

MINUTES OF  
REGULAR MEETING  
VARNER CREEK UTILITY DISTRICT

April 16, 2014

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 16th day of April, at 9 a.m. 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.; Herb Smith, Baker & Lawson Engineering; Denise Kemp, City of West Columbia; Wade Whitlow and Kevin Cadenhead, Kennemer, Masters and Lunsford, LLP. All members except Director Carroll were present, thus constituting a quorum.

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

A. AUDIT PRESENTATION:

Wade Whitlow with Kennemer, Masters & Lunsford, LLC presented the 2013 Audit to the Board. Opinions on page eight (8) of the audit states: *In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

Financial Overview presented on pages 9-14. Highlights summarized the unrestricted net position of \$460,972 may be used to meet the government's ongoing obligations. The District's total net position in 2013 increased by the sum of \$206,395. The governmental funds reported combined ending fund balances of \$883,286. Of this

total amount \$204,270 (unassigned fund balance) is available for use within the District's fund designation. The unassigned fund balance represents 34.09% of current general fund expenditures. The ending fund balances decrease reflects the pay-down of debt on the 1996 bonds.

Motion to accept the 2013 Audit as presented made by Director Pell, seconded by Director Pollard and the vote was unanimous.

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

1. Debra Lanehart reported the collections for standby in March totaled \$3,495.00.

Director Sassin made the motion to accept the standby collection report. Director Pell 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 89% for read dates 2/19-3/20/14. Total pumping reported by Ryder & Co. was 3,878,000 pumped and consumption totaled 3,479,700.

The cut-off list was presented; cut-off for delinquent accounts is scheduled for April 29, 2014.

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

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

#### C. OPERATOR'S REPORT

1. Bacteriological samples were good.  
Repaired propane lines at West Pump Station  
Mowed levee, pump stations.  
Repaired storm drain on Pecan Valley and Golf Course  
Replace water line on Canterbury/repared yard  
Painted West Pump station  
TCEQ inspection

Director Pell made the motion to accept the Operators report. Director Sassin seconded the motion and the vote was unanimous.

#### D. ENGINEER'S REPORT

Motion to approve the contract with Felder Water Well & Pump Service, LLC for

\$67,500.00 to transport motor from Layne shop to Felder Water Well & Pump Service, LLC shop, clean well interior and replace motor in Well #1 per contract made by Director Pell. Director Sassin seconded the motion and the vote was unanimous.

#### E. 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 Sassin, unanimous approval.

2. Certified Tax Assessor report for March 2014: Current collections totaled \$31,314.45 and prior period collections totaled \$2,969.64.

Director Sassin made the motion to accept the report. Director Carroll seconded the motion and the vote was unanimous.

3. Debra Lanehart presented a map showing the remaining portion of the lot owned by Haroutiun Marashliam. Mr. Marashliam contacted the District in an attempt to sell the District the remaining portion of the lot on Ridgewood Court. The District had purchased a portion of the lot during the Rehabilitation of the Levee System. The Board did not feel the purchase would be necessary to any project the District is contemplating.

#### F. TRUST PROPERTIES

Debra Lanehart provided the Board with documents provided by the Brazoria County Tax Office stating that the Tax Resale Committee agreed to accept an offer on five properties currently in CBISD Trust.

Director Pell made the motion to approve the offer for the five (5) properties (Account Numbers 2901-0079-000, 2901-0376-000, 2901-0418-000, 2901-0445-000 and 2901-0577-000). Director Sassin seconded the motion and the vote was unanimous.

#### G. MINUTES

Director Sassin made the motion to accept the minutes from March 19th with the following corrections: Under heading Engineer's Report, the motion should reflect a bid price of \$67,500.00. Director Pell seconded the motion and the vote was unanimous.

#### G. SECURITY REPORT:

Nothing to report.

## J. LEGAL

1. Debra Lanehart provided the Board with two proposals on delinquent standby fees. Mr. Randecker purchased 5 lots from CBISD Trust. He proposed to pay all fees due for 2014 and the last 2 quarters of 2013. This would require the District to write off six (6) quarters or \$90.00/lot of standby fees. Mr. Acuna asked for any leniency for the standby fees owed on one (1) lot. The property was purchased in 2007 and no payments have been made on the account to-date. The Board tabled both proposals until it could get a ruling on collection of delinquent standby fees from Clark Lord.

2. Director Pell made the motion to adopt the Resolution Authorizing the Application to TCEQ for the continuation of Standby Fees for the years 2015-2017. Director Pollard seconded the motion and the vote was unanimous.

## K. PAYMENT OF BILLS

The Administrator distributed the list of bills to be paid with \$63,689.93 from the Operating Fund. Capital Projects Fund check to Baker & Lawson for \$910.00.

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, seconded by Director Pollard and the vote was unanimous.

(SEAL)

Debra Lanehart  
District Administrator