

Public Comments from March 16, 2021

Meeting for San Leon Municipal Utility District

Phillip Haskett

- The WCID website states that the meetings will be conducted under Robert's Rules of Order, although it doesn't exactly specify what section. I've got a copy here that I can donate to the board or to you. I want to call on you as both the president and the person who handles the meetings to enforce the rules of order by silencing the hecklers who get out of order when they don't have the floor and if the offender or the offense persists to do exactly what you said, which is to eject the offenders.
 - The Board has a copy of Robert's Rules present at each meeting, as well as legal counsel present to ensure meetings are conducted in a structured and efficient manner.
- First real question: Andrew Miller's posted a response to a question that was posed at last month's meeting stated that "April of 2013 was the last time Mr. Manchaca cashed one of his District checks, either per diem or expense reimbursement. As the per diem is \$150, this would represent nearly \$13,900 across the 93 months from April 2013 through December 2020." I had already noted that fact while studying the 2010-2020 annual audits I received from my open records requests and during last year's election campaign I repeatedly offered on social media to waive any and all fees of office as a demonstration that if elected I wasn't interested in profiting from being on the board. As a show that each of your motivations for being on the board is solely for community service, I call each board member including the one who's not here that I don't see... As a show of your motivation, I call on each board member to stop taking payments for your services either from the monthly meetings, the per diem for any convention or class or function related to the board, just to demonstrate that the community wants to follow the example set by Mr. Manchaca.
 - Each board member has discretion over the use of their statutory per diem, some of whom use the funds to support local organizations that benefit the community.
- This month's wastewater treatment plant report shows the plant's average daily discharge, posted for the first time in four months, was only 711 million gallons, .711 million gallons a day... that's just shy of 75% of the permitted discharge. Isn't it true that that data shows that the wastewater treatment plant wasn't necessary because with 1 inch of rainfall that fell during the month, we still are at 75% capacity? And I believe that the board needs to address that more fully than Mr. Miller has addressed it the last time I asked this question. It's evident that even when we get some rain, we're still well under our permit and really didn't need to spend either \$10.6 million or \$22.75 million or whatever the number was you used.
 - As explained in response to similar questions you have posed in the past, regardless of whether the flows during recent months are under permit, we have

historical data that prompted the plant's expansion in accordance with TCEQ requirements. When there are three consecutive months of flow exceeding our permit, the District is required by the TCEQ to begin design and construction of an expansion; this first occurred at the beginning of 2012 (February through May) and has happened most recently May through July of 2020. Additionally, the I&I has not been resolved as you allege, but rather has become a temporary non-issue due to the lack of rain in the region.

David Jetelina

- To Andrew and the WCID board: you stated in your response to last month's public that your subjective decision to request Todd & Associates (Todd) to opine on the financial integrity of the San Leon fire service contractor was based partly upon the utilization of Todd for certain tasks at the Bacliff Volunteer Fire Department. Did your subjective decision include an objective review of the records of the Galveston County Clerk's Office or an objective discussion with the legal section of the Texas Board of Accountancy? If you're going to utilize the Bacliff VFD as a standard for fiduciary responsibility, are you also going to adopt their longstanding practice of utilizing a full charge bookkeeper to maintain the company's accounts in compliance with GAAP on a double entry accounting system?
 - As previously explained last month, the District's contract with the fire department states that an audit will be "performed by an auditor acceptable to the District..." After consultation with the District's attorney, it was agreed that Todd & Associates, which has an upstanding reputation in the community and conducts a similar review for the Bacliff VFD, was sufficient for the contract's intent. Regarding a full charge bookkeeper, the San Leon Volunteer Fire Department has their own management structure to address the operation of the Department. The District's authority is the operation and maintenance of the water and sewer infrastructure for the community; the District has exercised its authority to contract for fire services, but does not have additional authority to dictate operational aspects of the VFD.
- To our current engineer contractor, Hal Walker, who's not here tonight, isn't it true that you claimed that your gross overestimation of the sewer plant construction costs, which cost the beleaguered San Leon rate payers a tremendous amount of money, was based upon the effects of COVID? That's a question. What objective proof do you have of that claim? Do you still stand by the District's claim that the original \$40 million, almost \$40 million sewer plant expansion project, was based on a single page color photo which was represented by the District to be the detailed engineering report required by Texas state statutes?
 - As explained in response to similar questions you have posed in the past, when the flow at the sewer plant repeatedly exceeded permit, the District was required

