

Seis Lagos Utility District

Minutes Board of Directors Meeting and Executive Session Tuesday, January 21st, 2020

The Seis Lagos Utility District held an executive session, public hearing and a regular meeting at the Seis Lagos Clubhouse, 220 Seis Lagos Trail on Monday, October 21st, 2019. The following board members were present: Brian Holmes, Jeff Henderson, Keith Weinman, Jerod Hangartner and Nick Calautti. There were 8 people in the audience.

Brian Holmes called the meeting to order at 7:02 p.m. determined a quorum was present and all legal requirements had been met for posting of meeting notices. He asked all cell phones to be turned off or to vibrate.

Brian Holmes motioned to convene into executive session in accordance with Texas Government Code, Chapter 551.001, the Board will enter closed Executive Session to discuss the following:

Annual review of Seis Lagos Utility District Employees and related compensation adjustments under Texas Government Code §§551.074 Texas Open Meeting Act.

Jeff Henderson Seconded the motion. Motion passed unanimously.

Board reconvened into Open Session at 7:33 p.m. in accordance with Texas Government Code, Chapter 551, and to consider action, if any, on matters discussed in Executive Session.

Brian Holmes: #3 Approved the compensation adjustment and personal changes as discuss in the Executive meeting

Jeff Henderson Seconded the motion. Motion passed unanimously.

Citizens Input:

No citizen's Input.

Reports:

Receive Office report: D. Vinson: Approving the December meeting and newsletter and Election deadline is February 14, 2020 by 5 pm.

Nick wanted to know if the AC systems was changed

Receive Operator's report: D. Clark:

Discuss the asphalt need a better mix. Moving forward to meter change out and the guys have about 100 left to end that project. Brian asked about the open position.

Receive Engineering Report:

Bob: McManus & Johnson: discuss the wastewater plant will have report turned into Dewane by tomorrow. The pipe station got a little behind schedule because of the holidays. Plans will be ready this month and behind schedule 4 weeks. Brian mentioned Jerod will be replacing Brett to include him on all correspondence. We are continuing working through the work order management had a kickoff meeting on what kind of reports they need. Anticipating going live early late April or early May.

1. Discuss, Consider, and Act on Consent Agenda:

Seis Lagos Utility District

- BOD Meeting Minutes – December 2019
- Financials – December 2019
- Newsletter – February 2019 – Brian will let Anne know what is needed to be added later.

Jeff Henderson Seconded the motion. Motion passed unanimously.

2. Discuss, Consider and Act on acceptance of Employee Handbook.

Brian Holmes and Jeff Henderson formed a compensation committee and went through the handbook. The lawyers did approve the handbook. The only thing that need to be added is addendum for the Job descriptions once the staffing plans get approved and will be discuss in another executive session. The handbook was approved and adopted Seis Lagos Utility District handbook as of January 21, 2020 and requires all current and future employees to sign off and receipt.

Keith Weinman Seconded the motion. Motion passed unanimously.

3. Discuss, Consider and Act on FY2019 Audit.

Wayne Nabors CPA gave out to each board member a blue binder and letter. He wanted to point out some summary items. On page 2, this is your independent audit report this report has 4 section to it. The first paragraph states the scope of my audit for Fiscal year ending September 30, 2019. Second paragraph explains the management responsibilities. Flip to page 16, this is your balance sheet. Have strong cash positions. In very good liquid positions. Have good positive variance for fund balance about \$250,000.00 added. On page 21, it is 2 things they look at which is current assets compared to your current liability and have great liquidity. On page 22 breakdown the reserve calculation. On page 33, snapshot of the what your current debt balance are and what the repayment schedule for those debts. Discuss the additional 2 page of the report we look at cash handling, policy and procedures, record retention, how the entries where made to the books. We didn't have any issue management was kindly and provided us what we asked of them in a timely manner. Highly recommend you adopt a capitalization policy of \$5000.00.

Brian ask Dewane to put the capitalization policy in the next agenda. Dewane will check with Julie to let him know what we need and how to proceed.

Brian Holmes made a motion to accept the FY 2019 Audit for January 21, 2020 from Wayne Nabors CPA.

Nick Calautti Seconded the motion. Motion passed unanimously.

4. Discuss, Consider and Act on payment drop boxes in the District.

Dewane discuss the payment are being put in the wrong box. Ray with HOA said he was not aware of the payment not being put in the correct box. Dewane propose we put one box in each neighborhood or approach Ray to put one by the guard shack close to the medium to be more convenient. The board wanted a breakdown of how many payments comes from each area before we convene. Put this on next agenda.

5. Discuss, Consider, and Act on emergency alarm system for natural disasters.

Jeff Henderson talked to the Emergency Management from City of McKinney she said they put in a 10 cell Whelan Siren 2 years ago, here are the prices for 2017 total install cost is \$53,000 and 15,000 to purchase radio. Tack on Wylie to their siren systems, we must get on Wylie memorandum agreement. Our radio's having to be compatible with there systems.

Recommendation: problems we must add on to either Wylie or Allen systems. Most house now are insulated for sounds. We must get someone to monitor it. Talk to Julie what visibility do we have to offer each resident a radio. This will be tabled until Brian speak with Julie.

6. Discuss, Consider and Act on Preliminary Official Statement, set sale date, and authorize publication of Notice of Sale in connection with the sale of \$3,475,000 Utility System Revenue Bonds, Series 2020.

Seis Lagos Utility District

Andre Ayala spoke regarding the drafts for the bonds, notice of sales to sale bonds for later and put it out in the marketplace. Go to the news paper to post the notice of sale with Wylie Newspaper. Seis Lagos Utility bonds is tax-free. It is not final and will publish it once it gets approved. Publish the sale on February 7, 2020 that might change. Will update the final by the board meeting on February 18, 2020.

Brian Holmes made a motion to approve Hilltop Securities continuing with preparation of the approval of official statement and authorization the publication of sale once all representatives specially the President of the district, the lawyer Julie Fort for the district, bond attorney and Hilltop Security agree that the preliminary statement is now final and ready for publication in connection with the sale of \$3,475,000 in utility systems revenue bond series 2020.

Nick Calautti Seconded the motion. Motion passed unanimously.

7. Discuss, Consider and Act on new voting system adopted by Collin County.

Brian made and motion to adopt the resolution number 20200121 a resolution of the board of director For Seis Lagos Utility District. Adopting the express vote of the universal voting system for early voting in person, early voting by mail, provisional voting and all future voting held by Seis Lagos Utility district and other matters in connection there with providing with and effect date.

Jeff Henderson Seconded the motion. Motion passed unanimously.

8. Discuss, Consider and Act on Collin County contract for the Election.

Tabled for next time.

9. Discuss, Consider and act on adoption of Petition/Referendum policy for divisive community issues.

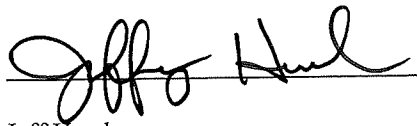
Tabled for next time.

10. Discuss, Consider, and Act on speeding issues and solutions.

Waiting on the Attorney to see what we can do. Put this ballot on the election for May 2, 2020.

Tabled for next time.

11. Adjournment.



Jeff Henderson

2-18-2020
Date