, 2024 as published at the MUD's website <https://www.grandlakesmud2.com/>. It can now be seen as part of the news archive (<https://www.grandlakesmud2.com/archive>).

The message claimed that the rate increase is *slight*. After receiving the letters disclosed in [56589-10], the MUD revised the message, removing the word 'slightly', but *without* documenting the change using proper revision control procedures, *without* noting the date the message was revised, and *without* ever informing the residents.

Rate Order Change Notice

Feb 19, 2024

Dear Grand Lakes MUD 2 customer,

For several years Grand Lakes MUD 2 has enjoyed a robust revenue source from our **Strategic Partnership Agreement (SPA)** with the City of Houston. This additional revenue allowed us to pay off the districts debt early resulting in the low tax rate that we have today. Additionally, we were able to keep our Water and Sewer rates low.

As a reminder you may have noticed a "credit" on your bill reflecting \$2.00 / 1000 gallons used. This was to help relieve the NFBWA fee that has increased over the years.

Beginning in early 2023 this revenue source has declined by approximately 90% and therefore we are no longer able to subsidize at previous levels. This unfortunate change has compelled the district to evaluate our rates and beginning with your February water bill we will remove the \$2.00 credit we have all enjoyed. We also find it necessary to increase water and sewer rates to allow us to meet our budget going forward.

We will continue to have one of, if not the lowest tax rate in the area. As always, your board of directors is committed to providing the highest level of service at the most economical cost to all users.

Thank you for your understanding,

Grand lakes MUD 2 Board of Directors

<https://www.grandlakesmud2.com>

Important Notice!

Feb 19, 2024

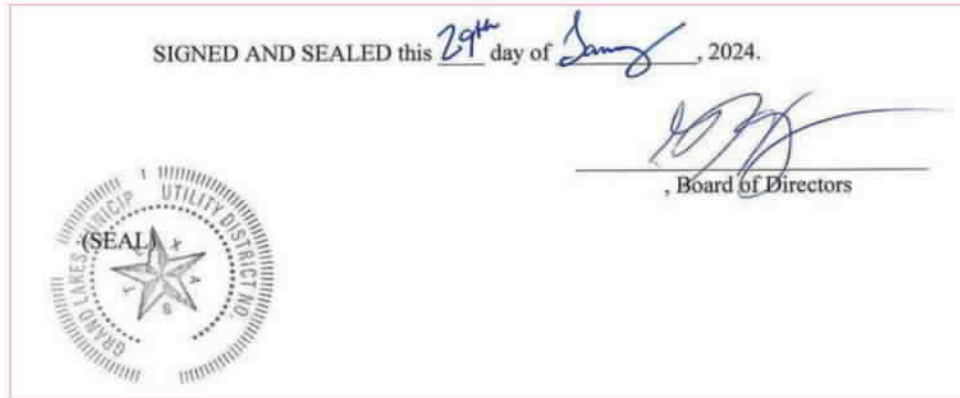
Rate Order Change Notice

Dear Grand Lakes MUD 2 customer, for several years Grand Lakes MUD 2 has enjoyed a robust revenue source from our Strategic Partnership Agreement (SPA) with the City of Houston.

[READ MORE](#)

Exhibit 3

Rate Order of December 18, 2023 signed on February 19, 2024 by Gregory Henry, Secretary of the Board of the Grand Lakes MUD No. 2.



Said rate order shows the Effective Date as February 1, 2023.

BE IT ORDERED BY THE BOARD OF DIRECTORS OF GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2, THAT THE FOLLOWING RATE ORDER IS HEREBY ADOPTED. Any Rate Order, and amendments thereto, heretofore adopted by the Board of Directors establishing rates for water and sewer service and pertaining to related matters shall be revoked on February 1, 2023, the effective date of this Rate Order (hereafter referred to as "Order"). **Date must be February 1, 2024 for this Rate Order to be lawful and valid**

Said rate order was placed at the link

<https://www.grandlakesmud2.com/static/3109f113d7b906a1cc3b31cf9f75bfed/>

[Rate_Order_12_18_24_bfa1a3dfdf.pdf](#). In late March 2023, *without* any notice of the revision and *without* informing the residents, the said rate order was removed and replaced by a revised one that changed the Effective Date from February 1, 2023 to February 1, 2024.

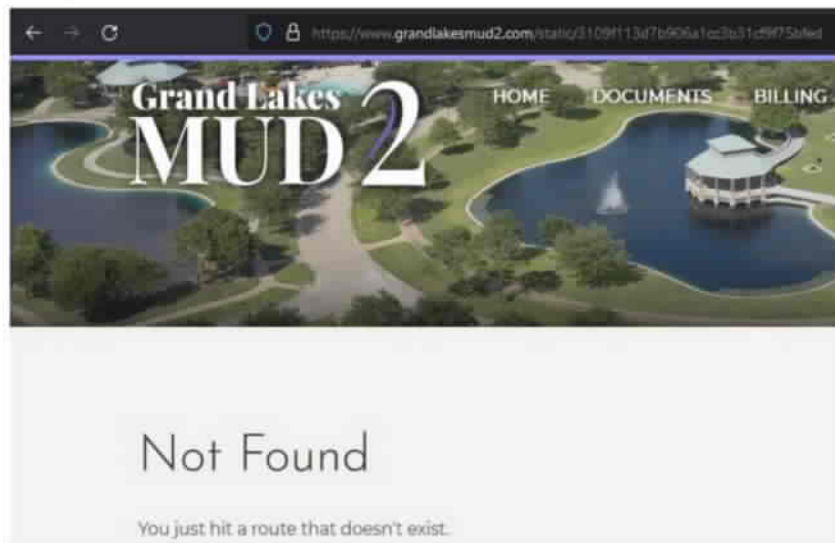


Exhibit 4

Screenshot from the Texas Bond Review Board (<https://www.brb.texas.gov/>) showing the debt picture for the four Grand Lakes water districts. Grand Lakes MUD No. 2 has no debt outstanding.

ISSUER	DEBT OUTSTANDING
Grand Lakes MUD 1	\$4,520,000
Grand Lakes MUD 2	\$0
Grand Lakes MUD 4	\$5,725,000
Grand Lakes WCID	\$3,195,000

Showing 1 to 4 of 4 entries (Filtered from 1,767 total entries)

Exhibit 5

Water/wastewater rates for residential customers – 2023 and 2024													
Grand Lakes Municipal Utility District No. 2 (Grand Lakes phase II and phase IV)													
2023	Min. fee	Min. use	Flat rate	\$/1,000 gal	Usage, gallons		2024	Base fee	Min. use	Flat rate	\$/1,000 gal	Usage, gallons	
Water	\$0.00	0	N	\$0.50	1	20,000	Water	\$25.00	1	Y	\$0.00	1	10,000
			N	\$1.50	20,001	50,000		\$25.00		N	\$1.00	10,001	20,000
			N	\$2.50	50,001	500,000		\$35.00		N	\$2.00	20,001	50,000
								\$95.00		N	\$3.00	50,001	500,000
Wastewtr	\$10.00	0	Y	\$10.00	0	500,000	Wastewtr	\$20.00	0	Y	\$20.00	0	500,000
Reg. WA	\$2.90	1	N	\$2.90	1	500,000	Reg. WA	\$4.90	1	N	\$4.90	1	500,000
Use, gal	Water	Wastewtr	Total				Use, gal	Water	Wastewtr	Total	'24 / '23		
1	\$0.00	\$10.00	\$10.00				1	\$25.00	\$20.00	\$45.00		4.50	
10	\$0.03	\$10.00	\$10.03				10	\$25.05	\$20.00	\$45.05		4.49	
100	\$0.34	\$10.00	\$10.34				100	\$25.49	\$20.00	\$45.49		4.40	
500	\$1.70	\$10.00	\$11.70				500	\$27.45	\$20.00	\$47.45		4.06	
1,000	\$3.40	\$10.00	\$13.40				1,000	\$29.90	\$20.00	\$49.90		3.72	
2,000	\$6.80	\$10.00	\$16.80				2,000	\$34.80	\$20.00	\$54.80		3.26	
5,000	\$17.00	\$10.00	\$27.00				5,000	\$49.50	\$20.00	\$69.50		2.57	
10,000	\$34.00	\$10.00	\$44.00				10,000	\$74.00	\$20.00	\$94.00		2.14	
15,000	\$51.00	\$10.00	\$61.00				15,000	\$103.50	\$20.00	\$123.50		2.02	
20,000	\$68.00	\$10.00	\$78.00				20,000	\$133.00	\$20.00	\$153.00		1.96	
25,000	\$110.00	\$10.00	\$120.00				25,000	\$167.50	\$20.00	\$187.50		1.56	
30,000	\$132.00	\$10.00	\$142.00				30,000	\$202.00	\$20.00	\$222.00		1.56	
35,000	\$154.00	\$10.00	\$164.00				35,000	\$236.50	\$20.00	\$256.50		1.56	
40,000	\$176.00	\$10.00	\$186.00				40,000	\$271.00	\$20.00	\$291.00		1.56	
45,000	\$198.00	\$10.00	\$208.00				45,000	\$305.50	\$20.00	\$325.50		1.56	
50,000	\$220.00	\$10.00	\$230.00				50,000	\$340.00	\$20.00	\$360.00		1.57	
55,000	\$297.00	\$10.00	\$307.00				55,000	\$379.50	\$20.00	\$399.50		1.30	
60,000	\$324.00	\$10.00	\$334.00				60,000	\$419.00	\$20.00	\$439.00		1.31	
65,000	\$351.00	\$10.00	\$361.00				65,000	\$458.50	\$20.00	\$478.50		1.33	
70,000	\$378.00	\$10.00	\$388.00				70,000	\$498.00	\$20.00	\$518.00		1.34	
75,000	\$405.00	\$10.00	\$415.00				75,000	\$537.50	\$20.00	\$557.50		1.34	
80,000	\$432.00	\$10.00	\$442.00				80,000	\$577.00	\$20.00	\$597.00		1.35	

Exhibit 6

Document properties for the 12/18/2023 Board Meeting Minutes show that the PDF document was created on 2/14/2024 11:35AM, sixteen days after the January 29, 2024 meeting.

The 12/18/2023 Rate Order with the Effective Date of February 1, 2023. Document properties show that the PDF document was created on 1/29/2024 2:20PM.

Melia Berry (a paralegal at the law firm Schwartz, Page & Harding LLP) amends the rate order PDF created on 2/6/2024 3:27PM. It becomes modified on 2/26/2024 9:28AM.

Document Properties

Description Security Fonts Initial View Custom Advanced

Description

File: 12_18_2024_Minutes_1dc5ea670f.pdf

Title: _____

Author: _____

Subject: _____

Keywords: _____

Created: 2/14/2024 11:35:14 AM

Modified: _____

Application: Canon iR-ADV C7770 PDF

Advanced

PDF Producer: Adobe PSL 1.3e for Canon

PDF Version: 1.4 (Acrobat 5.x)

Location: _____

File Size: 396.64 KB (406,155 Bytes)

Page Size: 8.50 x 11.00 in

Number of Pages: 7

Tagged PDF: No

Fast Web View: No

Document Properties

Description Security Fonts Initial View Custom Advanced

Description

File: 20231218_GLMUD2-RateOrder-orig.pdf

Title: _____

Author: _____

Subject: _____

Keywords: _____

Created: 1/29/2024 2:19:47 PM

Modified: _____

Application: Canon iR-ADV C7770 PDF

Advanced

PDF Producer: Adobe PSL 1.3e for Canon

PDF Version: 1.4 (Acrobat 5.x)

Location: _____

File Size: 2.84 MB (2,977,233 Bytes)

Page Size: 8.50 x 11.00 in

Number of Pages: 54

Tagged PDF: No

Fast Web View: No

Document Properties

Description Security Fonts Initial View Custom Advanced

Description

File: Rate_Order_12_18_2023_revised_a835042e10.PDF

Title: Microsoft Word - 699071_2

Author: Melia

Subject: _____

Keywords: _____

Created: 2/6/2024 3:26:35 PM

Modified: 2/26/2024 9:27:59 AM

Application: PScript5.dll Version 5.2.2

Advanced

PDF Producer: Acrobat Distiller 17.0 (Windows)

PDF Version: 1.6 (Acrobat 7.x)

Location: _____

File Size: 316.29 KB (323,879 Bytes)

Page Size: 8.50 x 11.00 in

Number of Pages: 56

Tagged PDF: No

Fast Web View: No

Help



Filing Receipt

Filing Date - 2024-06-17 01:10:52 AM

Control Number - 56589

Item Number - 55

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

BRIEF – THE MUD’S BOGUS RATE ORDER IS ILLEGITIMATE UNDER TGC § 551.042

(1) Consciously and intimately, the Attorney (the law firm Schwartz, Page & Harding LLP) for the Grand Lakes Municipal Utility District No. 2 (Water District of MUD) premeditated a rate order that is nothing short of a criminal activity. This brief presents further evidence in support of this theory.

(2) Pursuant to Texas Government Code (TGC), Chapter 551 “Open Meetings”, the MUD’s governing body is *prohibited* from discussing items/ subjects/ topics/ matters/ issues that are not listed on the Agenda for a meeting for which notice was already posted. Specifically, TGC § 551.042 reads:

Texas Government Code § 551.042 Inquiry Made at Meeting

(a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) a statement of specific factual information given in response to the inquiry; or
- (2) a recitation of existing policy in response to the inquiry.

(b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

(3) The Agenda for the MUD’s Board Meeting of 12/18/2023 [56589-3] reads in part:

5. Presentation by Best Trash, LLC, the District’s solid waste collection and recycling services provider, regarding annual rate increase and consideration of amended Rate Order in connection with same;

11. Operation and Maintenance Report, including:

- A. Monthly report;
- B. Appeals of District charges and other customer billing matters;
- C. Repair and maintenance of District facilities, including consideration of any contracts for same and authorize acceptance of Texas Ethics Commission Form 1295 (“TEC Form 1295”);
- D. Refer accounts for collection;
- E. Approve write-off of uncollectible accounts;
- F. Compliance with permits and regulatory requirements, including review of any notices of violations, responses to notices and remedial action taken, self-reporting forms as and if required, and correspondence to and from regulatory agencies regarding same; and
- G. Reclaimed water system and irrigation;

(4) The Minutes for the MUD’s Board Meeting of 12/18/2023 [56589-3] reads in part:

BEST TRASH’S ANNUAL RATE ADJUSTMENT

Mr. [Dane] Turner addressed the Board concerning Best Trash’s annual Consumer Price Index (“CPI”) rate adjustment of 6.5% for solid waste and recycling collection services, to be effective December 1, 2023. A copy of the notification of the CPI rate adjustment is attached hereto as **Exhibit A**.

Mr. Skinner then queried the Board as to whether it wanted to amend the District's Rate Order relative to the CPI adjustment. Following discussion, the Board concurred to approve the CPI increase, ..., and to defer, until later in the meeting, consideration of an adjustment to the District's monthly flat rate charge for residential sanitary sewer service relative to the CPI increase.

OPERATIONS AND MAINTENANCE REPORT

Mr. [Charlie] Chapline introduced Ms. [Kenieca] Moore and then the Board next considered the Operations and Maintenance Report, dated December 18, 2023, presented to and reviewed with the Board by Mr. [Charlie] Chapline; a copy of the report is attached hereto as **Exhibit G**.

...
...

Mr. [Charlie] Chapline next presented to and reviewed with the Board a 2024 proposed Rate Schedule for the amendment of Section 3.02 - Monthly Rates for Residential Water Service and Section 3.03 - Monthly Rate for Residential Sanitary Sewer Service of the District's Rate Order. He noted that an additional Rate Schedule relative to Section 3.04 - Monthly Rates for Commercial Water Service of the District's Rate Order will be presented to the Board for consideration at the January Board meeting. He noted that the proposed water rate and sanitary sewer rate changes, if approved today [December 18, 2023], would go into effect on February 1, 2024. A copy of the 2024 proposed Rate Schedule is attached hereto as **Exhibit H**. it [sic] was moved by Director Baker, seconded by Director Henry and unanimously carried, that the Board: (i) approve the 2024 Rate Schedule as presented; and (ii) amend the District's Rate Order with respect to the District's 2024 proposed Rate Schedule, and that any and all Rate Orders heretofore adopted by the Board be revoked, and the attached Rate Order be passed and adopted.

(5) While item no. 5 on the MUD's 12/18/2023 Meeting Agenda (see paragraph 3 above) attempted to "amend the Rate Order in connection with a presentation by Best Trash regarding annual rate increase," the Minutes for that meeting (see paragraph 4 above) 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.

(6) In any case, it must be emphasized that Best Trash *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 resident pay. This expenditure appears in the MUD's 2022/2023 Audit Reports [56589-12] as \$236,013 in 2022 and \$258,129 in 2023.

(7) While item no. 5, item no. 11, or any other item on the MUD's 12/18/2023 Meeting Agenda (see paragraph 3 above and the Agenda itself) did not give notice for a rate order amendment proposal, a deliberation of and decision about the subject (rate order amendment proposal) took place at the actual meeting on 12/18/2023 (see paragraph 4 above). This is a stark violation of TGC § 551.042.

(8) At the MUD's 12/18/2023 Board Meeting (see paragraph 4 above), Mr. Christopher T. Skinner, the MUD's Attorney at the law firm Schwartz, Page & Harding LLP, then followed up and "queried the Board as to whether it wanted to amend the District's Rate Order relative to the CPI adjustment." In response, the MUD's Board "concurred to approve [Best Trash's request for a 6.5%] CPI increase," and decided to "defer, until later in the meeting, consideration of an adjustment to the District's monthly flat

rate charge for residential sanitary sewer service relative to the CPI increase.” Again, this was to consider a **CPI adjustment** of the monthly flat rate charge for residential **sanitary sewer service**, not a conspicuous, appalling adjustment of the monthly rates for residential water and wastewater.

(9) Later in the same meeting (see paragraph 4 above), Mr. Charlie Chapline—part of the family that owns the water company (Municipal District Services | MDS Water)—presented to and reviewed with the Board a 2024 proposed Rate Schedule for the amendment of the monthly rates for residential water/wastewater. It is then obvious that the MUD’s Attorney (the law firm Schwartz, Page & Harding LLP) prepared the 12/18/2023 Rate Order [56589-5] ahead of the Board’s meeting, following secretive discussions and coordination with the water company and—likely—others, like the Bookkeeping/Accounting firm. This is because the said Rate Order implements the 2024 Rate Schedule proposed and presented by Mr. Chapline of the water company.

(10) As noted before, rate design *cannot* be based on arbitrariness, wishes, and fantasy—it *must* be based on a detailed study that addresses cost of service, customer demand, expenses, revenues, cash balance, proposed charges, and impact on all customers. The water company 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 not having a full overview of the MUD’s financial situation. It is the MUD’s Attorney that drove this *questionable* agenda in the background. A transparent MUD would have published the said study beforehand, and allowed ratepayers to submit their comments within a specified deadline.

(11) The water company and the MUD’s Attorney were not entitled to present a proposal for rate order amendment because the item/subject was not on the agenda for the 12/18/2023 Board Meeting. Similarly, the MUD’s Board was not entitled to discuss and approve the proposed rate order because a rate order amendment was not a subject/item listed on the 12/18/2023 Board Meeting Agenda. 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 subsequent board meeting.

(12) With state agency oversight fully absent, the MUD’s Attorney (the law firm Schwartz, Page & Harding LLP) became powerful, arrogant, fearless, lawless, ruthless, indifferent, and negligent. For years, the MUD’s Attorney has pursued a consistent, persistent pattern of punishable premeditated malice that is intimately aimed at ridiculing, deceiving, and robbing residents/ratepayers. This *cannot*, and must *not*, be underestimated or ignored. Because none of the Board Members can invoke confusion, negligence, ignorance, or negligent ignorance, their blind approval of any and all proposals by the MUD’s Attorney must be investigated for complicity and personal, private, individual benefits.

PRAYER

The contested rate order is based on tens of errors, contradictions, and violations. Consistent with the findings in this brief and all previous ones, and to preserve precious time, effort, resources, and money, the Commission is respectfully asked to enter a **default ruling** that:

- (a) Nullifies the contested rate order and reimburses the MUD's ratepayers for all water bill increases from February 2024.
- (b) Orders that the Grand Lakes rate orders be clarified such that the wastewater flat rate does not apply when a residence is locked and the water consumption is 0 gallons / \$0, with the water company reimbursing impacted residents for previous mishandling of this aspect.
- (c) Brings to justice and holds accountable the MUD's Board of Directors, MUD's Attorney (the law firm Schwartz, Page & Harding LLP), water company (Municipal District Services | MDS Water), and all other Consultants involved in the bogus scheme.
- (d) Reimburses the ratepayers for all costs, expenses, fees, and damages incurred through the said parties' ruthless courage to spend in legal fees, from ratepayers' funds, tens of thousands of dollars to defend financial crimes and other criminal violations of their own premeditated creation.

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



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-18 11:02:51 PM

Control Number - 56589

Item Number - 60

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

REQUEST FOR AN INVESTIGATION PER 16 TEXAS ADMINISTRATIVE CODE § 22.241

(1) 16 Texas Administrative Code § (Rule) 22.2 defines Person as “An individual, partnership, corporation, association, governmental subdivision, entity, or public or private organization.”

(2) Rule 22.241(a) and (c) authorize the Commission to investigate persons subject to the Commission’s jurisdiction.

(3) Texas Local Government Code § 180.010(a) defines a “qualifying offense” as a criminal offense involving: “bribery; theft of public money; perjury; coercion of public servant or voter; tampering with governmental record; misuse of official information; abuse of official capacity; or conspiracy or the attempt to commit any of the [aforementioned] offenses.”

(4) Officers of the Grand Lakes Municipal Utility District No. 2 (Water District or MUD) are required to file with the Office of the Secretary of State an Oath of Office (Form 2204) that reads:

I,, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

(5) Our pleadings [nos. 1, 49, 54, 55, 56, 57, and 58] documented a wide range of criminal violations, financial crimes, fraud, theft of or the attempt to steal ratepayers’ funds, tampering with governmental documents, abuse of authority, complicity, and more. All violations are orchestrated by the MUD’s Attorney (the law firm Schwartz, Page & Harding LLP) with intimate, conscious, and willing participation by the water company (Municipal District Services | MDS Water), the Bookkeeping firm (Municipal Accounts & Consulting, LP), the MUD’s Board of Directors, and possibly other Consultants serving the MUD.

(6) Misappropriation is perfected when a person intends to obtain an illicit gain for themselves by illegally planning to collect and mishandle public funds while entrusted with governance of community services and infrastructure.

(7) Misappropriation is aggravated and criminally punishable when: [i] The value of the assets is considerable. [ii] The scheme is orchestrated over an extended period of time. [iii] The scheme is committed by a group operating in complicity and violating a public trust attached to their position, office, or assignment. [iv] Documentation, accounting, reasoning, and scenarios are fabricated and falsified for the purpose of executing the scheme. All four conditions are actual in the Grand Lakes MUD No. 2 case pending before the Commission.

(8) Cited next is an extract from the Minutes for the MUD's Board Meeting of 3/18/2024 [56589-53]. A resident of the District inquired as to whether the Board has plans to reduce the District's overall operating costs. The response by the President of the Board lacks credibility and reliability, and could not be respected by an honorable observer. Michael Christopher McClusky, President of the MUD's Board for some 20 years, is a serious danger to society and the rule of law. McClusky has been instrumental in inflicting considerable harm on the MUD's residents/ratepayers by enabling, facilitating, and promoting the MUD's Attorney's persistent malicious agenda.

Minutes for the MUD's Board Meeting of 3/18/2024 [56589-53]

PUBLIC COMMENTS

Mr. Brownlee then addressed the Board and inquired as to whether the Board has plans to reduce overall costs for the operation of the District. Director McClusky explained that most of the costs incurred by the District are passed straight through to the residents. He noted that the Board is very aware of costs and always considers how the District's expenditures will impact the residents of the District. Director McClusky further noted that, in an effort to reduce costs, the Board has discontinued any future beautification projects with the Grand Lakes Community Association (the "GLCA") and wants to meet with the GLCA soon to discuss costs of certain joint projects currently being funded collectively, by the District, Grand Lakes Municipal Utility District No.1 ("MUD No.1") and Grand Lakes Municipal Utility District No.4 ("MUD No.4") (the "Grand Lakes MUDs"). Director McClusky anticipates having a revised financial plan in place in the next few months.

(9) Next are extracts from the MUD's Board Meeting Minutes for 4/15/2024 [56589-45] and 5/20/2024 [56589-59]. In two consecutive monthly meetings, the President of the MUD's Board – a conflicted officer and an ominous promoter of the MUD's Attorney's troubling agenda to drain residents' funds and put the MUD in debt – says that discussion of the Rate Order is deferred until the review of the MUD's finances has been concluded. Isn't this peculiar?!

Minutes for the MUD's Board Meeting of 4/15/2024 [56589-45]

RATE ORDER

The Board deferred discussion of the District's Rate Order until the review of the District's finances has been concluded.

Minutes for the MUD's Board Meeting of 5/20/2024 [56589-59]

RATE ORDER

Director McClusky reported that the Board is working to reduce the District's expenses and noted that the discussion of the District's Rate Order will be deferred until the review of the District's finances has been concluded.

(10) *First*, how did the MUD come up with the bogus rate order if the MUD's finances are not available and were not reviewed?

(11) *Second*, each and every Board Meeting is further attended by the Bookkeeper (Municipal Accounts & Consulting, LP), Auditor (FORVIS, now Forvis Mazars), Tax Collector (Wheeler & Associates, Inc.), and other Consultants, who have intimate knowledge about the MUD's budget, revenues, and expenditures.

(12) *Third*, the MUD's finances are available electronically, at the push of a button. But, now that the case is brought before the Commission, the MUD's Board and the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) have no genuine interest in releasing the MUD's finances to hide what is a sham; a scam; a bogus punishable act orchestrated through complicity—the contested rate order.

(13) Matters to be investigated by the Commission under Rule 22.241 include all impropriety, irregularity, and wrongdoing (criminal violations; financial crimes; theft of or the attempt to steal ratepayers' funds; orchestrating bogus, unlawful means and schemes seeking to illegally gain possession of community/public funds; conscious tampering with governmental documents; abuse of authority; breach of trust, intent; complicity; fraud; indifference; etc.) documented in our pleadings lodged with the Commission.

