

**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 August 27, 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. Moorhouse 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, TRE & Associates, Inc. Linda Troncoso, and District Attorney Alan Petrov. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

Mr. Joe Olivas a Horizon Investor asked Board Members for discount on water bill due to high consumption. Director B. Jarvis and Director B. Moorhouse explained to Mr. Olivas that customer is responsible for water leak. No discount would be given.

5. CONSENT AGENDA.

A: Consider and Take Action to approve the Minutes of the Regular Meeting held on July 23, 2015 and Special Meeting held on July 31, 2015, Special Meeting on August 20, 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 July 31, 2015.
- D: Consider and Take Action on RO Concentrator Improvements Project Pay Estimate No.8.

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.

Account Manager, Mr. McGinnis advised Board Members that a customer request newsletter was placed in their Board books that Severn Trent Services provides. Director K. Thomas asked if it was in the website. Mr. Steelman replied yes. Mr. McGinnis continues with report and explains the net water connections. Total active, inactive and district meters for the month are: 10,079 Averaging connections per last (3) months= 9

Mr. McGinnis continues with well pumping report: Total gallons pumped for July 2015 were 160,754,308. Wheeler well field capacity is at 48.50% and Desert Well field is at 54.07% Waste water system reports total for the month of June 2015 is 7497 and year to date net change (6 month) is 220 averaging connections per last 3 months = 5

Influent received in July 2015 was 64,524,000

Effluent delivery total was 61,943,200 well water spray field is 17,402,200.

GLO 23,227,700 and SPUR 21,313,300

Total plant capacity: 3.0 MGD

Percentage of capacity: 68.4.0%

Mr. McGinnis reported that 8 customers were assisted with late fees. All inquiries were resolved. For the month of August 2015 Mr. McGinnis concluded that approval was needed to send \$1,283.66 to collections and \$25.98 for write offs.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve Management Report and to send \$1,283.66 to collections and \$25.98 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 explains that the lift station is fully-automated and operation is pending. The delivery and installation of radio communication devices as per Mr. McGinnis he advised they were out of stock and would be received in two weeks. On Spray Field No.1 irrigation system improvements STS is currently cleaning out the intake structure. Mr. McGinnis and Director D. Hulsey will be meeting tomorrow Friday 8-28-15 at the golf course at 10:00 A.M. with Mr. Delgadillo. Director D. Hulsey asked if there was air conditioner at the pump house. Mr. McGinnis explained there was no air conditioner at the pump house. Mr. McGinnis explained there was no air conditioner but could install a vent. Ms. Troncoso advised she and Mr. McGinnis would get together to fix vent problem. On GST-2B the plans have been submitted to TCEQ for review and approval. The electrical design is underway.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas 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 explains still having issues with water system. Only getting 50-70% of water with new pump. Advised everything was ready to go and would be going to Albuquerque to get sod. Mr. Delgadillo advised he had already asked Mr. McGinnis to have forklift ready. It was advised to Board Members that revenue still going up, and tournaments are doing great. The over seeding will be completed on September 8, 2015. Mr. Delgadillo reported that Mrs. Pina is now opening at 7:30 A.M. but while seeding, Mrs. Pina will only be opening for lunch. Director D. Hulsey asked if all seeding was in. Mr. Delgadillo said yes. Mr. Delgadillo asked Mr. Paxton what chemical was being used to treat the water. Mr. Paxton said with AQUA SHADE. Director D. Hulsey said the pond looked great. Mr. Delgadillo suggested to keep doing it in the winter.

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

Vote was unanimous to approve.

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 CHANGE ORDER NO.4 AND CHANGE ORDER NO.5 FOR RO CONCENTRATOR PROJECT.

Motion was made by Director K. Thomas and seconded by Director B. Jarvis to deduct \$30,000.00 to contract form R.M. Wright Construction.

Vote was unanimous to approve.

11. CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 9 FOR RO CONCENTRATOR PROJECT.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey for final pay estimate No. 9 for RO Concentrator Project.

Vote was unanimous to approve.

12. CONSIDER AND TAKE ACTION ON ACCEPTANCE FOR OPERATIONS AND MAINTENANCE OF RO CONCENTRATOR PROJECT.

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

Vote was unanimous to approve.

13. DISCUSSION AND POSSIBLE ACTION CONCERNING THE DE-ANNEXATION REQUEST BY BOWLING ENTERPRISES, LTD CONCERNING 35 ACRES WITHIN THE DISTRICT AND ADOPTING AN ORDER AMENDING THE BOUNDARIES OF THE DISTRICT.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve final de-annexation.

Vote was unanimous to approve.

14. DISCUSS PROPOSED 2015 TAX RATE, HEAR FINANCIAL ADVISOR'S RECOMMENDATION, AUTHORIZE PUBLICATION OF EFFECTIVE TAX RATE CALCULATION, AND ESTABLISH PUBLIC HEARING DATE REGARDING 2015 TAX RATE.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to set date on September 17, 2015 tax rate.

