

**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, January 22, 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	-	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 and Administrative Assistant Elvia Munoz, TRE & Associates, Inc. Linda Troncoso. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS

Kristi Borden Director of Development for EPBYAA and Dr. Dwayne Aboud, M.D. President and founder, of EPBYAA explained that El Paso Border Youth Athletic Association was established in the year 2000. The association has assisted over 50 El Paso students in obtaining higher education scholarships through athletics. Ms. Borden mentioned she has also met with Mayor Miller. Ms. Borden is asking for a lease agreement to develop a 40 acre site that would allow 4 baseball fields. Director B. Davis explained that the field was not available at this time and was leased to someone else for the next 5 years. Director B. Davis advised if they have considered other locations. Director B. Davis suggested to contact Paseo Del Este and see if that could be another source. Ms. Borden asked Board Members in what year would the contract end. Director B. Davis explained contract ends in 2019, but would probably get re-leased. Director B. Moorhouse also suggested to call HCIA to contact Director Bill Eagleston at 915-852-1811.

5. CONSENT AGENDA.

- A: Consider and Take Action to approve the Minutes of the Regular Meeting held on December 18, 2014, and Special Meeting held on January 15, 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 December 31, 2014.
- D: Consider and Take Action on RO Concentrator Project Pay Estimate No.1.
- E: Consider and Take Action on Lagoon Decommissioning Project Pay Estimate No. 1.
- F: Consider and Take Action on Lagoon Decommissioning Project Pay Estimate No.2.
- G: Consider and Take Action on Acceptance for Operations and Maintenance of Horizon City Unit 90.

Motion was made by Director B. Davis and seconded by Director B. Jarvis to approve the payment of bills and invoices for operations and construction; and to approve the transfer of funds.

Vote was unanimous to approve.

6. CONSIDER AND TAKE ACTION ON REIMBURSEMENT AGREEMENT WITH ZAZ JOINT VENTURE ON HORIZON CITY UNIT 90 AND 91.

District will ask Attorney A. Petrov to draw up standard reimbursement agreement with ZAZ Joint Venture in regards to Unit 90 and 91.

7. CONSIDER AND TAKE ACTION ON REIMBURSEMENT AGREEMENT WITH SOUTHWEST STUDIOS CORPORATION.

Motion was made by Director B. Davis and seconded by Director B. Jarvis to draw up standard reimbursement Agreement with Southwest Studios Corporation.

Vote was unanimous to approve.

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

Project manager Mr. McGinnis explains the net water connections. Total active, inactive and district meters for the month are: 9,991. Averaging connections per last (3) months= 11

Mr. McGinnis continues with well pumping report: Total gallons pumped for December 2014 were 122,463,300. Wheeler well field capacity is at 33.93% and Desert Well field is at 41.13% Waste water system reports total for the month of December 2014 is 7451 and year to date net change (6 month) is 174 averaging connections per last 3 months = 7

Influent received in December 2014 was 65,491,000 and effluent delivery total was 62,871,000 well water spray field is 7,609,000.

GLO 12,307,000 and SPUR 42,955,600

Total plant capacity: 3.0 MGD

Percentage of capacity: 70.4%

Mr. McGinnis reported to Board Members that for the month of January 2015 the office had 1,937 delinquent letters mailed and disconnected total of 192 services. J. Williams assisted 5 customers with high bills, and online set up for the month of December 2014. All inquiries were resolved. Director B. Davis asked why so many delinquent letters were mailed out. Both Mr. Fry and Mr. McGinnis explained that due to the holidays customer don't pay their statements. Director K. Thomas asked Mr. McGinnis what date was the Districts Municipal Accountant Mr. Michael Luft be coming to our office. Mr. McGinnis did not have a date but did inform Board Members he will find out and will notify them as soon as he had a set date.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve Manager's Report and send \$979.70 to collections and \$18.49 in write offs.

Vote was unanimous to approve.

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

No action taken.

10. CONSIDER AND TAKE ACTION, IF NECESSARY, ON REPORT FROM TURF COMMITTEE.

Director K. Thomas advised all that Mr. Jefferey Gates was no longer an employee at the Golf Course, and the person replacing Mr. Gates would be Mr. Luis Delgadillo and will start on Monday January 26, 2015.

