

02-10-2020



David Jetelina
18118 Lakeside Lane
Nassau Bay, Texas 77058
dj@flagshiptec.com
713-825-2372

Andrew Miller
Public Information Officer
San Leon Municipal Utility District
443 24th Street
San Leon, TX 77539

Texas Public Information Act Request

Mr. Miller,

This request to the San Leon Municipal Utilities District (hereinafter the "District") for public information is made pursuant to the Texas Government Code, Title 5, Subtitle A, Chapter 552, Subchapter A, Sect. 552.001, et sec. (hereinafter the "TPIA").

I request that the items listed below be provided in digital PDF format if so created or maintained in that format.

Pursuant to the Texas Public Information Act, as amended, please provide the following public records:

1. A copy of the resolution calling for a public hearing on proposed district tax rate increase passed at the District board meetings on the following dates:

September 16, 2014
August 25, 2015
August 23, 2016
August 15, 2017
August 15, 2018
August 21, 2019

2. A copy of the notice of public hearing for each item listed above.
3. All evidence of compliance with the Texas Water Code Section 49.236(b) for publication and/or notification by mail for items listed above, including affidavits of publication, if any.
4. A copy of the minutes of the District board meeting held on the following dates:

September 16, 2014
February 24, 2015
September 15, 2015

September 27, 2016
September 19, 2017
May 16, 2018
July 18, 2018
September 19, 2018
November 14, 2018
May 15, 2019
September 18, 2019


5. A copy of all resolutions or orders establishing or changing the monthly meeting place of the board of directors issued by the Board since July 1, 2010 pursuant to Texas Water Code Section 49.062(c).
6. A copy of all policies adopted by the District pursuant to Texas Water Code Section 49.199, and any subsequent material alterations thereto including:
 - (1) a code of ethics for district directors, officers, employees, and persons who are engaged in handling investments for the district;
 - (2) a policy relating to travel expenditures;
 - (3) a policy relating to district investments;
 - (4) policies and procedures for selection, monitoring, or review and evaluation of professional services.
7. A copy of the detailed plan for the establishment, maintenance and operation of fire-fighting services including financial requirements submitted to the Executive Director of the Texas Commission for Environmental Quality (TCEQ) pursuant to 49.351(g) & (h), any subsequent material alterations thereto, and all approvals issued by the TCEQ, if any.

In light of the upcoming election, I request that these documents be provided prior to the next regularly scheduled meeting of the Board of Directors scheduled for February 19th, 2020 so that I can ask questions regarding them.

I can be reached at the telephone number listed above. Please advise when these records will be available for pick up at your offices.

Sincerely,

David Jetelina



SAN LEON MUNICIPAL UTILITY DISTRICT
443 24TH STREET
SAN LEON, TEXAS 77539
281-339-1586 FAX: 281-339-1587
EMAIL ADDRESS: slmud1@slmud.org
WEB PAGE: www.slmud.org

March 17, 2020

David Jetelina
18118 Lakeside Lane
Nassau Bay, TX 77058

Dear Mr. Jetelina:

We have received your records request under the Texas Public Information Act, dated February 10, 2020. As previously communicated with you, we work to respond to all open records requests while still maintaining our day-to-day operations with our limited staff, so I appreciate the patience you've exhibited as we've worked towards fulfilling this request. Your request is outlined below, along with our responses and supporting documentation.

1. A copy of the resolution calling for a public hearing on proposed district tax rate increase passed at the District board meetings on the following dates:
 - September 16, 2014
 - August 25, 2015
 - August 23, 2016
 - August 15, 2017
 - August 15, 2018
 - August 21, 2019
 - a. The District publishes what we receive from the county tax assessor, to wit the Notice of Public Hearing included in Item 2 of your request. We have included copies of the minutes of the meeting prior to the public hearing as evidence of Board approval of the public hearing.
2. A copy of the notice of public hearing for each item listed above.
 - a. Attached.
3. All evidence of compliance with the Texas Water Code Section 49.236(b) for publication and/or notification by mail for items listed above, including affidavits of publication, if any.
 - a. Attached.
4. A copy of the minutes of the District board meetings held on the following dates:

September 16, 2014	July 18, 2018
February 24, 2015	September 19, 2018
September 15, 2015	November 14, 2018
September 27, 2016	May 15, 2019
September 19, 2017	September 18, 2019
May 16, 2018	

 - a. Attached.

5. A copy of the resolutions or orders establishing or changing the monthly meeting place of the board of directors issued by the Board since July 1, 2010 pursuant to Texas Water Code Section 49.062(c).
 - a. Texas Water Code Section 49.062(c) is not applicable as it refers to designation of meeting location change as the current location “deprives the residents of a reasonable opportunity to attend district meetings.” The District has always held meetings within the boundaries of the District, at a public place that is easily accessible by the public. The meeting location is always designated in the agenda that is posted ahead of the meeting, in accordance with the required notification period.
6. A copy of all policies adopted by the District pursuant to Texas Water Code Section 49.199, and and subsequent material alterations thereto including:
 - a. A code of ethics for district directors, officers, employees, and persons who are engaged in handling investments for the district
 - i. The District adheres to the Texas Ethics Commission’s “A Guide to Ethics Laws for State Officers and Employees”; a copy has been attached.
 - b. A policy relating to travel expenditures
 - i. Attached.
 - c. A policy relating to district investments
 - i. Attached.
 - d. Policies and procedures for selection, monitoring, or review and evaluation of professional services
 - i. The district complies with all state laws pertaining to selection, monitoring, or review and evaluation of professional services.
7. A copy of the detailed plan for the establishment, maintenance and operation of firefighting services including financial requirements submitted to the Executive Director of the Texas Commission for Environmental Quality (TCEQ) pursuant to 49.351(g) & (h), any subsequent material alterations thereto, and all approvals issued by the TCEQ, if any.
 - a. The detailed plan for the establishment, maintenance, and operation of the firefighting services including financial requirements submitted to the Executive Director of the Texas Commission for Environmental Quality (TCEQ) is a substantial document and we are in the process of obtaining a copy of said document, which we will furnish once available.

If you have any additional questions regarding the matter, please let me know and I will do my best to work with you to come to a satisfying conclusion for your inquiry.

Sincerely,



Andrew Miller
District Manager
San Leon MUD

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, August 19, 2014 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President	John Kelly, Jr. Vice President
Julie Hall, Assistant Secretary	Kenneth Bishop, Director

Not present: Tyson Kennedy, Secretary

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Chris Lane, District's Financial Advisor and Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:31 pm.

Comments from District Residents:

There were no comments from District residents.

Discuss, Consider and Approve a proposed Project at 5th and Ave. J for Mark McKim:

Mark McKim discussed his proposal to upgrade 900 block of 5th, what is called By the Bay (Butlers on the Bay); stated that he took it over and would like to put more cabins behind it and on the other side of the street. His timeline to be completed by mid-December possibly the first of the year. J. Manchaca said we will discuss it with the Districts Engineer and see what the impact will be.

Discuss and Approve Line Extension for 720 18th Street, Mark Corriveau:

Mark Corriveau started the discussion regarding water and sewer line extensions for 720 18th Street. J. Manchaca stated that it is no longer the responsibility of the District. The customer is now responsible for the cost of line extensions and you're 300 feet away from where the nearest main lines. The fees would have to be paid up front before the District installs the line extensions.

Discuss and Possible Approval on changes to Blue Cross Blue Shield, Health Insurance for the

District Employees:

Tabled until next meeting.

Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate:

C. Lane discussed the proposed draft documents. There were four (4) Board members for, one (1) not present and none against setting the 2014 tax rate at \$0.45. Julie Hall made the motion to approve to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Minutes of the Regular Meeting on July 15, 2014:

John Kelly, Jr. made the motion to approve the Minutes of the Regular Meeting on July 15, 2014, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Elevated Storage Tank; received 35 contractors submittals for review, one (1) presented to the Board is the base color for the tank. H. Walker recommends the same color as the buildings. Schier Construction Co. is working on the south entrance access road and submitted pay estimate no. 2 in the amount of \$27,450.00. Sanitary Sewer Improvements; as of July 31st, 93% of the work has been completed. Layne Inliners submitted pay estimate no. 6 in the amount of \$71,694.00 and pay estimate no. 7 in the amount of \$29,160.00. AEI will conduct a final inspection, in which time will take a look at any type of work that needs to be taken care of. TxDOT Drainage Improvements; three (3) bids were opened August 18th and the lowest bid was Statewide Services Inc. in the amount of \$203,150.00 and presented to the Board for review. Rate Analysis; received all of the reports from J. Hoffman and working on the second draft for the next meeting or possibly a workshop. Ken Bishop made the motion to approve of the Engineer's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Discussion of the bid results for TxDOT utility relocations on E. Bayshore and to award a contract:

Ken Bishop made the motion to award the contract for TxDOT utility relocations on Bayshore to Statewide Services Inc. in the amount of \$203,150.00, seconded by Julie Hall. All in favor, motion carried unanimously.

Discuss and Approve of Pay Estimate No. 2 from Schier Construction Company, Inc.:

Ken Bishop made the motion to approve Pay Estimate No. 2 in the amount of \$27,450.00 for Schier Construction Company, Inc., seconded by Julie Hall. All in favor, motion carried unanimously.

Discuss and Approve of Pay Estimate No. 6 for Layne Inliners, LLC Sanitary Sewer Rehab and Pay Est. No 7 for Layne Inliners, LLC for Sanitary Sewer Rehab:

Ken Bishop made the motion to approve Pay Estimate No. 6 in the amount of \$71,694.00 and Pay Estimate No. 7 in the amount of \$29,160.00 for Layne Inliners, LLC, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. K. Keller there is still excess on the GCWA invoice and not happy about it. J. Manchaca said that he is discussing with GCWA regarding the excess, so we should know more soon. The ten (10) inch meter has been installed at the Water Plant. The leak at the Water Plant has been fixed; it was the clamp that was put on about five (5) years ago. There are discussions regarding the line extensions. John Kelly, Jr. made the motion to approve the Field Superintendent's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report:

J. Hoffman presented the Office Manager's Report to the Board. Julie Hall made the motion to approve the Office Manager's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve Two (2) Bids on Galveston County Tax Foreclosure Resale Properties:

Julie Hall made the motion to approve Two (2) Bid Analysis on Tax Foreclosed Resale Property, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Discuss and Approve to Engage Arbitrage Compliance Specialist, Inc. to review the Unlimited Tax Refunding Bonds, Series 2012 and the Unlimited Tax Bonds, Series 2013:

Ken Bishop made the motion to engage Arbitrage Compliance Specialist, Inc. in the amount \$450.00 to review the Unlimited Tax Refunding Bonds, Series 2012 and the Unlimited Tax Bonds, Series 2013, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the September 1, 2014 Renew Contract for Blackboard Connect;

Ken Bishop made the motion to approve to renewal the contract with Blackboard Connect, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Director's Report:

J. Manchaca discussed the new building and said that he received an email from Nichols Foster from with Galveston County, he is the funds administrator; he stated that yes, they did security the additional funds for the District's new office in the amount of \$894,328.00. There was much discussion regarding trash service for the District residents. There were no Director's Report to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas

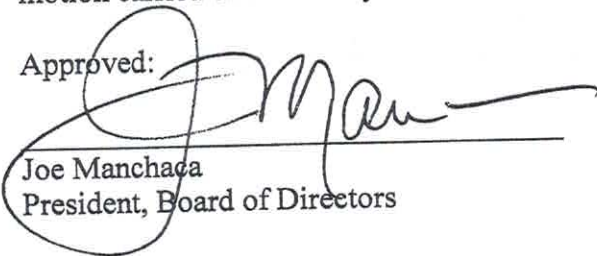
Government Code:

There was no Executive Session.

Adjourn Meeting:

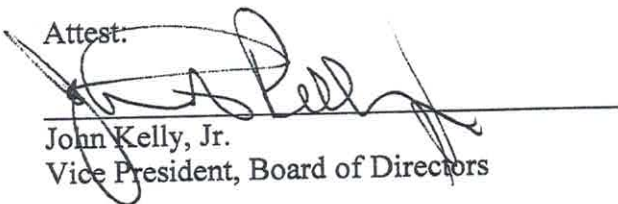
Ken Bishop made the motion to adjourn the meeting at 8:19 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



John Kelly, Jr.
Vice President, Board of Directors

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, August 25, 2015 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President	John Kelly, Jr. Vice President
Tyson Kennedy, Secretary	Julie Hall, Assistant Secretary
Kenneth Bishop, Director	

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Chris Lane, District's Financial Advisor and Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

W. Jakubas said everything is fine except that K. Keller needs to schedule the rest of the work on his sewer valve and everything will be great. K. Keller said that we will get the asphalt and we have a wrench for the valve at the office. There were no other comments from District residents.

Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate;

C. Lane discussed the proposed draft documents. There were five (5) Board members for, none (0) against setting the 2015 tax rate at \$0.45. Ken Bishop made the motion to approve to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Julie Hall. All in favor, motion carried unanimously.

Discuss, Consider and Approve a Proposed Phase 2 Expansion Project at 5th and Ave. J for Mark McKim;

M. McKim stated there is a double wide, a metal building and a two (2) car metal garage. The proposed project will be ten (10) more cabins, similar to the ones recently built behind the apartments on 5th. J. Manchaca said there will be discussion later at this meeting and will not vote on this tonight and will be reviewed and voted on at the next meeting September 15, 2015. Tabled until next meeting.

Discuss, Consider and Approve invoice to Statewide and Pay Estimate No.3 from Statewide;

J. Manchaca started the discussion regarding Statewide's invoice and Pay Estimate No. 3. Mel Allison questioned the invoice from San Leon MUD to Statewide. There was much discussion regarding the invoice for Statewide. Tabled until next meeting.

Approve the Minutes of the Regular Meeting, July 21, 2015;

Julie Hall made the motion to approve the Minutes of the Regular Meeting, July 21, 2015, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Discuss and Approve of Pay Estimates No. 14 from Schier Construction Company, Inc.:

Ken Bishop made the motion to approve of Pay Estimate No. 14 in the amount of \$35,550.00 for Schier Construction Company, Inc., seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. K. Keller said he added an extra page to his report; the monthly water report that accounts for all water usage, leaks and loss. The accountability is down to 6% loss. There was much discussion regarding the billing per thousands and the billing per hundreds. K. Keller said there were two (2) major leaks found that will help the accountability and water loss. There was discussion regarding hiring Samco Leak to locate any and all leaks in the District. John Kelly, Jr. made the motion to approve the Field Superintendent's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve to replace the old Backhoe:

There was much discussion regarding the bids on the backhoe for the District. Bids are inaccurate; K. Keller said he will do more research on these bids. Tabled until next month.

Consider and Approve the Office Manager's Report:

J. Hoffman presented the Office Manager's Report to the Board. Ken Bishop made the motion to approve the Office Manager's Report and Budget Comparison, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Mass Notification for the District:

J. Manchaca stated Blackboard Connect is up for renewal September 1st and the current renewal is \$5,732.13. Michael Freeman with DialMyCalls, presented the mass notification to the Board and stated the amount is \$1.25 annually per household, calls only, email is not a part of it right now. Tabled until next month's meeting.

Discuss and Consider possible New Billing Software for the District:

There is another system that has the mass notification system on it called Tyler Technologies and they charge 10 cent per notification. There was much discussion regarding Tyler Technologies (billing software) and the mass notifications included in Tyler. Julie Hall made the motion to approve of Tyler Technologies for the District's new billing system, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discuss and Approve Changes to Plumbing Policy:

Tyson Kennedy made the motion to change the plumbing policy, seconded by Ken Bishop. All in favor, motion carried unanimously.

Director's Report:

There were no Director's Report to approve.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Statewide; submitted Pay Est. No. 3 in the amount of \$27,432.00 for the remaining work; to date, retainage on this project comes to a total of \$21,184.00. Combined pay estimates totals to \$48,616.00. Elevated Storage Tank; is doing well and has submitted Pay Estimate No. 14 in the amount of \$35,550.00. Waste Water Treatment Plant Flows; from January 2015 through June 2015, the plant exceeded the permitted flow. There was much discussion regarding the total flows for 2015. K. Keller stated that the old plant needs to be rehab to run the overflow. There was discussion regarding the Capital Improvements. The one (1) year warranty is up on the Sanitary Sewer Rehab. Tyson Kennedy made the motion to approve of the Engineer's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 8:46 pm.

Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 9:25 pm and acted on matters discussed in Executive Session.

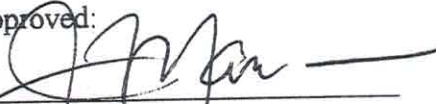
Consider and Approve possible Modification of the Moratorium on R. V. Parks:

There were discussions regarding modification of the Moratorium on R. V. Parks. Ken Bishop made the motion to approve to modify the moratorium to include R. V. Parks, as well as commercial developments to be used as rental property with multi-tenants, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Adjourn Meeting:

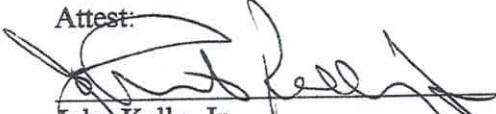
Tyson Kennedy made the motion to adjourn the meeting at 9:27 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



John Kelly, Jr.
President, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, August 23, 2016 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President	Tyson Kennedy, Vice President
Julie Hall, Secretary	Kelly Neason, Asst. Secretary
Kenneth Bishop, Treasurer	

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Chris Lane, District Financial Advisor and Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate:

C. Lane discussed the proposed draft documents. There were five (5) Board members for, none (0) against setting the 2016 tax rate at \$0.45. Julie Hall made the motion to approve to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Ken Bishop. All in favor, motion carried unanimously.

Comments from District Residents:

There were no other comments from District residents.

Consider and Approve a Proposed RV Park at the 900 Blk. of 17th St. for James Skelton:

Mr. Skelton was not at this meeting and this item will be table until next month's meeting.

Approve the Minutes of the Regular Meeting, July 19, 2016:

Tyson Kennedy made the motion to approve the Minutes of the Regular Meeting, July 19, 2016, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Drainage Improvement on Bayshore; one year warranty meeting and everything is still in compliance and the acceptance certificated was submitted to the contractor. Elevated Storage Tank; K. Keller said the part came in, but they are looking for a different connection out near the tank that needs to be made. Manhole at Ave L and 24th; it is still in the design stage. Waste Water Treatment Plant Permit Renewal; moving forward. TCEQ Compliance; there was much discussion regarding the WWTP flows and a letter from TCEQ. Capital Improvement Plan; added the seven (7) manholes discussed in last month's meeting. Update on the Rate Study; still waiting on the financial data from Chris Lane to update the report. Updated spreadsheet on the Series 2013 Bonds is attached to the report. Ken Bishop made the motion to approve of the Engineer's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. Water usage is up and the water loss is going down. There were four (4) water leaks that the field crew repaired. There were discussions regarding the purchase of a new mini excavator. J. Manchaca said to put the new mini excavator on next month's agenda. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report:

J. Hoffman presented the Office Manager's Report to the Board. There were discussions on amending the 2016-2017 Budget. Julie Hall made the motion to approve the Office Manager's Report, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discussion and Approval of Changes to Water Conservation Status in San Leon:

J. Manchaca said the District may need to go mandatory; table this item until next month's meeting

Director's Report:

J. Manchaca said he sent out six (6) letters requesting a proposal on trash pickup for San Leon with a September 1st date and had only one (1) responded; they decline because they were on the other side of Houston. J. Manchaca gave an update on the Incorporation of San Leon. No Director's report to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 7:37 pm.


Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 8:15 pm and acted on matters discussed in Executive Session. There was nothing to approve, discussion only.


Adjourn Meeting:

Kelly Neason made the motion to adjourn the meeting at 8:15 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:


Joe Manchaca
President, Board of Directors

Attest:


Julie Hall
Secretary, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Tuesday, August 15, 2017 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President Julie Hall, Secretary
Kenneth Bishop, Treasurer Kelly Neason, Asst. Secretary

Not Present: Tyson Kennedy, Vice President

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Chris Lane, District's Financial Advisor and Perry Larvin, District's Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Discuss and Approve Action to Services on Buffalo Run:

J. Manchaca stated that this development was originally agreement with the developer was Chuck Jardina & George Willis; they put in a two (2) inch line and were informed back in 2005 that only ten (10) connects could be placed on that line, which is TCEQ requirements. We found where the developer granted an easement to put utilities in there. As a rule the District does not go into private developments to do line extension or upgrades. The lines in question on Buffalo needs to go from a two (2) inch to a six (6) inch. According to the original plans, the easement should be across the back of the properties and the two (2) inch main line in Buffalo was installed in front of the properties. J. Manchaca said what the Board has decided to do and is not our responsibility to do; the District will upgrade that line to a six (6) inch and we will go about 300 feet to supply enough volume and to put in a fire hydrant. Since it is a private road, it will be up to the residents of the subdivision to upgrade the main lines on Buffalo. Amy and Robert Daughtery said that they have talked to the residents and they do not want the line upgraded at this time; if the District requires a signed document from all of the residents, they will get it. Garrick Wydermyer stated that his lot was one of the first that was supposed to get a tap in a letter sent from the District's attorney. There was much discussion regarding the Buffalo Lane subdivision, nothing to approve.

Consider and Approve a Proposed RV Park at 2630/2640 S. FM 517, Summer Breeze:

J. Manchaca stated that Summer Breeze developer presented plans to install six (6) 2,000 gallon holding tanks. J. Manchaca again discussed the capacity issues with the Waste Water Treatment Plant and the District is operating under a signed agreement with TCEQ regarding the capacity issues and very limited on what the District can and cannot do. If the holding tanks are installed in a safe and efficient manner into the ground; the developer will be taking responsible for any spills that may or may not occur and will be dealing with TCEQ, not the District. You need to get approval from the Galveston County Engineer and Health Department. There was much discussion regarding Summerbreeze RV Park. No action was taken.

Comments from District Residents:

S. Gilmore said the District's sign at the spillway is beat up really bad. K. Keller said he will get it replaced. M. Horsaker asked for a copy of the minutes stating the moratorium. J. Manchaca said we will get the District's attorney to send you a copy. There were discussions only nothing to approve.

Consider and Approve a RV Park at 606 9th Street:

L. Cimrhanzel asking the Board if they have approved the RV park at 606 9th. J. Manchaca said that the park has been disconnected for a long time and once it has been off, you would need to make new application and you fall into the same guidelines as these other RV parks until the capacity issues are resolved. No action was taken.

Consider and act on approving Preliminary Official Statement and Notice of Sale, Discuss bond sale date and take any necessary action, Authorize publication of Notice of Sale and Discuss bond sale and take any necessary action:

C. Lane started the discussion with the Official Notice of Sale to the Bond market and the Preliminary Official Statement is about fifty (50) pages and the District will get an electronic version of the statement from now on. C. Lane discussed the Preliminary Official Statement to the Board. C. Lane said that she used Standard and Poors to get the Bond rating; the underwriters are saying that Moody's is doing a better job and have decided to go with Moody's. The District has a tax counsel. C. Lane said the Bond sale date; trying for September 19, 2017. Ken Bishop made the motion to vote to approve the preliminary Official Statement, authorize the Publication Notice of Sale and to approve to Resolution for Requesting Value, seconded by Julie Hall. All in favor, motion carried unanimously.

Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate:

C. Lane discussed the proposed draft documents. There were five (4) Board members for, none (0) against and one (1) not present and setting the 2017 tax rate at \$0.45. Ken Bishop made the motion to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approve the Minutes of the Regular Meeting, July 18, 2017;

Kelly Neason made the motion to approve the Minutes of the Regular Meeting, July 18, 2017, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Series 2017 Bond; earlier discussed. District Connections; District's active and new connections given every month is lacking when it comes to an engineering point of view. Each category uses a different amount of water. H. Walker said from now on AEI be utilizing an equivalent single family in the engineer's reports in the calculations and will be getting an update on all of the connections and usage from J. Hoffman periodically. Waste Water Treatment Plant Inflow and Infiltration; attached to the engineer's report is a spreadsheet for the first and second quarter that has the equivalent single family connections. This spreadsheet gives us a better idea of how much I&I is getting into the collection system and how much closer that the District is to expansion. It appears that we are closer than we thought. Preliminary Engineering Report; regarding waste water treatment plant evaluation, the report will be available by the next Board meeting, which will have options for expansion. TCEQ Agreed Order; talked with the new enforcement coordinator for TCEQ, Christopher Moreno, about requesting an extension on the agreed order for another four (4) years. It should be submitted by September 18. Kelly Neason made the motion to approve of the Engineer's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. There was discussions regarding 1126 9th Street. K. Keller added the monthly tap, water leak repairs and violation reports. Kelly Neason made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report and Budget Comparison:

Janice Hoffman presented the Office Manager's Report and Budget Comparison to the Board. Julie Hall made the motion to approve then Office Manager's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Review and Possible Amendment to Rate Order:

Hold off on raising the rates. Tabled until next month's meeting.

Consider and Approve Reimbursement Resolution from the Bond Funds for I & I Expense:

There was discussions regarding the I and I expense. Ken Bishop made the motion to approve the Reimbursement Resolution for the I and I invoices from the Bond Funds to the Operating Funds in the amount of \$74,606.69, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues to follow up on.

Director's Report:

There was nothing to approve.

Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government


Code:

There was no Executive Session.

Adjourn Meeting:

Kelly Neason made the motion to adjourn the meeting at 8:13 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:


Joe Manchaca
President, Board of Directors

Attest:


Julie Hall
Secretary, Board of Directors

MINUTES OF WORKSHOP/REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in workshop/regular session, Workshop of the Board of Directors of the San Leon Municipal Utility District on Wednesday, August 15, 2018, at 5:00 pm for the Workshop meeting and at 5:30 pm For the Regular Meeting, both open to the public at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President Julie Hall, Secretary
Kenneth Bishop, Treasurer Kelly Neason, Asst. Secretary

Not present: Tyson Kennedy, Vice President

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Chris Lane, District's Financial Advisor and Perry Larvin, District's Security.

Call Workshop Meeting to Order:

Workshop Meeting called to order at 5:00 pm.

Discussion Regarding Commercial Multi Rates:

There were discussions regarding the statutes, the commercial and commercial multi rates. S. DonCarlos said that motels, apartments, r. v. parks and any multi commercial that serves transient that stays multiple nights should be the same rate structure. Table the decision on the commercial multi rates until the next meeting. As for the new residential and commercial rates that the Board approved in the July's meeting; we need to give the residents enough notice regarding the rate change and mail a notice in August, send out a Blackboard message near the end of September 2018 and the town hall meeting September 18th. That should give the residents enough notice for the changes that take effect October 2018 billing for the usage in August 2018.

Discussion Regarding Development Moratorium:

S. DonCarlos said he would like to hear what the Board wants in the wording of the amended moratorium and will draft a resolution for the Board to approve at the next meeting. This would clearly define the moratorium and would suggest in the resolution we have some provision of how administratively we handle the applications that come in. Ken Keller and Andrew Miller sign off on any development that is affected by the moratorium and then brought before the Board for the final approval. Board needs to have a rule in this moratorium that if it is a single family development to have a certain amount that they are allowed to tie on to the District's system. There was discussion regarding the length of the lots, the easements, the county permit office knowledge/communication regarding San Leon MUD rules and to make sure the wording is clearer in the moratorium.

Call Regular Meeting to Order:

Regular Meeting called to order at 5:30 pm.

Consider and Approve a Proposed Development at 200 block of 6th Street Frank Bigunac:

F. Bigunac started the discussion regarding his development on Bayshore and 6th Street. He went to the building department and received a permit for one, then applied for the next four and then for the sixth. F. Bigunac said no one said anything about a moratorium. The four units were almost done and went to the water department and paid for four water connections. The property already had one water and a 6" sewer. J. Manchaca asked what the intentions of the property. F. Bigunac said that he wants to have weekend fishing camp rentals. Sean Welch a representative from the County permit office was asked if he knew of the moratorium and said he did but understood it to be just for r. v. parks. There were discussions regarding the development at 6th and Bayshore. Kelly Neason made the motion to block the commercial development at 200 block of 6th Street, seconded by Julie Hall. Ken Bishop opposed, motion carried.

Comments from District Residents:

There were no comments from District residents.

Consider and Approve the Commercial Multi Rates:

Tabled until next meeting.

Call Public Hearing concerning Adoption of the District Tax Rate and Authorize Publication of Notice of Public Hearing, take Record Vote on Proposed Tax Rate:

C. Lane discussed the proposed draft documents and discussed flipping the debt service rate at \$0.1800 and the O & M rate at \$0.2700 maintaining the tax rate at 0.45; you can always use O & M for debt service but you cannot use debt service for O & M. There were five (4) Board members for, none (0) against and one (1) not present and setting the 2018 tax rate at \$0.45. Julie Hall made the motion to call a public hearing and authorize publication notice of a public hearing for the proposed tax rate, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approve the Minutes of the Regular Meeting, July 18, 2018:

Ken Bishop made the motion to approve the Minutes of the Regular Meeting, July 18, 2018, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. WWTP Expansion; currently working on the site plans. TCEQ Permit Amendment; done with the review process and TCEQ has given the authorization for AEI to advertise. Kelly Neason made the motion to approve the Engineer's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discuss, consider and take action on the replacement of the Wastewater Treatment Plant Emergency Generator:

Ken Bishop made the motion to authorize replacing the generator at the Waste Water Treatment Plant, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss, consider and take action on Flow Monitoring of Inflow and Infiltration in the Wastewater Collection System:

H. Walker discussed the three (3) prior bids for the flow monitoring. Flow monitoring postponed for now.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. K. Keller said the 8% accountability is not correct it should be 5%. The water usage is still high. Next month the contractors are going to be replacing the transmission pipe at the bridge coming into San Leon; we will be sending a notice. There were discussions regarding the repairs to the elevated storage tank. W. Jakubas said the restaurant had sewer backup issues. K. Keller said lightning struck the generator blowing out the automatic transfer switch, which messed up the scada and we did not get a call showing there was something wrong and we had the switch repaired. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report:

GCWA updates; at the Mainland operating meeting there was discussions regarding FEMA reimbursements that they are getting for some of the work they had to do as a result of hurricane Harvey. Currently, they do not have reserve funds in the Northline, Southline, Galveston, Bayshore or WICD 12, any of the projects on there are strictly cash flowed. Since all of the District's portions are prorated through the year on a monthly, a lot of the projects that they need to do on those lines have to be held until the end of the fiscal year. Drought Contingency Plan meeting; the plan will be presented to their Board for a potential vote. Emergency Radios; the District has borrowed radios in the past, but will be getting a quote for radios to purchase so we can have them on hand for emergency situations. Quotes are coming in at about \$3,000 a radio. Harris/Galveston Subsidence District; starting to push addition water conservation. Met with County of Galveston Engineer Department; gave them the verbiage on the District's existing moratorium and are working on any permit they do have, come by our office. J. Manchaca said to send the county a message that any/all applications regarding the moratorium be approved by the Board. No update with TCEQ. Met with H. Walker at the WWTP regarding the fence line needs to be cut down and possibly replace some of the fence lines. Tap fees; to change the fees from \$1,000 to \$1,500 each. Upcoming mailer to be sent out to residents regarding the increase in rates. A resident on 24th had an extra unit; they were notified and they disconnect the extra unit. Town hall meeting is on Tuesday, September 18, 2018. The line extension poll on 20th to see if any of the residents on 20th would like to help with the cost of the extension; came back as a no from all residents. Outstanding receivables; 1360 account that reported in the amount of \$154,000. So far 31 accounts have been paid in the amount of \$2,304.47. TEEEX class regarding wastewater reuse.

Consider and Approve the Office Manager's Report:

Janice Hoffman presented the Office Manager's Report to the Board. Kelly Neason made the motion to approve the Office Manager's Report; seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve changes to the Investment Policy:

Julie Hall made the motion to approve the changes made to the Investment Policy; seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues.

Director's Report:

There were no Directors Reports.

Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government


Code:

There was no Executive Session.

Adjourn Meeting:

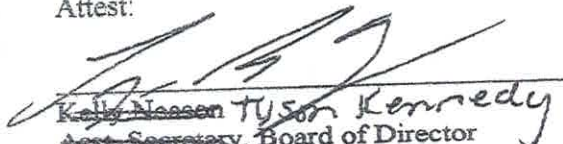
Ken Bishop made the motion to adjourn the meeting at 7:23 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Kelly Neason Tyson Kennedy
Asst. Secretary, Board of Director
Vice Pres

Approve the Minutes of the Regular Meeting for July 17, 2019:

Minutes of the Regular Meeting for July 17, 2019.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Bond Report; had a conversation with Daniel Harrison with TCEQ, he assured that everything was running smoothly on the application and that it has moved out of administration and management reviews, but this afternoon we received a call from management and they had some questions regarding the water capacity. The state criteria is .6 gallons per minute, per single-family connection and the District does use that much every day. Work on the WWTP Generator looks good so far and Costello approves the payment to McDonald Electric for the amount of \$32,124.60.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board.

Consider and Approve the Office Manager's Report:

Janice Hoffman presented the Office Manager's Report to the Board.

Kelly Neason made the motion to approve of the Minutes to the Regular Meeting for July 17, 2019, the Engineer's Report, the Field Superintendent's report and the Office Manager's report, seconded by Keith Gossett. All in favor, motion carried unanimously.

Discuss and Approve of Pay Est. No. 3, from C. F. McDonald Electric Inc.:

Ken Bishop made the motion to approve of the Pay Est. No. 3 from C. F. McDonald Electric in the amount \$32,124.60, seconded by Kelly Neason. All in favor, motion carried unanimously.

Review and Discuss Sludge Haul Proposals:

A. Miller presented to the Board five (5) proposals for sludge haulers. Sludge haul proposals table until next meeting.

Review and Adopt Amended Rate Order:

A. Miller stated on page 2 regarding the PEX plumbing the District already approves PEX plumbing for interior, it should say that the District will approve PEX for exterior plumbing. A. Miller said that we wanted to confirm with the Board how we need to approach multi-commercial accounts; if there needed to be a base rate of \$20.00 plus the \$5.00 per occupied unit. J. Manchaca said that is correct. Keith Gossett made the motion changes to the rate order with the fire department rate changes, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report:

We will be getting the District emergency radios from Galveston County dispatch; they are finishing up the programming. Working with Ken on a solution for Topwater; they are at the end of the waterline, so when the District is flushing lines, they have low to no water pressure. Taps for this month; there were thirty-eight (38) taps requested, twenty-one (21) were available and seventeen (17) were unavailable and quoted for line improvements. Three (3) of the quotes were for r. v. parks. A. Miller said we are evaluating on a case by case bases when there is two-inch (2") water lines that are at the capacity and working with TCEQ about getting variances in certain situations. Working on a street light survey so we can do a night run to see which one needs repairs.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues.

Director's Report:

There were no Directors Reports.

Recess into Executive Session Pursuant to Section 551.0711551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 7:32 p. m.

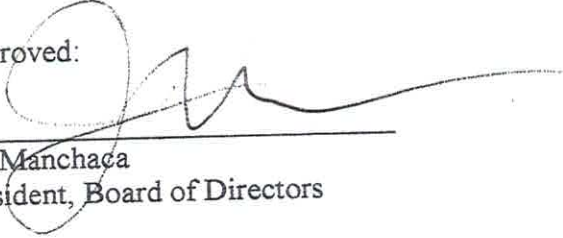
Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 7:39 pm and acted on matters discussed in Executive Session. There were discussions regarding one (1) employee's annual appraisal in Executive Session and the Board agreed on what was discussed. The Board discussed having all of the employee's annuals to be done once a year at the beginning of January. There was nothing approved, discussions only.

Adjourn Meeting:


Keith Gossett made the motion to adjourn the meeting at 7:39 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Keith Gossett
Secretary, Board of Directors

Water District Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public meeting on a proposed tax rate for the tax year 2014 on September 16, 2014 at 6:30 PM at 443 24th St. San Leon, TX. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal:	Joe Manchaca Julie Hall	John Kelly, Jr. Kenneth Bishop
Against the proposal:	None	
Present and not voting:	None	
Absent:	Tyson Kennedy	

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year Adopted	This Year Proposed
Total tax rate (per \$100 of value)	\$0.450000/\$100	\$0.450000/\$100
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average appraised value	\$97,852	
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$9,785	\$100,018 \$10,002
Average taxable value	\$88,067	
Tax on average residence homestead	\$396.30	\$90,016 \$405.07
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-) and percentage of increase (+/-)		\$8.77 2.21%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public hearing on a proposed tax rate for the tax year 2015 on September 15, 2015 at 6:30 PM at their office on 443 24th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal: Joe Manchaca
Julie Hall
Kenneth Bishop
John Kelly, Jr.
Tyson Kennedy

Against the proposal: None

Present and not voting: None

Absent: None

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.450000/\$100 <small>Adopted</small>	\$0.450000/\$100 <small>Proposed</small>
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average appraised value	\$100,837	\$107,189
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$10,084	\$10,719
Average taxable value	\$90,753	\$96,470
Tax on average residence homestead	\$408.39	\$434.12
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-)		\$25.73
and percentage of increase (+/-)		6.30%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

Water District

Notice of Public Hearing on Tax Rate

San Leon Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2016 on September 27, 2016 6:30 p.m. at their offices on 443 24th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal: Joe Manchaca; Julie Hall; Tyson Kennedy;
Kenneth Bishop & Kelly Neason

AGAINST the proposal: None

PRESENT and not voting: None

ABSENT: None

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.45/\$100 Adopted	\$0.45/\$100 Proposed
Difference in rates per \$100 of value	\$0.00/\$100	
Percentage increase/decrease in rates (+/-)	0.00%	
Average appraised value	\$110,192	\$114,733
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$11,019	\$11,473
Average taxable value	\$99,173	\$103,260
Tax on average residence homestead	\$446.28	\$464.67
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	+\$18.39 +4.12%	

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election to be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

The governing body of San Leon MUD proposes to use the tax increase for the purpose of Water and Wastewater Improvements.

Water District Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public hearing on a proposed tax rate for the tax year 2017 on September 19, 2017 at 6:30 PM at 443 24th St. San Leon, TX. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal:	Joe Manchaca	Julie Hall
	Kenneth Bishop	Kelly Neason
Against the proposal:	None	
Present and not voting:	None	
Absent:	Tyson Kennedy	

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.450000/\$100 Adopted	\$0.450000/\$100 Proposed
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average residence homestead appraised value	\$117,200	\$130,862
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)		\$13,086
Average residence homestead taxable value	\$105,480	\$117,776
Tax on average residence homestead	\$474.66	\$529.99
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-)		\$55.33
and percentage of increase (+/-)		11.66%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code

Water District

Notice of Public Hearing on Tax Rate

San Leon Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2018 on September 19, 2018 6:30 p.m. at the San Leon Volunteer Fire Department located at 337 12th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal:	Joe Manchaca; Julie Hall; Kenneth Bishop; Kelly Neason
AGAINST the proposal:	None
PRESENT and not voting:	None
ABSENT:	Tyson Kennedy

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.45/\$100 <small>Adopted</small>	\$0.45/\$100 <small>Proposed</small>
Difference in rates per \$100 of value		\$0.00/\$100
Percentage increase/decrease in rates (+/-)		0.00%
Average appraised value	\$129,612	\$140,697
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$12,961	\$14,070
Average taxable value	\$116,651	\$126,627
Tax on average residence homestead	\$524.93	\$569.82
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)		+\$44.89
and percentage of increase (+/-)		+8.55%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election to be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

The San Leon Municipal Utility District proposes to use the tax increase for the purpose of repairs and maintenance to the utility system.