to produce a comprehensive preliminary engineering report, taking into account all aspects of the project. This report was compiled by the District's engineering firm, and was then revisited as we began the process of pursuing the funding for the expansion, with the single page color photo and the single page of updated costs presented to the board for a final review and approval prior to the bond sale. As also expressed to you at that time, the preliminary engineering report was withheld from public disclosure due to security concerns both with regards to the protection of the facility infrastructure as well as integrity in the forthcoming bidding process.

- Question for Andrew: you claim that specific safeguards were put in place to protect WCID assets in May of 2020. Please share a copy of the specific WCID safeguards, policies, procedures, and protocols.
 - Attached is a copy of the asset disposal policy that began development in May of 2020 and was finalized in June of that year.
- Also for Andrew: You claim 3 specific safeguards were put in place to protect the public against future embezzlement at the fire services contractor. Safeguard A: debit cards were removed from the contractor. Well, I'll tell you: issuing debit cards was obviously a very bad decision and they should never have been issued in the first place. In any company with outside shareholders, I've never seen debit cards issued to the officers and it end up ok, it's always been a disaster. Safeguard B: you claim a safeguard was put in place by requiring multiple signatures on contractor's checks. [end of time]
 - As previously explained, the San Leon Volunteer Fire Department has their own management structure to address the operation of the Department. The District's authority is the operation and maintenance of the water and sewer infrastructure for the community; the District has exercised its authority to contract for fire services, but does not have additional authority to dictate operational aspects of the VFD.

Robin Burke

- I'd like to know how much money we the citizens of San Leon have spent on investigations and record research and lawyers in the last 2 years.
 - Attached is a breakdown of labor and materials spent on records research. Regarding investigations, approximately 40 hours have been spent addressing the numerous allegations that were brought up with TCEQ and the Galveston County Criminal Investigation Division, none of which found the District to be at fault for any wrongdoing. \$7,003.75 has been incurred in legal costs through our general counsel related to investigations and records research. We have additional legal counsel ready to support the District should it be warranted, but those costs will not be incurred unless we need to engage their services in the event of litigation.

Linda Brown

- I would like to get some clarification on the TCEQ investigation. I've been going over the report and from what I can tell with the Eastex lab report the MUD came back with flying colors so I think the entire team should be commended for that. However, there have been some contradictory test results published. Those numbers actually reflect the results of Eastex calibrating their equipment and are not the MUD results, that is attachment 9, page 6. The incorrect numbers were posted by David Jetelina, who is the administrator of an online tabloid purported to be the real, uncensored truth. I attempted to reach out to Mr. Jetelina, but I am censored from the page. I may only be a retired teacher, but it's difficult to imagine anyone with any integrity purposely representing those test results, but giving Jetelina the benefit of the doubt that he is a man of integrity, I'm chalking it up to his inability to interpret the report. I hope that the board can clarify that.
 - The Eastex lab report includes results from multiples tests that the state-certified lab conducted. The first 3 pages after the cover letter have a project designation as "San Leon Cake" and a table heading of "Cake", indicating that the reported levels are associated with the samples from the wastewater treatment plant. The following pages indicate that the reported levels are associated with "EPA 8082A-Quality Control Eastex Environmental Laboratory – Coldspring", showing that the reported levels are associated with the control tests that confirm the accuracy of the San Leon Cake tests. In both instances, the "reporting limit" column designates the sensitivity of the equipment to detect the designated analyte, with a "less than" result indicating the analyte did not reach levels that would be detected by the sampling equipment. A reported value does not necessarily indicate a compliance issue, as some of the measured analytes are not regulated as toxic pollutants. Given that the test results were reviewed as part of TCEQ's comprehensive compliance investigation and no violations were cited, all of the District's results were within the acceptable range.

