

David Jetelina
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May 1, 2019

San Leon Municipal Utility District
443 24th St.
San Leon, TX 77539
Attn: Mr. Andrew Miller, District Manager via email: amiller@slmud.org

Re: Freedom of Information Request for documents from San Leon MUD (SL MUD)

Dear Mr. Miller,

Thank you for your all of your assistance to date which has been most helpful.

This request is made under the Freedom of Information Act. I hereby request copies of the following records related to the upcoming May 4, 2019 San Leon Bond Debt Election:

- 1) Members of the San Leon MUD Board and officers of the San Leon MUD have stated at numerous public meetings that "resident's water bills will **triple** if the TCEQ has to come in and build a new sewage treatment plant". Please provide copies of all written documentation/communication from TCEQ and/or other sources that provided an objective basis for the aforementioned statement made by the San Leon MUD.
- 2) Members of the San Leon MUD Board and officers of the San Leon MUD have stated at numerous public meetings that "the TCEQ will come in and build a new sewage treatment plant if the San Leon MUD does not do it of their own accord". Please provide copies of all written documentation/communication from TCEQ and/or other sources that provided an objective basis for the aforementioned statement made by the San Leon MUD.
- 3) Members of the San Leon MUD Board and officers of the San Leon MUD have stated at numerous public meetings that "the TCEQ will fine the San Leon MUD a significant amount of money if the San Leon MUD does not increase the capacity of the existing sewage treatment plant". Please provide copies of all written documentation/communication from TCEQ and/or other sources that provided an objective basis for the aforementioned statement made by the San Leon MUD.
- 4) Copy of the Application filed with the State of Texas that resulted in the establishment of the San Leon Municipal Utility (MUD) District.

The request for records is made to better understand decision making used by the SL MUD in consideration of the proposed Bond Election in May of 2019. This request is submitted in good faith for the benefit of the land owners within the SL MUD district.

I am a property owner and water service customer of the SL MUD.

I request a waiver of all fees for this request. Disclosure of the requested information to me is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the government. If you have any questions regarding this request please contact me immediately at 713-825-2372 or email dj@flagshiptec.com . Paper or electronic records are acceptable. Please email electronic records. Alternately I will pickup paper copies of records at the SL MUD office.

I look forward to your prompt response.

Respectfully submitted,



David Jetelina

Re: FOIA Request dated May 1st

Date 5/3/2019 12:19 PM
From amiller@slmud.org on behalf of Andrew Miller
Actionable/To djetelina@flagshipptec.com

See below for responses to your Public Information Act request dated May 1. If you have any additional questions, please let me know!

1) The District has not stated that "resident's water bills will triple if the TCEQ has to come in and build a new sewage treatment plant." The District has, however, stated that water bills would have to increase, potentially double or triple, based on conversations with our financial advisor and engineer which were informed by not only their professional expertise and personal experience but also conversations they individually entertained with TCEQ. We have received nothing in writing from the state, which is not atypical given that once something is in writing they would be restricted to only that course of action.

2) The District has stated at numerous public meetings that the TCEQ will come in and build a new sewage treatment plant if the San Leon MUD does not do it of their own accord. This statement is based on the professional counsel of our financial advisor, engineer, and attorney and conversations our engineer and attorney have had with the TCEQ. While we've not received anything in writing from the state, based on the aforementioned consultant's insights we believe that the state's takeover of the facility expansion could take many forms, be that utilization of state funds to expand the plant with a note of undisclosed repayment terms served to the MUD at the completion of the project or through fines assessed and accrued until the District has the requisite funds to expand the plant ourselves or another as of yet unknown process.

3) The statement that "the TCEQ will fine the San Leon MUD a significant amount of money if the San Leon MUD does not increase the capacity of existing sewage treatment plant" is based on conversations our engineer and attorney have had with the TCEQ. The District's issue with I&I and the flows at the sewage treatment plant are a known concern and the TCEQ has extended grace with any excursions from our permitted flows as they know we've been attempting to address the I&I issue from the collection system side prior to expanding the plant. However, based on conversations our engineer and attorney have had with them, the grace period is coming to an end in the event the plant is not expanded. By this token, if the plant is not expanded then the TCEQ has every right to begin enforcement under Chapter 7 of the Texas Water Code with penalties as follows:

Sec. 7.187. PENALTIES. (a) Except as provided by Subsection (b), a person convicted of an offense under this subchapter is punishable by:

- (1) a fine, as imposed under the section creating the offense, of:
 - (A) not more than \$1,000;
 - (B) not less than \$1,000 or more than \$50,000;
 - (C) not less than \$1,000 or more than \$100,000;
 - (D) not less than \$1,000 or more than \$250,000;
 - (E) not less than \$2,000 or more than \$500,000;
 - (F) not less than \$5,000 or more than \$1,000,000;
 - (G) not less than \$10,000 or more than \$1,500,000; or
 - (H) not more than twice the amount of the required fee;
- (2) confinement for a period, as imposed by the section creating the offense, not to exceed:
 - (A) 30 days;
 - (B) 90 days;
 - (C) 180 days;
 - (D) one year;
 - (E) two years;
 - (F) five years;
 - (G) 10 years;
 - (H) 15 years;
 - (I) 20 years; or
 - (J) 30 years; or
- (3) both fine and confinement, as imposed by the section creating the offense.

4) San Leon MUD was not established through an application process with the State of Texas. It was established through an act of the legislature of the State of Texas.

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Andrew Miller
District Manager
San Leon MUD
(281) 339-1586

On 2019-05-01 18:08:57-05:00 David Jetelina wrote:

Hello Andrew,
Many thanks for providing the information yesterday pertaining to the adjusted taxable valuation for all real property located within the District for tax year 2018. This week's meeting resulted in a few more questions regarding the upcoming Bond Debt Election scheduled for May 4, 2019. If you would please assist in providing answers we would be most appreciative.
All the best,
David J.

David Jetelina
713.825.2372 tel



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