

**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 Tuesday, June 24, 2013 at 6:00 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-Not Present
Bonnie Moorhouse	Asst. Secretary

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

Agenda

Item

4: **RECEIVE CITIZEN COMMUNICATIONS:**

Mr. Steven Sortor extended his water line in 1994 and is seeking Reimbursement. Director Davis asked if Mr. Sortor had the actual agreement in his possession, Mr. Sortor stated never got a written agreement, and ECO kept all his files. Director Davis stated we would do some research and get back with Mr. Sortor with findings.

Mr. Rick Lane was under the impression his Item had been added on Agenda, since Mr. Lane is not on the agenda and has a lot to discuss, will be meeting with Board at the Spray Field Committee.

Mr. Tomas Witter came before the board to explain since we changed companies the billing due date is changing month to month, and no grace period to pay bill, and since Mr. Witter is on a fixed income needs to budget his monies. Director Davis asked if Mr. Witter had the actual bill with him, and Mr. Witter stated no.

Mrs. Rosa Luna Acc#0023961300 had same issue, and since there is no set date, is always paying late penalties. Director Davis after examining customer's bill stated we were only giving 15 days to pay the bill.

Mrs. Foster same issue of due dates and Mrs. Foster stated had two bills to pay in May and since we have always billed once a month, she had late penalties. Mrs. Foster stated our water price went up 25% and she pays Water Taxes. Mrs. Foster was very dissatisfied with our after-hours Houston Answering service, and very upset not knowing when the bill is due. Director Davis had no knowledge of the changing due dates and agreed with the customer, we will be adjusting Mrs. Foster penalties, asked Charlie to look into this problem and come up with a solution.

5: CONSENT AGENDA:

- A: Consider and Take Action to Approve the Minutes of the Regular Meeting held on May 23, 2013, Special Meeting held on June 4, 2013, Special Canvass Meeting held on May 22, 2013, Special Meeting held on June 11, 2013, and Special Meeting held on June 17, 2013.**
- 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 May 31.**

Motion was made by Director Jarvis and seconded by Director Singleton to approve the consent agenda. Vote was unanimous to approve.

6: Consider and Take Action on Management Report relating to Management and Operational Activities of the District. (Management)

Mr. McGinnis Read the Management Report, Mr. McGinnis reported net connections was -92 and the number was generated from Reports from Severn Trent, total active and inactive District meters net change is -79. Total gallons of effluent Pumped in May 153,509,000. The Wheeler Well is 45.30% of capacity.

Waste Water is 53% of Capacity, total Plant Capacity is 3.0 MGD

The only capital projects are as follows:

Booster Pump Station No. 4- This project In the amount of \$1,575,000.00 on July 25, 2011, was awarded to Red Cliff, Inc.

Ro Train D- This project in the amount of \$639,640.00 on Sept 8, 2011 was awarded to

EL PASO Water Industrial Services, Inc
Ms. Janita Williams met with thirty customers to resolve bill disputes this month.
Mr. McGinnis Moved to Read Operations Report, and moved to set the calendar for July.
Director Singleton recommends full board to meet for the Spray Field Committee is needed and Director Davis agreed. Special Meeting Scheduled for July 8th at 6:00 p.m.

Motion to take action to accept Management Report by Director Jarvis and seconded by Director Singleton.

The ensuing vote was unanimous to approve.

7. **Consider and take action on Management Report Relating to Management and Operational Activities of Spray Field No. 1 (Spray Field Management)**

Mr. Gates Jeff Read the report of progress for the Spray Field. The replacement of valves and heads is almost complete. The repairs for the stucco and painting of the club are complete, with the exception of the front steps. The cracks in the parking lot have been filled and compacted; the coat sealing should start this week.

Motion to take action on operational Spray field No. 1 report by Director Singleton and seconded by Director Jarvis.

The ensuing vote was unanimous to approve.

8. **Consider and Take Action to Transfer Funds from HRMUD to the Spray Fields Project and Approve Payment of Bills. (Management)**

Motion to Take Action to Transfer One Hundred Thousand Dollars from HRMUD General Funds to the Spray Field made by Director Moorhouse and seconded by Director Singleton.