Superintendent Approval: _____

Date: _____

BOD Approval: _____

Date: _____

PURPOSE

To establish procedures which will ensure that all surplus and salvageable non-capital material and equipment are first utilized to the fullest and most reasonable extent possible within the District; then to regulate the disposal and re-use of surplus, salvageable, scrap, and worthless non-capital material and equipment no longer needed or useable within Plant Operations "Plant Ops" or the District. The policy provides fair, economical, and ecological transfer or sale of materials and items and accounts for all financial entries

SCOPE

This policy applies to all employees in Plant Operations.

DEFINITIONS

1. **Capital Asset** - Possessions that have a single unit value, including but not limited to materials, equipment and tools, in excess of \$5,000.00 and an estimated useful life of more than one year. Generally, a capital asset must be self-contained for its primary use and have sufficient size to make its control feasible by means of marking with identification numbers and/or manufacturer's serial numbers.
2. **Expendable**-items not meeting the above criteria, generally with 2 exceptions.
 - a. Component parts used to fabricate a larger capital asset assembly must be coded as capital expenditures.
 - b. Freight, transportation costs, and/or installation fees associated with the purchase of capital assets or components must be coded as capital expenditures.
3. **Controlled Assets** - Assets that the MUD determines must be secured and tracked due to the nature of the items, between the ranges of \$500 and \$4,999.99, with an estimated useful life of more than one year. These assets are non-capitalized real property, improvements to real property, or infrastructure. The specific assets include, but are not limited to, firearms, TVs, cameras, camcorders, VCRs, stereo systems, data projectors, microcomputers and printers.
4. **Active Use**- Items that have no future use (0-5 years).
5. **Reuse**- Items reusable within Plant Ops (to be used by another department) and kept in a storage area within Plant Ops
6. **Surplus**- Usable in its present condition but no longer useful to a particular department and/or unit within Plant Ops..
7. **Salvageable**- Item has value but requires assignment before continued use within Plant Ops.
8. **Scrap**- Item has no useable life to other department and/or units within Plant Ops in its present condition but is saleable for scrap value only. This includes scrap metal and all recyclable products.
9. **Worthless Equipment**- Broken or worn-out items having no saleable or scrap value.

STANDARDS

I. CLASSIFICATION OF NON-CAPITAL EQUIPMENT

1. Superintendent, along with District Manager, must ensure all Non-Capital Equipment is utilized to the fullest and most reasonable extent possible within the MUD before assigning a classification of Surplus, Salvageable, Scrap or Worthless Equipment.

II. SALE OF NON-CAPITAL EQUIPMENT

- A. Non-Capital Equipment classified as Reuse cannot be sold.
- B. Non-Capital Equipment no longer in active use and classified as Surpluses, Salvageable, or Scrap can be sold by the Superintendent to various local recycling centers for current market value in exchange for cash or check. Materials are sold on a regular non-scheduled basis. (This is managed by the Superintendent, who will be responsible for all program aspects).
- C. Proceeds from any sale of Non-Capital Equipment are deposited in the "Recycled Products" cost center and credited by the Accountant/Office Manager responsible for deposits.
- D. Unsold Surplus will be appropriately disposed of by Superintendent.
 - 1) No individual employee may personally benefit from the sale of MUD or contractor owned material or equipment. Individuals or groups who take, sell, or benefit from the sale of such items will be subject to corrective action up to and including termination and/or criminal prosecution.
 - 2) Items owned by another entity, but located on MUD property, cannot be re-used, salvaged or sold by any MUD employee or department unless specifically stated under the contract between the MUD and contractor.

