

MINUTES OF
REGULAR MEETING
VARNER CREEK UTILITY DISTRICT

July 19, 2017

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 19th day of July, 2017 at 9 am. and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

Also present were the following: Debra Lanehart, 1st Capital Business Services; Morris Ryder, Ryder & Co.; Denise Kemp, City of West Columbia; Robert Bagley and Doug Roesler, Baker & Lawson; Linda Morvant, TML Insurance. All members were present, except thus constituting a quorum.

Allan Sassin called the meeting to order at 9:00am.

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

A. STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS

1. Denise Kemp presented the water and sewer billing and collections report for the read dates of 5/24-6/22/17. Accountability for the month was 85%. (pumped 5,595,000 and consumption 4,752,800).

The cut-off list was presented; cut-off for delinquent accounts is scheduled for July 27, 2017.

STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS CONT.

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

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

2. Item tabled for action. Directors Pell and Pollard to look at the Accounts for further action.

B. Insurance: Presentation by Linda Morvant

- Formed in 1974 primarily to cover Workers Compensation to Municipality workers.
- Baker & Lawson will review assets of the District on a replacement value
- Coverage period: October 1 of current year to October 1 of following year.
- Coverage will automatically renew
- Need completed 2017/2018 Liability/Property Re-rate Exposure Summary and Schedules

C. OPERATOR'S REPORT

1. Update on maintenance:

- Bacteriological samples were good .
 - Levee inspection good
 - Checked off-site well.
 - Checked manhole infiltration.
 - Mowed and weeded pump stations and levee, North Ditch
 - Cleaned storm drains
 - Flushed hydrants.
 - Repaired water main breaks on N Amherst and Turberry
 - City provided another list of broken meter lids to be replaced.
 - Water Taps: 11 Sewer Taps: 9
 - Prepared Twin Lakes for road asphalt/ sewer pipe replacement
 - 12 Sewer Inspections.
 - Chlorinator Maintenance repaired a leaking chlorine line. While here they re-calibrated the meter.
 - Problem with amount of grease accumulation behind La Casona. Morris will have the line cleaned and bill the commercial owners.
2. Standard Cement gave Morris bid of \$10,400 to repair the 5 manholes identified as leaking.
3. Morris Ryder informed Board that G-M Services lacks only 1 motor at the East Lift Station to have the project complete.

C. OPERATOR'S REPORT CONT.

4. Morris Ryder is waiting on the Sample bottles provided by TCEQ to schedule time for the Lead and Copper Tap Sampling Monitoring. Bottles are to arrive in August.

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

D. ENGINEER'S REPORT

1, 2, 3 Robert Bagley and Doug Roesler from Baker & Lawson discussed the ponding issue and redesign of the lower screens at the pump station. Doug Roesler provided two bids for the fabrication of eight screens. Bid 1: Felder Water Well & Pump Services LLC bid \$28,000 for the fabrication of 8 panels as per specifications provided. Bid 2: R R Ramsour bid \$1,539 per panel. Extended price for all 8 panels would be \$12,312.

Director Sauer made the motion to replace ½ the screens at one of the pump stations. The motion was seconded by Director Pollard and the vote was unanimous.

Mr. Roesler cautioned that the bid was based on 8 screens, so there may be a change in pricing due to the decrease in number.

Mr. Roesler is continuing to research the advantage to adding a second outfall to relieve the ponding issues.

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

E. ADMINISTRATOR REPORT

1. Debra Lanehart reported the collection of standby fees in June totaled \$6,359.00.

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

Director Pell would like to see an aged Accounts Receivable.

2. Newspaper Notice will run two consecutive week. The second posting of the notice begins the 30-day protest period.

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

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

E. ADMINISTRATOR REPORT CONT.

4. Tax Assessor/Collector's report for June was presented. The Current year collections totaled \$30,855.79. Prior period collections totaled \$1,068.66.

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

5. Budget Report for June 2017 was presented. Revenues to-date are \$417,506.89 (with Accrued M&O tax) or 58.05% of the Current Budgeted revenue amount of \$719,260.00. Expense to-date total \$337,231.48 or 46.89% of the Budgeted expenses amount of \$719,260.00.

Motion to accept the Budget Report for June was made by Director Sauer, seconded by Director Pell and the vote was unanimous.

6. The Analysis of Sewer Charges for the 9-month period of October 1, 2016 to June 30, 2017 reflects our share of the total flow is 35.66%. The total amount paid is an underpayment by the District of \$25,332.

7. Motion to set August 10, 2017 at 9:00am at the office of the Administrator for the purpose of reviewing the debt service requirements for 2018 and proposing a tax rate and reviewing the current budget for possible updating was made by Director Sauer. The motion was seconded by Director Carroll and the vote was unanimous.

Church group has asked for abatement of the late fees on the property address of 14 Seminole. The resident left the house (without having service disconnected) in January due to poor health. Water was cutoff in July for non-payment. Directors do not authorize relief on the account.

F. TRUST PROPERTIES

None

G. MINUTES

Director Sauer made the motion to accept the minutes from the June 21, 2017 regular meeting as presented, seconded by Director Carroll and the vote was unanimous.

H. SECURITY REPORT

None

I. LEGAL

1. Director Sassin drafted a response letter to the City of West Columbia's request for information about the District's Sewer Infrastructure. The letter was approved for

I. LEGAL CONT.

delivery to the City by Attorney Clark Lord.

2. No changes were made to the current Investment Policy.

Motion to accept the Investment Policy made by Director Pell, seconded by Director Pollard and the vote was unanimous.

J. PAYMENT OF BILLS

Debra Lanehart distributed the list of bills to be paid with \$77,206.60 out of Operating Funds. List also included \$17,000.00 to Neil Technical Services out of Capital Projects Funds and \$574,679.73 to BNY Mellon out of Debt Services Fund for Series 07, Series 08 and Series 2017 bond payments and two Redemption Notice Fees for 07 and 08 Series Bonds.

Director Carroll made the motion to pay bills as presented, seconded by Director Pell and the vote was unanimous.

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

Debra Lanehart
District Administrator

(SEAL)