

**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 23, 2014 at 4:00 p.m. at 14100 Horizon Blvd, Horizon City, Texas, pursuant to notice given in accordance with the law.

The attendance roll was signed by the members of the board, to-wit:

Benny Davis	President
Maureen Singleton	Vice President
Bob Jarvis	Secretary
Kit Thomas	Treasurer
Bonnie Moorhouse	Asst. Secretary

A quorum was established. Also in attendance were the District's consultants: Severn Trent's Service, Inc. (Mr. Charlie McGinnis, Mrs. Janita Williams & Mrs. Munoz Elvia); TRE & Associates, Inc. (Ms. Linda Troncoso). President Davis called the meeting to order. The Pledge of Allegiance was said with audience participation.

Agenda

Item

4: RECEIVE CITIZEN COMMUNICATIONS:

There were two Citizen Communications to discuss on Item #6, will proceed with Agenda and will address the citizen communications, accordingly to Item signed up for.

5: CONSENT AGENDA:

- A: Consider and Take Action to Approve the Minutes of the Regular Meeting held on December 19, 2013, and Special Meeting held on January 9, 2014.**
- B: Consider and take Action to Approve the Payments 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, 2013.**
- D: Consider and Take Action on change order to decrease price on Reverse Osmosis Pipe Reroute.**
- E: Consider and Take Action on Pay Estimate #1 for WWTP Bar Screen Improvements**

Motion was made by Director Thomas and seconded by Director Singleton to approve the consent agenda.

Vote was unanimous to approve.

6: Hold Public Hearing Concerning a Petition by GECU, a Federal Credit Union, for the Exclusion of Property from the District and Consider and Take Action on Petition. (Legal Counsel)

Mr. Alan Petrov noted results of Amendment of legislative states, options to be excluded from any District, are as follows: there has to be more than ten thousand acres of property when petition is being presented, within the District. The district cannot provide the property with retail utility services, has a right to be excluded.

In the event of being excluded the obligation stands of pro data share has to be paid and levy taxes have to be paid as well as any portion of bonds.

Director Davis then declared the meeting to be an open meeting and Mr. Alan Petrov then announced Mr. McNabb Charlie who is employed by Gordon Davis Johnson & Shane P.C. is representing GECU for the exclusion. Mr. McNabb noted the EL PASO WATER UTILITIES will be servicing water for the property, Director Thomas asked if Mr. McNabb fully understood the responsibilities of payments. Mr. McNabb noted yes we know portion of bonds, taxes and pro data shares have to be paid in full.

Motion made by Director Moorhouse to approve the petition to exclude the property from the District, Mr. Petrov suggested to approve after all Documentation has been revised and then Motion was made by Director Thomas and seconded by Director Jarvis to approve exclusion of property after all documentation has been revised and approved by attorney Mr. Petrov Alan.

The ensuing vote was unanimous to approve

7. Consider and take Action on Management Report Relating to Management and Operational Activities of the District. (Management)

Mr. McGinnis apologized for the noise the heater was making during the meeting, started reading his management report. Mr. McGinnis reported for the month of December Occupied net change was 54, total active meters were 9398, total active meters for the month of December 9830.

Well pumping report- total gallons pumped for December were 95,415,000, capacity of Wheeler Well water is at 35.51% for the month of December, and total capacity of Desert Well is 36.39% for the month of December. Wastewater system report total for the year is 68. Effluent for the month of December for the GLO is 17,987,000 the Spur Drain is 26,657,500, Director Moorhouse wanted to know if any raw water pumped, and Mr. McGinnis noted yes 3.0 totals pumped. Percent of Capacity for the Spray field is 53%.

Mr. McGinnis reported Mrs. Williams met with 22 customers for the month; Mr. McGinnis then moved to discuss operational report- all lift stations are operational with the exception of El Paso Hills Lift station running on one side. Section 32 Lift station the pump has been returned, waiting on replacement of control panel.

Tanks-GST 3 is offline due to pump in shop, we had seven loads of sludge hauled to the landfill in December and met all parameters.

The TCEQ has re-scheduled the inspection of the wastewater for January 21 and 22.

Fire hydrant survey completed, Mr. McGinnis noted there was a fire hydrant that was hit on Darrington, but has a design to turn off automatically. Director Moorhouse would like to know how many fire hydrants are damaged, and Mr. McGinnis would have a report with those numbers.

Pump station #2 all pumps running

Pump station #3 waiting for delivery

Pump station #4 will be running hopefully by Friday

Director Thomas would like to know when the fence wire was cut at well 1B and Mr. McGinnis noted would have to see the police reports but Mr. McGinnis thinks the wire was cut on Jan 3rd or 4th.

RO-c is running

RO-b changed vessels and headers and membranes

RO-a will be disconnected.

Director Moorhouse noted will have a seminar for Open Records on Feb 5th at Oz Glaze Senior Citizen from 08:00 A.M to 2:00 P.M.

Director Davis noted will be in Houston on the 4th of Feb, Spray Field Committee changed to the 12th of February, Linda Troncoso noted couple of items needing discussion, Surplus funds being one item and resolution from for some projects, cannot move forward until action has taken place, would like to have a special meeting scheduled. McGinnis moved to set the calendar for the month of February.