(14) In the instant case, persons to be investigated include at a minimum:

Members of the Board of the Grand Lakes Municipal Utility District No. 2

- Michael Christopher McClusky, President | Retired insurance agent
- J. Scot Vann, Vice President | Owner of an environmental consulting firm
- Gregory Jay Henry, Secretary | Owner of computer services and property management firms
- Bradley Allen Baker, Assistant Secretary | Electrical engineer
- William Don Butler, Director | Banker

The MUD's Attorney, the law firm Schwartz, Page & Harding LLP

1300 Post Oak Blvd, Ste 2400, Houston, TX 77056 | 713-623.4531 | www.sphllp.com

- Christopher T. Skinner <cskinner@sphllp.com>, Attorney
- Gordon Cranner <gcranner@sphllp.com>, Associate
- Melia Berry <mberry@sphllp.com>, Paralegal

The water company Municipal District Services, LLC

406 W. Grand Pkwy S, Ste 260, Katy, TX 77494 | 281-290-6500 | info@mdswater.com | mdswater.com

- Bryan K. Chapline, Founder and President
- Charlie Chapline, Executive Vice President, Field Services

The bookkeeper Municipal Accounts & Consulting, LP

1281 Brittmoore Rd, Houston, TX 77043 | info@municipalaccounts.com | 713-623-4539

- Taylor Watson, Consultant

The auditor Forvis Mazars, LLP

2700 Post Oak Blvd, Ste 1500, Houston, TX 77056 | 713-499-4600 | <https://www.forvismazars.us/>

- Sherri W. Greenwood, Partner / Nonprofit, Education, & Public Sector

(15) None of the aforementioned persons can invoke confusion, negligence, ignorance, or negligent ignorance. Their choice to get involved in bogus schemes and their blind approval of impropriety, irregularity, and wrongdoing put the Grand Lakes community in grave danger.

PRAYER

(16) On its own motion or the motion of Commission Staff, the Commission initiates per Rule 22.241 a thorough investigation of the named persons, brings them to justice, and holds them accountable for complicity in intimately, consciously, and maliciously orchestrating bogus, malicious, unlawful means and schemes seeking to illegally gain possession of public/community funds.

Katy, Texas on the 18th day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
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 18, 2024.

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



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-20 04:21:43 PM

Control Number - 56589

Item Number - 62

PUC DOCKET NO. 56589

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

THE MUD'S DEFICIENT BOARD MEETING MINUTES – OMISSION OF VIOLATIONS

(1) This pleading documents incidents of undisclosed and unreported violations in water district Board Meeting Minutes.

(2) Inspection of TCEQ's Central Registry (<https://www15.tceq.texas.gov/crpub/>) revealed that each of the three Grand Lakes MUDs has outstanding violations since November 2021, with new violations recorded in June 2024.

- Grand Lakes MUD No. 2: CN601364334 - RN101175826 - PWS 0790387 | Violation notice¹ [Exhibit 1]
- Grand Lakes MUD No. 1: CN601363484 - RN102685856 - PWS 0790410 | Violation notice² [Exhibit 2]
- Grand Lakes MUD No. 4: CN601363716 - RN102686441 - PWS 0790356 | Violation notice³ [Exhibit 3]

(3) Checking the Grand Lakes MUD No. 2 website, the Board's Meeting Minutes⁴ for 11/22/2021, 12/20/2021, 01/17/2022, and 02/21/2022 do not have any mention of the TCEQ citation of 11/03/2021.

(4) The Grand Lakes Municipal Utility District No. 2 (Water District of MUD), the MUD's Attorney (the law firm Schwartz, Page & Harding LLP), and the water company (Municipal District Services | MDS Water) **failed** to: [i] Disclose to residents/ratepayers material facts and violations that have been ongoing for years. [ii] Document and report water-related violations in the monthly Board Meeting Minutes. [iii] Document and report violations of 30 Texas Administrative Code (TAC) §§ 290.45 and 290.46 in the monthly Board Meeting Minutes. [iv] Comply with 30 TAC § 290.46(k) in that "the interconnect to another water supply is prohibited unless the interconnect is approved by TCEQ and the other water supply is of a safe, sanitary quality." [v] Comply with 30 TAC § 290.45(f)(2) in that "a water purchase contract be available that authorizes the purchase of enough water to meet the monthly or annual needs of the MUD." [vi] Remedy the violations and enact corrective measures for years.

1 https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=463584512002136&re_id=197668862002005
2 https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=39743652002178&re_id=47743652002178
3 https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=782748902002178&re_id=793748892002178
4 https://www.grandlakesmud2.com/static/3208c1850cae4f68ea15d0e3f3862608/11_22_21_Minutes_executed_file_copy_003_fe6a73873c.PDF
https://www.grandlakesmud2.com/static/0496ce0288bab1990fb28cd94b50a51e/GL_2_Approved_Minutes_12_20_21_2c37d24c14.pdf
https://www.grandlakesmud2.com/static/374e06e9ec6b3c9e475721f0ac6c1093/1_17_2022_Minutes_76fe54382c.pdf
https://www.grandlakesmud2.com/static/2befa7d181df6dc160c76dbfa56a8c66/GL_2_Approved_Minutes_2_21_2022_620b9dae62.pdf

(5) 30 TAC § 290.45(f)(2) surrounds water purchase contracts. The violation should have existed as early as the different Grand Lakes MUDs were created (over 20 years ago). If the MUD, MUD's Attorney, and water company claim that Grand Lakes MUD No. 2 and MUD No. 1 purchase water from Grand Lakes MUD No. 4, **why** do proper water purchase contracts not exist? Who benefits from that; how; and by how much? It is reminded that the three Grand Lakes MUDs are administered by the same Attorney (law firm) and operated by the same water company—the harm caused by this scheme must not be underestimated.

(6) 30 TAC § 290.46(k) surrounds water supply system interconnects. The violations should have lasted for *many* years as well. The MUD, MUD's Attorney, and water company operated water supply system interconnects on a permanent and continuous basis *without* TCEQ's approval and *without* assurance, following oversight by a state agency, that the other water supply system is of a safe, sanitary quality.

(7) The MUD's Board, MUD's Attorney, and MUD's operator (water company) *cannot* invoke confusion or ignorance. They *cannot* pick and choose what to include in the monthly Board Meeting Minutes. Citations issued by TCEQ or other state agencies **must** be instantly communicated to the Board and residents/ratepayers, added to the monthly meeting agendas, and tracked until resolved and closed.

(8) The reported violations add to the enormity of consistent, persistent indifference, deception, secrecy, lack of transparency, intent, and disregard for the law that exemplify the MUD's Board and Consultants. The incident qualifies as a criminal offense as defined by Texas Local Government Code § 180.010(a).

Katy, Texas on the 20th day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
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 (the MUD's Board via the MUD's Attorney and the PUCT's Legal Division) via electronic mail on June 20, 2024.



George J. Wakileh, Ph.D.

Exhibit 1

Grand Lakes MUD No. 2: CN601364334 – RN101175826 – PWS 0790387

Violation notices by TCEQ

https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=463584512002136&re_id=197668862002005

Detail of: Public Water System/Supply Registration 0790387 For: GRAND LAKES MUD 2 (RN101175826 ...) NE CORNER FRY & PEEK RD, FULSHEAR, TX KEY MAP Registration Status: ACTIVE Held by: Grand Lakes Municipal Utility District 2 (CN601364334 ...) View 'Issued To' History ... RESPONSIBLE PARTY Mailing Address: Not on file					
Notice of Violations Current TCEQ Rules					
NOV Date	Status	Citation/ Requirement Provision	Allegation	Classification	Self Reporting Indicator
06/18/2024	ACTIVE	30 TAC Chapter 290, SubChapter D 290.46(k) (Not applicable to CH)	Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply. The interconnect shall not be permitted unless the other water supply is of a safe, sanitary quality and the interconnection is approved by the executive director.	MODERATE	NO
11/03/2021	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(f) (2) (Not applicable to CH)	Failure to provide a purchase water contract with Grand Lakes MUD 4 that authorizes the purchase of enough water to meet the monthly or annual needs of Grand Lakes MUD 2.	MODERATE	NO

Exhibit 2

Grand Lakes MUD No. 1: CN601363484 – RN102685856 – PWS 0790410

Violation notices by TCEQ

https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=39743652002178&re_id=47743652002178

Detail of: Public Water System/Supply Registration 0790410 For: GRAND LAKES MUD 1 (RN102685856 ...) SE OF FRY RD & PEEK ROAD FULSHEAR TX KEY MAP 5 Registration Status: ACTIVE Held by: Grand Lakes Municipal Utility District 1 (CN601363484 ...) View 'Issued To' History ... RESPONSIBLE PARTY Mailing Address: Not on file					
Notice of Violations Current TCEQ Rules					
NOV Date	Status	Citation/ Requirement Provision	Allegation	Classification	Self Reporting Indicator
11/03/2021	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(f)(2) (Not applicable to CH)	Failure to provide a purchase water contract with Grand Lakes MUD 4 that authorizes the purchase of enough water to meet the monthly or annual needs of Grand Lakes MUD 1.	MODERATE	NO
11/03/2021	ACTIVE	30 TAC Chapter 290, SubChapter D 290.46(k) (Not applicable to CH)	Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply.	MODERATE	NO

Exhibit 3

Grand Lakes MUD No. 4: CN601363716 – RN102686441 – PWS 0790356

Violation notices by TCEQ

https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=iwr.novdetail&addn_id=782748902002178&re_id=793748892002178

Detail of: Public Water System/Supply Registration 0790356 For: GRAND LAKES MUD 4 (RN102686441 ...) 5420 S. Fry Road KATY TX KEY MAP 525C Registration Status: ACTIVE Held by: Grand Lakes MUD 4 (CN601363716 ...) View 'Issued To' History ... RESPONSIBLE PARTY Mailing Address: Not on file					
Notice of Violations Current TCEQ Rules					
NOV Date	Status	Citation/ Requirement Provision	Allegation	Classification	Self Reporting Indicator
06/18/2024	ACTIVE	30 TAC Chapter 290, SubChapter D 290.46(k) (Not applicable to CH)	Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply. The interconnect shall not be permitted unless the other water supply is of a safe, sanitary quality and the interconnection is approved by the executive director.	MODERATE	NO
11/03/2021	ACTIVE	30 TAC Chapter 290, SubChapter D 290.46(k) (Not applicable to CH)	Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply.	MODERATE	NO



Filing Receipt

Filing Date - 2024-06-23 04:50:25 PM

Control Number - 56589

Item Number - 68

PUC DOCKET NO. 56589

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

BRIEF – THE GRAND LAKES MUDS’ SPENDING ON SECURITY – ANOTHER SCAM

I. Introduction

(1) This brief documents the Grand Lakes MUDs’ conscious, malicious engagement in criminal tampering with the MUD’s finances and residents’ funds; all at the instruction, guidance, and leadership of the MUDs’ Attorney (the law firm Schwartz, Page & Harding LLP).

II. The Grand Lakes MUDs’ Contracted Services

(2) Copied from the 2022 / 2023 Audit Reports [56589-12] / [56589-67] for the three Grand Lakes MUDs and WCID, below is a summary of the Contracted Services¹ expenditures, from the General Fund, for the years 2018 to 2023.

Grand Lakes	No. of Residences	Debt	Contracted Services*						
			2023	2022	2021	2020	2019	2018	6-year
MUD2	682	\$0.00	\$982,122	\$684,347	\$597,083	\$539,663	\$449,745	\$435,461	2.26
MUD4	985	\$5,725,000	\$720,158	\$671,012	\$606,261	\$585,176	\$550,281	\$527,114	1.37
MUD1	1,072	\$4,520,000	\$769,185	\$742,769	\$634,745	\$646,167	\$578,767	\$557,841	1.38
WCID	-	\$3,195,000	\$37,779	\$25,544	\$17,510	\$17,263	\$18,050	\$17,325	2.18

* Contracted Services includes: Bookkeeping, Appraisal District, Tax Collector, Security (Sheriff + Constable), Garbage/Trash Disposal, and Other Contracted Services.

Grand Lakes	No. of Residences	Debt	Debt Service: Principal, Interest and Fees, Issuance Costs, Defeasance					
			2023	2022	2021	2020	2019	2018
MUD2	682	\$0.00	-	-	\$1,790,100	\$2,085,900	-	-
MUD4	985	\$5,725,000	\$1,786,031	\$1,782,131	\$1,776,543	\$1,740,606	\$1,726,710	\$1,723,601
MUD1	1,072	\$4,520,000	\$1,158,088	\$1,298,571	\$1,331,590	\$1,203,082	\$1,200,645	\$1,197,731
WCID	-	\$3,195,000	\$403,826	\$407,076	\$388,299	\$213,195	\$487,999	\$487,822

(3) First, the Grand Lakes MUD No. 2 figures were being *carefully* and *intimately* monitored, tracked, and inflated (prepped) year after year to get to a certain target as the MUD’s debt service² was getting eliminated. The intended target was achieved. The MUD’s Contracted Services were bumped up by 226% from 2018 to 2023, with a 15% increase from 2021 to 2022 and a 44% increase from 2022 to 2023.

1 Contracted Services include: Bookkeeping, Appraisal District, Tax Collector, Security (Sheriff + Constable), Garbage/Trash Disposal, and Other Contracted Services.

2 Debt Service includes Principal Retirement, Interest and Fees, Debt Issuance Costs, and Debt Defeasance.

(4) *Second*, despite being bigger than MUD No. 2 by 44% and 57%, respectively, the corresponding MUD No. 4 and MUD No. 1 Contracted Services increased on average by 7% a year during the same period (2018 to 2023).

(5) *Third*, having no debt outstanding and being the smallest among the three Grand Lakes MUDs (there are 682, 985, and 1072 residences within MUD No. 2, MUD No. 4, and MUD No. 1, respectively), it can be reasonably inferred that the *huge* increase in the Contracted Services for Grand Lakes MUD No. 2 was maliciously and fraudulently orchestrated.

(6) *Fourth*, Grand Lakes MUD No. 2 had debt service in 2020-2021 but no debt service in the years before (2018-2019) and the years after (2022-2023). This is *peculiar*; reasonably indicating that the 2020 debt service amount (\$2,085,900) originated elsewhere and was installed into Grand Lakes MUD No. 2 finances for the purpose of being paid out from the MUD's surplus of revenues over expenditures.

III. The Grand Lakes MUDs' spending on security (Sheriff + Constable)

(7) Copied from the 2022/2023 Audit Reports [56589-12] / [56589-67] for the Grand Lakes MUDs, the figures below show \$846,980 (2022) / \$1,114,651 (2023) in Grand Lakes MUD spending on security (Sheriff + Constable). Added is a \$465,400 security budget by the Grand Lakes Community Association.

Security (Sheriff + Constable)	GL MUD 2	GL MUD 1	GL MUD 4	GL WCID	Total
2022	\$355,196	\$251,259	\$240,525	\$0	\$846,980
2023	\$602,302	\$270,008	\$242,341	\$0	\$1,114,651

General Fund Expenditures	GL MUD 2	GL MUD 1	GL MUD 4	GL WCID	Total
Contracted Services – 2022	\$684,347	\$742,769	\$671,012	\$25,544	\$2,123,672
- Bookkeeping	\$41,563	\$38,489	\$38,987	\$25,544	\$144,583
- Appraisal District	\$4,867	\$0	\$0	\$0	\$4,867
- Tax Collector	\$12,019	\$0	\$0	\$0	\$12,019
- Security (Sheriff + Constable)	\$355,196	\$251,259	\$240,525	\$0	\$846,980
- Garbage/Trash Disposal	\$236,013	\$346,148	\$317,578	\$0	\$899,739
- Other Contracted Services	\$34,689	\$106,873	\$73,922	\$0	\$215,484

General Fund Expenditures	GL MUD 2	GL MUD 1	GL MUD 4	GL WCID	Total
Contracted Services – 2023	\$982,122	\$769,185	\$720,158	\$37,779	\$2,509,244
- Bookkeeping	\$67,927	\$56,986	\$56,616	\$37,779	\$219,308
- Appraisal District	\$4,193	\$0	\$0	\$0	\$4,193
- Tax Collector	\$14,606	\$0	\$0	\$0	\$14,606
- Security (Sheriff + Constable)	\$602,302	\$270,008	\$242,341	\$0	\$1,114,651
- Garbage/Trash Disposal	\$258,129	\$378,615	\$347,388	\$0	\$984,132
- Other Contracted Services	\$34,965	\$63,576	\$73,813	\$0	\$172,354

(8) *First*, the Grand Lakes spending on security (Sheriff and Constable) is *enormous* and needless. Did over \$1.1m really go to the Sheriff and Constable in 2023? It must be thoroughly investigated.

(9) *Second*, if employing a security service is at all needed and decided for whatever reason, the annual spending on such service for the *entire* Grand Lakes community—with 2,739 residences and 37

commercial entities—could be as low as \$100k. Spending that is 10 or more times this figure must be seriously questioned.

(10) *Third*, despite being the smallest among the three Grand Lakes MUDs (there are 682, 985, and 1072 residences within MUD No. 2, MUD No. 4, and MUD No. 1, respectively), Grand Lakes MUD No. 2 was maliciously and fraudulently hit with a huge (69.6%) security services increase; from \$355k in 2022 to \$602k in 2023. Is it justified; is it necessary; is it reasonable? Absolutely not!

(11) *Fourth*, maliciously, fraudulently, and unlawfully, the MUD's Board and Attorney decided to bribe the Bookkeeper (Municipal Accounts & Consulting, LP) with extra money paid from the Grand Lakes MUD No. 2 funds. Likely as a reward for helping in identifying items that can be tampered with, they paid the Bookkeeper around \$42k in 2022 and \$68k in 2023 (a 62% increase).

(12) *Fifth*, the Appraisal District and Tax Collector were paid only from Grand Lakes MUD No. 2 funds.

IV. The Katy ISD police patrol service as part of the annual ISD tax Grand Lakes residents pay

(13) The Grand Lakes MUDs are within the jurisdiction of the Katy ISD. Grand Lakes residents pay an annual ISD tax that includes a police patrol service, whereby the Katy ISD police patrols all roads, streets, and highways but does not enter the residential subdivisions. At <https://www.katyisd.org/Page/4358>, the Katy ISD Police Department states:

Katy ISD's Patrol Division provides uniformed police officers who patrol the district, campuses, and support facilities 24 hours per day, 365 days per year. The officers' patrol tactics include utilizing foot, bicycles, and motor vehicles. Bicycles are used to patrol large instructional complexes, Legacy and Rhodes Stadium parking lots, and the educational support complex. Motor vehicles are used to patrol all roads, streets and highways within the geographical boundaries of Katy ISD. Campus officers who are assigned to the high schools patrol by providing walking roving patrols inside and outside the campus facility. All officers are responsible for emergency response, criminal investigations, drug interdiction, evidence collection, criminal apprehension, and transportation code enforcement.

(14) In the presence of the Katy ISD police patrol service that the Grand Lakes residents pay for as part of the annual ISD tax, the Grand Lakes spending on security (Sheriff and Constable) can be *entirely* eliminated. The use of Sheriff and Constable security service is the residents' choice. It cannot, and must not, be imposed on residents through fraudulent, punishable tactics aimed at creating fictitious (unjustifiably and unlawfully inflated) MUD budgets.

V. Concluding remarks

(15) Inflating the Grand Lakes MUD budgets is a conscious effort orchestrated by the Grand Lakes MUDs' Attorney with punishable cooperation from conflicted, indifferent Boards. In so doing, the group

of Consultants administering the Grand Lakes MUDs and WCID enable themselves to maintain a firm grip on the MUDs by showing that there is a considerable budget to administer on residents' behalf.

(16) In the case of Grand Lakes MUD No. 2, strange things started to happen after the MUD's debt was eliminated. With conscious and intimate help from the Board and the Bookkeeper, the MUD's Attorney started active work to discard residents' money by fabricating artificial, needless expenditures.

(17) Headed by the Attorney (the law firm Schwartz, Page & Harding LLP), all Consultants administering the Grand Lakes MUDs and WCID must be investigated and brought to justice. The same goes for the Boards of the Grand Lakes MUDs and WCID. Their indifference and breach of trust / breach of office cannot be ignored. None of the aforementioned individuals can invoke confusion or ignorance. They will not discard their own money the way they do with residents' funds. They are complicit in financial crimes knowingly, willingly, deliberately, and intentionally. They must be held accountable.

(18) Residents of the Grand Lakes community felt obliged to file this brief even though the MUDs will argue that the matter is not related to the contested rate order. The point we are making is: plausible evidence documents a consistent, persistent pattern of fraud, tampering, and financial crimes. It cannot be ignored; it cannot go unnoticed; it must be investigated. If not, state agencies are turning a blind eye to wrongdoing—in result, enabling and encouraging criminal fraud, tampering, falsification, indifference, arbitrariness, and more by the MUDs' Consultants and Boards.

Katy, Texas on the 23rd day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
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 23, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-29 09:26:01 PM

Control Number - 56589

Item Number - 86

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 COMMISSION STAFF’S RESPONSE TO MOTION FOR INTERIM RATES

I. The PUC’s Attorney is Conflicted and Compromised – He Must be Criminally Investigated

(1) In his comments of 6/28/2024 [56589-83 | III] regarding petitioners’ motion for interim rates of 5/21/2024 [56589-22], Kevin Pierce, a compromised attorney at the PUC’s Legal Division, acts as the MUD’s attorney and petitioners’ counterparty; copies the arguments [56589-39] used by the MUD’s attorneys, and sets aside petitioners’ motion [56589-22], rebuttal [56589-40], and ample evidence in their entirety. This conscious style of judicial thuggery is criminal; it must not go unnoticed; it must be investigated. The attorney must be disciplined for being in stark breach of his role as an advocate of the general public’s interests. Petitioners will pursue the case with the authorities and the TX Bar Association.

(2) With knowledge, will, and deliberate intent, the attorney orchestrated a punishable retaliatory response as the Lead Petitioner rejected his repeated, unwarranted statements of May 10, 2024: “I am not your attorney... I cannot give you legal advice... I strongly encourage you to seek legal counsel of your own... I will reach out to the appropriate parties to confer about a procedural schedule, if necessary, as we get closer to the deadline.” The petitioners asked two purely procedural questions, *never* asked him to be our attorney, *never* asked him for legal advice, and had *no* use whatsoever for his legal advice. The attorney’s use of “if necessary” showed that he is prejudiced, biased, conflicted, and compromised. Feeling obliged to admonish the attorney, the Lead Petitioner responded on May 10, 2024:

Thank you. We did not ask you to be our attorney, nor did we ask you for legal advice. We asked clear straightforward procedural questions. We will not engage any attorney; we have the capacity and resources to do the work ourselves.

The residents are fine with any position taken by the Commission Staff. Such positions must, however, be reliable and legitimate. The residents will challenge such positions through facts, evidence, and the law. It is also important that the Commission Staff and the attorney representing them present themselves as neutral and fair, who have no interest but to apply the law and secure justice.

The residents will challenge the Commission Staff and the MUD to do what is legal, right, and fair. The residents will challenge the Commission Staff and the MUD to make sure that **every irregularity** we presented in the petition, and will present in future briefs, is handled legally, lawfully, correctly, and fairly.

We disagree that the PUCT should wait on contacting the MUD to confer about a procedural schedule until we get closer to the deadline. The residents ask that the PUCT initiate this step immediately, today 5/10/2024. If not, then the PUCT is putting the petitioners at a disadvantage, because a tedious discovery process could be needed. The petitioners are certain that the MUD’s law firm Schwartz Page Harding LLP will be responding on May 28, not before. We know that the MUD’s law firm will be *playing* procedural

games and tactics, but we are prepared to suppress such tactics and prove them malicious. Depending on the will of the MUD's law firm to engage in denial and defiance, there will-or will not-be discovery. This is why we believe it is important for the PUCT to act now. Judge Moore Marx wrote: By June 4, 2024, petitioners, Grand Lakes MUD No. 2, and Commission Staff must confer and file comments on how this proceeding should be processed and propose a procedural schedule.

(3) On May 21, 2024, again in response to a purely procedural question, the attorney repeated the jargon on 'legal advice' and 'recommendation to seek legal counsel'. The Lead Petitioner responded: "We do not need legal advice and did not ask for legal advice. ... Your first email showed that you are conflicted and intend to suppress the case. Now we see the same pattern."

II. The PUC's Attorney – Bias, Prejudice, and Conscious Criminal Tampering with Facts and Law

(4) In [56589-83 | III], the PUC's attorney starts his questionable, biased, prejudiced review by promoting the MUD's arguments. He wrote: "And as noted by GLMUD, the party seeking interim rates bears the burden of proof to demonstrate interim rates are appropriate. [GLMUD's Response to Petitioners' Motion to Establish Interim Rates at 2 (May 29, 2024) ...]." By GLMUD he means Grand Lakes Municipal Utility District No. 2, the counterparty in the case.

(5) The PUC's attorney wrote further: "... increased rates by approximately 2.0 to 3.7 times without proper substantiation," but petitioners have furnished with the Petition [56589-1] and later with the Rebuttal and Response [56589-49] to the MUD's Frivolous Motion to Dismiss an exhibit (spreadsheet calculations) showing that the new rate order increases ratepayers' monthly water bills by 2.0 to 3.7 times (200% to 370%). In fact, in the latter [56589-49] we documented that the increase in ratepayers' monthly water bills goes up to 4.5 times (450%) for a monthly usage below 1,000 gallons.

(6) The PUC's attorney copied the example [48836-271] (*Paloma Lake MUD No. 1, et al. v. City of Round Rock*) used by the MUD's attorneys, even though petitioners documented that the example is out of place and misleading at best [56589-49 | para. 5.8]. In the said case, Petitioners are five MUDs that purchase wholesale water and sewer service from the City of Round Rock. For three of the five Petitioners (MUDs), the revised water rates are a decrease, and for the other two, an increase. The revised sewer rates are a decrease for all five Petitioners (MUDs). How relevant can the said case be to the instant case (docket no. 56589)?!

(7) The PUC's attorney's footnote no. 27 refers again to the MUD's frivolous, irrelevant argument and misleading example. But in the previous paragraph, we asserted that *Paloma Lake MUD No. 1, et al.* had mostly a decrease in water and sewer rates. Petitioners pose the questions: "Why would the Commission not outsource this attorney to assist the MUD and its attorneys? Is this attorney connected to the MUD's attorneys? Was he in contact with the MUD's attorneys? Did he or will he get personal, private, individual benefits for assisting the MUD's attorneys in crushing the instant case through malice and injustice?"

