

Seis Lagos Utility District
MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS

Tuesday March 24, 2025 | 7:00 PM

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

1. Call to Order:

The meeting was called to order at 7:22 PM by President Nick Calautti.

Roll Call

- Present: Nick Calautti, Jerod Hangartner, Jeff Henderson
- Absent: Omar Naji, Scott Hengemuhle
- Staff Present: Chris Windsor, Superintendent & Zach Flowers, Lead Field Operator

Meeting Notes

- This meeting was rescheduled due to a previous cancellation.
- Legal posting requirements were met.
- Attendees were asked to silence their phones.

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).

Linda (3 Castillo Trail)

- Addressed concerns about the roundabout at Castillo Trail and Seis Lagos Trail.
- Reported that landscaping had died due to a non-functioning sprinkler system.
- Stated that SLUD had not repaired the system since last summer.
- Asked for clarification on maintenance responsibility.
- The board confirmed the area is SLUD's responsibility and noted it as a priority for repair and maintenance.
- Historical background was provided on funding (\$15,000 by residents, \$5,000 by SLUD), with SLUD assuming maintenance afterward.

Resident – 13 Melo Vista Circle

- Shared concern about lack of proper mowing and weed eating on the elongated cul-de-sac.
- Claimed to have personally maintained the area more frequently than SLUD crews.
- Noted a Bradford Pear tree impeding grass growth and documented poor conditions with photos.
- Requested improved and more consistent maintenance.
- The board acknowledged the concern and stated it will be addressed.

Resident – Barranca Trail Roundabout

- Reported weeds growing significantly taller than the grass in the roundabout.
- Suggested increased mowing and possible fertilizer application.
- The board agreed the area needs more attention and noted the concern.

Martin – Road Condition and Bond Election

- Spoke on the importance of repairing the entrance road.
- Expressed concern about how past communications regarding the bond and tax impacts were handled.
- Emphasized that clear cost breakdowns should be communicated to residents ahead of the May 3, 2025, bond election.
- The board responded that prior outreach included emails, mailers, in-person meetings, and a YouTube video presentation.
- The estimate cost of re-running the election is around \$6,500.

Additional Comments on Drainage & Erosion Issues

- Discussion followed about erosion near the entrance and effectiveness of past repairs.
- Suggestions included:
 - Re-grading and stabilizing with sod and landscaping mats.
 - Evaluating riprap use and drainage flow control.
- The board noted these concerns and confirmed engineers had previously reviewed options.

- A resident also reported a drainage issue near their home inlet; staff were directed to inspect.
3. **Consent Agenda:** Routine items recommended for single approval. Items may be removed for separate discussion and vote if desired.
- a. **Approval of February 2025 Financials**
 - b. **Approval of February 2025 meeting minutes.**

Approval of February 2025 Financials

- Motion made to approve the February 2025 financial statements.
- One board member asked for clarification regarding a line item, presumed to be Dewane's final payouts.
- Clarification confirmed.
- Motion: Jeff Henderson seconded.
- Vote: Unanimous approval.

Approval of February 2025 Meeting Minutes

- Motion made to approve the February 2025 meeting minutes.
- No questions or comments.
- Motion: Jeff Henderson seconded.
- Vote: Unanimous approval.

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.

Superintendent Chris Windsor provided the following updates:

- Hicks Trail Lift Station:
 - The automatic transfer (ATS) switch has been replaced.
 - Two brand-new pumps have been ordered and will be installed soon.
- Santiago Flume:
 - Hot asphalt sealant will be applied to address surface cracks.
 - No visible structural damage is present; a precautionary cursory check will be performed.
- Generators:
 - Awaiting Lofton's scheduling to evaluate and provide a replacement generator.
 - The current unit is very old and nearing the end of life.
- Tree Trimming:
 - Cleanup and trimming conducted at the service center following a recent weather event.
 - Noted mistletoe issue along main road; plans underway for removal.
- Phone Number Porting:
 - Still waiting on Jay to finalize the porting process.
 - Verizon initially denied the request; a second request has been submitted and is pending.

