

THE STATE OF TEXAS

COUNTY OF KENDALL

COW CREEK GROUNDWATER CONSERVATION DISTRICT

June 11, 2018

The Board of Directors of the Cow Creek Groundwater Conservation District (CCGCD) convened the Regular Meeting in the Third Floor Assembly Room of the Kendall County Courthouse located at 201 E. San Antonio Avenue, Boerne, Texas.

Directors Present: Milan J. Michalec - District 2 (President)
R.K. "Bobby" Schwab - District 3 (Vice President)
Bob Webster - District 1 (Secretary)
Curt Campbell - District 4 (Treasurer)

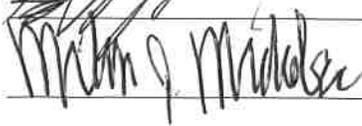
Directors Absent: Allen P. Bloxsom III - At Large (Asst. Secretary/Treasurer)

1. **Call to Order.** Director Michalec called the meeting to order at 6:01 P.M.
2. **Pledge of Allegiance.** GM Voulgaris led attendees in the Pledge of Allegiance.
3. **Establishment of a Quorum.** A quorum was reached with four directors present. Director Bloxsom was not in attendance.
4. **Public comment.** No comment was offered.
5. **Consent Agenda:** Director Webster made a motion to accept Consent Agenda Item A. The motion was seconded by Director Campbell and passed 4-0-0. Director Campbell made a motion to approve Consent Agenda Item B. The motion was seconded by Director Webster and passed 3-0-1 with Director Schwab abstaining. Director Schwab made a motion to approve Consent Agenda Item C. The motion was seconded by Director Webster and passed 3-0-1 with Director Campbell abstaining as he was not in attendance. Director Campbell made a motion to approve Consent Agenda Items D, E and F. The motion was seconded by Director Webster and passed 4-0-0.
 - a. **Approval of minutes from the May 14th, 2018 Regular Meeting**
 - b. **Approval of minutes from the May 23rd, 2018 Special Meeting**
 - c. **Approval of minutes from the June 6th, 2018 Workshop**
 - d. **Payroll, employee benefits, operational expenses and payment of such**
 - e. **Monthly financial report(s)**
 - f. **Monthly operations report**

6. **Application for a new well Operating Permit for well IW8016.** The Applicant, Hayden Williams is requesting 17.3 acre feet annually for irrigation of coastal hay at 609 Walnut Grove Road North. GM Voulgaris provided the Board with an overview of the application and property. Staff recommendation is 1.6 acre feet for 8.5 acres of irrigated property to reach 13.6 acre feet annually. Director Campbell made a motion to approve 13.6 acre feet with an additional allocation of 131,400 gallons annually for residential use. Mr. Williams will be granted 30 days to work with GM Voulgaris to update the drought contingency plan to get the application administratively complete. The motion was seconded by Director Webster and passed 4-0-0.
7. **Approve the bid and authorize the General Contract for a New Office Building at the #9 Toepperwein property.** In compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated the Cow Creek Groundwater Conservation District Board may meet in executive session for deliberation regarding real property (§551.072). Mr. Woodring with JM Lowe spoke on how the company would like to still be included as the District selects the submitted bid and contractor. JM Lowe indicated that the lowest bidder did not follow the bid package requirements and thus should be eliminated as a contender. Director Schwab made a motion to table Agenda Item 7. The motion was seconded by Director Michalec and passed 4-0-0.
8. **District activities & subcommittee updates:**
 - a. **Monthly report.** GM Voulgaris provided the staff's monthly report.
 - b. **Meteorological update.** No update.
 - c. **Current drought stage.** The District will remain in Drought Stage 2.
 - d. **GMA 9 update.** No update.
 - e. **Management Plan.** No update.
 - f. **Subcommittee updates.** Operating Permit subcommittee will meet in the near future to discuss and access the back log of applications that have been submitted but have not been issued.
9. **Correspondence.** No correspondence was entertained.
10. **Future meeting dates and meeting topics.** A Special Meeting will be held Friday, June 15, 2018 at 11:00 A.M.
11. **Adjournment.** Director Michalec made a motion to adjourn at 7:17 P.M. Director Webster seconded the motion and passed 4-0-0.

MINUTES APPROVED:


_____, Director


_____, Director

Micah Voulgaris

Public Comment

From: Don Dietzmann [don.dietzmann@att.net]
Sent: Monday, June 11, 2018 5:25 PM
To: Micah Voulgaris
Cc: redfish@gvvc.com; sri@gvvc.com
Subject: CCGCD Building Project

Micah,

Below are comments regarding the District's building project that I am offering as public comment for tonight's meeting. I am currently out of town, but request that they be read into the record during the public comment agenda item. Also, please provide a copy go the Directors who are present.