(8) Ill, deceptive, evil, malicious, criminal intentions are demonstrated in his opening and closure, where the PUC's attorney wrote: "[Commission] Staff recommends that [petitioners'] motion [for interim rates] be denied. ... [Commission] Staff recommends that interim rates be denied if GLMUD's motion to dismiss is not granted. ... Based on the foregoing discussion, [Commission] Staff does not recommend a procedural schedule. ... For the reasons detailed above, [Commission] Staff respectfully requests the entry of an order consistent with [Commission] Staff's recommendations in this pleading."

III. Interim Rates – 16 Texas Administrative Code § (Rule) 24.37(d)

(9) The PUC's attorney wrote: "In the present case, the Petitioners have not provided evidence sufficient to demonstrate potential unreasonable economic hardship on the utility's customers, nor has evidence been provided to sufficiently demonstrate that the proposed increase in rates could result in unjust or unreasonable rates. [The third element regarding unreasonable economic hardship on the utility is not relevant in this case and is therefore not addressed.]"

(10) There is no credibility, reliability, or legitimacy to this statement, which petitioners refute next in section IV "Rule 24.37(d) – Economic Hardship", section V "Rule 24.37(d) – Unreasonableness and Unjustness", and section VI "Rule 24.37(d) – Economic Hardship on the MUD".

(11) The PUC's attorney wrote: "However, the Petitioners have not specified any "specific economic hardship separate from the alleged unjust and unreasonable rates." [GLMUD's Response to Petitioners' Motion to Establish Interim Rates at 2 (...)] This is a necessary precondition to justify interim rates based on the possibility of unreasonable economic hardship, which has not been met." Petitioners disagree and stress the use of "or", not "and", in 16 Texas Administrative Code § (Rule) 24.37(d).

Interim rates may be established by the commission in those cases under the commission's original or appellate jurisdiction where the proposed increase in rates could result in an unreasonable economic hardship on the utility's customers, unjust or unreasonable rates, or failure to set interim rates could result in an unreasonable economic hardship on the utility.

IV. Interim Rates – Rule 24.37(d) – Economic Hardship

(12) For convenience, presented below are three examples of monthly usage and the resulting bill pursuant to the new rate order.

- * 5,000 gallons: the residential monthly water bill increases by \$42.50; from \$27.00 to \$69.50.
- * 7,500 gallons: the residential monthly water bill increases by \$46.25; from \$35.50 to \$81.75.
- * 10,000 gallons: the residential monthly water bill increases by \$50.00; from \$44.00 to \$94.00.

(13) Based on Rule 24.37(d), petitioners do not need to prove economic hardship in addition to unjustness and unreasonableness. Nevertheless, ratepayers are entitled to their savings—a \$50 monthly increase in the water bill does mean economic hardship for some or many families falling under the MUD's jurisdiction (682 residences).

(14) Over-collection that is based on arbitrariness and fantasy cannot be lawful. Rate Orders are not, and must not be, a tool available for exploitation by the MUD's consultants (law firm, water company, and others).

(15) Section D of the petition noted: “a \$45 average monthly increase in the residential water bill for 682 residences increases the MUD’s monthly revenue by \$30,690. Annually, this amounts to \$368,280. The question to the MUD is: *what is this money needed for*, especially when the residents pay an annual MUD tax and an annual WCID tax and when the MUD increased such taxes through other bogus expenses like the security (Sheriff and Constable) expense [56589-68]?”

V. Interim Rates – Rule 24.37(d) – Unjustness and Unreasonableness

(16) As part of [56589-83 | III], the PUC’s attorney wrote:

Furthermore, the Petitioners have not provided sufficient evidence to support the second prong of 16 TAC § 24.37(d) for the possibility of unjust and unreasonable rates. While the Petitioners have asserted that the rates have increased significantly [*See generally* Petition], that alone does not demonstrate unjustness or unreasonableness.

(17) Increasing ratepayers’ monthly water bills by 200% to 450% is unjust and unreasonable when the MUD has no debt. Below is a screenshot from the [Texas Bond Review Board](#) showing the debt picture for the four Grand Lakes water districts.

ISSUER	DEBT OUTSTANDING
Grand Lakes MUD 1	\$4,520,000
Grand Lakes MUD 2	\$0
Grand Lakes MUD 4	\$5,725,000
Grand Lakes WCID	\$3,195,000

(18) Increasing ratepayers’ monthly water bills by 200% to 450% is unjust and unreasonable when the MUD has abundance of money (\$7.8m in 2022 and \$9.1m in 2023) in cash, certificates of deposit, and short-term investments in Texas CLASS, which also generated an interest income (\$39k in 2022 and \$393k in 2023). See page 21/42 of the MUD’s Audit Reports for 2022 and 2023 [56589-12].

Grand Lakes MUD No. 2 Investments	2023	2022
Cash	\$96,538	\$150,659
Certificates of deposit	\$1,885,000	\$2,445,000
Short-term investments (Texas CLASS)	\$7,153,066	\$5,227,099
Total	\$9,134,604	\$7,822,758
Investment (Interest) Income	\$393,317	\$38,713

(19) The water company’s Operations Report (Attachment D to the MUD’s briefs [56589-39] and [56589-48]) sheds some light on the *bogus* scheme surrounding the contested rate order. The water company (MDS Water) scheduled enormous water rate increases between 2024 and 2027 so that it increases its revenue from the Grand Lakes MUD No. 2 by \$936k in 2027 compared to 2023. Obviously, the water company is doing the same with the other two MUDs in Grand Lakes. What is the extra revenue needed for? Do the MUDs’ finances support such revenue increase? How, why, and where is this documented? Why do residents need to pay for the water company’s extra/increased revenue?

Usage, gal	2023	2024	2025	2026	2027
5,000	\$27	\$70	\$86	\$102	\$104
10,000	\$44	\$94	\$110	\$127	\$128
15,000	\$61	\$124	\$142	\$161	\$163
20,000	\$78	\$153	\$174	\$196	\$197
50,000	\$210	\$360	\$411	\$463	\$464
60,000	\$264	\$439	\$500	\$562	\$563
Revenue	\$641,708	\$1,225,105	\$1,397,490	\$1,565,828	\$1,578,104
ΔRevenue against 2023		\$583,397	\$755,782	\$924,120	\$936,396

S0.50 and above rounded to \$1 | \$0.49 and below dropped.

(20) The water company (MDS Water) operates 130 districts (see <https://mdswater.com/districts/>). The law firm Schwartz, Page & Harding LLP administers over 100 districts [56589-79]. The financial figures floating around in this docket show that state agencies must be present and worried at all times. A rate-increase-driven \$1m increase in revenue for the water company over a four-year period means \$130m for the districts operated by one water company (MDS Water). What is this money used for? Where does it go? Who does it end with? How are residents’ rights and finances protected?

VI. Interim Rates – Rule 24.37(d) – Economic Hardship on the MUD

(21) Failure to set interim rates would not result in an unreasonable economic hardship on the MUD. The MUD did not furnish any budget, cost of service, methodology, or analysis in support of the increased rates. The MUD did not furnish any proof of budget deficit or strained cash flow. The MUD does, in fact, have abundance of money (see paragraph 18 above), such that the rate increase is a bogus, punishable scheme aimed at conscious, premeditated misappropriation of ratepayers’ money.

VII. Rate Design

(22) In writing: “The Petitioners have not shown flaws or deficiencies in GLMUD’s rate design or calculations,” the PUC’s attorney plays the role of a fool, pretending to not know if a rate design exists or not among the documents of the case / evidence on the record. In RFI No. 3 [56589-57], petitioners requested the MUD to furnish the rate design it used in coming up with the bogus water/wastewater rates.

(23) Rate design and rate orders cannot be based on arbitrariness, wishes, and fantasy—they must be based on a lawful, proper, transparent, 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 (Single-Family Residences, Apartments, Builders, Commercial Entities, and Park and Recreational Facilities). 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. More importantly, it is obvious that the MUD does not possess a rate design model and did not base its bogus rate order on a rate design. In objective and in result, the said rate order is a punishable activity that must be seriously investigated by state agencies.

VIII. The Commission's Duties, Responsibilities, and Obligations

(24) Until the Commission assesses the case on the merits and understands the enormity of the MUD's violations, setting interim rates at the level that existed before February 1, 2024 is just, reasonable, and justified. This is especially relevant because a final ruling in the instant proceeding could take a year or longer based on the MUD's denial, defiance, and unwillingness to correct.

(25) There is good cause to grant ratepayers' request for interim rates because the residents are entitled to their savings and because the MUD is not entitled to over-collection in the absence of indisputable financial substantiation. Interim rates are, in any case, subject to refund or surcharge depending on the rates finally decided by the Commission.

(26) The Commission's approval of charging rates per a bogus, unlawful, and invalid rate order sets a precedent indicative of wrongdoing and injustice becoming the norm rather than the exception.

IX. Concluding Remarks

(27) Petitioners' Motion to Establish Interim Rates [56589-22] is dated 5/21/2024. Pursuant to Rule 22.78(a), Commission Staff's responsive pleading should have been lodged within five working days of 5/21/2024—that is, within 5/28/2024. Almost three weeks after lodging the Motion for Interim Rates, Order No. 6 [56589-50] dated 6/10/2024 gave Commission Staff until 7/1/2024 to file comments to the Motion. The PUC's attorney filed his comments at 03:10:46PM on Friday 6/28/2024—that is, one month after the deadline set by Rule 22.78(a). This is an arbitrary, unwarranted, unlawful abuse of discretion and the law. This renders the Commission Staff's comments [56589-83] inadmissible.

(28) The PUC's attorney's response to Petitioners' Motion for Interim Rates puts the Commission in a position of civil and criminal liability. The Commission cannot be proud of the futility, shallowness, falsification, and tampering exemplified in the PUC's attorney's filing of 6/28/2024 [56589-83]. The PUC's attorney cannot invoke confusion, ignorance, negligence, or negligent ignorance. The PUC's attorney's conscious exclusion of evidence, misrepresentation of facts, and tampering with the law are

criminal and must be investigated. Given his role as an advocate of the general public's interests, this attorney is a danger to the Commission, State, United States, justice, and the rule of law. He must be disciplined; he must be brought to justice; he must be held accountable. Petitioners will pursue the case.

X. PRAYER

(29) Commission Staff's recommendation of 6/28/2024 [56589-83 | III] that petitioners' motion for interim rates be denied is discarded as malicious, unlawful, and inadmissible under Rule 22.78(a).

(30) The Commission grants Petitioners' Motion to Establish Interim Rates [56589-22]. If not, the Commission promptly refers the matter to the State Office of Administrative Hearings.

Katy, Texas on the 29th day of June 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is being notified to all parties of record via electronic mail on June 29, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-06-30 03:23:23 PM

Control Number - 56589

Item Number - 89

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 COMMISSION STAFF’S COMMENTS ON THE PETITION’S PROCESSING

I. The PUC’s Attorney is Conflicted and Compromised – He Must be Criminally Investigated

(1) In his comments of 6/28/2024 [56589-83 | I, II, and III] regarding the petition’s processing, petition’s administrative completeness, MUD’s motion to dismiss, and petitioners’ motion for interim rates, attorney Kevin Pierce of the PUC’s Legal Division acts as the MUD’s attorney and petitioners’ counterparty; copies the arguments [56589-39, 56589-48, 56589-61, 56589-65] used by the MUD’s attorneys, and sets aside petitioners' rebuttals [56589-22, 56589-40, 56589-49, 56589-54, 56589-55, 56589-63, 56589-66], and ample evidence in their entirety. This conscious style of judicial thuggery is criminal; it must not go unnoticed; it must be investigated. The attorney must be disciplined for being in stark breach of his role as an advocate of the general public’s interests. Petitioners will pursue the case with the authorities and the Texas Bar Association.

(2) With knowledge, will, and deliberate intent, attorney Kevin Pierce orchestrated a punishable retaliatory response [56589-83, dated 6/28/2024] as the Lead Petitioner in the instant case *rejected* Pierce’s repeated, unwarranted statements of May 10, 2024: “I am not your attorney... I cannot give you legal advice... I strongly encourage you to seek legal counsel of your own... I will reach out to the appropriate parties to confer about a procedural schedule, if necessary, as we get closer to the deadline.” The petitioners asked two purely procedural questions, *never* asked him to be our attorney, *never* asked him for legal advice, and had *no* use whatsoever for his legal advice. The attorney’s use of “if necessary” showed that he is prejudiced, biased, conflicted, and compromised. Feeling obliged to admonish the attorney, the Lead Petitioner responded on May 10, 2024:

Thank you. We did not ask you to be our attorney, nor did we ask you for legal advice. We asked clear straightforward procedural questions. We will not engage any attorney; we have the capacity and resources to do the work ourselves.

The residents are fine with any position taken by the Commission Staff. Such positions must, however, be reliable and legitimate. The residents will challenge such positions through facts, evidence, and the law. It is also important that the Commission Staff and the attorney representing them present themselves as neutral and fair, who have no interest but to apply the law and secure justice.

The residents will challenge the Commission Staff and the MUD to do what is legal, right, and fair. The residents will challenge the Commission Staff and the MUD to make sure that **every irregularity** we presented in the petition, and will present in future briefs, is handled legally, lawfully, correctly, and fairly.

We disagree that the PUCT should wait on contacting the MUD to confer about a procedural schedule until we get closer to the deadline. The residents ask that the PUCT initiate this step immediately, today 5/10/2024. If not, then the PUCT is putting the petitioners at a disadvantage, because a tedious discovery process could be needed. The petitioners are certain that the MUD's law firm Schwartz Page Harding LLP will be responding on May 28, not before. We know that the MUD's law firm will be *playing* procedural games and tactics, but we are prepared to suppress such tactics and prove them malicious. Depending on the will of the MUD's law firm to engage in denial and defiance, there will-or will not-be discovery. This is why we believe it is important for the PUCT to act now. Judge Moore Marx wrote: By June 4, 2024, petitioners, Grand Lakes MUD No. 2, and Commission Staff must confer and file comments on how this proceeding should be processed and propose a procedural schedule.

(3) On May 21, 2024, again in response to a purely procedural question, the attorney repeated the jargon on 'legal advice' and 'recommendation to seek legal counsel'. The Lead Petitioner responded: "We do not need legal advice and did not ask for legal advice. ... Your first email showed that you are conflicted and intend to suppress the case. Now we see the same pattern."

II. Commission Staff's Appalling Violations: Conscious Falsification, Tampering, and Abuse

(4) Attorney Kevin Pierce of Commission Staff has already presented himself as biased, prejudiced, conflicted, and compromised. In this regard, we refer to our rebuttals (nos. 86, 87, and 88) of Commission Staff's fraudulent comments of 6/28/2024 [56589-83] on Petitioners' Motion for Interim Rates, the Administrative Completeness of the Petition, and the MUD's Frivolous Motion to Dismiss. Our rebuttals documented a consistent, persistent pattern whereby attorney Kevin Pierce of Commission Staff furnished false, misleading, distorted information with the obvious objective of supporting and covering criminal violations committed by the Grand lakes Municipal Utility District No. 2. This choice and this behavior must not go unnoticed or be underestimated; they must be thoroughly and genuinely investigated.

(5) In his comments of 6/28/2024 [56589-83 | I, II, and III], PUC's attorney Kevin Pierce chose wrongdoing over justice. He presented a questionable, biased, prejudiced, malicious review. He promoted the MUD's arguments through a conscious, decisive, malicious effort to deceive, mislead, and distort. Unjustifiably and unlawfully, he chose to act against petitioners' interests. Attorney Kevin Pierce must be investigated for connection to the MUD and its attorneys. In promoting, advocating, supporting, and shielding wrongdoing, and in hindering justice and pursuing injustice, attorney Kevin Pierce must be investigated for any individual, personal, private benefits he received, receives, or will receive from the MUD or its attorneys. If justice and the rule of law are truly meaningful, the motives of attorney Kevin Pierce must be seriously investigated.

III. Commission Staff's Appalling Violations: Hindering Justice

(6) PUC's attorney Kevin Pierce wrote [56589-83 | II, pages 2-3]:

... Staff believes it incumbent upon itself to note, in the interest of efficiency and compliance with 16 TAC § 22.3(a), that all persons in a proceeding must "comport himself or herself with dignity, courtesy, and respect for the commission, the presiding officer and all other persons participating in the

proceeding. Professional representatives shall observe and practice the standard of ethical and professional conduct prescribed for their professions." The Petitioners have made numerous unsubstantiated allegations of not merely unlawful but criminal behavior against GLMUD, have cast aspersions against counsel for GLMUD, GLMUD's board members and employees, Staff, and the Commission itself, and have attempted to instruct parties not to seek legal counsel in this appeal.⁵ ...

... Staff respectfully requests that the ALJ order Petitioners to cease making spurious accusations of criminality, maliciousness, or frivolity in pleadings, to refrain from attempting to instruct other parties to forego legal counsel, and to comply with 16 TAC § 22.3(a) in all filed communications before the Commission and in correspondence to counsel and representatives or be sanctioned.

(7) While attorney Kevin Pierce talks about "ethical and professional conduct" and "dignity, courtesy, and respect", he himself has conducted himself to the very opposite—consciously and criminally, he tampered with facts, evidence, and law; and provided false information with the pure objective of hindering petitioners' pursuit of justice and covering up the MUD's criminal violations (see his questionable filing, comments, and recommendation [56589-83] and our rebuttals [56589-86], [56589-87], and [56589-88]). Attorney Kevin Pierce did so with knowledge, will, and deliberate intent. Attorney Kevin Pierce chose to devise a fraudulent response [56589-83] which he filed at 03:10:46PM on 6/28/2024, all in retaliation and because of the Lead Petitioner's just and warranted admonishment of the attorney and his unjustified, unwarranted, biased, prejudiced attitude and behavior (see paragraphs 2 and 3 above).

(8) Attorney Kevin Pierce's statements that "Petitioners have made numerous unsubstantiated allegations of not merely unlawful but criminal behavior against GLMUD" and "Petitioners have cast aspersions against counsel for GLMUD, GLMUD's board members and employees, Staff, and the Commission itself, ..." are deplorable and reprehensible; confirming that attorney Kevin Pierce presents himself as biased, prejudiced, conflicted, and compromised. Attorney Kevin Pierce's attempt to prevent the petitioners from presenting their case is punishable—it is a striking abuse of authority/power/position and a conscious effort to hinder justice and assist the MUD in running free. Attorney Kevin Pierce has already formulated an opinion and decided the case; he is ineligible; he must be removed if not voluntarily stepping aside. Petitioners have not made unsubstantiated allegations or cast aspersions. Rather, petitioners have exhaustively documented numerous incidents of criminal fraud, tampering, and conscious presentation of false information that necessitate state agency administrative and criminal investigation. In criticizing petitioners' presentation of their case and in attempting to limit and/or hinder petitioners' right to speak out, right to document violations, and right to pursue justice, attorney Kevin Pierce is actively hindering justice, the proper administration of justice, and the rule of law. In so doing, attorney Kevin Pierce is obstructing justice and strikingly working on legitimizing wrongdoing and criminalizing justice. That must not be allowed in a modern democracy governed by the rule of law.

(9) Attorney Kevin Pierce’s threat with “sanctions” is a deplorable, reprehensible, unwarranted, unlawful attempt at intimidation, bullying, and silencing. It is this attorney who must be (criminally) investigated, disciplined, sanctioned, brought to justice, and held accountable.

(10) Petitioners note that Commission Staff have **no right whatsoever** to choose petitioners’ wording, prevent petitioners from detailing and exposing criminal fraud, or limit petitioners’ rights to a fair hearing, adversarial proceedings, equality of the parties, proper administration of evidence, lawful application of the law, no abuse of power/authority/position, and freedom of expression and opinion. Texas and Federal laws talk about crimes and criminal offenses. Why is attorney Kevin Pierce preventing petitioners from detailing such matters in their case before the Commission? Why is he defending the MUD, its Board, Attorneys, and Consultants? What does he benefit from that?

(11) Commission Staff are reminded of the First Amendment of the Constitution of the United States. The First Amendment guarantees freedom of expression by prohibiting any attempts to restrict the rights of individuals to speak freely. The First Amendment also guarantees citizens’ right to present grievances and petition for remedy and justice.

Congress shall make no law ... abridging the freedom of speech, or of the press; or the right of the people ... to petition the Government for a redress of grievances.

(12) Petitioners strongly encourage attorney Kevin Pierce to seek legal counsel of his own, in hope of understanding facilitating wrongdoing, obstructing justice, the First Amendment, hindering freedom of expression, preventing grievances and pursuit of justice, and more.

IV. Justice versus Wrongdoing and Accountability versus Impunity

(13) As victims of criminal fraud and tampering, petitioners pursue a legitimate, meritorious case before the Commission. Petitioners will not accept being further victimized by Commission Staff. Petitioners will not accept being silenced, intimidated, or bullied. Petitioners will not counter injustice with a ‘thank you.’ Petitioners will, at all times, document falsification, abuse of authority/power/position, exclusion of evidence, and tampering with the facts and/or law, no matter who is involved in such irregularities and improprieties. Impunity is a worse crime than the crime itself. Human Rights Watch says: “Today’s impunity is tomorrow’s crime.”

(14) The MUD, and the same goes for the Commission, must be above the slightest appearance of impropriety and irregularity. But we have already seen and documented instances to the opposite. Those who have the courage to speak out must not be targeted, threatened, intimidated, or bullied. After all, **“Government is the servant and not the master of the people;”** cf. Texas Government Code § 552.001.

(15) The MUD is a local government and a political subdivision of the state. It must conduct its business to the highest legal, moral, ethical, and civic standards. But it is not doing so. Rather, it is involved in criminal violations. Ratepayers must not be victimized for speaking out. In so doing, justice and the rule of law are rendered useless, artificial, fictitious.

(16) The Commission must have the courage to be neutral, impartial, independent, objective, and transparent in assessing and adjudicating administrative and criminal violations brought to its attention.

V. The Commission's Duties, Responsibilities, and Obligations

(17) The Commission has an unconditional obligation to allow discovery and examine the case on the merits to understand the enormity of the MUD's criminal, punishable violations. This is fair, reasonable, justified, and in the interest of the proper administration of justice.

(18) In its entirety, the contested rate order is a sham, a scam, a bogus punishable act, and a financial crime premeditated through complicity. The instant case is meritorious and brings a number of issues of principle that will enrich the state's case law. There is good cause to admit the case because residents are victims of fraud, because residents are entitled to justice, and because the MUD's Board of Directors and Consultants (Attorney, Operator | Water Company, Bookkeeper, Auditor, etc) *cannot* be above the law.

(19) In endorsing the Commission Staff's bogus, fraudulent, malicious, frivolous comments and denying the Motion for Interim Rates, declaring the petition administratively incomplete, and granting the MUD's frivolous Motion to Dismiss, the Commission sets a precedent indicative of wrongdoing and injustice becoming the norm rather than the exception.

(20) The Commission can choose justice and accountability or impunity; purity or wrongdoing and cover-up. Depending on the Commission's choice, the Lead Petitioner has a legal, moral, ethical, and civic obligation to pursue the case before the State and Federal Courts and the State and Federal Authorities. After all, justice must be served in the United States; the most respected democracy on earth.

VI. Concluding Remarks

(21) The PUC's attorney's comments and recommendation [56589-83] regarding the Motion for Interim Rates, Petition's Administrative Completeness, and MUD's Motion to Dismiss put the Commission in a position of civil and criminal liability. The Commission cannot be proud of the futility, shallowness, falsification, and tampering exemplified in the PUC's attorney's filing of 6/28/2024 [56589-83]. The PUC's attorney cannot invoke confusion, ignorance, negligence, or negligent ignorance. The PUC's attorney's conscious tampering with the law, exclusion of evidence, and misrepresentation of facts are criminal and must be investigated. Given his role as an advocate of the general public's interests, this

attorney is a danger to the Commission, State, United States, justice, and the rule of law. He must be disciplined; he must be brought to justice; he must be held accountable. Petitioners will pursue the case through the authorities and the Texas Bar Association.

VII. PRAYER

(22) The Commission initiates internal disciplinary proceedings against attorney Kevin Pierce of the Legal Division.

(23) For conscious criminal tampering with facts, evidence, and law (see the attorney's filing [56589-83] and our rebuttals [56589-86], [56589-87], and [56589-88]), the Commission reports attorney Kevin Pierce to the authorities.

(24) The Commission orders attorney Kevin Pierce to disclose as part of this docket (no. 56589), by Tuesday 7/2/2024,

- All correspondence he had with the Lead Petitioner / Petitioner of Record.
- All correspondence he had with the Grand Lakes MUD No. 2 and its attorneys.
- All phone calls he had with the Grand Lakes MUD No. 2 and its attorneys; tabulated by date, time, to, from, participants, and subject of the call in full detail.
- All personal meetings he had with the Grand lakes MUD No. 2 and its attorneys; tabulated by date, time, place, to, from, participants, and subject of the meeting in full detail.

Katy, Texas on the 30th day of June 2024.

Respectfully submitted,


on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is being notified to all parties of record via electronic mail on June 30, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-05 08:49:30 PM

Control Number - 56589

Item Number - 102

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

PUC’s Attorney Kevin Pierce Reported to the Authorities and Texas Bar

(1) This is in reference to Commission Staff’s evil, malicious, fraudulent comments and recommendation of 6/28/2024 [56589-83], orchestrated by attorney Kevin Pierce of the PUC’s Legal Division. Our rebuttals [56589-86/ 87/ 88/ 89] documented the attorney’s conscious involvement in wrongdoing. The material will not be repeated here.

(2) Attorney Kevin Pierce has a State Bar of Texas profile showing that he got a J.D. (2017) from Southern Methodist University.

(3) On 6/30/2024, attorney Kevin Pierce was reported to the State Bar of Texas. The complaint was given eFile no. 413 and is being reviewed.

<input type="checkbox"/> Type	Subject	Case Number	eFile ID	Notified On
<input type="checkbox"/> eFiling Status changed to Filed	SBOT/CDC eFiling submission under review		413	06/30/2024 05:28 PM

(4) The following documents were lodged in support of the complaint to the State Bar of Texas:

- 56589-48: The MUD’s motion to dismiss and response to the petition.
- 56589-49: Rebuttal and response to the MUD’s frivolous motion to dismiss.
- 56589-83: Commission Staff’s comments to petition’s processing, petitioners’ motion for interim rates, administrative completeness of the petition, and MUD’s motion to dismiss.
- 56589-86: Rebuttal of Commission Staff’s comments on petitioners’ motion for interim rates.
- 56589-87: Rebuttal of Commission Staff’s comments on the administrative completeness of the petition.
- 56589-88: Rebuttal of Commission Staff’s comments on the MUD’s frivolous motion to dismiss.
- 56589-89: Rebuttal of Commission Staff’s comments regarding processing of the petition.

