SEIS LAGOS
UTILITY DISTRICT

April 23, 2009

Lucas City Council
151 Country Club Road
Lucas, TX 75002

Dear Council Members,

During the April 20, 2009 Board of Directors Meeting, four Board members voted to turn down Lucas' estimated annual $80,000 fire protection proposal (one member abstained).

While the Board rejected the current proposal, the District remains dedicated to finding and securing an amicable solution for its taxpayers and the surrounding cities impacted.

A major stumbling block for receiving approval of the current proposal was the nearly 200% expense increase that would need to be absorbed into the district's next fiscal year budget. The previous inter-local agreement between the two entities included a 10% annual increase cap that allowed the district to better budget and forecast future fiscal spending.

While no current Board members were party to the negotiations of the previous contract, it is a general understanding that the cap protected district taxpayers from extreme increases in tax levees without due representation within the taxing authority. As you know, we of course do not vote in your general elections nor do we have a voice in city spending.

I hope it is understood that the Board's motion was not a vote "for" mutual aide. It was only to consider and act on the current proposal. As stated above, the Board will continue to evaluate the current situation and is hopeful that an amicable solution can be reached for the sake of all parties impacted. We would welcome continued discussions as well as a joint meeting with all surrounding cities including the county if it would help to speed a resolution.

Sincerely,

Rolando Ramon
President, Seis Lagos Utility District
469-853-7095

cc: Jim Kitchens
Steve Deffibaugh
Mindy Manson
Bill Bilyeu