

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 **QUARTERLY** meeting in the Board Room of the administration building at the entrance to Buffalo Springs Lake in Lubbock County, Texas on **MONDAY, FEBRUARY 6, 2017** with the following persons present:

Board Members Present: Bill Moore, President
Casey Hildebrandt, Vice President
Sandra Lewis, Secretary / Treasurer
Greg Thornton, Director
Tom Keisling, Director

Staff Present: David Denman, General Manager
Heather Purcell, District Secretary

Guests Present: Greg Lewis, Resident

1. Call meeting to order and Invocation

Vice President Hildebrandt called the meeting to order with **three** members present at 9:15 am and gave an invocation.

2. Approve minutes of February 1, 2017

Director Keisling made a motion to approve the minutes of February 1, 2017 as written. Director Lewis seconded the motion. Director Hildebrandt, Director Lewis, and Director Keisling voted aye. The motion passed.

3. Public Comment

4. John Clayton, Texas Parks and Wildlife; Lake Preservation

John Clayton from Texas Parks and Wildlife Fisheries Department came before the board to discuss the need for a management plan or a habitat restoration plan. Mr. Clayton had several suggestions to help the fish habitat including Christmas trees in the lake for fish hiding. Mr. Clayton also suggested planting trees or water plants on the shoreline to help with the high nitrate levels including; Buttonbush, Yellow Water Lilly, Water Willow, American Pondweed, or Bald Cypress Tree. Mr. Clayton said according to what the water district decided the Parks and Wildlife would help with placement of fish hiding items.

Mr. Clayton also reported the Zebra Mussels are not in this area yet and once in the body of water they spread rapidly. He answered questions from the board and left pamphlets on the Zebra Mussels for the board to read.

5. Executive Session

The Board of Director met in Executive Session as authorized under Article 6252-17, Section Paragraph (f) and (g). The Board convened into Executive Session at 10:02 am.

(a) Personnel, Section 551.074

(b) Contracts, Section 551.072

6. Reopen in Regular Session and take action, if necessary

The board of directors reopened into regular session at 11:09 am.

Director Hildebrandt made a motion to hire Sherilyn Toelle as Finance Director for a minimum of thirty hours per week at a rate of twenty dollars per hour. Director Thornton seconded the motion. The motion passed unanimously.

7. Reports: Penny Jones, Promotions Director

No Action Taken. Ms. Jones was not able to attend the board meeting.

8. Consider financing a new website

No Action Taken. Ms. Jones was not able to attend the board meeting.

9. Reports: David Denman, General Manager

Mr Denman reported on the following; the maintenance will begin to clean up the property around the lake and office and paint the guardrails and the administration building, Maintenance will begin to take a safety driving course, a monthly building permit report from Chad Price will begin to be given to the board at quarterly board meetings.

10. Consider Adopting the 2016-2017 Budget

David Denman shared the budget with the board of directors. Mr. Denman reported that the board authorized him to add the possible employee raises totaling \$38,884.00. President Moore stated that the maintenance payroll still looks squirrely. Director Hildebrandt stated that Robbie Green told him there were more part-time help and more employees over the summer of 2016 than they ever had. President Moore stated that the total payroll is down. It has gone from \$201,000.00 to \$166,000. Director Keisling stated that the year before is when the water district hired a bunch of people. President Moore stated he pointed this out by line item and they are still the same numbers. Director Keisling stated it is down. President Moore said you have to look at the line items. The overtime went from \$65,000.00 to \$4,000.00. Part –time maintenance went from \$0 to \$16 and the salary maintenance went from \$136 to \$145. President Moore stated he does not know where these numbers in the budget came from. If the payroll is going to truly reduce payroll by \$35,000.00 from last year to this year than maybe they are in the wrong line item. Mr. Denman stated that this overtime was not even on the former budget and so when she added that the numbers should have come down to where it says part time. President Moore wanted to know why the manager was budgeting from the former budget. The budget should be coming from the current column, which has \$65,000.00. That is a forty percent overtime rate and cannot be correct. Director Moore stated the water district needs to hire more people to cut the overtime. Director Keisling told the general manager to figure it out by running some transaction reports. President Moore stated to take the personnel and figure out how much each one makes including; overtime, part time, etc. and plug them in. Director Lewis wanted the website amount and the monthly payments added into the budget. President Moore stated Gwen was putting items in other columns for reasons unknown. He stated he did not believe that the water district spent \$65,000.00 in overtime last year. Hiring more people should offset the overtime. Some accounting systems will take any payroll over forty and put it in there. President Moore stated he is not sure the board really knows what the \$65,000.00 is. Director Keisling agreed. President Moore told the general manager to ask Gwen the sixty five thousand dollars that says overtime in last year’s actual, is that only the premium or is that all the payroll over forty hours. That will make a big difference in the answer. If that is the total payroll than only about twenty one or twenty two thousand of it is the actual premium and the rest of it should be above. Director Lewis stated on the old budget page 11, campgrounds, \$20,000.00 was budgeted but spent \$29,712.74 and it was marked picnic table and there was no way the water district spent that on picnic tables last year. Director Keisling stated that there is a lot more added to the income; \$200,000.00. President Moore stated that is from the gate ticket increase. Director Keisling stated the water district has built the cash reserves up in the last couple of years and now the board is spending a lot of money. Director Thornton asked if the budget is being tabled and President Moore said it is. Director Keisling told the manager to go over all the budget numbers as compared to the actual of last year and if something is out of whack then justify it to us. It is pretty simple. The manager needs to look at every single item on the budget and figure that out. No Action Taken.