(5) On 7/5/2024, the incident was reported to the Governor’s Office, State Prosecuting Attorney, U.S. Attorneys – Western District of Texas, City of Austin Police Department – Special Investigation Unit, City of Austin Interim Chief of Police Robin Henderson, and Texas Department of Public Safety – Public Integrity Unit, where a formal complaint was also filed.

(6) Internally, Agency Counsel Jena Abel was assigned to the case. She will be reviewing the documents as she returns to the office on July 15.

(7) Petitioners hope that Kevin Pierce's conscious choice of evil, malice, falsification, and tampering will teach him long-lasting lessons about the frightening impacts of facilitating wrongdoing, obstructing justice, hindering freedom of expression, preventing grievances and pursuit of justice, and more.

(8) State employees must not use their positions to attempt to threaten, intimidate, bully, harass, or silence victims of injustice. As such, this case is far from over.

Katy, Texas on the 5th day of July 2024.

Respectfully submitted,
on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is being notified to all parties of record via e-mail on July 5, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-10 02:15:58 AM

Control Number - 56589

Item Number - 115

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

DAMNING EVIDENCE ON THE MUD'S INVOLVEMENT IN WRONGDOING

I. Introduction

(1) The MUD's response [56589-105] to RFI No. 2 [56589-56] confirms wrongdoing and all theories the petitioners advanced about coordination between and among multiple players ahead of the 12/18/2023 in which the bogus rate order was approved.

(2) In [56589-114], we reconstructed and uploaded the MUD's emails exchanged ahead of the 12/18/2023 Board Meeting with some PDF/Excel evaluation files as follows:

- The files 'GL 2 - 15 Year_Updated 12052023.pdf' and 'GL 2 - 15 Year_Updated 081523.pdf'.
- The files 'GLK2 Rate Forecasting for Res.pdf' and 'GLK2 Rate Forecasting for Res.xlsx'.
- The files 'GL 2 - 15 Year_Updated 081523.xlsx' and 'GL 2 - 15 Year_Updated 12052023.xlsx' are not available as they were not furnished by the MUD.

(3) The participants in the scheme are:

- Michael Christopher McClusky, President of the Grand Lakes MUD No. 2 Board of Directors
- Bradley Allen Baker, Assistant Secretary of the Grand Lakes MUD No. 2 Board of Directors
- Taylor Watson, Senior Consultant, Municipal Accounts & Consulting, LP.
- Charlie Chapline, Executive Vice President, Field Services, Municipal District Services, LLC.
- Christopher T. Skinner, Schwartz, Page & Harding, LLP (the MUD's Attorney).
- Gordon Cranner, Schwartz, Page & Harding, LLP (the MUD's Attorney).
- Melia Berry, Schwartz, Page & Harding, LLP (the MUD's Attorney).

(4) A total of 13 emails were sent between 11/28/2023 12:26PM and 12/18/2023 10:12AM (48 minutes before the Board Meeting). It started with McClusky sending an email "REVENUE ANALYSIS" on 11/28/2023 asking the Water Company (Municipal District Services, LLC) and the Bookkeeper (Municipal Accounts & Consulting, LP) for "a meeting regarding [the MUD's] revenue changes going forward and discuss options for meeting [the MUD's] obligations."

(5) In his email 12/05/2023 Taylor Watson of the Bookkeeper says: "The real unknown in my opinion is the CIP [Capital Improvement Plan]. I have matched the forecast to match the CIP developed by Costello [the MUD's Engineer]. That CIP assumes things are going to happen in those exact years which may not be the case. It may be worth having Costello look into their CIP to see if any updates need to be made so we have the most accurate data possible".

(6) Per Gordon Cranner [56589-105] of Schwartz, Page & Harding, LLP (the MUD's Attorney), a meeting took place on 12/06/2023 at the water company's offices.

On [Wednesday] December 6, 2023, a meeting was held at the offices of Municipal District Services ("MDS") to discuss the planned amended budget in conjunction with rate order changes set to go into effect in February 2024. In attendance were Charlie Chapline and Kenieca Moore with MDS, Taylor Watson with Municipal Accounts & Consulting, and Directors Michael McClusky and Brad Baker. Discussed at the meeting was the impact of the reduction of the SPA distributions on the overall budget for the MUD, the proposed changes to the rate order from the analysis done by MDS and how these changes would affect the MUD budget forecasting going into the next 5 years. From this meeting, the results were passed along to the entire board at the December board meeting upon which the board voted on any changes on the rate order and amended budget.

(7) The file 'GLK2 Rate Forecasting for Res.xlsx' is created by Jalene Palmer on 12/11/2023, 22:59:41, and modified by Kenieca Moore on 12/13/2023, 20:53:37. Jalene Palmer is Vice President, Enterprise Support Services at the water company Municipal District Services, LLC. Kenieca Moore is also with the water company. On 12/14/2023 at 9:11AM, Charlie Chapline (Executive Vice President, Field Services at the water company) sent the PDF version of the Excel file 'GLK2 Rate Forecasting for Res.xlsx' to McClusky and Baker with the Bookkeeper and MUD's Attorney on CC. On 12/14/2023 at 3:57PM, Melia Berry (a paralegal at the MUD's Attorney) sent an email with a link to the MUD's Board Meeting reports to the Board of Directors and MUD's Consultants on BCC and her superiors (Skinner / Canner) at the law firm on CC.

II. Petitioners' Remarks

(8) All email exchanges and meetings that took place in November and December 2023 ahead of the 12/18/2023 Board Meeting are unlawful.

(9) Delegating to certain officers decision making and spending authority outside of Board meetings is unlawful no matter what the matter is and what the amount is. Per Texas Government Code § 551.042, the MUD's business must always be discussed, voted on, and approved in regular Board Meetings with quorum established, provided notice has been given for the subject in question and the subject became listed on the Agenda for said meeting.

(10) The MUD failed to disclose all material related to the secretive discussions and meetings. This is punishable.

[i] McClusky's email of 11/28/2023 12:26PM could not have come out of the blue. The MUD did not disclose all correspondence, meetings, and phone calls that led to such email.

[ii] The water company is just a consultant / an operator that gets hired and fired—it does not have an overview of the MUD's finances and it gets paid for its services regardless of the MUD's finances. The

water company's involvement in adjusting the water/wastewater rates could not have happened out of the blue. The MUD did not disclose all correspondence, meetings, and phone calls that directed the water company to look into the matter together with the Bookkeeper and two directors of the Board (McClusky and Baker).

(11) The involvement of director Bradley Allen Baker must not be underestimated at all. This is an individual who knows quite well what he is doing. After having participated in the secretive discussions and meetings related to bogus rate order, said director moved on 12/18/2023 to approve the bogus rate order. Later in the 5/20/2024 Board Meeting, the same director moved to engage Lloyd Gosselink as legal counsel relative to PUC Docket No. 56589 Rate Appeal.

Minutes for the MUD's Board Meeting of 12/18/2023 [56589-3]

OPERATIONS AND MAINTENANCE REPORT

... it was moved by Director Baker, seconded by Director Henry and unanimously carried, that the Board: (i) approve the 2024 Rate Schedule as presented; and (ii) amend the District's Rate Order with respect to the District's 2024 proposed Rate Schedule, and that any and all Rate Orders heretofore adopted by the Board be revoked, and the attached Rate Order be passed and adopted.

Minutes for the MUD's Board Meeting of 5/20/2024 [56589-59]

ENGAGEMENT OF LEGAL COUNSEL FOR SERVICES

Mr. Skinner next presented to and reviewed with the Board an Engagement/Employment Agreement with Lloyd Gosselink Attorneys At Law ("Lloyd Gosselink") relative to *PUC Docket No. 56589 Rate Appeal*. After discussion, Director Baker moved to engage Lloyd Gosselink as legal counsel relative to the PUC matter. Director Varn seconded said motion, which carried unanimously.

(12) The MUD did not furnish the Capital Improvement Plan (CIP) by the MUD's Engineer. Petitioners request that it be furnished. But for now, petitioners highlight the note by the Bookkeeper (para. 6 above) —“[the Engineer's] CIP assumes things are going to happen in those exact years which may not be the case.” As we stated time and again, it is all about *fantasy*. Just like the MUD's ruthless Consultants (Water Company, MUD's Attorney, and others), the MUD's Engineer develops fictitious scenarios that will secure their firm everlasting income from the MUD. It is not that the MUD's *absent* Board is not questioning such fictitious scenarios. Board Members are not even aware of what is put into the CIP; they are incompetent to understand the CIP; they are indifferent; they care less.

(13) Fantasy projects profit the MUD's Consultants, bring them income, and enable them to claim unwarranted expenses and compensation. Here is one of such projects proposed by the Chapline family, the water company's owners.

Grand Lakes MUD No. 2 Board Meeting Minutes for May 20, 2024

A discussion ensued regarding the District's Capital Improvement Plan (the "CIP"). Mr. Chapline informed the Board that if the District can afford it, MDS [the water company Municipal District Services] would like to convert the current gas backup generators to diesel generators. The Board noted the recommendation but took no action on the matter at this time.

(14) The file 'GLK2 Rate Forecasting for Res.xlsx' / 'GLK2 Rate Forecasting for Res.pdf' presents what we have documented in paragraph 55 of [56589-49] “Rebuttal and Response to the MUD’s Frivolous Motion to Dismiss”. The water company scheduled enormous water rate increases between 2024 and 2027; increasing its revenue from the Grand Lakes MUD No. 2 by \$936k in 2027 compared to 2023. Obviously, the water company is doing the same with the other two Grand Lakes MUDs (MUD No. 1 / MUD No. 4). What is the extra revenue needed for? Do the MUDs’ finances support such revenue increase? How, why, and where is this documented? Why do residents need to pay for the water company’s fraud?

Usage, gal	2023	2024	2025	2026	2027
5,000	\$27	\$70	\$86	\$102	\$104
10,000	\$44	\$94	\$110	\$127	\$128
15,000	\$61	\$124	\$142	\$161	\$163
20,000	\$78	\$153	\$174	\$196	\$197
50,000	\$210	\$360	\$411	\$463	\$464
60,000	\$264	\$439	\$500	\$562	\$563
Revenue	\$641,708	\$1,225,105	\$1,397,490	\$1,565,828	\$1,578,104
ΔRevenue against 2023		\$583,397	\$755,782	\$924,120	\$936,396

\$0.50 and above rounded to \$1 | \$0.49 and below dropped.

* The figures in this table are copied from the water company’s Operations Report presented at the Grand Lakes MUD No. 2 Board Meeting for 12/18/2023. The same figures appear in 'GLK2 Rate Forecasting for Res.xlsx' and the corresponding PDF file.

(15) The water company operates 130 districts (see <https://mdswater.com/districts/>). Driven by rate increase, a \$1M increase in revenue for the water company over a four-year period means \$130M for the 130 districts operated by one water company. What is this extra revenue for? Where does it go? Who does it end with? Do the MUDs’ finances support such revenue increase? How, why, and where is this documented? How are residents’ rights and finances protected? Why do residents need to pay for huge, questionable revenues, fraudulently worked out by the MUDs’ Consultants?

(16) The MUD claims that a reduced revenue from the Strategic Partnership Agreement (SPA) with the City of Houston impacts the MUD’s budget. The reasonable question to the MUD’s Board and Consultants is: “If you claim that the MUD’s revenues going forward will fall short of its expenses, what options/alternatives have you researched? Have you thought about innovative solutions?”

- * Have you thought about cost cuts to control the MUD’s expenses?
- * What about firing the MUD’s Attorney and hiring a sole practitioner if/when needed?
- * What about firing the water company, which sells water/wastewater/RWDS from itself to itself, and bringing in a competitive, efficient, effective operator?
- * What measures have you thought about to reduce the maintenance and repair costs?
- * What about dissolving the MUD, which has no debt, and letting the City of Houston take it over?
- * What about consolidating the four Grand Lakes water districts (MUDs and WCID) into one district to avoid paying costs multiple times?
- * Have you looked into a cheaper Garbage Collection contractor?
- * How about canceling all additional law enforcement Sheriff and Constable services, which you claim to cost Grand Lakes MUD No. 2 in 2023 \$602,302 (\$1,114,651 for the three Grand Lakes MUDs)?

III. PRAYER

(17) The Commission orders the MUD to honor RFI No. 2 and disclose all missing details (*see paragraph 10 above*), including the files 'GL 2 – 15 Year_Updated 081523.xlsx' / 'GL 2 – 15 Year_Updated 12052023.xlsx' and the MUD's Engineer's Capital Improvement Plan (CIP).

Katy, Texas on the 10th day of July 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this rebuttal is being notified to all parties of record via e-mail on July 10, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-10 07:07:21 AM

Control Number - 56589

Item Number - 119

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

THE MUD'S BOARD OF DIRECTORS IS ASKED TO RESIGN

(1) Petitioners do not know if the Commission can request the MUD's Board of Directors to resign. Given the latest developments in the case (*see the pleadings* [56589-105], [56589-114], and [56589-115]), the Lead Petitioner emailed the MUD's Board of Directors and requested, on behalf of the MUD's ratepayers, that all five Board Members resign. That, however, will not solve the MUD's problems. The MUD's Attorney (the law firm Schwartz, Page & Harding LLP), the MUD's water company (Municipal District Services, LLC), the MUD's Bookkeeper (Municipal Accounts & Consulting, LP), the MUD's Auditor (FORVIS, now Forvis Mazars), and the MUD's Engineer (Costello, Inc. / Pape-Dawson Consulting Engineers, LLC) must also go.

(2) The request to the MUD's Board of Directors is attached as an Exhibit. The pleading is filed with the Commission for information.

Katy, Texas on the 10th day of July 2024.

Respectfully submitted,

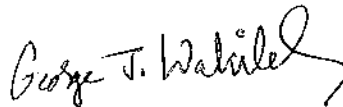
on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 10, 2024.



George J. Wakileh, Ph.D.

Exhibit

From: Wakileh, George <george.wakileh@gmail.com>
To: <mike.mcclusky@.....>; <brad.baker@.....>;
<jscot.vann@.....>; <greg.henry@.....>; <william.butler@.....>
Cc: Chris Skinner <cskinner@sphllp.com>; Gordon Cranner <gcranner@sphllp.com>; Melia Berry <mberry@sphllp.com>;
Jamie Mauldin <jmauldin@lglawfirm.com>; Rick Amett <ramett@lglawfirm.com>
Date: Wednesday, July 10, 2024, 6:18 AM
Subject: Asking you to resign from the Grand Lakes MUD No. 2 Board of Directors

Grand Lakes Municipal Utility District No. 2

- Michael Christopher McClusky, President of the Board of Directors
- Bradley Allen Baker, Assistant Secretary of the Board of Directors
- J. Scot Vann, Vice President of the MUD's Board of Directors
- Greg Henry, Secretary of the MUD's Board of Directors
- William Butler, Director of the MUD's Board of Directors

Copy:

- Skinner / Cranner / Berry – The law firm Schwartz, Page & Harding LLP
- Mauldin / Amett – The law firm Lloyd Gosselink Rochelle & Townsend P.C.

This is in reference to Docket No. 56589 pending before the Public Utility Commission of Texas (PUCT). The Lead Petitioner is working to defend the rights of 682 residents in Grand Lakes MUD No. 2 and 2,739 residents in the three Grand Lakes MUDs.

By now, there are some 120 items in Docket No. 56589 (Click the item no. to access the documents). If ratepayers were to engage an attorney, we would have already paid over \$100k and that attorney would not have accomplished 10% of what we did on our own. And in engaging the law firm Lloyd Gosselink Rochelle & Townsend P.C., you are spending hundreds of thousands of dollars of ratepayers' money to defend your indifference, negligence, and imprudence. You are also spending this much money to defend and cover up violations and lawlessness by the MUD's Attorney (the law firm Schwartz, Page & Harding LLP), the water company (Municipal District Services, LLC), and other consultants serving the Grand Lakes MUDs. Said Consultants care less about the Grand Lakes MUDs or their residents—they will *milk* the Grand Lakes MUDs for as long as they can. They will come up with fictitious needs, projects, and demands that bring them everlasting income. They have every interest in harming the MUDs and residents rather than benefiting them. They will do everything possible to put the MUDs in endless debt. Their business and its continuity depend on achieving said targets.

Being professionals and businessmen, you cannot invoke confusion or ignorance. You cannot claim that you could not, or did not, see the impacts of the Consultants' actions on the MUD's finances, and-thus-the tax rates and water/wastewater rates the residents have to pay. There is something wrong with you when you listen to the MUD's Attorney and have the Grand Lakes residents pay in 2023 over \$1.1M in additional security (Sheriff and Constable) services. Additional means on top of the standard security (Sheriff and Constable) service residents must get based on their Fort Bend County annual tax and the standard Police service residents must get based on their Katy ISD annual tax. You start a rumor that a resident lost a penny, then say over \$1.1M in additional security service will stop this from happening!!! Read paragraph 16 in our pleading [56589-115] to understand—if you claim to not understand—how to cut cost, rather than support *fantasy* projects and increase residents' monthly water bills by 200% to 450%. Residents deserve much, much better than this treatment.

In the aftermath of your admissions ([56589-105] / [56589-114]) and our remarks [56589-115], and on behalf of Grand Lakes MUD No. 2 ratepayers, I ask you to resign your positions on the MUD's Board of Directors by the next Board Meeting (7/15/2024). For the MUD to operate properly and lawfully, all five Board Members must go. The MUD's Attorney (the law firm Schwartz, Page & Harding LLP), the MUD's water company (Municipal District Services, LLC), the MUD's Bookkeeper (Municipal Accounts & Consulting, LP), the MUD's Auditor (FORVIS, now Forvis Mazars), and the MUD's Engineer (Costello, Inc. / Pape-Dawson Consulting Engineers, LLC) must also go.

The choice is yours. The case will proceed to the Authorities, where a finding of huge amounts in mishandled funds is highly likely. The case will also go further to the District Court and Court of Appeals if the PUCT does not secure justice long overdue for the Grand Lakes residents / ratepayers. Shortly, this request will be posted with the PUCT for information purposes.

--
George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



Filing Receipt

Filing Date - 2024-07-14 10:47:08 AM

Control Number - 56589

Item Number - 128

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 ATTORNEY KEVIN PIERCE’S OBJECTIONS TO DISCLOSURE
MOTION TO DISQUALIFY, MOTION FOR SANCTIONS, AND MOTION FOR CONTEMPT**

I. Introduction

(1) This is in reference to attorney Kevin Pierce’s objections [56589-120 (7/10/2024)] to Petitioners’ Rebuttal [56589-89 (6/30/2024)] of Commission Staff’s Comments [56589-83 (6/28/2024)] Regarding Processing of the Petition. In his objections, attorney Kevin Pierce continues a conscious, malicious pattern of falsehood, deception, and misrepresentation.

II. Denial, Defiance, and No Will to Correct

(2) In the presence of a petition supported by 92 signatures that the MUD, Grand Lakes MUD No. 2, could not, and did not, contest, attorney Kevin Pierces uses ‘assertedly’. This is deplorable, indeed.

(3) Whether by the PUC’s attorneys or the Commission, using the Lead Petitioner’s name and ‘on behalf of himself and certain other residents / ratepayers within Grand Lakes MUD No. 2’ are wrong and unwarranted. The Lead Petitioner does not have a personal, private, or individual case before the Commission. Docket no. 56589 is a petition (rate appeal) instituted by Grand Lakes MUD No. 2 ratepayers, where the ratepayers are represented by a Lead Petitioner who could be *any* resident/ratepayer part of Grand Lakes MUD No. 2. The ratepayers could also be represented by an attorney contracted by the petitioners. All is needed by the representative (whether the Lead Petitioner or a contracted attorney) is to file with the Commission a Notice of Appearance on behalf of the Petitioners (Grand Lakes MUD No. 2 ratepayers).

(4) Attorney Kevin Pierce starts his misrepresentation by stating: “... that Staff be ordered to disclose its separate communications with” The prayer in Petitioners’ Rebuttal [56589-89 (6/30/2024)] was not directed at Commission Staff. It was clearly and indisputably directed at attorney Kevin Pierce himself.

- (24) The Commission orders attorney Kevin Pierce to disclose as part of this docket (no. 56589), by Tuesday 7/2/2024,
- All correspondence he had with the Lead Petitioner / Petitioner of Record.
 - All correspondence he had with the Grand Lakes MUD No. 2 and its attorneys.
 - All phone calls he had with the Grand Lakes MUD No. 2 and its attorneys; tabulated by date, time, to, from, participants, and subject of the call in full detail.
 - All personal meetings he had with the Grand Lakes MUD No. 2 and its attorneys; tabulated by date, time, place, participants, and subject of the meeting in full detail.

(5) In talking about the Commission's rules of conduct, we have attorney Kevin Pierce—not Commission Staff—knowingly and willingly choosing malice, tampering, and wrongdoing over morality and ethics.

(6) Attorney Kevin Pierce wrote: “Staff attempted to negotiate diligently and in good faith ... concerning this discovery dispute on July 9, 2024. Staff ... were unable to resolve the dispute.” There was no diligent, good-faith attempt to negotiate. Attorney Kevin Pierce wanted to run loose without disclosing anything, under the false claim that “the requests for disclosure are not necessary or relevant to this proceeding, and at the very least are overly broad ... and are not related to the subject matter of your petition, namely the justness and reasonableness of the rates.” Petitioners responded in part: “You can admit that you did wrong and apologize officially. It will not help if you proceed with denial and defiance. The choice is yours now.” Pierce's email of July 9, 2024 11:56AM and petitioners' response of July 10, 2024 7:40AM can be seen on the last two pages of [56589-127]. Attorney Kevin Pierce chose denial and defiance, having filed objections [56589-120] on 7/10/2024.

(7) In responding to the request for disclosure, attorney Kevin Pierce copies the futile jargon used by the MUD's attorneys. He refers to *Texas Rules of Civil Procedure* 192.3(a) and claims: “Information sought is ... irrelevant, request creates unnecessary burden, expense, or made for the purposes of harassment.” In requesting the attorney to disclose specific correspondence, the intention is to let an outsider / observer independently judge how Pierce treated Petitioners compared to the MUD's attorneys and why he chose to deliver the fraudulent comments [56589-83]. Why would an attorney who plays the role of a victim, and alleges to have done nothing wrong, not have the courage to disclose correspondence he calls irrelevant under the claim that the request is burdening and harassing to Staff?! We repeat that the request for disclosure is not directed at Commission Staff. It is directed at one attorney, Kevin Pierce, who consciously chose to be on the wrong side of the law.

(8) Attorney Kevin Pierce states: “Dr. Wakileh's requests are merely an attempt to harass and intimidate Staff, because Staff's recommendations were not supportive of Dr. Wakileh's positions.” This is not Wakileh's case; it is the case of 682 ratepayers/residents within Grand Lakes MUD No. 2. And the recommendations are not Staff's. At best, they are a criminal act premeditated by a/one compromised staff member, Kevin Pierce. That, we have exhaustively documented in [56589-86], [56589-87], [56589-88], and [56589-89]. Petitioners have an unconditional right to justice. Petitioners have an unconditional right to document criminal tampering consciously orchestrated by the MUD or PUC's attorney Kevin Pierce. That *cannot* be falsely described by the perpetrator as intimidation and harassing attempts. Conscious tampering with facts, evidence, and law for ulterior motives is not smart and must not be underestimated. Pierce is a danger to the Commission, State of Texas, the United States, and the rule of law. He is a danger to humanity. He must be brought to justice following prosecution for conscious criminal tampering.

(9) Filing grievances against a compromised attorney, a state employee and a public servant, requesting his immediate dismissal, and reporting said individual to the State Bar of Texas, Governor's office, District Attorney, FBI, City of Austin Police Department, and Texas Department of Public Safety – Public Integrity Unit are normal courses of action when said individual – whose role is to advocate the general public's interests – consciously chooses to engage in wrongdoing, malice, and tampering with facts, evidence, and law; and prides himself for fraudulently and unlawfully wanting to crush a meritorious rate appeal that documents tens of long-lasting criminal violations that impact 682 residents in Grand Lakes MUD No. 2 and 2,739 residents in the entire Grand Lakes community.

(10) Just like the MUD's attorneys, attorney Kevin Pierce deceitfully and maliciously refers to case law that is misleading at best. One of many disputed matters in *Graff v. Whittle*, 947 S.W.2d 629, is about the trial court's decision to admit into evidence public records/documents, presented by one party (*Whittle and Berry*), that the counterparty (*Graff*) was not given an opportunity to (re)search, when he had two years to do that task, from the filing of the case until the trial. It is not about the trial court's refusal to allow production of documents that one party is in possession of, because the material sought is equally available to the requesting party.

(11) Our case is different in that the Request for Disclosure filed with the Commission requested the production of material in issue; correspondence that was/is in Pierce's possession. Pierce was *required* to respond to a request/inquiry that properly, lawfully, and directly addressed the production of specific correspondence. A person may be compelled to produce items or things within his possession, custody, or control, and the requirements for such production are governed by *Texas Rules of Civil Procedure*, rules 176.6(c), 192.3(b), 192.7(b), and 196.3(a). For his refusal to comply, Pierce is in contempt.

Rule 176.6(c) Production of documents or tangible things. A person commanded to produce documents or tangible things need not appear in person at the time and place of production unless the person is also commanded to attend and give testimony, either in the same subpoena or a separate one. A person must produce documents as they are kept in the usual course of business or must organize and label them to correspond with the categories in the demand. ...

Rule 192.3(b) Documents and tangible things. A party may obtain discovery of the existence, description, nature, custody, condition, location, and contents of documents and tangible things (including papers, books, accounts, drawings, graphs, charts, photographs, electronic or videotape recordings, data, and data compilations) that constitute or contain matters relevant to the subject matter of the action. A person is required to produce a document or tangible thing that is within the person's possession, custody, or control.

Rule 192.7(b) Definitions – Possession, custody, or control of an item means that the person either has physical possession of the item or has a right to possession of the item that is equal or superior to the person who has physical possession of the item.

Rule 196.3(a) Time and place of production. Subject to any objections stated in the response, the responding party must produce the requested documents or tangible things within the person's possession, custody or control at either the time and place requested or the time and place stated in the response, unless otherwise agreed by the parties or ordered by the court, and must provide the requesting party a reasonable opportunity to inspect them.