III. PROCEDURES TO HANDLE OR DISPOSE OF REUSE, SURPLUS, SALVAGEABLE, SCRAP & WORTHLESS NON-CAPITAL EQUIPMENT

A. REUSE ITEMS

- 1) Spare equipment can be reused within Plant Ops departments. Each item taken from surplus storage will be assigned to the applicable shop. The Supervisor of that shop will then become responsible for that asset. An inventory record should be maintained by each department delegate to notify employees when items are released for use on other Plant Ops projects.
- 2) Departments or shops may maintain Reuse in their own shop or area.

B. SALVAGE ITEMS

- 1. Items that have been deemed salvageable, scrap or worthless non-capital equipment by the Superintendent will be the responsibility of the Superintendent to dispose of properly. All proceeds will be sent to the Accountant/Office Manager for deposit into the Recycled Products cost center.

IV. Examples

Non-capital materials or equipment determined to be unusable or expired include, but are not limited to the following:

- Scrap metal
 - Note that any lead from an area posted for radioactive materials should be submitted to Safety contractor for disposal. All other lead should go to a metal recycler.
- Copper
- Door hardware
- Light bulbs
- Light fixtures
- Cooling coils
- Freon
- Water Meters
- Tube bundle
- Window A/C units (must not contain any Freon)
- Refrigerator coils and piping
- Lumber and wood scraps
- Shop/office tools and equipment
- Electronic communication equipment (to be sent to appropriate contracted facility)

V. RESOURCES

For questions regarding this policy, contact:
District Manager
President-Board of Directors

VI. TRAINING

1. Annual training will be completed for those employees that do or approve work that falls within the scope of this procedure.

Date Received	Submitted By	# Docs	Pages	Charges	Estimated Time
2/28/2019	David Jetelina	5	5		0:20
3/1/2019	David Jetelina	4	31		0:40
3/2/2019	David Jetelina	3	16		0:20
3/7/2019	David Jetelina	1	2		0:05
3/8/2019	David Jetelina	3	-		-
3/18/2019	David Jetelina	1	-		-
4/7/2019	David Jetelina	3	-		-
4/8/2019	Paul Marcaccio	94	181		3:30
4/18/2019	David Jetelina	3	11		0:10
5/1/2019	David Jetelina	4	-		-
5/3/2019	David Jetelina	2	4		0:10
12/5/2019	David Jetelina	3	2		0:10
12/9/2019	David Jetelina	2	2		0:10
12/20/2019	David Jetelina	2	3		0:10
1/3/2020	David Jetelina	-	-		-
1/6/2020	Logan Holmes	2	24		2:00
1/6/2020	Phillip Haskett	-	-		1:35
1/8/2020	Phillip Haskett	163	167		2:00
1/20/2020	Phillip Haskett	6	-		0:35
1/21/2020	Phillip Haskett	79	92		0:45
1/22/2020	David Jetelina	29	103		2:30
1/29/2020	David Jetelina	4	2		0:15
1/30/2020	Phillip Haskett	8	-		0:05
2/1/2020	Phillip Haskett	-	-		-
2/4/2020	Phillip Haskett	16	438		3:30
2/7/2020	Phillip Haskett	13	35		1:45
2/10/2020	David Jetelina	31	98		2:10
2/10/2020	Phillip Haskett	174	562		8:00

Totals

Requestor	# Documents	Pages	Estimated Time
Alex Hunt	0	0	0:00
Dale Brown	1	3	0:05
David Jetelina	215	412	12:30
Dolcefino Consulting	3	226	0:10
Grady Parker	3	1	0:10
James Fenn	471	471	0:05
Jo Keller	43	73	3:01
John Wade	4	8	0:15
Justin Dockal	8	58	0:00
Linda Brown	1	34	0:05
Logan Holmes	10	30	4:18
Lori Brockman	640	640	5:30
Louis Ziegler	1	1	0:05
Paul Fenn	1	1	0:05
Paul Marcaccio	94	181	3:30
Phillip Haskett	719	3829	33:57
Sherry Johnson	90	239	30:05
Smart Procure	1	1	0:05
Spencer Markle	3	18	0:15
Stephanie Bell	1	4	0:05
Tyler Monroe	1	1	0:05
Waste Management	1	8	0:05
	2311	6239	94:26

