

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 **May 2, 2016** with the following persons present:

Board Members Present: Tommy Fisher, President
Tammy Brewer, Vice President
Tom Keisling, Secretary / Treasurer
Sandra Lewis, Director
Greg Thornton, Director

Staff Present: Jim Madewell, General Manager
Heather Purcell, District Secretary

Guests Present: Ronnie and Lana Zahn, Residents
Larry and Sue Brewer, Residents
Ron Adams, Resident
Steve Clabaugh, Resident
Henry Mendoza
Greg Lewis, Resident

1 **Call to Order and Invocation**

Tommy Fisher called the meeting to order at 10:01 am and gave the invocation.

2. **Approve the minutes of April 4 and April 11, 2016 Meetings**

April 4, 2016 Minutes

Director Keisling made a motion to approve the minutes of the April 4, 2016 minutes as written. Director Brewer seconded the motion. Director Fisher, Director Brewer, Director Keisling, Director Lewis, and Director Thornton voted aye. The motion passed unanimously.

April 11, 2016 Minutes

Director Keisling made a motion to approve the minutes of April 11, 2016 minutes as written. Director Fisher, Director Keisling, Director Lewis, and Director Thornton voted aye. Director Brewer abstained. The motion passed.

3. **Sealed Paving Bids opening and awards**

Mrs. Purcell opened the three paving bids and read them all aloud. Bids: 1. Daleys Superior Asphalt bid included Lay Asphalt in Drive or Lot, Hot Asphalt, tack coat, with base, Grade out, level, replace 13,000 feet, hot mix, on the "y" to be removed/ relayed for the sum of \$285,000.00 2. Pavecon bid to provide asphalt repair to 8,250 square feet t the intersection northeast of the bridge for \$11,424.00, asphalt overlay to 143,235 square feet for \$140,840.00 and asphalt repair 13,000

square feet for \$30,530.00 for a total of \$182,794.00. 3. Zahn Paving proposal to clean, tack and overlay from the intersection of High Meadow Road and Pony Express Trail, to the intersection North of the marina bridge and up to bridge. Continue from south side of bridge, south to lot 600 transitions. Area North of marina bridge (the Y) will be milled or stripped to eliminate "Gatoring". Both sides of bridge will be milled for smooth transition. Lay 1.5' of Type D hot mix- \$144,600.00. Alternate Bid Palomino Drive with a Overlay 2" asphalt on new road. Existing base to be inspected and prepared before paving to meet asphalt paving specifications \$33,385. **Director Thornton made a motion to accept the lowest bid from Zahn Paving in the amount of \$144,600.00 for the proposal and \$33,385.00 for the alternate bid on Palomino Drive. Director Brewer seconded the motion. Director Fisher, Director Brewer, Director Lewis, and Director Thornton voted aye. Director Keisling voted nay. The motion passed.**

4. **Replat of Jessie James Drive Request**

Michael Damron was not in attendance so no action was taken.

5. **Water, Sewer, and Trash revenue review with Finance Director Gwen White**

Director Keisling reported that there are 328 Water Taps. The utility department expenses which include labor, repairs, electricity, pump stations and all those costs are \$195,868.00, plus \$36,617 with depreciation. Basically we have got \$230,000 worth of expense in the utility department. The garbage fee was split out between the residential dumpsters and the campgrounds. Director Keisling went over six month figures on the revenue/loss for the water district. To break even on our hard costs of water, garbage and sewer the garbage need to go up \$4.36 per month. The sewer needs to go up \$12.14 per month, and the water needs to go up \$1.17 per month. Director Thornton would like to get bids on the garbage collection. Director Keisling stated the water district is not breaking even in the utility department and he is just trying to break even on the hard costs. Director Thornton wants to discuss the trash bids at the next board meeting. Director Lewis stated the sewer needs to be based on the amount of water that is used.

