

**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 Wednesday August 16, 2017 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:

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|--------------------|---|----------------------|
| Florence K. Thomas | - | President |
| Bonnie Moorhouse | - | Vice President |
| Gordon Jarvis | - | Treasurer |
| Dean Hulsey | - | Secretary |
| John Whitaker | - | Asst. Vice President |

Director K. Thomas 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. TRE & Associates, Inc. Linda Troncoso, David Duran. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

Mr. Villa representing Brunson Pump Services speaks about septic disposal. Mr. Bustamantes advised that Horizon Regional does not have Pre-Treatment Program. Mr. Brunson explained he had met with El Paso Water and as per El Paso Water they advised that this issue was not their problem. Mr. Brunson advised that Horizon Regional had the following subdivision with septic tanks: Ascension, Lakeway, part of Darrington, and part of El Paso Hills totaling about 2,500 customers. Mr. Brunson advised that in July of this year he pumped 71,000 gallons. Mr. Brunson advised that 55% of his business is at Horizon City. Fees charged per every 1,000 gallons pumped Brunson Pump Service charges \$200.00
Mr. Brunson gave percentage of which Districts he makes his business from.
Horizon 55%
Clint 5%
Tornillo 2% and are now in the process of getting sewer.
County of Montana skirts 36%
Chapparal 1%
Every truck carries 4,000 gallons. Mr. Brunson explains that most of the customers need to replace their

leach field. Cost to repair a leach field is about \$3,500.00. Ms. Troncoso advised that she would look for number of factors. Waste Water Plant has 75% capacity. The permit renewal is in 2018 and application has been sent to TCEQ. Mr. Brunson advised that per every septic tank cleaned Brunson Pump Service was required to do a water manifest and is sampled for PH and oil by products. The range for PH is from 5.5 to 10.5 after PH is confirmed then it gets disposed. Ms. Troncoso advised will research to input in-house septic pump out and will research rules as well.

5. DISCUSSION ON SECURITY CAMERAS FOR WASTEWATER PLANT AND RO PLANT.

Mr. McGinnis reported that there was some vandalism at the Wastewater Plant and RO Plant. The covers for the motors were broken. Mr. McGinnis suggested to get security cameras and would like approval for prices. Director B. Jarvis and Ms. Troncoso advised Mr. McGinnis to get at least 3 bids.

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

No action taken.

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

Mr. Delgadillo reported \$2,458.00 profit for the month. Advised Golf Shop is doing great. Overall \$6,000.00 ahead of last year. Mr. Delgadillo reports that business starting to slow down at this time of the year. Report was made that someone drove by hole number 18 although not much damage was done.

At 4:10 p.m. out for executive session.

At 4:23 p.m. back from executive session.

Director K. Thomas requested for Mr. McGinnis to place severance package to be placed on Agenda for next regular Board Meeting.

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

Motion was made by Director D. Hulseby and seconded by Director B. Jarvis to approve purchase of 8" butterfly valve and actuator for RO-C in the amount of \$4,310.00

Vote was unanimous to approve.

9. DISCUSS PROPOSED 2017 TAX RATE, HEAR FINANCIAL ADVISOR'S RECOMMENDATION AND AUTHORIZE PUBLICATION OF EFFECTIVE TAX RATE CALCULATION, AND ESTABLISH PUBLIC HEARING DATE REGARDING 2017 TAX RATE.

Mr. McGinnis advised that received email from Bill Blich regarding revised tax rate, and advised needs to be posted on newspaper. All Board Members were in agreement with proposed tax rate and hearing was set for September 13, 2017 at 3:00 p.m. and authorized posting on newspaper.