2/12/2020	Phillip Haskett	28	30		0:15
2/13/2020	Waste Management	1	8		0:05
2/14/2020	Phillip Haskett	36	-		0:10
2/19/2020	Phillip Haskett	13	117		2:20
2/26/2020	Phillip Haskett	-	-		-
3/2/2020	Jo Keller	41	71		2:51
3/2/2020	Logan Holmes	1	1		0:30
3/2/2020	Lori Brockman	471	471		4:00
3/2/2020	Phillip Haskett	19	20		0:10
3/4/2020	David Jetelina	20	35		2:35
3/8/2020	Phillip Haskett	5	9		0:05
3/9/2020	John Wade	3	6		0:10
3/11/2020	David Jetelina	81	86		1:46
3/11/2020	Phillip Haskett	45	1700		4:00
3/12/2020	Sherry Johnson	1	4		0:05
3/18/2020	Stephanie Bell	1	4		0:05
3/19/2020	James Fenn	471	471		0:05
3/20/2020	Alex Hunt	-	-		-
3/26/2020	Louis Ziegler	1	1		0:05
4/1/2020	David Jetelina	-	-		-
4/3/2020	Phillip Haskett	2	1		0:05
4/7/2020	David Jetelina	5	6		0:29
4/13/2020	Phillip Haskett	1	-		0:05
4/14/2020	Phillip Haskett	17	27		0:15
4/22/2020	John Wade	1	2		0:05
5/4/2020	Lori Brockman	68	68		0:20
5/8/2020	Phillip Haskett	2	5		0:10
5/19/2020	Dolcefino Consulting	3	226		0:10
5/19/2020	Phillip Haskett	1	1		0:05
6/9/2020	Logan Holmes	1	-		0:05

6/12/2020	Phillip Haskett	8	8		0:10
6/22/2020	Dale Brown	1	3		0:05
6/29/2020	Lori Brockman	101	101		1:10
7/6/2020	Phillip Haskett	1	3		0:05
7/15/2020	Phillip Haskett	2	8		0:15
7/23/2020	Phillip Haskett	5	99		0:30
7/23/2020	Smart Procure	1	1		0:05
8/10/2020	Linda Brown	1	34		0:05
10/22/2020	Phillip Haskett	9	264	\$18.52	1:14
10/22/2020	David Jetelina	2	2	\$1.25	0:05
10/26/2020	Phillip Haskett	2	5		0:05
10/30/2020	Logan Holmes	6	5	\$25.78	1:43
10/31/2020	Phillip Haskett	4	30	\$15.54	0:51
11/8/2020	Phillip Haskett	2	9	\$5.58	0:18
11/8/2020	Phillip Haskett	2	11	\$37.98	2:06
11/11/2020	Tyler Monroe	1	1		0:05
11/11/2020	Phillip Haskett	1	1		0:05
11/11/2020	Phillip Haskett	1	0		0:00
11/11/2020	Sherry Johnson	1	3		0:05
11/19/2020	Phillip Haskett	1	1		0:05
11/19/2020	Sherry Johnson	56	65		0:05
11/23/2020	Spencer Markle	3	18		0:15
12/1/2020	Phillip Haskett	9	12		0:10
12/1/2020	Paul Fenn	1	1		0:05
12/17/2020	Justin Dockal	8	58		-
12/31/2020	Grady Parker	3	1		0:10
1/15/2021	David Jetelina	4	-		0:05
1/20/2021	Phillip Haskett	13	14	\$4.80	0:34
1/20/2021	Jo Keller	2	2		0:10
2/1/2021	Phillip Haskett	-	-	-	-

2/2/2021	Phillip Haskett	1	1		0:05
2/16/2021	Phillip Haskett	30	159	\$41.82	1:26
3/15/2021	Sherry Johnson	24	153		29:36
3/17/2021	Sherry Johnson	8	14		0:14
3/17/2021	David Jetelina	1	2		0:10
3/19/2021	David Jetelina	2	2		0:10