Spray Field meeting on the 12th of February and the special meeting will be on Friday January the 31st at 11:30 A.M. Mr. McGinnis is seeking the approval of collections for this month in the amount of \$3,641.83 and the after some discussion the collections were approved. Director Jarvis would like to discuss the Wagner pump rental; Director Davis noted is a Twenty two thousand dollar pump that has been more in the shop, than in service. Mr. McGinnis noted the pump was not design to run for a longtime, Engineer Ms. Linda Troncoso noted that skid pump was selected after extensive research for being portable, only skid that would meet other purposes, the only pump that fit the bill, did not expect to fail. Mr. Alan Petrov asked if the pump still had warranty, Director Jarvis noted very little use of pump, Mr. Alan Petrov asked if the usage was at least a year, Ms. Linda Troncoso noted had a loaner while pump was being repaired and is still under warranty. Director Singleton asked if the Board would have a recourse, and Mr. Alan Petrov advised could write a letter to Wagner since the pump is a lemon, given the history of performance for this pump, since the beginning and see if an offer will be received from Wagner rents.

Director Davis noted there was no item for Chambers of Commerce on Agenda and noted Mrs. Alicia Ward from Chambers of Commerce was present and had made a presentation at the Spray Field committee, for Horizon Regional M.U.D to join the Chambers of Commerce. Mr. Alan Petrov noted needed to do research for the missions the organization has and see if it matches Horizon Regional M.U.D. place on next Agenda.

Motion to approve the Management Report and approve collections was made by Director Jarvis and seconded by Director Singleton

The ensuing vote was unanimous to approve

8. Consider and Take Action on Management Report Relating to Management and Operational Activities of the Spray Field No. 1 (Spray Field Management)

Mr. Jeff Gates read his report for the Spray Field #1 reporting a couple of main water breaks, which have been repaired. As repairs are being made, to old sprinkler heads and valves will cause increased pressure in the old lines, which have been in the ground since 1964. Found inadequate workmanship made by previous irrigation crew, joints that were not glued properly. We are putting the wood chipper to good use. We have trimmed trees on holes 1, 2 and 3 using the mulch as ground cover along the parking lot. Need to purchase merchandise for the pro shop, but waiting for credit approval from some vendors.

Mr. Jeff would like to request closing the golf court on Monday since Mondays and Tuesdays are the slowest days, until spring or until we offer some incentives and be able to advertise, Nina agrees with closing on Mondays. Mr. Gates is seeking approval for the final bill for the Electrician due to fire Marshall Inspection. We need to consider a corporate rate, I have checked with Vista Hills and Old Cruces Country Club for their corporate rates. Both Golf Courses noted a corporate membership consists of a minimum

of three players and took the yearly single rate, and discounted that by 10 to 20 percent per individual, all corporate rates have to be paid up front.

I am going to need to spend \$6,000 next month on prerand post emergence to control the weeds.

Motion to accept the Management Report Relating to Management and Operational Activities of Spray Field No.1 was made by Director Jarvis and Seconded by Director Singleton.

The ensuing vote was unanimous to approve

9. **Consider and Take Action on purchase of Cla-Valve for 1-10 Well 2B (Management)**

Mr. Carlos McGinnis noted received a quote from James Cooke & Hobson to purchase a Cla Valve with back pressure needed for 1-10 Well 2 B. Director Davis noted if could be paid from the re-claim surplus funds.

Motion to accept the Repair by James Cooke & Hobson at Well Eight was made by Director Thomas and seconded by Director Singleton in the amount of \$4702.00

The ensuing vote was unanimous to approve

10. **Consider and Take Action on Pay Increase for Celia Morales Alarcon (Budget Committee)**

Director Thomas noted a letter was received from Mrs. Alarcon requesting a 3 percent increase in pay. Mrs. Alarcon noticed letter said 3%; the original request should have been 30% and apologized for the confusion created. Re submitted a new letter with the correct pay increase of 30%; the pay increase would be from \$440.00 to \$525.00.

Motion to accept the Pay Increase for Mrs. Alarcon in the amount of \$30 % was made by Director Singleton and seconded by Director Jarvis.

The ensuing vote was unanimous to approve

11. Consider and Take Action on Repair of Motor for 1-10 Well 8. (Management)

Mr. Charlie McGinnis noted the motor at Well eight has been damaged by Water to the Vertical motor Pump, Mr. McGinnis is estimating the wind pushed the water into pump. The water burnt the pump; received a quote with total cost of \$4,706.62 from Remsa USA

Motion to accept the Repair by Remsa USA for 1-10 Well eight in the amount of \$4,706.62 was made by Director Thomas and seconded by Director Jarvis.

The ensuing vote was unanimous to approve.

12. Consider and Take Action on Purchase of Turbidex Filter Unit for R.O (Engineering Consultant)

Ms. Linda Troncoso noted received a quote from Bob Johnson & Associates for Turbidex media filtration system total cost is \$18,600.00 and delivery takes 20 weeks, sole source item. Ms. Linda Troncoso passed a draft explaining 2014 current construction projects and Surplus fund project, with total of costs per project. Ms. Troncoso noted could apply for a change of scope for the manhole rehabilitation project, with TCEQ and use monies for the filtration system.