The ensuing vote was unanimous to approve

9. Consider and Take Action on the Engineering Report Relating to Construction and Engineering Activities for the District. (Engineering Consultant)

Ms. Troncoso noted no applications for services, construction observation and approved utility services are the same as discussed in the Engineer Meeting.

Ms. Troncoso would like to meet with Spray Field Committee to go over scope and set up design for the lift station, to have project ready to be bid in the fall.

Motion to take action on the Engineering Report was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

10. Consider and Take Action on Acceptance of Utilities for Operation and Maintenance of Horizon City unit 51-Phase 5. (Engineering Consultant)

Ms. Troncoso noted Construction Improvements of the project has been completed and is recommending as the District's Engineer that the District approve the completion of construction activities on the project and accept the utility improvements by the District, the 12-month warranty period will become effective on June 24, 2013.

Motion for Acceptance of Utilities for Operation and Maintenance of Horizon City unit 51-Phase 5 was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

11. Consider and Take Action on Acceptance of Utilities for Operations and Maintenance of 601 Ascension Street. (Engineering Consultant)

Ms. Troncoso noted the project has been completed at 601 Ascension Street and is recommending that the District approve the completion of construction activities on the project and accept the improvements for operation and maintenance.

Motion for Acceptance of Utilities for Operation and Maintenance of 601 Ascension Street was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

12. Consider and Take Action on Acceptance of Utilities for Operations and Maintenance of Horizon Point water and wastewater improvements. (Engineering Consultant)

Ms. Troncoso recommended for item to be tabled.

Motion made to entertain to table item was made by Director Moorhouse, Director Singleton Seconded.

The ensuing vote was unanimous to approve.

13. Consider and take Action on Approval of the Annual Consumer Confidence Report and authorize distribution of same. (Management)

Mr. McGinnis came before the board to seek approval and also for the distribution of the Annual Consumer Confidence Report.

Mr. Alan Petrov explained the Consumer Confidence Report is a requirement by the State.

Motion to take action on Approving and authorize Distribution of the Annual Consumer Report was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

14. Consider and Take Action on Purchase of Fertilizer from Helena in the Amount of \$6,500.00. (Spray Field Committee)

Mr. Jeff Gates noted the importance of fertilizing. Director Davis requested a budget from Mr. Gates for the golf course.

Motion to take action to Purchase of Fertilizer from Helena was made by Director Singleton and seconded by Director Jarvis.

The ensuing vote was unanimous to approve.

15. Consider and Take Action on Final Payment to Chavira Painting and Drywall in the Amount of \$14,915.00. (Spray Field Committee)

Painting is almost done with the exception of the front step as noted by Mr. Gates.

Motion to take action on Final Payment to Chavira Painting and Drywall in the Amount of \$14,000.00 and to retain \$915.00 was made by Director Jarvis and seconded by Director Singleton.

The ensuing vote was unanimous to approve.

16. Consider and Take Action on Payment to Advance Pools in the Amount of \$26,950.00. (Spray Field Committee)

Mr. Gates noted the contract with Advance Pools has been completed.

Motion to take action on Payment to Advance Pools in the amount of \$26,950.00 was made by Director Singleton and seconded by Director Jarvis.

The ensuing vote was unanimous to approve.

17. Consider and Take Action on Payment to Horizon Plumbing in the Amount of \$4,910.90 (Spray Field Committee)

Jeff Gates noted the work was approved on April 19th and was almost complete by Horizon Plumbing.

Motion was made by Director Singleton and seconded by Director Jarvis to take action For payment for the amount of 2806.50. Pending Research to Horizon Plumbing

The ensuing vote was unanimous to approve.

18. Consider and Take Action on Payment to General Roofing Company in the Amount of \$8,900.00 For Mobilization. (Spray Field Committee)

Mr. Jeff Gates noted the roof is half Finished.

Motion was made by Director Jarvis to take action on Payment to General Roofing Company and seconded by Director Singleton in the amount of \$8,900.00.

