

MINUTES OF
REGULAR MEETING
VARNER CREEK UTILITY DISTRICT
March 17, 2021

STATE OF TEXAS :

COUNTY OF BRAZORIA :

The Board of Directors of Varner Creek Utility District of Brazoria County, Texas convened in regular session, via telephonic communication on Wednesday, March 17, 2021 in the Columbia Lakes Resort Cottages back conference room, Columbia Lakes, West Columbia, Texas 77486, inside the boundaries of the District.

to-wit:

Allan Sassin	President
Gene Pell	Vice-President
Becky Carroll	Secretary/Treasurer/Financial Director
Randall Weeks	Asst. Secretary/Treasurer
Ray Sauer	Director

Also present were the following: Debra Lanehart, 1st Capital Business Services, LLC; Doug Roesler & Steve Matula, Baker & Lawson; Morris Ryder, Ryder & Co. LLC

All members were present, thus constituting a quorum.

Director Sassin called the meeting to order at 9:35am

Minutes are presented in order of the stated agenda even though actual order of topics may be discussed out of agenda order.

A. Public Comments: None

B. OPERATOR'S REPORT

1. Update on maintenance: February
 - Bacteriological samples were good.
 - Mowed and weeded pump stations and levee, North Ditch.
 - Cleaned storm drains.
 - Water taps: 2 long taps, 2 short tap, 4 sewer taps, 1 sewer inspection
 - Painted gates at Freeman
 - Repaired drainpipe at E. Pump Station

B. OPERATOR'S REPORT CONT.

- Ran auxiliary pumps at water plant 2/14-2/15, shut down water plant 2/16, water plant back in service 2/17, bacterial samples submitted 2/18, lift boil water notice 2/19, turned water of/on for residents, checked water leak at hotel and other commercial property.
- Repaired broken storm-drains.

Texas Tank Services report on tank inspections were good.

Right angle drive on Well #1: New drive would be about \$10,000 according to Felder Water Well. At the time of the meeting, no estimate for repairing the existing drive was available.

GSI has quoted \$49,420 for a portable generator for Well #2.

Director Pell made the motion to purchase the portable generator at the quoted price for Well #2 pending confirmation of specifications by Baker & Lawson. The motion was seconded by Director Weeks and the vote was unanimous.

Motion to accept the Operator's report made by Director Carroll and seconded by Director Weeks and the vote was unanimous.

C. ENGINEER'S REPORT

1-3. Baker & Lawson

The Generator Project bid package is ready.

Motion to proceed with advertising the Generator Project made by Director Sauer, seconded by Director Sassin and the vote was unanimous.

The parts for Water Well #2 have been ordered. Well #2 project will not start until issues with right angle drive and/or backup generator have been resolved on Well #1.

The Engine/Pump have been ordered for the North Pump Station project. Power lines run through the North Ditch Levee. Texas-New Mexico Power has been contacted about the relocation of the power line. A cost proposal will be done by the Power Company for the relocation of the line.

There has been no response the VCUD offer on various easements.

4 Crappie pond easements: The Columbia Lakes Homeowners Association will be finalizing the purchase of the Golf Course property and the Crappie Pond at the end of March. The survey recently sent to residents reflected the use of the Crappie Pond for fishing ranked high on the list of projects wanted. An access easement will be necessary to

cross over the District levee system.

C. ENGINEER'S REPORT CONT.

5. Water Leak Detection Survey: Accurate Meters does this service. The District had this done several years ago, but with the new construction it may be good to do it as part of the water line project portion of the Bond.

Motion to accept the report made by Director Sauer and seconded by Director Pell. The vote was unanimous.

D. LEGAL/FINANCIAL

1. There has been no changes to the availability of facilities to either the HOA or the Fire Department.
2. The Administrator contract with Debra Lanehart reflects a \$3,000 increase in annual cost (\$35,000 to \$38,000) with no changes to the basic duties.

Motion to accept the contract with the rate increase was made by Director Pell, seconded by Director Sauer and the vote was unanimous.

The Water and Sewer Billing contract will remain the same.

Motion to accept the Water and Sewer Billing contract was made by Director Pell, seconded by Director Sauer and the vote was unanimous.

The Operator Contract will add Ben Ryder as the 2nd Operator, includes minor rate increase for certain equipment, a 6% increase for labor and an increase in the Basic Service Rate from \$3,500 to \$3,700/

Director Carroll made the motion to accept the Operator Contract with the changes. Director Pell seconded the motion and the vote was unanimous.

