

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 **Thursday, July 6, 2017** with the following persons present:

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

Staff Present: Warren Johnson, General Manager
 Heather Purcell, District Secretary
 Sherilyn Toelle, Finance Director
 Robbie Green, Maintenance Supervisor

Guests Present Johnny Stone, Resident
 Greg Lewis, Resident

1. Call meeting to order and Invocation
President Moore called the meeting to order and 9:00 am and Director Hildebrandt gave an invocation.
2. Public Comment
3. Discuss and consider property conditions/ lot lease improvement letters sent to residents
 - 23 Comanche Drive: Came to the office and met with Mr. Johnson. The lot lease holder has been working on the inside and has replaced the fascia and painting done on the outside. The lot lease holder (Lubbock Home Buyers) will have everything done by the end of the year.
 - 84 Pony Express Trail: Nell Miller met with Mr. Johnson about fixing her lattice work. The board told Mr. Johnson to take her off of the list.
 - 565 Comanche Drive: John Keys Sr. is selling his home. He has moved out. Director Thornton questioned his plan of action for the property at the lake and does not want the board to pass this off until the home is sold. President Moore said that he board could cancel the lease right now and take it back. Mr. Keys was at a board meeting two months ago and told the board he was more important things to do. President Moore stated that all the board wants is for him to make the front of the house presentable and he will not even come and give the board a plan. Director Thornton stated a process has been started and the board does not need to sweep this under the rug. President Moore reported to the

board that Mr. Keys has been receiving letters since January 31, 2017. Director Thornton said Mr. Keys told the board they were all stupid and walked out of the meeting. Director Lewis said the attitude bothers me because he came in and said I cannot do it, I cannot physically do it, and I cannot afford to do it. Director Keisling said he had an attitude. President Moore said it irritates him when there is no feedback and the lot lease holder thinks the board will just forget about it. Director Thornton said if they get a letter of termination he will be here. The letter is not irreversible if he will paint his house and shows up for a meeting. Director Lewis would like to send out the thirty day notice to terminate the lease as of a certain date.

- 568 Comanche Drive: Jim Foster came before the board and explained that he lived out of the country and did not get the notice until recently. He stated he would have his wood pile removed and the house repairs fixed within the next two weeks. Mr. Foster ask that further responses be sent via email. The board asked Mr. Foster to speak with Mr. Johnson when the repairs are finished so he may be taken off of the list.
- 573 Comanche Drive: Ms. Otero came to the last board meeting and has been giving the general manager weekly updates.
- 614 Comanche Drive: President Moore told Mr. Innis that the board had been sending letters to Mr. Innis since January 31, 2017 regarding primarily the retaining wall. He came before the board after that letter and said some terracing was being done. President Moore: "You said you were doing terracing on the retaining wall, you can call it what you want but it looks like an attempt to try and keep the dirt from falling in the road, but nothing has been done to the two walls on both sides of the driveway. That, for me, is a significant safety issue. We have been asking you to bring back a plan to us and you have never come back. I don't see anything has been done in the last couple of months." Billy Innis: "I have not been out here since the last lake board meeting. Your letter said, number sixteen on your letter said what on satisfactory conditions of." Director Hildebrandt: "On May 2nd you told us you were getting a ..." Billy Innis: "Excuse me just a second. What did the letter say number sixteen lot leases?" President Moore: "The letter said mainly the retaining wall is falling and needs to be repaired, also the porch." Billy Innis: "I am talking about the very last letter." President Moore: "I am talking about the first one. The June 16th letter says quoted that the ground lease agreement that the tenant at all times keep the premises at all times covered by this lease in a clean and orderly condition. Walls falling down are not orderly." Billy Innis: "Well, the wall has started to sync back up. Regardless, let's get down to it. Chess Carthel, I called Chess, I talked to him twice. Chess Carthel, Carthel Engineering. His parents own the house next to mine. He has done an engineering report for me before for one of my other properties in town. I talked to Chess, he is finishing and preparing the report and verbally he already talked to me. Whatever you want to call it, terracing, it is not to keep the dirt back, and it is just to make it visually