11. Consider accepting bid from bankers proposals submitted Feb. 3

Mr. Denman gave the three bankers bids to the board which were from; (1) Platinum Bank (2) Western Bank (3) Wellington Bank. Director Keisling gave a synopsis; Platinum Bank offered one percent interest on any accounts up to \$250,000.00. It was point seven under two fifty and point five at like one to one hundred and fifty, Western Bank offered us point five, Wellington Bank was point one. Platinum was the best deal but Director Keisling stated he does not want to sign any agreement for a bank right now because he spoke with Plains National Bank about a sponsorship on our new gate, paying for it. He does now know if that will happen for sure, but Allen White is the President of the bank out of Dallas will be in town on Monday and the source at the bank is going to

talk to him about it. Director Keisling stated he is talking about one hundred grand and it may be out it and he hopes it will go. Platinum Banks proposal is the best depending on what we do with the bank accounts. No Action Taken.

12. Discuss and consider bank accounts and reorganization

President Moore suggested that all the bank accounts be done away with and give everyone the same visibility of the cash by printing balance sheets at anytime because those same bank accounts are represented right now in the balance sheet with the same numbers on it. It would make our banking easier and the water district would not have to borrow money from one fund to another. The only thing that referred to the bank account in March 2014 related to basically saying that in cases of emergency only would the water district use the escrow fund for payroll or anything like that. President Moore recommended open one or two bank accounts at the most and delineate our cash in the balance sheet. When the water district gets a contract on the gate for a fixed amount of money the water district can take and call out appropriated funds. For example; if it is \$200,000.00 the fund will be lowered from what is in there now from what is called infrastructure by that \$200,000.00 and put the rest down there and will be able to easily see by subtotaling the rest of the bank accounts what the water district really has to manage the lake with on weekly or monthly basis. Director Keisling asked if we had a separate bank account for the escrow fund. President Moore said yes and the finance director is reconciling all those accounts. Director Keisling stated the only bank accounts needed are to be with FDIC. President Moore said surely the bank would protect our coverage over the 250, but if they don't put the rest of it into savings.

13. Follow up on new gate construction

Jaime De La Cruz came before the board with the last set of architectural drawings of the new gate. Director Thornton stated the KIOSK will have a bar in the same relation to the buildings but will be unmanned. This will provide security for the KIOSK being between the two buildings. There a lot of benefits to not having it out here by itself. The lane for the KIOSK needs to be at least 12 feet and 11 feet lanes for the rest of the lanes. There will be twenty four feet from the back of the building to the new gates. Mr. Denman sent letters to the three contracts and one of the contractors, Jerry Smith recommended issuing a letter for contingency. Mr. Denman told the board the contractors had already been given the schematics. Director Thornton stated that there is no plan for landscaping, striping, or paving under the demo area. Mr. Denman said the contractors have the current schematic in hand and are already getting bids, so for us to change them again could be a problem. Director Thornton stated all they are bidding is the new construction. They are not bidding any of the demo. Director Keisling said there will need lighting out there also. Director Thornton stated that we will need some delineation to stripe everything and pavement on the road. The contractors will give the water district a bid for everything they will do and then the water district contingency will be for landscaping, lighting, striping, and repair. The holes will have to be fixed that will be knocked into the ground. Director Keisling would also like the building closed where the campers fill out the paperwork. President Moore said once the contractor came to the water district with the bid the contractor will be asked to enclose the building. Mr. De La Cruz stated he would submit the final drawings with the minor changes including; enclosing the back end of the building. Director Keisling would like the manager to call some other contractors and get bids for the new gate buildings, other than the contractors who are bidding from the ad in the newspaper. President Moore asked Jaime De La Cruz if the check for \$1590.00 to get the water district current including the things previously talked about. Mr. De La Cruz said it was changes and engineering and bring the water district current.

14. Consider choosing a POS for the new gates

President Moore asked if the water district had received the updated bid for two gates with four lanes. Mr. Denman stated he sent the drawings to Dean Leckey last Friday. Director Thornton stated the only change from the bid would be to take out the sales tax. Director Hildebrandt asked Mr. Leckey who his competitors were and he said all others would piece meal systems together. There are no others who could put it to together in a comprehensive system. President Moore asked if the list of items on the quote is exactly what we need. Director Hildebrandt does not know for sure. Director Keisling would like to get an accurate quote. Director Hildebrandt stated he would speak with Mr. Leckey and work on getting a final quote.

Director Keisling via Teleconference

Director Keisling stated he will be gone for most of the month of March and would like to be included in the board meetings via teleconference. The Board agreed to allow Mr. Keisling to be included via teleconference while he is out of town.

15. Consider choosing a boat slip/ hydro hoist bid

Mr. Denman reported that two bids had been received for new boat docks and one more will be coming soon. Director Keisling asked if the lifts will be air lifts. Director Thornton stated that is what hydro hoist has and what everyone wants. It will get your boat out of the water. They lifts are independent of the dock and wire to it. Director Keisling would like to take deposits before the slips are ordered. Director Thornton stated he would not give a deposit until they are ordered. Director Keisling would like to see if there is some interest to see how many should be built. Director Thornton stated the monthly rent would be \$350.00 with a \$350.00 deposit. Director Lewis said that is a lot of money. Director Keisling wanted to know if there was a return on investment for renting them from one price to another. Director Moore said the lifts are about \$5,000.00 a piece. Director Hildebrandt stated that the lifts were \$5,550.00 for the lifts if you bought all ten at one time. If you buy one at a time they are \$7,500.00. Director Hildebrandt wanted to know if you bid for lifts. Mr. Denman said no. President Moore said per the attorney the advertising in itself is sufficient enough to satisfy the requirements, even if you don't get all three bids. Director Thornton stated what we have known is Atlantic Meeco and those docks did six years on the rough end of the lake. They have proven themselves. No Action Taken.

16. Public Comment

17. Adjourn

The board of directors adjourned at 12:50 pm.