To: Board of Directors, Cow Creek GCD
From: Don Dietzmann, Boerne, TX
Date: June 11, 2018

I respectfully offer the following comments regarding this evenings agenda item of moving forward with selection of a contractor for construction of the new facility.

I have been following the district's progress regarding construction of the proposed new facility, and have called and talked to Director Schwab regarding the outcome of the bids from the last Workshop. I understand that the low bidder came in at approximately \$385,000 which did not include the 800ft meeting room. That is roughly \$320 per square foot without the meeting room. Which is way out of range for even today's escalating market. I understand this price does include some additional work to prepare the site for construction in accordance with County requirements. Below are several items of concern I would ask the Board to consider before moving forward.

1. The Board took action in April and set the maximum expenditure for the new building project at \$325K which included both the offices and the meeting room, approximately 2000ft but did not included Peter Lewis costs or ancillary construction items. Additionally, the Board asked Lewis to provide an optional plan without the meeting room, which he did, in case the Board wanted to delay the construction of the meeting room.
2. The \$325k expenditure decision was based on the construction estimates provided by Peter Lewis and Matkin which were presented with the understanding that these would be very close but not exact estimates, based on then(March-April) current labor and materials costs. Discussions with Lewis/Matkin along the way indicated there could be unforeseen cost estimate increases of 10 the 15% but were not necessarily anticipated.
3. This decision to set the maximum expenditure at \$325K was reached unanimously after Board discussion and in keeping with Board policy. This amount was also based on the recommendations from the Finance subcommittee that approximately \$250K in cash could be spent and still maintain normal cash reserves.
4. This decision was also based on the Boards desire and acknowledgement to maintain adequate cash reserve funds for normal and unforeseen expenditures as has been their policy in the past.
5. Throughout the discussion there was agreement between the Board members to seek partial financing or line of credit in the amount of 100K to be able to maintain normal cash reserves. This commitment has been subsequently obtained from Texas Heritage Bank.
6. I understand that the Lowest bid received is approximately now \$385k for facility without the meeting room, plus an additional \$125k for meeting room for a total cost of approximately \$500k. This represents a 50%

increase over the last estimates received in April. Should the Board move forward, they would be paying 50 % more then estimates for the facility with meeting room. Or be paying approximately 25% more then estimates w/o the meeting room.

7. If not now, then at what point is the Board spending too much. After establishing a maximum expenditure of \$325K just 2 months ago, why would the Board now be willing to spend an additional \$175k to get what was proposed. Or be willing to spend \$75k more to get less then proposed. Construction costs have not moved this much in that short time, leading to the likelihood that the Lewis/Matkin estimates were for some reason grossly unaccurate. The financial subcommittee voted prior to that time to move forward.

8. If the Board were to move forward with these numbers, this would mean they are okay with their average facilities cost with land included to be \$250K per employee. This is an insane number, and in my opinion does not represent good responsible stewardship of public monies.

9. At this point, the Board should consider all possible alternatives and options, including scraping this project in keeping with their previous decision and action not to spend more then \$325K on the entire facility. If it was considered wise in April it should still be applicable today. At what point is it too much?

10. Possible alternatives.

- * Substantially redesign the building and square footage. Including metal buildings and prefab options to lower the costs back to estimates.

- * Keep the land and rent until construction/material prices correct.

- * Eat whats been paid to Lewis so far. Sell the land and buy something out in the county that will work for offices. The price per square foot of properties with land being sold today is substantially lower then new construction costs.

- * Sell the land and rent. The long term cost is too high to build.

- * Move forward "California style" spending \$500k instead of \$325K as previously decided, liquidating the reserves, knowing that District will likely to be upside-down on the investment.

I have always trusted in the past judgement of this Board to be good stewards, and make sound financial decisions that make sense for the betterment of the citizens you represent, by spending their money wisely.

I am not sure how this process and costs got so out of control or what roll I might have played in this, but it seems as though it is. I also realize there had been a significant amount of time dedicated to this project so far, but that is not enough to keep moving forward.

I am requesting the Board put the brakes on this project and re-evaluate the needs, requirements, options, and alternatives before committing any more citizen money. I believe the District is headed in a direction that does not make sound financial sense, and is ultimately putting the District in jeopardy.

I appreciate all each one of you do for this community and offer this opinion out of my deepest respect. Additionally, I offer my services as a concerned citizen if there is anything I can do to help the Board in redefining this project.

Thank you for your consideration.

Submitted June 11, 2018 by Don Dietzmann.