

**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 Thursday, August 22, 2013 at 6:00 p.m. at 14100 Horizon Blvd, Horizon City, Texas, pursuant to notice given in accordance with the law.

The attendance roll was signed by the members of the board, to-wit:

Benny Davis	President
Maureen Singleton	Vice President
Bob Jarvis	Secretary
Kit Thomas	Treasurer
Bonnie Moorhouse	Asst. Secretary

A quorum was established. Also in attendance were the District's consultants: Severn Trent's Service, Inc. (Mrs. Janita Williams, Mr. Charlie McGinnis); TRE & Associates, Inc. (Ms. Troncoso). President Davis called the meeting to order. The Pledge of Allegiance was said with audience participation.

Agenda

Item

4: **RECEIVE CITIZEN COMMUNICATIONS:**

Mr. Philip Crowder noted very interested in leasing or purchasing the Golf Course, This is Item 24 will be discussed in Citizen Communications, Mr. Crowder has three Investors on board, and the group represents the best group, and would like to take the Golf Course to the next level and make it a prosperous golf course will pay fair value and will assume obligations of lease.

5: CONSENT AGENDA:

- A: Consider and Take Action to Approve the Minutes of the Regular Meeting held on July 23, 2013, and Special Meeting held on August 7, 2013.**
- B: Consider and take Action to Approve the Payments 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 July 31, 2013.**

Motion was made by Director Thomas and seconded by Director Singleton to approve the consent agenda.

Vote was unanimous to approve.

6: Consider and Take Action to amend the Lease Agreement between the District and Umbrella enterprises, Inc in order to include Alejandrina Peña as a party and signatory to the Lease Agreement. (Spray Field Committee)

Mrs. Ana Hagerman introduced her new Investor Alejandrina Pena, Mrs. Pena and Mr. Pena are the owners of the Horizon Vista's stores in EL PASO TX and in Horizon City. Mrs. Pena is very excited and is looking forward to making the restaurant a success. Mrs. Pena and Mrs. Hagerman noted will work 24/7 to meet deadline.

Mrs. Hagerman would like to add Mrs. Pena to the Lease, and will be changing corporate name to A&A LLC the attorney has filed the name change for the paperwork is pending.

Motion to amend the lease and to add Alejandrina Pena as a Renter or Guarantor was made by Director Jarvis and seconded by Director Singleton.

Vote was unanimous to approve

7. **Consider and take action to amend the Lease Agreement between the District and Umbrella Enterprises, Inc to add two (2) additional five-year option terms to the Lease Agreement. (Spray Field Committee)**

Director Davis noted not able to add additional five year term at this time, to the lease agreement with Umbrella Enterprises and Director Jarvis advised would need to see performance under current lease first and consider at a later time.

Motion to take action to add additional year term to the Lease Agreement for Umbrella Enterprises, Inc. will be done at a later time and Director Moorhouse seconded.

The ensuing vote was unanimous to approve.

8. **Consider and Take Action to amend the Lease Agreement between the District and Umbrella Enterprises, Inc. to include the swimming pool in addition to the existing restaurant space. (Spray Field Committee)**

Director Jarvis noted needed to see the performance under current lease for the Restaurant before considering including the swimming pool in addition to the existing restaurant Lease at a later time.

Director Jarvis made a motion to reject the addition of the swimming pool to the restaurant lease at this time pending performance evaluation and Director Thomas seconded.

The ensuing vote was unanimous to approve

9. **Consider and Take Action on Management Report Relating to Management and Operational Activities of the District. (Management)**

Carlos McGinnis noted there were -39 net change connections.

Total gallons of water pumped in July 150,156,200. Wheeler Well is at 51.50%

Wastewater for the month is 7182 net for the year -95

Effluent 52,597,000, well water to Spray Field 16,134,100- Total plant capacity 3.0 MGD and Percent of Capacity: 53%.

Total water loss for the Leak that was caused by Trans –America Communications was about 270,000 Gallons.

Mr. McGinnis moved to read Joe Paxton report- reported El Paso Hills Lift station and Woodale lift stations are running on one side, the pre-filters for the RO are running from five to seven days between change- outs. Mr. McGinnis moved to set calendar, Mr. Alan Petrov noted budget has to be adopted, Director Jarvis noted at the end of September. Budget meeting on August of 26th at 3:30 pm, wait after the 26th to set up Calendar.

Director Thomas made a motion to approve Managers report and Director Moorhouse seconded.

