

MINUTES OF  
REGULAR MEETING  
VARNER CREEK UTILITY DISTRICT

October 19, 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 19th day of October, 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
Allan Sassin	Secretary/Treasurer
Wayne Pollard	Asst. Secretary/Treasurer
Becky Carroll	Director

Also present were the following: Debra Lanehart, 1<sup>st</sup> Capital Business Services; Morris Ryder, Ryder & Co., Clark Lord, Bracewell, LLP, Joe Morrow, Hilltop Securities; Denise Kemp, City of West Columbia; Ray Sauer resident. All members were present, thus constituting a quorum.

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

Gene Pell called the meeting to order at 9:00am.

A. Motion to accept Jim Gillenwater's letter of resignation and appoint Ray Sauer to fill the vacant position was made by Director Pollard and seconded by Director Sassin and the vote was unanimous.

1. Director Pollard made the motion to approve the Director's Sworn Statement for Ray Sauer. Director Sassin seconded the motion and the vote was unanimous.
2. Director Pollard made the motion to approve the Oath of Office and Director's Bond for Ray Sauer. Director Sassin seconded the motion and the vote was unanimous.
3. Director Carroll made the motion to nominate Allan Sassin for President of the Board. Director Pollard seconded the motion and the vote was unanimous. Director Pollard made the motion to nominate Gene Pell for Vice-President of the Board. The motion was seconded by Director Sauer and the vote was unanimous. Director Pell made the motion to nominate Becky Carroll for Secretary/Treasurer of the Board. The motion was seconded by Director Pollard and the vote was unanimous. Director Pell made the motion to nominate

Wayne Pollard as the Assistant Secretary/Treasurer of the Board. The motion was seconded by Director Carroll and the vote was unanimous. Gene Pell will remain as Investment Officer.

4. The motion to authorize the filing of the updated District Registration Form with TCEQ was made by Director Carroll. The motion was seconded by Director Pollard and the vote was unanimous.

## B. STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS

1. Debra Lanehart reported the collection of standby fees in September totaled \$3,225.00.

Director Sauer 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 for the read dates of 8/27-9/15/16. Accountability for the month was 87%. (pumpage 2,740,000 and consumption 2,391,300).

The cut-off list was presented; cut-off for delinquent accounts is scheduled for October 26, 2016.

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

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

## C. OPERATOR'S REPORT

1. Update on maintenance:
  - a. Bacteriological samples were good .
  - b. Levee inspection good
  - c. Sewer taps: Paradise Valley, Freeman, Canterbury, N. Amherst, Ridgewood and Prescott
  - e. Water taps: N. Amherst, Canterbury
  - f. Unstopped sewer main Paradise Valley
  - g. Mowed pump stations and levee.
  - h. Repaired chlorinator at water plant
2. Main sewer line under Varner Creek has been laid. Waiting on additional couplings for the tie-in.
3. Pump #3 is out and in the repair shop. There will be additional electrical work necessary to meet requirements of new motor. National Tank Services quoted \$2,250 to upgrade the wiring.

C. OPERATOR'S REPORT CONT.

4. Storage tanks report: review at next meeting

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

D. ENGINEER'S REPORT

No representative from Baker & Lawson present. No action taken on agenda items 1 and 2

E. ADMINISTRATOR REPORT

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

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

2. Tax Assessor/Collector's report for September 2016 was presented. Current year levy paid was \$2,106.71. Prior period collections were \$3,284.96. Director Sauer made a motion to accept the report, seconded by Director Carroll, and the vote was unanimous.
3. Budget Report for September 2016 was presented. Revenues to date totaled \$491,251.50 (used \$25,197.67 in reserves). Disbursements of \$491,251.50 were reported. The motion to accept the Budget report was made by Director Sauer, seconded by Director Pell and the vote was unanimous.
4. City of West Columbia Budget Adopted Budget was provided to the Board.
5. Motion to research the collection of voluntary donation to fire department by City of West Columbia and the status of the CLVFD and authorize the appropriate action by legal counsel to dispose of previously collected funds made by Director Carroll. The motion was seconded by Director Sauer and the vote was unanimous.
6. The Budget workshop for the 2017 calendar year will be held on Friday, December 9, 2016 at the office of the Administrator (310 E Brazos Avenue, West Columbia) at 9am.
7. Motion made by Director Carroll to approve the signing of the Engagement letter for the 2016 Audit. The motion was seconded by Director Pollard and the vote was unanimous.

F. TRUST PROPERTIES

NONE

G. MINUTES

Director Carroll made a motion to accept the minutes from the September 21, 2016 with the following correction to #5 under J. Legal from “access to VCUD levees” should read “access to all VCUD properties”. The motion was seconded by Director Pollard and the vote was unanimous.

H. SECURITY REPORT

None

I. LEGAL

1. Sewer Plant Contract with City of West Columbia. A meeting with the City Manager and Legal Counsel will need to be set for preliminary discussions.
2. Joe Morrow, Hilltop Securities, presented information related to proposed refunding of the Series 2007 and 2008 Series Bonds. The approximate projected average of annual savings in years 2017-2029 is \$60,000/year. The projected cost of refunding is projected to be \$100,000. Interest rates would have to be determined closer to call date of August 2017. There would be a rating fee of \$10,000 to \$12,000 which would be paid even if the refunding does not take place.

Motion to proceed with action for refinancing of Series 2007 & 2008 Bonds made by Director Sauer, seconded by Director Carroll and the vote was unanimous.

3. No action

J. PAYMENT OF BILLS

Debra Lanehart distributed the list of bills to be paid with \$85,320.07 paid out of Operating Funds.

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 Carroll made a motion to adjourn. The motion was seconded by Director Pollard and the vote was unanimous.

(SEAL)

Debra Lanehart  
District Administrator