



Rachel Denny Clow

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July 30, 2025

Office of Attorney General

Open Records Division

P.O. Box 12548

Austin, Texas 78711-2548

Re: Public Information Request - Seven Seas Water/South Texas Water Authority Contract

Opposition to Request for Attorney General Decision

Dear Attorney General:

I am writing to strongly oppose Seven Seas Water's (SSW) request for redactions to its contract with the South Texas Water Authority (STWA). This opposition is based on STWA's prior disclosure of the contract, serious procedural violations, and SSW's inconsistent approach to confidentiality claims. The contract must be released without redactions.

I. STWA PREVIOUSLY RELEASED AN UNREDACTED DRAFT CONTRACT

STWA has already released an unredacted draft version of this contract to the public. This prior disclosure is dispositive of any confidentiality claims. When a governmental body voluntarily releases information—whether in draft or final form—it demonstrates that the information is not confidential and must be treated as public record.

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STWA cannot now claim these provisions are confidential after already determining they were appropriate for public release. The minor differences between a draft and final version do not transform public information into confidential trade secrets. Once the substance of contract negotiations and terms enters the public domain through governmental disclosure, any expectation of confidentiality is permanently destroyed.

II. STWA'S PROCEDURAL VIOLATIONS MANDATE DISCLOSURE

SSW's own correspondence dated July 28, 2025, inadvertently reveals multiple violations of TPIA's mandatory procedures:

A. Failure to Timely Notify Third Party

SSW admits that STWA "did not provide a copy of the request to SSW until the 13th business day following its receipt of the request from Ms. Clow." Section 552.305(d) requires notification within a reasonable time, not to exceed 10 business days. STWA exceeded this deadline by at least three days.

B. Failure to Request Attorney General Opinion

The original request was submitted July 8, 2025. Ms. Clow's July 25, 2025, correspondence confirms that STWA had neither released the documents nor sought an Attorney General opinion. This violates Section 552.301(b)'s 10-business-day deadline.

C. Failure to Notify Requestor

Ms. Clow confirms she received no notification that STWA intended to seek an AG ruling, violating Section 552.301(d).

These failures trigger Section 552.302's presumption of openness. As stated in the Texas Public Information Handbook, when a governmental body fails to meet statutory deadlines, "the requested information will be presumed to be open to the public, and only the demonstration of a 'compelling reason' for withholding the information can overcome that presumption." Given STWA's prior release of the draft contract, no compelling reason exists.

III. SSW'S SELECTIVE CONFIDENTIALITY CLAIMS LACK CREDIBILITY

SSW's approach to confidentiality appears entirely dependent on which governmental body is involved, not on any legitimate business need for secrecy:

A. The Alice Contract Disclosure



The City of Alice released its complete Water Supply Agreement with SSW (107 pages) without redactions. While not identical to the STWA contract, the Alice agreement contains the same categories of information SSW now claims must be kept confidential.

B. The Fatal Inconsistency

SSW cannot explain why these types of provisions constitute protectable trade secrets in the STWA contract but not in the Alice contract. If disclosure of pricing methodologies truly threatened SSW's competitive position, they would have opposed the Alice disclosure. Their failure to do so reveals that these claims are tactical, not substantive.

C. No Unique Business Model

SSW claims its approach is "unique," describing a model where SSW owns infrastructure and the public entity pays for water delivered. This is a standard public-private partnership arrangement used throughout the water industry. SSW has identified nothing genuinely proprietary about assuming construction risk in exchange for long-term water purchase agreements.

IV. SSW CANNOT MEET SECTION 552.110 REQUIREMENTS

Section 552.110 requires SSW to establish three elements, none of which they can satisfy:

1. Trade Secrets or Commercial Information

Standard contract terms used across the industry are not trade secrets. SSW's willingness to allow public disclosure of similar terms in the Alice contract defeats any claim that this information has the requisite secrecy.

2. Substantial Competitive Harm

SSW offers only conclusory statements about potential harm. The company continues to operate successfully despite the Alice contract disclosure. If competitors could truly use this information to SSW's detriment, harm would have already materialized from the Alice disclosure.

3. Expectation of Confidentiality

No reasonable expectation of confidentiality can exist when:

- STWA already released the draft contract
- Similar provisions are public in the Alice contract



- The business model is industry-standard

V. COMPELLING PUBLIC INTEREST IN DISCLOSURE

This contract affects critical water infrastructure serving over 500,000 South Texas residents. The public has a compelling interest in understanding:

- Long-term financial obligations undertaken with public funds
- Pricing structures that will affect utility bills for decades
- Risk allocation between public and private entities
- Performance standards for essential water services
- Terms that may limit future water supply options

The Texas Supreme Court has repeatedly recognized heightened public interest in contracts involving public funds and essential services. *Greater Houston P'ship v. Paxton*, 468 S.W.3d 51 (Tex. 2015). This principle applies with special force to water infrastructure, where transparency ensures accountability for life-essential services.

VI. REQUESTED RELIEF

For these reasons, I respectfully request that the Attorney General:

1. Find that STWA's prior release of an unredacted draft contract eliminates any possible confidentiality claim
2. Rule that SSW cannot selectively assert confidentiality for contract provisions based on the governmental body involved
3. Determine that STWA's multiple procedural violations create an irrebuttable presumption of openness
4. Hold that Section 552.110 does not protect information SSW has allowed to be disclosed elsewhere
5. Order immediate and complete release of the STWA contract without redactions



South Texas residents deserve transparency equal to that provided to Alice residents. SSW cannot manipulate TPIA to create different levels of public access based on which community seeks information about essential water services.

Thank you for your consideration of this matter.

Sincerely,

Rachel Denny Clow

Attachments: Public Information Request, email communications, STWA attorney notice to SSW, unredacted draft contract

Cc (without attachments):

Seven Seas Water USA LLC

South Texas Water Authority