Cheryl E. Johnson, RTA

Assessor and Collector of Taxes

Galveston County

Galveston County Courthouse

722 Moody Avenue, Galveston, Texas 77550

Toll Free: 877-766-2284 Fax: 409-766-2479 Office: 409-765-3277

Cheryl.E.Johnson@co.galveston.tx.us



September 5, 2014

Ms. Janice Hoffman, Office Manager
San Leon Municipal Utility District
443 24th Street
San Leon, TX 77539

Ref: Ad No. 154548

Dear Ms. Hoffman:

Enclosed please find an affidavit of publication and a copy of an advertisement published on behalf of the San Leon Municipal Utility District in the Galveston County Daily News.

Please issue a check in the amount of \$593.40 payable to the Galveston County Tax Office (GCTO) as reimbursement for this expense. A self-addressed return envelope is enclosed for your convenience. If you have any questions or concerns, please contact me at 409-766-2260 or via email: Debra.Seyfang@co.galveston.tx.us.

Sincerely,

A handwritten signature in cursive script that reads "Debra Seyfang".

Debra Seyfang
Administrative Assistant

A F F I D A V I T

Attachment

County of Galveston §
§
State of Texas §

Before me, the undersigned authority, on this day personally came and appeared **Sandra Villamil**, to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she is an **AGENT** for **THE GALVESTON COUNTY DAILY NEWS**, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston, and that the **NOTICE**, a copy of which is hereto attached was published in said newspaper on the following days, to wit:

August 27, 2014

Sandra Villamil

Agent Signature

Sworn and subscribed before me

On this the 27th day of August, 2014

Melanie Perry

Notary for the State of Texas



Water District Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public meeting on a proposed tax rate for the tax year 2014 on September 16, 2014 at 6:30 PM at 443 24th St. San Leon, TX. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal:	Joe Manchaca Julie Hall	John Kelly, Jr. Kenneth Bishop
Against the proposal:	None	
Present and not voting:	None	
Absent:	Tyson Kennedy	

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year Adopted	This Year Proposed
Total tax rate (per \$100 of value)	\$0.450000/\$100	\$0.450000/\$100
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average appraised value	\$97,852	
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$9,785	\$10,018
Average taxable value	\$88,067	
Tax on average residence homestead	\$396.30	\$90,016
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-) and percentage of increase (+/-)		\$405.07 \$8.77 2.21%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

A F F I D A V I T

Attachment

County of Galveston §

§

State of Texas §

Before me, the undersigned authority, on this day personally came and appeared Sandra Villamil, to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she is an AGENT for THE GALVESTON COUNTY DAILY NEWS, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston; and that the NOTICE, a copy of which is hereto attached was published in said newspaper on the following days, to wit:

September 8, 2015

Sandra Villamil

Agent Signature

Sworn and subscribed before me

On this the 14th day of September, 2015

Melanie Perry

Notary for the State of Texas



Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public hearing on a proposed tax rate for the tax year 2015 on September 15, 2015 at 6:30 PM at their office on 443 24th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal: Joe Manchaca
Julie Hall
Kenneth Bishop

John Kelly, Jr.
Tyson Kennedy

Against the proposal: None

Present and not voting: None

Absent: None

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.450000/\$100 Adopted	\$0.450000/\$100 Proposed
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average appraised value	\$100,837	\$107,189
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$10,084	\$10,719
Average taxable value	\$90,753	\$96,470
Tax on average residence homestead	\$408.39	\$434.12
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-) and percentage of increase (+/-)		\$25.73 6.30%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.



Cheryl E. Johnson, RTA

Assessor and Collector of Taxes
Galveston County

Galveston County Courthouse
722 Moody Avenue, Galveston, Texas 77550
Toll Free: 877-766-2284 Fax: 409-766-2479 Office: 409-765-3277
Cheryl.E.Johnson@co.galveston.tx.us



September 22, 2016

Ms. Janice Hoffman, Office Manager
San Leon Municipal Utility District
443 24th St
San Leon, TX 77539

Ref: Ad# 197119

Dear Ms. Hoffman,

Enclosed please find an affidavit of publication and a copy of the advertisement published on behalf of the San Leon Municipal District in the Galveston County Daily News.

Please issue a check in the amount of \$593.40 payable to the Galveston County Tax Office (GCTO) as reimbursement for this expense. A self-addressed return envelope is enclosed for your convenience. If you have any questions or concerns, please contact me at 409-766-2260 or via email: teri-jo.janik@co.galveston.tx.us.

Sincerely,

A handwritten signature in cursive script that reads "Teri Janik".

Teri Janik
Administrative Assistant

Encl.

A F F I D A V I T

Attachment

County of Galveston §

§

State of Texas §

Before me, the undersigned authority, on this day personally came and appeared **Kadie Rowe**, to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she/he is an **AGENT** for **THE GALVESTON COUNTY DAILY NEWS**, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston, and that the **NOTICE**, a copy of which is hereto attached was published in said newspaper on the following day to wit:

SEPTEMBER 15, 2016

Kadie Rowe
Agent Signature

Sworn and subscribed before me

On this the 16th day of September, 2016.

Melanie Perry

Notary for the State of Texas



Water District

Notice of Public Hearing on Tax Rate

San Leon Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2016 on September 27, 2016 6:30 p.m. at their offices on 443 24th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal: Joe Manchaca; Julie Hall; Tyson Kennedy;
Kenneth Bishop & Kelly Neason

AGAINST the proposal: None

PRESENT and not voting: None

ABSENT: None

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.45/\$100 Adopted	\$0.45/\$100 Proposed
Difference in rates per \$100 of value		\$0.00/\$100
Percentage increase/decrease in rates (+/-)		0.00%
Average appraised value	\$110,192	\$114,733
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$11,019	\$11,473
Average taxable value	\$99,173	\$103,260
Tax on average residence homestead	\$446.28	\$464.67
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)		+\$18.39 +4.12%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election to be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

The governing body of San Leon MUD proposes to use the tax increase for the purpose of Water and Wastewater Improvements.



Cheryl E. Johnson, RTA

Assessor and Collector of Taxes

Galveston County

Galveston County Courthouse

722 Moody Avenue, Galveston, Texas 77550

Toll Free: 877-766-2284 Fax: 409-766-2479 Office: 409-765-3277

Cheryl.E.Johnson@co.galveston.tx.us



September 29, 2017

Ms. Janice Hoffman, Office Manager
San Leon Municipal Utility District
443 24th St
San Leon, TX 77539

Ref: Ad# 255105

Dear Ms. Hoffman,

Enclosed please find an affidavit of publication and a copy of the advertisement published on behalf of the San Leon Municipal District in the Galveston County Daily News.

Please issue a check in the amount of \$593.40 payable to the Galveston County Tax Office (GCTO) as reimbursement for this expense. A self-addressed return envelope is enclosed for your convenience. If you have any questions or concerns, please contact me at 409-766-2260 or via email: teri-janik@co.galveston.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Teri Janik".

Teri Janik

Administrative Assistant

Encl.

A F F I D A V I T

Attachment


County of Galveston §

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State of Texas §

Before me, the undersigned authority, on this day personally came and appeared Donna Rhoades to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she/he is an **AGENT** for **THE GALVESTON COUNTY DAILY NEWS**, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston, and that the **NOTICE**, a copy of which is hereto attached was published in said newspaper on the following day to wit:

SEPTEMBER 11 2017



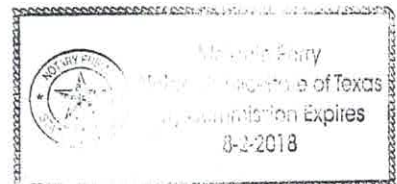
Agent Signature

Sworn and subscribed before me

On this the 30th day of SEPTEMBER, 2017.



Notary for the State of Texas



Water District Notice of Public Hearing on Tax Rate

The San Leon MUD will hold a public hearing on a proposed tax rate for the tax year 2017 on September 19, 2017 at 6:30 PM at 443 24th St. San Leon, TX. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal:	Joe Manchaca	Julie Hall
	Kenneth Bishop	Kelly Neason
Against the proposal:	None	
Present and not voting:	None	
Absent:	Tyson Kennedy	

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.450000/\$100 Adopted	\$0.450000/\$100 Proposed
Difference in rates per \$100 of value		\$0.000000
Percentage increase/decrease in rates(+/-)		0.00%
Average residence homestead appraised value	\$117,200	\$130,862
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$11,720	\$13,086
Average residence homestead taxable value	\$105,480	\$117,776
Tax on average residence homestead	\$474.66	\$529.99
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-)		\$55.33
and percentage of increase (+/-)		11.66%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code

A F F I D A V I T

Attachment

County of Galveston §
§
State of Texas §

Before me, the undersigned authority, on this day personally came and appeared, Donna Rhoades, to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she/he is an **AGENT** for **THE GALVESTON COUNTY DAILY NEWS**, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston, and that the **NOTICE**, a copy of which is hereto attached was published in said newspaper on the following day to wit:

SEPTEMBER 11, 2018

[Handwritten Signature]

Agent Signature

Sworn and subscribed before me

On this the 12th day of SEPTEMBER, 2018.

[Handwritten Signature]

Notary for the State of Texas



Water District

Notice of Public Hearing on Tax Rate

San Leon Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2018 on September 19, 2018 6:30 p.m. at the San Leon Volunteer Fire Department located at 337 12th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal:	Joe Manchaca; Julie Hall; Kenneth Bishop; Kelly Neason
AGAINST the proposal:	None
PRESENT and not voting:	None
ABSENT:	Tyson Kennedy

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$0.45/\$100 <small>Adopted</small>	\$0.45/\$100 <small>Proposed</small>
Difference in rates per \$100 of value	\$0.00/\$100	
Percentage increase/decrease in rates (+/-)	0.00%	
Average appraised value	\$129,612	\$140,697
General exemptions available (excluding senior citizen's or disabled person's exemptions)	\$12,961	\$14,070
Average taxable value	\$116,651	\$126,627
Tax on average residence homestead	\$524.93	\$569.82
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)	+\$44.89	
and percentage of increase (+/-)	+8.55%	

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the district by petition may require that an election to be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

The San Leon Municipal Utility District proposes to use the tax increase for the purpose of repairs and maintenance to the utility system.



Cheryl E. Johnson, PCC
Assessor and Collector of Taxes
County of Galveston

722 Moody Avenue, Galveston, Texas 77550
Toll Free (877) 766-2284 Fax: (409) 766-2479
Email: galcotax@co.galveston.tx.us



September 17, 2019

Ms. Janice Hoffman, Office Manager
San Leon Municipal Utility District
443 24th St.
San Leon, Texas 77539

Ref: Ad# 637176

Dear Ms. Hoffman

Enclosed please find an affidavit of publication and a copy of the advertisement published on behalf of the San Leon Municipal Utility District in the Galveston County Daily News.

Please issue a check in the amount of \$593.40 payable to the Galveston County Tax Office (GCTO) as reimbursement for this expense. A self-addressed return envelope is enclosed for your convenience. If you have any questions or concerns, please contact me at 409-766-2260 or via email: kimberlee.hall@galvestoncountytexas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberlee Hall".

Kimberlee Hall
Administrative Assistant

Enclosures

A F F I D A V I T

Attachment

County of Galveston §

§

State of Texas §

Before me, the undersigned authority, on this day personally came and appeared, Donna Rhoades, to me well known (or proved to me on the basis of satisfactory evidence), and who after being duly sworn (affirmed) did depose and say that she/he is an **AGENT** for **THE GALVESTON COUNTY DAILY NEWS**, a newspaper of general circulation, which has been continuously and regularly published for a period of not less than one year, in the County of Galveston, and that the **NOTICE**, a copy of which is hereto attached was published in said newspaper on the following day to wit:

9/10/19

[Handwritten Signature]

Agent Signature

Sworn and subscribed before me

On this the 13th day of September, 2019

[Handwritten Signature]

Notary for the State of Texas



Water District Notice of Public Hearing on Tax Rate

The San Leon Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2019 on September 18, 2019 at 6:30 PM at San Leon Volunteer Fire Department, 337 12th Street, San Leon, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

For the proposal: Joe Manchaca Kelly Neason
Keith Gossett Ken Bishop

Against the proposal: None

Present and not voting: None

Absent: Tyson Kennedy

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year Adopted	This Year Proposed
Total tax rate (per \$100 of value)	\$0.450000/\$100	\$0.630000/\$100
Difference in rates per \$100 of value		\$0.180000
Percentage increase/decrease in rates (+/-)		40.00%
Average residence homestead appraised value	\$140,697	\$150,884
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$14,070	\$15,088
Average residence homestead taxable value	\$126,627	\$135,796
Tax on average residence homestead	\$569.82	\$855.51
Annual increase/decrease in taxes if proposed tax rate is adopted(+/-)and percentage of increase (+/-)		\$285.69 50.14%

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

The San Leon Municipal Utility District proposes to use the tax increase for the purpose of paying debt service on bonds approved by the voters in 2019 for a new wastewater plant and other system improvements.

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, September 16, 2014 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President
Tyson Kennedy, Secretary
Kenneth Bishop, Director

John Kelly, Jr. Vice President
Julie Hall, Assistant Secretary

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Timothy Applewhite, District's Auditor, Oscar Gutierrez & Eric Gutierrez, Commercial Benefits and Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:31 pm.

Comments from District Residents:

There was a resident who asked about an individual RV. J. Manchaca said if you have an individual RV that you are going to live and you have the proper credentials, permits and blocked and raised to what the county specifies, run the water and sewer lines in compliance with the District and have K. Keller inspect and pass it you should be fine. There were no other comments from District residents.

Consider and Discuss Waste/Trash Service for the District Customers:

J. Manchaca started the discussion regarding the trash service; members of the Board were approached with the request to look into trash service as a community wide program. K. Bishop was responsible for getting the bids and information from several companies in the area. It has been discussed at two (2) separate meetings that information would be gathered, summarize it in categories and then making it public to the residents by sending it out in the bills, newspaper, blackboard and/or a separate mailer. We would then solicit responses from the community; are you interest in this, if you are, which one of these options you would be in favor of. The Board would give adequate time to respond to this and the decision will be the residents. Jerald Brown stated that this will be taking the residents right of choice. Carol Hardy stated that she does not have enough garbage to have this service and says she takes her garbage to work with her once a week. There was much discussion regard waste/trash service for the District. There was nothing to approve, discussion only.

Discuss, Consider and Approve a proposed Project at 5th and Ave. J for Mark McKim:

There was discussion regarding Mark McKim proposal to upgrade 900 block of 5th, what is called By the Bay (Butlers on the Bay); stated that he took it over and would like to put more cabins behind it and on the other side of the street. J. Manchaca stated the usage history for this location shows that there will not be an impact on the District. Julie Hall made the motion to approve of Mark McKim's proposed project at the 900 block of 5th, seconded by Ken Bishop. All in favor, motion carried unanimously.

Conduct a Public Hearing concerning Adoption of the District Tax Rate:

Public hearing open, J. Manchaca asked if there were any comments or suggestions. J. Manchaca said he had talked with C. Lane regarding the taxpayer rollback and C. Lane stated that the District is in line and no problems there. There were no other comments or suggestions regarding the Tax Rate.

Close Public Hearing:

Closed Public Hearing.

Adopt a District Tax Rate for 2014/2015:

There were five (5) Board members voted for it and none against setting the 2014/2015 tax rate to stay with the present tax rate of \$0.45. Ken Bishop made the motion to adopt the 2014/2015 tax rate to stay the same as last years, seconded by Julie Hall. All in favor, motion carried unanimously.

Discuss and Possible Approval on changes to Blue Cross Blue Shield, Health Insurance for the

District Employees:

O. Gutierrez said that Blue Cross Blue Shield still remains the most competitive company in the market. They have given the District an 11% rate increase and from the 11%, 4% of that is the Affordable Care Act. E. Gutierrez discussed some of the changes for this and next year and recommend that the District stick with the insurance we have now. By sticking with the RSE1 you have 11 1/2 % rate increase. E. Gutierrez discussed the Affordable Care Act plans that you would have to pay per member of your family and according to their age. If the District goes with the Affordable Care Act plan, you would have approximately 27% rate increase. No matter what, the District will have to go the Affordable Care Act plan. T. Kennedy said in a year and that will increase our rates. E. Gutierrez said not necessarily, it depends on the claims as to what happens over the year on the rates. Tyson Kennedy made the motion to approve of the employee health insurance, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Consider and Approve Audit for Fiscal Year End June 30, 2014:

T. Applewhite, the District's Auditor explained the audit to the Board. There were discussions regarding the Audit. There were discussions regarding the second page of the Independent Auditors Report, about the internal control. J. Manchaca stated the large amount in repairs and maintenance was the meter upgrades and should go to capital asset. T. Applewhite said we don't capitalize those because each individual meter is only \$150, we would be putting it on the books 2500 times a \$150 per meter. T. Kennedy said can we add something showing, like an asterisk or a new line item. J. Manchaca discussed the budget. Tyson Kennedy made the motion to approve the Audit for Fiscal Year Ending June 30, 2014 with the asterisk addition to page 31, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Minutes of the Regular Meeting on August 19, 2014:

Julie Hall made the motion to approve the Minutes of the Regular Meeting on August 19, 2014, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report, the Pay Estimate No. 3 from Schier Construction Company, Inc. and Pay Estimate No 8 for Layne Inliners, LLC for Sanitary Sewer Rehab:

Hal Walker presented the Engineer's Report to the Board. Elevated Storage Tank; Schier Construction has begun working on the piling system for the last week and continuing this week. They have submitted Pay Estimate No. 3 in the amount of \$3,600.00; this represents partial work, mostly for permits and fees. Sanitary Sewer Improvements; the contractor has completed the rehabilitation and submitted all of the required documents, including "As-built" drawings. Only the one (1) year warranty work still remains to be performed and that will be done next year. Layne Inliners has submitted Pay Estimate No. 8 and the final one, in the amount \$99,590.10. TxDOT Drainage Improvements; we notified Statewide and we have received the contracts, but are waiting for the bonds and insurance. The Rate Analysis; would like the opportunity to present the second draft at a workshop at the Boards discretion. There were discussions regarding the date for the workshop; set the date for the day of the regular meeting at 5:00 pm on the 14th of October. John Kelly, Jr. made the motion to approve of the Engineer's Report, Pay Estimate No. 3 in the amount of \$3,600.00 for Schier Construction Company, Inc. and Pay Estimate No. 8 in the amount of \$99,590.10 for Layne Inliners, LLC, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. K. Keller started the discussion regarding the water usage, the 10 inch meter reading that was installed. There was discussion regarding the drought stage 2 being lifted and the drought contingency. K. Keller said we just had a lot of rain and the only lift station that filled up was 24th and Ave. D. Manhole inspections are being done this month. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report:

J. Hoffman presented the Office Manager's Report to the Board. Ken Bishop made the motion to approve the Office Manager's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Director's Report:

There were no Director's Report to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 8:15 pm.


Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 8:45 pm and acted on matters discussed in Executive Session. There was nothing to approve, discussions only.

Adjourn Meeting:

Ken Bishop made the motion to adjourn the meeting at 8:45 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Tyson Kennedy
Secretary, Board of Directors

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, February 24, 2015 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President	John Kelly, Jr. Vice President
Tyson Kennedy, Secretary	Julie Hall, Assistant Secretary
Kenneth Bishop, Director	

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

There were no other comments from District residents.

Discuss, Consider and Approve a proposed Project at 29th and Broadway for Steve Meadows:

Steve Meadows was not present. J. Manchaca said there will be no action on this item until he appears before the Board and will not approve any of the development at 29th and Broadway until the Board has heard something from Texas City and Galveston Count in writing. The District is concerned with the drainage. There were discussions regarding the development at 29th and Broadway. This item is tabled.

Discuss, Consider and Approve a proposed Project at 24th and FM 517 for Travis Hedemann:

Steven Clark/Travis Hedemann presented the subdivision proposal at 24th and FM 517 to the Board. J. Manchaca asked if they brought this to the County Engineer and is this a housing development only; not an R. V. Park. S. Clark said they went to the County and received documentation and verbal from Mike Fitzgerald and that this is a housing development not an R. V. Park; it will be put into the buyers contract. J. Manchaca said there needs to be written approval from the county and from TxDOT. H. Walker and K. Keller will have to approve the water, sewer lines and the easements. There was much discussion regarding the proposed development at 24th and FM 517. J. Manchaca said the Board will cooperate and you will have to supply the District a copy of the buyer's contract/agreement.

Discussion regarding San Leon Volunteer Fire Dept. annual report:

Chief J. Pittman with the San Leon Volunteer Fire Department, present the annual report to the Board; 963 calls made last year, just under 10,000 hours of training, averaging around 30 members and community services. Changed the bylaws last year because the last time it was amended was in 1992 and needed to be updated. J. Pittman said that there has never been an actual budget; the goal is to have it done at the end of the year. J. Pittman stated that they are at a point to start looking for a new truck. Looking into having a citizen's academy June or July. There were only discussions, nothing to approve.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. The 16% water loss was due to leaks. Installed five (5) taps and several still left to do; more taps are coming in fast. The cameras were installed to monitor the tower site due to the burglary of contractor's property (fan, copper wire and a generator).

A roll gate was installed at the Broadway entrance, the lock was cut to get into the property. The contractors on Bayshore installed three (3) hydrants; they did a 90 on a 2" connection on 10th in front of Radio City and it blew off right after the contractors left the location and water ran all night long. Tyson Kennedy made the motion to approve the Field Superintendent's Report, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Discussion regarding presentation of the Art Project for the District's new Elevated Storage Tank from Rod Clifton;

R. Clifton update the Board regarding the Art Project for the Elevated Storage Tank. Received a letter from Joey Thomas at Phoenix. Things are moving ahead and going according to plans. The art time schedule is possibly 20-30 days (4 weeks). Schier needs a schedule of when the art work will be done, to be able to work around it. There will be three (3) protective coats of paint done from beginning in April to the end in May. There was discussion regarding the artist, the paint and the cost for the art project. There as much discussion regarding the Art Project for the Elevated Storage Tank. There was nothing to approve.

Approve the Minutes of the Regular Meeting on January 20, 2015;

Ken Bishop made the motion to approve the Minutes of the Regular Meeting on January 20, 2015, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. TxDOT Drainage Improvements on Bayshore; Statewide is still on site and testing the lines before they make the cross connections back into it. 3K's; waiting for notification from K. Keller on the repair to 150 feet section of line. Elevated Storage; Contractors have completed pedestal and it now working on the dome. Schier has submitted Pay Estimate No. 8 in the amount of \$229,320.00. The electrical change order schedule of values is attached to the report. There were discussions regarding the electrical change order from the contractors. Capital Improvement Plan; H. Walker discussed the Capital Improvements Plan recommended to the Board at last month's meeting. Series 2013 Bond fund use spreadsheet attached to the report. Tyson Kennedy made the motion to approve of the Engineer's Report, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Discuss and Approve of Pay Estimate No. 8 from Schier Construction Company, Inc.;

Ken Bishop made the motion to approve of Pay Estimate No. 8 in the amount of \$229,320.00 for Schier Construction Company, Inc., seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report and Budget Comparison;

J. Hoffman presented the Office Manager's Report and Budget Comparison to the Board. Ken Bishop made the motion to approve the Office Manager's Report and Budget Comparison, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Director's Report;

There were no Director's Report to approve.


Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code;

There was no Executive Session.

Adjourn Meeting;

Ken Bishop made the motion to adjourn the meeting at 8:33 pm, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Approved:


John Kelly, Jr.
Vice President, Board of Directors

Attest:


Tyson Kennedy
Secretary, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors (the "Board") of the San Leon Municipal Utility District (the "District") met in regular session, open to the public, on Tuesday, September 15, 2015 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following duly-elected members of the Board were present, to-wit:

Joe Manchaca, President	John Kelly, Jr. Vice President
Julie Hall, Assistant Secretary	Kenneth Bishop, Director

Not present: Tyson Kennedy, Secretary

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, and Perry Larvin, Security.

Not present: Chris Lane, District's Financial Advisor

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

Sheila Gilmore said she is here as a representative of the Homeowners Assoc. for Edwards Landing and she started the discussion regarding the drainage and the District's main water line in Edwards Landing. The Edward Landing Homeowners Assoc. would like to install a bulkhead to repair the drainage ditch where the mail boxes are. R. Clifton started a discussion regard the encroachment of the right-a-ways, especially at 100 block of 3rd street where the resident put up a fence. There were no other comments from District residents.

Conduct a Public Hearing concerning Adoption of the District Tax Rate:

Public hearing open, J. Manchaca asked if there were any comments or suggestions. There were no other comments or suggestions regarding the Tax Rate.

Close Public Hearing:

Closed Public Hearing.

Adopt a District Tax Rate for 2015/2016:

Ken Bishop made the motion to adopt the 2015/2016 tax rate to stay the same as last years, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve Audit for Fiscal Year End June 30, 2015:

T. Applewhite, the District's Auditor explained the audit to the Board. John Kelly, Jr. made the motion to approve the Audit for Fiscal Year Ending June 30, 2015, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discuss, Consider and Approve a Proposed Phase 2 Expansion Project at 5th and Ave. J for Mark McKim;

J. Manchaca stated discuss and consider the expansion of McKim's project on 6th and Ave J; the Board voted in last month's meeting to modify the moratorium to include projects such as McKim's until the water tower is fully functional and there is an acceptable solution to the sewer plant capacities issue. There was nothing to approve, discussions only.

Discuss, Consider and Approve invoice to Statewide and Pay Estimate No.3 from Statewide; Statewide's attorney submitted a letter to the District regarding the unpaid pay estimates and it was forward to Steve DonCarlos (District's Attorney). There was nothing to approve, discussions only. Tabled.

Approve the Minutes of the Regular Meeting, August 25, 2015;

Julie Hall made the motion to approve the Minutes of the Regular Meeting, August 25, 2015, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. Statewide was mentioned in an item earlier discussed. Elevated Storage Tank: Schier has submitted Pay Estimate No. 15 in the amount of \$97,650.00. AEI recommends payment. Regarding Pay Estimate No. 13 from Schier: H. walker said AEI made recommendations to pay and the Board approved and made a payment. However, there was an item included that pay estimate, bid item number 5, which was for painting the logo/name on the tank in the amount of \$2500.00 that should not have been included. Schier's explanation of this is that since the District was painting the logo on their own that means they had to pull off site and there was some demobilization of their equipment and work personal and then mobilizing back on to do the work. Schier said that was clearly understood and everyone agreed. H. Walker said no one agreed to that. Schier sent a letter from Phoenix to AEI talking about what they required, which was nothing more than, when you move in just give us notice. There was no discussion in that letter about mobilization and the Board agreeing with it. Schier states because of the delay they want another (30) thirty days extended in the contract. AEI disagreed with this and is not in our procedure. If it was approved and everyone agreed, there would be a change order, but that is not what happened. Mobilization does cost and could be higher than the \$2,500.00. The Board has the option to determine whether or not to go ahead and back approve what has already been paid in Pay Estimate No. 13, which means that the \$2,500.00 can be used for the cost for compensation, or we can tell the contractor that the District wants a credit for that item and then proceed with a change order. All of the Board agreed to send a letter to Schier to accept the \$2,500.00 as being compensation for demobilization. There were much discussions regarding the Treatment Plant flows and violation letter from TCEQ. Workshop needed for discussion of Capital Improvements Project, the flows and repair to the Treatment Plant. The Sanitary Sewer Rehab warranty has begun. Updates on the Bond Funds. Ken Bishop made the motion to approve of the Engineer's Report, seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Discuss and Approve of Pay Estimates No. 15 from Schier Construction Company, Inc.;

Ken Bishop made the motion to approve of Pay Estimate No. 15 in the amount of \$97,650.00 for Schier Construction Company, Inc., seconded by John Kelly, Jr. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. K. Keller stated TxDOT contractors are on Bayshore replacing the culverts and hit a two (2) inch line, which we may have to move it if they keep hitting it. The power outage was bad at the Treatment Plant it took several hours to the power back on. The old generator would not start; it need to be replaced. There was much discussion regarding replacing the generator at the Treatment Plant. Water loss was at 10%. Ken Bishop made the motion to approve the Field Superintendent's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report:

J. Hoffman presented the Office Manager's Report to the Board. J. Manchaca had questions regarding the line extension revenues and expenses. John Kelly, Jr. made the motion to approve the Office Manager's Report and Budget Comparison, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Mass Notification for the District:

Ken Bishop made the motion to approve to renew the contract with Blackboard Connect at only a six (6) month contract, at least until the new billing software is installed, seconded by Julie Hall. All in favor, motion carried unanimously.

Director's Report:

There were no Director's Report to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 8:09 pm.


Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 8:13 pm and acted on matters discussed in Executive Session. John Kelly, Jr. made the motion to approve the District's Attorney Fees raised from \$450.00 to \$1,000.00, seconded by Julie Hall. All in favor, motion carried unanimously.

Adjourn Meeting:

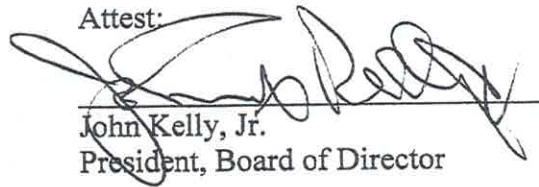
Ken Bishop made the motion to adjourn the meeting at 8:15 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



John Kelly, Jr.
President, Board of Director

Approve the Minutes of the Regular Meeting, August 23, 2016:

Ken Bishop made the motion to approve the Minutes of the Regular Meeting, August 23, 2016, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report and the Final Pay Estimate No. 25 from Schier Construction Company, Inc.:

Hal Walker presented the Engineer's Report and the Final Pay Estimate No. 25 to the Board. Elevated Storage Tank; Schier Construction has submitted Pay Estimate No. 25 and final in the amount of \$287,842.00 for the work performed up to the end of June and work appears to be complete. Manhole At 24th & Ave L; continuing to work on the replacement designs. Treatment Plant Permit; today is the last day of the 30 day comment period for the public, case closed and will issue the final draft. TCEQ Compliance; attached is a spreadsheet that compares the rain fall and flow of the treatment plant, so the Treatment Plant looks good, with no violations like last year. J. Manchaca said he met with GLO will possibly release the funds early 2017 for the electrical and mezzanine on the Elevated Storage Tank. Capital Improvements; AEI recommends a workshop to discuss prioritizing and finance. 2016 Rate Study; no changes. Updated spreadsheet on the Series 2013 Bond funds attached to Engineers Report. Ken Bishop made the motion to approve of the Engineer's Report and the Final Pay Estimate No. 25 in the amount of \$287,842.00 for Schier Construction Company, Inc., seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. Water consumption is lowering gradually. I & I and smoke testing is going strong. K. Keller discussed a new project on 23rd and Broadway to repair and replace the sewer line. Started a new maintenance program on the hydrants. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve a new Mini Excavator for the District:

Ken Keller presented the cost for a new mini excavator to the Board. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss, Consider and Approve a new Project at 2300 Block of Broadway:

There were discussions regarding the new project on 2300 block of Broadway. Tabled until next month; K. Keller needs to get bids.

Consider and Approve the Office Manager's Report and to Amend the 2016-2017 Budget:

J. Hoffman presented the Office Manager's Report and to Amend the 2016-2017 Budget to the Board. There was discussions to amend the 2016-2017 Budget. J. Manchaca stated that the Board may need to modify the 2016-2017 Budget in a few months. There was much discussion regarding the new billing software and the convenience fee for online payment. The Board made a decision to do away with the convenience fee once we are on Tyler's software. Ken Bishop made the motion to approve the Office Manager's Report and to amend the 2016-2017 Budget, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discussion and Approval of Changes to Water Conservation Status in San Leon:

J. Manchaca said since there has been a positive change in the water conservation, this item will be tabled.

Discuss and Approve next steps in Mandatory Trash Service:

J. Manchaca started the discussion regarding the trash service for the District. There were several request for trash service bids sent out and only three (3) responded; Decker, Ameriwaste and Residential Recycling. J. Manchaca said that we will move forward on this and send out mailers to the District Residents. Kelly Neason made the motion to move forward with the mandatory trash service, seconded by Ken Bishop. All in favor, motion carried unanimously.

Director's Report:

J. Manchaca started the discussion regarding the Emergency Management meeting on water/waste water and the two (2) case studies on contamination. J. Manchaca discussed the importance of the NIMS courses (FEMA/Homeland Security) and that the board needs to at least take two (2) of them. The District needs to take a look at the security. No Director's report to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

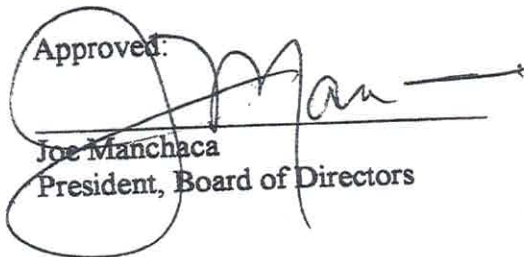
Recess into Executive Session at 7:39 pm.

Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 7:56 pm and acted on matters discussed in Executive Session. There was nothing to approve, discussions only.

Adjourn Meeting:

Kelly Neason made the motion to adjourn the meeting at 7:56 pm, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approved: 
Joe Manchaca
President, Board of Directors

Attest:

Julie Hall
Secretary, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Tuesday, September 19, 2017 at 6:30 p.m. at the District's regular meeting place at the District Office, 443 24th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President Tyson Kennedy, Vice President
Julie Hall, Secretary Kenneth Bishop, Treasurer
Kelly Neason, Asst. Secretary

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer and Perry Larvin, District's Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

There were no comments from the District residents.

Review bids and award sale of Series 2017 Bonds; Approve and adopt Bond Order for Series 2017 Bonds; Approve and execute Federal Tax Certificate and authorize attorneys and Attorney General to date same; Approve and execute Signature Identification and No-Litigation Certificate and authorize Attorney General and attorneys to date same; Adopt General Certificate and related certificates in regard to bond issue; Approve and execute Bond Registrar, Paying Agent and Transfer Agency Agreement; Authorize attorneys to finalize the transcript of proceedings for the Series 2017 Bonds and obtain approval of the Attorney General and registration by Comptroller of Series 2017 Bonds; Approve and authorize the use of CUSIP numbers; Authorize attorneys or paying agent for the District to receive the Bonds from the Comptroller of Public Accounts; Authorize District representative to sign and special tax counsel and financial advisor to complete, and file Form 8038-G; Approve agreement with DTC regarding book entry bonds; Approve agreement with special tax counsel related to sale of Series 2017 Bonds and confirm receipt and acknowledgement of form 1295 from Paying Agent, purchaser and special tax counsel and Execute all documents and take all actions necessary for the issuance of the Series 2017 Bonds;

Tabled until next meeting.

Conduct a Public Hearing concerning Adoption of the District Tax Rate:

Public hearing open, J. Manchaca asked if there were any questions or comments regarding the tax rate. There were no other questions or comments regarding the Tax Rate.

Close Public Hearing:

Closed Public Hearing.

Adopt a District Tax Rate:

Tyson Kennedy made the motion to adopt the tax rate to at \$0.45, same as last year, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve a Proposed Development at FM 517 and 23rd St. for M. Karim;

J. Manchaca said that the proposed expected usage is accepted, but the Board is not approving any commercial applications at this point until there is a confirmation from TCEQ about what the District is allowed to do or not do. Mr. Marim ask about putting in an aerobic system in until the moratorium has been lifted. J. Manchaca said to bring some plans regarding this aerobic system and we will consider it, but you must go through the steps. There was discussions only, nothing to approve.

Discuss and Approve Action to Services on Buffalo Run;

Robert Daugherty presented a letter with the signatures of the residents on Buffalo Run stating that they did not want the main water lines upgraded at this time. There was discussions only, nothing to approve.

Approve the Minutes of the Regular Meeting, August 15, 2017;

Ken Bishop made the motion to approve the Minutes of the Regular Meeting, August 15, 2017, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. H. Walker said he had to update his report and distributed it to the Board. TCEQ Agreed Order; requested an extension to the compliance date with TCEQ and waiting for a response. Preliminary Engineering Report; the Preliminary Report is not ready due to hurricane Harvey and found a few other things going on at the plant that is taking a bit longer. The average daily flow for the previous 12 months at the plant is running about 77% of its capacity of the permit, but for the last eight (8) months it has been 86% and part of this has to do with areas that have a lot of I&I coming in. The permitted capacity of the plant can serve up to 3393 equivalent single family connections (ESFCs) and the current connection count as of June 2017 is 3168 ESFCs or 93% of connection capacity. The average rate of growth of active connections that is reported every month is approximately 3% per year. I & I is still a problem; the ratio of wastewater to water is upwards of 140% and should be closer to 90% to 95%. In July 2017, the average flow per active connection 175 gallons per day and in August it went up to 405 gallons per connect, but that was due to hurricane Harvey. This reflects how much infiltration is still getting into the system. H. Walker discussed what the wastewater treatment plant would need in order to be expanded, but a realistic cost cannot be provided at this time. WWTP Permit; is going to expire on November 1, 2018 and we usually begin the process a year in advance because TCEQ wants us to prepare the documents and to turn them in six (6) months before the expiration. The current permit does not have any provisions in it regarding expansion. H. Walker recommends that the Board incorporates that change in the renewal so you don't have to do it twice. AEI will ask for authorization to proceed with the renewal in November. The condition on the digester was added to the report, because there are issues that need to be addressed. Julie Hall made the motion to approve of the Engineer's Report, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report;

Ken Keller presented the Field Superintendent's Report to the Board. The accountability is at 6%. There were three (3) main breaks repaired after hurricane Harvey. GCWA estimated the meter at Hwy. 146 because they could get to it due to high water. Tyson Kennedy made the motion to approve the Field Superintendent's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report and Budget Comparison;

Janice Hoffman presented the Office Manager's Report and Budget Comparison to the Board. Kelly Neason made the motion to approve then Office Manager's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approve the Changes to the Amended 2nd Qtr. Investment Report Ending June 30, 2017;

Kelly Neason made the motion to approve the amended changes made to the Second Quarter Investment Report Ending June 30, 2017, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve of a Financial Module for Tyler;

J. Hoffman discussed the financial module that was presented to the Board. There was much discussion regarding the cost of this financial module from Tyler. Tabled until next month.