(12) Pierce’s response to the request for disclosure proves petitioners’ concerns and documents the attorney’s conscious involvement in wrongdoing. During May 15 – June 28, attorney Kevin Pierce had 25 emails and one phone call (on May 20, 2024) with the MUD’s attorneys at the law firm Lloyd Gosselink Rochelle Townsend in Austin (see [56589-120] and [56589-124]). In his email exchanges, Pierce presents himself as a biased, prejudiced, conflicted, compromised attorney and a secretary to the MUD’s attorneys; making himself available to serve; almost begging for attention; and alerting the MUD to specific pleadings so that they take action. While his role at the Commission is to advocate the general public’s interests, Pierce acts as the MUD’s attorney and petitioners’ counterparty, being overjoyed about wanting to unlawfully and fraudulently dismiss a meritorious petition (rate appeal).

(13) As early as June 5, 2024 (see [56589-120] and [56589-124]), PUC’s attorney Kevin Pierce told the MUD’s attorneys that he was “taking some additional time to make sure everything is airtight.” On June 17, eleven days before delivering his fraudulent comments [56589-83], Pierce informed MUD’s attorney Jamie Mauldin of Lloyd Gosselink Rochelle Townsend that he intends to move for dismissal of the petition. He did the same again on June 26, two days before filing his comments [56589-83]. Mauldin took full advantage of the compromised attorney, emailing him on June 17, 2024 and asking: “Do you know yet how your [Subject Matter Experts] SMEs will be commenting on the petition? Give me a call to discuss if you’d like.”

Monday, June 17, 2024 2:31 PM
Kevin,
Thanks for sending. In advance of the deadlines next week (6/29), is there anything we should discuss on procedural schedule? Do you know yet how your SMEs will be commenting on the petition? Give me a call to discuss if you’d like.
Thanks,
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Monday, June 17, 2024 3:47 PM
Good afternoon Jamie,
Just as a point of clarification the ALJ moved the deadlines to July 1, so we have a little more time to prepare everything. I’m not 100% finished with my review, both on my own and through my reviewers, but I think that we’re likely to move for dismissal and therefore not recommend a procedural schedule until the motions to dismiss are addressed.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, June 26, 2024 9:08 AM
Hi Kevin,
I was just looking at my calendar and wanted to confirm that we don’t need to confer on scheduling/processing for a filing Monday. I know Staff usually handles that in their recommendation but let me know if you need anything else on that.
Thanks-
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Wednesday, June 26, 2024 12:29 PM
Good afternoon Jamie,
I appreciate you checking in. We don’t believe it’ll be necessary to discuss a procedural schedule at this time. Subject to some unanticipated, last-minute course-reversal I intend to move for dismissal of the petition, and a procedural schedule would be moot given that motion.
Let me know if you’d like to discuss anything else on this docket.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

(14) PUC's compromised attorney Kevin Pierce has since May 10, 2024 unlawfully and unjustifiably suppressed petitioners' request for a conference on procedural schedule (see [56589-127]). When dealing with the MUD, unsolicited he has repeatedly, since May 15, 2024, asked the Lloyd Gosselink Rochelle Townsend attorneys to "hop on a call if they have any questions; anything they wish to chat about; or anything they want to discuss." See [56589-120] and [56589-124].

Wednesday, May 15, 2024 12:48 PM

... I'm also happy to hop on a call to discuss this docket if there is anything y'all want to discuss at the outset. ...

Wednesday, May 15, 2024 2:11 PM

I'll be available next Monday between 9:30-12, 3-4:30 and Tuesday between 9-10am, 11:30am-3:30pm. Let me know if there's a time that works for you in there.

Wednesday, June 5, 2024 12:15 PM

I wanted to confirm, is GLMUD not contesting the number of valid signatures? I just want to make sure I didn't miss the argument if you made it somewhere. Thank you!

Wednesday, June 5, 2024 12:25 PM

... I hope you'll understand me taking some additional time to make sure everything is airtight and cleared with my leadership team before filing our response. ...

Monday, June 24, 2024 11:13 AM

Let me know if there are any questions or anything you wish to chat about. Thanks!

Wednesday, June 26, 2024 12:28:56 PM

Let me know if you'd like to discuss anything else on this docket.

(15) Via automatic out-of-office messages received on June 3, 2024 and June 21, 2024 (see [56589-127]) in response to PUC Interchange filings, attorney Kevin Pierce informed that he is out of office and that urgent matters are to be addressed to managing attorneys Ian Groetsch / John Harrison. Pierce excluded PUC attorney Scott Miles, who is also assigned to this case per Groetsch's email of June 3, 2024, 2:49PM [56589-127]. Pierce's exclusion of attorney Scott Miles is not coincidental; it is meant and conscious.

III. Disqualification

(16) It is immaterial whether or not PUC's attorney Kevin Pierce is associated with the MUD's attorneys. Proven by his own words (see [56589-120], [56589-124], [56589-127]), bias, prejudice, conflict of interest, and other grounds that we do not know of prevent PUC's attorney Kevin Pierce from impartially and fairly contributing to the instant proceeding (docket no. 56589). As such, he must be immediately removed. The Commission must assign another attorney to the case.

(17) Petitioners have already filed indisputable evidence of Pierce's disqualification. As such, the respondent attorney must not be allowed to take further action in the case until the motion to disqualify has been decided.

(18) Attorney Kevin Pierce is disqualified under Texas Code of Judicial Conduct, having violated Canons 3B(10), 3C(2), 5, and 6C(2). Violation of Canons 3B(7) and 4D(4) is also likely because an outsider would possibly never know the attorney's ulterior motives. Pursuant to Canon 6H, attorney Kevin Pierce is subject to disciplinary action by the State Bar of Texas.

Texas Code of Judicial Conduct

Canon 3: Performing the Duties of Judicial Office Impartially and Diligently

B. Adjudicative Responsibilities

(7) A judge shall require lawyers in proceedings before the court to refrain from manifesting, by words or conduct, bias or prejudice based on race, sex, religion, national origin, disability, age, sexual orientation or socioeconomic status against parties, witnesses, counsel or others. This requirement does not preclude legitimate advocacy when any of these factors is an issue in the proceeding.

(10) A judge shall abstain from public comment about a pending or impending proceeding which may come before the judge's court in a manner which suggests to a reasonable person the judge's probable decision on any particular case. This prohibition applies to any candidate for judicial office, with respect to judicial proceedings pending or impending in the court on which the candidate would serve if elected. A judge shall require similar abstention on the part of court personnel subject to the judge's direction and control. This section does not prohibit judges from making public statements in the course of their official duties or from explaining for public information the procedures of the court. This section does not apply to proceedings in which the judge or judicial candidate is a litigant in a personal capacity.

C. Administrative Responsibilities

(2) A judge should require staff, court officials and others subject to the judge's direction and control to observe the standards of fidelity and diligence that apply to the judge and to refrain from manifesting bias or prejudice in the performance of their official duties.

D. Disciplinary Responsibilities

(2) A judge who receives information clearly establishing that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct should take appropriate action. A judge having knowledge that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct that raises a substantial question as to the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the Office of the General Counsel of the State Bar of Texas or take other appropriate action.

Canon 4: Conducting the Judge's Extra-Judicial Activities to Minimize the Risk of Conflict with Judicial Obligations

D. Financial Activities

(4) Neither a judge nor a family member residing in the judge's household shall accept a gift, bequest, favor, or loan from anyone except as follows: ...

Canon 5: Refraining from Inappropriate Political Activity

(1) A judge or judicial candidate shall not:

(i) make pledges or promises of conduct in office regarding pending or impending cases, specific classes of cases, specific classes of litigants, or specific propositions of law that would suggest to a reasonable person that the judge is predisposed to a probable decision in cases within the scope of the pledge;

(ii) knowingly or recklessly misrepresent the identity, qualifications, present position, or other fact concerning the candidate or an opponent; or

(iii) make a statement that would violate Canon 3B(10).

...

Canon 6: Compliance with the Code of Judicial Conduct

C. Justices of the Peace and Municipal Court Judges

(2) A justice of the peace or a municipal court judge, except as authorized by law, shall not directly or indirectly initiate, permit, nor consider ex parte or other communications concerning the merits of a pending judicial proceeding. This subsection does not prohibit communications concerning: ...

H. Attorneys

Any lawyer who contributes to the violation of Canons 3B(7), 3B(10), 4D(4), 5, or 6C(2), or other relevant provisions of this Code, is subject to disciplinary action by the State Bar of Texas.

(19) Attorney Kevin Pierce is also disqualified under Texas Disciplinary Rules of Professional Conduct, having violated a good number of its rules—Preamble’s recitals 1, 4, 5, 8, and 9 and rules 3.01, 3.02, 3.03, 3.04, 3.05, 3.07, 4.01, 4.04, 8.03, and 8.04. Again, attorney Kevin Pierce is subject to disciplinary action by the State Bar of Texas.

Texas Disciplinary Rules of Professional Conduct

Preamble: A Lawyer’s Responsibilities

1. A lawyer is a representative of clients, an officer of the legal system and a public citizen having special responsibility for the quality of justice. Lawyers, as guardians of the law, play a vital role in the preservation of society. The fulfillment of this role requires an understanding by lawyers of their relationship with and function in our legal system. A consequent obligation of lawyers is to maintain the highest standards of ethical conduct.

4. A lawyer’s conduct should conform to the requirements of the law, both in professional service to clients and in the lawyer’s business and personal affairs. A lawyer should use the law’s procedures only for legitimate purposes and not to harass or intimidate others. A lawyer should demonstrate respect for the legal system and for those who serve it, including judges, other lawyers and public officials. While it is a lawyer’s duty, when necessary, to challenge the rectitude of official action, it is also a lawyer’s duty to uphold legal process.

5. As a public citizen, a lawyer should seek improvement of the law, the administration of justice and the quality of service rendered by the legal profession. ...

8. The legal profession has a responsibility to assure that its regulation is undertaken in the public interest rather than in furtherance of parochial or self-interested concerns of the bar, and to insist that every lawyer both comply with its minimum disciplinary standards and aid in securing their observance by other lawyers. Neglect of these responsibilities compromises the independence of the profession and the public interest which it serves.

9. Each lawyer’s own conscience is the touchstone against which to test the extent to which his actions may rise above the disciplinary standards prescribed by these rules. The desire for the respect and confidence of the members of the profession and of the society which it serves provides the lawyer the incentive to attain the highest possible degree of ethical conduct. The possible loss of that respect and confidence is the ultimate sanction. So long as its practitioners are guided by these principles, the law will continue to be a noble profession. This is its greatness and its strength, which permit of no compromise.

III. Advocate

Rule 3.01. Meritorious Claims and Contentions

Rule 3.02. Minimizing the Burdens and Delays of Litigation

Rule 3.03. Candor Toward the Tribunal

Rule 3.04. Fairness in Adjudicatory Proceedings

Rule 3.05. Maintaining Impartiality of Tribunal

Rule 3.07. Trial Publicity

IV. Non-Client Relationships

Rule 4.01. Truthfulness in Statements to Others

Rule 4.04. Respect for Rights of Third Persons

VIII. Maintaining the Integrity of the Profession

Rule 8.03. Reporting Professional Misconduct

Rule 8.04. Misconduct

IV. Sanctions and Contempt

(20) Pursuant to 16 Texas Administrative Code § 22.161, petitioners request the imposition of sanctions against attorney Kevin Pierce, representative for Commission Staff in the instant proceeding (56589), for orchestrating and filing a fraudulent pleading [56589-83] that was brought in bad faith, for the purpose of

retaliating against, and inflicting harm on, petitioners; and for other purposes that are unknown to petitioners at this time.

(21) Pursuant to Rule 22.161(c)(7), petitioners move the Commission to have Commission Staff's representative, attorney Kevin Pierce, charged all expenses and fees incurred by petitioners in responding to his fraudulent comments and recommendations [56589-83] and objections [56589-120], as exhaustively documented in our pleadings [56589-86, -87, -88, -89, -102, -123, -124, -125, -127, -128].

(22) In [56589-83] and [56589-120], and as exhaustively documented in our pleadings [56589-86, -87, -88, -89, -102, -123, -124, -125, -127, -128], Commission Staff's representative, Kevin Pierce, did consciously lie to the Commission. Pursuant to Rule 22.161(c)(6), petitioners move the Commission to punitively and unconditionally punish Pierce for criminal contempt, to the same extent as a district court, by a maximum fine of \$500 and confinement for no more than six months.

(23) As exhaustively documented in our pleadings [56589-86], [56589-87], [56589-88], and [56589-89], Pierce's fraudulent comments and conscious tampering [56589-83] are not a result of confusion, negligence, ignorance, or negligent ignorance. His unwillingness to present the facts, evidence, and law as they are is conscious *and* voluntary. Pierce is in contempt not for failure, but rather for refusal, to perform legal, moral, ethical, and civic duties, responsibilities, and obligations. By being an attorney representing the PUC's Legal Division (Commission Staff) in docket no. 56589, Kevin Pierce is an officer of the Commission. That makes him unquestionably involved in contempt.

(24) To demonstrate the gravity of Pierce's violations, we make reference to Texas Government Code § 21.013 and note that Class A misdemeanors are punishable in Texas by up to one year in jail, a fine of up to \$4,000, or both. Canon 3C(2) of Texas Code of Judicial Conduct already tells us that what applies to the ALJ applies equally to Commission Staff.

Texas Government Code § 21.013 Confidentiality of Judicial Work Product – Criminal Offense

(e) A person, other than a justice or judge, with access to non-public judicial work product commits an offense if the person knowingly discloses, wholly or partly, the contents of any non-public judicial work product to a person who is not a justice, judge, court staff attorney, court clerk, law clerk, employee of an agency established under Chapter 71 or 72, or other court staff routinely involved in crafting an opinion or decision for an adjudicatory proceeding.

(f) An offense under this section is a Class A misdemeanor.

(25) PUC's attorney Kevin Pierce can be thought of as a Commission official who is subject to the ALJ's direction and control. He is, as such, subject to the standards of fidelity and diligence that apply to the judge, and required to refrain from manifesting bias or prejudice in the performance of his official duties; cf. Texas Code of Judicial Conduct, Canon 3C(2). Here we have an attorney, a state employee and a public servant, part of an administrative body with jurisdiction for adjudicating administrative complaints,

fabricating some form of a judicial work product that is nothing short of a criminal act and knowingly disclosing the outcome of that non-public judicial work product to a private person; an attorney representing the MUD in the case before the Commission. It is then unequivocally clear that, pursuant to Texas Government Code § 21.013(e)/(f), PUC's attorney Kevin Pierce committed a criminal offense; a Class A misdemeanor, punishable in Texas by up to one year in jail, a fine of up to \$4,000, or both.

(26) Just like the court, the Commission has a broad inherent power to punish for actions occurring before it. Having a detailed overview of the facts, evidence, and law, the Commission *cannot* reasonably claim to not be aware of attorney Pierce's involvement in wrongdoing. Impunity is a worse crime than the crime itself. Human Rights Watch says: "Today's impunity is tomorrow's crime."

(27) In lieu of a hearing, Pierce has already been given a genuine opportunity to explain his behavior and correct by acknowledging guilt and issuing an official apology. Rather, Pierce chose denial and defiance.

V. PRAYER

Against the preceding background, the Commission takes appropriate action to ensure that:

(28) Attorney Pierce's request that his objections to petitioners' disclosure requests be sustained, is denied.

(29) Attorney Kevin Pierce is prevented from taking further action in the instant proceeding until the motion to disqualify has been decided.

(30) Grounded on stark breach of the Texas Code of Judicial Conduct (*see* para. 18 above) and the Texas Disciplinary Rules of Professional Conduct (*see* para. 19 above), petitioners' motion to disqualify PUC's attorney Kevin Pierce is granted. Attorney Kevin Pierce is removed from the instant case and another attorney is assigned to the case.

(31) Petitioners' motion for sanctions against attorney Kevin Pierce is granted; cf. Rule 22.161. Attorney Kevin Pierce is, pursuant to Rule 22.161(c)(7), charged all expenses and fees incurred by petitioners since 6/28/2024 in responding to the attorney's fraudulent comments and recommendations [56589-83] and objections [56589-120]. A cost statement will be furnished upon request by the ALJ.

(32) PUC's attorney Kevin Pierce is not allowed to speak on behalf of Commission Staff. Pierce's criminal violations are his own violations, not Staff's violations.

(33) Petitioners' motion for holding attorney Kevin Pierce in contempt is granted. For consciously falsifying and lying to the Commission in [56589-83] and [56589-120], PUC's attorney Kevin Pierce is – pursuant to Rule 22.161(c)(6) – punished punitively and unconditionally for criminal contempt to the same extent as a district court, by a maximum fine of \$500 and confinement for no more than six months. The Commission must even consider a harsher punishment; invoking Texas Government Code § 21.013 in conjunction with Canon 3C(2) of Texas Code of Judicial Conduct (*see* para. 24-25 above).

(34) Impunity is a worse crime than the crime itself. Human Rights Watch says: "Today's impunity is tomorrow's crime." The Commission disciplines attorney Kevin Pierce and reports him to the authorities such that he is criminally prosecuted; cf. Canon 3D(2) of the Texas Code of Judicial Conduct.

(35) The Commission reports attorney Kevin Pierce to the State Bar of Texas per Rule 8.03 of the Texas Disciplinary Rules of Professional Conduct and Canons 3D(2) and 6H of the Texas Code of Judicial Conduct. In refusing to do so, the Commission shields a violator and breaches its legal, moral, ethical, and civic obligations to uphold the highest standards of justice and the rule law.

Katy, Texas on the 14th day of July 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 14, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-18 12:18:13 AM

Control Number - 56589

Item Number - 140

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

COMMENTS TO THE MUD'S MINUTES FOR THE BOARD MEETING OF 6/17/2024

(1) The MUD's Board Meeting Minutes for 6/17/2024 were published at the MUD's website on 7/16/2024, a day after the 7/15/2024 Board Meeting. Petitioners installed the Minutes as [56589-133] to use it as evidence throughout this proceeding. This brief comments on said Minutes.

(2) The MUD's Attorney (the law firm Schwartz, Page & Harding LLP) removed the PDF document's properties. The MUD's Attorney did this after having been challenged about false claims on when they published previous Board Meeting Minutes and Rate Orders at the MUD's website; when thus made said material available to the general public. Public availability sets the reference point for time calculations when statutes specify deadlines.

(3) The Minutes state: "... check number 11095 in the amount of \$32,321 and payable to Lloyd Gosselink will be ...". This huge amount is, supposedly, for the period 5/20/2024 – 6/16/2024. As is clear for every observer, Lloyd Gosselink Rochelle Townsend attorney, Jamie Mauldin, is exploiting this opportunity to the fullest, lodging futile pleadings, objections, and responses with repetitive jargon; all for the conscious purpose of booking hours to the contract. Based on the reprehensible pattern attorney Mauldin has been recently following, the next check is expected to be in the \$50k range. This confirms petitioners' concerns that if this case were to stay with the Commission for one to three years, the Lloyd Gosselink Rochelle Townsend questionable fees will be in the range of \$500k to \$1.5M. Petitioners' costs will be similar and higher if we were to contract an attorney. Justice served before the Commission is of no use or value if it comes at the cost of \$1M to \$3M to the parties. The Commission must seriously look into this aspect and ensure swift, efficient, and trustworthy treatment of all cases before it; *never* at huge costs to the parties.

(4) The Minutes state: "Mr. Skinner requested that check number 11084 payable to SPH for the May 2024 legal fees be voided and the invoice be considered for payment at the July Board." Obviously, the MUD's Attorney (the law firm Schwartz, Page & Harding LLP) is taking this step to hide the legal fees it asked be reimbursed, especially in view of petitioners' RFI No. 12 [56589-111 (7/8/2024)]. The requested delay is because the MUD has high hopes that the Commission will dismiss the petition per the frivolous

Motion to Dismiss [56589-48 (6/4/2024)] and Staff's fraudulent recommendation [56589-83 (6/28/2024)], orchestrated by PUC's attorney Kevin Pierce, to grant the motion to dismiss.

(5) The ALJ granted the MUD extended time to file their response to the petition, under the claim that the MUD needed more time to examine the rate order, especially because Board Meetings are held once a month. In three consecutive monthly meetings, Michael Christopher McClusky, President of the MUD's Board – a conflicted officer and an ominous promoter of the MUD's Attorney's troubling agenda to drain residents' funds and put the MUD in debt – says that discussion of the Rate Order is deferred until the review of the MUD's finances has been concluded. Isn't this peculiar?! In [56589-114] / [56589-115] we documented criminal offenses whereby McClusky and Bradley Allen Baker, Assistant Secretary of the Board, had during November – December 2023 email correspondence and a meeting on 12/6/2023 with the water company (Municipal District Services) and the Bookkeeper (Municipal Accounts & Consulting), ahead of the 12/18/2023 Board Meeting in which the bogus rate order was approved. One should also alert the reader to the MUD's Attorney's 'copy-paste' in the text cited below. This is a MUD's Attorney that puts in their own text in the Meeting Minutes, not the real text reflecting what went on in the Board Meeting.

Minutes for the MUD's Board Meeting of 4/15/2024 [56589-45]

RATE ORDER

The Board deferred discussion of the District's Rate Order until the review of the District's finances has been concluded.

Minutes for the MUD's Board Meeting of 5/20/2024 [56589-59]

RATE ORDER

Director McClusky reported that the Board is working to reduce the District's expenses and noted that the discussion of the District's Rate Order will be deferred until the review of the District's finances has been concluded.

Minutes for the MUD's Board Meeting of 6/17/2024 [56589-133]

RATE ORDER

Director McClusky reported that the Board is working to reduce the District's expenses and noted that the discussion of the District's Rate Order will be deferred until the review of the District's finances has been concluded.

(6) The Minutes state: "Mr. Sitzman [Pape-Dawson] ... requested payment of Pay Estimate No.1 in the amount of \$38,442.63 and Pay Estimate No.2 and Final in the amount of \$2,023.30 for landscaping and the installation of an irrigation system at Water Plant No.2 by Murr, Inc." Below, we make three comments to this appalling project. Petitioners document this as one of tens of examples, where residents' tax money is thrown away, knowingly, without any due diligence whatsoever. The Board Members, the MUD's attorneys, and the Pape-Dawson engineer would never spend \$40k of their own money to landscape 200 sq ft in their front or back yard with very basic shrubs that sell at \$5 to \$10 each.

(7) *First*, Pape-Dawson does not have a valid contract with the MUD (see paragraph 10 below).

(8) *Second*, the amount (\$40,465.93) charged is at least **25 times** what the work is worth. The Lead Petitioner lives in the vicinity and—taking a walk in the afternoon / evening—saw the work as it was being done around a month ago. Confirmed by pictures taken on 7/17/2024 [Exhibit 1], landscaped is an area (some 200 sq ft) between the security wall for Water Plant No. 2 on S. Fry Rd in Katy (Texas) and the pedestrian walkway. The area is split as two spots to the right of the security gate and one spot to the left. The landscaping is *very, very* basic; *unnecessarily* and *densely* packed with some 130 small shrubs and some 20 Shell Ginger (*Alpinia Zerumbet*) to the front. One picture shows the poor landscaping and the dead grass. The irrigation system talked about is just a minor extension of the irrigation system already existing in the area. The white PVC pipes, which the Lead Petitioner saw dug some 8” into the soil as he walked by, sell at the Home Improvement Store for \$4 per 12 ft.

(9) *Third*, the MUD circumvents the competitive bidding process and lets engineering/consulting firm Pape-Dawson – that has no valid/lawful contract with the MUD – do the work through a third-party landscaping firm (Murr, Inc.) under the umbrella of Pape-Dawson’s nonexistent framework contract with the MUD.

(10) The Minutes state: “Mr. Skinner reminded the Board that Pape-Dawson acquired Costello, LLC (“Costello”) last year. He explained to the Board that Costello now operates as Pape-Dawson, and Costello desires to assign its engineering contract with the District to Pape-Dawson with the District’s consent.” This means that the engineering/consulting firm Pape-Dawson has, for a year or more or less, been doing work on behalf of the MUD *without* a valid, lawful contract in place.

(11) The Minutes state: “The Board considered matters to be placed on future agendas and noted that there were no additional items other than the items set forth herein above.” The Board received a formal request to resign [56589-119 (7/10/2024)], but did not bother to place it as an item on the Agenda.

(12) The Minutes do not inform the Grand Lakes residents/ratepayers about the case (no. 56589) pending before the Commission.

Katy, Texas on the 18th day of July 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 18, 2024.



George J. Wakileh, Ph.D.

Exhibit 1

Some pictures of very basic landscaping done in front of Grand Lakes Water Plant No. 2. The MUD claims the project cost \$40,465.93. The project was administered by engineering/consulting firm Paper-Dawson hiring third-party landscaping firm Murr, Inc.





Filing Receipt

Filing Date - 2024-07-23 01:14:43 AM

Control Number - 56589

Item Number - 164

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

THE MUD’S BOGUS CLAIMS ABOUT (HIGHLY) CONFIDENTIAL INFORMATION

(1) On July 18, 2024 [56589-147], Grand Lakes Municipal Utility District No. 2 filed a proposed protective order for use in this proceeding. And on July 22, 2024 [56589-163], the administrative law judge entered the Commission’s standard protective order, to govern the use of all information deemed (highly) confidential in this proceeding.

(2) Unlawfully, the MUD designated attachment [56589-150] as ‘Confidential’. Believed to contain the email addresses of the MUD’s Board Members, the attachment is by no means confidential. By email dated 7/18/2024, a paralegal at Lloyd Gosselink Rochelle Townsend wrote: “Please note that confidential materials will only be sent to those who have signed and filed a Protective Order Certification.”

(3) Continuing a consistent and persistent pattern of deception and falsehood, the MUD’s attorneys claim in a statement [56589-148] that the attachment [56589-150] is exempt from public disclosure under Texas Government Code § 552.102 or Texas Utility Code § 32.101(c). There is no credibility, reliability, or legitimacy to such substantiation. Petitioners did not request personnel files or information that invade personal privacy, such that Texas Government Code § 552.102 is not applicable. Texas Government Code § 552.024 is also not applicable as it relates to Board Members’ home addresses and home phone numbers, which petitioners did not ask for. In any case, Search By Owner at <https://esearch.fbcad.org/> or https://actweb.acttax.com/act_webdev/fbc/ reveals property and owner information, making this information public. Lastly, Texas Utility Code § 32.101(c) is, as well, not applicable—it applies to tariff filings by an electric utility and relates to customer names and addresses.

