

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
HORIZON REGIONAL M.U.D.**

A regular meeting of the Board of Directors of the Horizon Regional M.U.D. was held on Tuesday March 25, 2014 at 6:00 p.m. 14100 Horizon Blvd, Horizon City, Texas, pursuant to notice given in accordance with the law.

The roll was called of the members of the board, to-wit:

Benny Davis	-	President
	-	Vice President
Bob Jarvis	-	Secretary
Florence Thomas	-	Treasurer
Bonnie Moorhouse	-	Asst. Secretary

Director Davis called the meeting to order. A quorum was established. Also attending the meeting were the District's consultants: Severn Trent Services. General Manager Charlie McGinnis and Administrative Assistant Elvia Munoz, TRE & Associates, Inc. Linda Troncoso, and Attorney Alan Petrov. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS

No citizen communications.

5. CONSENT AGENDA.

- A: Consider and Take Action to approve the Minutes of the Regular Meeting held on February 20, 2014, Special Meeting held on March 12, 2014.
- B: Consider and Take Action to Approve the Payment of bills and Invoices for Operations and Construction: and to Approve the Transfer of Funds.
- C: Consider and Take Action to approve the financial Statement for the Month Ending February 28, 2014.
- D: Consider and Take Action on Pay Estimate No. 1 for RO membrane replacement project.
- E: Consider and Take Action on Pay Estimate No. 1 for Lift Station project for Spray Field #1.

- F: Consider and Take Action on Pay Estimate No. 2 for RO Concentrate pond improvements.
- G: Consider and Take Action on Pay Estimate No. 10 for Booster Pump Station No. 4.
- H: Consider and Take Action on Pay Estimate No. 3 for WWTP Bar Screen Improvements.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis that all items on agenda from A-H were approved.

Vote was unanimous to approve.

6. CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.

Project Manager Charlie McGinnis explains the net water connections. Total active and inactive District meters for the month are: 9,854.

Averaging connections per last 3 months =17

Mr. McGinnis continues with the well pumping report: Total gallons pumped for February 2014 were 102,848,400. Wheeler Well Field capacity is at 37.25% and Desert Well Field is at 37.98%

Waste water system report total for the month of February 2014 is 7376 and year to date net change (6month) is 99 averaging connections per last 3 months=16

Influent received in February 2014 was 55,280,600 and effluent delivery total was 54,245,100 Well Water Spray Field is 6,506,500

GLO 21,247,000 Spur 26,491,600

Total plant capacity: 3.0 MGD

Percentage of capacity: 53%

Mr. McGinnis reports to Board Members that J. Williams met with 14 customers for the month of February due to high water bills, and helped 4 customers set up for Online Payment. All complaints were resolved. Director K. Thomas asked Mr. McGinnis if spur drain has been checked and Director B. Davis asked how often does it get checked. Mr. McGinnis replied it gets checked 2-3 times a week. Director B. Moorhouse advised Mr. McGinnis that Ms. Odenborg from CISD had notified her that she still has not heard anything about the meters requested. Mr. McGinnis also explained that Engineer L. Troncoso already explained to Ms. Odenborg that their Engineers need to call her. Director B. Moorhouse said that there seems to be lack of miscommunication and asked Mr. McGinnis to please call Ms. Odenborg. Director B. Davis asked Engineer L. Troncoso to take care of the situation with Ms. Odenborg and explain that her Engineers need to contact her. Mr. McGinnis continues and reports that as per electricians the starter went out, and they had to get another starter. As per Mr. McGinnis he had to do an emergency approval and that lift station is being taken care of every hour. Director B. Jarvis asked if the lift station was still under water. Mr. McGinnis answered no, not any more. Director B. Moorhouse asked why vessels are not fixed all at once.

