

MINUTES OF
REGULAR MEETING
VARNER CREEK UTILITY DISTRICT

November 16, 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 16th day of November, 2016 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. 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.

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

A. STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS

1. Debra Lanehart reported the collection of standby fees in September totaled \$6,860.00.

Director Sauer made the motion to accept the standby collection report. Director Pollard 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 9/16-10/21/16. Accountability for the month was 87%. (pumpage 5,980,000 and consumption 5,204,900).

The cut-off list was presented; cut-off for delinquent accounts is scheduled for

STANDBY, SEWER AND WATER BILLING AND COLLECTION REPORTS CONT.

November 28, 2016.

Director Pollard 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 Pell and the vote was unanimous.

OPERATOR'S REPORT

1. Update on maintenance:
 - a. Bacteriological samples were good .
 - b. Levee inspection good
 - c. Sewer taps: 2 Twin Lakes East, N. Amherst, Crestview, Mossy Meadow
 - e. Water taps: Twin Lakes East, N. Amherst, Woodhaven, Troy Lane/Crestview
 - f. Repaired road Twin Lakes East and Prescott
 - g. Mowed and weeded pump stations and levee, North Ditch
 - h. Mowed right-of-way to City and Pump Station
 - I. Replaced No-Trespassing signs at E Pump Station
2. Main sewer line under Varner Creek is complete.
3. Pump #1 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. New 40hp motor estimate is \$3,050.00
4. Storage tanks at Water Plant need to be cleaned (TCEQ recommends every 3 years). Morris estimated @ \$3,000/tank.

Review of the water/sewer tap fees vs. actual cost: Current rate: \$650/water tap and \$350/sewer tap. Actual costs depend on the side of the street the water lines are located. A long tap (boring under street) increases the Water tap costs to \$1,382 (when using Copper pipe). Area Municipalities have gone to using PVC instead of copper. This reduces the cost considerably.

Director Carroll made the motion to designate the taps to Long Tap (boring required) and Short Tap (no boring). The rates for Short Tap will be \$650 for water tap and \$500 for sewer tap. The rates for Long Tap will be \$1,300 for water and \$500 for sewer tap. The motion also was made to change from the use of copper to PVC. The motion was seconded by Director Pollard and the vote was unanimous.

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

1&2. Robert Bagley provided the Board with printout summary of ongoing projects. Still trying to figure out a solution to the water pressure readings based on the LMNO Engineering Model.

3. Dam Emergency Action Plan needs to be reviewed and updated annually. Part of the Plan includes name, address and phone number of current residents.

Director Carroll made the motion to update the Dam Emergency Action Plan as needed and file the Plan with the Entities as required. Director Pollard seconded the motion and the vote was unanimous.

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 Pell to accept the Cash Balance Report, seconded by Director Carroll and the vote was unanimous.

2. The District has two CD's maturing in December. Current 1 year rates as of November 14, 2016: South Star Bank (formerly Lone Star Bank) Over 100K: 0.75%, Prosperity Bank: Over 100K: 0.55%, First National Bank Over 100k : 0.35%, Texas Gulf Bank: 0.50%.

Motion to cash out current CD's and reconfigure amounts to maximize interest made by Director Pell, seconded by Director Pollard and the vote was unanimous.

3. Tax Assessor/Collector's report for October was presented. The Current year collections totalled \$2,615.28. Prior period collections totalled \$3,893.43. Assessor/Collector's report for October was presented. The Current year collections totalled \$2,615.28. Prior period collections totalled \$3,893.43.

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

4. Budget Report for October 2016 was presented. Revenues to-date are \$561,241.35 or 86.68% of the Current Budgeted revenue amount of \$647,520. Expense to-date total \$562,613.89 or 86.89% of the Budgeted expenses amount of \$647,520.

Motion to accept the Budget Report for October was made by Director Carroll, seconded by Director Pollard and the vote was unanimous.

5. 12-month Analysis of Sewer Charges: Current figures: Total Sewer Flow through September is 462,216,000. VCUD flow (121,967,000) / Total Flow (462,216,000)

E. ADMINISTRATOR REPORT CONT.

equals a rate of 26.39% x City Sewer Plant expenditures to date (not final numbers) of \$385,506. Currently we have an overpayment of \$22,283.

F. TRUST PROPERTIES

NONE

G. MINUTES

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

H. SECURITY REPORT

None

I. LEGAL

1. Sewer Plant Contract with City of West Columbia. No updates.
2. Table
3. No action.
4. Voluntary Contributions on VCUD water/sewer billing: Until further notice, legal counsel has recommended the suspension of collections for this item.

Motion to suspend the Fire-Voluntary donation item from the monthly billing per legal counsel advise made by Director Carroll, seconded by Director Pollard and the vote was unanimous.

J. PAYMENT OF BILLS

Debra Lanehart distributed the list of bills to be paid with \$71,164.62 out of Operating Funds. Two checks were presented out of Capital Projects totaling \$41,010. : Ryder & Co for \$24,200 and Felder Water Well for \$16,810

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

Debra Lanehart
District Administrator

(SEAL)