Texas Government Code § 552.102. Exception: Confidentiality of Certain Personnel Information

(a) Information is excepted from the requirements of Section 552.021 if it is information in a personnel file, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, except that all information in the personnel file of an employee of a governmental body is to be made available to that employee or the employee’s designated representative as public information is made available under this chapter. The exception to public disclosure created by this subsection is in addition to any exception created by Section 552.024. Public access to personnel information covered by Section 552.024 is denied to the extent provided by that section.

Texas Government Code § 552.024. Electing to Disclose Address and Telephone Number

(a) ..., each employee or official of a governmental body ... shall choose whether to allow public access to the information in the custody of the governmental body that relates to the person’s home address,

home telephone number, emergency contact information, or social security number, or that reveals whether the person has family members.

Texas Utility Code § 32.101 Tariff Filings

(c) The commission shall consider customer names and addresses, prices, individual customer contracts, and expected load and usage data as highly sensitive trade secrets. That information is not subject to disclosure under Chapter 552, Government Code.

(4) The MUD cannot arbitrarily pick and choose information and falsely claim such information as (highly) confidential or sensitive. And when such issues arise, the information at issue may be discovered under a protective order *only* until a final determination is made. If a final determination concludes that the information at issue is not confidential, then the MUD—having maliciously and unlawfully withheld such information—is obliged to instantly release the information without any signed consent (protective order) whatsoever; cf. Texas Government Code § 552.322.

(5) The MUD’s documents – related to Agendas, Minutes, Contracts, Reports, Finances, Audits, etc – must be Public Records available to the public without any restriction whatsoever. Exceptions must be governed by Texas Government Code Chapter 552, Subchapter C “Information excepted from Required Disclosure.” The MUD is not a private business; it does not own trade secrets, proprietary information, secretive investment data, confidential information to maintain its competitive edge, confidential pricing, hedging, and risk algorithms, etc. All in all, talking about (highly) confidential information related to the MUD is a stark, unwarranted abuse of the law.

(6) **Prayer:** The Commission orders the MUD to release the attachment [56589-150] immediately, as its designation as ‘Confidential’ is malicious, unwarranted, and unlawful.

Katy, Texas on the 23rd day of July 2024.

Respectfully submitted,


on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 23, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-23 07:42:08 AM

Control Number - 56589

Item Number - 166

PUC DOCKET NO. 56589

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

THE MUD’S EXTRAVAGANT SPENDING ON ADDITIONAL SECURITY SERVICES

(1) In pleadings [56589-68] and [56589-95], RFI No. 15 [56589-98], and the corresponding Motion to Compel [56589-154], we talked about the MUD’s extravagant spending on **additional** security (Sheriff and Constable) services. Additional means on top of the (i) standard Sheriff and Constable security service that ratepayers must get as part of their annual Fort Bend County tax; and (ii) Katy ISD Police service (*Operations Bureau – Patrol Division*) that ratepayers must get as part of their annual ISD tax.

(2) Petitioners made contact with the Fort Bend County Treasurer and Auditor. On 7/22/2024, petitioners received a spreadsheet [56589-165] documenting the monthly monetary amounts Fort Bend County received from the three Grand Lakes MUDs for *additional* Constable security service and from the Grand Lakes Community Association for *additional* Sheriff security service.

(3) Below is a summary of the findings in two tables: the top part shows the security spending figures reported in the Grand Lakes MUDs’ Audit Reports; the bottom part shows the amounts paid to / received by Fort Bend County for delivering the additional security (Sheriff and Constable) security service.

Grand Lakes MUD Audit Reports	2023	2022	2021	2020	2019	2018
GL MUD No. 2 – Sheriff+Constable	\$602,302	\$355,196	\$132,460	\$285,152	\$210,087	\$203,920
GL MUD No. 2 – Constable only	\$454,499	\$206,456	\$0	\$160,405	\$92,167	\$91,615
GL MUD No. 1 - Security Services	\$270,008	\$251,259	\$225,100	\$226,555	\$209,073	\$207,619
GL MUD No. 4 - Security Services	\$242,341	\$240,525	\$218,651	\$218,753	\$197,767	\$197,374
from GLMUD2 to GLCA – Sheriff	\$147,803	\$148,740	\$132,460	\$124,747	\$117,920	\$112,305
Total	\$1,114,651	\$846,980	\$576,211	\$730,460	\$616,927	\$608,913

Amounts Fort Bend County Recv'd	2023	2022	2021	2020	2019	2018
from GL MUD No. 2 – Constable	\$479,899	\$224,346	\$175,240	\$168,246	\$92,397	\$85,607
from GL MUD No. 1 – Constable	\$123,848	\$107,272	\$91,850	\$110,229	\$91,233	\$88,489
from GL MUD No. 4 – Constable	\$95,191	\$104,879	\$77,711	\$315,686	\$82,491	\$87,880
from GLCA – Sheriff	\$477,120	\$322,717	\$331,949	\$411,876	\$370,550	\$401,775
Total	\$1,176,058	\$759,214	\$676,750	\$1,006,037	\$636,671	\$663,751

(4) *Remark 1:* Looking at the two tables, not a single figure matches. This is representative of sloppy work, messy accounting and auditing, and shocking indifference by the MUDs’ Boards, Attorney (Schwartz, Page & Harding LLP), Bookkeeper, and Auditor. They all must be questioned and held accountable.

(5) *Remark 2:* Looking at the amounts Fort Bend County received for the Constable security service, one can see that Grand Lakes MUD No. 2 started, from 2021 onward, to get hit with arbitrary figures, two to five times higher than the other two MUDs (MUD No. 1 and MUD No. 4). This was consciously orchestrated by the MUD's Attorney (Schwartz, Page & Harding LLP) as the MUD No. 2 was paying off its debt and becoming debt free after FYE 2021.

(6) *Remark 3:* The spending on security is arbitrarily increased and decreased from year to year. The aim and the target being—maintain an \$xM budget for each MUD; discard surplus money by spending it on *any* service or project, never letting the ratepayers take the benefit; reduce the security spending only if necessitated by a deficit.

(7) *Remark 4:* For the Constable security service to Grand Lakes MUD No. 1 / Grand Lakes MUD No. 4, the monetary amounts received by Fort Bend County (bottom part) are, for the most, 40% to 50% of what is reported in the MUDs' Audit Reports (top part). The gap will diminish, but *never* extinguish, if the Grand Lakes MUD No. 1 / Grand Lakes MUD No. 4 spending on security services, as reported in the MUDs' Audit Reports, covers Constable and Sheriff services (*see* the next remark).

(8) *Remark 5:* We are unable to tell if the Grand Lakes MUD No. 1 / Grand Lakes MUD No. 4 spending on security services, as reported in the MUDs' Audit Reports, covers Constable only or Constable and Sheriff services. The Grand Lakes MUDs must be compelled to disclose such details.

(9) *Remark 6:* We are unable to compare the Sheriff-related figures because the higher amounts Fort Bend County received from the Grand Lakes Community Association could be attributed to: (i) A portion coming from the Homeowner Association Fee paid by Grand Lakes residents. (ii) A portion coming from transfers from Grand Lakes MUD No. 1 and Grand Lakes MUD No. 4, which petitioners are not able to account for without the MUDs being compelled to disclose such amounts.

(10) *Remark 7:* For the Sheriff security service, amounts transferred from Grand Lakes MUD No. 2 to the Grand Lakes Community Association—we copied the figures from the printout the MUD disclosed with its response [56589-139] to RFI No. 10 and we uploaded to [56589-151] for easier reference.

(11) *Remark 8:* Because the MUD No. 2 security spending reported in the Audit Reports includes both the Sheriff and Constable services, we subtracted the Sheriff-related figures (copied from the printout in [56589-151]) to get the Constable-related figures.

(12) *Remark 9:* In 2020, the \$315,686 Grand Lakes MUD No. 4 paid for Constable security includes a \$190,634 payment on 2/10/2020. That could be part of the contract, for the purchase of vehicles or else.

Taking this payment out, the remaining amount becomes somewhat comparable to the amounts the MUD paid during the other years.

(13) *Remark 10:* The file furnished by the Fort Bend County Auditor uses two decimal places. We dropped the decimal places by rounding \$0.50 and above to \$1, while dropping \$0.49 and less.

(14) The security (Sheriff and Constable) are major contracts and impact the Grand Lakes MUDs' costs. The corresponding costs are in the financial statement which was circulated and discussed as part of the *unlawful* email exchanges and meeting that took place in December 2023 (see [56589-114]/[56589-115]).

Cash Flow Forecast								
GRAND LAKES MUD NO. 2								
	2023	2024	2025	2026	2027	2028	2029	2030
Assessed Value	\$382,821,782	\$401,982,393	\$401,982,393	\$401,982,393	\$401,982,393	\$401,982,393	\$401,982,393	\$401,982,393
Maintenance Tax Rate	\$0.13000	\$0.13000	\$0.13465	\$0.13928	\$0.14413	\$0.14918	\$0.15440	\$0.15980
Maintenance Tax	\$462,000	\$512,100	\$530,000	\$548,600	\$567,800	\$587,600	\$608,200	\$629,500
% Change in Water Rate	0.00%	100.00%	75.00%	50.00%	25.00%	5.00%	5.00%	5.00%
% Change in Wastewater Rate	0.00%	100.00%	50.00%	33.00%	15.00%	5.00%	5.00%	5.00%
% Change in NFBWA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Change in Expenses	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Cash Balance 09-01-23	\$6,803,614	\$7,175,509	\$5,779,951	\$5,945,672	\$5,543,673	\$5,398,589	\$5,179,624	\$5,173,487
Revenues								
Maintenance Tax	\$462,000	\$512,100	\$530,000	\$548,600	\$567,800	\$587,600	\$608,200	\$629,500
Water Revenue	114,300	228,600	400,050	600,075	750,094	787,568	826,978	868,327
Wastewater Revenue	98,200	196,400	294,600	391,818	450,591	473,120	496,776	521,815
NFBWA Revenue	548,100	604,379	693,258	782,138	871,017	871,017	871,017	871,017
Sales Tax Revenue	3,600,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other	135,000	141,750	148,838	156,279	164,093	172,298	180,813	189,959
Total Revenues	\$4,957,600	\$2,183,229	\$2,566,746	\$2,978,910	\$3,383,595	\$3,391,634	\$3,483,883	\$3,580,418
Expenses								
Purchase Water - GL 4	\$193,712	\$108,559	\$111,867	\$117,481	\$123,355	\$129,523	\$135,999	\$142,799
NFBWA Expense - Residential	866,712	\$71,017	\$71,017	\$71,017	\$71,017	\$71,017	\$71,017	\$71,017
NFBWA Expense - Irrigation & RWDS	150,000	294,966	294,966	294,966	294,966	294,966	294,966	294,966
Maintenance & Repairs - Water	172,400	133,800	140,490	147,515	154,890	162,635	170,768	179,305
Purchase Wastewater - GL 4	169,028	215,177	225,936	237,233	249,094	261,549	274,626	288,358
Purchase RWDS - GL 4	100,707	223,681	234,865	246,608	258,939	271,886	285,480	299,754
Maintenance & Repairs - Sewer	179,100	112,500	118,125	124,031	130,233	136,744	143,582	150,761
Garbage Expense	252,300	275,900	289,695	304,180	319,389	335,358	352,128	369,732
Sheriff Contract	147,380	154,000	51,333	53,900	56,595	59,425	62,396	65,516
Constable Contract	450,828	542,540	250,000	262,500	275,625	289,406	303,877	319,070
Other Expenses	531,000	578,925	500,000	525,000	551,250	578,813	607,753	638,141
Total Expenses	\$3,233,145	\$3,507,965	\$3,088,514	\$3,184,431	\$3,285,353	\$3,391,322	\$3,502,589	\$3,619,419

(15) All in all, the situation is frightening. The Bookkeeper and the Auditor are paid to do a high-quality job. The Auditor takes four months following the end of the fiscal year to deliver the Audit Report. Audits should be based on paid invoices. There should *never* be a penny in mismatch between what is reported in the Audit Reports and the actual amounts received by Fort Bend County. With so much mismatch as documented in the tables above, an investigation is warranted.

(16) The Grand Lakes MUDs and WCID must be forced into receivership, not because they are unable to pay their expenses but because they are troubled with appalling, conscious mismanagement, indifference, imprudence, arbitrariness, irregularities, improprieties, wrongdoing, and more. The four boards, the law firm Schwartz, Page & Harding LLP, the water company (Municipal District Services), the Bookkeeper, the Auditor, and the Engineer must be instantly removed. Without such action, the State is turning a blind eye to wrongdoing that has lasted over 20 years by now.

(17) The Commission's delayed treatment of the instant case is destructive. *Justice delayed is justice denied.* Unconditional disclosure of all information controlled by the Grand Lakes MUDs is crucial for the petitioners and the Commission to examine the case, understand the real financial situation, and stop mismanagement.

Katy, Texas on the 23rd day of July 2024.

Respectfully submitted,
on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 23, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-23 11:32:17 PM

Control Number - 56589

Item Number - 168

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

PETITIONERS' EXCEPTIONS TO THE ALJ'S BASELESS PROPOSAL FOR DECISION

I. Introduction

(1) Pursuant to Texas Government Code § 2001.062(a)(2), petitioners file this brief and exceptions to the Proposal for Decision (PFD) [56589-167] filed on 7/23/2024 by administrative law judge (ALJ) Katie Moore Marx. Petitioners maintain that the PFD is questionable, baseless, malicious, unlawful, and punishable at best. Petitioners maintain that the ALJ presented herself as biased and prejudiced; wanting to crush a meritorious and compliant rate appeal by arbitrarily denying petitioners justice, misusing the law, and issuing findings of fact that are indisputably contradicted by a preponderance of the evidence.

II. The ALJ's Absent, Delayed, Reprehensible, Appalling Treatment of the Instant Case

(2) If the PFD were to have any credibility, reliability, or legitimacy, why would the ALJ wait on this PFD **eleven (11) weeks** after the petition was filed on May 7, 2024?!

(3) In the brief [56589-166], petitioners wrote:

(17) The Commission's delayed treatment of the instant case is destructive. *Justice delayed is justice denied.* Unconditional disclosure of all information controlled by the Grand Lakes MUDs is crucial for the petitioners and the Commission to examine the case, understand the real financial situation, and stop mismanagement.

(4) Since Grand Lakes Municipal Utility District No. 2 (MUD) filed its frivolous Motion to Dismiss [56589-48] on 6/4/2024, petitioners filed 20 Requests for Information, which were mostly objected to by the MUD. Petitioners followed with fourteen (14) Motions to Compel, the first on 6/28/2024, **none** of which was decided by the ALJ ever since.

(5) Since 6/18/2024, petitioners filed twelve (12) requests and motions, none of which was answered or ever decided by the ALJ.

(6) On 5/21/2024, petitioners filed pursuant to 16 TAC § 24.101(h) a Motion [56589-22] to Establish Interim Rates. Per 7/23/2024, after **nine weeks**, the ALJ has never answered or decided the motion.

III. Manifestly Deficient and Flawed Findings of Fact

(7) Presentation of wrong, incomplete, misleading, or distorted information and conscious, malicious, reprehensible, punishable exclusion of material facts make the PFD questionable; lacking credibility, reliability, and legitimacy; and drafted in stark defiance of the law.

(8) Under Findings of Fact, the ALJ *consciously* excludes the fact that the contested rate order was announced¹ at the MUD's website on February 19, 2024. Announcement of the governing body's business is the reference point for calculating deadline set by statutes. Ninety days beyond February 19, 2024 is May 19, 2024, meaning that petitioners—by filing of May 7, 2024—have met the 90-day deadline.

(9) Findings of Fact No. 2 is wrong. Grand Lakes MUD No. 2 provides Retail Water Wholesale Water, Retail Wastewater, Drainage, Solid Waste/Garbage, and Security to household users.

(10) Under Findings of Fact No. 3, the ALJ wrote that the MUD passed a rate order on 12/18/2023. Consciously and maliciously, the ALJ **excludes** that said order was not published or made publicly known on 12/18/2023. In fact, that could not have happened because the rate order was not signed until the next Board Meeting on 1/29/2024. Even then, the Minutes² for the 12/18/2023 Board Meeting were approved and signed on 1/29/2024, but still not published at the MUD's website until after 2/14/2024. Document properties for the PDF document of the Meeting Minutes show that the papers were scanned on a Canon iR-ADV C7770 printer on 2/14/2024 at 11:35:14AM, such that said Minutes could not have been published at the MUD's website until after that date/time. Ninety days beyond 2/14/2024 get us to 5/14/2024, meaning that petitioners have met the 90-day deadline having filed the petition on 5/7/2024.

Document Properties					
Description	Security	Fonts	Initial View	Custom	Advanced
Description					
File:	12_18_2024_Minutes_1dc5ea670f.pdf				
Title:					
Author:					
Subject:					
Keywords:					
Created:	2/14/2024 11:35:14 AM				
Modified:					
Application:	Canon iR-ADV C7770 PDF				
Advanced					
PDF Producer:	Adobe PSL 1.3e for Canon				
PDF Version:	1.4 (Acrobat 5.x)				
Location:					
File Size:	396.64 KB (408,155 Bytes)				
Page Size:	8.50 x 11.00 in				
Number of Pages:	7				
Tagged PDF:	No				
Fast Web View:	No				

(11) Under Findings of Fact No. 6, the ALJ wrote: “On or about February 26, 2024, legal counsel for Grand Lakes MUD No. 2 revised the rate order to correctly state that the new rates would become effective February 1, 2024.” Consciously and maliciously, the ALJ excluded that the revision is nowhere documented via standard date/revision control schemes; the revision was never publicized; the revision was never made known to the residents/ratepayers through a public announcement; and the revised rate

1 The announcement is available at the following link and shows the date February 19, 2024.
<https://www.grandlakesmud2.com/posts/2024-02-19/rate-order-change-notice>

2 Now available at
https://www.grandlakesmud2.com/static/6f2cd9293360e4a960dc863323b089e7/12_18_2024_Minutes_1dc5ea670f.pdf

order was **never** voted on anew or signed anew. In fact, such revision is, pursuant to Texas Local Government Code § 180.010(a), criminal tampering with a governmental document. This renders the rate order a voidable action per Texas Government Code § 551.141.

(12) Under Findings of Fact No. 8, the ALJ wrote: “The residents’ appeal was not initiated within 90 days after the effective date of the new rates adopted by the rate order.” Consciously and maliciously, the ALJ omits material facts that make her statement maliciously misleading and distorting. [i] The rate order carried an effective date of February 1, 2023. Is the ALJ attempting to tell that the petition should have been filed by **May 1, 2023** because TWC § 13.043(c) requires that a petition be filed within 90 days after the effective date of the rate change?! [ii] In no democracy on earth can a document that was officially made public on February 19, 2024 demand retroactive effect from February 1, 2024. Even if said order were to carry the correct effective date of February 1, 2024, the rate order could not become effective until February 19, 2024 or beyond because it was first made public (announced) on February 19, 2024.

(13) Under Findings of Fact No. 10, the ALJ continues unwarranted malice through the use of “alleged” violation of the Texas Open Meetings Act.’ The general public is in grave danger when an ALJ at the Public Utility Commission of Texas, who is under an unconditional obligation to respect the apply the law, defies the law (Texas Government Code §§ 551.041, 551.042, and 551.043) through punishable use of “alleged”. Texas Government Code §§ 551.041 and 551.043 **require** that written notice of governmental body meetings be given. And with a rate increase or any other matter, notice of the MUD’s business **must** be given in advance 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 72 hours in advance; cf. Texas Government Code § 551.043(a).

Texas Government Code § 551.041 Notice of Meeting Required

A governmental body shall give written notice of the date, hour, place, and subject of each meeting held by the governmental body.

Texas Government Code § 551.043 Time and Accessibility of Notice

(a) The notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting, except as provided by Sections 551.044-551.046

Texas Government Code § 551.042 Inquiry Made at Meeting

(a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) ... ; or
- (2)

(b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

Additionally, Texas Government Code, Chapter 551 “Open Meetings” requires water districts with a population of 500 or more to: [i] Post the board’s meeting minutes to the district’s website when one exists (§ 551.1283(c)). [ii] Post to the district’s website financial, operating, budget, and tax rate information (§ 551.1283(d)). Said requirements are applicable to Grand Lakes MUD No. 2, which hosts 682 residences and has a website at <https://www.grandlakesmud2.com/>. The ALJ is obviously biased, prejudiced, and irresponsible when she has the courage to voluntarily use “alleged” in defiance of the law.

(14) Under Findings of Fact No. 11, the ALJ wrote: “On June 28, 2024, Commission Staff expressed its support of Grand Lakes MUD No. 2’s motion to dismiss.” The ALJ **excluded** that: [i] Orchestrated by PUC’s compromised attorney Kevin Pierce, Staff’s recommendation [56589-83] is a conscious criminal act of tampering, fraud, and falsification. [ii] In [56589-86], [56589-87], [56589-88], and [56589-89], petitioners documented indisputable criminality in Pierce’s recommendation. [iii] PUC’s attorney Kevin Pierce had unlawful interaction with MUD’s attorney Jamie Mauldin, in appalling breach of Texas Code of Judicial Conduct, Texas Disciplinary Rules of Professional Conduct, 16 Texas Administrative Code § 22.161(c)(6), and Texas Government Code § 21.013(e)/(f). See paragraph 17 below. [iv] PUC’s attorney Kevin Pierce and MUD’s attorney Jamie Mauldin were reported to the State Bar of Texas, Texas Department of Public Safety – Public Integrity Unit, Travis County’s District Attorney, Austin Police Department, and Office of the Governor of Texas. Petitioners continue to pursue the different complaints and have no doubt that the two attorneys will receive a jail sentence.

(15) Under Findings of Fact No. 12, the ALJ wrote: “On June 28, 2024, Commission Staff expressed its support of Grand Lakes MUD No. 2’s motion to dismiss.” The ALJ fails to explain her unwarranted, unlawful treatment when the MUD’s frivolous motion to dismiss was filed on 6/4/2024 and petitioners responded to the petition via a 25-page brief filed the next day, on 6/5/2024. For **seven weeks** after 6/4/2024, why did the ALJ not call for a hearing on a fraudulent motion to dismiss?

(16) Why did the ALJ end her dubious list of Findings of Fact with the motions to dismiss? Filings in the case did not stop after the MUD’s frivolous motion to dismiss dated 6/4/2024. Further, petitioners responded [56589-88 (6/30/2024)] to Staff’s criminal recommendation [56589-83 (6/28/2024)] to grant the MUD’s motion to dismiss. The ALJ fails to mention that, for **nine weeks**, she did not act on petitioners’: [i] Twelve requests and motions filed since 7/18/2024. [ii] Fourteen Motions to Compel, the first on 6/28/2024, filed in response to the MUD’s objections to petitioners’ RFIs. [iii] Motion [56589-22] to Establish Interim Rates, filed on 5/21/2024 pursuant to 16 TAC § 24.101(h). The ALJ fails to mention the criminal violations (twenty-five emails and a phone call on 5/20/2024 | see [56589-124] and paragraph 17 below) involving PUC’s attorney Kevin Pierce and MUD’s attorney Jamie Mauldin.

IV. Criminal Violations: PUC’s Attorney Kevin Pierce and MUD’s Attorney Jamie Mauldin

(17) New evidence disclosed on 7/10/2024 [56589-124] showed that PUC’s attorney Kevin Pierce had, during the period May 15 – June 28, twenty-five emails and one phone call (on May 20, 2024) with the MUD’s attorney Jamie Mauldin (Lloyd Gosselink Rochelle Townsend). In the email exchanges, Pierce presented himself as a biased, prejudiced, conflicted, compromised attorney begging for attention; and a secretary to the MUD’s attorneys, alerting them to specific pleadings so that they take action. While his role at the PUCT is to advocate the general public’s interests, Pierce acted as the MUD’s attorney and petitioners’ counterparty, being overjoyed about wanting to unlawfully and fraudulently dismiss a meritorious petition (rate appeal) filed with the Commission. As early as June 5, 2024, attorney Pierce told Mauldin that he was “taking some additional time to make sure everything is airtight.” [56589-124] On June 17, eleven days before delivering his evil, fraudulent, criminal comments [56589-83], attorney Pierce informed Mauldin that he intends to move for dismissal of the petition. Pierce did the same on June 26, two days before filing his comments. Attorney Jamie Mauldin took full advantage of the PUCT’s compromised attorney Kevin Pierce, emailing him on June 17, 2024 and asking: “Do you know yet how your [Subject Matter Experts] SMEs will be commenting on the petition? Give me a call to discuss if you’d like.”

Monday, June 17, 2024 2:31 PM
Kevin,
Thanks for sending. In advance of the deadlines next week (6/29), is there anything we should discuss on procedural schedule? Do you know yet how your SMEs will be commenting on the petition? Give me a call to discuss if you’d like.
Thanks,
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Monday, June 17, 2024 3:47 PM
Good afternoon Jamie,
Just as a point of clarification the ALJ moved the deadlines to July 1, so we have a little more time to prepare everything. I’m not 100% finished with my review, both on my own and through my reviewers, but I think that we’re likely to move for dismissal and therefore not recommend a procedural schedule until the motions to dismiss are addressed.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, June 26, 2024 9:08 AM
Hi Kevin,
I was just looking at my calendar and wanted to confirm that we don’t need to confer on scheduling/processing for a filing Monday. I know Staff usually handles that in their recommendation but let me know if you need anything else on that.
Thanks-
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Wednesday, June 26, 2024 12:29 PM
Good afternoon Jamie,
I appreciate you checking in. We don’t believe it’ll be necessary to discuss a procedural schedule at this time. Subject to some unanticipated, last-minute course-reversal I intend to move for dismissal of the petition, and a procedural schedule would be moot given that motion.
Let me know if you’d like to discuss anything else on this docket.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, May 15, 2024 12:48 PM
... I'm also happy to hop on a call to discuss this docket if there is anything y'all want to discuss at the outset. ...

Wednesday, May 15, 2024 2:11 PM

I'll be available next Monday between 9:30-12, 3-4:30 and Tuesday between 9-10am, 11:30am-3:30pm. Let me know if there's a time that works for you in there.

Wednesday, June 5, 2024 12:15 PM

I wanted to confirm, is GLMUD not contesting the number of valid signatures? I just want to make sure I didn't miss the argument if you made it somewhere. Thank you!

Wednesday, June 5, 2024 12:25 PM

... I hope you'll understand me taking some additional time to make sure everything is airtight and cleared with my leadership team before filing our response. ...