look good on the side of the road. The more I follow that natural slope the better off it will be. Ok? Now the wall that is sloping a lot, yes, he is writing up his little sound bite on that and we are going to have to replace those four posts. Once he writes the report you guys will have it. It should be done in one week, maybe two max. The other wall, I talked to him, this is the other side of the driveway, and those four posts are good. There is just a little bit of water damage on the retaining wall boards. You guys will have your report in a week or two weeks. You guys told me I have to have a report so I can get a permit." Director Thornton: "That was two months ago." Billy Innis: "Yea, two months ago. Ok. I talked to Carthel and caught him the next whatever weekend after and came back once you guys told me you wanted a report on the entire thing not just where I was terracing back so I came back and said look they want a report on the entire thing, not just the wall that was leaning in. That is what I called him with originally." President Moore: "I want a certified engineer that whatever you are going to do is going to keep the dirt from falling into the road, whether it is terracing, whether it is retaining walls, and I want that. When did you say you are going to get that?" Billy Innis: "Chess should probably have that finished in a week or two weeks." Director Hildebrandt: "We have already heard this." Director Thornton: "We want a plan of action." President Moore: "What I want is ..." Billy Innis: "That is fine, but look when I first called Chess it was only for the wall that was leaning in and then met with y'all and you said you wanted the whole thing engineered. I was under the impression that terracing under four feet..." Director Thornton: "Hey Billy I guess you need to think about it like this. If you owned your personal house right next door to this and your property value was immediately tied to this how happy would you be with all this? How would you feel about this?" Billy Innis: "Well I am talking to the neighbor's son, they don't seem to..." Director Thornton: "He is a professional engineer. He gets paid to listen to people and fix peoples problems. I am talking about if you own the property next to that or down the street from that, and you looked at it with an objective owner's eye, where would your mindset be? You would not want to hear these stories time and time again. You would want to see progress and see it fixed." Billy Innis: "Twice. When we talk about progress." Director Thornton: "There is nothing. There is nothing happening there." Billy Innis: "I cannot start on this until I get a permit. I cannot start work until I get a permit." Director Thornton: "Sixty or so days ago was the safety.." President Moore: You could have gotten the permit two months ago if you would have done then what you say you are doing now. This letter in January was very specific about getting the retaining walls fixed and nothing has happened to those retaining walls. Nothing has happened about getting an engineered certified plan to prepare." Billy Innis: "Look the entire front side of the road I terraced that back, right. When I say terraced it back, made nice slopes; under four feet, following the natural slope of the curve." Director Thornton: "Billy that looks horrible." Director Hildebrandt:

"We can sit here and talk about this and he is going to tell us the same thing he has been telling us since January. I think it is time for a thirty day letter." President Moore: "Here is what we are going to do; we are going to send you a thirty day letter that we are going to take your lease, unless we see significant progress." Billy Innis: "What does that look like to you?" President Moore: "What does what look like?" Billy Innis: "Significant progress." President Moore: "I want to see a plan, a building permit issued, and I want to see work started in the next thirty days." Billy Innis: "Alright fine. So plan, work started? Chess is going to have your plan to you within a week to two weeks." Director Thornton: "Heather transcribes this exactly." President Moore: "So you say within two weeks." Billy Innis: "What do you want me to do?" President Moore: "I just told you." Director Thornton: "The same thing we told you the last time and the last time before that." Billy Innis: "And your engineering report is coming. I called Chess again this morning." President Moore: "Why does it take two weeks to get a very simple plan to replace a couple of retaining walls?" Director Hildebrandt: "This process was supposed to be started on May 2." Billy Innis: "So I emailed Chess April 17th, talked to him that week, came out, said look we are going to have to get an engineering report on the one retaining wall. Had our next meeting, which was our last meeting when you guys told me you, wanted it on the entire on all walls. So it came back after that and said no Chess now we have to have an engineering report on the whole thing. That is when I talked to him last, which was probably last month. Now I call him again today and said we need to hurry up and finish." Director Thornton: "Maybe you need a different engineer. I don't know. Chess does work for me and I call him and two days later I have what I need." Billy Innis: "So what do you guys want?" Director Hildebrandt: "We have already told you." Director Thornton: "We want a plan of action, a work permit, and work started." Billy Innis: "Ok, fine." Director Keisling: "Work started." Director Thornton: "You have already kicked the can on us sixty days." President Moore: "You have an immense amount of dirt to move before you can start building retaining walls. We will send you the letter and if we don't see dirt being moved, piers being put in, or whatever, to satisfy the engineering report within those thirty days or we are done. We are done. You had sixty days ago, we talked about this. You have thirty days to make this happen." Billy Innis: "So do I have to have report before I start work?" President Moore: "Yes." Director Thornton: "It is not just a report it is a plan." President Moore: "You have to submit a building permit. I want our inspector at the lake to look at the report and to monitor the progress." Director Hildebrandt: "You have to follow the same process as everybody else." Billy Innis: "Yes. That is why I have not touched those two walls, because of the permit." President Moore: "The sooner you get that certified engineers report on how to do this, come up here get your building permit, start work, the better chance you have of this not ending badly. Ok?" Billy Innis: "Fine."

