

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

A special meeting of the Board of Directors of the Horizon Regional M.U.D. was held on Thursday, October 3, 2013 at 3:30 p.m. at 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
Maureen Singleton	-	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 Elvia Munoz), TRE & Associates, Inc. (Ms. Linda Troncoso), (Attorney Alan Petrov). The Pledge of Allegiance was said with audience participation.

AGENDA
ITEM

4. RECEIVE CITIZEN COMMUNICATIONS

No Citizen Communications.

5. CONSIDER AND TAKE ACTION TO APPROVE THE PAYMENT OF BILLS AND INVOICES FOR OPERATIONS AND CONSTRUCTION FOR SPRAY FIELD; AND TO APPROVE THE TRANSFER OF FUNDS FOR SPRAY FIELD.

Director M. Singleton made a motion to approve the payment of bills and invoices for operations and construction for Spray Field and to approve the transfer of funds for Spray Field and was seconded by Director B. Jarvis.

6. CONSIDER AND TAKE ACTION TO AMEND THE DISTRICT'S SCHEDULE OF RATES BY ADDING A RAW WATER RATE.

Attorney Alan Petrov speaks about adding influent water to the golf course, to keep the golf course looking nice. He added that as part of negotiations it does not make sense to treat water, and that we as a District have to establish cost for treated water. Attorney Alan Petrov asked for dollar amount. Director B. Davis said water rate would be \$5.90 for every one thousand (1,000) gallons. Director B. Jarvis asked General Manager Mr. Charlie McGinnis if that was correct and Mr. McGinnis agreed and answered yes.

Motion made by B. Jarvis to Amend the District's schedule of rates by adding a raw water rate and seconded by M. Singleton.

7. CONSIDER AND TAKE ACTION ON A LEASE OR PURCHASE FOR GOLF CARTS.

Motion made by Director B. Davis on a lease or purchase for golf carts and seconded by M. Singleton.

8. CONSIDER AND TAKE ACTION ON LOAN FROM WESTSTAR BANK FOR GOLF CARTS.

Director B. Davis explains he is working with Wells Fargo Bank to get letter of credit. Meanwhile he was working with Weststar Bank to lend the district the loan at 4 ½ percent. Director M. Singleton asked why Wells Fargo did not accept letter of credit from Weststar Bank. Director M. Singleton also asked Attorney Alan Petrov if purchase is a lease. Attorney Alan Petrov explained it was not a lease. Alan Petrov added that interest re-negotiates every year. Director B. Davis agrees interest will stay the same.

Motion made by Director B. Jarvis to consider and take action on loan from Weststar Bank for golf carts and seconded Director M. Singleton.

9. CONSIDER AND TAKE ACTION ON IRRIGATION SYSTEM FOR GOLF COURSE.

Director B. Davis explains funds would be covered by the lease. Director B. Davis also explains we might be able to buy a sulfur algae burner at \$10,000.00. Also per Director Davis this will eliminate irrigation system. Engineer Linda Troncoso adds that the algae burner would be a permanent piece of equipment. Director B. Jarvis asks if piece of equipment does not exceed \$15,000.00. Per Engineer Linda Troncoso advises the Board Members she does not have a price yet but is checking thru the internet. Attorney Alan Petrov explains to the Board dollar amount, if under \$25,000.00 it does not need bid. If over \$50,000.00 it would need to be advertised. Director M. Singleton asks how long it would take to advertise. As per Engineer Linda Troncoso explains it takes 60 days before advertising.

Motion made by B. Jarvis to consider and take action on irrigation system for golf course and seconded by Director M. Singleton.

10. CONSIDER AND TAKE ACTION, IF NECESSARY, ON SPRAY FIELD OPERATIONS.

Director B. Davis explains that Attorney Alan Petrov needs to write a letter to Moonlight crew due to the fact that they have passed deadline of October 1st, 2013. Attorney Alan Petrov advises the Board of Directors it was not an agenda but extension is past due. Director B. Davis explains once letter is written letter will only be a notice. Director B. Davis adds that the letter will be written by Attorney Alan Petrov.