Review and Possible Amendment to Rate Order;

Tabled

Discuss and Consider Hurricane Preparedness and the Backup Generators at the Lift Stations;

There were discussions regarding the Hurricane Preparedness and the Backup generators at the lift stations. Nothing to approve.

Discuss and Follow up on Outstanding Issues;

There were no outstanding issues to follow up on.

Director's Report;

There was nothing to approve.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code;

Recess into Executive Session at 7:32 pm.

Return to Regular Session and Act on Matters Discussed in Executive Session;

Returned to Regular Session at 8:14 pm and acted on matters discussed in Executive Session. There was nothing to approve, discussions only.

Adjourn Meeting;

Ken Bishop made the motion to adjourn the meeting at 8:14 pm, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Julie Hall
Secretary, Board of Directors

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, May 16, 2018, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President	Tyson Kennedy, Vice President
Julie Hall, Secretary	Kenneth Bishop, Treasurer
Kelly Neason, Asst. Secretary	

Also present were Janice Hoffman, Office Manager, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer and Perry Larvin, District's Security.

Not Present: Ken Keller, Field Superintendent

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

W. Jakubas had a comment about the activity around San Leon. There were no comments from the District residents.

Swearing in of Three (3) Re-elected Board Members:

Steve DonCarlos swore in the three (3) Board Directors and they sign the oath of office.

Discuss, Consider and Approve to hire a new Engineer Firm for the District:

Tyson Kennedy made the motion to approve to hire Costello Inc. as the new engineering firm, seconded by Ken Bishop. All in favor, motion carried.

Consider and Approve Insurance with AquaSurance for the District:

Harry Peyton explain the changes with the company name and the changes with the insurance renewal, especially after hurricane Harvey. 2017 was the worst commercial loss for insurance. The carrier for the last couple of years was Meadowbrook Insurance Group has withdrawn from the Texas water market, were hit really hard. T. Kennedy asked about the name change from Aquasurance to Gallagher. H. Peyton said that he and Marshall Schoth started Aquasurance years ago. Gallagher made an offer that he couldn't turn down and Marshall Schoth retired. H. Peyton discussed the insurance proposal. For property and liability, we will use Philadelphia Insurance Group, they will give the District full wind coverage. All of the coverages the District will be identical to what we had through Meadowbrook, except for flood. H. Peyton said he went through TML and use them for flood only. H. Peyton continued to discuss the insurance proposal. Julie Hall made the motion to approve the insurance proposal for the District, seconded by Kelly Neason. All in favor, motion carried.

Consider, Discuss and Approve Insurance for District Employees:

Tabled until June's meeting.

Discuss and Consider Approval regarding Developments for Dale Brown:

Tabled.

Discuss and Approve Amendment to Impact Waste Contract with the District:

A. Miller said the cost with Impact Waste is slightly lower than the other companies. J. Manchaca said on the original contract there is a clause that states there could be an adjustment of the rates. J. Hoffman said they should have notified us of the adjustment in rates. J. Manchaca said that there may have been an administrative error on their part for not telling and said he had talked with K. Ellis and he apologizes, he should have caught the charges before the invoices were mailed to us. S. DonCarlos stated that the District can't allow Impact to raise the rates 12% when the contract only states an annual 3% raise, the contract needs to be amended. H. Walker explained how the dewatering and sludge haul process and why there would be so much water left in the box. H. Walker said he can have someone take a look at it. J. Manchaca said that would be a good idea before the Board approves any changes to Impact's contract with the District. Table until next month.

Consider and Approve the Minutes of the Regular Meeting, April 18, 2018, and Workshop Meeting, May 9, 2018:

Julie Hall made the motion to approve the Minutes of the Regular Meeting, April 18, 2018, and Workshop Meeting, May 9, 2018, seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. H. Walker said he will follow up on transferring the documents from AEI to Costello. A. Miller stated that AEI should have all of the documents ready by June 1st. Waste Water Treatment Plant Expansion Design was stopping by AEI; as soon as Costello receives the documents we will continue with the designs. WWTP Discharge Permit Renewal; documents need to be signed and returned to AEI so they can submit it to the TCEQ and recommends that the District let AEI finish working with TCEQ until the final permit is issued. Sanitary Sewer System Monitoring; brought three (3) revised reports two (2) months ago. J. Manchaca said that the all of the Board agrees that something needs to be done about this but didn't make a decision on which company to go with. Manhole at 24th and Avenue L is coming up for its one (1) year warranty on June 26th; recommend that AEI finish out the contract by doing the one (1) year warranty inspection. J. Manchaca asked where are we at with the transfer pipe on the Elevated Storage Tank because we need to this inspection done. A. Miller said there were some special offsets that had to be ordered and should be in a week or two; total completion about two (2) weeks. H. Walker added that if contact with GCWA was not made about authorization to perform the connection, then he recommends that the District get authorization and confirmation that water pressure is available. Ken Bishop made the motion to approve the Engineer's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller was not present at this meeting if anyone had any questions regarding the Field Superintendent's Report they should email K. Keller. Julie Hall made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report:

Meeting with the GCWA regarding the Drought Contingency Plan. GCWA budget meeting was rescheduled. Participating in some webinars with Texas Living Waters. Monitoring developments at 6th and Bayshore and they are currently red tagged. J. Manchaca said to check on 9th and Bayshore, make sure the washeteria doesn't slip through. There was a concern with the park near the WWTP and look as if they were expanding but they are reducing the number of spaces. LaMejor Grocery contact us because they were having issues with the Health Department regarding a grease trap; they are not cooking so they don't require a grease trap. Discussed the wastewater sludge haul and the Elevated Storage Tank. Birdnest; getting with K. Keller to get things set up and training. Went to a TML Grant Writing seminar and interested in pursuing additional funding resources for the District. Working on outstanding receivables and we are getting a lot of responses. Update the Board on upcoming projects regarding TEEEX classes on Safe Practice for Water Utilities and Introduction to Beneficial Wastewater reuse and looking at different funding resources with TWBD. There were discussions only, nothing to approve.

Consider and Approve the Office Manager's Report and Budget Comparison:

Janice Hoffman presented the Office Manager's Report and Budget Comparison to the Board. There were discussions regarding the I & I and the Bond funds. Ken Bishop made the motion to approve the Office Manager's Report and the Budget Comparison; seconded by Kelly Neason. All in favor, motion carried unanimously.

Discussion/Approval of Resolution for Change of Financial Officers on Certain Accounts of District:

Tyson Kennedy made the motion to approve the Resolution for Change of the Financial Officers to conduct financial transactions on certain accounts for the District, seconded by Julie Hall. All in favor, motion carried unanimously.

Discuss, Consider and Approve the Direction on Addressing the Inflow and Infiltration:

Tabled.

Discuss, Consider and Approve Staffing Levels:

Tabled.

Discuss, Review and Approve changes to the Rates and Volunteer Fire Department Fee:

There were many discussions regarding vendor expenses, customer rate increases, the trash service and changes to the fire department fees. Tabled until next month when more research is done.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues to follow up on.

Director's Report:

There were no Directors Reports.

Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government


Code:

There was no Executive Session.

Adjourn Meeting:

Ken Bishop made the motion to adjourn the meeting at 8:17 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Julie Hall
Secretary, Board of Directors

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, July 18, 2018, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President	Tyson Kennedy, Vice President
Julie Hall, Secretary	Kenneth Bishop, Treasurer
Kelly Neason, Asst. Secretary	

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer and Perry Larvin, District's Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

Julie Hall started the discussion regarding the development at 6th Street and Bayshore should be considered multi and should not have started; it was not brought before and approved by the Board. Why is this classified as a single dwelling when it is clearly multi-units being built all at once? There were many discussions regarding the development on 6th Street and Bayshore.

Consider and Approve a Proposed Development at 200-300 block of 22nd for Jim Simpson:

Jim Simpson said he had the property on 22nd Street since 2004 and he is trying to build a house and cannot get water and sewer because there is a 2" water line. K. Keller said there are too many already on this two (2) inch line and that is why he cannot have water tap until the main line is upgraded to a six (6) inch. J. Manchaca said that the district will not install or upgrade a line at the District's cost; it is the responsibility of the owner or the developer. Nothing was approved.

Consider and Approve a Proposed Development at 902 E. Bayshore for Lawrence's:

Barket Ali, the new owner of Lawrence's Grocery said he is going to rebuild Lawrence's. The store will need to be tapped into the six (6) inch main line in front of the store. Ali said the new store will use the same amount of water as the old store. J. Manchaca said, what you need to do is to get your permits from the county, detail drawings with the plumbing, the retention and once you have all of that, bring it to the office make your application and pay the fees for taps and inspection; then it will be approved at the next meeting.

Approve the Minutes of the Regular Meeting, June 20, 2018 and Workshop, July 11, 2018:

Ken Bishop made the motion to approve the Minutes of the Regular Meeting, June 20, 2018 and Workshop, July 11, 2018, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. Documents from AEI; we have most of the documents from AEI. AEI has located the videos from the cleaning and televising of the sewer lines and will have those next week. WWTP Design; all of the documents and preliminary reports have been received. WWTP Permit; AEI reported the application is still under review by TCEQ.

2017 Bond Projects; attached to report is a list of projects for the Bond and one of the projects completed was the replacement of the manhole at 24th and Ave. L. The WWTP generator is not providing enough power to all of the equipment when needed and it may be a priority on the 2017 Bond list. Capital Improvement Project list attached for the Board to review. Tyson Kennedy made the motion to approve the Engineer's Report, seconded by Julie Hall. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report;

Ken Keller presented the Field Superintendent's Report to the Board. The unaccountability is up from last month, some of it was due to a leak under the elevated storage tank. The leak has been fixed. Water received from GCWA was nineteen (19) million and summer has just begun. The transmission line that brings water to the District has a leak and we put a clamp on it but that is just a quick fix. The line needs to be replaced and will get a cost to replace it. There were discussions regarding RV violations. Kelly Neason made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report;

There were discussions regarding the rate comparison - GCWA projected rate increase - Brazos reserves for sale in the future (increase cost) - the AWBD conference was very informative this year - continuing to work on the elevated storage tank - WWTP generator needs to be replaced - the pre-bid conference regarding the controls in the elevated storage tank - nothing to report on social media this month - there were six (6) request for proof of debt and received our first check - contacted Center Point regarding the pole that is hanging down at the Spillway Park - The owner with Birdnest is coming out here to do additional training for data entry on spreadsheets this Friday. Nothing to approve.

Discuss, Consider and Approve the 2018/2019 Budget;

Ken Bishop made the motion to approve the 2018/2019 Budget as presented; seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report Reports for May 2018 and June 2018;

Janice Hoffman presented the Office Manager's Reports for May 2018 and June 2018 to the Board. Ken Bishop made the motion to approve the Office Manager's Reports for May 2018 and June 2018; seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve Second Quarter Investment Report Ending June 30, 2018;

Tyson Kennedy made the motion to approve the Second Quarter Investment Report Ending June 30, 2018, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss, Review and Approve changes to the Rates and Volunteer Fire Department Fee;

J. Manchaca said anything to do with the fire department fees will be tabled until TCEQ's approval. S. DonCarlos researched the establishment of classes and discussed this with the Board. A. Miller handed out a summary of the proposed rates and calculated base on the current rates; the residential rates, for 2235 connections with an average consumption of 4,000 gallons based on the current rates what an average bill is and then under the new rates what the new bill would be, so residents would see about \$10.50 (13%) increase; on commercial would see about a \$52.75 (31%) increase and then the commercial multi's would see about an \$88.25 (40%) increase. Roughly that would be an annual revenue of \$363,951.00, combined with the maintenance tax would put the District in the black. There was much discussion regarding increasing residential rates by 20% and the commercial rates by 31% with the effective date of September 1, 2018. Kelly Neason made the motion to approve the increase 20% on residential and 31% increase on the commercial, which will be effective September 1, 2018 and have a quarterly review of rates and with an annual increase of 4.5 in the each budget year, seconded by Ken Bishop. All in favor, motion carried unanimously. The commercial multi will be tabled until we get the results back from S. DonCarlos. We need to send a notice by mail to all of the customers in August 2018 regarding the rate increase.

Director's Report:

There were no Directors Reports.


Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government Code:

There was no Executive Session.

Adjourn Meeting:


Tyson Kennedy made the motion to adjourn the meeting at 8:38 pm, seconded by Julie Hall. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Julie Hall
Secretary, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS

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COUNTY OF GALVESTON

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, September 19, 2018, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President Tyson Kennedy, Vice President
Kenneth Bishop, Treasurer Keith Gossett, Director

Not present: Kelly Neason, Asst. Secretary

Also present were Janice Hoffman, Office Manager, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney and Chris Lane, District's Financial Advisor.

Not Present: Ken Keller, Field Superintendent and Harry "Hal" Walker, District's Engineer

Call Workshop Meeting to Order:

Workshop Meeting called to order at 6:30 pm.

Conduct a Public Hearing concerning Adoption of the District Tax Rate:

Public hearing open, J. Manchaca asked if there were any questions or comments regarding the tax rate. There were no other questions or comments regarding the Tax Rate.

Close Public Hearing:

Closed Public Hearing.

Adopt a District Tax Rate:

Tyson Kennedy made the motion to adopt the tax rate to at \$0.45, same as last year, but to switch the M & O and the debt service taxes and the District can switch them back next year if they need to, seconded by Keith Gossett. All in favor, motion carried unanimously.

Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government

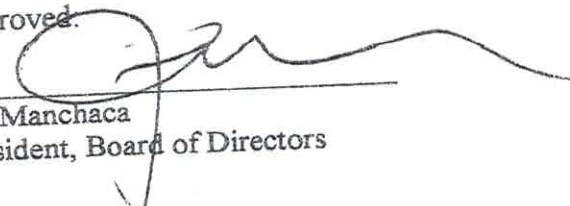
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There was no Executive Session.

Adjourn Meeting:

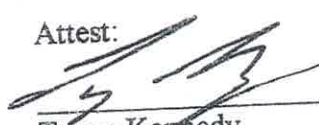
Ken Bishop made the motion to adjourn the meeting at 6:35 pm, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Tyson Kennedy
Vice President, Board of Director

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS

COUNTY OF GALVESTON

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The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, November 14, 2018, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President
Kelly Neason, Asst. Secretary

Kenneth Bishop, Treasurer

Keith Gossett, Director

Not Present: Tyson Kennedy, Vice President

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve DonCarlos, District's Attorney, Hal Walker, District's Engineer, Perry Larvin, District's Security, Oscar Gutierrez and Reagan Gaspar with Commercial Benefits.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

No comments from District residents.

Approve Election of Officers:

Tabled

Consider and Approve aerobic system at 1999 Broadway for Lita Dishongh:

Tabled

Consider and Approve Third Quarter Investment Report Ending September 30, 2018:

K. Bishop started the discussion regarding the operating funds and reimbursements of I & I repairs and rehab. J. Manchaca said if some of the I & I repairs or line rehabs is reimbursable under the current 2017 Bond funds, we need to look into it further. H. Walker said that he will contact TCEQ and they may request documentation. A. Miller said he will get the documentation together and get it to H. Walker. Kelly Neason made the motion to approve the Third Quarter Investment Report Ending September 30, 2018, seconded by Keith Gossett. All in favor, motion carried unanimously.

Consider and Approve Health Insurance for the District Employees:

K. Neason started the discussion looking into the changing the cost of medical, dental and vision for the employees. There were many discussions regards to getting rid or offering the employees to pay for the SIS gap and dental/vision, to get a flexible spending account, to modify the insurance coverages and the District pay for the employees short/long-term disability, life/accidental death and dismemberment. Keith Gossett made the motion to approve of option 1, to continue to pay for the employee & family on the medical, with a possibility of a change in 12 months and that the employee pay for dental/vision and SIS gap insurance as of January 1, 2019, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discussion and Approval of Amendment to District Fire Plan and Approval for Resolution for Application of amended Fire Plan to TCEQ:

Ken Bishop made the motion to approve the amendment to the District Fire Plan and the application to amend the Fire Plan with the TCEQ, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approve the Minutes of the Regular Meetings and October 17, 2018:

Keith Gossett made the motion to approve the Minutes of the Regular Meetings on October 17, 2018, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report:

Hal Walker presented the Engineer's Report to the Board. WWTP Expansion Design; had a meeting with K. Keller, A. Miller and M. Dillon on October 23rd to discuss the other conditions for the design, to finish up the mechanical engineering aspect and will be working on the structural drawing starting next week. WWTP Generator; received information from the electrical engineer regarding preliminary cost and design. The estimated cost for a 500W for a diesel generator is \$325,000 and a natural gas generator is \$435,000, includes all the equipment, electrical installation and modification to the MCC and automatic transfer switch. There will be a possible cost for natural gas line and the closest location is FM 517 and trying to find out the cost for that. The existing slab may need to be replaced. WWTP Permit; it has gone through the final advertising. I & I Flow Monitoring; met with Mos Environmental, Inc., K. Keller and A. Miller last week regarding ITrackers and to set up a pilot study and to obtain a contract. Ken Bishop made the motion to approve the Engineer's Report, seconded by Keith Gossett. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report:

Ken Keller presented the Field Superintendent's Report to the Board. The accountability is at 6% partially due to the tower. We drain approximately 100,000 gallons so the repairs can be done and it has all been done and the tower is back in service. Kelly Neason made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report:

Mainland operations meeting with GCWA regarding the District well and they are in the middle of revising customer contracts; The emergency radios have not come in yet; Working with Galveston County to facilitate some RV permit compliance; 18 requests for service, 11 were available, 7 were quoted for line improvements and 4 of them will be paying for the improvements; 9th and J lift stations automatic switch was replaced but its not working and we are holding payment from the vendor until the switch is repaired; contractors are on site for the mezzanine for the tower; the warranty work on the tower went well; Had a quarterly inspection at the WWTP in the green; met with S. DonCarlos regarding the settlement on the 6th and Bayshore agreement; Customer requested open records of the District's audit for this year and last year; We collected two more accounts of outstanding receivables; Monitoring the GLO; December 18th Town Hall Meeting.

Consider and Approve Sludge Haul Contract with Sprint:
Tabled.

Consider and Approve the Flow Monitoring Contract with MoS Environmental:

A. Miller stated the flow monitoring contract is with MoS Environmental and they are proposing an acoustical inspection and I & I analysis with the ITrackers which H. Walker recommended. They will be doing a study trial period for two weeks. Keith Gossett made the motion to approve this study with S. DonCarlos's approval of the contract, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve Amendment to Employee Manual/Policy:

Kelly Neason made the motion to approve changes made to the Employee Manual/Policy; seconded by Ken Bishop. All in favor, motion carried unanimously.

Consider and Approve the Office Manager's Report:

Janice Hoffman presented the Office Manager's Report to the Board. There was much discussion regarding revenues, expenses and why the District was in the red again. Ken Bishop made the motion to approve the Office Manager's Report; seconded by Keith Gossett. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues.

Director's Report:

There was nothing to report.

Recess into Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas

Government Code:

Recess into Executive Session at 8:01 pm.

Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 8:16 pm and acted on matters discussed in Executive Session. There was much discussion in Executive Session. Ken Bishop made the motion to approve the Employee Christmas Bonus as discussed in Executive Session, seconded by Keith Gossett. All in favor, motion carried unanimously.

