

**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 August 24, 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
Bonnie Moorhouse	-	Vice President
Bob Jarvis	-	Secretary
Florence K. Thomas	-	Treasurer
Dean Hulsey	-	Assistant Secretary - Not Present

Director B. Davis called the meeting to order. A quorum was established. Also attending the meeting were the District's consultants: Severn Trent Services. Project Manager Charlie McGinnis, Administrative Assistant Elvia Muñoz, TRE & Associates Inc. Linda Troncoso, Johnson Petrov LLP Alan Petrov. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

Ms. Gina Cordero Solid Waste Outreach Coordinator from Lower Valley District, asked board members for inter local agreement. Ms. Cordero would like to service a small subdivision in Ascension 42 homes in Las Colonia's that do not have water and businesses as well. Advised that the billing would be taken care from Lower Valley Water. Board Members advised that permission was not necessary if they wanted to service those lots since they did not belong to Horizon Regional MUD.

5. CONSENT AGENDA.

A: Consider and Take Action to approve the Minutes of the Regular Meeting held on July 28, 2016 and Special Meeting held on August 5, 2016, Special Meeting held on August 12, 2016, Special Meeting held on August 18, 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 July 31, 2016.

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 August 2016 are: 10,283 Averaging connections per last (3) months= 4 Mr. McGinnis continues with well pumping report: Total gallons pumped for August 2016 were 197,323,700. Wheeler well field capacity is at 57.08% and Desert Well field is at 62.83% Waste water system reports total for the month of July 2016 is 7696 and year to date net change (6 month) is 419 averaging connections per last 3 months = 5

Influent received in July 2016 was 59,744,000

Effluent delivery total was 57,354,100 well water spray field is 14,845,000.

GLO 15,706,000 and SPUR 26,803,100

Total plant capacity: 3.0 MGD

Percentage of capacity: 63.7%

Mr. McGinnis requested approval to send \$905.40 to collections and \$11.21 for write offs.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve Management Report and to send \$905.40 to collections and \$11.21 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.

Ms. Troncoso explains on Spray Field No. 1 Lift Station and Force Main Improvements has not cashed check yet and Mr. Petrov has not heard anything either. Next Ms. Troncoso advised that El Paso Hills Lift Station replacement pre construction meeting is being scheduled for next week. GST-2B TRE has obtained TCEQ escrow release, and awaiting advertisement of project pending availability of additional bond funds. For the Town of Horizon City Zoning Amendment Ms. Troncoso advised that Mr. Petrov has not heard from them. Ms. Troncoso advised that their attorney was to get with Mr. Petrov. Director B. Davis asked Ms. Troncoso to set up a meeting with City of Horizon to follow up with Michelle Padilla.

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

Mr. Delgadillo reported that rain has been great for greens. Mr. Delgadillo advised that a tournament was coming up on Saturday August 27, 2016 at 7:30 a.m. and 17 people confirmed from Vista Hills to have breakfast at Moonlight and had already advised Mrs. Pina to be ready. Director B. Davis asked Mr. Delgadillo on rounds. Mr. Delgadillo reported that there was 110 rounds per day. Monday's 60-70 Friday's 60 and Tuesday – Thursday were slow days.

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

No action taken.

10. CONSIDER AND TAKE ACTION ON REPAIR OF WELL I-35.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to authorize repairs from West Texas Water Well Service for Well I-35.

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON REPAIR OF WELL 2-32.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to authorize repair from West Texas Water Well Service for Well 2-32

Vote was unanimous to approve.

12. CONSIDER AND TAKE ACTION ON FINAL PAY ESTIMATE FOR RO MEMBRANE REPLACEMENT PROJECT.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve final pay estimate for RO Membrane Replacement Project.

Vote was unanimous to approve.

13. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF OPERATIONS AND MAINTENEANCE OF RO MEMBRANE REPLACEMENT PROJECT.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas on acceptance of operations and maintenance of RO Membrane Replacement Project.

Vote was unanimous to approve.

14. CONSIDER AND TAKE ACTION ON PAY ESTIMATE FOR 20" WELL GATHERING LINE RELOCATION.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to approve final payment of \$49,500.00 to Bain Construction.

Vote was unanimous to approve.

15. CONSIDER AND TAKE ACTION ON ACCEPTANCE OF OPERATIONS AND MAINTENANCE OF 20" WELL GATHERING LINE RELOCATION.

Motion was made by Director B. Jarvis and seconded and seconded by Director K. Thomas to approve and accept maintenance of 20" well gathering line relocation.

Vote was unanimous to approve.

16. CONSIDER AND TAKE ACTION ON APPROVAL OF BUDGET FOR 2016-2017.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve budget pending approval of tax rate.

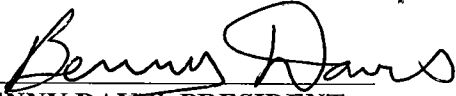
Vote was unanimous to approve.

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

Director B. Davis requested to have a committee to discuss contract from El Paso Disposal. Director B. Davis also advised that Lower Valley District does not need permission from District to drive through Horizon streets. Director K. Thomas and Director B. Jarvis will combine committee with Mr. McGinnis and Ms. Quesada regarding Lower Valley Water. Director K. Thomas advised will contact Ms. Quesada once ready for meeting. Mr. Petrov advised that commercial customers had their own choice of what disposal business they wanted. Ms. Troncoso confirmed that the 42 lots in Ascension did not belong to the District and did not belong to Lower Valley Water either. Director B. Davis advised Mr. Delgadillo that he was very pleased with his work at the golf course.

There being no further business before the Board, the meeting was upon motion made by Director B. Jarvis duly made and seconded by Director B. Moorhouse all in favor and carried, adjourned at 6:59 P.M

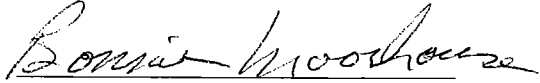
READ, APPROVED, AND ADOPTED THIS 22ND DAY OF SEPTEMBER 2016.



BENNY DAVIS, PRESIDENT

Board of Directors

Horizon Regional M.U.D.



BONNIE MOORHOUSE, VICE PRESIDENT

Board of Directors

Horizon Regional M.U.D.

EM/CM