

**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 26, 2014 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
Vacant	Vice President
Bob Jarvis	Secretary
Not Present	Treasurer
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. Carlos Bellini, approached the Board and wanted to know if the Board would be interested on a business venture, of a high quality internet. Mr. Alan Petrov (legal Attorney) for the board advised Mr. Bellini the Horizon Regional Municipal Utility is not authorized for Communications business, Mr. Bellini explained maybe a water tower could be leased for fiber optic conduit, and not necessarily be on communications business.

Director Davis noted to Mr. Bellini to bring more information and a proposal for further review.

Mr. Robert Holguin is a golfer and a customer for the Horizon Regional M.U.D. had some concerns on the Golf Course, Director Davis notified Mr. Holguin to write down the issues for the Golf Course and Mr. Davis would forward the information provided to the responsible parties, for execution.

Director Davis noted Director Thomas Had surgery and will not be able to attend this meeting.

5: CONSENT AGENDA:

- A: Consider and Take Action to Approve the Minutes of the Regular Meeting held on May 29, 2014. And Special Meeting held on June 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 May 31, 2014.
- D: Consider and take Action on Acceptance of Horizon Crossing Unit 1 waterline improvements for Operation and Maintenance.
- E: Consider and Take Action on Pay Estimate No.5 for RO Concentrate pond improvements.
- F: Consider and Take Action on Pay Estimate No.5 for WWTP Bar Screen Improvements

Motion was made by Director Jarvis and seconded by Director Moorhouse to approve the consent agenda. Director Jarvis made a motion and Director Moorhouse seconded to move Item 10 before 6.

Vote was unanimous to approve.

10: Consider and Take Action on Management Report relating to Management and Operational Activities of Spray Field No.1. (Spray Field Management)

Mr. Jeff Gates Spray Field Manager, reported progress has not been very good on the Golf Course and especially on the greens. Contacted Dr. Goss and Dr. Lienour at the NMSU and they reported not much improvement will be seen until the Salinity levels decrease and overseeing will be a waste to time. Mr. Gates noted, I am optimistic the greens and some fairways will look a lot better in the fall with additional over seed. A report has been included from Clemson University on the effects of High Salinity Levels on turf grass. Engineer Ms. Troncoso noted in about two weeks to a week, will pump effluent water, Director Jarvis questioned why two weeks? And Director Davis questioned what kind of seed is being used? Mr. Gates stated Bent Grass, Director Moorhouse asked what kind of grass was used at R.O Pond irrigation land. Mr. Charlie McGinnis noted is Coastal Bermuda. Mr. Gates noted the kind of Bermuda sea water grass used in Florida, and is very expensive.

Mr. Gates noted Algae is another big problem being dealt on a daily basis, and being that we have 1500 heads it is an ever ending battle, hopefully the filter on the new pump system will eliminate this problem, thinking on injecting sulfuric acid to kill the algae and is not harmful to humans or animals. Director Davis question if being used already and Mr. Gates noted not yet, not able to plug and is a partial solution, need a sulfur burner it reduces acidity. Engineer Ms. Troncoso noted the sulfur burner only changes the chemistry, Director Jarvis noted algae has nothing to do with saline, and the sulfur burner is to address the algae and not the Salinity. Mr. Gates noted sulfur burner to allow salinity to pass down the root zone. Director Jarvis asked the Engineer to look for a solution. Mr. Gates reported play on the weekends has been fairly good while our weekly round has been down, not able to compare how much lost, since is our first year.

Mrs. Pena Alejandrina noted the air conditioners in the restaurant have not been fixed and she is losing clients due to the heat. Mrs. Pena has invested a lot of money and has not seen a return yet, Director Davis suggested to meet and discuss the problem.

Motion to take action on operational Spray field No. 1 report by Director Moorhouse
Seconded by Director Jarvis.

The ensuing vote was unanimous to approve

6: Consider and Take Action to Appoint New Board Member for Horizon Regional

Municipal Utility District.

Director Davis noted only two candidates left, Mr. Carrillo has stepped down. The Board Entered into Executive Session at 6:45 P.M.