As per Engineer L. Troncoso the 4 ports where the vessels meet they are leaking at the seal only. Per Engineer L. Troncoso advised the Board Members that the District cannot have the Train to be off lines that Train A is leaking and has not been touched yet. Ms. Troncoso recommends the District to wait for late summer to have a bid opening and to be received in August of this year. Ms. Troncoso emphasizes that the District cannot afford to be off-line. Ms. Troncoso explains that leaks are only drips and not large amount of water. Director B. Moorhouse asked Mr. McGinnis why the RO facility has so much trash. Mr. McGinnis explains that most of the trash belongs to Contractor Mr. Manny Villalobos and that he was going to contact them to have it picked up and cleaned. Mr. McGinnis concludes that the total amount for collections is \$4,035.38 and that Charles Crowder was included.

Motion made by Director B. Jarvis and was seconded by Director K. Thomas to approve and send all 21 accounts to collections including Charles Crowder.

Vote was unanimous to approve.

7. **CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF SPRAY FIELD NO 1.**

Golf Manager Jeff Gates explains the serious problem at the golf course due to very high salty levels of the water. He also explains that Bermuda grass stresses out when sodium levels are above normal. Mr. Gates also explains that TDS levels for effluent is at 1300 and that the Well is between 1900 and 2300. He addresses that he attempted to neutralize the effects of the high sodium by applying lime and gypsum, however he would not know of the result until the soil temperatures reach 50 to 55 degrees. Mr. Gates explained that he might have to paint the greens. As per Director B. Moorhouse asked Mr. Gates to call TCEQ first. Mr. Gates advised Directors that there was no need to call TCEQ being that there is no law to paint greens. Mr. Gates also explains that Jay Blobner cleaned the parking lot. He concludes that he will be fertilizing again in June. Director B. Davis addressed that he is very happy with the Golf Course and advised Charlie McGinnis and Joe Paxton that Mr. Gates needs to know at all times when water changes and needs to be informed immediately.

Motion was made by Director K. Thomas and was seconded by Director B. Jarvis to approve management report for Spray Field No. 1

Vote was unanimous to approve.

8. **CONSIDER AND TAKE ACTION ON GODWIN PUMP REPLACEMENT OR REPAIRS.**

Mr. McGinnis explains to Board Members and recommends a new pump. The pump he recommends is Model: Heidra 150-HH Pump total cost is \$21,545.00 from Wagner Rents. The Cat Rental Store Wagner Rents did note the following: ADDITIONAL PARTS AND LABOR MAY BE NEEDED UPON DISASSEMBLY AND INSPECTION, if we choose to rebuild existing pump.

Motion made by Director K. Thomas and seconded by Director B. Jarvis to approve a new pump from Wagner Rents.

Vote was unanimous to approve.

9. **CONSIDER AND TAKE ACTION ON REPLACEMENT OF ELECTRICAL CONTROL CABINET FOR SECTION 32 LIFT STATION.**

Mr. McGinnis explains to the Board Members that three prices were given from three different electricians. Mr. McGinnis recommends IDESaA being the lowest bidder.

Motion made by Director B. Jarvis and seconded by Director K. Thomas to approve IDESaA for replacement of electrical control cabinet.

Vote was unanimous to approve.

10. **CONSIDER AND TAKE ACTION ON PROPOSAL FOR SOIL TESTING LAB FOR SPRAY FIELD #1.**

Engineer L. Troncoso explains that LEC Engineering, Inc. is pleased to submit this proposal to provide construction materials and testing (CMT) services for the project. The project description consists of the construction of a new booster pump station with 5-inch thick slab on grade, CMU/rubble stone masonry walls, and single story construction. Soil testing will include moisture-density relationship determinations, sieve analysis, and plasticity tests. Also field and laboratory testing to determine compressive strength and

physical characteristics of freshly mixed concrete products.

Motion made by Director B. Jarvis and seconded by Director K. Thomas to approve LEC Engineering on proposal for soil testing lab for Spray Field #1.

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON CHANGE ORDER #1 RO MEMBRANE REPLACEMENT PROJECT.

Motion made to delete item #11.

Vote was unanimous to delete this item.

12. CONSIDER AND TAKE ACTION ON CHANGE ORDER #1 CONCENTRATE POND IMPROVEMENTS.

Engineer Linda Troncoso explains that the change order, submitted by Venegas Engineering Management and Construction reflects an additional 21 calendar days to the contract time.

