

MINUTES OF  
REGULAR MEETING  
VARNER CREEK UTILITY DISTRICT

April 20, 2016

STATE OF TEXAS :

COUNTY OF BRAZORIA :

The Board of Directors of Varner Creek Utility District of Brazoria County, Texas convened in regular session, open to the public in the Oak Room at the Columbia Lakes Clubhouse, West Columbia, Texas within the boundaries of the District on the 20th day of April, 2016 at 9 am. and the roll was called of the duly constituted officers and members of the Board, to-wit:

Jim Gillenwaters	President
Gene Pell	Vice-President / Financial Director
Wayne Pollard	Asst. Secretary
Allan Sassin	Secretary
Rebecca Carroll	Director

Also present were the following: Debra Lanehart, 1<sup>st</sup> Capital Business Services; Morris Ryder, Ryder & Co., Wade Whitlow & Kristin Effenberger, Kennemer, Masters & Lunsford, LLP., Herb Smith & Robert Bagley, Baker & Lawson Engineering; Clark Lord, Bracewell, LLC; Ray Sauer, resident. All members were present, thus constituting a quorum.

Jim Gillenwaters called the meeting to order at 9:00 am.

Items on agenda were discussed out of order, but are being reported in the order the agenda set forth.

A. STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS

1. Debra Lanehart reported the collection of standby fees in March totaled \$3,011.00.

Director Carroll made the motion to accept the standby collection report. Director Pollard seconded the motion and the vote was unanimous.

2. Debra Lanehart presented the water and sewer billing and collections report for the read dates of 2/19-3/23/16. Accountability for the month was 90%. (pumpages 4,869,000 and consumption 4,513,000)

The cut-off list was presented; cut-off for delinquent accounts is scheduled for April 28, 2016.

#### A. STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS CONT.

Director Pell made a motion to approve the cut-off list, seconded by Director Carroll and the vote was unanimous.

Director Pell made a motion to accept the water and sewer reports, seconded by Director Pollard and the vote was unanimous.

#### B. OPERATOR'S REPORT

1. Bacteriological samples were good.
2. Levee inspection good/ 1 spot on levee next to Crappie Pond stays wet at base. Will move some fill dirt from Maintenance Barn to area needed.
3. Mowed pump stations
4. Mowed levee
5. Repaired leaks on Inwood, Edgewater, Lake Forrest
6. Mowed right-of-way to City
7. Installed Sewer Taps: Mossy Meadow/
8. Found leak on Green Meadows/ line about 12ft deep.

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

#### C. ENGINEER'S REPORT

The District's water capacity was requested by a builders lending institution. The stated capacity according to the last Continuing Disclosure Statement in 2015 was 805 equivalent residential households. Discussion of the possible solution for increasing the capacity as well as cost will be researched by the Engineer and will report the findings.

#### D. ADMINISTRATOR REPORT

1. Debra Lanehart, District Administrator, presented her report reviewing account monies, transfers and balances in the District's Operating, Capital Projects, and Debt Service accounts.

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

2. Tax Collections Report from the Brazoria County Tax Office reflects \$22,938.76 in collections for March (2015 assessment). Prior period collections totaled \$10,083.19 (2006-2014)

#### D. ADMINISTRATOR REPORT CONT.

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

3. Debra Lanehart presented a Budget Performance Report for January through March 2016. The Revenue and Disbursements of the current year budget are as follows: Revenue equals \$157,109.26 and Disbursements equal \$128,392.94. Net Revenues equal \$28,716.32 for the year-to-date.

Motion to accept the Budget Performance Report made by Director Carroll, seconded by Director Sassin and the vote was unanimous.

4. Audit Presentation:

Wade Whitlow gave the presentation of the 2015 audit. The Auditor reviewed the highlights of the audit with the Board.

- a. Pages 9-14, Management Discussion and Analysis.
- b. Pages 18-19, Fund Financials
- c. Page 21, Net Fund Balances
- d. Page 23, Notes to Financial Statement

Director Pell made the motion to accept the Audit Presentation. The motion was seconded by Director Sassin and the vote was unanimous.

5. Director Carroll made the motion to authorize First Southwest to prepare and file the Continuing Disclosure Report for 2015. The motion was seconded by Director Pell and the vote was unanimous.

#### E. TRUST PROPERTIES

NONE

#### F. MINUTES

Director Pell made the motion to accept the minutes from the March 16, 2016 Regular meeting with the following correction: Section C Engineer's Report. The sentence should read: Directors requested the Administrator invite Herb Smith to the next meeting to discuss the District's current water capacity and the effects a major build out would have on the current infrastructure. The motion was seconded by Director Carroll and the vote was unanimous.

G. SECURITY REPORT

NONE

H. LEGAL

1. Clark Lord will start the review of the current Sewer Treatment Contract with the City of West Columbia. The current contract expires in November of 2017.

I. PAYMENT OF BILLS

The Administrator distributed the list of bills to be paid with \$62,665.00 out of Operating Funds.

Director Pell made a motion to approve the bills for payment, seconded by Director Sassin and the vote was unanimous.

There being no other business to come before the Board, Director Sassin made a motion to adjourn. The motion was seconded by Director Carroll and the vote was unanimous.

(SEAL)

Debra Lanehart  
District Administrator