The Board came back out of Executive Session at 7:49 P.M. Director Davis noted only Three of the five Board Members are present.

Motion was made by Director Jarvis to table Item until Director Thomas comes back And seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

7: **Consider and Take Action on Management Report relating to current Management And Operation of Activities of the District. (Management)**

Carlos McGinnis noted there were 9994 total active and inactive District Meters, the net change is 37 connections, average per month for 2013-14 =15, and total water pumped for the Wheeler Well is at 47.47%, and Desert Well 66.92% and total plant capacity is 53.75%. Waste water connections 7407 for this month and average 9.

Influent Received for May 2014 total from RO Brine 26,522,200 and actual Influent for April 41,302,300. Total plant capacity 3.0 MGD, percent of capacity 72.9%.

Mr. McGinnis moved to read the Operational report and noted all lift stations are functional, El Paso Hills Lift Station running on one side. And Woodale Lift Station running on one side, all of the tanks are online.

Mr. McGinnis reported nine loads of sludge where sent to the landfill in May, we met all parameters for the month of May, the computers are being replaced and SCADA system upgraded at this time. One blower VFD is not repairable and needs to be replaced. We are obtaining prices for the replacements. Both the bar-screen and the effluent lift station projects are nearing completion.

Mr. McGinnis moved to set the calendar, Director Davis noted would be out on the 9th, Spray Field meeting for the 7th at 3:00p.m. Operational Engineering on the 17th at 3:00 p.m. AFIL on the 21st at 11:00 a.m. PR Meeting on the 23rd at 3:00 p.m. and Board of Directors on the 23rd at 6:00 p.m.

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

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

No action required.

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

Engineer Ms. Troncoso discussed the fifteen service commitments, Plans under review, and projects under construction.

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

The contractor has set the pumps and is working on the electrical installation for the control panel. The Sludge removal contractor has been selected, the approval for the disposal of sludge to the Camino Real Landfill is pending, and the award for the contractor is anticipated for release within 30 days pending approval.

WWTP bar Screen Improvements

The contractor is currently in the process of completing the electrical control installation, Pay Estimate No.5 is on Agenda for approval

RO Concentrate Disposal and Permit Amendment

The piloting request has been approved by TCEQ, and are under review by TCEQ for approval.

The contractor for the RO Concentrate Pond Improvements is complete with the liner, the project is anticipated to be accepted for operation and maintenance at the July BOD meeting.

Ro Pre filtration

The Pre filtration system has been submitted to TCEQ for review and approval, TRE submitted the change of scope request for TCEQ for additional funding.

Booster Pump Station No. 4

The final Warranty documents have been issued. Pay Estimate No. 10 in on the BOD's Agenda for Acceptance.

Ro Membrane Replacement

The membrane has been installed in Train B, The membranes for Train A is being installed this week, and anticipated to go back in line on Monday June 30.

WWTP Permit Renewal

The permit is currently under technical review by TCEQ

Spray Field No. 1 Irrigation System Improvements

The site demolition is nearly complete, coordinating with Mr. Gates, Director Davis noted contractor has not been there for three weeks, Ms. Troncoso noted Pulled out to allow the decommissioning to be done.

Motion to accept the Engineer Report Relating the Construction and Activities of the District was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve

10. Moved before item 6 for discussion

11. Consider and Take Action on Pay Estimate No. 10 for Booster Pump Station No. 4 subject to related invoices of TRE and Associates and Johnson Petrov LLP.

Ms. Troncoso noted pay estimate No. 10 submitted by contractor, project is two years late, the termination date was June 13, 2012. Ms. Troncoso notified contractor would be responsible for any additional cost associated with the delay. The cost for Mr. Petrov is \$1095.00 and the cost for TRE is \$22,349.50.

Motion was made by Director Jarvis to recommend pay estimate No. 10, less expenses and damages incurred and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

12. Consider and Take Action on Acceptance of Booster Pump Station No. 4 for Operations and Maintenance.

Ms. Troncoso recommended to approve the completion of construction activities on the project and accept improvements for operation and maintenance.

