

MINUTES OF
REGULAR MEETING
VARNER CREEK UTILITY DISTRICT

April 17, 2013

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 Board Room at the Columbia Lakes Clubhouse, West Columbia, Texas within the boundaries of the District on the 17th day of April, at 9 a.m. and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ray D. Sauer	President
Gene Pell	Vice-President / Financial Director
James Gillenwaters	Secretary-Treasurer
Wayne Pollard	Asst. Secretary-Treasurer
Allan Sassin	Director

All members were present, thus constituting a quorum.

Also present were the following: Debra Lanehart, 1st Capital Business Services; Morris Ryder, Ryder & Co.; Geneva West, CLHOA; Kevin Cadenhead and Wade Whitlow, Kennemer, Masters and Lunsford; Clark Lord, Bracewell & Guillian

Director Sauer called the Regular Meeting of the Board of Directors to order.

A. AUDIT PRESENTATION:

Kevin Cadenhead and Wade Whitlow from the CPA firm of Kennemer, Masters and Lunsford presented the 2012 Audit. The accountants reviewed the Client Advisory letter. The letter recommends the adoption of a budget for the Debt Service Fund and Capital Projects Fund for the current year. The letter also noted the need for the Financial Director to complete at least four (4) hours of additional investment training within a two-year period. Mr. Cadenhead explained the new GASB pronouncement 65, which was implemented during 2012. The impact on the District Financials resulted in the restating of the Net position for 2011 by the debt issuance costs of the 2007 and 2008 Bond Series.

B. TRUST PROPERTY: No bids were received for VCUD trust property.

C. STANDBY, WATER AND SEWER BILLING AND COLLECTIONS REPORT

1. Debra Lanehart reported the collections for standby in March totaled \$3,295.00.

Director Gillenwaters made the motion to accept the standby collection report. Director Pell seconded the motion and the vote was unanimous.

2. Debra Lanehart presented the water and sewer billing and collections report. Accountability for the month was 84% for read dates 2/21-3/19/13.

The cut-off list was presented; cut-off for delinquent accounts is scheduled for April 29, 2013.

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

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

3. 310 S Amherst Water Billing: Billing for the account was documented in the water-billing packet. The usage returned to historic norm for this address.

Motion to deny claim for bill reduction made by Director Pollard, seconded by Director Gillenwaters. Director Pollard withdrew his motion. Morris Ryder will talk to Mr. Shepherd and return with report for the Board next month.

4. 2261 Riverside Water Billing: The resident had been away from the house for several weeks. There was no way of verifying the usage.

Motion to deny request for bill reduction made by Director Pollard, seconded by Director Sassin and the vote was unanimous.

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 Gillenwaters to accept the cash report as given, seconded by Director Pell, unanimous approval.

2. Certified Tax Assessor report for March 2013 was presented. Current year collections for the month were \$21,470.97 and delinquent collections for the month were \$384.09.

E. MINUTES

The minutes of the March 20, 2013 regular meeting and March 28, 2013 special meeting were presented.

Director Pell made the motion to accept the minutes as presented. Director Gillenwaters seconded the motion and the vote was unanimous.

F SECURITY REPORT:

Geneva West, CLHOA President reported that there had been some mischief reported on golf course.

G. OPERATOR'S REPORT

1. Bacteriological samples were good.
4. Levee Inspection: Found wash out area on North Ditch.
5. Replanted seed on bare spots on levee.
6. Mowed pump stations.
7. Checked manholes for leaks.
8. Repaired meter leak at 213 Inwood.
9. Installed protection bars at water plant.
10. Chlorinator Maintenance calibrated and adjusted flow meter
11. Built shed over spare pump.

Motion to accept the Operator's report as presented was made by Director Pell, seconded by Director Gillenwaters and the vote was unanimous

H. ENGINEER'S REPORT

Engineer not in attendance.

I.LEGAL

1. Motion to ratify and adopt the Resolution Regarding Annual Review of Investment Policy made by Director Pell, seconded by Director Gillenwaters and the vote was unanimous.
2. Motion to ratify and approve the amended Investment Policy made by Director Sassin, seconded by Director Pollard and the vote was unanimous.

J. PAYMENT OF BILLS

The Administrator distributed the list of bills to be paid with \$56,636.08 from the Operating Fund.

From the Prosperity Capital Projects Fund, the following check was presented: The Facts for \$89.10 (Legal Ad LOMR).

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

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

(SEAL)

Debra Lanehart
District Administrator