

THE STATE OF TEXAS
THE COUNTY OF LUBBOCK

The Board of Directors of the Lubbock county Water Control and Improvement District No. 1 convened in a **CALLED** meeting in the Board Room of the administration building at the entrance to Buffalo Springs Lake in Lubbock County, Texas on **Tuesday, February 28, 2017** with the following persons present:

BOARD MEMBERS: Bill Moore, President
Casey Hildebrandt, Vice-President
Sandra Lewis, Secretary – Treasurer
Tom Keisling, Director (present by teleconference)
Greg Thornton, Director

Staff Present: David Denman, General Manager
Penny Jones, Promotions Director
Heather Purcell, District Secretary
Sherilyn Toelle, Finance Director

Guests Present: Greg Lewis, Resident
Steve Clabaugh, Resident
John Forburger, Resident
Ted and Brenda Carthel, Residents
Larry and Sue Brewer, Residents

1. Call Meeting to Order and Invocation

President Bill Moore called the meeting to order at 2:00 pm with four members present in board room and one member present by teleconference. Director Hildebrandt gave an invocation.

2. Public Comment

Greg Lewis commented on the boat docks and why he was opposed to them.

3. Approve Minutes of Friday, February 20, 2017

Director Thornton made a motion to approve the minutes of February 20, 2017, with one correction. Director Lewis seconded the motion. Director Moore, Director Lewis, and Director Thornton voted aye. Director Hildebrandt did not vote. The motion passed.

OLD BUSINESS

4. Consider status of the Marina and begin a new Marina lease contract with new Lessor.

President Moore updated the board on the current lease holder at the marina is in the process of moving out his possessions. The board will consider the marina lease with Steve, although there were some minor changes that have been suggested, which the attorney now has. The changes should be done pretty quickly and will move this to the next agenda. Those changes are; (1) the parking lot will not be exclusive use and the intent is for the people with boats so it needs to always be open. (2) The board does not want the marina to turn into a private facility. (3) Signage should be approved by the board of directors because of flashing lights. Steve Clabaugh stated part of the private events will be how the season will be extended with the lake. During the prime season it will require a two week to ten day notice if someone wanted it on a Wednesday evening. It would be foolish to rent it out on the weekend during the prime season. During the off season from September through February we will do private parties and will not be open to the public and will be important to the revenue stream during that time of year. Director Lewis would like to limit the days that are used for private events during the prime season being Monday through Thursday. Steve Clabaugh said that would be ok during prime season. Director Thornton asked Steve Clabaugh if he was ok with those changes and Steve Clabaugh said yes he was. President Moore said Steve, Jody, and he sat down for approximately two hours to hash all this out over the weekend with the intent to get the latest update to all the board members over the weekend for plenty of opportunity to call and ask questions so the final lease would be ready today to vote on. Jody Jenkins sent the final lease today and the board is forced now to delay the lease until Monday at the monthly meeting on March 6th. President Moore asked Mr. Denman to forward the updated lease from the attorney to all the board members to be reviewed before the board meeting and if there are issues with the lease get back to President Moore immediately. This will help shorten the time from conception to

completion. Director Lewis stated her intention is not to cause problems but to lessen future problems so it is all in black and white.

5. Consider amending the motion #13 from February 20, 2017 concerning the sale of Lot #77 to

Include a date for the bid opening.

Director Moore stated it was brought to his attention that the board did not put an opening date on that. Mr. Denman suggested May 2, 2017. The board would like the bids to be open on Tuesday, May 2nd. Director Keisling would like the ad to be placed on Zillow.

6. Consider adopting the 2016-2017 Budget

Director Moore asked each board member that had any changes or questions about the budget to; (1) circle or make questions, (2) get them back to the general manager so he can research it and make the necessary changes (3) the general manager can resend the complete budget out on Thursday (4) the board can vote on a complete budget on Monday.

7. Consider choosing a boat slip bid

President Moore stated the problem is working with State Law for a municipality, which none of us know much about. The board got into the gate contract and found out that even though Built Rite Construction contract was approved and verbally told to start construction of the new gate, the board was unaware that; (1) a municipality is forbid to pay advanced payments on contracts that have not started (2) the contract was not signed. This is why the board will met with Built Rite Construction to finalize that today. The boat slips, boat lifts, and point of sales, the board has found out through discussion with the suppliers that the board has spoke with and the water district attorney, because those projects are supplying things to use that are basically off the shelf components. Whether it is a little bit of fabrication to build the boat slip, that are different sizes than the last ones, or if it is the pneumatic lifts, or if it is the electronics coming from New Jersey. Because they are off the shelf and they are not construction contracts, the water district can avoid that state law which keeps the water district from paying those up front monies. We did talk to all three companies about deferring the upfront payments to be within the contract period so the water district is not going to have to pay any upfront monies. The water district can learn and the board president spent a lot of time putting these things together.