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

- a. **The Board will discuss, consider, and act regarding clarifier options for the Wastewater Treatment Plant (WWTP), including presentations by Ryan from Felix Construction and Jeff from Plummer Associates. Discussion will include design alternatives (original at \$5M vs. concrete at \$5.6M, potentially reducible to \$5.4M), project timeline, cost escalation, delays in shop drawings (including the FRP manhole), contingency fund usage, and procurement strategies.**

The Board received detailed presentations and cost breakdowns from:

- Jeff Caffey, Engineer with Plummer Associates
- Ryan Koontz, Construction Manager-at-Risk with Felix Construction

Background:

- The original plant improvement design was developed and estimated at \$5.05 million, which included construction, engineering fees, and a 10% contingency.
- An alternative design involving the construction of a new concrete clarifier was introduced to avoid the complexity and downtime involved with upgrading the existing single clarifier.
- Early estimates in Fall 2024 placed the alternative design at \$4.87 million, potentially offering cost savings.
- However, the finalized cost model for the clarifier option, based on complete design documents, came in at \$5.48 million—approximately \$1 million more than the original design when accounting for loss of the contingency.

Key Discussion Points:

- The Board discussed whether to proceed with the more expensive clarifier construction or return to the original upgrade design for the existing structure.
- Structural engineering review indicated the current clarifier structure is sound and could provide 20+ more years of service life.
- Equipment installed with either option would be expected to last approximately 20–30 years.
- The clarifier option offered long-term durability (potentially 40–50 years) but at significant additional cost with minimal functional advantage at this time.
- The Board also discussed the larger issue of wastewater treatment planning in future decades, including the possibility of a tie-in to the Wilson Creek system or North Texas Municipal Water District. Such options currently remain financially and logistically unfeasible due to high tap fees and system constraints.

Project Status and Next Steps:

- Bidding for early components (e.g., influent line, generator, automatic transfer switch) is already in progress; shop drawings are under review.
- The final bid package is ready but awaiting the Board's decision on design direction.
- Once direction is given, Felix can post the remaining bid package within approximately two weeks.
- A Guaranteed Maximum Price (GMP) contract will be brought to the Board at a future meeting following contractor bid.

Board Action:

- Motion: To revert to the original wastewater treatment plant design and proceed with bidding, eliminating the alternate clarifier option and preserving up to \$960,000 in project funds.
 - Made by: Nick Calautti
 - Seconded by: Jerod Hangartner
 - Vote: Unanimous approval (3 members present)

Additional Notes:

- Temporary bypass systems required by the original design are already included in the cost model to ensure continuous plant operations during construction.
- The selected approach balances cost-effectiveness with sufficient long-term reliability for the District's needs.

- b. The Board of Directors will discuss, consider, and act on matters related to roads and signage within the District's boundaries, including financing, planning, construction, maintenance, signage placement or modifications, and related contracts.**

Subtopics may include:

- i. Update from HOA on vehicles entering Seis Lagos the wrong way**
- ii. Review of quote for illuminated Wrong Way signage**
- iii. Estimate for SLT asphalt repairs**
- iv. Brockdale road repairs update and consideration**

1. Entrance Traffic and Signage Concerns (Seis Lagos Main Entrance)

The Board discussed recent concerns raised regarding vehicle movement at the main entrance to Seis Lagos, specifically involving vehicles traveling in the wrong direction—either entering through the exit lane or exiting through the entrance.