Director Thornton made a motion to raise the base water rate \$1.17 per month. Director Keisling seconded the motion. Director Fisher, Director Brewer, Director Thornton and Director Keisling voted aye. Director Lewis voted nay. The motion passed.

Director Thornton made a motion to adjust the monthly sewer rate \$12.14 increase monthly. Director Keisling seconded the motion. Director Fisher, Director Brewer, Director Thornton and Director Keisling voted aye. Director Lewis voted nay. The motion passed.

Director Thornton made a motion to rebid the trash collection at Buffalo Lake with at least three companies and get comparable bids and take action at the next board meeting. Director Brewer seconded the motion. The motion passed unanimously.

6. **Unpermitted Construction**

Director Thornton discussed construction permits. No action taken.

7. **Transfer of funds**

Director Lewis asked three questions. Question number one; when funds are transferred who has the authority to transfer? This is a board decision. Who do we want to have the authority to transfer the funds? Is it something that Tommy or Tom can come in and say we need sixty thousand dollars this month can we transfer? Who makes that decision and how much do we want them to be able to say? Mr. Madewell stated his opinion is the finance director. The finance director is the one paying the bills. Director Lewis asked if Gwen could transfer whatever amount she wants and when she wants to. Gwen White stated that she only transfers funds if it is needed not when it is wanted. Director Thornton stated that we set up special accounts and then that money is wired out of that account. Why did we set this account of if it is not securing the money for a specific cause? The intent is to secure money in a special fund for dedicated use. For two people here in this room to be able to do it without everyone knowing, why even bother setting it up if it is not secure. Director Lewis stated that is the second part of what she wanted to talk about. Where should she transfer it from? Where do we give her authority to transfer it from? There are specific accounts that should not be touched and they are being touched. Therefore, what do we want to do? The specific account was set up to have money funded to it monthly. Somehow that got changed. The board should be specifying where the money is coming from. I am not saying anything Gwen or her job. I know what her job is. I want to know what is going on without spending several hours looking at the accounting. Director Lewis stated that these are board decisions so the board needs to make them. Mr. Madewell asked why a finance director or a general manager is needed if the board is going to make every decision on the day to day business. Director Lewis stated this is not day to day business. She said when you take one hundred thousand dollars out of an escrow account that had a ruling that it was for a certain purpose with no vote to change that, it's a big deal. Mr. Madewell stated there was a motion to change that. He reported that Director Lewis was not on the board when that changed. Director Lewis would like the decision to be ahead of time as to where winter funds will come from. Director Keisling stated that the bills have to be paid. Where is the money coming from? Director Keisling stated that the board is not grasping this at all. What are we going to do if you don't want to touch this fund? We have to pay the bills. Director Lewis stated that if the funds are low you stop spending money. We need to prepare. I thought we had a budget. Director Keisling suggested eliminating all those funds and put it all in the general fund; follow a budget and look at monthly financials to see where the water district is on the budget. If the water district overspends they will be off on the budget. The board needs to look at monthly financials to see where the water district is going. Mr. Madewell reminded the board that they bought a thirty nine thousand dollar pick up that was not in the budget and that the budget is not always followed. Gwen White suggested having a work session to discuss the accounts and discuss what account to use during the winter months. Director Lewis said yes let's have a meeting and talk about it. Director Thornton stated that the board should have a work session before the next meeting. Finance Director Gwen White agreed, but she reported that it might be two board meetings before the work session due to unknown factors that the water district needs to know first.

8. **Executive Session:**

The Board of Directors went into Executive Session to discuss Section 551.070, Consultation with Attorney and Contracts and Section 551.074, Personnel.

The Board of Directors re-opened into regular session at 12:16 pm and took action.

City of Lubbock amended Water Contract

Director Brewer made a motion to accept the amended water contract from the City of Lubbock. Director Keisling seconded the motion. The motion passed unanimously.

Adjourn

The Board of Directors adjourned at 12:17 pm

Secretary / Treasurer

Tommy Fisher, President

Date

Tom Keisling,