Director Sassin made the motion to add an Evergreen term to the contracts. The motion was seconded by Director Carroll and the vote was unanimous.

3. Motion to authorize Hilltop Securities/First Southwest to prepare and file the Continuing Disclosure Report for 2020 made by Director Pell, seconded by Director Sauer and the vote was unanimous.

4. Investment Policy: Tabled

The Invest Officer position has a requirement for six hours of training within twelve months of taking office or assuming duties and four hours of renewal training every two years afterward.

D. LEGAL/FINANCIAL CONT.

Motion to move the Investment Officer position to the Secretary/Treasurer made by Director Sassin, seconded by Director Sauer and the vote was unanimous.

5. Motion to approve The Resolution Concerning Tax Collection Procedures made by Director Sauer, Seconded by Director Carroll and the vote was unanimous.

6. Motion to approve the Resolution Providing for Additional Penalty for Tax Collection Costs made by Director Carroll, seconded by Director Sauer and the vote was unanimous.

7. Motion to approve the Resolution Concerning Exemption of Residence Homesteads from Taxation made by Director Sauer, seconded by Director Carroll and the vote was unanimous.

E. SECURITY:

None.

F. SEWER AND WATER BILLING AND COLLECTION REPORTS

1. Billing for the month of February 2021:
Read dates: 1/01-1/31/2021.
Pumped: 4,786,000
Consumption: 4,376,800
Accountability: 91.45%
Water and Sewer Billing: \$44,820.92
Meters billed: Residential:1,032 Commercial: 39 water, 35 sewers

Disconnect Date: 03/01/2021

Director Sauer made the motion to accept the water billing report for month of February. The motion was seconded by Director Weeks and the vote was unanimous.

No cut-off this month.

2. Balance write-off: No action taken.

3. Debra Lanehart presented the list of the adjustments made to customer accounts due to the February freeze. These adjustments are reflected on the March 5, 2021 billing. The total adjustments made were \$1,331.25 in water/sewer billing, late fees, and TCEQ fees.

G. ADMINISTRATORS REPORT

1. Standby collections for February 2020 were \$1,995.00. Standby Accounts Receivable as of February 28, 2020 was \$19,663.00.

G. ADMINISTRATORS REPORT CONT.

Motion to accept the Standby report made by Director Sauer, seconded by Director Carroll and the vote was unanimous.

2. Debra Lanehart presented the Cash Balances report reviewing account monies, transfers and balances in the District's Operating, Capital Projects, and Debt Service accounts for the month of February 2021.

Motion made by Director Sauer to accept the Cash Balance Report, seconded by Director Weeks and the vote was unanimous.

3. Tax collections for the month of February 2021 was \$59,810.45. There were no adjustments for February. Prior period taxes collection was \$188.44.

Motion to approve the February tax collections report made by Director Sauer seconded by Director Carroll and the vote was unanimous.

4. Budget Report/Income Statement: Debra Lanehart presented the Budget Performance Report showing \$155,345.42 of income through February 2021 or 16.5% of the total income budget of \$939,000.00. The reported expenses for the same period were \$140465.75 or 15% of the budgeted expenses of \$939,000.00.

Motion to approve the Budget report for February made by Director Sauer, seconded by Director Weeks and the vote was unanimous.

5. Debra Lanehart provided list of checks with \$118,846.64 out of the Operating account to be approved and seven (7) out of Capital Projects Fund for total of \$51,244.17.00 for Bond Projects and one (1) check out of the Debt Service Fund for the Brazoria County Tax Office for the Quarterly Tax Levy for \$1,821.25.

Motion to approve check list made by Director Pell, seconded by Director Carroll and the vote was unanimous.

6. District Organization: Special Workshop on April 15, 2021 at 10am in the office of the Administrator.

H. MINUTES

Director Sauer made the motion to accept the February 16, 2021 Emergency meeting minutes as presented. Director Carroll seconded the motion and the vote was unanimous.

Director Pell made the motion to accept the February 24, 2021 Regular meeting minutes as presented, seconded by Director Carroll and the vote was unanimous.

I. ADJOURN:

There being no other business to come before the Board, Director Sauer made a motion to adjourn at 11:50am. The motion was seconded by Director Carroll and the vote was unanimous.

Debra Lanehart
District Administrator

(SEAL)