- HOA Input: The HOA reported limited data and no formal record of frequent issues.
- Security Staff Input: The nighttime security guard (7 PM–7 AM shift) informally reported seeing occasional vehicles exiting incorrectly—crossing the median from the visitor entry lane to the resident exit side.
- Possible Causes Discussed:
 - Confusion due to temporary cone placement at night, especially near the guard shack.
 - Low visibility at night due to insufficient lighting.
 - Unclear lane markings or signage for unfamiliar visitors.
- Board Discussion:
 - Incidents appear infrequent, with no substantial data to justify new signage.
 - Any corrective signage would require official DOT-compliant signs, which are functional but not aesthetically pleasing.
 - Lighting options (e.g., LED fixtures with shields) were briefly discussed to improve visibility without disrupting nearby residences.
 - A previous concern about LED lights affecting residents’ “circadian cycles” was humorously recalled but not considered a limiting factor.
- Action:
 - No formal action taken.
 - Item tabled. The Board requested additional data from the HOA and guards before considering signage or other physical modifications.

Asphalt Failure Repair – Seis Lagos Trail

The Board reviewed the condition of recently patched asphalt along Seis Lagos Trail that had deteriorated rapidly. The temporary cold mix patching was installed during winter, and due to low temperatures and insufficient compaction, the surface began breaking apart soon after installation.

- Proposal Received:
 - WOPAC (the contractor who completed the original, high-quality asphalt overlay) provided a proposal for comprehensive removal and replacement of the failed areas.
 - Quote: \$87,274, which includes:
 - Full removal of deteriorated cold mix patches.
 - Proper edge-to-edge hot mix asphalt overlay with compaction and rolling.
 - Application of tack coat for proper adhesion.
 - Traffic control during work.
- Board Discussion:
 - The original cold mix patching cost approximately \$20,000 and is now considered a sunk cost.
 - WOPAC’s prior work received praise from both staff and former Superintendent Dewane Clark.
 - Though costly, the Board noted that leaving the road as-is for another year while waiting for full-scale road reconstruction was not a viable option due to worsening conditions.
 - Consensus that proper overlay is needed, and temporary repairs are critical to ensure safe traffic flow and avoid further degradation.
- Procurement Requirements:
 - As the proposal exceeds \$50,000, the District must initiate a formal bid process.
 - Staff were directed to coordinate with McManus Engineering to prepare bidding documentation and proceed accordingly.
- Action:
 - No vote taken.
 - Staff directed to begin formal bidding process with engineer support for the emergency asphalt repair project.

Road Repairs and Storm Infrastructure – Brockdale Subdivision

Several areas in the Brockdale neighborhood were identified for needed concrete panel and drainage infrastructure repairs.

- Areas Identified:

- Samantha Trail Flume: A concrete flume is separating from the adjacent street panel, allowing stormwater to flow underneath, risking subgrade erosion.
 - Logan & Terry Intersection: A storm drain is failing—believed to have been crushed during nearby home construction, possibly due to heavy equipment or a lack of proper permitting at the time.
 - Additional panel failure was noted at the intersection of Maggie and Samantha, near the previously mentioned flume issue.
 - Contractor Outreach:
 - WOPAC and Beeline Construction were contacted for estimates.
 - WOPAC, already familiar with the District and reputable among nearby municipalities, is qualified to perform both asphalt and concrete work.
 - Beeline was responsive and considered an alternative.
 - Colt Concrete, a contractor with a good track record in the area (including Santiago and Riva Ridge), was not included in this round but may be added depending on scope and bid requirements.
 - Board Discussion:
 - Board members agreed to bundle these repairs to improve bidding competitiveness and reduce mobilization costs.
 - Emphasis placed on the need to complete necessary drainage and panel work before it leads to roadbed failures or more expensive long-term repairs.
 - Staff were encouraged to pursue quotes from multiple contractors, including following up with Colt Concrete and other vendors.
 - Action:
 - No formal action taken.
 - Staff directed to obtain comprehensive estimates from multiple contractors for the flume, panel, and storm drain issues.
 - Results to be presented at the next meeting. Most repairs are expected to fall below the \$50,000 bid threshold.
- c. The Board will discuss, consider, and act on extending the payment deadline for customer utility bills in response to ongoing USPS mail delays. Action may include approving changes to the District's Rates and Rules and Service Agreement and authorizing the Superintendent to coordinate with legal counsel to prepare a formal order implementing those changes for presentation and possible adoption at the next Board meeting.**

The Board considered adjusting the utility bill payment deadline in response to significant delays in mail delivery, which have resulted in numerous customers receiving their bills after the current due date of the 15th of each month.

