

**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 June 30, 2016 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 - Not Present
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, Administrative Assistant Elvia Munoz, TRE & Associates Inc. Linda Troncoso, Johnson Petrov LLP 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 May 26, 2016 and Special Meeting held on June 15, 2016.
- 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 May 31, 2016.

Motion was made by Director B. Jarvis and seconded by Director D. Hulseley 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 that unaccounted water is going down due to replacing meters. Director B. Davis would like to raise deposit to lower delinquent letters and have less disconnections. Mr. McGinnis will get with Mr. Petrov to raise reconnection fee. Mr. McGinnis advised that monthly property tax collection was at 96% collected.

Mr. McGinnis explains the net water connections.

Total active, inactive, for the month of June 2016 are: 10,267 Averaging connections per last (3) months= 4 Mr. McGinnis continues with well pumping report: Total gallons pumped for June 2016 were 177,626,100. Wheeler well field capacity is at 48.71% and Desert Well field is at 55.29% Waste water system reports total for the month of June 2016 is 7683 and year to date net change (6 month) is 406 averaging connections per last 3 months = 6

Influent received in May 2016 was 61,155,000

Effluent delivery total was 58,708,800 well water spray field is 21,397,000.

GLO 14,295,000 and SPUR 23,016,800

Total plant capacity: 3.0 MGD

Percentage of capacity: 65.2%

Mr. McGinnis concluded that approval was needed to send \$1,131.30 to collections and \$23.35 for write offs.

Motion was made by Director B. Jarvis and seconded by Director D. Hulseley to approve Management Report and to send \$1,131.30 to collections and \$23.35 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.

Ms. Troncoso explains that the only application received for the month was for the car wash. Spray Field No. 1 Lift Station and Force Main Improvements awaiting final close out. RO Pre-Filtration Project, the project has been completed. El Paso Hills Lift Station Ms. Trocoso advised they are coordinating with the Texas GLO for an easement for the second lift station site and coordinating with El Paso Electric Company for installation of electrical services. Ms. Troncoso advised that TRE will be advertising for bid beginning July 10 for award of the project in early August. Ms. Troncoso advised that she took some pictures from Elevated Storage Tanks when she tour with Director B. Moorhouse. At EST No. 4 reported there was plenty of graffiti and gun shells. Director B. Moorhouse suggested to get security cameras installed. Director B. Moorhouse advised there was a large amount of trash, tires, and mattresses. Director B. Davis explained that since it is City, The Town of Horizon City would need to clean it up. Ms. Troncoso advised she had asked Michelle Padilla if District can install a trailer and as per Ms. Padilla would have to go to council.

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

Mr. Delgadillo reported that business has been good and golf course has been busy all week. Mr. Delgadillo explains there are some yellow spots however, golf course still looks decent. Tournaments have been taking place every weekend for the month of June 2016. Director D. Hulsey asked how many rounds are per week. Mr. Delgadillo advised average rounds per week are 600-700. Friday's rounds are 130. Mr. Delgadillo informed Board Members that communication with Moonlight P&Q LLC has been great. Director B. Davis advised he would get the name of the person that can help the District lower the interest from 7% to 3 ½ % to help pay golf course equipment faster.

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

Ms. Tulia Zepeda from Moonlight P&Q advised that the menu will be changed on July 11th and posting of changes would be on Facebook and flyers. Ms. Zepeda advised that the staff was growing at Moonlight P&Q, LLC. Ms. Zepeda concluded that the opening of the swimming pool has been a great success.

10. CONSIDER AND TAKE ACTION ON CHANGE ORDER NO. 4 FOR SPRAY FIELD NO. 1 BOOSTER PUMP STATION.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve change order No. 4 Spray Field No. 1 Booster Pump Station in the amount of \$5,782.46

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 7 FOR SPRAY FIELD NO. 1 BOOSTER PUMP STATION.

Motion was made by Director D. Hulsey and seconded by Director B. Jarvis to approve pay estimate No. 7 for Spray Field No. 1 Booster Pump Station in the amount of \$23,118.94

Vote was unanimous to approve.

12. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF SPRAY FIELD NO. 1 BOOSTER PUMP STATION FOR OPERATIONS AND MAINTENANCE.

Motion was made by Director D. Hulsey and seconded by Director B. Jarvis to approve acceptance of Spray Field No. 1 Booster Pump Station for operations and maintenance.

Vote was unanimous to approve.

13. DISCUSSION AND POSSIBLE ACTION ON DEFINED AREA BOND OPTION FOR UNDEVELOPED LAND.

Ms. Troncoso advised Board Members on undeveloped land that Hunt owns. Director B. Davis agrees for District to develop. Mr. Petrov advised that the developer gets reimbursed. Homes that will be build, the customer will pay a little more but customer will be aware that tax rate will be higher. Ms. Troncoso advised that tax rate has to be looked by the District. The cost of bonds are paid by the extra rate by the

customer. Mr. Petrov explained that the developer has to apply with TCEQ and all construction has to go through public bid, and all gets very well documented. Mr. Petrov also advised that General bonds are tax bonds. Ms. Troncoso concluded that Hunt was highly interested in building.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to authorize District to defined area bond option for undeveloped land.

