



BEAR CREEK SUD

Telephone 1-972-843-2101 • P.O. Box 188
Lavon, Texas 75166

Date: April 17, 2023

Time: 6:30PM

MINUTES OF REGULAR BOARD MEETING

Call to order by: President Chris Elder

Directors Present: Chris Elder, Robert Haynes, Lisa Block, Herman Stork, Leticia Harrison, Colby McClendon

Directors Absent: None

Public Comment: None

Consent Items:

- Approval of Minutes of Regular Meeting on March 20, 2023.
- Approval of March 2023 Financials.
- Approval of March 2023 General Manager Report

Motion made by Director R. Haynes, seconded by Director L. Block to approve Consent Agenda Items. Motion carried unanimously.

Regular Agenda Items:

- A. Presentation of 2022 Audit and consideration of approval of 2022 Audit.
Robert Lake, of Rutherford Taylor & Company, P.C., presented the 2022 Bear Creek Special Utility District Financial Audit. Mr. Lake stated that the auditors had audited the financial statements of the Bear Creek SUD and in their opinion, the financial statements referred to, presents fairly, in all material respects, the respective financial position of the business type activities, which are the proprietary type funds of the Bear Creek SUD as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Mr. Lake stated that the auditor's opinion was an unmodified opinion, which is the best opinion you can receive. Mr. Lake stated that the audit report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the district's internal control over financial reporting and

compliance. The District's Total Net Position was \$24,187,578 at year end. The district's expenses were \$6,087,287 less than the \$10,156,328 generated from charges for services and other revenues for business-type activities. The District continued to receive developer contributions for housing development and infrastructure totaling \$3,061,511. The Change in Net Position for 2022 was \$6,087,287. The District's Current Assets were \$7,132,843, restricted assets \$4,248,948 which includes the restricted assets held in GTUA, Non-Current Assets were \$25,168,171 and the Total Assets were \$36,549,962. The Current Liabilities were \$2,570,283, Non-Current Liabilities were \$9,792,101 and Total Net Position was \$24,187,578. Restricted Assets are assets that are not available to be spent. The Total Operating Revenues were \$7,065,475 and the Total Operating Expenses were \$3,860,636. The Net Operating Revenue (expenses) was \$3,204,839. The Change in Net Position was \$6,087,287. On the Statement of Cash Flows, the Net Cash generated was \$4,005,608. The Net Decrease in Cash for 2022 was (\$819,970). The Net Capital Assets for the district on December 31, 2022, was \$25,168,171. The total debt of the district is \$4,546,308 through the year 2035. The variance with the final budget for the year was \$4,706,887 below budget. Mr. Lake stated that as of year-end, the district was not involved in any pending litigation. In the opinion of the district, there are no significant contingent liabilities relating to compliance with the various rules and regulations in which the district operates. The district's rate structure was challenged by a customer who filed a complaint with the Public Utility Commission (PUC) of the State of Texas. The district answered the complaint and complied with the procedures and requirements established by the state for a public hearing. At year end, the only commitment under contract was for the construction of Pump Station #2 including a 2,000,000-gallon water storage tank. The contract is in the final stages and expected to be finalized within the next fiscal year. The District contributed \$1,454,179 to the project to provide for excess construction cost related to materials and supply demands.

Motion made by Director C. McClendon, seconded by Director H. Stork to accept the 2022 Financial Audit as presented by Rutherford, Taylor & Company, P. C. Motion carried unanimously.

- B. Update on Pump Station No. 2 project and shop building plans. *Manager, C. Reagan, provided an update on the pump station project and the design of the shop.*
- C. Discussion to Approve Resolution 2023-04-17-01 – Accepting Contract with Crescent Constructors as Complete.

Motion made by Director R. Haynes, seconded by Director L. Block to approve Resolution 2023-04-17-01. Motion carried unanimously.

- D. Discussion and appointment of Board member to fill vacancy pursuant to Texas Water Code § 49.105.

An application was received from James Watts to fill the Board member vacancy.

Motion made by Director H. Stork, seconded by Director C. McClendon to appoint James Watts to fill the vacant Board position. Motion carried unanimously.

Board to Set Future Meetings and Agendas:

President, C. Elder, asked if anyone had any future meetings to be set or any items for future agendas.

Next Regular Board Meeting set for May 15, 2023, at 6:30 p.m. The June Board Meeting will be Tuesday, June 20, 2023 at 6:30pm.

Adjournment of Regular Meeting at 6:54PM.

Chris Elder, President

Lisa Block, Secretary

Camille Reagan, Recorder