4. Discuss and consider boat races 2018. The board discussed two dated for 2018 boat races; set the date for August 11 & 12, 2018, decided to send the \$1,000.00 deposit to SDBA, and get sponsorship. Director Thornton suggested setting up a meeting with Brad Moran to find out what the cost of advertising will be and then go before businesses to get sponsorship. Warren Johnson ask the board to give him a list of all the businesses each member would like the water district to approach about advertising so the water district can begin working on sponsorship.
5. Discuss and consider presentation from Austin Hughes for the Air B & B
Austin Hughes from Thunder Sun Homes Real Estate Investment Firm came before the board to discuss an Air B and B in Lubbock. Mr. Hughes explained that an Air B & B is a house or an apartment that people open up and make it like a hotel; where people can come in for the night, three nights, a week, a month or longer and live there. Mr. Hughes was shocked that there were no listings at Buffalo Springs Lake. The homeowner controls the schedule. Mr. Hughes charges typically fifteen percent to manage an Air B and B. Director Lewis stated that it might encourage people to own more than one home at the lake, and only one home is supposed to be owned at the lake per person. Director Thornton asked the board to work with Jody and try to figure a way to make this work. Mr. Hughes stated Air B and B do carry a million dollar liability policy. President Moore asked Mr. Hughes to give the board a little time to research the proposal.
6. Special Recognition
Warren Johnson recognized Paula Stone and the gate team for the fantastic job done over July 4th week getting people through the gate as quick as possible and particularly Monday night getting them in and out. The gate team did a great job.
7. July 3rd recap
Sherilyn Toelle gave a recap of July 3, 2017. Director Thornton said this year felt better, due to less traffic and easier ingress. The board agreed to book the 2018 fireworks on Tuesday, July 3, 2018.
8. Discuss and consider gate and point of sales update by Warren Johnson (WJ)
WJ: "First of all be patient with Sherilyn. She has to learn a whole lot of new stuff to pull these reports together and it is not as easy as it sounds. She has been really frustrated, but she is getting on top of it. The gate arms are up and still in the feel safe position. We have got some timing issues that we are trying to work out, as well as a programming issue. What they are saying right now is there is nothing that can be done about it, but they keep escalating up the chain of command trying to figure out what to do there. We still don't have all our equipment in; (1) the call box has not been shipped, (2) the code generator is not here. We periodically have a problem with open edge credit card processing system. There is a conflict with them and the POS and it locks up our POS at