- Mail Delivery Issues:
 - The current USPS process involves batching mail, which introduces additional delays between bill mailing and delivery.
 - Customers who pay by mail are reporting that payments sent promptly still arrive after the deadline, generating confusion and frustration.
 - Instances were reported where bills arrived on the 19th or 20th, despite being due on the 15th.
 - The board acknowledged that while electronic options are available (ACH, credit card, phone payments), many customers still rely on traditional mail.
- Board Proposal:
 - Extend the utility bill due date from the 15th of each month to the 20th.
 - This change would apply to all customers, regardless of payment method, to ensure fairness and avoid penalizing those affected by mail delays.
 - It was emphasized that the extension would be based on calendar days, not business days, as USPS processes mail on weekends.
- Operational Impact:
 - Bills are generated and mailed the same day meters are read (typically the 27th–28th of each month).
 - Late notices are currently auto generated on the 16th, which need to be adjusted in the billing system.
 - No late fees have been charged in the past two billing cycles due to the mail-related delays.

- Additional Discussion Points:
 - Some residents reported no delays, particularly in Brockdale, while others in Seis Lagos experienced consistent delivery issues.
 - The idea of engaging the Wylie Postmaster to address service inconsistencies was suggested but considered possibly ineffective.
 - Various electronic billing options were reviewed:
 - ACH (bank-to-bank): Free for customers.
 - Credit card/debit card: Includes a fee passed to the customer.
 - SMS billing & phone payments: Recently implemented but require customer enrollment.
 - Suggestions were made to promote ACH and consider incentives for customers to switch from check or card payments to reduce fee exposure.
- Customer Concerns:
 - Some customers expressed concern about ACH autopay in case of leaks or unusually high bills. ACH remains optional and under the customer's control.
 - The Board recognized that bank-issued checks also face delays as financial institutions batch them before mailing.

Board Action:

- Motion: To extend the utility bill payment due date from the 15th to the 20th of each month (five additional calendar days) to accommodate ongoing USPS delays.
 - Made by: Nick Calautti
 - Seconded by: Jeff Henderson
 - Vote: Unanimous approval

The Board will discuss, consider, and act on authorizing the Superintendent to execute an agreement with HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., to assist the District with compliance and ongoing disclosure obligations under SEC Rule 15c2-12.

Discussion Summary:

- Superintendent informed the Board that, until recently, Hilltop Securities had been completing the District's SEC-mandated continuing disclosure filings as a courtesy while serving as the District's bond servicer.
- Due to regulatory and internal changes, Hilltop now requires a formal agreement and annual fee to continue this service.
- Nature of Services:
 - Assistance with preparation and filing of all continuing disclosure documents related to the District's outstanding bonds.
 - Compliance with SEC Rule 15c2-12, including use of the MSRB's EMMA filing system (Municipal Securities Rulemaking Board).
 - Tracking of regulatory deadlines and required disclosures.
- Proposed Fee Structure:
 - \$3,500 per year flat fee.
 - Recurring annually over the remaining term of the bonds (approximately 4-5 years).
 - The contract guarantees a locked rate for the term.
- Board Questions and Considerations:
 - Whether the current District financial professionals (CPA or forensic accountant) could perform this service instead, possibly at a lower cost.
 - Staff confirmed the CPA currently handles only the annual audit, while the forensic accountant supports monthly financial entries and oversight.
 - The Board directed the Superintendent to request a proposal from both providers or referrals for comparable services.
 - Acknowledgment that while \$3,500/year is high, failure to comply with SEC disclosure rules would expose the District to legal and financial penalties, as well as reputational risk.

Board Action:

- No action taken at this meeting.
- Superintendent directed to:

- Obtain price quotes from the District's CPA and forensic accountant for providing disclosure filing services.
- Return to the next meeting with either a recommendation to proceed with Hilltop Securities or a lower-cost qualified alternative.