Adjourn Meeting:


Ken Bishop made the motion to adjourn the meeting at 8:17 pm, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Kelly Neason
Assistant Secretary, Board of Director

Tyson Kennedy
Vice President

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, May 15, 2019, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President	Kenneth Bishop, Treasurer
Kelly Neason, Asst. Secretary	Keith Gossett, Secretary

Not Present: Tyson Kennedy, Vice President

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve Don Carlos, District's Attorney, Hal Walker, District's Engineer, Perry Larvin, Security.

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

Wally Jakubas what the general feels were on the Bond Election. J. Manchaca said he had heard good and bad feelings about it. Paul Marcaccio asked about the senior's taxes. J. Manchaca said that it is in the District Manager's report.

Consider and act on Order Canvassing Bond Election:

Keith Gossett made the motion to approve on the order canvassing of the Bond Election on May 4, 2019, seconded by Ken Bishop. All in favor, motion carried unanimously.

Discuss and Approve Proposed Development at 1100 blk. of 10th for Bellanira Arteaga:

Tabled, Bellanira Arteaga was not present at the meeting.

Consider and Approve Insurance with Gallagher for the District:

Andrew Miller said that he and Tyson Kennedy met with Harry Peyton from Gallagher to discuss the insurance proposal that was in last month's meeting. There were some concerns from the Board regarding the increase. The increase is associated with additional cost that the underwriters are asking on premiums due to hurricane Harvey, even though the District wasn't impacted. Most of the premiums stayed the same; the difference in the increase is the flood insurance and the agency fee decreased. If nothing happens this year, the District may see a decrease next year. Ken Bishop made the motion to approve of the proposed 2019/2020 insurance for the District, seconded by Kelly Neason. All in favor, motion carried unanimously.

Discuss and Approve Insurance for District Employees, renewing on July 1, 2019:

Oscar Gutierrez with Commercial Benefits is suggesting that the District changes to USAble, which is comparable with Unum for the employees Life Insurance/Long Term Disability/Short Term Disability; it would save the District about \$850.00 a year. Kelly Neason made the motion to approve the insurance for the District employees for Life Insurance/Long Term Disability/Short Term Disability that is recommended by Oscar Gutierrez, seconded by Ken Bishop. All in favor, motion carried unanimously.

Approve the Minutes of the Regular Meeting for April 17, 2019;

Ken Bishop made the motion to approve the Minutes of the Regular Meeting for April 17, 2019, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Engineer's Report;

Hal Walker presented the Engineer's Report to the Board. WWTP Expansion Design; still working on the design, started the electrical. WWTP Emergency Generator; held a pre-construction meeting with the contractor gave the notice to begin in 10 days and to be completed in 210 days. Generator submittal has been received and approved by Costello on April 8th. The generator should be delivered by the end of September. WWTP Permit; it has been signed by the executive director, but the electronic copy is not on the website yet. TCEQ Request for Funds; it is still in review with Kyle Seger. Keith Gossett made the motion to approve the Engineer's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

Authorize consultants to prepare reports for 2019 Bond Sale;

Ken Bishop made a motion to authorize consultants to prepare reports for the 2019 Bond sale, seconded by Kelly Neason. All in favor, motion carried unanimously.

Consider and Approve the Field Superintendent's Report;

Ken Keller presented the Field Superintendent's Report to the Board. Repaired several small leaks and the water usage is going up. Keith Gossett made the motion to approve the Field Superintendent's Report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report;

GCWA; have a meeting with them next week for the hurricane preparedness check. Harris/Galveston Subsidence District recently added Ken Keller to their board. TCEQ: trying to follow up on the fire department fee, as well as the Bond allocation of funds. Facilities and Distribution; working with S. DonCarlos on the impact fee on the TCEQ requirement. Received a call from Summer Breeze RV Park, they asked for permission to have their onsite septic hauled to our treatment plant. Ten (10) of the iTrackers were installed and pulled to data today, we will be running the diagnostics on it. Discussed the commercial development at 23rd and FM 517. Consultants meeting; several meeting with C. Lane regarding the Bond. Worked with S. DonCarlos regarding the impact fees and the tax freeze for over 65. Met with Harry Peyton and Tyson Kennedy regarding the insurance for the District. Met with Hal Walker on the master utility plan. Discussed Payscale regarding wages for the District employees. Met with McCain Water Works and installed a new manhole cover that is completely waterproof to help with the I & I. Community engagements; twenty-six (26) requests for service, thirteen (13) were available, thirteen (13) were quoted for line improvements. Town Hall Meetings for the Bond Election; had almost 130 between the two of them. Working on public information act request. We are going to update the District Website for the open records. Talked with residents regarding the over 65 tax freeze and meeting with multiple residents regarding the 2-inch line restrictions and proposed upgrades. Discussed the tour with the Girls Scout through the Water Plant and the Waste Water Plant. Outstanding receivables; nothing to report. AWBD conference in June.

Discuss and Approve Public Information request limit pursuant to Texas Government

Code § 552.275;

Tabled

Consider and Approve Reimbursement Resolution from the 2017 Bond;

Tabled

Consider and Approve the Office Manager's Report and Budget Comparison;

Janice Hoffman presented the Office Manager's Report and Budget Comparison to the Board. Kelly Neason made the motion to approve the Office Manager's Report; seconded by Keith Gossett. All in favor, motion carried unanimously.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues.

Director's Report:

There were no Directors Reports.

Recess into Executive Session Pursuant to Section 551.0711551.072 and 551.074 of the Texas Government Code:

Recess into Executive Session at 7:22 p. m.


Return to Regular Session and Act on Matters Discussed in Executive Session:

Returned to Regular Session at 7:46 pm and acted on matters discussed in Executive Session. There was much discussion in Executive Session. Kelly Neason made the motion to approve the one (1) employee annual appraisal as discussed in Executive Session, seconded by Ken Bishop. All in favor, motion carried unanimously.

Adjourn Meeting:


Ken Bishop made the motion to adjourn the meeting at 7:48 pm, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approved:



Joe Manchaca
President, Board of Directors

Attest:



Keith Gossett
Secretary, Board of Directors

MINUTES OF REGULAR MEETING OF
SAN LEON MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

The Board of Directors of the San Leon Municipal Utility District met in regular session, open to the public, on Wednesday, September 18, 2019, at 6:30 p.m. at the District's regular meeting place at the San Leon Volunteer Fire Department 337 12th Street, San Leon, Texas. Constituting a quorum, the following members of the Board were present, to-wit:

Joe Manchaca, President	Tyson Kennedy, Vice President
Kenneth Bishop, Treasurer	Kelly Neason, Asst. Secretary
Keith Gossett, Secretary	

Also present were Janice Hoffman, Office Manager, Ken Keller, Field Superintendent, Andrew Miller, District Manager, Steve Don Carlos, District's Attorney and Perry Larvin, Security.

Present by Conference Call: Chris Lane, District's Financial Advisor

Not Present: Hal Walker, District's Engineer

Call Meeting to Order:

Meeting called to order at 6:30 pm.

Comments from District Residents:

There were no other comments from District residents.

Consider and Approve a Proposed Development at 1438 24th for Rajiv Patel:

R. Patel started the discussion regarding his development on 1438 24th and handed out a diagram of the property/development to the Board members and said there are eight (8) taps there and we would need additional seven (7) and four (4) of the eight (8) taps are connected. J. Manchaca stated that if there are four (4) active connections at the property that you're paying an active bill, you can develop those, but anything past that; the moratorium is still in place and won't be lifted until the sewer plant is completed. J. Manchaca said the Board will give approval for the four (4) active taps with one or two a month to be connected and to follow the procedures, pending inspect from Ken Keller, Field Superintendent to verify what is on the property. There was discussions regarding development at 1438 24th Street.

Discuss and Approve Audit for Fiscal Year End June 30, 2019:

Kelly Neason made the motion to approve the Audit for Fiscal Year Ending June 30, 2019, seconded by Ken Bishop. All in favor, motion carried unanimously.

Conduct a Public Hearing Concerning Adoption of District Tax Rate, Close Public Hearing and Adopt a District Tax Rate:

Public hearing open, J. Manchaca asked if there were any questions or comments regarding the tax rate. There were no questions or comments regarding the Tax Rate. Closed Public Hearing. Keith Gossett made the motion to adopt the tax rate, Debt Service Tax \$0.45 and Maintenance and Operations Tax \$0.18 (\$0.63 total), seconded by Ken Bishop. All in favor, motion carried unanimously.

Approval of the POS; Approve a date for the sale of the bonds in October; Approve submittal of documents to Moody's and bond insurance companies; Authorize advertisement in the Galveston Daily News and the Texas Bond Reporter; Select a Paying Agent and Escrow Agent; Anything else necessary to complete the bond sale; Approve engagement of special tax counsel;

Ken Bishop made the motion to approve the POS, seconded by Keith Gossett. All in favor, motion carried unanimously. Tyson Kennedy made the motion to approve of the sale of bonds in October, the submittal of documents to Moody's and the bond insurance companies, to authorize advertisement in the new papers, to select Amegy as Paying and Escrow Agent and to approve Orrick, Special Tax Counsel, seconded by Kelly Neason. All in favor, motion carried unanimously.

Approve the Minutes of the Regular Meeting for July 17, 2019, the Engineer's Report, the Field Superintendent's Report and the Office Manager's Report;

Kelly Neason made the motion to approve of the Minutes to the Regular Meeting for July 17, 2019, the Engineer's Report, the Field Superintendent's report and the Office Manager's report, seconded by Ken Bishop. All in favor, motion carried unanimously.

District Manager's Report:

Regional Agencies; met with the Census Bureau. Gulf Coast Water; K. Keller attended the meeting this month. Emergency Radios were tested and running. Attorney General; continuing communication on the information requests. Facilities and distribution; WWTP lost power last Saturday, but everything was back up and running. iTrackers; pulled the data so there will be good base line information for all of the rain we are having. Consultants; met with the attorney and engineer. Community engagement; updated the articles in both newspapers. Future projects; manholes rehabilitations and exercising the valves on the water mains. Continuing classes for B licenses.

Discuss and Follow up on Outstanding Issues:

There were no outstanding issues.

Director's Report:

There were no Directors Reports.

Executive Session Pursuant to Section 551.071/551.072 and 551.074 of the Texas Government

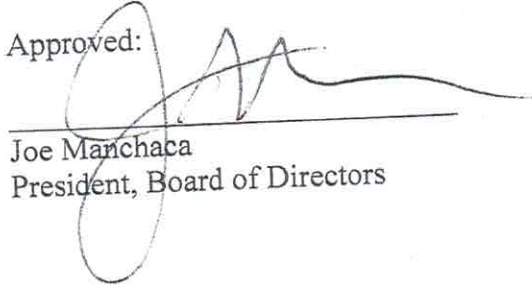
Code:

There was no Executive Session.


Adjourn Meeting:

Ken Bishop made the motion to adjourn the meeting at 6:53 pm, seconded by Tyson Kennedy. All in favor, motion carried unanimously.

Approved:


Joe Manchaca
President, Board of Directors

Attest:


Keith Gossett Tyson Kennedy
Secretary, Board of Directors
Vice President

TEXAS ETHICS COMMISSION

**A GUIDE TO ETHICS LAWS
FOR STATE OFFICERS AND EMPLOYEES**



Revised September 15, 2015

**Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711
(512) 463-5800 FAX (512) 463-5777 TDD 1-800-735-2989**

Visit us at <http://www.ethics.state.tx.us> on the Internet.

AN EQUAL OPPORTUNITY EMPLOYER

The Texas Ethics Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

A GUIDE TO ETHICS LAWS FOR STATE OFFICERS AND EMPLOYEES

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INTRODUCTION

As a public servant, you owe a responsibility to the people of Texas in the performance of your official duties. This guide sets out laws that govern your conduct as a public servant. As you read this guide, you should bear in mind that ethical conduct involves more than merely following these laws. As a public servant, you should act fairly and honestly and should avoid creating even the appearance of impropriety.

Laws Interpreted by the Texas Ethics Commission

The Texas Ethics Commission interprets various laws governing the conduct of state officers and employees: the provisions in chapter 572 of the Government Code; the restrictions on benefits, gifts, and honoraria in chapter 36 of the Penal Code and in the lobby law, chapter 305 of the Government Code; and the restrictions on the use of government resources in chapter 39 of the Penal Code.

Some laws governing public servants, such as the nepotism law, are not under the jurisdiction of the Ethics Commission. Also, officers and employees of particular state agencies may be subject to statutes, rules, or personnel guidelines specifically applicable to that agency. Your general counsel or the Office of the Attorney General are the appropriate sources for advice about such laws.

Advisory Opinions

If you are concerned about how any of the laws subject to interpretation by the Ethics Commission apply to you, you may request an advisory opinion. The request must be about the application of one or more of those laws to a specific factual situation, either existing or hypothetical. Gov't Code § 571.091. Unless you waive confidentiality in writing, the Ethics Commission must keep your name confidential.

The legal effect of an Ethics Commission advisory opinion is described in section 571.097 of the Government Code as follows:

It is a defense to prosecution or to imposition of a civil penalty that the person reasonably relied on a written advisory opinion of the commission relating to the provision of the law the person is alleged to have violated or relating to a fact situation that is substantially similar to the fact situation in which the person is involved.

Copies of Ethics Advisory Opinions are available from the Ethics Commission at (512) 463-5800 or at <http://www.ethics.state.tx.us> on the Internet.

PART I. STANDARDS OF CONDUCT AND CONFLICT OF INTEREST

The “Should Nots”

The legislature has adopted the following standards of conduct for state employees:

A state officer or employee should not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer’s or employee’s official conduct;
- (2) accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the official position;
- (3) accept other employment or compensation that could reasonably be expected to impair the officer’s or employee’s independence of judgment in the performance of the officer’s or employee’s official duties;
- (4) make personal investments that could reasonably be expected to create a substantial conflict between the officer’s or employee’s private interest and the public interest; or
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer’s or employee’s official powers or performed the officer’s or employee’s official duties in favor of another.

Gov’t Code § 572.051. A state agency may not use appropriated funds to compensate a state employee who violates those standards. Gov’t Code § 2113.014. Also, in some cases failure to follow the standards of conduct will violate one of the criminal statutes discussed in this guide.

Private Interest in Measure or Decision

If a board member has a private or personal interest in a measure, proposal, or decision pending before the board, the board member must disclose that fact to the rest of the board in an open meeting and must refrain from voting or otherwise participating in the matter. Gov’t Code § 572.058. The law specifies that a person does not have a “private or personal interest” in a matter if the person is engaged in a profession, trade, or occupation, and the person’s interest in the matter is the same as others similarly engaged.

Note: This guide addresses only the laws that the Ethics Commission interprets. Other laws may contain additional “conflict of interest” provisions. In particular, state agency counsels should be aware of the common-law rule restricting a contract between agencies and agency board members. See Attorney General Opinion JM-671 (1987).

PART II. ACCEPTANCE OF BENEFITS

Chapter 36 of the Penal Code prohibits public servants from accepting certain gifts or benefits. Violations of the laws in this chapter carry criminal penalties, and complaints alleging such violations are handled by local prosecutors, not by the Texas Ethics Commission.

Bribery

As a public servant, you commit the offense of bribery if you solicit, offer, or accept a “benefit” in exchange for your decision, opinion, recommendation, vote, or other exercise of official discretion. Penal Code § 36.02. Common sense should tell you if something is a bribe. If it is, don’t take it.

Honoraria

You may not solicit, agree to accept, or accept an honorarium in consideration for services you would not have been asked to provide but for your official position. Penal Code § 36.07. Thus, for example, you may not take a speaker’s fee for speaking if your position with the state is one of the reasons you were asked to speak. The honorarium law does not, however, prohibit acceptance of food, transportation, and lodging in connection with a speech that is more than merely perfunctory. If a state officer or the executive head of an agency accepts food, transportation, or lodging under these circumstances, the officer must report it on Part XIII of the annual personal financial statement. (A travel regulation provides that a state employee may not accept money for a travel expense reimbursement from a person that the employee’s employing state agency intends to audit, examine, or investigate or is auditing, examining, or investigating. Gov’t Code § 660.016.)

Prohibitions on Gifts

Most public servants are subject to one or more prohibitions on the acceptance of “benefits” from persons subject to their jurisdiction. Penal Code § 36.08. For example, a public servant in an agency performing regulatory functions or conducting inspections or investigations may not accept a benefit from a person the public servant “knows to be subject to regulation, inspection, or investigation by the public servant or his agency.” *Id.* § 36.08(a). Similarly, a public servant who “exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions” of the agency may not accept a benefit from a person the public servant knows is interested in or likely to become interested in such a transaction. *Id.* § 36.08(d). (The Appendix contains the full text of section 36.08.) *These prohibitions apply regardless of whether the donor is asking for something in return.*

The statutory definition of “benefit” is “anything reasonably regarded as pecuniary gain or pecuniary advantage.” Penal Code § 36.01(3). In advisory opinions, the Ethics Commission has stated that the following gifts are benefits: a \$50 clock, a hotel room, a hunting trip, football tickets, a \$160 rifle, and a \$60 restaurant meal. Ethics Advisory Opinion Nos. 97, 94, 90, 69, 60 (1992).

Exceptions to Gift Prohibitions

There are exceptions to the prohibitions set out in Penal Code section 36.08. These exceptions are exceptions to criminal liability under that section. You should also make sure that the laws and rules specifically applicable to your agency permit you to accept a benefit permitted under the Penal Code. Even if the acceptance of a gift is legally permissible, you should consider whether the gift raises the appearance of impropriety.

The following exceptions are most likely to be relevant to state officers or employees. (The Appendix contains the full text of section 36.10, which sets out the exceptions to section 36.08.)

- You may accept non-cash items of less than \$50 in value. Penal Code § 36.10(a)(6). If a *lobbyist* provides you with food, beverages, entertainment, lodging, or transportation, however, the lobbyist must be present at the event.
- You may accept benefits in the form of food, lodging, transportation, or entertainment in any amount if you accept them as a “guest” and report them if there is an applicable reporting requirement. Penal Code § 36.10(b). In order for you to accept something as a “guest,” the donor must be present.

Lobbyists may provide you with transportation and lodging only in connection with a fact-finding trip related to your official duties or in connection with an event, such as a conference, at which you will be providing “more than perfunctory” services in your official capacity.

State officers and agency heads: You will be required to report on your personal financial statement the acceptance of gifts worth more than \$250, except for gifts from a member of your immediate family or from a lobbyist required to report the gift. You must also report on your personal financial statement your acceptance of meals, transportation, or lodging provided in connection with a speech or other services you provided in your official capacity. (See above discussion on “Honoraria.”)

- You may accept a benefit from a person such as a friend, relative, or business associate with whom you have a relationship independent of your official status *if the benefit is given on account of that relationship rather than your official status*. Penal Code § 36.10(a)(2).
- You may accept a payment for which you give legitimate consideration *in a capacity other than as a public servant*. Penal Code § 36.10(a)(1). The use of the term “legitimate consideration” means that the payment you receive must reflect the actual value of the services or goods you provide in exchange for the payment. Ethics Advisory Opinion No. 41 n.1 (1992).

- You may accept certain gifts, awards, and mementos from persons required to register as lobbyists. “Gift” in this context does not include food, entertainment, transportation, or lodging, which are discussed above. Penal Code § 36.10(a)(5). (See discussion of “Gifts Prohibited by the Lobby Statute” below.)