The ensuing vote was unanimous to approve.

10. **Consider and Take Action on Management Report Relating to Management and Operational Activities of Spray Field No.1. (Spray Field Management)**

Ms. Jeff Gates noted Golf Course moving right along and still needs to replace 35 heads due to high algae concentration, mostly in the rough and 7 or 8 valves, Will be cutting the fairways and tee boxes to get a good seed.

Mr. Gates noted problems with employee and has contacted T & T Staffing concerning the right procedure for terminating or lying off an employee and is asking for permission from the Board to replace the employee. Director Davis noted need to vote to allow Jeff to spend on seed, Donna noted only has \$500.00 left. Director Davis noted approve report to allow spending monies on seed.

Director Jarvis made a motion to allow Mr. Jeff spending monies on seed with amendment not to spend up to \$15,000 this year and Director Thomas Seconded motion.

The ensuing vote was unanimous to approve.

11. Consider and Take Action to Transfer Funds from HRMUD to the Spray Fields Project and Approve Payment of Bills. (Management)

Director Davis noted no need to transfer monies since Municipal Account is set up.

Motion was made by Director Thomas to delete this Item from minutes going forward and seconded by Director Singleton.

The ensuing vote was unanimous to approve.

12. Consider and Take Action on Purchase of 10 sample stations from HD Supply. (Management)

Mr. Carlos McGinnis noted will be obtaining 10 Sample Stations at net price of \$339.63 each totaling \$3,396.30 plus Freight cost of \$58.95 Subtotal is \$3,455.25.

Motion made to take action on Purchase of 10 sample stations from HD Supply was made by Director Jarvis and Director Singleton Seconded.

The ensuing vote was unanimous to approve.

13. Consider and Take Action on Purchase of spare lift station pump from James Cooke and Hobson. (Management)

Mr. Carlos McGinnis noted need to replace pump for Cactus Barrel Lift Station as discussed in Operations and received a quote from James Cooke and Hobson the Flygt Submersible Pump is \$5,290, and New Model is cheaper Submersible Pump (adaptive Technology) is \$4,848.

Motion made by Director Jarvis to take action and purchase pump from James Cooke and Hobson and Director Singleton seconded.

The ensuing vote was unanimous to approve.

14. Consider and Take Action on Engineering Report Relating to Construction and Engineering Activities of the District. (Engineering Consultant)

Ms. Troncoso noted one application for Service Commitment is 171 Elsworth. Ms. Troncoso moved to Plans under review are the same discussed in Operations and moved to Projects under Construction:

Lagoon Decommissioning & Spray Field #1 Effluent Lift Station the TECQ has approved the design, the request for release of escrowed funds will be submitted to the TECQ within two weeks, the project will advertise and award in October.

WWTP Bar Screen Improvements the design is nearly complete and will be submitted to TECQ in August, the project anticipated to advertise and award in October.

RO Concentrate- the TECQ permit has been published and awaiting receipt of the final permit, the RO concentrator unit is anticipated to advertise in late October.

RO Prefiltration-the prefiltration system is delivering in August 26, 2013 pending results of the pilot system, TRE anticipates to advertise the pre filter design in October for award in November 2013.

Booster Pump Station #4 TRE is working with the surety company in order to facilitate project completion.

Spray Field No. 1 Irrigation System Improvements-TRE is currently evaluation design specifications of optimum warranty conditions for the specified equipment. The design is anticipated to be complete in October and anticipated to advertise and award in November 2013.

Motion for acceptance of Engineering Report Relating to Construction and Engineering Activities of the District was made by Director Thomas and seconded by Director Jarvis.

The ensuing vote was unanimous to approve.

15. Consider and Take Action on Acceptance of Wal-Mart water and wastewater improvements for Operations and Maintenance. (Engineer Consultant)

Director Davis noted if action could be approved or disapproved conditional and Mr. Alan Petrov noted able to approve or disapprove is conditional.