The ensuing vote was unanimous to approve

19. Consider and Take Action on the Lease Agreement for Turf Equipment as it Relates to a Possible Price Difference from the Previously Approved Agreement.

Item to be discussed after Item 24, Director Jarvis requested more information, and noted if item should be discussed in Executive Session and Mr. Petrov noted Item should not be discussed in Executive Session.

20. Consider and Take Action on the Adoption of Rules and Fees Relating to the Operations of the Swimming Pool. (Legal Counsel)

Director Davis to move Item 20 to be discussed after Item 24

24. Discussion Concerning the Possibility of Entering Into a Management Agreement And/ or Lease of the Entire Horizon Clubhouse and Spray Field No. 1 Property. (Legal Counsel)

Ms. Ana Hageman came before the Board and noted that Ms. Hageman and Mr. Quijas are interested in the possibility of operating the complete operation of Golf Course. Director Davis noted that Ms. Hageman should present a proposal to the board. More discussion to be made at Special Meeting for the July 8, 2013 at which time Ms. Hageman should have proposal ready.

19. Consider and Take Action on the Lease Agreement for Turf Equipment as it Relates To a Possible Price Difference from the Previously Approved Agreement. (Spray Field Committee)

Mr. Jeff Gates explained from the original Lease Agreement the difference in equipment And the difference in prices, after long discussion and verification of machinery leased.

Motion was made by Director Jarvis to take action on the Lease Agreement for Turf Equipment and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve

20. Consider and Take Action on the Adoption of Rules and Fees Relating to the Operation of the Swimming Pool. (Legal Counsel)

Mr. Alan Petrov noted the pool will be open in July 1, 2013 recommended to approve proposal.

Motion was made by Director Jarvis to take action on the Adoption of Rules and Fees Relating to the operation of the Swimming Pool and seconded by Director Singleton with the new suggestions and fees.

The ensuing vote was unanimous to approve

21. Consider and Take Action on the Engagement of Arbitrage Compliance Specialists For the Annual Tax Compliance Work Related to the District's Bond Issues. (Legal Counsel)

Mr. Alan Petrov noted not able to revise paperwork and requested for Item to be tabled.

Motion made by Director Moorhouse to table Item at this time and Director Jarvis seconded the motion.

The ensuing vote was unanimous to approve.

22. Consider and Take Action on Acceptance of 16-inch Waterline Easement Within Mission Ridge Unit. (Engineering Consultant)

Ms. Troncoso Linda noted Easements has been relocated at Mission Ridge Unit.

Motion made by Director Moorhouse to accept the 16 inch Waterline Easement and Director Jarvis Seconded the motion.

The ensuing vote was unanimous to approve.

23. Consider and Take on Partial Vacation of Waterline Easement Within CD Steward Survey No. 317. (Engineering Consultant)

Ms. Troncoso Linda noted this Easement has been relocated as well and noted Easement vacated my meets and bounds.

Motion to accept Partial Vacation of Waterline Easement within CD Steward Survey No. 317 was made by Director Jarvis and Director Moorhouse seconded the motion.

The ensuing vote was unanimous to approve.

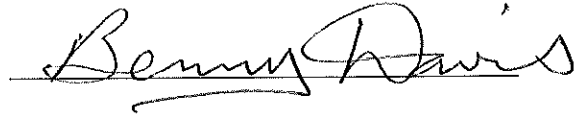
24. Discussed after item 18.

25. Reports and Discussion of Other Matters That May Come Before the Board.

Officers will need to be re-elected at the Special Board meeting on the 8th of July
To be placed on Regular Agenda

There being no further business before the Board, the meeting was, upon motion duly made, seconded and carried, adjourned at 8:53 p.m.

READ, APPROVED, AND ADOPTED THIS _____ DAY OF June 24, 2013.

A handwritten signature in cursive script, reading "Benny Davis", written over a horizontal line.

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

A handwritten signature in cursive script, reading "Maureen Singleton", written over a horizontal line.

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

JW/CM