Gifts Prohibited by the Lobby Statute

The lobby law, chapter 305 of the Government Code, contains restrictions on gifts from a person required to register under that chapter. For the most part, the lobby statute is stricter than the Penal Code. For instance, you may not accept transportation and lodging in connection with a pleasure trip from a lobbyist. There is, however, one exception to the general rule that the lobby law is stricter than the Penal Code: Under section 36.10(a)(5) of the Penal Code, there is an exception from the Penal Code prohibition on the acceptance of benefits for a gift, award, or memento that is required to be reported by a lobbyist. Because of this exception, there are circumstances in which it is permissible for you to accept a gift from a lobbyist that you could not accept from a non-lobbyist. If you are thinking about relying on this exception, you should ask the Ethics Commission for advice before you do so.

Gifts to State Agencies

The Ethics Commission has issued several opinions in response to questions about the acceptance of gifts by a state agency. Ethics Advisory Opinion Nos. 118 (1993), 63, 62, 51, 31 (1992). Chapter 305 of the Government Code, which regulates lobbying, and chapter 36 of the Penal Code, which regulates gifts to public officers and employees, do not apply to gifts given to a state agency. Ethics Advisory Opinion Nos. 62, 31 (1992). The statutes applicable to a specific state agency determine whether the agency has authority to accept gifts. *Id.* Also, even if an agency has authority to accept gifts, it may do so only in accordance with the provisions of Government Code chapter 575.

Although questions about the specific authority of a state agency to accept gifts are outside the Ethics Commission’s advisory opinion authority, previous ethics advisory opinions have set out some general guidelines about the acceptance of gifts by a state agency. First, the commission has noted that even if a state agency has authority to accept gifts generally, the agency may accept gifts on behalf of the agency only if the gifts can be used in carrying out the agency’s powers and duties. A gift to a state agency becomes state property, and an officer or employee of the agency cannot be permitted to use it for private purposes. Consequently, acceptance of gifts by a state agency is not a permissible way of acquiring gifts for the personal enjoyment of individual state officers and employees.

Gifts to state agencies, even if legally permissible, may raise questions about impropriety. If the donor is subject to agency regulation or oversight, or engages in a business that can be affected by agency action, then it may be that the donor hopes or expects to gain favor with the agency. Even if that is not the case, it may appear to be so, especially to someone whose interests are different from those of the donor and who may feel at a disadvantage because of the donor’s generosity.

Donation of Gifts to Charity

What should you do if someone sends you an unsolicited gift that you may not accept? Often public servants would prefer to donate such gifts to charity or to a governmental body, rather than returning them to the donor. A provision of the Penal Code allows such donations in specified circumstances:

A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under [section 36.08] may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

Penal Code § 36.08(i).

PART III. ABUSE OF OFFICE

Chapter 39 of the Penal Code contains several provisions prohibiting a public servant from using his or her official position in various ways for non-governmental purposes.

Misuse of Government Property

As a public servant, you commit an offense if, with intent to obtain a benefit or harm another, you *misapply any thing of value belonging to the government* that has come into your custody or possession by virtue of your public office or employment. Penal Code § 39.02(a)(2). Simply stated, this means that you are to use government property for governmental purposes, not for personal or private purposes.

Frequent Flyer Miles: Penal Code section 39.02(d) specifically provides that travel discount awards such as “frequent flyer” miles, hotel or rental car discounts, or food coupons are not things of value belonging to the government for purposes of the criminal law prohibiting misapplication of a thing of value belonging to the government. This means that personal or private use of travel awards accrued on state business is not a crime. The law does not, however, prevent a particular agency from adopting a policy requiring that such travel awards be used for agency purposes.

Political Campaigns: Do not use state time or state equipment to work on an individual’s political campaign. See Ethics Advisory Opinion No. 172 (1993). Also, chapter 556 of the Government Code prohibits a state agency from using appropriated funds in connection with a political campaign. Further, it prohibits a state officer or employee from using official authority to interfere with or attempt to influence the result of an election. Gov’t Code § 556.004. The Ethics Commission does not have authority to interpret chapter 556 of the Government Code.

Misuse of Official Information

As a public servant, you may have access to information that has not been made public. Chapter 39 of the Penal Code restricts your use of such information in the following ways:

- You may not use the information to acquire or help another person to acquire a pecuniary interest in any property, transaction, or enterprise affected by the information. Penal Code § 39.06(a)(1).
- You may not speculate or aid another to speculate on the basis of the information. Penal Code § 39.06(a)(2).
- You may not disclose or use the information with the intent to obtain a benefit or to harm another. Penal Code § 39.06(b).

PART IV. OTHER EMPLOYMENT

Concurrent Employment

Some of the laws under the jurisdiction of the Ethics Commission are relevant to questions about other employment by a state officer or employee. For example, under the bribery law, you may not solicit or accept a “benefit” in exchange for your decision, opinion, recommendation, vote, or other exercise of discretion as a public servant. Penal Code § 36.02. A salary is a benefit. *See generally* Ethics Advisory Opinion No. 155 (1993). Therefore, the crime of bribery occurs if a state officer accepts other employment in exchange for official action or inaction. In addition, under the honorarium law a state officer may not accept an honorarium for performing services that he or she would not have been asked to provide but for his or her official status. Other laws outside the Ethics Commission’s jurisdiction may also restrict your employment. For information about such laws, consult your general counsel or the Office of the Attorney General.

Future Employment

If you are about to leave your position with the state, you should be aware of laws that might restrict your future employment. Chapter 572 of the Government Code contains three “revolving door” provisions. Each provision applies to different groups of former officers and employees of state agencies.

Note: If other law restricts you from representing a person before an agency after you leave your position, that law prevails over the second and third Government Code provisions (in section 572.054) discussed below.

Revolving Door #1

The first revolving door provision will apply to you if you are a former state officer or employee of a state agency. For two years after you cease to be a state officer or employee of an agency, you may not accept employment from a person if you participated on behalf of the state agency in a procurement or contract negotiation involving that person.

Note: The first revolving door provision only applies to a state officer or employee whose service or employment with a state agency ceases on or after September 1, 2015.

Revolving Door #2

The second revolving door provision will apply to you if you are a former board member or executive director of a regulatory agency. For two years after you cease to be a member of the board, you may not make any communication to or appearance before an officer or employee of the board on behalf of any person with the intent to influence agency action in connection with any matter on which that person seeks official action. The restriction applies even if the agency initiates the contact and even if you are communicating on your own behalf (subject to your due process rights). It does not, however, prevent you from merely providing information to the agency, as long as you are not doing so with the intent to influence agency action on behalf of a person.

Revolving Door #3

The third revolving door provision applies to all former board members and executive directors of regulatory agencies. It also applies to former employees who, at the time of leaving the agency, were compensated at or above a certain salary level. The law applies to a former employee whose compensation at the time of leaving state employment was at or above the level prescribed by the general appropriations act for step 1, salary group A17, of the position classification salary schedule. (The 2015 General Appropriations Act prescribed the minimum annual salary for salary group A17 to be \$36,976 for fiscal years 2016 and 2017.)

A former board member or employee covered by the third provision may *never* represent a person or receive compensation for services rendered on behalf of any person regarding a “particular matter” in which he or she “participated” while serving with the agency. A “particular matter” is a *specific* matter before the agency, such as an investigation, application, contract, rulemaking proceeding, administrative proceeding, request for a ruling, etc. This revolving door provision prohibits you from representing a person, or getting paid to help a person, regarding a *specific* matter in which you were either personally involved or that was a matter within your official responsibility while a state officer or employee. It does not prohibit you from working on the *type of matters* you worked on at the agency. *This restriction lasts forever.*

Note: For purposes of the Government Code revolving door statutes, a “person” is an individual or business entity. Gov’t Code § 572.002(7). The statutes do not restrict former state officers or employees from representing or providing services on behalf of nonprofit or governmental entities. Ethics Advisory Opinion No. 232 (1994).

Violation of either of the second or third revolving door provisions is a Class A misdemeanor. The Texas Ethics Commission may assess a civil penalty for a violation of any of the three revolving door laws.

PART V. PERSONAL FINANCIAL STATEMENTS

Board members and executive directors of most state agencies are required to file a personal financial statement with the commission on or before April 30 each year if they served at any time

beginning on January 1 and continuing through April 30 of that year. Gov't Code § 572.026(a). If your term as a board member is ending or if you plan to resign from a board, you should be aware of the "holdover" provision of the Texas Constitution. Under this provision, a state officer "holds over" in office until replaced. A person who no longer attends meetings may nonetheless "holdover" as a board member. Thus, if you resign or your term expires before January 1 of a given year, you will still be required to file a financial statement for that year if your successor was not appointed before January 1.

However, if you are an appointed officer, as defined by section 572.002 of the Government Code, you are not required to file a personal financial statement if the following criteria are met before January 1 of the year the statement is due: (1) your term expired, you resigned, your agency was abolished, or your agency functions were transferred to another agency; and (2) you ceased to participate in the state agency's functions. If your term expired or if you resigned, you are required to provide written notice of your intent to not participate in the agency's functions to the Office of the Governor and to the Texas Ethics Commission.

Anyone who asks for extra time to file by April 30 is entitled to a one-time, 60-day extension. Call the Ethics Commission legal staff at (512) 463-5800 if you have questions when completing the form.

Note: New state law requires a personal financial statement filed with the Ethics Commission to be filed electronically. Please visit the Ethics Commission website at www.ethics.state.tx.us for information regarding the filing application and instructions.

Note: The commission imposes a civil penalty of \$500 for late filings. The commission has the authority to raise this penalty. There are criminal penalties for failing to file at all.

PART VI. LOBBYING BY STATE OFFICERS AND EMPLOYEES

The provisions of Government Code chapter 556 prohibit the use of appropriated funds to influence legislation. Those provisions are not under the Ethics Commission's jurisdiction. The lobby law, chapter 305 of the Government Code, is not applicable in this context. Note, however, that a *gift* from a state agency to a legislator may be prohibited under the Penal Code.

SUMMARY

This guide is intended to make you familiar with the laws interpreted by the Texas Ethics Commission that govern your conduct as a state officer. For further guidance, you should consult your agency's ethics advisor or general counsel. Also, feel free to call the Ethics Commission at (512) 463-5800 for advice or visit our Internet site at <http://www.ethics.state.tx.us>.

APPENDIX

Penal Code Provisions Regarding Gifts to a Public Servant

§ 36.08. Gift to Public Servant by Person Subject to His Jurisdiction

- (a) A public servant in an agency performing regulatory functions or conducting inspections or investigations commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be subject to regulation, inspection, or investigation by the public servant or his agency.
- (b) A public servant in an agency having custody of prisoners commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be in his custody or the custody of his agency.
- (c) A public servant in an agency carrying on civil or criminal litigation on behalf of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person against whom the public servant knows litigation is pending or contemplated by the public servant or his agency.
- (d) A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of his discretion.
- (e) A public servant who has judicial or administrative authority, who is employed by or in a tribunal having judicial or administrative authority, or who participates in the enforcement of the tribunal's decision, commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any matter before the public servant or tribunal.
- (f) A member of the legislature, the governor, the lieutenant governor, or a person employed by a member of the legislature, the governor, the lieutenant governor, or an agency of the legislature commits an offense if he solicits, accepts, or agrees to accept any benefit from any person.
- (g) A public servant who is a hearing examiner employed by an agency performing regulatory functions and who conducts hearings in contested cases commits an offense if the public servant solicits, accepts, or agrees to accept any benefit from any person who is appearing before the agency in a contested case, who is doing business with the agency, or who the public servant knows is interested in any matter before the public servant. The exception provided by Section 36.10(b) does not apply to a benefit under this subsection.
- (h) An offense under this section is a Class A misdemeanor.

- (i) A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

§ 36.09. Offering Gift to Public Servant

- (a) A person commits an offense if he offers, confers, or agrees to confer any benefit on a public servant that he knows the public servant is prohibited by law from accepting.
- (b) An offense under this section is a Class A misdemeanor.

§ 36.10. Non-Applicable

- (a) Sections 36.08 (Gift to Public Servant) and 36.09 (Offering Gift to Public Servant) do not apply to:
 - (1) a fee prescribed by law to be received by a public servant or any other benefit to which the public servant is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a public servant;
 - (2) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;
 - (3) a benefit to a public servant required to file a statement under Chapter 572, Government Code, or a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:
 - (A) the benefit and the source of any benefit in excess of \$50 is reported in the statement; and
 - (B) the benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the state or political subdivision;
 - (4) a political contribution as defined by Title 15, Election Code;
 - (5) a gift, award, or memento to a member of the legislative or executive branch that is required to be reported under Chapter 305, Government Code;
 - (6) an item with a value less than \$50, excluding cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code;
 - (7) an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity;

- (8) transportation, lodging, and meals described by Section 36.07(b); or
- (9) complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document rendered:
 - (A) to a public servant who is a first responder; and
 - (B) through a program or clinic that is:
 - (i) operated by a local bar association or the State Bar of Texas; and
 - (ii) approved by the head of the agency employing the public servant, if the public servant is employed by an agency.
- (b) Section 36.08 (Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.
- (c) Section 36.09 (Offering Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donor is required by law to report those items, reported by the donor in accordance with that law.
- (d) Section 36.08 (Gift to Public Servant) does not apply to a gratuity accepted and reported in accordance with Section 11.0262, Parks and Wildlife Code. Section 36.09 (Offering Gift to Public Servant) does not apply to a gratuity that is offered in accordance with Section 11.0262, Parks and Wildlife Code.
- (e) In this section, “first responder” means:
 - (1) a peace officer whose duties include responding rapidly to an emergency;
 - (2) fire protection personnel, as that term is defined by Section 419.021, Government Code;
 - (3) a volunteer firefighter who performs firefighting duties on behalf of a political subdivision and who is not serving as a member of the Texas Legislature or holding a statewide elected office;
 - (4) an ambulance driver; or
 - (5) an individual certified as emergency medical services personnel by the Department of State Health Services.

SAN LEON MUNICIPAL UTILITY DISTRICT

Travel & Expense Policy

Revised: April 17, 2012

General:

This travel and expense policy provides guidelines and procedures for District Board members and employees incurring business travel and entertainment expenses on behalf of San Leon MUD. It is District practice to reimburse employees for authorized reasonable and necessary expenses that are directly related to District business. The purpose of this policy is to ensure all Board Members and employees have a clear understanding of policies and procedures and to maximize the ability to obtain the best available rates to reduce travel expenditures.

The provisions of this policy apply to all San Leon MUD Board Members and employees. The responsibility to observe the procedures is equally shared by the Board Member and employee incurring the expense and the manager approving the expenditure.

In order to control travel expenses, ensure accurate reporting and obtain the best available rates, all travel reservations (hotel, car, air, and rail) must be made through the Office Manager. Failure to comply with the policy is subject to non-reimbursement of the expenses incurred.

Questions or concerns regarding this travel policy should be directed to the Office Manager.

Travel Arrangements:

Reservation Procedures - Travelers will make air reservations no later than 14 days in advance of initial travel date to take advantage of advance purchase discounts. All business related travel including commercial air, lodging, and car rental reservations, including en route changes, must be booked through the Office Manager. All travel (out of local area) requires appropriate authorization prior to tickets being issued or reservations made. Travel must be requested on a travel authorization form. Individuals should maintain a copy of the travel authorization form to be submitted with their expense reports.

Contact information - District Office

Phone: 281-339-1586

Fax: 281-339-1587

Address: 443 24th Street, San Leon, Texas 77539

Office Hours: 8:00 am - 5:00 pm, Monday through Friday

Traveler Profiles - All employees who will be traveling via commercial airline at least once per year must submit a completed traveler profile form to the Office Manager. This profile includes information such as address, phone, frequent flyer numbers, seating preferences, etc. It is the traveler's responsibility to keep this information updated. Traveler profile forms can be obtained from the Office Manager.

Air Travel:

Commercial Reservations - All business-related air travel reservations must be made through the Office Manager during normal business hours. The Office Manager will check alternative routing/flights from all airports within 75 miles of the preferred departure and arrival locations.

Class of service - All business airline tickets must be purchased via the Office Manager. All domestic air travel will be in coach class. Business or first class will not be booked. Upgrades are permitted at the traveler's personal expense or if there is no additional cost to San Leon MUD for the upgrade.

Guidelines in Determination of Lowest Airfare - The Office Manager will book the lowest logical airfare as determined by the San Leon MUD based on the following parameters:

- departure/arrival is no more than 2 hours before or after requested time
- routing does not increase the one-way total trip time by more than 2 hours
- routings that require additional stops will be considered. Travelers are not to engage in any type of ticketing which circumvents the tariffs, such as back-to-back ticketing or hidden cities. The airlines consider these ticketing practices illegal and San Leon MUD does not condone this type of ticketing.

Nonrefundable Fares - Travelers must consider purchasing nonrefundable fare tickets, especially if they are frequent travelers. Changes to a nonrefundable fare ticket for a subsequent flight are often available for a nominal fee. The Office Manager will assist the traveler in determining the appropriateness of purchasing a nonrefundable fare ticket.

Electronic Tickets - Travelers will be issued electronic tickets (e-tickets). Paper tickets will be issued only for international travel or when an electronic ticket is not available.

Prepaid Tickets - Travelers will not use prepaid tickets. The airlines charge a non-refundable fee for this service. Prepaid tickets will be issued only in emergency situations when ticket delivery or electronic ticketing is not available.

Unused Tickets - Unused tickets or flight coupons must never be discarded as these documents may have cash value. All unused tickets must be returned to the Office Manager.

When traveling on an electronic ticket, notify the Office Manager of any unused segments or canceled trips.

The Office Manager must be notified in order to process the refund.

Charter Aircraft & Private Aircraft - Air transportation generally is restricted to regularly scheduled and FAA approved airlines. The use of private aircraft is not allowed without approval of the Office Manager.

Spouse Travel - San Leon MUD will not reimburse travel and entertainment expenses incurred by a spouse, other family member or individual accompanying an employee on business.

Lodging Reservations - All hotel reservations require completion of a Travel Authorization form approved by Office Manager, and will be made through the San Leon MUD Office Manager. The Office Manager will book reservations using negotiated rates at preferred hotels whenever possible. Hotels used will be in the moderate range. Unless otherwise instructed, all rooms will be guaranteed for late arrival with the traveler's charge card. Cancellation times will be noted on your itinerary. Hotel charges resulting from reservations not made through the San Leon MUD Office Manager are subject to non-reimbursement.

Direct Billing - Direct billing for individual business travel is not authorized. Reservations for direct billing group functions will be made through the Office Manager.

Canceling Hotel Rooms - Travelers are responsible for canceling hotel rooms to avoid no-show billing charges. Hotels must be canceled through the San Leon MUD Office Manager. In the event you cancel a room directly with the hotel, document the cancellation number, time & date of cancellation and the hotel contact that processed the cancellation; email or deliver this information to the Office Manager.

No-Show Billing - Travelers must notify the Office Manager upon receipt of any no-show bills. No show billings due to non-cancellation of rooms are not a reimbursable expense.

Rental Car Guidelines - Travelers will rent a car to go to their destination when it is more economical than flying. The general guideline for renting a car versus traveling by air is that the round trip can be completed within one day. Travelers may rent a car at their destination only when the expected driving mileage is greater than 200 miles, or if other transportation modes (hotel shuttles, taxis, airport limousines, etc.) do not provide a more economical alternative for transportation at your destination. Rental car charges resulting from reservations not made through the San Leon MUD Office Manager are subject to non-reimbursement.

Reservations - Rental car reservations require completion of a Travel Authorization form approved by the Office Manager, and must be made through the San Leon MUD Office Manager.

