

MINUTES OF
REGULAR MEETING
VARNER CREEK UTILITY DISTRICT

March 20, 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 20th day of March, 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.; Denise Kemp, City of West Columbia; Geneva West, CLHOA; Herb Smith, Baker & Lawson

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

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

B. STANDBY, WATER AND SEWER BILLING AND COLLECTIONS REPORT

1. Debra Lanehart reported the collections for standby in February totaled \$1,573.00.

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

2. Denise Kemp presented the water and sewer billing and collections report. Accountability for the month was 80% for read dates 1/18-2/20/13.

B. STANDBY, WATER AND SEWER BILLING AND COLLECTIONS REPORT CONT.

The cut-off list was presented; cut-off for delinquent accounts is scheduled for March 26, 2013.

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

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

The Board heard a report on an account at 310 S Amherst. Denise provided a monthly billing for the account that indicated an unusual increase in consumption. The matter was tabled until next month to see if the consumption increase was ongoing. If the billing returns to historic norms, the Board will consider an adjustment for the February billing.

2. The Administrator provided the Board with the revised language for dealing with Insufficient Funds policy in the District Rate Order. The Administrator proposed for the Board's consideration the addition of a twelve-month probation period to the paragraph. The addition of "and the account will be placed on probation for a twelve-month period. During the probation period, any NSF payment will cause the account to go back to cash only status for another twelve-month period" was added to the end of the paragraph.

Director Pell made the motion to make the revision to the paragraph in Section 6, Return Check Charge Rate Order page 5 as presented. Director Sassin seconded the motion and the vote was unanimous.

C. 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 as given, seconded by Director Pollard, unanimous approval.

During the process of compiling current CD rates, it has come to light that the District needs to update the Exhibit A List of Qualified Broker/Dealers to include Banking Institutions in the local area and remove some of the banks from the list.

Motion to approve the amendment to the Investment Policy to add Texas Gulf Bank and First State Bank to Exhibit A was made by Director Pell, seconded by

C. ADMINISTRATOR REPORT CONT.

Director Gillenwaters and the vote was unanimous.

2. Certified Tax Assessor report for February 2013 was presented. Current year collections for the month were \$76,357.96 and delinquent collections for the month were \$20,806.84.

D. MINUTES

The minutes of the February 20, 2013 regular meeting were presented.

Director Sassin made the motion to accept the minutes with the following corrections: Director Positions corrected to read Director Pell: Vice President/Financial Advisor and James Gillenwaters: Secretary/Treasurer. Director Pell seconded the motion and the vote was unanimous.

E SECURITY REPORT:

Geneva West, CLHOA President reported that Spring Break had come and gone with no incidents.

F. OPERATOR'S REPORT

1. Bacteriological samples were good.
3. Levee Inspection good.
4. Flushed hydrants.
5. Mowed pump stations.
6. Checked manholes for leaks.
7. Changed meter at 328 Amherst.
8. Installed pipe rack at water plant.
9. Repaired meter leak at Woodhaven and Ridgewood
10. Repaired leak on Freeman
11. Changed oil on 6" water pump and right angle drives at water plant.

Board asked for estimate to build cover over spare pump.

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

G. ENGINEER'S REPORT

1. Draft letter on the Annual Facility Inspection presented by Herb Smith, Baker and Lawson Inc.
2. Levee Certification status: Herb Smith reported to the Board that the next step in the Certification is to have the Notice of FEMA change to Flood Map published in the newspaper. This will be done by publication of the Notice in the Facts newspaper on March 29, 2013.

H. PAYMENT OF BILLS

The Administrator distributed the list of bills to be paid with \$61,606.33 from the Operating Fund.

From the Prosperity Capital Projects Fund, the following check was presented: Matula & Matula for \$16,314.42 (Storm Pump retainage).

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

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

(SEAL)

Debra Lanehart
District Administrator