President Moore got six positive responses for new boat slips, but in conjunction with that the water district has also had discussions about sending letters requesting people to sign and send back the first month's rent or deposit to get comfort feeling that this will in fact be a successful project. This project will bring in \$42,000.00 a year, but will cost in the neighborhood of \$170,000.00 to buy these. The water district needs to be careful to do the right thing. President Moore brought up three fundamental issues for the boat slip and boat dock bids to make these two investments together; (1) can the water district afford it? President Moore has looked at the cash position through September and even after spending money on the gate, the point of sales, the boat slips, and the boat lifts the water district minimum balance in cash this year through September is going to be right around a half a million dollars. The water district can afford it. (2) What is the payback on this investment? How many years is it going to take to get our money back? Capacity and full rented is about four years, which is a pretty decent payback. (3) Can I really go back to the six people that verbally committed to rent a boat slip and lift and ask for a deposit? In return when a purchase order has been issued a lease agreement will be sent out and the water district will already have the first months rent. Director Moore stated it is not time to vote on these two issues yet. President Moore stated that if the first two things he brought up are acceptable, can the water district spend that much and will it pay back properly? The board can give a consensus and then the board president will go out and pursue these letters. He does not want to go to all that trouble and then come back and the board decides not to pass these because of the first two issues. Director Keisling asked what the water district will spend on the gate and the point of sales. President Moore said \$221,000.00. Director Keisling stated that \$250,000.00 will be a more accurate number with lights and additions. Director Keisling stated he is having a hard time finding the money to do the boat slips, yet he is for them because they are a cash flow. President Moore said after the end of May after the water district has spent all that money including the boat slips, the water district will still have a half a million dollars in the bank. Director Keisling stated he is not against the project he is just concerned about the cash and wanted to consider if there was a major blow up that needs attention. Director Keisling stated he does not feel comfortable at this point in time spending any money for this year for the boat stalls and lifts. Director Hildebrandt stated he is concerned with the items not included; engineered stamped plans and would like to know if that is required as a municipality installing something like boat stalls or lifts. He also stated the costs for running utilities is unknown and the water district

does not have a comprehensive project cost. Director Hildebrandt would like those numbers also included in the total project cost or a close estimate. Mr. Denman stated that to install a pole will at least cost around \$1,000.00. President Moore suggested making a list of what will be needed for the boat lift /boat stalls; give it to the general manager to get estimates. Director Hildebrandt stated another concern is about the money and thinks the water district needs due diligent to have money in reserves for a rainy day. He will talk about it individually with the general manager about the boat stall project and the proposed budget. Director Keisling said he is not comfortable with the project looking at what is in the bank right now. Director Hildebrandt agreed with Director Keisling and further stated his concerns; (1) an approved budget is a worthwhile endeavor since there is two years of historical data on the information Mr. Denman has presented the board of directors. The data can get the board pretty close, but won't be exact. (2) Estimate the water district increase revenue conservable (3) know exactly how much it is going to cost to install the boat stalls / boat lifts. If the water district can make an investment and make revenue in four years or less would be a great decision. Director Hildebrandt further stated he will want a complete project cost and an accurate budget for the boat stall project before he will take any further action. Director Lewis stated she thinks the water district has taken on as much as it can handle at this point in time and with all the questions the water district needs to slow down and do things correctly. There is too much going on, too many questions, and everyone is being spread too thin according to Director Lewis. She wants to do the boat slips but does not think it needs to be a major project right now. President Moore stated as far as doing things right the quotes are in line and if there are still concerns with whether or not the water district can afford it he would like to know specifically where the board members are drawing the line. Director Hildebrandt stated he drew the line is in purchasing moving forward. The gate funds were established and that was big project the entire board agreed upon. Director Hildebrandt stated there were some major glaring issues in the budget that have talked about in previous meetings that have not been resolved yet. He would like to know the water district can generate money this year and maintain what is already in place before the water district spends more money.

8. Consider choosing a boat lift bid

Agenda item number seven contains all the discussion for agenda item number eight. No Action Taken.

NEW BUSINESS

9. Consider approval of a new contract with Built Rite Construction for the new gate construction

Ryan from Built Rite Construction came before the board and stated how the inspection costs increased from the bid amount. Ryan stated some boundaries were overstepped and then after the board meeting he received a text which stated he would have to pay for eleven inspections at \$60.00 each. Ryan stated the City of Lubbock has a set inspection price and get permits based off of square footage and that is how the price was calculated for \$116.00. Jaime De La Cruz did not have ADA in the building plans, and Ryan did not know he would have to include TDLR number. Those costs would add up to \$2200.00, which was two days after our bid was turned in. The TDLR number fee is \$2168.00 plus the inspections would cost \$2200.00, which would make the budget over the bid price of \$116.00. Ryan stated his biggest concern is not necessarily that, but the performance bond. The bid was priced complete and he cannot keep eating costs. The contract cannot change, but there is a \$25,000.00 contingency and he hopes he gets the change order for those changes on Day 1 so he can get to work. President Moore stated that the water district pay for the inspections and said the water district does not want to change anymore contracts. Director Thornton would like to authorize the general manager to sign the contract.

Director Thornton made a motion to have the water district to pay for the inspections for the new gate construction from Chad Price of County Line Inspections and the TDLR number, and instruct our manager to sign the contract with Built Rite Construction. Director Moore seconded the motion. Director Moore, Director Hildebrandt, Director Lewis, and Director Thornton voted aye. The motion passed.

10. Public Comment

11. Adjourn

The Board of Directors adjourned at 2:48 pm.