Standard Car Size - The standard corporate rental car size is a midsize or smaller. Employees may upgrade cars at their personal expense. Unapproved car upgrades are not a reimbursable expense and are subject to deduction from an employee's expense report.

Refueling - Travelers will return rental cars with a full tank of gas to avoid refueling charges. Refueling charges at the rental agency are extreme in comparison to standard pump prices resulting in unnecessary additional expenses. For this reason, fuel expenses above the standard pump price will not be reimbursed.

Rental Car Accidents - In the event of an accident, travelers should contact the local authorities as required, the rental agency, and the Risk Management contact the Office Manager at 281-339-1586.

OTHER TRANSPORTATION:

Personal Car Usage - Employees should use their personal automobile for business purposes only when it is the most economical means. Frequent use of personal vehicles for business is not encouraged.

Authorization/Justification - Employees must justify on a Travel Authorization form whether use of their personal automobile is more economical than renting a car. If an employee chooses to use his/her personal auto for business use, he/she must obtain pre-authorization from his/her Office Manager. The justification for use of personal auto must include detail of anticipated trip miles and anticipated trip duration. The justification must also include an estimated reimbursement total based on the IRS reimbursement for mileage and an estimated total if a standard mid-sized car were rented. Expense reimbursement will be limited to the lesser of the cost of renting a car versus the cost of using one's personal auto. Exceptions must be approved by the General Manager.

Reimbursement Rate - Employees will be reimbursed for business usage of personal cars at the rate published by the IRS. Employees are responsible for any repairs to their personal car even if these costs result from business travel. These repair costs are not a reimbursable expense.

Fleet Vehicles and Guidelines - Some employees have positions which require regular driving of a Company vehicle. Company vehicles are limited to business use only. Personal use of a Company vehicle is not allowed at any time.

Employees who have positions which require regular driving of a company vehicle will have their driving records reviewed on a periodic basis for insurance purposes. Employees who have an unacceptable driving record are subject to review by their supervisor and Office Manager. An unacceptable driving record may result in disciplinary action, up to and including termination.

Any questions regarding Fleet Vehicles and related policy should be directed to the Office Manager at 281-339-1586

PERSONAL ACTIVITIES IN CONJUNCTION WITH BUSINESS TRAVEL:

Personal Travel - Personal travel may be combined with business travel provided there is no additional cost to the company. Company negotiated air, car, and hotel rates are not available for personal travel.

TELEPHONE USAGE:

Hotel Phone - charges are subject to non-reimbursement if they are determined to be not business critical.

Cellular Phone Usage - No personal cellular phone expenses, even those related to business will be reimbursed.

Meals & Entertainment Reimbursement:

Personal Meals - Personal meals are defined as meal expenses incurred by the traveler when dining alone or with other employees on a qualifying business trip. The following are qualifying business trips and reimbursement guidelines:

Out-of-town overnight trip - Employees traveling out-of-town overnight for business purposes are eligible to be reimbursed for actual meal expenses up to \$25 per day including tips. San Leon MUD will reimburse meal claims for a number of day's equivalent to the number of hotel nights claimed for reimbursement. For out-of-town overnight trips in which the initial day's departure is prior to 5pm (traveler's local time), additional personal meal expenses of up to \$15 will be reimbursed for that day.

Out-of-town day trip - A day trip is defined as a trip out-of-town not requiring overnight stay but extending an individual's work day beyond 12 hours and his/her return to his/her home after 8pm. Meal expenses for out-of-town day trips may be reimbursed up to \$15 per day.

Receipts are required for all meal reimbursement requests.

Business Meals - Expense for business meals, including beverages, will be reimbursed only if such activities are directly related to the employee's work or advance the interest of San Leon MUD. Employees will be reimbursed for business meal expenses according to actual and reasonable cost. Receipts are required for all business meal reimbursement requests.

Documentation Requirements - An original receipt must be submitted with the expense report for all business meals expenses. In addition, for business meal expenses, the following documentation is required by the District, and must be recorded on the expense report:

- names, titles, and company name of individuals present and their business relationship _
- names and location of where the meal or event took place
- specific business topic discussed/business purpose. Inadequately documented business meals expense requests are subject to non-reimbursement.

Cash Advances - To minimize requirements for temporary travel advances, employees are requested to charge reimbursable expenses to credit cards whenever possible. Cash advances are discouraged and will be issued only in extreme instances. Allow seven (7) days processing time from Accounts Payables' receipt of the approved cash advance request. Approval and Repayment. Cash advance requests require Office Manager approval. A promissory note must be signed by the employee prior to the issue of each cash advance. If a cash advance is issued, the corresponding expense report must be submitted within seven (7) business days of return from travel and include the return of any unsubstantiated amount. Employees who have received cash advances are subject to payroll deduction by San Leon MUD to recover the cash advanced if expense report claims do not substantiate the total advanced to the employee. Cash advances will not be paid out more than 30 days prior to travel date.

Expense Reports - Timing for Expense Report Completion. Travelers should submit expense reports within a reasonable time upon completion of each trip. Expense reimbursement checks are processed weekly. Full name and address are required on the expense report. Incomplete reports will be returned to the Board Member or employee for proper documentation prior to

being paid. Location of Expense Report Form. The Expense Report form can be obtained from the Office Manager. The form will be updated to reflect the current mileage reimbursement rates. This expense report form is the only acceptable form for requesting reimbursement.

Approval Process:

- Expense reports must be submitted with original receipts, the employee's signature and the appropriate approval authorization based on the dollars being reimbursed.
- Approval authorization must align with San Leon MUD Travel Policy, with the Office Manager's Approval
- At least one signature must be original (not faxed).
- Receipts must be taped to an 8.5 x 11" paper and attached to the Expense Report.
- A copy of the Travel Authorization form must be attached to the expense report.

Failure to comply with the guidelines listed herein and the San Leon MUD approval policy will result in non-reimbursement.

Documentation Requirements. Travelers must provide the following information to be reimbursed for expenditures:

- Air - The original passenger coupon receipt if the air was not booked via the San Leon MUD Office Manager.
- Hotel - The zero-balance hotel folio in addition to the credit card receipt. If no receipt was provided by the hotel, provide credit card statement copy with explanation as to why original receipt is not available.
- Car Rental - The credit card receipt.
- Meals/Entertainment – Charge card receipt or original receipt completed by the vendor.
- Miscellaneous - All miscellaneous expenses must have the charge card receipt or original receipt completed by the vendor.

Travel Authorization Form:

Actual receipts must be submitted whenever possible; photocopies will be acceptable only with a detailed explanation as to why the original is unavailable.

Questions regarding expense reports or requests for a copy of the expense report form should be directed to the Office Manager, 281-339-1586.

Detail of Reimbursable Expenses:

If no clear and valid business purpose exists for an expense, reimbursement will be denied. Receipts are required for all expenses submitted for reimbursement. The lists below are not all inclusive. Questions related to whether or not an item is an allowable reimbursable expense are to be directed to the Office Manager, 281-339-1586.

Reimbursable Expenses. Other reimbursable expenses include: business office expenses that fall outside the San Leon MUD overnight delivery/postage supported by business justification, parking fees while traveling seminar fees with prior management approval tips (non-meal) tolls.

Non-reimbursable Expenses. Travelers will not be reimbursed for the following expenses: airline, lodging, or rental car memberships or frequent use program fees travel club fees movies (including in-room movies) and other personal entertainment that is not business-related fines as a result of moving or parking violations car washes for personal auto used for business purposes credit card fees, interest or late fees lodging and meals for family members personal gifts or remembrances insurance deductibles.

Direct Billing. The only time direct billing will be used as a method of payment is with group situations and is to be coordinated through the San Leon MUD Office Manager. Complete documentation must be forwarded to the Office Manager, 281-339-1586. Include names, dates, purpose of meeting,

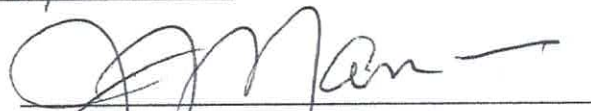
Travel Authorization & Reservations:

Make Rental Car reservations with the San Leon MUD Office Manager. If overnight stay required, make Hotel reservations with the Office Manager. Car may be rented at destination if taxis, limos, etc. do not provide a more economical alternative OR if travel distance in auto is expected to exceed 200 miles.

Director Per Diem:

Directors of the District traveling on District business, specially, including meeting and educational conferences in their position as District Directors, shall receive any applicable per diem in effect, subject to limitations contained in the Texas Water Code. The per diem shall be paid for each day or a portion of a day expended in the travel and attendance at meetings and/or conferences.

SIGNED the 17th day of April, 2012.



President
San Leon Municipal Utility District

ATTEST:



Secretary

ORDER APPROVING INVESTMENT POLICY

THE STATE OF TEXAS

COUNTY OF GALVESTON

SAN LEON MUNICIPAL UTILITY DISTRICT

The Board of Directors of San Leon Municipal Utility District ("the District") met in regular session, open to the public, after due notice, at its regular meeting place inside the District, on August 15, 2018; whereupon the roll was called of the members of the Board of Directors, to-wit:

<u>Joe Manchaca</u>	<i>President</i>
<u>Tyson Kennedy</u>	<i>Vice President</i>
<u>Julie Hall</u>	<i>Secretary</i>
<u>Jelly Neason</u>	<i>Director</i>
<u>Kenneth Bishop</u>	<i>Director</i>

WHEREUPON, among other business conducted by the Board, Director _____ introduced the Order set out below and moved its adoption, which motion was seconded by Director _____, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" ____; "No" ____.

The Order thus adopted is as follows:

WHEREAS, Section 2256.005 of the Texas Government Code provides that the governing body of the District must adopt a written investment policy regarding the investment of its funds and funds under its control (collectively, the "District's Funds"), and such policy must primarily emphasize safety of principal and liquidity and

address investment diversification, yield and maturity, and the quality and capability of investment management; and

WHEREAS, such policy must include a list of the types of authorized investments in which funds may be invested, the maximum allowable stated maturity of any individual investment, and for pooled fund groups, the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio;

WHEREAS, the Board of Directors of the District desires hereby to adopt such an investment policy;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF SAN LEON MUNICIPAL UTILITY DISTRICT THAT:

Section 1. Review and Reporting. The Board shall not less than annually review the District's investment policy and strategies and shall from time to time adopt such rules and policies as it deems necessary concerning the investment of its funds. On a quarterly basis the Board shall cause to be prepared by its investment officers a written report describing in detail all investment transactions for all funds for the preceding reporting period.

Said report shall:

- A. Describe in detail the investment position of the entity;
- B. Be prepared jointly by all investment officers;
- C. Be signed by each investment officer;
- D. Contain a summary statement of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, and ending market value for the period;
- E. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;

- F. State the maturity date of each separately invested asset that has a maturity date;
- G. State the account or fund or pooled group fund for which each individual investment was acquired; and
- H. State the compliance of the investment portfolio as it relates to: the District's investment strategy expressed in this Policy, and relevant provisions of the Public Funds Investment Act.

Section 2. Investment Officers. A District Director shall be designated as Investment Officer. The Investment Officer shall be responsible for the day-to-day investment and reinvestment of the District's funds, but the Board retains ultimate responsibility as fiduciary of the assets of the entity. All such transactions shall be made in accordance with the District's policies and rules for investment of its funds. The Investment Officer shall report all such transactions and provide a schedule of all current investments to the Board on a monthly basis. The Board will review the schedule of investments monthly. At the end of each fiscal year for the District, the Investment Officer shall prepare a written report describing in detail all investment transactions for the preceding year and the District's investment position as of the date of said report. The yearly report shall be reviewed by the Board in a timely manner.

Unless otherwise authorized by law, a person may not deposit, withdraw, invest, transfer, or manage in any other manner funds of the District without express written authority of the Board of Directors of the District, consistent with this Policy. Authority granted to a person to deposit, withdraw, invest, transfer, or manage funds is effective until rescinded by the District or until termination of the person's employment by the District.

An Investment Officer who has a personal business relationship with an entity seeking to sell an investment to the District shall file a statement disclosing that personal

business interest. An Investment Officer who is related within the second degree by affinity or consanguinity, to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required hereunder shall be filed with the Texas Ethics Commission and the Board of Directors of the District.

Section 3. Standard of Care and Investment Objectives. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

Investment of funds shall be governed by the following investment objectives, in order of priority:

- A. Preservation and safety of principal;
- B. Liquidity; and
- C. Yield.

Section 4. Investment Training. The Investment Officer of the District shall attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing the hours of instruction relating to the officer's responsibilities under the Public Funds Investment Act as required under the Tex. Water Code §49.1571, within twelve months after taking office or assuming duties, and shall attend training every two years as required by Tex. Water Code §49.1571.

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act.

Section 5. Authorized Investments. All investments of the District's funds shall be made in the following authorized investments:

- A. obligations of the United States or its agencies or instrumentalities,
- B. direct obligations of this state or its agencies or instrumentalities,
- C. collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
- D. other obligations, the principal of and interest on which are unconditionally guaranteed or insured by or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities,
- E. obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent,
- F. bonds issued, assumed, or guaranteed by the State of Israel,
- G. certificates of deposit issued by a credit union, state or national bank or a savings and loan association domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, the National Credit Union Association or its successor, or are secured as to principal by obligations described in the preceding paragraphs A. through E., including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates (but excluding those mortgage backed securities of the nature described in Section 6 below), or secured in any other manner and amount provided by law for District deposits,
- H. fully collateralized repurchase agreements, as defined by the Public Funds Investment Act, that have a defined termination date, are fully secured by obligations described in Paragraph A above, pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, and are placed through a primary government securities dealer as defined by the Federal Reserve or a financial institution doing business in this state;
- I. banker's acceptances with a stated maturity of 270 days or less, which will be, in accordance with its terms, liquidated in full at maturity, and which are eligible for

collateral for borrowing from a Federal Reserve Bank, if the short-term obligations of the accepting bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by a least one nationally recognized credit rating agency,

- J. commercial paper that has a stated maturity of 270 days or fewer from the date of its issuance and that is rated not less than A-1 or P-1 or the equivalent by at least (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state,
- K. no-load money market mutual funds regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less, and includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share,
- L. no-load money market mutual funds registered with the Securities and Exchange Commission, that has an average weighted maturity of less than two years, is invested exclusively in obligations approved by this Policy and is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and conforms to the requirements of the Public Funds Investment Act relating to the eligibility of investment pools to receive and invest funds of investing entities,
- M. an eligible investment pool meeting the requirements of the Public Funds Investment Act, if the Board of Directors of the District authorizes investment in the pool by resolution or order,
- N. other investments authorized by the Board by resolution or order,

Section 6. Unauthorized Investments. In order to clarify certain of the authorized investments listed in Section 5, the Public Funds Investment Act specifically prohibits and forbids the District to:

- A. invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in mutual funds described in Paragraph K,
- B. invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Paragraph K. above,
- C. invest its funds or funds under its control including bond proceeds and reserves and other funds held for debt service in any one mutual fund described in Paragraphs J. or K. above in an amount that exceeds 10 percent of the total assets of the mutual fund,

- D. invest in obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal,
- E. invest in obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest,
- F. invest in collateralized mortgage obligations that have a stated final maturity date of greater than 10 years, and
- G. invest in collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 7. Investment Rules and Policies. The District shall invest its funds

in keeping with the following:

- A. The District shall invest funds only in instruments designed to protect the principal value of the investment and to maintain liquidity for District objectives and activities. Safety of principal and liquidity shall be the primary investment goal; however, the District may invest in instruments which give it the highest yield, except as otherwise required by law, provided safety of principal and liquidity needs are met.
- B. The District shall continuously attempt to maintain a diversified portfolio designed to reduce risk.
- C. The District shall not invest in an obligation which matures more than two (2) years from the date of purchase.
- D. The District shall employ a bookkeeper experienced in investment of public funds, and the District's investment officers shall consult with the bookkeeper concerning investment opportunities. Prior to investment in any investment which is new to the District, the investment officers shall also consult with the District's financial advisor.
- E. All uninvested District Funds shall be deposited in the District's depository bank or credit unions approved by the Board of Directors unless otherwise required by orders or resolutions authorizing the issuance of the District's bonds. To the extent such District Funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation or by the National Credit Union Association, they shall be secured in the manner provided by law for the security of District Funds.
- F. Any transfer of District Funds for the benefit of a third person shall, after approval by the Board, be made by a draft executed by at least three directors or by wire transfer pursuant to the wire transfer agreement with its depository bank or credit union.

- G. In the event State law changes and the District cannot invest in the investments described in this policy, this policy shall automatically be conformed to existing law.

Section 8. Investment Strategies. The District's investment strategy for each of its accounts follows:

- A. Operating Account. The Operating Account is used for all operations and maintenance needs of the District. The highest priority for this account is safety of principal and liquidity; after these are met, maximizing yield may be considered. An amount equal to two (2) months of normal operational costs must be kept extremely liquid for normal uses; the amount in excess of two (2) months of normal operational costs should be kept in investments that may be liquidated easily if the need arises. The District's general guidelines for diversification and maturity apply to this account.
- B. Debt Service Account. The Debt Service Account is used to pay the District's debt service. The highest priority for this account is safety of principal. Investments for this account should be structured so that they match debt service needs. When safety of principal and liquidity to match debt service are assured, yield shall be considered. Since District Funds in this account may not be needed for a year or more, longer term instruments may be considered, within the general guideline for maturity set forth in this investment policy, to increase yield. Since the amount of District Funds in this account may be relatively large, diversification of investments may be desirable and the District's general policy on diversification should be used.
- C. Construction or Capital Projects Account. The Construction or Capital Projects Account is used to pay for capital projects of the District. The highest priority for this account is safety of principal. To the extent the District can predict when disbursements need to be made from this account, investments should be structured so they mature or can be liquidated on the dates disbursements must be made. When safety of principal and liquidity to match disbursement dates are assured, yield may be considered. If funds in this account may not be needed for a year or more, longer term instruments may be considered, within the general guideline for maturity set forth in the investment policy, to increase yield. Investment diversification for the large amount of District Funds that may be deposited to this account for a day or two can be achieved through use of an investment pool. In cases where the District has a large amount of District Funds in this account for longer periods, the District's general policy on diversification should be used.

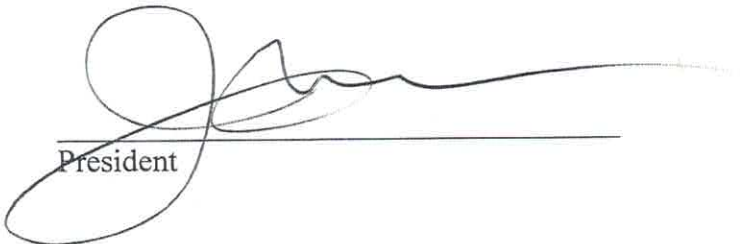
Section 9. Solicitation of Bids. In the event District Funds are invested in certificates of deposit, the bookkeeper shall solicit bids from at least two bidders. Bids

may be obtained orally, in writing, electronically, or in any combination of those methods.

Section 10. Acknowledgment of Receipt of Investment Policy. The bookkeeper for the District shall secure an executed copy of the form attached hereto from any person seeking to sell an authorized investment before the District purchases securities for the District from such person.

The President or Vice President is authorized to do all things necessary for execution of this Order; and the President or Vice President is further authorized to execute, and the Secretary or any Assistant Secretary to attest, this Order on behalf of the Board of Directors.

WITNESS OUR HANDS AND THE SEAL OF THE DISTRICT this 15th day of August, 2018.



President

ATTEST:



Secretary

(DISTRICT SEAL)