Motion was made by Director Thomas to approve conditional, pending paperwork being received, to Accept Wal-Mart water and wastewater improvements for operations and Seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

16. Consider and Take Action on Acceptance of Wal-Mart pad site water improvements for Operation and Maintenance. (Engineer Consultant)

Motion was made by Director Thomas to approve conditional pending paperwork being received, to Accept Wal-Mart Pad site water improvements for operations and maintenance and Seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

17. Consider and Take Action on Acceptance of Horizon City Unit 49 water improvements for Operation and Maintenance. (Engineering Consultant)

Motion was made by Director Thomas to approve conditional pending paperwork being received, to Accept Horizon City Unit 49 water improvements for operations and Maintenance and Seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

18. Consider and Take Action on Acceptance of Horizon City Unit 90 water improvements for Operations and Maintenance. (Engineering Consultant)

Ms. Troncoso noted Item is not a conditional agreement, waiting on paperwork on lots owned and not owned, will be discussed at a later meeting.

Motion to schedule at later time pending on paperwork was made by Director Thomas and seconded by Director Moorhouse.

19. Consider and Take Action on Proposal from TRE & Associates for wastewater Treatment Plant permit Renewal WQ0010795-001. (Engineering Consultant)

Ms. Troncoso noted needed to renew permit no. WQ0010795-001 by TCEQ, permit valid for 5 years only.

Motion made by Director Moorhouse to take action on Proposal for TRE & Associates for wastewater Treatment Plant permit Renewal and seconded by Director Jarvis but not to exceed twenty thousand dollars.

The ensuing vote was unanimous to approve.

20. Discuss possible request for the establishment of a defined area including the authorization for defined area bonds for the Knapp lake property. (Engineering Consultant)

Ms. Troncoso noted there might be a possible development at Knapp Lake Properties, defined area is tailor made, will have a separate tax to finance as infrastructure is developed tax is paid. Ms. Troncoso noted a public hearing would be needed for Board to approve additional tax on define area. Director Thomas made a motion to take under consideration. Mr. Petrov noted no action needed at this time.

21. Consider and Take Action on Proposed Tax Rate for 2013, authorize publication of Effective Tax Rate and establish public hearing date for the 2013 Tax Rate. (Budget Committee)

Director Thomas noted the proposed tax rate is .49, Mr. Petrov noted .50 is the maximum. Need to publish proposed tax rate.

Director Jarvis made a motion to publish proposed tax rate and establish public hearing date and Seconded by Director Thomas.

The ensuing vote was unanimous to approve.

22. Consider and take Action to confirm the appointment of an investment officer for the District and amend the District's Investment Policy, if necessary. (Attorney)

Mr. Alan Petrov noted need records to show Director Thomas as investment officer, Investment policy appoints bookkeeper and one Board Member. 6 hours of education are required for investment officer and 4 hours every two years. Mr. Alan Petrov would like to confirm Treasurer will be the investment officer.

Director Singleton made the motion to confirm appointment of the treasurer Director Thomas being the investment officer and Director Jarvis seconded

The ensuing vote was unanimous to approve.

23. Consider and Take Action to engage Arbitrage Compliance Specialists to perform the annual arbitrage compliance review of the District's Bond Issues. (Attorney)

Mr. Alan Petrov noted to table this item pending on preparation of paperwork

Director Thomas made the motion to table Item pending on preparation of paperwork and Seconded by Director Singleton.

The ensuing vote was unanimous to approve.

24. Consider and Take Action to negotiate a lease on the entire Golf Course Facility.

Director Jarvis made a motion to allow Director Davis to negotiate with the Group that is interested on leasing the entire Golf Course for the best interest of the District and Director Moorhouse seconded

The ensuing vote was unanimous to approve.

25. Reports and Discussions of other matters That May Come before the Board.

Director Davis noted Oz Glaze Center has new landscaping and the rock wall is being revamped, Jay from Horizon code enforcement is representing.

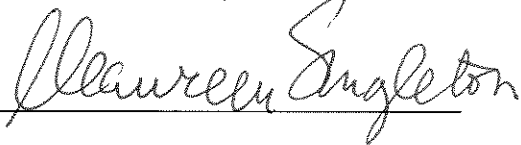
Director Moorhouse noted PR meeting is waiting on Budget to meet, Director Singleton Welcomed Mrs. Pena.

Motion to adjourn was made by Director Thomas and seconded by Director Jarvis


The ensuing vote was unanimous to approve.

There being no further business before the Board, the meeting was, upon motion duly made, seconded and carried, adjourned at 7:51 p.m.

READ, APPROVED, AND ADOPTED THIS 26 DAY OF SEPTEMBER, 2013.



Maureen Singleton, Vice President
Board of Directors
Horizon Regional M.U.D.



Bob Jarvis, Secretary
Board of Directors
Horizon Regional M.U.D.

JW/CM