Vote was unanimous to approve.

14. CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 13 FOR REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve pay estimate No. 13 for Reverse Osmosis Pre-filter Improvements in the amount of \$77,836.70

Vote was unanimous to approve.

15. CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 14 FOR REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS.

Motions was made by Director. D. Hulsey and seconded by Director B. Jarvis to approve pay estimate No. 14 for Reverse Osmosis Pre-Filter Improvements in the amount of \$71,852.21

Vote was unanimous to approve.

16. CONSIDER AND TAKE ON ACCEPTANCE OF REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS FOR OPERATIONS AND MAINTENANCE.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey for acceptance of Reverse Osmosis Pre-Filter Improvements for operations and maintenance.

Vote was unanimous to approve.

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

Mr. Petrov explained District approved payment for Cubic Water, LLC and Mr. Harold Davis has prepared letter and will be sending check as well.

18. CONSIDER AND TAKE ACTION ON EASEMENT FOR TEXAS GAS SERVICES.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to table item #18

Vote was unanimous to approve.

19. CONSIDER AND TAKE ACTION TO APPROVE RESOLUTION AUTHORIZING AN APPLICATION TO THE TCEQ FOR APPROVAL TO ISSIE BONDS.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve resolution authorizing an application to TCEQ for approval to issue bonds.

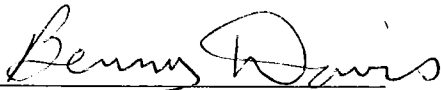
Vote was unanimous to approve.

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

Mr. Petrov advised that he has talked to the Attorney from City of Horizon and Attorney has confirmed she has received Districts comments but advised Mr. Petrov that roadway project was first and would get back to the District later. Mr. McGinnis advised Board Members that David Montoya from Project Vida Health Center has dropped off letter in regards to District giving donations to them. Mr. Petrov advised that by law District cannot give donations to Project Health Center. Director B. Davis concluded that Director B. Jarvis was now on the Board of Trustees.

There being no further business before the Board, the meeting was upon motion made by Director B. Jarvis duly made and seconded by Director D. Hulseley all in favor and carried, adjourned at 7:37 P.M

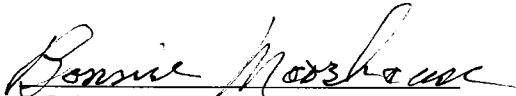
READ, APPROVED, AND ADOPTED THIS 28TH DAY OF JULY 2016.



BENNY DAVIS, PRESIDENT

Board of Directors

Horizon Regional M.U.D.