Monday, June 24, 2024 11:13 AM

Let me know if there are any questions or anything you wish to chat about. Thanks!

Wednesday, June 26, 2024 12:28:56 PM

Let me know if you'd like to discuss anything else on this docket.

(18) Despite three formal motions (motion to disqualify, motion for sanctions, and motion for contempt), the ALJ ignored taking action against PUC's attorney Kevin Pierce. The ALJ breached her responsibilities under Canon 3D(2) of the Texas Code of Judicial Conduct.

Canon 3: Performing the Duties of Judicial Office Impartially and Diligently

D. Disciplinary Responsibilities

(2) A judge who receives information clearly establishing that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct should take appropriate action. A judge having knowledge that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct that raises a substantial question as to the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the Office of the General Counsel of the State Bar of Texas or take other appropriate action.

V. Manifestly Deficient and Flawed Conclusions of Law

(19) Under Conclusions of Law No. 5, the ALJ wrote: "Under 16 TAC § 22.181(d)(1), the ALJ may recommend to the Commission that it dismiss a proceeding for lack of jurisdiction." Invoking 16 TAC § 22.181(d)(1) "lack of Jurisdiction" is baseless and unlawful at best. The Commission has jurisdiction in the case and the 90-day requirement was met as briefly documented under paragraphs 10, 11, 12, and 13 above. If February 19, 2024 (the date the rate order was announced / made public) is considered the reference point for calculating the 90-day deadline, then petitioners met the deadline. But we remind again that the rate order announced on February 19, 2024 carried an effective date of February 1, 2023. The MUD, Commission Staff, and the ALJ **cannot** fantasize, through assumptions and futility, about what the rate order's real effective date is.

(20) Under Conclusions of Law No. 6, the ALJ wrote: "Under 16 TAC § 22.181(c), this proceeding may be dismissed without a hearing because the facts necessary to support the dismissal are uncontested." ALJ's claim that the facts necessary to support the dismissal are uncontested is malicious at best and punishable at worst. Petitioners' pleadings [56589-49] "Rebuttal and Response to the MUD's Frivolous Motion to Dismiss" and [56589-88] "Rebuttal of Commission Staff's Fraudulent Comments on the

MUD’s Frivolous Motion to Dismiss” document in great detail the enormity of the false, malicious claim that the facts necessary to support the dismissal are uncontested. In fact, moving to dismiss a meritorious rate appeal is a punishable act of abusing the law with the hope of crushing a case through injustice and covering up wrongdoing.

(21) Under Conclusions of Law No. 8, the ALJ wrote: “This PFD was issued in accordance with Texas Government Code § 2001.062 and 16 TAC § 22.261(a).” Both provisions apply to a **contested** case. But under Conclusions of Law No. 6, the ALJ maliciously claims that the facts necessary to support the dismissal are **uncontested**. The ALJ wrote: “Under 16 TAC § 22.181(c), this proceeding may be dismissed without a hearing because the facts necessary to support the dismissal are uncontested.” How can the facts supporting the dismissal be uncontested when there are 166 filings in the docket by 7/23/2024?! If the facts supporting the dismissal are uncontested, why did the ALJ not grant the MUD’s frivolous Motion to Dismiss [56589-48] of 6/4/2024 shortly after that date?! Why did the ALJ wait seven weeks to come up with this questionable, baseless, unlawful PFD?!

(22) Under Conclusions of Law No. 9, the ALJ wrote: “The residents failed to initiate their appeal within 90 days after the effective date of the rate change, as required by TWC § 13.043(c) and 16 TAC § 24.101(b), warranting dismissal of this proceeding under 16 TAC § 22.181(d)(1), for lack of jurisdiction.” This declaratory statement is utterly false; it is baseless; it is malicious; it defies reason, logic, and common sense; it contradicts indisputable facts and evidence. No one on earth can claim that a rate order that was officially announced on February 19, 2024 with an effective date of February 1, 2023, can be assumed to carry an effective date of February 1, 2024 and can be assumed to have been published on February 1, 2024. As such, the ALJ’s insistence that the rate order’s effective date is February 1, 2024, is baseless, malicious, unlawful, and punishable.

VI. Manifestly Deficient and Flawed Ordering Paragraphs

(23) Given the ALJ’s manifestly deficient and flawed Findings of Fact and manifestly deficient and flawed Conclusions of Law, the ALJ’s recommended Ordering Paragraphs lack any and all credibility, reliability, and legitimacy; they are baseless, malicious, unlawful, and punishable.

VII. Concluding Remarks

(24) The Commission must not be proud at all of its treatment of the instant rate appeal. Administrative law judge Katie Moore Marx has *consciously* repeated the tampering orchestrated by PUC’s attorney Kevin Pierce. Petitioners will not be silent about this injustice and will pursue the matter through the law; writing to Governor Abbott, filing complaints with the Travis County District Attorney, reporting the ALJ to the State Commission on Judicial Conduct, and inviting the media to look into the case.

VIII. PRAYER

(25) The Commission dismisses the ALJ's PFD as questionable, baseless, malicious, unlawful, and punishable.

(26) The Commission removes administrative law judge Katie Moore Marx from the case, for consciously and unlawfully tampering with the facts, evidence, and law. Petitioners will file a Motion to Recuse shortly and report the ALJ to the State Commission on Judicial Conduct.


(27) The Commission remands the instant proceeding (docket no. 56589) and orders that it be referred to the State Office of Administrative Hearings for a thorough examination and a hearing on the merits.

(28) The Commission directs that further consideration of the case be accomplished by a different ALJ.

Katy, Texas on the 23rd day of July 2024.

Respectfully submitted,

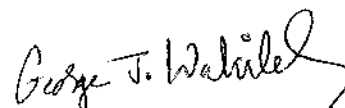
on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 23, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-24 12:10:39 PM

Control Number - 56589

Item Number - 173

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

FORMAL COMPLAINT TO THE COMMISSION AGAINST ALJ KATIE MOORE MARX

Attention: Commission Counsel Shelah Cisneros | Shelah.Cisneros@puc.texas.gov

I. Introduction

(1) This is a formal complaint against administrative law judge (ALJ) Katie Moore Marx for conscious, punishable tampering with docket no. 56589.

(2) The ALJ's baseless Proposal for Decision (PFD) [56589-167] of 7/23/2024 is not the sole basis for the complaint. Other bases are raised. As such, and as evidence of the ALJ's bias, prejudice, intentions, and conscious, malicious efforts to deliver injustice and inflict harm, the officer examining the complaint must consider the ALJ's remarkable treatment of the *entire* docket no. 56589 in addition to the ALJ's rulings.

(3) Pursuant to 16 Texas Administrative Code § 22.3(c)/(e) and Rule 18b(b) of the Texas Rules of Civil Procedure, a judge must recuse in any proceeding in which: (i) The judge's impartiality might reasonably be questioned. (ii) The judge has a personal bias or prejudice concerning the subject matter or a party. Both conditions apply and are invoked.

(4) The failure to recuse when recusal is appropriate is a violation of the Texas Code of Judicial Conduct. In the instant case, the ALJ's failure to recuse rises to the level of disqualification because it impacted petitioners' right to justice, procedural fairness, and a due process.

II. A Questionable, Baseless, Malicious, Unlawful, and Punishable PFD

(5) On 7/23/2024 administrative law judge (ALJ) Katie Moore Marx entered a Proposal for Decision (PFD) [56589-167] proposing to dismiss our petition (rate appeal) of 5/7/2024. Petitioners maintain that the PFD is questionable, baseless, malicious, unlawful, and punishable at best. Petitioners maintain that the ALJ presented herself as biased and prejudiced; wanting to crush a meritorious and compliant rate appeal by arbitrarily denying petitioners justice, consciously misusing the law, and deliberately issuing findings of fact that are indisputably contradicted by a preponderance of the evidence. On 7/23/2024, petitioners filed a brief and exceptions [56589-168] to the PFD pursuant to Texas Government Code § 2001.062(a)(2). On 7/23/2024, petitioners filed a motion to recuse ALJ Katie Moore Marx [56589-169].

III. The ALJ's Absent, Delayed, Reprehensible, Appalling Treatment of Docket No. 56589

(6) If the PFD [56589-167] were to have any credibility, reliability, or legitimacy, why would the ALJ wait on this PFD **eleven (11) weeks** after the petition was filed on May 7, 2024?!

(7) In the brief [56589-166], petitioners wrote:

(17) The Commission's delayed treatment of the instant case is destructive. *Justice delayed is justice denied.* Unconditional disclosure of all information controlled by the Grand Lakes MUDs is crucial for the petitioners and the Commission to examine the case, understand the real financial situation, and stop mismanagement.

(8) Since Grand Lakes Municipal Utility District No. 2 (MUD) filed its frivolous Motion to Dismiss [56589-48] on 6/4/2024, petitioners filed 20 Requests for Information, which were mostly objected to by the MUD. Petitioners followed with fourteen (14) Motions to Compel, the first on 6/28/2024, **none** of which was decided by the ALJ ever since.

(9) Since 6/18/2024, petitioners filed twelve (12) requests and motions, none of which was answered or ever decided by the ALJ.

(10) On 5/21/2024, petitioners filed pursuant to 16 TAC § 24.101(h) a Motion [56589-22] to Establish Interim Rates. Per 7/23/2024, after **nine weeks**, the ALJ has never answered or decided the motion.

IV. A Baseless PFD – Manifestly Deficient and Flawed Findings of Fact

(11) Presentation of wrong, incomplete, misleading, or distorted information and conscious, malicious, reprehensible, punishable exclusion of material facts make the PFD questionable; lacking credibility, reliability, and legitimacy; and drafted in stark defiance of the law.

(12) Under Findings of Fact, the ALJ *consciously* excludes the fact that the contested rate order was announced¹ at the MUD's website on February 19, 2024. Announcement of the governing body's business is the reference point for calculating deadline set by statutes. Ninety days beyond February 19, 2024 is May 19, 2024, meaning that petitioners—by filing of May 7, 2024—have met the 90-day deadline.

(13) Findings of Fact No. 2 is wrong. Grand Lakes MUD No. 2 provides Retail Water Wholesale Water, Retail Wastewater, Drainage, Solid Waste/Garbage, and Security to household users.

(14) Under Findings of Fact No. 3, the ALJ wrote that the MUD passed a rate order on 12/18/2023. Consciously and maliciously, the ALJ **excludes** that said order was not published or made publicly known on 12/18/2023. In fact, that could not have happened because the rate order was not signed until the next

1 The announcement is available at the following link and shows the date February 19, 2024.
<https://www.grandlakesmud2.com/posts/2024-02-19/rate-order-change-notice>

Board Meeting on 1/29/2024. Even then, the Minutes² for the 12/18/2023 Board Meeting were approved and signed on 1/29/2024, but still not published at the MUD’s website until after 2/14/2024. Document properties for the PDF document of the Meeting Minutes show that the papers were scanned on a Canon iR-ADV C7770 printer on 2/14/2024 at 11:35:14AM, such that said Minutes could not have been published at the MUD’s website until after that date/time. Ninety days beyond 2/14/2024 get us to 5/14/2024, meaning that petitioners have met the 90-day deadline having filed the petition on 5/7/2024.

Document Properties

Description	Security	Fonts	Initial View	Custom	Advanced	
Description						
File:	12_18_2024_Minutes_1dc5ea670f.pdf					
Title:						
Author:						
Subject:						
Keywords:						
Created:	2/14/2024 11:35:14 AM					
Modified:						
Application:	Canon iR-ADV C7770 PDF					
Advanced						
PDF Producer:	Adobe PSL 1.3c for Canon					
PDF Version:	1.4 (Acrobat 5.x)					
Location:						
File Size:	396.64 KB (406,155 Bytes)					
Page Size:	8.50 x 11.00 in				Number of Pages:	7
Tagged PDF:	No				Fast Web View:	No

(15) Under Findings of Fact No. 6, the ALJ wrote: “On or about February 26, 2024, legal counsel for Grand Lakes MUD No. 2 revised the rate order to correctly state that the new rates would become effective February 1, 2024.” Consciously and maliciously, the ALJ excluded that the revision is nowhere documented via standard date/revision control schemes; the revision was never publicized; the revision was never made known to the residents/ratepayers through a public announcement; and the revised rate order was **never** voted on anew or signed anew. In fact, such revision is, pursuant to Texas Local Government Code § 180.010(a), criminal tampering with a governmental document. This renders the rate order a voidable action per Texas Government Code § 551.141.

(16) Under Findings of Fact No. 8, the ALJ wrote: “The residents’ appeal was not initiated within 90 days after the effective date of the new rates adopted by the rate order.” Consciously and maliciously, the ALJ omits material facts that make her statement maliciously misleading and distorting. [i] The rate order carried an effective date of February 1, 2023. Is the ALJ attempting to tell that the petition should have been filed by **May 1, 2023** because TWC § 13.043(c) requires that a petition be filed within 90 days after the effective date of the rate change?! [ii] In no democracy on earth can a document that was officially made public on February 19, 2024 demand retroactive effect from February 1, 2024. Even if said order were to carry the correct effective date of February 1, 2024, the rate order could not become effective until February 19, 2024 or beyond because it was first made public (announced) on February 19, 2024.

(17) Under Findings of Fact No. 10, the ALJ continues unwarranted malice through the use of “‘alleged’ violation of the Texas Open Meetings Act.’ The general public is in grave danger when an ALJ at the Public Utility Commission of Texas, who is under an unconditional obligation to respect the apply the law, defies the law (Texas Government Code §§ 551.041, 551.042, and 551.043) through punishable use

2 Now available at https://www.grandlakesmud2.com/static/6f2cd9293360e4a960dc863323b089e7/12_18_2024_Minutes_1dc5ea670f.pdf

of “alleged”. Texas Government Code §§ 551.041 and 551.043 **require** that written notice of governmental body meetings be given. And with a rate increase or any other matter, notice of the MUD’s business **must** be given in advance 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 72 hours in advance; cf. Texas Government Code § 551.043(a).

Texas Government Code § 551.041 Notice of Meeting Required

A governmental body shall give written notice of the date, hour, place, and subject of each meeting held by the governmental body.

Texas Government Code § 551.043 Time and Accessibility of Notice

(a) The notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting, except as provided by Sections 551.044-551.046

Texas Government Code § 551.042 Inquiry Made at Meeting

(a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) ... ; or
- (2)

(b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

Additionally, Texas Government Code, Chapter 551 “Open Meetings” requires water districts with a population of 500 or more to: [i] Post the board’s meeting minutes to the district’s website when one exists (§ 551.1283(c)). [ii] Post to the district’s website financial, operating, budget, and tax rate information (§ 551.1283(d)). Said requirements are applicable to Grand Lakes MUD No. 2, which hosts 682 residences and has a website at <https://www.grandlakesmud2.com/>. The ALJ is obviously biased, prejudiced, and irresponsible when she has the courage to voluntarily use “alleged” in defiance of the law.

(18) Under Findings of Fact No. 11, the ALJ wrote: “On June 28, 2024, Commission Staff expressed its support of Grand Lakes MUD No. 2’s motion to dismiss.” The ALJ **excluded** that: [i] Orchestrated by PUC’s compromised attorney Kevin Pierce, Staff’s recommendation [56589-83] is a conscious criminal act of tampering, fraud, and falsification. [ii] In [56589-86], [56589-87], [56589-88], and [56589-89], petitioners documented indisputable criminality in Pierce’s recommendation. [iii] PUC’s attorney Kevin Pierce had unlawful interaction with MUD’s attorney Jamie Mauldin, in appalling breach of Texas Code of Judicial Conduct, Texas Disciplinary Rules of Professional Conduct, 16 Texas Administrative Code § 22.161(c)(6), and Texas Government Code § 21.013(e)/(f). See paragraph 21 below. [iv] PUC’s attorney Kevin Pierce and MUD’s attorney Jamie Mauldin were reported to the State Bar of Texas, Texas Department of Public Safety – Public Integrity Unit, Travis County’s District Attorney, Austin Police Department, and Office of the Governor of Texas. Petitioners continue to pursue the different complaints and have no doubt that the two attorneys will receive a jail sentence.

(19) Under Findings of Fact No. 12, the ALJ wrote: “On June 28, 2024, Commission Staff expressed its support of Grand Lakes MUD No. 2’s motion to dismiss.” The ALJ fails to explain her unwarranted, unlawful treatment when the MUD’s frivolous motion to dismiss was filed on 6/4/2024 and petitioners responded to the petition via a 25-page brief filed the next day, on 6/5/2024. For **seven weeks** after 6/4/2024, why did the ALJ not call for a hearing on a fraudulent motion to dismiss?

(20) Why did the ALJ end her dubious list of Findings of Fact with the motions to dismiss? Filings in the case did not stop after the MUD’s frivolous motion to dismiss dated 6/4/2024. Further, petitioners responded [56589-88 (6/30/2024)] to Staff’s criminal recommendation [56589-83 (6/28/2024)] to grant the MUD’s motion to dismiss. The ALJ fails to mention that, for **nine weeks**, she did not act on petitioners’: [i] Twelve requests and motions filed since 7/18/2024. [ii] Fourteen Motions to Compel, the first on 6/28/2024, filed in response to the MUD’s objections to petitioners’ RFIs. [iii] Motion [56589-22] to Establish Interim Rates, filed on 5/21/2024 pursuant to 16 TAC § 24.101(h). The ALJ fails to mention the criminal violations (twenty-five emails and a phone call on 5/20/2024 | *see* [56589-124] and paragraph 21 below) involving PUC’s attorney Kevin Pierce and MUD’s attorney Jamie Mauldin.

V. Criminal Violations: PUC’s Attorney Kevin Pierce and MUD’s Attorney Jamie Mauldin

(21) New evidence disclosed on 7/10/2024 [56589-124] showed that PUC’s attorney Kevin Pierce had, during the period May 15 – June 28, twenty-five emails and one phone call (on May 20, 2024) with the MUD’s attorney Jamie Mauldin (Lloyd Gosselink Rochelle Townsend). In the email exchanges, Pierce presented himself as a biased, prejudiced, conflicted, compromised attorney begging for attention; and a secretary to the MUD’s attorneys, alerting them to specific pleadings so that they take action. While his role at the PUCT is to advocate the general public’s interests, Pierce acted as the MUD’s attorney and petitioners’ counterparty, being overjoyed about wanting to unlawfully and fraudulently dismiss a meritorious petition (rate appeal) filed with the Commission. As early as June 5, 2024, attorney Pierce told Mauldin that he was “taking some additional time to make sure everything is airtight.” [56589-124] On June 17, eleven days before delivering his evil, fraudulent, criminal comments [56589-83], attorney Pierce informed Mauldin that he intends to move for dismissal of the petition. Pierce did the same on June 26, two days before filing his comments. Attorney Jamie Mauldin took full advantage of the PUCT’s compromised attorney Kevin Pierce, emailing him on June 17, 2024 and asking: “Do you know yet how your [Subject Matter Experts] SMEs will be commenting on the petition? Give me a call to discuss if you’d like.”

Monday, June 17, 2024 2:31 PM
Kevin,
Thanks for sending. In advance of the deadlines next week (6/29), is there anything we should discuss on procedural schedule? Do you know yet how your SMEs will be commenting on the petition?
Give me a call to discuss if you'd like.
Thanks,
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Monday, June 17, 2024 3:47 PM
Good afternoon Jamie,
Just as a point of clarification the ALJ moved the deadlines to July 1, so we have a little more time to prepare everything. I'm not 100% finished with my review, both on my own and through my reviewers, but I think that we're likely to move for dismissal and therefore not recommend a procedural schedule until the motions to dismiss are addressed.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, June 26, 2024 9:08 AM
Hi Kevin,
I was just looking at my calendar and wanted to confirm that we don't need to confer on scheduling/processing for a filing Monday. I know Staff usually handles that in their recommendation but let me know if you need anything else on that.
Thanks-
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Wednesday, June 26, 2024 12:29 PM
Good afternoon Jamie,
I appreciate you checking in. We don't believe it'll be necessary to discuss a procedural schedule at this time. Subject to some unanticipated, last-minute course-reversal I intend to move for dismissal of the petition, and a procedural schedule would be moot given that motion.
Let me know if you'd like to discuss anything else on this docket.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, May 15, 2024 12:48 PM
... I'm also happy to hop on a call to discuss this docket if there is anything y'all want to discuss at the outset. ...

Wednesday, May 15, 2024 2:11 PM
I'll be available next Monday between 9:30-12, 3-4:30 and Tuesday between 9-10am, 11:30am-3:30pm. Let me know if there's a time that works for you in there.

Wednesday, June 5, 2024 12:15 PM
I wanted to confirm, is GLMUD not contesting the number of valid signatures? I just want to make sure I didn't miss the argument if you made it somewhere. Thank you!

Wednesday, June 5, 2024 12:25 PM
... I hope you'll understand me taking some additional time to make sure everything is airtight and cleared with my leadership team before filing our response. ...

Monday, June 24, 2024 11:13 AM
Let me know if there are any questions or anything you wish to chat about. Thanks!

Wednesday, June 26, 2024 12:28:56 PM
Let me know if you'd like to discuss anything else on this docket.

(22) Despite three formal motions (motion to disqualify, motion for sanctions, and motion for contempt), the ALJ ignored taking action against PUC's attorney Kevin Pierce. The ALJ breached her responsibilities under Canon 3D(2) of the Texas Code of Judicial Conduct.

Canon 3: Performing the Duties of Judicial Office Impartially and Diligently
D. Disciplinary Responsibilities

(2) A judge who receives information clearly establishing that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct should take appropriate action. A judge having knowledge

that a lawyer has committed a violation of the Texas Disciplinary Rules of Professional Conduct that raises a substantial question as to the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the Office of the General Counsel of the State Bar of Texas or take other appropriate action.

VI. A Baseless PFD – Manifestly Deficient and Flawed Conclusions of Law

(23) Under Conclusions of Law No. 5, the ALJ wrote: “Under 16 TAC § 22.181(d)(1), the ALJ may recommend to the Commission that it dismiss a proceeding for lack of jurisdiction.” Invoking 16 TAC § 22.181(d)(1) “lack of Jurisdiction” is baseless and unlawful at best. The Commission has jurisdiction in the case and the 90-day requirement was met as briefly documented under paragraphs 10, 11, 12, and 13 above. If February 19, 2024 (the date the rate order was announced / made public) is considered the reference point for calculating the 90-day deadline, then petitioners met the deadline. But we remind again that the rate order announced on February 19, 2024 carried an effective date of February 1, 2023. The MUD, Commission Staff, and the ALJ **cannot** fantasize, through assumptions and futility, about what the rate order’s real effective date is.

(24) Under Conclusions of Law No. 6, the ALJ wrote: “Under 16 TAC § 22.181(c), this proceeding may be dismissed without a hearing because the facts necessary to support the dismissal are uncontested.” ALJ’s claim that the facts necessary to support the dismissal are uncontested is malicious at best and punishable at worst. Petitioners’ pleadings [56589-49] “Rebuttal and Response to the MUD’s Frivolous Motion to Dismiss” and [56589-88] “Rebuttal of Commission Staff’s Fraudulent Comments on the MUD’s Frivolous Motion to Dismiss” document in great detail the enormity of the false, malicious claim that the facts necessary to support the dismissal are uncontested. In fact, moving to dismiss a meritorious rate appeal is a punishable act of abusing the law with the hope of crushing a case through injustice and covering up wrongdoing.

(25) Under Conclusions of Law No. 8, the ALJ wrote: “This PFD was issued in accordance with Texas Government Code § 2001.062 and 16 TAC § 22.261(a).” Both provisions apply to a **contested** case. But under Conclusions of Law No. 6, the ALJ maliciously claims that the facts necessary to support the dismissal are **uncontested**. The ALJ wrote: “Under 16 TAC § 22.181(c), this proceeding may be dismissed without a hearing because the facts necessary to support the dismissal are uncontested.” How can the facts supporting the dismissal be uncontested when there are 166 filings in the docket by 7/23/2024?! If the facts supporting the dismissal are uncontested, why did the ALJ not grant the MUD’s frivolous Motion to Dismiss [56589-48] of 6/4/2024 shortly after that date?! Why did the ALJ wait seven weeks to come up with this questionable, baseless, unlawful PFD?!

(26) Under Conclusions of Law No. 9, the ALJ wrote: “The residents failed to initiate their appeal within 90 days after the effective date of the rate change, as required by TWC § 13.043(c) and 16 TAC

§ 24.101(b), warranting dismissal of this proceeding under 16 TAC § 22.181(d)(1), for lack of jurisdiction.” This declaratory statement is utterly false; it is baseless; it is malicious; it defies reason, logic, and common sense; it contradicts indisputable facts and evidence. No one on earth can claim that a rate order that was officially announced on February 19, 2024 with an effective date of February 1, 2023, can be assumed to carry an effective date of February 1, 2024 and can be assumed to have been published on February 1, 2024. As such, the ALJ’s insistence that the rate order’s effective date is February 1, 2024, is baseless, malicious, unlawful, and punishable.

VII. A Baseless PFD – Manifestly Deficient and Flawed Ordering Paragraphs

(27) Given the ALJ’s manifestly deficient and flawed Findings of Fact and manifestly deficient and flawed Conclusions of Law, the ALJ’s recommended Ordering Paragraphs lack any and all credibility, reliability, and legitimacy; they are baseless, malicious, unlawful, and punishable.

VIII. Concluding Remarks

(28) The Commission must not be proud at all of its treatment of the instant rate appeal. Administrative law judge Katie Moore Marx has *consciously* repeated the tampering orchestrated by PUC’s attorney Kevin Pierce. Petitioners will not be silent about this injustice and will pursue the matter through the law; writing to Governor Abbott, filing complaints with the Travis County District Attorney, reporting the ALJ to the State Office of Administrative Hearings, and inviting the media to look into the case.

IX. PRAYER

(29) The Commission enacts stringent disciplinary measures against administrative law judge Katie Moore Marx for conscious, punishable tampering with docket no. 56589—a meritorious and compliant rate appeal that impacts 682 residences in Grand Lakes MUD No. 2 and 2,739 residences in the Grand Lakes community. Failure to act means that the Commission endorses injustice and wrongdoing, in which case petitioners will write to Governor Abbott with Commission Chairman Gleeson on copy.

Katy, Texas on the 24th day of July 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record, in addition to Commission Counsel Shelah Cisneros <Shelah.Cisneros@puc.texas.gov>, via e-mail on July 24, 2024.

A handwritten signature in black ink, reading "George J. Wakileh". The signature is written in a cursive style with a long, sweeping tail on the final letter.

