

**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 May 28, 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 - Not Present
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, Branch Manager Mark Steelman, TRE & Associates, Inc. Linda Troncoso, and District Attorney Alan Petrov. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS

No citizen participation.

5. CONSENT AGENDA.

A: Consider and Take Action to approve the Minutes of the Regular Meeting held on April 23, 2015, and Special Meeting held on April 16, and Special Meeting held May 4, 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 April 30, 2015.
- D: Consider and Take Action on RO Pre-Filter System Improvements Project Pay Estimate No.4.
- E: Consider and Take Action on RO Concentrator Project Pay Estimate No. 5.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse 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. ELECTION AGENDA:

- A. Deliver Certificates of Election;
- B. Qualification of Directors;
- C. Administration of Oaths of Office;
- D. Elect Officers.

ORDEN DEL DIA REFERENTE A LA ELECCION:

- A. Entregar Certificados de Eleccion;
- B. Analisis del los requisitos de Directores;
- C. Tomar juramento para la Asuncion del cargo;
- D. Elegir funcionarios.

Attorney A. Petrov explains 4 year terms were cancelled due to unopposed candidates, and new term is starting. Mr. Petrov advised that the law requires certificate of election that estates officer is elected and

will need to get signed by Board Members. Director B. Moorhouse, Director K. Thomas, and Director D. Hulseley gave administration oath of office. Nominations were given to all positions:

Benny Davis – President
Bonnie Moorhouse – Vice President
Florence K. Thomas – Treasurer
Gordon Bob Jarvis – Secretary
Carl Dean Hulseley – Assistant Secretary

Motion was made by Director K. Thomas and seconded by Director D. Hulseley for all positions to remain the same.

Vote was unanimous to approve.

7. CONSIDER AND TAKE ACTION ON REIMBURSEMENT AGREEMENT FOR DIANE GRAVES.

Accounting Manager Mr. McGinnis explains that Diane Graves wanted to discuss reimbursement agreement with Attorney A. Petrov but Ms. Graves did not show up to meeting. Mr. Petrov explained that he had emailed Ms. Graves attorney twice regarding cost and never heard from attorney. Director B. Davis advised to send new letter to Diane Graves.

Motion was made by Director K. Thomas and seconded by Director D. Hulseley to table item #7.

Vote was unanimous to approve.

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

Mr. McGinnis explained that several meters are being replaced on a monthly basis. Mr. Steelman advised Board Members that Mr. Munoz will be sending a weekly report on unaccounted water and leaks. Account Manager Mr. McGinnis explains the net water connections. Total active, inactive and district meters for the month are: 10,075. Averaging connections per last (3) months= 11
Mr. McGinnis continues with well pumping report: Total gallons pumped for April 2015 were 150,509,600. Wheeler well field capacity is at 45.17% and Desert Well field is at 50.74% Waste water system reports total for the month of April 2015 is 7496 and year to date net change (6 month) is 219 averaging connections per last 3 months = 6
Influent received in April 2015 was 71,240,000
Effluent delivery total was 68,390,500 well water spray field is 7,915,000.
GLO 34,692,000 and SPUR 25,783,500
Total plant capacity: 3.0 MGD
Percentage of capacity: 73.5%

Mr. McGinnis reported that 2 customers were assisted with late fees. All inquiries were resolved. For the month of May 2015 Mr. McGinnis advised that a total of \$1,092.69 delinquent letters were mailed and 87 disconnections were done. Mr. McGinnis concluded that approval was needed to send \$1,092.69 to collections and \$14.52 for write offs.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to approve Management Report and to send \$1,092.69 to collections and \$14.52 for write offs.

Vote was unanimous to approve.

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

Engineer L. Troncoso advised no applications this month. Ms. Troncoso advised that Mr. Petrov has sent letter to Cubic Water giving them a week to respond. On the GST it has been erected change order #3 has been approved and electrical installation is underway. The RO membrane replacement TRE awaiting receipt of the final warranty documents in order to proceed with recommendation of acceptance. Ms. Troncoso also explains that Mr. Petrov has asked for bond to Cubic Water. Mr. Petrov advised that Cubic Water is motivated and seeking to get bond. Director B. Davis asked for price amount. Ms. Troncoso explained that manufacturer has 3 year contract, and District is asking for a 5 year bond. On Spray Field #1, Mr. Petrov is coordinating with their attorney's and is still pending. The El Paso Hills Lift Station TCEQ has approved the design of the lift stations and the electrical design is underway. Ms. Troncoso concluded that on the GST-2B, TRE is coordinating with geotechnical engineer to finalize design for tank foundation.

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

Mr. Delgadillo reported 2,269 rounds to date and would have about 2,400 for the month. Mr. Delgadillo is estimating \$50,000 for the month in revenue. Mr. Delgadillo advised that the junior program will begin in June 2015. Mr. Delgadillo claims that golf course still has a lot of algae problems. Mr. Paxton explained that acid will help with the algae disappear, and that he would meet with Mr. Emch to see if acid is working. Mr. Delgadillo advised that copper sulfate has been injected but has not worked much. Mr. Delgadillo concludes that he is very happy with new Superintendent Mr. Emch.

