

**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 , December 15, 2016 at 3:00 p.m. 14100 Horizon Blvd, Horizon City, Texas, pursuant to notice given in accordance with the law.

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

| | | |
|--------------------|---|-------------------------|
| Benny Davis | - | President |
| Bonnie Moorhouse | - | Vice President |
| Bob Jarvis | - | Secretary - Not Present |
| Florence K. Thomas | - | Treasurer |
| Dean Hulsey | - | Asst. 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. Project Manager Charlie McGinnis, Administrative Assistant Elvia Munoz and Branch Manager Clayton Taylor, TRE & Associates, Inc. Linda Troncoso, and David Duran. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

Mr. Harry Brunts from First Baptist Church in Horizon City is asking for approval to set package together for new customers. Director B. Davis advised was a good idea. Mr. Brunts will coordinate with Mr. McGinnis to distribute welcome package for new first come members.

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 #1.

Motion was made by Director D. Hulsey seconded by Director K. Thomas to Table item #5

Vote was unanimous to approve.

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

No action taken.

7. CONSIDER AND TAKE ACTION ON CHANGE ORDER NO. 1 ON SOUTH DARRINGTON WIDENING WATER AND WASTEWATER RELOCATION PROJECT.

Ms. Troncoso advised that the Martinez Brothers had identified as a 15 inch waste water line. Ms. Troncoso also recommends to add 12 inch gate valve.

Motion was made by Director D. Hulsey and seconded by Director K. Thomas to approve 15 inch waste water line relocation and adding a 12 inch gate valve.

Vote was unanimous to approve.

8. CONSIDER AND TAKE ACTION, IF NECESSARY, ON SPRAY FILED OPERATIONS.

Mr. Delgadillo explained made \$4,200.00 in sales and is \$4,000.00 ahead of budget. For the month of December 2016 was \$5,000.00 lower in expenses. Mr. Delgadillo advised that on bad days he has been sending employees home. Advised golf condition looks good. Mr. Delgadillo explained that equipment was getting to the golf course in one week. Director B. Davis asked if he needed to stock on different set of parts. Mr. Delgadillo advised no extra parts will be needed. Director B. Moorhouse asked when does Mr. Delgadillo advise employees not to come in to work when weather is bad. Mr. Delgadillo explained he calls employee the day before.

9. OPERATIONS AND ENGINEERING.

Mr. McGinnis reports that all lift stations are working with the exception of El Paso Hills Lift Station and all tanks are online. On waste water treatment plant seven loads of sludge were hauled to the Camino Real Landfill in November 2016. I-10 wells Mr. McGinnis advised getting prices for rehab. On the RO Plant the concentrator developed two leaks and are scheduled to be repaired. The RO Ponds are at the maximum capacity.

Operations:

Mr. McGinnis explained total water production by day:

Average daily use 5,111,700= 1.23 residual

Maximum daily use 6,704,800= 1.80 residual

Minimum daily use 4,011,700= 0.97 residual

Waste water totals for the month November 2016:

Percent of permitted to Spray Field is 39.5%

Percent of permitted to GLO is 70.4%

Percent of permitted influent to STP is 50.9%

Percent of permitted effluent to Mesa Spur drain is 20.9%.

Mr. McGinnis explains the HRMUD effluent annual average is:

Total effluent 1.7698

Golf Course 0.4288

GLO 0.6361

MSD 0.7165

RO 0.6378

Permit Maximum:

Total effluent 3.0000

Golf Course 0.5000

GLO 1.0000

MSD 3.0000

RO 0.5294

Linda advised if development continues in Horizon City. The District would need to face new decisions to make a new RO Plant. Ms. Troncoso recommends that in January or February 2017 a workshop meeting gets planned to discuss growth in Horizon City.

Engineering:

Ms. Troncoso advised 13855 Horizon has been approved, and advised bond application to TCEQ approved and pending sale. On El Paso Hills Lift Station replacement project pay estimate is for \$90,000.00 and is scheduled to pour on December 16, 2016. On Horizon City drainage project Ms. Troncoso advised that Director D. Hulsey, Director B. Jarvis, and she had met with the City of Horizon last week. City of Horizon has sent an email to request meeting in two weeks to get project started. The City estimates for project to last 90 days. On proposal for Spray Field No. 1 Director B. Davis asked how long it would take to get approved. Mr. Jansing advised would take 30-60 days to get approval from TCEQ. On proposal for waste water treatment plant blower replacement, Mr. Rosas advised is getting prices on blowers for rental intended for future bond funds. It was advised that best option is to buy blowers on emergency basis. On Venny Webb Lift Station fiberglass lining repair would be about \$25,000.00 and with installation, \$50,000.00 would exceed \$75,000.00. Discussion of section 20 annexation and defined area bond request.

Ms. Troncoso suggested to do annexation fee. Director B. Davis requested to have Saratoga come and meet with Board early January 2017. The Darrington extension to LTV will be done in one week. The Eastlake PH (I-10 to Darrington) will advertise in January 2017. Eastlake phase II has held a Pre-

Construction meeting. On Horizon Industrial Park. Ms. Troncoso advised has not heard anything. The Darrington Eastlake to Pelicano is under design and TRE has been meeting with them periodically.

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

Director B. Moorhouse advised she had attended meeting with City of Horizon.

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 4:28 p.m.

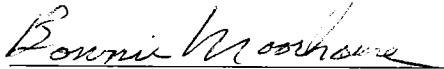
READ, APPROVED, AND ADOPTED THIS 22nd DAY OF DECEMBER 2016.



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