Motion to approve acceptance of Booster Pump Station No.4 was made by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

13. Consider and Take Action on Maintenance Agreement for HVAC for Spray Field Club House.

Director Davis and Director Jarvis had met with Charles Boyle from Honeywell to discuss the Maintenance agreement for the Spray Field Club House. Director Davis questioned Mr. Alan Petrov if he had reviewed the Agreement. Mr. Boyle will visit the Spray Field Club House and do a survey and give a quote on the heating, ventilation and air conditioning.

Motion was made by Director Jarvis to award the Maintenance agreement be awarded to Honeywell. Pending Mr. Petrov review and approval, and Seconded by Director Moorhouse.

Director Jarvis asked Mr. Boyle if work could start tomorrow. Mr. Boyle agreed Work could begin while attorney Mr. Petrov verifies contract, Review and negotiations Need to start by July 1, 2014.

The ensuing vote was unanimous to approve.

14. Consider and Take Action on Replacement of Air Conditioning Unit at Wastewater Plant.

Mr. McGinnis noted had received three quotes, Aspen Air Conditioning gives 5 year Warranty and 5 year compressor warranty, requires only 65% of Deposit.

Motion was made by Director Jarvis to award the replacement of Air Conditioning Unit to B&G and seconded by Director Moorhouse, in the amount of \$14,000.

The ensuing vote was unanimous to approve.

15. Consider and Take Action on VFD Replacement Unit for Blower at Wastewater Plant.

Mr. McGinnis noted the VFD Replacement had been discussed at the Operations and Engineer, one of the blowers went out.

Motion was made to replace the VFD unit blower at Wastewater Plant by Director Jarvis and seconded by Director Moorhouse

The ensuing vote was unanimous to approve.

16. Consider and Take Action on I-10 Well 8 replacement of pump and pipe.

Mr. McGinnis noted received quotes to repair I-10 Well #8, and it was lower than expected, the lowest being West Texas Water Well Service with cost of \$12,501.00.

Motion was made to award the replacement of Well #8 of pump and pipe, to West Texas Water Well Services and seconded by Director Moorhouse with cost of \$12,501.00.

The ensuing vote was unanimous to approve.

17. Consider and take action on Desert Well 3-37 replacement of pipe, pump and motor.

Mr. McGinnis received quotes for the replacement of pipe, pump and motor at Desert Well 3-37 and the lowest again being West Texas Water Well Services at \$12,501.00.

Motion was made to replace pipe, pump and motor at Desert Well 3-37 by Director Moorhouse and seconded by Director Jarvis to West Texas Water Well Services at total cost of \$12,501.00

The ensuing vote was unanimous to approve.

18. Engage Arbitrage Compliance Specialist for review of the District's Unlimited Tax Bonds Series 2006.

Mr. Alan Petrov (Attorney) noted is a requirement to file a report with the IRS every 5 years to be in compliance with the Arbitrage, a final report needs to be reported on the series of 2006 Bonds.

Motion was made to engage the Arbitrage Compliance report for the unlimited tax bond series ending in 2006 by Director Jarvis and seconded by Director Moorhouse.

The ensuing vote was unanimous to approve.

19. Reports and Discussion of Other Matters That May come Before the Board

Director Moorhouse noted attended the meeting for the City and Mr. Ballard had an approval for the zoning of new construction, Director Davis noted attended the Summer AWDB Conference in Fort Worth Dallas and Director Jarvis, Mr. McGinnis and Mr. Petrov and Ms. Troncoso had also attended. Director Davis received a customer phone call inquiring about receiving a long Report in the mail, Mr. McGinnis explained is the consumer's confidence report that Severn Trent sends every year.

There being no further business before the Board, the meeting was, upon motion duly made, seconded and carried, adjourned at 8:37 p.m.

READ, APPROVED, AND ADOPTED THIS _____ DAY OF July 23, 2014



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



Bob Jarvis, Secretary
Board of Directors
Horizon Regional M.U.D.

JW/CM