11. CONSIDER AND TAKE ACTION ON CONTRACT RENEWAL FOR MIRACLE DELIVERY ARMORED SERVICE.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve contract renewal from Miracle Delivery Armored Service.

Vote was unanimous to approve.

12. CONSIDER AND TAKE ACTION ON I-10 WELL 3B REHABILITATION.

Mr. McGinnis explains that he has 3 prices regarding I-10 Well 3B, and lowest price being West Texas Water Well Service.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve West Texas Water Well Service to repair I-10 Well 3B in the amount of \$49,569.00.

Vote was unanimous to approve.

13. CONSIDER AND TAKE ACTION ON ENGAGEMENT LETTER FOR BELT HARRIS PECHACEK, LLLP FOR AUDIT FOR YEAR ENDING SEPTEMBER 30, 2015.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to continue engagement letter for Belt Harris Pechacek, LLLP.

Vote was unanimous to approve.

14. CONSIDER AND TAKE ACTION ON RENEWAL OF CONTRACT WITH GHOSTLIGHT CREATIVE FOR WEBSITE HOSTING.

Mr. McGinnis explains that it's time for renewal of contract with Ghostlight Creative for website hosting. Mr. McGinnis explains that Ghostlight does our posting for the District's minutes, and meetings. Ghostlight is in the process of training one of STS employees to do it ourselves.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to wait on Attorney A. Petrov to review contract.

Vote was unanimous to approve.

15. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF RANCHO DESIERTO BELLO UNIT FIVE WATER AND WASTEWATER IMPROVEMENTS FOR OPERATION AND MAINTENANCE.

Ms. Troncoso explains that the construction and improvements of Rancho Desierto Bello Unit -5 construction has been completed.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve acceptance of Rancho Desierto Bello Unit-5.

Vote was unanimous to approve.

16. CONSIDER AND TAKE ACTION ON RO CONCENTRATE PONDS IMPROVEMENTS PAY ESTIMATE NO. 8 (FINAL).

Ms. Troncoso explains the final walk-thru has been done with VEMAC.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to authorize final payment to VEMAC.

Vote was unanimous to approve.

17. CONSIDER AND TAKE ACTION ON RO CONCENTRATE PONDS IMPROVEMENTS FOR ACCEPTANCE FOR OPERATIONS AND MAINTENANCE.

Motion was made by Director B. Moorhouse and seconded by Director K. Thomas for RO Concentrate Ponds Improvements for acceptance.

Vote was unanimous to approve.

18. CONSIDER AND TAKE ACTION ON EASEMENT ENCROACHMENT OF A 20 INCH ACCESS AND WATERLINE EASEMENT PARCEL 4, C.D. STEWART SURVEY NO. 319 FOR EL PASO ELECTRIC COMPANY.

Ms. Troncoso explains that EPEC is asking for permission to request an underground encroachment to cross the existing 20 inch access and waterline easement dedicated to the El Paso County Water Authority. Director B. Davis advised to have identification line.

Motion was made by Director D. Hulsey and seconded by Director B. Moorhouse to approve easement encroachment.

Vote was unanimous to approve.

19. CONSIDER AND TAKE ACTION ON RESOLUTION FOR RELEASE OF ESCROW.

Mr. Petrov explains bond issues and that TCEQ requires specifications for projects. TCEQ requesting release.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to release of escrow.

Vote was unanimous to approve.

20. CONSIDER AND TAKE ACTION ON COMMERCIAL SEWER RATES.

Motion was made by Director D. Hulsey and seconded by Director B. Moorhouse to table item #20 for next Board Meeting.

Vote was unanimous to approve.

21. CONSIDER AND TAKE ACTION ON PETITION FILED BY BOWLING ENTERPRISES, LTD., FOR EXCLUSION OF PROPERTY FROM THE DISTRICT.

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to approve A. Petrov in proceeding with de-annexation with HRMUD.

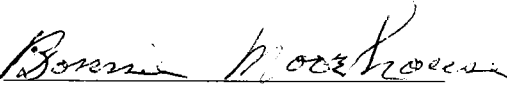
22. REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.

Director B. Moorhouse advised that the city had elections next month. Mr. Steelman advised that a new operator had just been hired, and that an early meeting had been taken place early today explaining new supervisor positions. Mr. Petrov advised that the bond refunding rating level was good and savings were at \$300,000.00. Ms. Troncoso concluded that the County of El Paso has sponsored that if a developer owned more than 2 lots, and legislation happen to pass the customer would be responsible to install drainage pond.

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 7:35 p.m.

READ, APPROVED, AND ADOPTED THIS 25th OF JUNE 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