Ms. Troncoso noted negotiated a down payment with Bob Johnson & Associates, would pay 10% of total cost and 40% to order and 50 % upon shipment with the release of funds.

Ms. Troncoso will try to be conservative and save surplus monies on lagoon decommissioning project, will know savings after bidding project. This proposal of 10% upon declaring to use surplus monies, if ordered in February will arrive in June. The last 10% would be paid until Filter unit operating and warranty does not start until approved. Director Jarvis inquired if this Filter unit would protect the membranes and stop the clogging, Director Moorhouse inquired if it would clear all the sand. Ms. Troncoso noted the wells are not articulate enough and the sand produced is very fine sand.

Motion to approve the purchase of Turbidex Filter Unit for the RO was made by Director Moorhouse and seconded by Director Thomas

The ensuing vote was unanimous to approve.

13. Consider and Take Action on the District's annual Audit Report. (Legal Counsel)

Mr. Alan Petrov noted has not received the annual Audit Reports, Director Jarvis noted would continue to table item, until reports have been received.

Motion to table Item and be discussed at the Regular Meeting, pending on delivery of annual Audit reports was made by Director Thomas and seconded by Director Jarvis

The ensuing vote was unanimous to approve.

14. Consider and Take Action on Resolution Changing Authorized Representatives for Local Government Investment Cooperative.

Mr. Alan Petrov noted very typical, any time Management is changed, need to do a resolution to authorize the new person to obtain information. Mr. McGinnis needs authorization, to be able to access the logic account, and obtain any necessary information.

Motion to change the authorized representative for Local Government Investment Cooperative was made by Director Thomas and seconded by Director Singleton

The ensuing vote was unanimous to approve.

15. Consider and Take Action on the Engineering Report Relating to Construction and Engineering Activities of the District.

Ms. Linda Troncoso noted four applications for service commitment.

Construction Plan Review:

Mission Ridge unit 13 requested 1 year extension
Horizon City Unit 35 lots 1, Block 279 is awaiting plans
14511 Horizon Blvd, Dyer Family Dental, under construction
171 Elsworth is awaiting plan submittal.

Projects under construction

Lagoon Decommissioning & Spray Field NO.1 Lift Station and Force Main Improvements

A notice to proceed has been issued the first week of December, TRE has met with two sludge processing vendors at the lagoon site, Tre is currently preparing plans for Submittal to the TCEQ for review and approval.

WWTP bar Screen Improvements

The notice to proceed was issued on Dec 2, 2013 and the contractor has cast the box for the bar screen, all submittals have been approved.

RO Concentrate Disposal and Permit Amendment

We have received the final permit and TRE has submitted the concentrator modeling to TCEQ and we are awaiting approval.

RO Prefiltration

The Pre Filtration system is under design, the purchase order for filters in on Agenda for Board's approval. TRE is currently preparing the change of scope to TCEQ for additional funding.

Booster Pump Station No.4

TRE is working with Surety Company in order to facilitate completion. Manual startup of the system occurred in January 15, 2014. Complete start up with SCADA system scheduled for January 31, 2014.

Spray Field no.1 Irrigation System Improvements

TRE is currently under design for the irrigation system improvements. The pump house enclosure is under design with a rock wall and an R-panel metal roof. This project is anticipated to advertise for bid in February.

Motion to approve the Engineers report relating to Construction and Engineering Activities of the District was made by Director Jarvis and seconded by Director Singleton.

The ensuing vote was unanimous to approve.

16. Consider and take Action, if necessary, relating to the lease with Moonlight P&O, LLC

Mr. Alan Petrov noted no draft discussed in conference, will discuss item in spray field Committee, Mr. Alan Petrov noted no action necessary.

17. Reports and Discussion of Other Matters They May Come Before the Board

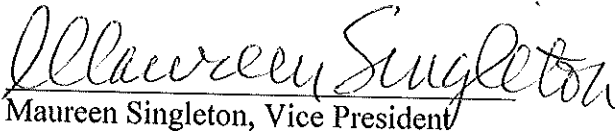
Director Moorhouse noted the city is planning a car wash behind the Bakery.
Director Moorhouse also inquired if we are prepared for any emergencies, if there is a standard procedure in place, Socorro is ready and Director Moorhouse feels we are not prepared for an emergency. Mrs. Hester Kristy from Severn Trent will find the standard procedures the company has in place for any disaster. Mrs. Hester Kristy Thanked the company for a year of service completed with the Horizon Regional M.U.D and announced the promotion of Elvia Munoz as office Manager.

There being no further business before the Board, the meeting was, upon motion duly made, seconded and carried, adjourned at 8:05 p.m.

READ, APPROVED, AND ADOPTED THIS 20 DAY OF FEBRUARY, 2014.



Benny Davis, President
Board of Directors
Horizon Regional M.U.D.



Maureen Singleton, Vice President
Board of Directors
Horizon Regional M.U.D.

JW/CM