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

Engineer L. Troncoso explains that she has two applications for service commitment. One being Horizon City Unit 90 and 91, second the Wal-Mart Supercenter fuel station. On Lagoon Decommissioning the lift station is operational and will have final close out pending approval of force main installation by TXDOT. On the RO Concentrate Disposal and Permit Amendment. The RO Concentrate Pond project is currently in the process of installing the slope stabilization improvements. On RO Membrane Replacement TRE is currently awaiting receipt of the final warranty documents in order to proceed with recommendation of acceptance. Ms. Troncoso asked Board Members for permission to ask Attorney A. Petrov to write a letter in regards to the WWTP. Ms. Troncoso explained that she had the tracking number for the Spray Field pump impellers. Impellers will be arriving on Friday January 23, 2015 and work should be starting up Monday January 26, 2015. Ms. Troncoso concluded that El Paso Hills Lift Station replacement, the design has been submitted to the TCEQ for review and approval. The structural design of the lift station is underway.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve the engineering report.

Vote was unanimous to approve.

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

Director K. Thomas explained business was not very good this month due to bad weather although greens were looking great. Director K. Thomas did advise tarps were needed. Director D. Hulsey also advised that he had met with a consultant and that Mr. Padilla was already working on a maintenance plan. Director D. Hulsey concluded that the Golf Course had closed on Thursday January 22, 2015 due to bad weather.

13. CONSIDER AND TAKE ACTION ON CHANGE ORDER NO.1 FOR RO CONCENTRATOR PROJECT.

Engineer L. Troncoso asked for approval of \$10,444.87 for the installation of two 12" gate valves in existing waterlines to provide the ability to isolate water flow for water line connections within the project. Ms. Troncoso did advise that the installation would be done at night time.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to approve \$10,444.87 for installation of two 12" gate valves.

Vote was unanimous to approve.

14. CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 6 FOR SPRAY FIELD NO. 1 IRRIGATION SYSTEM IMPROVEMENTS.

This estimate of \$10,408.43 reflects project progress through December 22, 2014. Ms. Troncoso mentioned there is a 100% coverage of completion.

Motion was made by Director B. Jarvis and seconded by Director B. Moorhouse to approve \$10,408.43 for Spray Field No. 1 irrigation booster pump station improvements.

Vote was unanimous to approve.

15. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF DARRINGTON EASTLAKE COMMERCIAL IMPROVEMENTS FOR OPERATIONS AND MAINTENANCE.

Engineer L. Troncoso explained there was no back up in report, and had barely received information today Thursday January 22, 2015 at 5 p.m.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve acceptance of Darrington Eastlake commercial improvements for operations and maintenance conditional on all criteria engineering requested was received.

Vote was unanimous to approve.

16. CONSIDER AND TAKE ACTION ON PROPOSAL FOR HRMUD GST 2B FROM TRE AND ASSOCIATES.

Ms. L. Troncoso explains the Ground Storage Tank 2B explained that if be paid from last series of bond funds. Ms. Troncoso explained the growth within HRMUD has increased to a level where additional storage is necessary to increase the reliability of service required during periods of peak usage. The proposed GST2B will also provide additional system redundancy at the critical location of potable or portable water supply.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve 2B Ground Storage Tank.

Vote was unanimous to approve.

17. CONSIDER AND TAKE ACTION ON PURCHASE OF PARKING LOT LIGHTS FOR SPRAY FIELD NO. 1.

Mr. McGinnis explained that 3 lights from the parking at the Golf Course are getting fixed on Friday January 23, 2015. Director K. Thomas mentioned that she wanted more than 3 lights. Director B. Davis advised Mr. McGinnis to consider getting LED lights due to them lasting 10 times longer.

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

Director B. Moorhouse reported that she had attended the meeting by the lake. Engineer L. Troncoso and Director B. Jarvis attended as well. Director B. Davis explained that the District could not get involved with the lake.

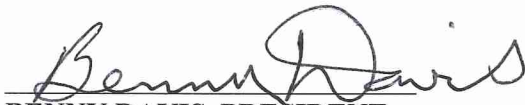
At 7:01 p.m. Board Members left into executive session.

At 7:12 p.m. Board Members came back from executive session.

Mr. Fry from STS explained he was now Director of Customer Relations and presented our new Regional General Manager Ken Hines. Director B. Davis reported he had attended AWBD and Seminar. Director B. Davis advised Seminar was to educate Board Members on how to grow organizations and how to better them. Director B. Davis reminded everyone about AWBD Conference in June 2015 at Corpus Christi. Conference will be Thursday - Saturday total of 3 days.

There being no further business before the Board, the meeting was upon motion made by Director K. Thomas duly made and seconded by Director B. Jarvis all in favor and carried, adjourned at 7:20 p.m.

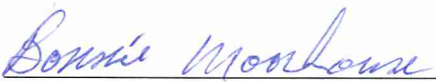
READ, APPROVED, AND ADOPTED THIS 24th DAY OF FEBRUARY 2015.



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