

**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 November 19, 2015 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
Bonnie Moorhouse	-	Vice President
Bob Jarvis	-	Secretary
Florence K. Thomas	-	Treasurer
Dean Hulsey	-	Assistant Secretary

Director B. Davis called the meeting to order. A quorum was established. Also attending the meeting were the District's consultants: Severn Trent Services. Account Manager Charlie McGinnis and Administrative Assistant Elvia Munoz, TRE & Associates, Inc. Linda Troncoso. 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 October 22, 2015 and Special Meeting held on November 5, 2015.

- 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 October 31, 2015.
- D: Consider and Take Action on RO Pre-Filtration System Improvements Pay Estimate No. 9.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve the payment of bills, invoices, minutes of the regular meeting, special meetings, financial statement for the month, and transfer of funds.

Vote was unanimous to approve.

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

Mr. McGinnis explains the net water connections. Total active, inactive, for the month of October 2015 are: 10,094. Averaging connections per last (3) months= 6

Mr. McGinnis continues with well pumping report: Total gallons pumped for October 2015 were 141,734,765. Wheeler well field capacity is at 35.68% and Desert Well field is at 40.65% Waste water system reports total for the month of October 2015 is 7518 and year to date net change (6 month) is 241 averaging connections per last 3 months = 2

Influent received in October 2015 was 64,244,000

Effluent delivery total was 61,674,200 well water spray field is 10,494,000.

GLO 20,000 and SPUR 51,160,200

Total plant capacity: 3.0 MGD

Percentage of capacity: 66.8%

Mr. McGinnis reported that 6 customers were assisted with late fees. All inquiries were resolved. For the month of November 2015 Mr. McGinnis advised that a total of 1265 delinquent letters were mailed and 117 disconnections were done. Mr. McGinnis concluded that approval was needed to send \$4,063.20 to collections and \$48.18 for write offs.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve Management Report and to send \$4,063.20 to collections and \$48.10 for write offs.

Vote was unanimous to approve.

7. **CONSIDER AND TAKE ACTION ON ENGINEERING REPORT RELATING TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.**

Engineer L. Troncoso explains two applications have been approved, Church's Chicken and the Gas Station on 13900 Horizon. On RO Pre-filtration material is on site and the contractor is installing the filter media and is scheduling the start-up of the facilities in early December. The project completion date is anticipated for mid to late December 2015. On Spray Field No. 1 Irrigation System Improvements still coordinating with contractor to obtain close out documents. El Paso Hills Lift Station replacement TCEQ has approved the design of the Lift Station and electrical design is currently being coordinated with the El Paso Electric Company. GST-2B TCEQ escrow awaiting on response.

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

Vote was unanimous to approve.

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

Director D. Hulsey advised nothing has changed since Spray Field Meeting.

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

No action taken.

10. CONSIDER AND TAKE ACTION ON THE FINANCIAL ADVISOR'S REPORT:

- A. Review Preliminary Official Statement for Horizon Regional Municipal Utility District (the "District") Unlimited Tax Refunding Bonds Series 2016 (the "Series 2016 Refunding Bonds");**
- B. Authorize Financial Advisor and Attorney to finalize the Official Statement;**
- C. Appoint Committee to effectuate the sale of the Series 2016 Refunding Bonds;**
- D. Approve Bond Order Authorizing Issuance of the District's Series 2016 Refunding Bonds, An Escrow Agreement; A Transfer and Paying Agent Agreement; And Other Matters Related Thereto;**
- E. Appoint/approve SAMCO Capital Markets as the underwriter and establish sale parameters for the Series 2016 Refunding Bonds;**

Mr. Petrov advised he has been working with Bill Blich and due to interest rates there could be million dollars in savings. Mr. Petrov advised that a preliminary package would be sent to all Board Members.

Motion was made by Director K. Thomas and seconded by Director D. Hulseby to authorize financial advisor Bill Blich and Mr. Petrov to finalize official statement.

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON RESOLUTION TO DECLARE A PORTION OF THE SERIES 2007 AND 2009 BOND ISSUES AS SURPLUS AND DESIGNATE USE OF SAME.

Mr. Petrov explains that the 2007 and 2009 Projects have been completed, and there is \$309,000.00 left.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to authorize Mr. Petrov in Project of 2013 Series.

Vote was unanimous to approve.

12. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC.

Mr. Petrov explains that Contract with Cubic Water LLC has been completed but holding retainage from Cubic Water, LLC. Mr. Petrov advised he has been working to set up meetings with Cubic Water and CSA. Mr. Petrov advised essentially will get this issue raped up this year.

13. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONTRUCTION CONTRACTS BETWEEN THE DISTRICT AND KARLSRUHER, INC. d/b/a CSA CONSTRUCTORS.

Mr. Petrov explains that Contract with Karlsruher, Inc. has been completed but holding retainage from Karlsruher, Inc. Mr. Petrov advised he has been working to set up meetings with Karlsruher, Inc. and Cubic Water. Mr. Petrov advised essentially will get this issue raped up this year.