Motion made by Director K. Thomas to consider and take action, if necessary, on spray field operations and seconded by Director B. Moorhouse.

11.

CONSIDER AND TAKE ACTION ON LEASE FOR GOLF COURSE.

Mr. Crowther speaks and advises the Board that he and Alejandrina Pena are in agreement. Mr. Crowther explains that the insurance had to be adjusted due to the selling of liquor. Mr. Crowther added that the General Lease explains that Mrs. Pena would also be responsible for the swimming pool, volley ball court, and Tennis court. As per Mrs. Pena she has agreed on full responsibility. As per Mr. Crowther also explains that \$200,000.00 has already been spent. Director B. Davis said the lease equipment was \$88,000.00 and that \$4,350.00 covered the carts. As per Attorney Alan Petrov said carts are in Florida and ready to be shipped. Attorney Alan Petrov added that as soon as the loan documents are signed next week the carts would be shipped. Three tractor trailers would be here mid – October. Mr. Crowther adds that November 15, 2013 would be Golf Course grand opening, and base rent would be \$35,000.00. Mr. Crowther asked if he signed today if it could be prorated. Director B. Davis said that was fine until the day of opening. Attorney Alan Petrov explains no documents are ready yet. As per Mr. Crowther he would like to sign Monday October 7, 2013. Per Alan Petrov explained a document could be emailed by tomorrow morning Friday October 4, 2013. Director B Davis then explains the following:

1. Capital Expense- Would be repairs to building.
2. CPF - Funds for projects.
3. MPS- Interest of short term purchase and prize to utilize property.

Purchase prize= \$3,357,138.33

Expense= \$18,000.00

Total investment would be about 3.6 million dollars. Director B. Jarvis asks Director B. Davis on principal. Director B. Davis explains it is an acquisition cost. Director B. Jarvis then asks where it shows. Director B. Davis explains investment reduces investment. Director B. Jarvis speaks and advises Director B. Davis that he does not understand capital bond number shown. Attorney Alan Petrov advises President B. Davis and calls for an executive session.

At 4:15 p.m. meeting adjourns to executive session.

At 4:42 p.m. Board members return from executive session and continue meeting. Director B. Davis explains that numbers were discussed and gives Mr. Crowther credit for what has already been spent. Mr. Crowther also asked if what's owed is market value. Attorney Alan Petrov responded just what's owed. Mr. Petrov also explains we are purchasing carts. But like any other loan first payment would be November 1st, 2013. Mrs. Pena asked about \$200,000.00 investment which is on the

lease. Mrs. Pena wanted to know if she needed to pay \$5,000.00 rent since deadline was October 1st, 2013. As per Mr. Crowther he extended lease for November 1st. Mr. Crowther added that once it opens he wanted the press and Board members presence included. Director M. Singleton speaks and advises that Delta will sign contract lease on Monday October 7th 2013.

Motion made by Director B. Davis to consider and take action on lease for golf course and seconded by Director B. Jarvis.

12.

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

Director B. Jarvis explains the problems with the repair crew by the swimming pool. As per Director B. Jarvis parking lot by swimming pool would get fixed by Friday October 4, 2013. Director B. Jarvis also addresses about the debris at David Ballard's property. Director B. Jarvis explained that as soon as time permits, the fire department will plan to burn tree trunks.

There being no further business before the Board, the meeting was upon Motion made by Director M. Singleton duly made and Seconded by Director B. Jarvis and carried, adjourned at 5:03 p.m.

READ, APPROVED, AND ADOPTED THIS 24TH DAY OF OCTOBER 2013.



**BENNY DAVIS, PRESIDENT
BOARD OF DIRECTORS
HORIZON REGIONAL M.U.D.**



**MAUREEN SINGLETON, VICE PRESIDENT
BOARD OF DIRECTORS
HORIZON REGIONAL M.U.D.**

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