

**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 Wednesday January 27, 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	- Not Present
Bonnie Moorhouse	-	Vice President	
Bob Jarvis	-	Secretary	
Florence K. Thomas	-	Treasurer	
Dean Hulsey	-	Assistant Secretary	- Not Present

Director B. Moorhouse 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, Branch Manager Mark Steelman, TRE & Associates, Inc. Linda Troncoso. 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 December 17, 2015 and Special Meeting held on January 21, 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 December 31, 2015.
- D: Consider and Take Action on repairs to motor for I-10 Well 6.
- E: Consider and Take Action on repairs to motor for blower assembly.
- F: Consider and Take Action on repairs to motor for pump station 3.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis 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 the net water connections. Total active, inactive, for the month of December 2015 are: 10,230. Averaging connections per last (3) months= 9

Mr. McGinnis continues with well pumping report: Total gallons pumped for December 2015 were 120,021,825. Wheeler well field capacity is at 28.79% and Desert Well field is at 34.42% Waste water system reports total for the month of December 2015 is 7553 and year to date net change (6 month) is 276 averaging connections per last 3 months = 6

Influent received in December 2015 was 51,301,000

Effluent delivery total was 49,249,100 well water spray field is 7,933,000.

GLO 28,192,000 and SPUR 13,124,100

Total plant capacity: 3.0 MGD

Percentage of capacity: 53.0%

Mr. McGinnis reported that 10 customers were assisted with late fees. All inquiries were resolved. For the month of January 2015 Mr. McGinnis advised that a total of 1,185 delinquent letters were mailed and 166 disconnections were done. Mr. McGinnis concluded that approval was needed to send \$4,439.16 to collections and \$60.93 for write offs.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve Management Report and to send \$4,439.16 to collections and \$60.93 for write offs.

Vote was unanimous to approve.

Mr. Steelman advised Board Members that maintenance would be hiring more people. Mr. Steelman also explained that there was only 2 leaks pending, and that he and Mr. Paxton would be spending some time at the wastewater plant for training. Mr. Steelman concluded that Mr. McGinnis and Mr. Paxton had been going to Houston for management protocol training.

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

Engineer L. Troncoso reported that on Spray Field No. 1 Lift Station and Force Main Improvements still coordinating with other attorneys. On Pre-Filtration start-up of system was attempted on January 7, 2016. TRE is working with RM Wright and Bob Johnson & Associates to troubleshoot the pump start-up and address equipment issues. Spray Field No. 1 irrigation system improvements TRE is coordinating with contractor to obtain close out documents. El Paso Hills Lift Station Replacement TRE is coordinating with the Texas GLO for an easement for the second Lift Station site. On Horizon City Roadway Projects the Town of Horizon is on roadway repaving and widening projects with both Horizon Industrial Park and Darrington Rd. Ms. Troncoso advised that relocation or adjustment of existing water and wastewater improvement may be required in conjunction with these projects. Mr. Petrov advised that by law the District has rights of easement for water lines. The State, County, or City is owner of right away and residents are paying to minimize costs of all parties. Ms. Troncoso asked extension of Eastlake of right away would that reserve District's right. Mr. Petrov explained only when lines of right away but if no road, then road cannot be over easement.

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

Mr. Delgadillo explained bunker total square footage is 25,273 square feet. Mr. Delgadillo added that 45 rolls and 938 tons of sand all would equal to \$39,000.00 total. Bunkers can be done in thirds or a hole or 2 per week, all can be done in 3 phases. Total would be 6 holes and all is to improve the golf course. Director K. Thomas agrees to improve to make improvements on the golf course. Director B. Jarvis agrees to have project done in house. Total number of bunkers are 33 per Mr. Delgadillo concluded that 1 and 8 are the ones that need to be worked on first.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve bunker renovation.

Vote was unanimous to approve.

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

Mrs. Pina introduced her new business partner to Board Members Ms. Tulia Zepeda.

10. **CONSIDER AND TAKE ACTION ON PROPOSAL FOR KENDRICK ELECTRICAL TO SURVEY SYSTEM.**

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve proposal for Kendrick Electric Corporation to survey system.

Vote was unanimous to approve.

11. **CONSIDER AND TAKE ACTION ON DISTRICT'S AUDIT FOR 2014-2015.**

Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC explained District's audit for 2014-2015.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to except audit for 2014-2015.

Vote was unanimous to approve.

12. **CONSIDER AND TAKE ACTION ON A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES WITH FUTURE BOND PROCEEDS.**

Mr. Petrov explains bond issue projects, Board Members have been advised that any additional expenditure within 18 months is good for capital. Mr. Petrov adds that every 18 months this will be done for District's business. Mr. Petrov advised the two projects to begin first are:

- Additional expenses for RO Pre-Filter Improvements.
- Lagoon Decommissioning.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve resolution declaring official intent to reimburse certain capital expenditures with future bond proceeds.

Vote was unanimous to approve.

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

Mr. Petrov advised Harold Davis is working on issue between District and Cubic Water, LLC.

**14. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA CONSTRUCTORS.**

Mr. Petrov advised that Contract between District and Karlsruhe, Inc. d/b/a CSA Constructors have come to an agreement pending closeout paper work.