14. CONDIDER AND TAKE ACTION ON ACCEPTANCE OF 14961 ARMONK WATER IMPROVEMENTS FOR OPERATION AND MAINTENANCE.

Ms. Troncoso advised that 14961 Armonk water line extension is ready for acceptance and final walk thru has been done.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis for acceptance of 14961 Armonk.

Vote was unanimous to approve.

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

Director B. Moorhouse asked on status of repairing the District's Building. Mr. McGinnis advised still has not received anything from adjuster. Director B. Moorhouse also advised she had attended City Hall Meeting. Director B. Jarvis advised he had met with R. Mendoza and City of Horizon not ready yet, and would report on their proposing before Spray Field Meeting. Mr. Paxton advised Board Members that Rick Shrum was about to publish on water District to improve water. Mr. Paxton explained that Mr.

Shrum had old reports on RO and Wells. Director K. Thomas advised to have Mr. Shrum contact Mr. McGinnis.

There being no further business before the Board, the meeting was upon motion made by Director K. Thomas duly made and seconded by Director D. Hulsey all in favor and carried, adjourned at 6:47 P.M.

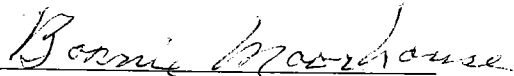
READ, APPROVED, AND ADOPTED THIS 17^H DAY OF DECEMBER 2015.



BENNY DAVIS, PRESIDENT

Board of Directors

Horizon Regional M.U.D.



BONNIE MOORHOUSE, VICE PRESIDENT

Board of Directors

Horizon Regional M.U.D.

EM/CM

**ATTACHMENTS AND HANDOUTS
FOR THE BOARD OF DIRECTORS MEETING HELD ON NOVEMBER 19, 2015**

AGENDA ITEM	ATTACHMENTS AND HANDOUTS	ACTION TAKEN
4:	RECEIVE CITIZEN COMMUNICATIONS.	N/A
5:	CONSIDER AND TAKE ACTION TO CONSENT AGENDA.	APPROVED 5-0
5A:	CONSIDER AND TAKE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING HELD ON OCTOBER 22, 2015 AND A SPECIAL MEETING HELD ON NOVEMBER 5, 2015.	APPROVED 5-0
5B:	CONSIDER AND TAKE ACTION TO APPROVE THE PAYMENT OF BILLS AND INVOICES FOR OPERATIONS AND CONSTRUCTION; AND TO APPROVE THE TRANSFER OF FUNDS.	APPROVED 5-0
5C:	CONSIDER AND TAKE ACTION TO APPROVE THE FINANCIAL STATEMENT FOR THE MONTH ENDING OCTOBER 31, 2015.	APPROVED 5-0
5D:	CONSIDER AND TAKE ACTION ON RO PRE-FILTER SYSTEM IMPROVEMENTS PAY ESTIMATE NO 9.	APPROVED 5-0
6:	CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.	APPROVED 5-0
7:	CONSIDER AND TAKE ACTION ON THE ENGINEERING REPORT RELATING TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.	APPROVED 5-0
8:	CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF SPRAY FIELD NO.	N/A
9:	CONSIDER AND TAKE ACTION ON, IF NECESSARY, RELATING TO THE LEASE OF MOONLIGHT P&Q, LLC.	N/A
10:	CONSIDER AND TAKE ACTION ON THE FINANCIAL ADVISOR'S REPORT:	APPROVED 5-0
A:	REVIEW PRELIMINARY OFFICIAL STATEMENT FOR HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT (THE "DISTRICT") UNLIMITED TAX REFUNDING BONDS SERIES 2016 (THE "SERIES 2016 REFUNDING BONDS);	APPROVED 5-0
B:	AUTHORIZE FINANCIAL ADVISOR AND ATTORNEY TO FINALIZE THE OFFICIAL STATEMENT;	APPROVED 5-0
C:	APPOINT COMMITTEE TO EFFECTUATE THE SALE OF THE SERIES 2016 REFUNDING BONDS;	APPROVED 5-0
D:	APPROVE BOND ORDER AUTHORIZING ISSUANCE OF THE DISTRICT'S SERIES 2016 REFUNDING BONDS, AN ESCROW AGREEMENT; A TRANSFER AND PAYING AGENT AGREEMENT; AND OTHER MATTERS RELATED THERETO;	APPROVED 5-0
E:	APPOINT/APPROVE SAMCO CAPITAL MARKETS AS THE UNDERWRITER AND ESTABLISH SALE PARAMETERS FOR THE SERIES 2016 REFUNDING BONDS;	APPROVED 5-0
11:	CONSIDER AND TAKE ACTION ON RESOLUTION TO DECLARE A PROTION OF THE SERIES 2007 AND 2009 BOND ISSUES AS SURPLUS AND DESIGNATE USE OF SAME	APPROVED 5-0
12:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC.	N/A
13:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA	N/A

	CONSTRUCTORS.	
14:	CONSIDER AND TAKE ACTION ON ACCEPTANCE OF 14961 ARMONK WATER IMPROVEMENTS FOR OPERATION AND MAINTENANCE.	5-0
15:	REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.	N/A

