

**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 October 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 -	Not Present
Bonnie Moorhouse	-	Vice President	
Bob Jarvis	-	Secretary	
Florence K. Thomas	-	Treasurer	
Dean Hulsey	-	Assistant 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. Account Manager Charlie McGinnis and Administrative Assistant Elvia Munoz, Area 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 September 24, 2015 and Special Meeting held on October 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 September 30, 2015.
- D: Consider and Take Action on RO Pre-Filtration System Improvements Pay Estimate No. 8.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey 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 September 2015 are: 10,087. Averaging connections per last (3) months= 6

Mr. McGinnis continues with well pumping report: Total gallons pumped for September 2015 were 171,567,335. Wheeler well field capacity is at 44.81% and Desert Well field is at 49.21% Waste water system reports total for the month of September 2015 is 7515 and year to date net change (6 month) is 238 averaging connections per last 3 months = 2

Influent received in September 2015 was 58,318,000

Effluent delivery total was 55,985,400 well water spray field is 7,026,000.

GLO 8,888,000 and SPUR 33,784,400

Total plant capacity: 3.0 MGD

Percentage of capacity: 63.4%

Mr. McGinnis reported that 8 customers were assisted with late fees. All inquiries were resolved. For the month of October 2015 Mr. McGinnis advised that a total of 1,417 delinquent letters were mailed and 50 disconnections were done. Mr. McGinnis concluded that approval was needed to send \$375.65 to collections and \$3.58 for write offs.

Mr. Steelman explained to Board Members that Municipal Accounts would like to change billing, by breaking the basic service to be itemized. Mr. Steelman did confirm that rate order was fine. Attorney A. Petrov explained to Board Members that if billing changes to be separate itemized lines the State Law would require State taxes, and advised taxes would go to the State. The State Comptroller's Office rules

are if any separate lines on billing, taxes would be involved. Mr. Steelman advised this was a Board decision. Mr. Petrov explained the sales tax would be about \$1.69 per customer. Director B. Jarvis explained he likes how the billing would look, although this would be an increase. Board Members advised Mr. Steelman they did not want to change billing. Mr. Steelman also advised that Regional General Manager Mr. Ken Hines was here at El Paso to do quarterly reviews and explained that duties were discussed. Mr. Steelman concluded that meter sequencing is getting improved. Director B. Jarvis asked Mr. McGinnis status on Horizon City leaks. Mr. McGinnis advised there were at least 20 leaks at this time, and maintenance crew was fixing at least five leaks per day.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve Management Report and to send \$375.65 to collections and \$3.58 for write offs.

Vote was unanimous to approve.

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

Engineer L. Troncoso advised had 2 applications under review. Director B. Jarvis and Director K. Thomas advised both Ms. Troncoso and Mrs. Aranda to send letters to all expired applications with their deposit. On Spray Field #1 Lift Station is functioning properly in automatic operation with pond level. Ms. Troncoso advised that Mr. Petrov is coordinating with Cubic Water's attorney. On RO pre-filtration all owner supplied material is on site and the contractor is installing the pipe support structure. Ms. Troncoso advised contractor will be asking for an additional \$86,000.00 for extra time of work. Contractor will also issue a justification letter. The RO membrane pre-filtration replacement as per Mr. Petrov contractor has accepted our recommendation. The El Paso Hills lift station a discussion has been made on previous meeting to schedule a power study. Ms. Troncoso concluded on GST-2B that Mr. Jim Schultz will be doing all the electrical work. Director D. Hulsey asked Ms. Troncoso when would the inspection be done and to make sure it be done with someone who was licensed.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve Engineering Report.

Vote was unanimous to approve.

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

Mr. Delgadillo advised he had tournament today and would be having another one Friday October 23, 2015 to help the March of Dimes. Mr. Delgadillo advised greens were looking great due to rain during the week. Mr. Delgadillo concluded seeding was done this week and more seeding would be done on Monday October 26, 2015.

Motion was done by Director B. Jarvis and seconded by Director K. Thomas to approve Spray Field Maintenance Report.