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

Discussion regarding future agenda items and deferred maintenance items related to roadside erosion, drop-offs, and preventative fill placement.

Roads – Standing Item

- The Board confirmed that roads will remain a standing agenda item at future meetings due to ongoing maintenance needs and capital planning.

Follow-Up on Roadside Drop-Offs and Fill

- A board member requested a follow-up on a prior discussion regarding placing additional soil fill along road edges in areas where significant drop-offs exist, such as Riva Ridge.
- Staff confirmed the item was previously tabled due to:
 - Uncertain and variable costs depending on volume, location, and labor.
 - The original proposal did not include grassing or erosion control, raising concerns that without grass or stabilization, the soil would wash away with the first rain.

Key Discussion Points:

- Board members debated whether the District is obligated to re-grass the area after placing fill or if that responsibility falls to the adjacent homeowner.
- General agreement that partial measures are insufficient—either complete the fill work properly with slope and stabilization or postpone until full scope and costs are known.
- Several areas currently have voids beneath the roadway, or soil drop-offs deep enough to threaten undermining the concrete base.
 - While some sites still slope away from the road and aren't currently undermining the structure, erosion will eventually worsen if unaddressed.
- Prevention Focus:
 - The purpose of the work is preventative, aimed at minimizing future concrete failures and expensive panel replacements.
 - Staff suggested the solution would involve slope grading and compaction, not mudjacking or injection, which are typically reserved for existing structural voids.
 - Use of clay and other stabilization materials was discussed but not confirmed.
- Specific Locations Noted:
 - Exit curve area where trucks (e.g., garbage trucks) are cutting corners and damaging the shoulder.
 - Staff have already extended that curb/shoulder twice and can do so again, potentially with rock or reinforced material to prevent continued erosion.
 - A humorous suggestion was made to install "Hitler's asparagus" (WWII anti-aircraft land spikes) as a deterrent, highlighting the severity of repeated damage in that area.

Budget Planning:

- The Board agreed to include this issue as a topic for the District's first Budget Work Session of the year.
 - The goal is to determine appropriate funding levels, project scope, and potential scheduling for road-edge repairs and erosion mitigation.
 - Accurate cost estimates will be necessary to make an informed decision.

Action Taken:

- No formal action was taken at this meeting.
- Staff were directed to:
 - Include the roadside fill issue on the agenda for the upcoming budget planning session.
 - Continue identifying critical areas where erosion or voids pose a risk to roadway integrity.

7. Adjournment

Adjournment and Final Public Comment

Item: Motion to adjourn the meeting.

- A motion was made to adjourn.
- Seconded by: Jeff Henderson
- Vote: Unanimous approval

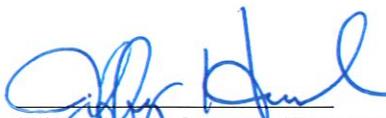
Before adjournment, Susie requested to make a final public comment for the record.

Public Comment by Susie:

- Expressed concern over public outreach and communication regarding the road bond election.
- Shared current account breakdown across the District's three communities:
 - Total accounts: 688
 - Seis Lagos: 414
 - Brockdale: 210
 - Commons of Camden: 63
 - Noted that 273 accounts (approximately 40%) are outside Seis Lagos.
- Stated she did receive all official communications, including:
 - Emails
 - Letters
 - Other road project materials
 - Clarified she is not on any special or separate distribution list.
- Despite the outreach, she emphasized that:
 - Many residents still felt uninformed during the last bond election.
 - A resident who attended the meeting earlier shared that he voted "no" last time simply because he wasn't aware of the project details.
- Expressed frustration over the public's lack of awareness, despite the Board's ongoing efforts to communicate.

Meeting adjourned.

Witness my hand this 21 day of April, 2025.


Jeff Henderson, Secretary / Treasurer




Nick Calautti, President

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