random, so we had that issue first. We figured out Friday or Saturday morning, we had a storm and it knocked out the power and we lost everything out there. We are going to install a backup generator that will run the office and both gates, so that we don't lose power for more than a couple of seconds. We lose power and then the backup generator kicks in. We get everything back; our internet, our power, everything to run the gates. Right now our biggest problem is we don't have a complete system out there. The readers are not installed, don't have code generators, and don't have the call box, actually the kiosk shorted out because there was no screen on it. That is a problem there also, ultimately not real impressed with them. I will say if you call into the tech support and tell them it is an emergency, they will call you back and try to work on stuff, but you get the impression those guys are looking for a quick fix to get you off the phone, rather than troubleshooting what the real issue is." Director Thornton: "And we still owe them roughly thirty grand." WJ: "Twenty-eight I think. I have not given them the go ahead to ship the POS for the office yet. I wanted them to fix everything before we spend more money with them. Then we need to work out the deal with the card readers." Director Hildebrandt: "What are you waiting on those?" WJ: "How many do we want to put in and where do we want to put them?" Director Thornton: "They shipped us four didn't they?" WB: "We have four." Director Thornton: "Let's put them in." Director Keisling: "Where do you want to put them?" Director Thornton: "On the driver's side of every gate." Director Keisling: "We are trying to get people through the gate more efficiently and faster. Why are we putting our residents in that mix?" Director Thornton: "The gates are not always open." Director Hildebrandt: "It would give us flexibility, on a busy weekend you are right. On average we will only have one or two gates open and we will have unmanned gates." Director Keisling: "The residents need to be at unmanned gates all the time. Why do want to put readers in all the gates and say hey guys go ahead and get in line there. I don't get that. I thought the reason for the readers was to get those people and our service people out of the mix of having to deal with them at the gate. Know y'all are saying let's put readers on all the gates." Director Thornton: "Every gate is optional." Director Keisling: "So they can go through and slow down the line." Director Thornton: "Ninety percent of the time only one gate is manned and the other gates are empty." Director Keisling: "That is what I am saying. Why put our people in that line when they could go one line over." Director Thornton: "Here is a scenario. You got somebody using the kiosk to come in with the camper. You don't have any gatekeepers." Director Keisling: "We are talking about the kiosk here and the other lane where it was on the other side of the car and two lanes that we never use, except on a busy weekend. I just don't grasp the concept we keep this gate all the time open so let's put a reader on there so we can put more people in that line, when all they have to do is drive over here or over here. They can get in twenty four seven." Director Hildebrandt: "So if we have the two gate buildings, really you would open the one that is on the right side of the car." WJ: "That is what I would do." Director Hildebrandt: "Are we going to keep that as an exit except for on busy weekends?" Director Thornton: "I thought we were going to do that later on down the road. We have always ran it just the way we just did.