**15. EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE REGARDING CONSULTATION WITH THE DISTRICT'S ATTORNEY CONCERNING THE RO PREFILTER PROJECT.**

On the RO Pre-Filter Project, Director B. Jarvis advised Ms. Troncoso to write a letter to Bob Johnson & Associates. Letter will read that there is a 30 day to fix problem. If not resolved will seek alternate for lawsuit. Ms. Troncoso advised that previous check had a letter attached. Check has not been cashed yet. Attorney Mr. John M. Dickey from Davis Johnson & Shane P.C. advised District to stop payment. Director B. Jarvis advised that cost of cure is still questionable. Mr. Dickey advised to send letter to cure.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to engage Attorney John M. Dickey to assist with this matter.

Vote was unanimous to approve.

**16. CONSIDER AND POSSIBLE ACTION CONCERNING MATTERS IN EXECUTIVE SESSION.**

No action taken.

**17. REPORT FROM THE DISTRICT'S ATTORNEY REGARDING NEW LEGISLATION AFFECTING CONTRACTS, DISCLOSURE REQUIREMENTS, OPEN CARRY AND EMINENT DOMAIN.**

Mr. Petrov explains important memo's that went into effect on January 1, 2016.  
House Bill, 295. This Bill affects every contract. The vendor needs to fill out form and form must be notarized. Once contract is executed District then sends it back to TEC website.  
House Bill, 23. If vendors give away gifts such as a box of chocolates if they were worth \$250.00 that would be subject to report. Now threshold for reporting has dropped from \$250.00 to \$100.00.  
Concealed/Open Carry Laws. Mr. Petrov advised open carry legislature under new governmental entity the District cannot put a sign in the building. Private businesses can place signs. Horizon Regional MUD cannot place sign due to business is a utility entity. On Board Meetings a sign can be placed on Board room only.

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

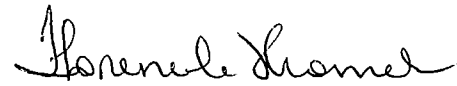
Mr. McGinnis advised Board Members that Ren Nelson, Client Services Manager from AVR Company was here to help answer any questions or any pending issues the office had.

There being no further business before the Board, the meeting was upon motion made by Director B. Jarvis duly made and seconded by Director K. Thomas all in favor and carried, adjourned at 7:29 P.M.

**READ, APPROVED, AND ADOPTED THIS 25TH DAY OF FEBRUARY 2016.**



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



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

**EM/CM**

**ATTACHMENTS AND HANDOUTS  
FOR THE BOARD OF DIRECTORS MEETING HELD JANUARY 27, 2016**

AGENDA ITEM	ATTACHMENTS AND HANDOUTS	ACTION TAKEN
4:	RECEIVE CITIZEN COMMUNICATIONS.	N/A
5:	CONSIDER AND TAKE ACTION TO CONSENT AGENDA.	APPROVED 3-0
5A:	CONSIDER AND TAKE ACTION TO APPROVE THE MINUTES OF A REGULAR MEETING HELD DECEMBER 17, 2015 AND A SPECIAL MEETING HELD ON JANUARY 21, 2016.	APPROVED 3-0
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 3-0
5C:	CONSIDER AND TAKE ACTION TO APPROVE THE FINANCIAL STATEMENT FOR THE MONTH ENDING DECEMBER 31, 2015.	APPROVED 3-0
5D:	CONSIDER AND TAKE ACTION ON REPAIRS TO MOTOR FOR I-10 WELL 6.	APPROVED 3-0
5E:	CONSIDER AND TAKE ACTION ON REPAIRS TO MOTOR FOR BLOWER ASSEMBLY.	APPROVED 3-0
5F:	CONSIDER AND TAKE ACTION ON REPAIRS TO MOTOR PUMP STATION 3.	APPROVED 3-0
6:	CONSIDER AND TAKE ACTION ON MANGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.	APPROVED 3-0
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.	APPROVED 3-0
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 PROPOSAL FOR KENDRIK ELECTRICAL TO SURVEY SYSTEM.	APPROVED 3-0
11:	CONSIDER AND TAKE ACTION ON DISTRICT'S AUDIT FOR 2014-2015.	APPROVED 3-0
12:	CONSIDER AND TAKE ACTION ON A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES WITH FUTURE BOND PROCEEDS.	APPROVED 3-0
13:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC.	N/A
14:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA CONSTRUCTORS.	N/A
15:	EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE REGARDING CONSULTATION WITH THE DISTRICT'S ATTORNEY CONCERNING THE RO PREFILTER PROJECT.	APPROVED 3-0
16:	CONSIDERATION AND POSSIBLE ACTION CONCERNING MATTERS IN EXECUTIVE SESSION.	N/A
17:	REPORT FROM THE DISTRICT'S ATTORNEY REGARDING NEW	N/A



	LEGISLATION AFFECTING CONTRACTS, DISCLOSURE REQUIREMENTS, OPEN CARRY AND EMINENT DOMAIN.	
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18:	REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.	N/A
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