

Seis Lagos Utility District

MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS

Tuesday January 21, 2025 | 7:00 PM

Meeting held at 222 Seis Lagos Trail, Lucas, TX 75098
In the Seis Lagos Community Services Association Cabana

REGULAR MINUTES

1. Call to Order:

President Nick Calautti called the meeting to order at 7:03 PM and reminded attendees to silence or turn off their phones. The meeting was posted in accordance with legal requirements. A quorum was established with Directors Nick Calautti, Omar Naji, and Jeff Henderson present. Vice President Jerod Hangartner and Director Scott Hengemuhle were absent.

2. Citizen Input: Citizens may address the Board on agenda or non-agenda items (TX Gov't Code §§ 551.007(b)). Under the Texas Open Meetings Act, the Board cannot discuss or act on non-agenda items but may provide factual information, state policy, or consider future agenda placement (TX Gov't Code § 551.042).

None

3. Consent Agenda: Routine items recommended for single approval. Items may be removed for separate discussion and vote if desired.

- a. **Approval of September 2024 Financials**
- b. **Approval of October 2024 meeting minutes.**

The Board reviewed the consent agenda, which included the approval of the December 2024 financials and the December 2024 meeting minutes. President Nick Calautti asked if there were any questions or discussion. Hearing none, Jeff Henderson moved to approve the consent agenda, and Omar Naji seconded. The motion passed unanimously.

4. Staff Reports: The Superintendent may report on District issues including easements, vendor contracts, interlocal agreements, developments, compliance, policies, customer disputes, legislation, district boundaries, planning, construction projects, water storage and supply, system maintenance, customer service, equipment, staffing, and financials.

None

5. Regular Agenda: The Board of Directors will discuss, consider, and act on the following agenda items.

- a. **Pursuant to Resolution 2024-102021, which authorized the Superintendent to procure surety bonds for Board members, officers, and consultants, the Board will discuss, consider, and act on the approval and acceptance of surety bonds for Board members, as required by Texas Water Code Chapter 36. The Superintendent will present the completed bonds for review and acceptance.**

The Board discussed the approval and acceptance of surety bonds for board members as required by Texas Water Code Chapter 36, pursuant to Resolution 2024-102021, which authorizes the superintendent to procure security bonds for board members, officers, employees, and consultants. With no questions or discussion, President Nick Calautti moved to authorize and accept the superintendent's ability to procure the security bonds. Jeff Henderson seconded the motion, and the Board approved it unanimously.

- b. The Board of Directors will discuss, consider, and act on the presentation of the District's required annual audit for the public water system by Wayne Nabors, CPA, as required under Texas Water Code § 49.191 and TCEQ regulations, and approve the audit as presented.**

Wayne presented the annual audit report, directing the Board to key sections in the provided materials. He confirmed that the financial statements fairly represent the District's financial position, noting that audits are conducted with reasonable assurance rather than absolute certainty. The audit followed standard procedures set by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, and the Financial Accounting Standards Board.

Wayne highlighted key financial indicators, stating that the District's reserve balance is at 195% of operating expenses, well above the 25% benchmark, and the current ratio is \$11,000 to \$1, demonstrating strong liquidity. The audit showed a revenue increase of 11% and an expense increase of 29%, resulting in a net gain of \$361,000. The water and sewer fund's reserve balance stood at 303%, with a current ratio of 293%, ensuring strong cash flow. He also noted that the District's 2007 bonds will be paid off in three years, while substantial debt remains on the 2020 bonds.

Wayne confirmed that all requested documentation was provided timely and properly coded, with no issues in the audit process. The Board had no further questions. Nick Calautti moved to accept the audit, Omar Naji seconded, and the motion passed unanimously.

- c. Consideration and approval of a resolution (No. 01212025.01) accepting the Engineer's Report required by Section 49.106(a) Texas Water Code prior to calling a bond election.**

The Board reviewed the engineer's report related to the proposed bond issue for road repairs. President Nick Calautti acknowledged receipt of a hard copy but had not yet reviewed it in detail. Initial discussion confirmed that the report was largely the same as the previous version, with the primary change being an updated cost estimate. The revised cost now totals \$6 million, including a \$600,000 contingency for potential cost increases and unforeseen expenses. Board members discussed the nature of the contingency, noting that while typical change orders are minimal, material costs fluctuate over time. The Board confirmed that the bond is structured as a "not to exceed" amount, allowing flexibility while controlling expenditures during construction. After a brief review, members found no substantive issues beyond the updated financials.

Nick Calautti moved to approve the engineer's report as required by the Texas Water Code § 49.106 before calling a bond election. Omar Naji seconded the motion, and the Board approved it unanimously.

- d. Consider all matters incident to and related to calling a bond election to be held on March 3, 2025, by the Seis Lagos Utility District, including the adoption of an order (No. 01212025.02) pertaining thereto.**

*The Board discussed all matters related to the bond election scheduled for **May 3, 2025**, including concerns about voter support and funding distribution. Jeff Henderson expressed skepticism about the bond's likelihood of passing, citing past election results and the perception that the project primarily benefits Seis Lagos while Commons and Brockdale receive little direct benefit. Board members debated whether the election would yield a different outcome and whether additional outreach was necessary to address voter concerns.*

Nick Calautti noted that residents had already received detailed communication explaining the bond's purpose, financial implications, and the District's long-term road maintenance strategy. He emphasized that while the majority of funds would go toward Seis Lagos, the bond would also support road maintenance across the District. The Board discussed how to reinforce this message, with members agreeing that additional public engagement would be necessary.

After further deliberation, Nick Calautti moved to call a bond election for May 3, 2025, adopting Order No. 01212025.02 as required. Omar Naji seconded the motion. The vote passed 2-1, with Nick and Omar in favor and Jeff opposed.

6. Future Agenda Items: Future agenda items to be added to a future agenda for discussion, consideration, or action:

The Board discussed the agenda items for the next meeting. Jeff Henderson mentioned a report from the guard at the Seis Lagos entrance regarding vehicles entering from the wrong direction. The Board agreed to add an agenda item to consider installing wrong-way signs at the entrance.

7. Adjournment

Nick Calautti moved to adjourn the meeting. Jeff Henderson seconded the motion. The Board approved unanimously, and the meeting adjourned.

Witness my hand this 2 day of February, 2025.


Nick Calautti, President


Jeff Henderson, Secretary / Treasurer



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