George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-07-25 01:41:32 AM

Control Number - 56589

Item Number - 180

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

PETITIONERS REPORTED ALJ KATIE MOORE MARX TO SOAH

(1) On 7/24/2024, petitioners reported administrative law judge (ALJ) Katie Moore Marx to the State Office of Administrative Hearings (SOAH), using the online complaint form.

(2) The Judicial Review procedure pursuant to APA § 2001.176, which petitioners will pursue to secure justice in the case, talks about petitioners' rights being prejudiced because the administrative findings, inferences, conclusions, and decisions are:

- * In violation of statutory provisions.
- * In excess of the agency's statutory authority.
- * Made through unlawful procedure.
- * Affected by errors of law.
- * Not reasonably supported by the reliable and probative evidence in the record.
- * Arbitrary, capricious, based on abuse of discretion, and based on unwarranted exercise of discretion.

(3) ALJ Katie Moore Marx violated every item of those with knowledge, will, and deliberate intent. Petitioners will not remain silent about this treatment and injustice. Put on the stand in the Travis County district court, Commission employees will be asked to explain their voluntary choices to the court.

Katy, Texas on the 25th day of July 2024.

Respectfully submitted,
on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on July 25, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-08-02 09:42:52 AM

Control Number - 56589

Item Number - 194

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

**ALJ KATIE MOORE MARX PUTS THE PUBLIC UTILITY COMMISSION OF TEXAS
IN A POSITION OF CIVIL AND CRIMINAL LIABILITY**

(1) This pleading attaches an email sent to Commission Counsel Shelah Cisneros and Executive Counsel David Gordon, alerting to continued criminal tampering by ALJ Katie Moore Marx. *See* Order No. 11 [56589-189] and our appeal [56589-193].

(2) As we, petitioners and residents, employ APA § 2001.176 and initiate a Judicial Review before a Travis County District Court, the Commission's leadership will be subpoenaed to court and asked the question: "Why did you not act when you became aware of criminal violations being planned and executed by an ALJ who is entrusted to honorably and lawfully assess the facts, administer evidence, apply the law, and secure justice?"

Katy, Texas on the 2nd day of August 2024.

Respectfully submitted,
on behalf of Grand Lakes MUD No. 2 ratepayers



George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record, in addition to Commission Counsel Shelah Cisneros and Executive Counsel David Gordon, via e-mail on August 2, 2024.



George J. Wakileh, Ph.D.

Exhibit

From: Wakileh, George <george.wakileh@gmail.com>
To: Shelah Cisneros <Shelah.Cisneros@puc.texas.gov>; David Gordon <David.Gordon@puc.texas.gov>
Date: Friday, August 2, 2024 9:32 AM
Subject: 56589: ALJ Katie Moore Marx puts the Commission in a position of civil and criminal liability

Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, TX 78701

Att: Commission Counsel Shelah Cisneros
Executive Counsel David Gordon

56589: ALJ Katie Moore Marx puts the Commission in a position of civil and criminal liability

ALJ Katie Moore Marx continues criminal tampering with our case (docket no. 56589), which impacts 682 residences within Grand Lakes MUD No. 2 and 2,739 residences within the Grand Lakes community in Katy, Fort Bend County, Texas.

ALJ Katie Moore Marx has rendered Order No. 9 [56589-176] and Order No. 11 [56589-189] while 16 Texas Administrative Code § 22.3(e)(5) prevents the ALJ from acting in the case due to the motion to recuse [56589-169] pending before the commission. It has to be an SOAH-appointed ALJ who acts in the case until the issue of disqualification is finally decided by the Commission.

In Order No. 11 [56589-189], ALJ Katie Moore Marx rushed to crush many requests and motions which she left with no action since 5/21/2024. ALJ Katie Moore Marx delivered the order on 8/1/2024 at 1:23:32PM; 97 minutes before the deadline for filing exceptions to the PFD. The timing is not accidental at all; it is meant to prevent petitioners' from highlighting the ALJ's criminal violations to the Commission.

ALJ Katie Moore Marx blocked our appeals [56589-178], [56589-187], and [56589-193] against Order Nos. 9, 10, and 11.

ALJ Katie Moore Marx puts the Commission in a position of civil and criminal liability. ALJ Katie Moore Marx is a danger to the Commission; she is a danger to our world. You are alerted to her unlawful, punishable actions. As we, petitioners and residents, employ APA § 2001.176 and initiate a Judicial Review before a Travis County District Court, you will be subpoenaed to court and asked the question: "Why did you not act when you became aware of criminal violations being planned and executed by an ALJ who is entrusted to honorably and lawfully assess the facts, administer evidence, apply the law, and secure justice?"

Sincerely,

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com



Filing Receipt

Filing Date - 2024-08-14 06:46:50 PM

Control Number - 56589

Item Number - 206

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

**PETITIONERS' REBUTTAL OF THE COMMISSION'S MEMO OF 8/14/2024
BY CHAIRMAN THOMAS J. GLEESON, EMAILED TO US AT 2:41PM**

Attention

- Chairman Thomas J. Gleeson		thomas.gleeson@puc.texas.gov
- Commissioner Lori Cobos		lori.cobos@puc.texas.gov
- Commissioner Jimmy Glotfelty		jimmy.glotfelty@puc.texas.gov
- Commissioner Kathleen Jackson		kathleen.jackson@puc.texas.gov
- Commissioner Courtney K. Hjaltman		courtney.hjaltman@puc.texas.gov
- Commission Counsel Shelah Cisneros		shelah.cisneros@puc.texas.gov

(1) This pleading refutes the Commission's Memo of 8/14/2024 by Chairman Thomas J. Gleeson, emailed to us at 2:41pm.

(2) Obviously drafted by a Commission Advising attorney, not by Chairman Gleeson himself, the memo is *enormously* flawed and deficient. The memo continues the Commission's arbitrary, unlawful mishandling of our case. The ratepayers request the Commission to look into our meritorious case with impeccable integrity, morality, and ethics; stop the distortion of facts and exclusion of evidence (what the Commission has repeatedly done thus far); respond to **each and every** point in our Exceptions [56589-192 (8/1/2024)] to the baseless, fraudulent PFD [56589-167 (7/23/2024)]; and apply the law properly.

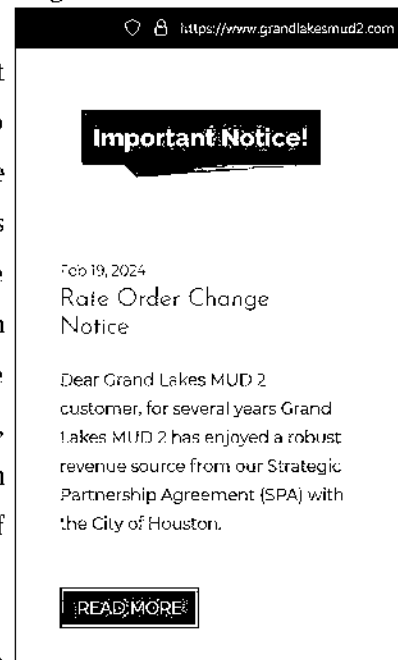
(3) The ratepayers maintain that the Commission's position is *utterly* wrong; that the Commission continues to come up with futile, facile, irrelevant arguments that—in objective and in result—circumvent the law and deny residents/ratepayers justice.

(4) The Public Utility Commission of Texas *must* be shut down if its staff arbitrarily limit the Commission's role under TWC § 13.043 to (*unintended*) text of the statute. The Commission, its commissioners, and its staff must understand the *essence* and *spirit* of the law. This is when smart, innovative, evolutionary application and interpretation of the (essence and spirit of the) law become important. Justice, the law, and the rule of law become fictitious, artificial, and of no use or value had the legislature been so naïve to have meant that the Commission lose jurisdiction even when conscious, criminal tampering with an official governmental document/record is evident and indisputable.

(5) The Commission’s focus on “the effective date of the rate change” is malicious; has no legal basis; and is aimed at facilitating injustice and unlawful dismissal of our petition. The futility in the Commission’s argument is evident by considering a simplistic example—A MUD issues a rate order that increases the water rates by ten times, with an effective date of ten years in the past. The MUD insists that the ratepayers are obliged to retroactively pay the new rates for the past 10 years. The ratepayers appeal to the Commission. According to the Commission’s futile, facile, baseless arguments, the Commission decides that it has no jurisdiction because the rate appeal is filed too late (much later than 90 days beyond 10 years in the past). We all know that such an argument lacks credibility, reliability, and legitimacy and could *not* be trusted by a rational observer, because that is not the essence and spirit of the law; because the legislature is *much* smarter than the Commission thinks.

(6) The Commission’s memo states: “In this proceeding, it is uncontested that the new rates set by the MUD started to be charged on February 1, 2024.” Petitioners remind that the MUD’s enforcement of the new rates as of February 1, 2024 is **at best a lawless act of fraud and criminality**. It is the Commission’s role to protect ratepayers and stop the injustice and fraud. The Commission becomes consciously involved in wrongdoing when refusing to act on wrongdoing brought to its attention.

(7) The Commission’s memo states: “... the ratepayers admit that February 1, 2024 is the “correct effective date” and filed no exceptions to finding of fact 4.” The ratepayers **reject** this statement *vehemently*. The ratepayers did not, and do not, admit that the correct effective date is February 1, 2024. Time and again, the ratepayers stated that the Commission, and the same goes for a court, **cannot** base its rulings on assumptions. Additionally, the ratepayers have repeatedly stated that the rate order **cannot** have a retroactive effect; much like any executive, administrative, or judicial ruling. A rate order that was announced¹ on February 19, 2024 can by no means ever have an effective date of February 1, 2024.



(8) The Commission’s memo revises Findings of Fact No. 6 to state: “On or about February 26, 2024, legal counsel for Grand Lakes MUD No. 2 revised the rate order to state that the new rates would become effective February 1, 2024.” In continuing to intend to dismiss our petition, the Commission would be consciously, arbitrarily, and unlawfully denying ratepayers justice because 90

¹ Available at <https://www.grandlakesmud2.com/posts/2024-02-19/rate-order-change-notice>

days from February 26, 2024 get us to May 26, 2024. By filing on May 7, 2024, the ratepayers have undoubtedly met the 90-day deadline.

(9) The Commission's memo proposes amending Conclusions of Law No. 6 to include "or are established as a matter of law" to the conditions for dismissal of a proceeding without a hearing Under 16 TAC § 22.181(c). Petitioners see this as malicious; aimed at facilitating injustice and unlawful dismissal of our petition. The dismissal of the instant proceeding without a hearing is wrong and unjustified—the facts necessary to support the dismissal are *strongly* contested; the facts necessary to support the dismissal are **not** established as a matter of law. The Commission's attorneys and ALJ are consciously, arbitrarily, and unlawfully distorting the law with the malicious intention of crushing a meritorious rate appeal.

(10) As detailed below, the ratepayers maintain that the Commission has jurisdiction in the instant proceeding because **the MUD's rate order is void on its face** and the MUD had no entitlement to enact, or enforce, such a rate order; such that the Commission has an *unconditional obligation* to declare the rate order null and void.

(11) *First*, the rate order announced on 2/19/2024 carried an effective date of 2/1/2023. Such a rate order cannot be enforced. Neither the MUD nor the Commission can claim or assume that it was just a scrivener's error; it can be forgotten as the effective date should have been 2/1/2024. The Commission's rulings **cannot** be based on assumptions.

(12) *Second*, the rate order was announced on 2/19/2024 but was enforced from 2/1/2024. The order could **not** have retroactive effect. Even if it had a correct effective date, a rate order announced on 2/19/2024 could have been enforced from 2/19/2024 onward; **never** from 2/1/2024.

(13) *Third*, on 2/26/2024 at 9:27:59AM, and as confirmed by her affidavit dated 6/4/2024 [56589-203], paralegal Melia Berry at the MUD's Attorney (the law firm Schwartz Page Harding LLP) tampered with the rate order; changing the effective date from February 1, 2023 [56589-5] to February 1, 2024 [56589-6]. The revision is *nowhere* documented via standard date/revision control schemes. The revision was *never* publicized or made known to the residents/ratepayers through a public announcement. The revised rate order was *never* voted on anew or signed anew. Such a treatment violates Texas Government Code §§ 551.041, 551.042, and 551.043, making the revised rate order a **voidable action** under Texas Government Code § 551.141.

(14) *Fourth*, tampering with a governmental record is a **criminal offense** under Texas Local Government Code §180.010(a) and Texas Penal Code, Title 8, § 37.10.

(15) *Fifth*, the rate order is illegitimate pursuant to Texas Government Code § 551.042. The MUD's governing body is *prohibited* from discussing items/ subjects/ topics/ matters/ issues that are **not** listed on the Agenda for a meeting for which notice was already posted. Item no. 11 "Operation and Maintenance Report" on the Agenda² for the MUD's Board Meeting of 12/18/2023 did **not** give notice for a rate order amendment proposal. Yet, a deliberation of and decision about the subject (rate order amendment proposal) took place at the actual meeting on 12/18/2023. The matter ended up being documented under "OPERATIONS AND MAINTENANCE REPORT" in the Minutes³ for the 12/18/2023 Board Meeting, approved in the next monthly meeting on 1/29/2024. [Later on 2/14/2024 at 11:35:14AM, the Minutes were scanned (converted to a PDF document) on a Canon iR-ADV C7770 copier/printer. The date 2/14/2024, the earliest the Board Meeting Minutes would/could have become public, confirms that the 90-day deadline has been met with the May 7, 2024 filing.] This is a stark violation of 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 subsequent board meeting.

(16) *Sixth*, the rate schedule approved in the MUD's Board Meeting of 12/18/2023 increased the water/ wastewater rates for residential customers *only*, not any other class of customers; making the rate order preferential, discriminatory, and unlawful under Texas Water Code § 13.043(j).

(17) *Seventh*, the rate order is illegitimate, being based on unlawful communications and a meeting in November-December 2023, confirmed through discovery in the instant proceeding (*see* [56589-56], [56589-105], [56589-114], [56589-115]). This is a violation of Texas Government Code § 551.042, whereby the MUD's business must always be discussed, voted on, and approved in regular Board Meetings with quorum established, provided that a 72-hour notice (Texas Government Code §§ 551.041 and 551.043) has been given for the subject in question and the subject became listed on the Agenda for said meeting. Even if the MUD's business were to be permitted outside of Board Meetings, a meeting and/or communication to that effect must be perfected by a quorum of members. If not, such a meeting and/or communication become a **criminal offense** under Texas Government Code § 551.143. In the instant case, the participation of only two (McClusky and Baker) of the MUD's five Board Members in the November-December 2023 email exchanges and meeting on 12/6/2023, constitutes a **criminal offense** under Texas Government Code § 551.143.

2 https://www.grandlakesmud2.com/static/55eb275284eb2d4a0965c6acb4937e7a/12_18_23_Agenda_G1_MUD_2_2eb955c87a.pdf

3 https://www.grandlakesmud2.com/static/6f2cd9293360e4a960dc863323b089e7/12_18_2024_Minutes_1dc5ea670f.pdf

(18) The ratepayers document anew the **criminal coordination** between PUCT's attorney Kevin Pierce and MUD's attorney Jamie Mauldin (Lloyd Gosselink Rochelle Townsend), in appalling breach of Texas Code of Judicial Conduct, Texas Disciplinary Rules of Professional Conduct, 16 Texas Administrative Code § 22.161(c)(6), Texas Government Code § 21.013(e)/(f), Texas Penal Code, Title 8, § 36.04 "Improper Influence" and/or § 39.02 "Abuse of Official Capacity".

Monday, June 17, 2024 2:31 PM

Kevin,
Thanks for sending. In advance of the deadlines next week (6/29), is there anything we should discuss on procedural schedule? Do you know yet how your SMEs will be commenting on the petition?
Give me a call to discuss if you'd like.
Thanks,
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Monday, June 17, 2024 3:47 PM

Good afternoon Jamie,
Just as a point of clarification the ALJ moved the deadlines to July 1, so we have a little more time to prepare everything. I'm not 100% finished with my review, both on my own and through my reviewers, but I think that we're likely to move for dismissal and therefore not recommend a procedural schedule until the motions to dismiss are addressed.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, June 26, 2024 9:08 AM

Hi Kevin,
I was just looking at my calendar and wanted to confirm that we don't need to confer on scheduling/processing for a filing Monday. I know Staff usually handles that in their recommendation but let me know if you need anything else on that.
Thanks-
Jamie [Mauldin]
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.

Wednesday, June 26, 2024 12:29 PM

Good afternoon Jamie,
I appreciate you checking in. We don't believe it'll be necessary to discuss a procedural schedule at this time. Subject to some unanticipated, last-minute course-reversal I intend to move for dismissal of the petition, and a procedural schedule would be moot given that motion.
Let me know if you'd like to discuss anything else on this docket.
Best Regards,
Kevin Pierce
Attorney, Legal Division
Public Utility Commission of Texas

Wednesday, May 15, 2024 12:48 PM

... I'm also happy to hop on a call to discuss this docket if there is anything y'all want to discuss at the outset. ...

Wednesday, May 15, 2024 2:11 PM

I'll be available next Monday between 9:30-12, 3-4:30 and Tuesday between 9-10am, 11:30am-3:30pm. Let me know if there's a time that works for you in there.

Wednesday, June 5, 2024 12:15 PM

I wanted to confirm, is GLMUD not contesting the number of valid signatures? I just want to make sure I didn't miss the argument if you made it somewhere. Thank you!

Wednesday, June 5, 2024 12:25 PM

... I hope you'll understand me taking some additional time to make sure everything is airtight and cleared with my leadership team before filing our response. ...

Monday, June 24, 2024 11:13 AM

Let me know if there are any questions or anything you wish to chat about. Thanks!

Wednesday, June 26, 2024 12:28:56 PM

Let me know if you'd like to discuss anything else on this docket.

(19) The Commission must not, and cannot, be proud of its work and its procedures. The Commission must not, and cannot, be proud of not acting against ALJ Katie Moore Marx or against PUC's attorneys Kevin Pierce / Scott Miles of the Legal Division for conscious criminal falsification of facts and evidence and conscious criminal tampering with the law.

(20) ALJ Katie Moore Marx breached every element of the Texas Code of Judicial Conduct, even if such code is not meant for administrative law judges. Canons 1, 2, and 3 in said code set the standard as to what is expected of any individual entrusted as arbiter of facts, evidence, and law. With knowledge, will, and deliberate intent, ALJ Katie Moore Marx chose to disregard such principles.

Texas Code of Judicial Conduct

Canon 1: Upholding the Integrity and Independence of the Judiciary

Canon 2: Avoiding Impropriety and the Appearance of Impropriety in All of the Judge's Activities

Canon 3: Performing the Duties of Judicial Office Impartially and Diligently

(21) As a lawyer, ALJ Katie Moore Marx breached a good number of the rules of Texas Disciplinary Rules of Professional Conduct—Recitals 1, 4, 5, 8, and 9 in the Preamble and Rules 3.01, 3.02, 3.03, 3.04, 3.05, 4.01, 4.04, 8.03, and 8.04.

Texas Disciplinary Rules of Professional Conduct

Rule 3.01. Meritorious Claims and Contentions

Rule 3.02. Minimizing the Burdens and Delays of Litigation

Rule 3.03. Candor Toward the Tribunal

Rule 3.04. Fairness in Adjudicatory Proceedings

Rule 3.05. Maintaining Impartiality of Tribunal

Rule 4.01. Truthfulness in Statements to Others

Rule 4.04. Respect for Rights of Third Persons

Rule 8.03. Reporting Professional Misconduct

Rule 8.04. Misconduct

(22) Through the Commission's *appalling* treatment of docket no. 56589, ratepayers' / petitioners' rights have been prejudiced and the administrative findings, inferences, conclusions, and decisions are (*see* APA § 2001.176):

- * in violation of a number of statutory provisions;
- * in excess of the agency's statutory authority;
- * made through unlawful procedure;
- * affected by several errors of law;
- * not reasonably supported by the reliable and probative evidence in the record; and
- * arbitrary, capricious, based on abuse of discretion, and based on unwarranted exercise of discretion.

(23) The ratepayers will exhaust the remedies before the PUCT by filing a Motion for Rehearing. After having exhausted all remedies, the ratepayers will, under APA § 2001.176, initiate a Judicial Review before a Travis County District Court, where Chairman Gleeson, Commissioner Cobos, Commissioner Glotfelty, Commissioner Jackson, Commissioner Hjaltman, Commission Counsel Shelah Cisneros, ALJ

Katie Moore Marx, and PUCT's attorneys Kevin Pierce / Scott Miles will be put on the stand and asked to explain to the public their judgment; their conscious choice to exclude evidence and distort facts; and their conscious, arbitrary choice to misinterpret the law and devise new meanings for justice, logic, reason, and common sense.

(24) Against the preceding background: [i] The Commission *must* reverse or remand the case for further proceedings. [ii] By mishandling our case since May 7, 2024 and now—through conscious tampering with the facts, evidence, and law—intending to crush our petition without any hearing, after 100 days of tedious work and some 150 pleadings, the Commission is asked to reimburse the ratepayers' fees, expenses, and time spent refuting the Commission's arbitrary, indifferent, unlawful treatment of our case. Our demands will be brought to a Travis County District Court and we will prevail.

Katy, Texas on the 14th day of August 2024.

Respectfully submitted,
on behalf of Grand Lakes MUD No. 2 ratepayers

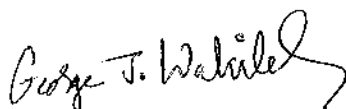


George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record, in addition to Chairman Gleeson, Commissioner Cobos, Commissioner Glotfelty, Commissioner Jackson, Commissioner Hjaltman, and Commission Counsel Shelah Cisneros, via e-mail on August 14, 2024.



George J. Wakileh, Ph.D.



Filing Receipt

Filing Date - 2024-08-20 06:46:52 PM

Control Number - 56589

Item Number - 215

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

RESIDENTS' LETTER TO GOVERNOR GREG ABBOTT

* PUCT Chairman Thomas J. Gleeson	thomas.gleeson@puc.texas.gov
* Commissioner Lori Cobos	lori.cobos@puc.texas.gov
* Commissioner Jimmy Glotfelty	jimmy.glotfelty@puc.texas.gov
* Commissioner Kathleen Jackson	kathleen.jackson@puc.texas.gov
* Commissioner Courtney K. Hjaltman	courtney.hjaltman@puc.texas.gov
* Executive Director Connie Corona	connie.corona@puc.texas.gov
* Commission Counsel Shelah Cisneros	shelah.cisneros@puc.texas.gov

(1) In the aftermath of the PUCT's unlawful treatment of our case, we emailed a letter to Governor Greg Abbott. On copy, we set PUCT's chairman Gleeson; commissioners Cobos, Glotfelty, Jackson, and Hjaltman; and executive director Corona. Gregory S. Davidson, Constituent Communication Director at the Office of the Governor acknowledged receipt of our letter.

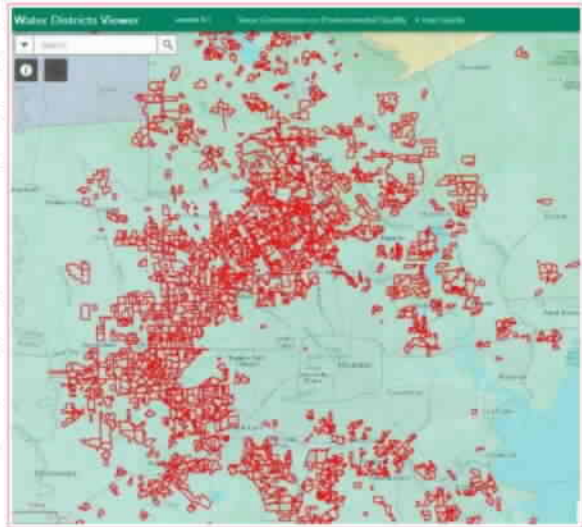
(2) We are exposing the MUDs; what has become a shady private business owned, operated, and exploited to the fullest by greedy, ruthless, lawless, fearless law firms claiming to guide the MUDs as counsels/attorneys. A law firm acting as the MUD's counsel/attorney steers a set of ruthless consultants (a water company, an engineering firm, a bookkeeper, an auditor, a tax assessor/collector, a financial advisor, a sales tax advisor, and a delinquent tax attorney) and uses residents' money to reward complicity—those consultants willing and ready to obey the orders and inflict more injustice on the MUD's residents.

(3) We are concerned about the PUCT's courage to misuse the law, exclude evidence, distort facts, and deliver orders that acquit a guilty MUD and victimize victims of injustice.

(4) A Grand Lakes resident drew my attention to the 2019 film "Dark Waters". The film is based on the NYT Magazine article "The Lawyer Who Became DuPont's Worst Nightmare" by Nathaniel Rich. Though there is no poisoning in the instant case (docket no. 56589), the violations we are experiencing are analogous to what one sees in the film. The MUD is engaged in so much wrongdoing. The PUCT is working hard to victimize the citizens / residents and cover up the Grand Lakes MUDs' criminal (financial and more) violations. The PUCT's position is unlawful and unwarranted. Our case impacts 682 residences served by Grand Lakes MUD No. 2 and 2,739 residences in the Grand Lakes community in Katy, Fort Bend County, Texas.

(5) The absence of state agency oversight is destructive and made the MUDs monstrous empires that have, for so many years, inflicted on residents irreparable damage. Justice before the PUCT at a cost of millions in legal fees is inconceivable. Case processing time before the PUCT extending over years is also inconceivable. The PUCT must be seriously looked at by the Governor's Office, especially when the media, state representatives, and state senators are not talking about the issues we highlighted.

(6) Per the Texas Commission on Environmental Quality (TCEQ), there are 1,416 active districts in the Greater Houston area—a pretty, colorful, but frightening picture. This is why the issue is so important and must get serious and urgent attention.



(7) The PUCT's legal, moral, ethical, and civic obligations, responsibilities, and duties necessitate that it correct its position, respect the law, and secure justice. If not, we are certain that the district court and/or the appellate court will secure justice.

Katy, Texas on the 20th day of August 2024.

Respectfully submitted,

on behalf of Grand Lakes MUD No. 2 ratepayers

George J. Wakileh, Ph.D.
6819 Rosemont Park Ln
Katy, TX 77494-6590
george.wakileh@gmail.com

PUC DOCKET NO. 56589

CERTIFICATE OF SERVICE

I certify that the filing of this pleading is notified to all parties of record via e-mail on August 20, 2024.

George J. Wakileh, Ph.D.