To me that is a volume purchase right there. You are trying to get people to fill this lake up as fast as possible when you open that gate and I thought we were trying to go the other way.” Director Keisling: “Do we have a computer in that one?” WJ: “Yes.” Director Keisling: “We take this point of sale and put it in the office and on busy weekends the line buster over here.” WJ: “If you use the line buster in a gate, you still have to scan. All the line buster does is print out a ticket with a bar code and you have to scan it. It does not replace a POS. The best choice for the line buster is to put them on the Kiosk lane that way you can walk the line and they can scan the bar code at the kiosk and it opens the gate and you can go through. The line buster itself will not open a gate.” Director Keisling: “Can we use this in the office and on a busy weekend just take it out there and plug it in.” WJ: “I guess you can.” Director Lewis: We need to start getting this stuff going first so we are happy with it.” Director Keisling: “This feels like a bad business deal. My theory on this is we are going to have to work our way out of this deal. This is a bad deal. The POS System is a bad deal. Our windows are too high. We are in a wreck, but we are going to work our way out of it.” Director Hildebrandt: “Yes that is the only option we have.” Director Keisling: “That is what we have been saying for months. Don’t spend a lot of money now because it is going to cost a lot more than what we think. Here we go.” Director Hildebrandt: “Can we agree that these two lanes are for sure the ones we want to put an RFD reader on.” Director Keisling: “I am good with that.” Director Hildebrandt: “Can we at least get that done pretty soon.” WJ: “Yes. We can probably have that done within a day.” Director Hildebrandt: “I say we hold the other two until they get their act together. We might find out that we need to put another RFD reader in a lane for traffic. Let’s get these two going and at least see if that works.” WJ: “Ok.” Director Keisling: “I have been out here ten years and I always use the side gate.” Director Hildebrandt: “Let’s start to move forward. Let’s get residents tags and get this thing going, instead of sitting around doing nothing.” Director Keisling: “The main thing is keeping them out of this lane where they are parked there talking to the gatekeeper.” Director Lewis: “Yes, but we won’t know what is going on if we don’t stop and talk to the gate keepers.” Director Hildebrandt: “The other thing is if we do that we need to decide how we are going to handle the tags for the vehicles. Are those residents only? Are we doing those for everybody else? My thought is that it should be residents only. You cannot police who is in the vehicles. They could have a boat.” WJ: “The residents need to pay for each tag.” Director Hildebrandt: “We need to set pricing on that, because they cost. My thought was just ten dollars.” WJ: “They are three fifty a tag.” Director Hildebrandt: “There is maintenance in the system that we will need to cover. It is a convenience fee. However you want to look at it.” Director Keisling: “Yes because you don’t have to buy it.” Director Lewis: “What happens if you don’t have one?” Director Keisling: “Then you will go to the regular gate I guess.” Director Hildebrandt: “My thought is ten.” Director Keisling: “I was thinking twenty a year.” WJ: “My thought was twenty five for the first vehicle and ten for each additional vehicle.” Heather Purcell: “Why are you charging them per year? It should be a onetime fee.” WJ: “Yes, it should be a onetime fee.” Director Hildebrandt: “A onetime fee or twenty per vehicle

until you cancel that code.” Heather Purcell: “Are y’all still going to put a sticker on the windshield?” Director Thornton: “No.” Director Lewis: “We are going to have to have something to get in on if you don’t have the RFD reader.” Heather Purcell: “Then we can type them a pass.” Director Hildebrandt: “If we charge twenty dollars per tag, onetime, that is twenty-thousand and that will cover our system in maintenance for a long time.” Director Thornton: “Hey did you all here what is going on with the resident gate. The people that were running it, this does not have anything to do with it, but it is interesting. The people that were running it won’t release the records or the bank statements, so the people that have taken it over are running it out of a cash bucket and they have no records.” Director Keisling: “There was no money in the account. They won’t relinquish it.” Director Thornton: “They won’t relinquish it and the people running it, one of them is our gate keeper. That is kind of weird. It is kind of jicky.” Director Keisling: “I know. It is real jicky.” Director Thornton: “Paula and her husband were in charge of that and know they won’t release the bank records.” Director Keisling: “They never have. I thought it was real strange. What is stranger than anything else is that there is no money. It is all spent, but that is the resident association and they decided not to pursue that. I was at that meeting. I stood up and said something is not right here guys.” Director Thornton: “Well, they gave me and moms tags back the other day. They told us they don’t have records of anything and you have to pay cash. They won’t release it to us.” Director Keisling: “Supposedly the bank account was broke is what they were told.” Director Thornton: “I am sure it was.” Heather Purcell: “So the price for the new stickers is a onetime fee of twenty dollars per sticker?” President Moore: “Twenty dollars per sticker lifetime, unless you get a new windshield or new car and then you pay for a new sticker.” Director Hildebrandt: “Still require the registration or title the way you have been doing it, but give some flexibility if a guy comes in here with a company vehicle.” Director Thornton: “If they reside on this lake and they drive this car every day.” Director Keisling: “Here is the deal, if they get three or more let’s question this.” Director Hildebrandt: “Twenty dollars is very reasonable.” Director Keisling: “That is cheap. Maybe we need to do it for more.” Director Lewis: “No.” Heather Purcell: “So they can either have a sticker or get a card with their name on it.” Director Hildebrandt: “So the gate keeper has to be able to verify some way if they don’t buy an RFD reader.” Director Keisling: “What about the renters. Someone approached me the other day and said I cannot get a sticker because I have to rent out here for six months.” Heather Purcell: “Renters are required to purchase an annual pass. I don’t know if you still want to make them do that.” Director Thornton: “Yes.” Heather Purcell: “Do you want to make them put a deposit on the little RFD readers?” Director Thornton: “If you reside here, what we are trying to do, the objective here; is to get the people that we are collecting money from that we are not collecting money from, that actually live here and belong here, is to get them out of our business lanes. Let’s get them away from where we actually have to deal with customers and take money.” Heather Purcell: “So why do they have to buy annual passes plus the sticker?” Director Lewis: “I don’t think they buy a sticker and then they are gone in six months and they have got a sticker to get in the gate.” Director Keisling:

“What do we do with these renters?” Sherilyn Toelle: “You can turn it off.” Director Keisling: “You are going to have to keep strict records on this girl.” Director Lewis: “If you are going to have residents still come in with their passes and you are thinking that you are going to shut the gate down at night in the winter or whatever and we are going to have to go through, you will need some sort of barcode. Right now we give out a paper sticker.” Heather Purcell: “You have to have a gate keeper.” Director Keisling: “I have a side gate card. I love it.” Director Lewis: “You are not everybody.” Heather Purcell: “I still think you all need a gate keeper; (1) this is a gated community, (2) it is a security issue.” Director Keisling: “We can have the cop park right out there at night.” Director Thornton: “Really the cop should be doing the night time gate keeping.” Director Keisling: “Just like the banks do. The cop parks in front of the bank.” Heather Purcell: “It is just his car. No one is in it.” Director Thornton: “They cannot take emergency calls anymore. They tell you to hang up and dial 911 in the middle of winter there are only five people coming through here.” Director Keisling: “We paid a lot of money for this kiosk and I expect it to pay itself back. That is the way I understood we were going to do it. Whether it will work or not, it might not. Again, we are going to work our way through this deal and make it.” Director Hildebrandt: The more you can send out emails to the residents to let them know what is going on; just good communication because if it left to assumption they will assume the worst, instead of the best. The all assume we are incompetent morons and it will never work. If we do good communication it will solve a lot of problems. Communication from the office is very important.”

NEW GATE BUILDINGS

WJ: “We are going to have to figure out what is owed and what is not owed and figure out what is right and what is wrong and figure out if we are going to file on his performance bond. That is something that we will hit hard on. I need to visit with Jody on that and figure how to go about that. We don’t want to pay any of the contractors who did work prior to his termination, because we don’t know what they have or have not been paid. Right now the only thing we are paying for is the contracts we have hired after the fact.” Director Keisling: “I think we have a very competent person.” WJ: “We will start working on pretty hard here. We don’t want to move the windows just yet. When we get ready to do that we will stagger them in out so we are not shutting everything down.” Director Lewis: Do they have some alternative so they are not getting hurt?” Director Keisling: “It is a bad deal.” Director Thornton: “We should just raise the floor rather than tear the gates apart?” WJ: “Then you create a problem with door swings.” Director Thornton: “Not the whole floor, just the floor in front of the gate.” WJ: “That is what we did, we put a riser than and that is what Elaine fell off of.” President Moore: “That still does not help them get down to the car.” WJ: “If we did that we could take off those two risers that we put on and clip that window around on the North side of the gate so they operate right. It will fix a lot of problems if we just get it to where it needs to be.” Director Lewis: “It is pretty sunny. The board members did not listen to me when I said that about those big windows, but it is really sunny.” WJ: “Bud Venable gave us some shades to put in there. It was

about five or six o'clock it would get up to about eight five degrees with the air conditioner running. It was pretty miserable."

9. Public Comment – No Public Comment

FORMING A COMMITTEE

President Moore talked about forming committees to gather information the boat races until it is time to bring those issues to the board. Maybe with one or two board members on each committee and then having one board meeting a month.

SCHEDULE NEXT BOARD MEETING

The board agreed to schedule the next board meeting for Tuesday, August 8, 2017 with a full set of July financials on the agenda.

10. Adjourn

The Board of Directors adjourned at 11:04 am.