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

Mrs. Pina explained has nothing but good reviews on golf course and restaurant. Advised business was doing great and advised hours of operation have been posted.

10. CONSIDER AND TAKE ACTION ON CHANGE ORDER NO. 2 FOR RO PRE-FILTER SYSTEM IMPROVEMENTS.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to table item #10.

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON PAYMENT TO BOB JOHNSON AND ASSOCIATES FOR TURBIDEX FILTER AND POSSIBLE ONSITE VISIT IF NEEDED.

Ms. Troncoso explains on payment to Bob Johnson & Associates for Turbidex Filter. Ms. Troncoso suggested to pay what is reasonable at this time. Director B. Jarvis proposed to hold on to an additional \$40,000.00 at this time. Director B. Jarvis suggested to pay \$137,425.11.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve and pay \$137,425.11 and to send letter with stipulation.

Vote was unanimous to approve.

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

Mr. Petrov explains that Cubic Water, LLC disputes with the membrane replacement issue. Cubic Water, LLC agrees to get retainer as bond and split remainder. On the Lift Station and Force Main Project the real number to work on is currently getting progressed.

13. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND KARLSRUHER, INC. d/b/a CSA CONSTRUCTORS.

Mr. Petrov explains the construction contract between the District and Karlsruhe Inc. d/b/a CSA Constructors. Mr. Petrov offers to accept project on intake line and waiting on delay damages. Mr. Petrov advised the response from them has been turned down, and advised legislation would cost more.

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

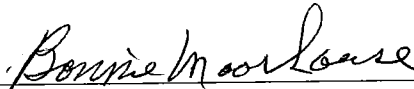
Director D. Hulsey advised he had visited several sites due to electrical issues. Explained that Kendrick Electric can check the two wells that have meter circuit protection on both sides. Director D. Hulsey advised would get with Charlie and Linda regarding electrical issues.

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 7:20 P.M.

READ, APPROVED, AND ADOPTED THIS 19TH DAY OF NOVEMBER 2015.



BOB JARVIS, SECRETARY
Board of Directors
Horizon Regional M.U.D.



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

EM/CM

**ATTACHMENTS AND HANDOUTS
FOR THE BOARD OF DIRECTORS MEETING HELD ON OCTOBER 22, 2015**

AGENDA ITEM	ATTACHMENTS AND HANDOUTS	ACTION TAKEN
4:	RECEIVE CITIZEN COMMUNICATIONS.	N/A
5:	CONSIDER AND TAKE ACTION TO CONSENT AGENDA.	APPROVED 4-0
5A:	CONSIDER AND TAKE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING HELD ON SEPTEMBER 24, 2015 AND A SPECIAL MEETING HELD ON OCTOBER 15, 2015.	APPROVED 4-0
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 4-0
5C:	CONSIDER AND TAKE ACTION TO APPROVE THE FINANCIAL STATEMENT FOR THE MONTH ENDING SEPTEMBER 30, 2015.	APPROVED 4-0
5D:	CONSIDER AND TAKE ACTION ON RO PRE-FILTER SYSTEM IMPROVEMENTS PAY ESTIMATE NO 8.	APPROVED 4-0
6:	CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.	APPROVED 4-0
7:	CONSIDER AND TAKE ACTION ON THE ENGINEERING REPORT RELATING TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.	APPROVED 4-0
8:	CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF SPRAY FIELD NO 1.	APPROVED 4-0
9:	CONSIDER AND TAKE ACTION ON, IF NECESSARY, RELATING TO THE LEASE OF MOONLIGHT P&Q, LLC.	N/A
10:	CONSIDER AND TAKE ACTION ON CHANGE ORDER NO. 2 FOR RO PRE-FILTER SYSTEM IMPROVEMENTS.	TABLE
11:	CONSIDER AND TAKE ACTION ON PAYMENT TO BOB JOHNSON AND ASSOCIATES FOR TURBIDEX FILTER AND POSSIBLE ONSITE VISIT IF NEEDED.	APPROVED 4-0
12:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC.	N/A
13:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC.D/B/A CSA CONSTRUCTIORS.	N/A
14:	REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.	N/A