10. OPERATIONS AND ENGINEERING REPORT.

Mr. McGinnis explains all Lift Stations are fully operational with the exception of El Paso Hills Lift Station running on hydraulic diesel pump. All tanks all are online. Wastewater Treatment Plant 11 loads of sludge were hauled to the Camino Real Landfill in July 2017. All six blowers are up and running. Mr. McGinnis reports that meter at WWTP needs to be replaced for golf course flow. Meter is not registering the correct amount of water that is being sent to the golf course. On RO Plant Mr. McGinnis will be obtaining prices for repair work of Concentrator piping for consideration of Board Meeting. This discussion will be placed on next Agenda. Mr. McGinnis reports that the District exceeds the permitted flow to the RO Ponds for the month of July due to Concentrator having issues.

Operations:

Mr. McGinnis explained total water production by day:

Average daily use 7,037,700= 1.44 residual

Maximum daily use 8,115,300= 1.82 residual

Minimum daily use 5,128,800= 1.09 residual

Waste water totals for the month July 2017:

Percent of permitted to Spray Field is 110.9%

Percent of permitted to GLO is 27.5%

Percent of permitted influent to STP is 70.0%

Percent of permitted effluent to Mesa Spur drain is 42.3%.

Mr. McGinnis explains the HRMUD effluent annual average is:

Total effluent 1.8025

Golf Course 0.4062

GLO 0.4010

MSD 0.9961

RO 0.8960

Permit Maximum:

Total effluent 3.0000

Golf Course 0.5000

GLO 1.0000

MSD 3.0000

RO 0.5294

Director J. Whitaker asked Mr. McGinnis why the patching was still not done. The streets with patching issues were: Desert Bush, Desert Cactus, Desert Fire, and Desert Sage. Director J. Whitaker requested for Mr. McGinnis to take care of Desert Sage first.

Engineering:

Ms. Troncoso explained on commitment applications. 13791 Horizon Blvd. Shopping Center was under review. On 13600 Horizon Blvd Hospital has completed project and will be placed on next Agenda for approval of operation and maintenance. 15089 Horizon Blvd is not ready yet and TRE still doing water testing and will be placed on next Agenda. El Paso Hills Lift Station Replacement Project Pay Estimate No. 10 Ms. Troncoso advised received power on Wednesday August 16, 2017 will be placed on Consent Agenda. Proposal for WWTP discharge permit renewal, Mr. Delgadillo advised he will help on getting numbers with other golf courses to get a case for September 1, 2018 renewal. On Horizon City Drainage Project at Spray Field No. 1. Ms. Troncoso advised bids have been received. The bid for compaction is \$140,000.00 and \$5,000.00 for mobilization. On Veny Webb Lift Station fiberglass lining repair and rehabilitation waiting on delivery of pump it takes 3 months to receive. No updates were reported on HVE Wastewater System funding coordination. Darrington extension to LTV Project still working. Eastlake PH 1 (I-10 to Darrington) advertisement will be December 2017 or January 2018. Eastlake Phase II value

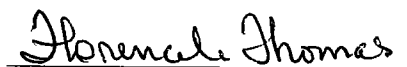
and fire hydrant adjustments testing has been done by TRE. No updates on Horizon industrial park or on Darrington – Eastlake to Pelicano.

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

Director B. Moorhouse asked Mr. McGinnis if he had ordered more coloring books. Mr. McGinnis advised he would order more coloring books. Director B. Moorhouse advised Board that she and Director J. Whitaker had attended planning and managing for prolonged drought in Far West Texas Meeting. Director J. Whitaker advised he had visited Casas De Leon new subdivision and is expected for 30-40 meters off Kenazo. Director J. Whitaker reported he had visited some sites and complimented STS on maintenance for the cleaning behind the fences.

There being no further business before the Board, the meeting was upon motion made by Director D. Hulsey duly made and seconded by Director B. Jarvis all in favor and carried, adjourned at 5:15 p.m.

READ, APPROVED, AND ADOPTED THIS 24TH DAY OF AUGUST 2017.



FLORENCE K. THOMAS, PRESIDENT
Board of Directors
Horizon Regional M.U.D.



BONNIE MOORHOUSE, VICE PRESIDENT
Board of Directors
Horizon Regional M.U.D.

EM/CM