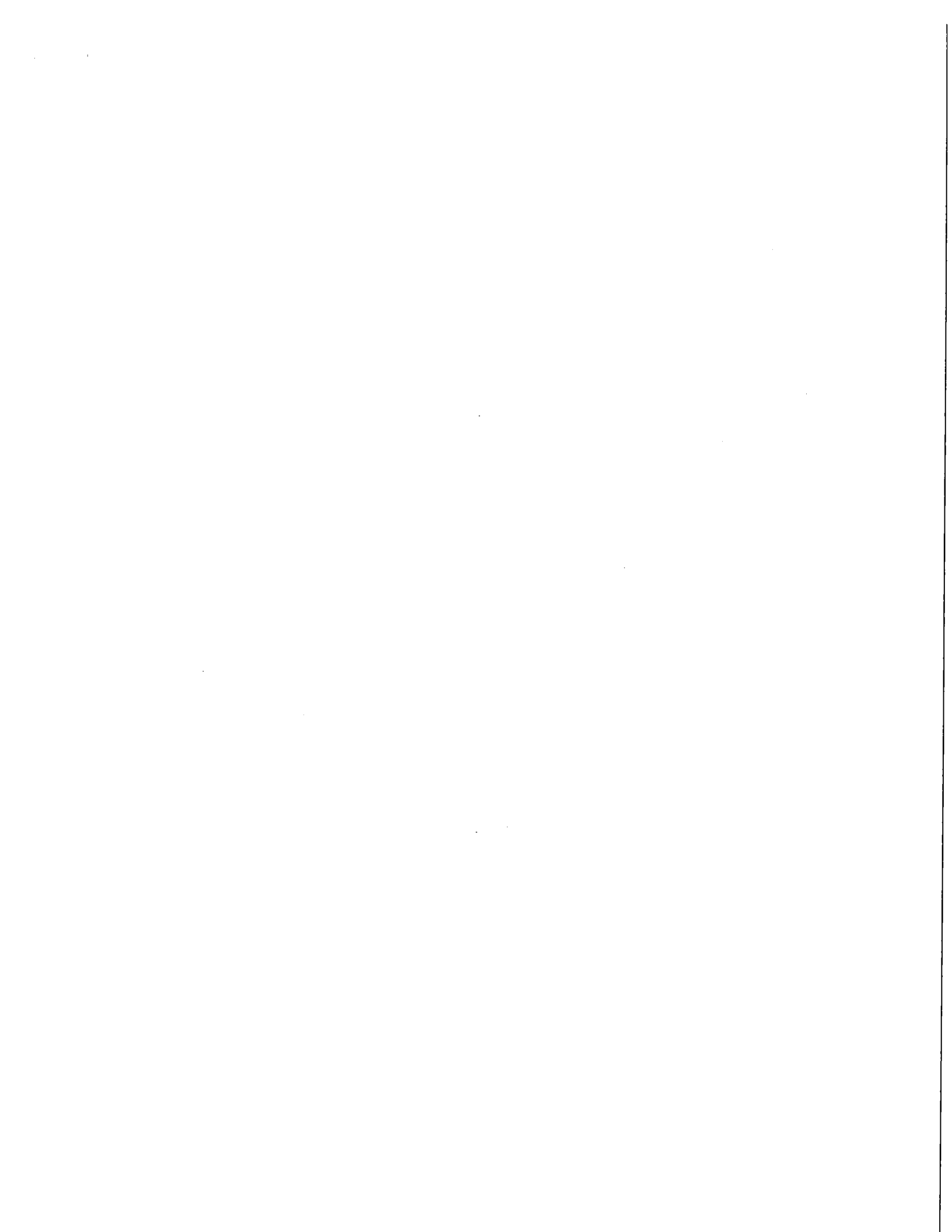


BONNIE MOORHOUSE, VICE PRESIDENT

Board of Directors

Horizon Regional M.U.D.

EM/CM



**ATTACHMENTS AND HANDOUTS
FOR THE BOARD OF DIRECTORS MEETING HELD JUNE 30, 2016**

AGENDA ITEM	ATTACHMENTS AND HANDOUTS	ACTION TAKEN
4:	RECEIVE CITIZEN COMMUNICATIONS.	N/A
5:	CONSIDER AND TAKE ACTION TO CONSENT AGENDA.	APPROVED 4-0
5A:	CONSIDER AND TAKE ACTION TO APPROVE THE MINUTES OF A REGULAR MEETING HELD MAY 26, 2016 AND A SPECIAL MEETING HELD ON JUNE 15, 2016.	APPROVED 4-0
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 4-0
5C:	CONSIDER AND TAKE ACTION TO APPROVE THE FINANCIAL STATEMENT FOR THE MONTH ENDING MAY 31, 2016	APPROVED 4-0
6:	CONSIDER AND TAKE ACTION ON MANGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.	APPROVED 4-0
7:	CONSIDER AND TAKE ACTION ON ENGINEERING REPORT RELATING TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.	N/A
8:	CONSIDER AND TAKE ACTION MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF SPRYA FIELD NO. 1.	N/A
9:	CONSIDER AND TAKE ACTION ON, IF NECESSARY, RELATING TO THE LEASE WITH MOONLIGHT P&Q, LLC.	N/A
10:	CONSIDER AND TAKE ACTION ON CHANGE ORDER NO. 4 FOR SPRAY FIELD NO. 1 BOOSTER PUMP STATION.	APPROVED 4-0
11:	CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 7 FOR SPRAY FIELD NO. 1 BOOSTER PUMP STATION.	APPROVED 4-0
12:	CONSIDER AND TAKE ACTION ON ACCEPTANCE OF SPRAY FIELD NO. 1 BOOSTER PUMP STATION FOR OPERATIONS AND MAINTENANCE.	APPROVED 4-0
13:	DISCUSSION AND POSSIBLE ACTION ON DEFINED AREA BOND OPTION FOR UNDEVELOPED LAND.	APPROVED 4-0
14:	CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 13 FOR REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS.	APPROVED 4-0
15:	CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 14 FOR REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS.	APPROVED 4-0
16:	CONSIDER AND TAKE ACTION ON ACCEPTANCE OF REVERSE OSMOSIS PRE-FILTER IMPROVEMENTS FOR OPERATIONS AND MAINTENANCE.	APPROVED 4-0
17:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC	N/A
18:	CONSIDER AND TAKE ACTION ON EASEMENT FOR TEXAS GAS SERVICES.	APPROVED 4-0
19:	CONSIDER AND TAKE ACTION TO APPROVE RESOLUTION AUTHORIZING AN APPLICATION TO THE TCEQ FOR APPROVAL TO ISSUE BONDS.	APPROVED 4-0
20:	REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.	N/A