Motion made by Director K. Thomas and seconded by Director B. Jarvis to extend and additional 21 calendar days to the contract.

Vote was unanimous to approve.

13. CONSIDER AND TAKE ACTION ON ENGINEERING REPORT TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.

Engineer Linda Troncoso explains that Lagoon Decommissioning and Spray Field No. 1 Lift Station and for force main improvements. The contractor is currently constructing the wet well and completing the installation of the force main. Also that the Decommissioning plans and specifications were submitted to TECQ this month for review and approval. Engineer L. Troncoso explains RO Membrane replacement. Ms. Troncoso advises the Board that the Membranes have been installed in Train B. The Membranes for

Train A are currently on order. Reports for Vessel leaks on Train B are pending. Vessel leaks on Train A will be addressed by separate contract in late summer to take Train A off line after peak season. Ms. Troncoso concludes that there were three Horizon Regional applications for service commitment from Paseo Del Este is under review. MIMCO-Darrington Eastlake Commercial Center Commitment letter released on 3/14/2014 is approved. The last is 15541 Horizon Blvd is under review.

Motion made by Director K. Thomas and seconded by Director B. Jarvis to approve Engineering report.

Vote was unanimous to approve.

14. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF HORIZON CITY UNIT 51-PHASE 6 FOR OPERATIONS AND MAINTENANCE.

Engineer L. Troncoso explains that 8 lots from Unit-51 that belong to Clint Shaar construction of the improvements of the above referenced project have been completed in accordance with the construction plans and specifications as approved by the district. All District required documentation is on file with our office at TRE & Associates, LLC.

Motion made by Director B. Jarvis and seconded by Director K. Thomas in acceptance of Horizon City Unit-51 Phase 6 for operations and maintenance.

Vote was unanimous to approve.

15. CONSIDER AND TAKE POSSIBLE ACTION TO AUTHORIZE THE ISSUANCE OF THE DISTRICT'S SERIES 2014 BONDS, INCLUDING THE ESTABLISHMENT OF PARAMETERS FOR REFUNDING PRIOR BOND DEBT OF THE DISTRICT.

Attorney Alan Petrov explains that the district will have some savings of 2 million un-issued from last year, and also has project interest savings and the district will need this money. Mr. Petrov advised the Board Members that some interest is better than none.

Motion made by Director B. Jarvis and seconded by Director K. Thomas to authorize the issuance of the Districts Series 2014 bonds, including the establishment of parameters for refunding prior bond debt of the district.

Vote was unanimous to approve.

16. CONSIDER AND TAKE POSSIBLE ACTION TO AUTHORIZE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR MARKETING THE DISTRICT'S SERIES 2014 BONDS.

Attorney Alan Petrov explained that the profit document to market the Bonds and some of these documents is subject to change.

Motion made by Director K. Thomas and seconded by Director B. Jarvis to authorize preparation and distribution of a preliminary official statement for marketing the Districts series 2014 Bonds.

Vote was unanimous to approve.

17. CONSIDER AND TAKE ACTION, IF NECESSARY, RELATING TO THE LEASE WITH MOONLIGHT P&Q, LLC.

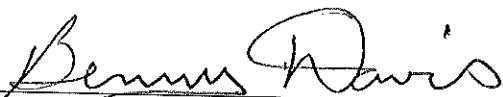
No action was necessary for this item #17.

18. REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.

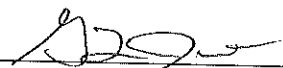
Director B. Moorhuse asked Director B. Davis if the parking lot could be painted. Director B. Davis responded not necessary.

There being no further business before the Board, the meeting was upon motion made by Director K. Thomas duly made and seconded by Director B. Jarvis all in favor and carried, adjourned at 7:45 p.m.

READ, APPROVED, AND ADOPTED THIS 24th DAY OF APRIL 2014.



BENNY DAVIS, PRESIDENT
Board of Directors
Horizon Regional M.U.D.



GORDON (BOB) JARVIS, SECRETARY
Board of Directors
Horizon Regional M.U.D.

EM/CM