Vote was unanimous to approve.

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

Attorney A. Petrov explains in respect to settlement with Cubic Water LLC the District had issues with both contracts. Mr. Petrov explains he has been working on them separately and the retainage will stay as bond. Cubic Water had agreed but now that Cubic Water has moved the line they want to get paid. Mr. Petrov asked Board Members what they wanted to do. Mr. Petrov also recommends to say no to Cubic Water. Director B. Jarvis advised Mr. Petrov to keep both contracts and to treat them both differently.

16. REVIEW AND DISCUSS NEW LEGISLATION AFFECTING WATER DISTRICTS ENACTED IN THE 84TH TEXAS LEGISLATIVE SESSION.

Mr. Petrov asked Board Members if they received report by mail. Director B. Jarvis answered no. Mr. Petrov explains it is a legislation about issues, and rights of condemnation. Posting of Agendas is one. Agendas can now be handled internally. Another one is disclosure issues. Mr. Petrov concluded he will be sending the report for Board Members to read.

17. CONSIDER AND TAKE ACTION ON REPAIR OF AIR CONDITIONING UNIT AND AT RO BOOSTER PUMP HOUSE.

Mr. McGinnis explains 3 prices for RO Plant air conditioning repair, at RO Booster Pump House. Mr. McGinnis advised that B&G Air Conditioning, Inc. is cheaper but would like to recommend Gray Heating and Air Conditioning.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve. Gray Heating and Air Conditioning for repair of Air conditioning unit at RO Booster Pump House.

Vote was unanimous to approve.

18. CONSIDER AND TAKE ACTION ON DESERT WELL 14-36 REHAB.

Table item #18.

19. CONSIDER AND TAKE ACTION ON LEASE FOR TANK 1 WITH JORGE QUIJAS.

Mr. McGinnis explains that STS employee Jorge Quijas asked if he could be allowed to move his mobile home to Tank 1.

Mr. Petrov advised to write a Lease Agreement of how it should be maintained. Insurance will also need to be added to Lease.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve Mr. Jorge Quijas

to Lease and move into Tank 1.

Vote was unanimous to approve.

20. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA CONSTRUCTIORS.

Mr. Petrov explains offer has been made to bring to Board Members this construction contract and golf course dispute, due to pump not working properly and new intake line that had to be done. Mr. Petrov explains that last offer from Karlsruhe, Inc. they would give up their claim and the District give up claim as well and the \$28,000.00 that district has as retainage. Mr. Petrov does not recommend offer.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to reject last offer.

Executive session at 6:56P.M.

Back from executive session 7:50 P.M.

Director B. Moorhouse advised that Director B. Jarvis and Director D. Hulsey had been appointed to the Horizon Drainage for working with the City of Horizon Committee.

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

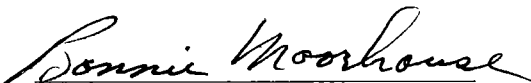
No discussion was made.

There being no further business before the Board, the meeting was upon motion made by Director D. Hulsey duly made and seconded by Director K. Thomas all in favor and carried, adjourned at 7:51 P.M.

READ, APPROVED, AND ADOPTED THIS 24th OF SEPTEMBER 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 AUGUST 27, 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 JUNE 23, 2015 AND A SPECIAL MEETING HELD ON JULY 31, 2015, SPECIAL MEETING HELD ON AUGUST 20, 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 JULY 31, 2015.	APPROVED 4-0
5D:	CONSIDER AND TAKE ACTION ON RO CONCENTRATOR PROJECT 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. 4 AND CHANGE ORDER NO. 5 FOR RO CONCENTRATOR PROJECT.	APPROVED 4-0
11:	CONSIDER AND TAKE ACTION ON PAY ESTIMATE NO. 9 FOR RO CONCENTRATOR PROJECT.	APPROVED 4-0
12:	CONSIDER AND TAKE ACTION ON ACCEPTANCE FOR OPERATIONS AND MAINTENANCE OF RO CONCENTRATOR PROJECT.	APPROVED 4-0
13:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE DE-ANNEXATION REQUEST BY BOWLING ENTERPRISES LTD CONCERNING 35 ACRES WITHIN THE DISTRICT AND ADOPTING AND ORDER AMENDING THE BOUNDARIES OF THE DISTRICT.	APPROVED 4-0
14:	DISCUSS PROPOSED 2015 TAX RATE, HEAR FINANCIAL ADVIORS RECOMMENDATION, AUTHORIZE PUBLICATION OF EFFECTIVE TAX RATE CALCULATION, AND ESTABLISH PUBLIC HEARING DATE REGARDING 2015 TAX RATE.	APPROVED 4-0
15:	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACTS BETWEEN THE DISTRICT AND CUBIC WATER, LLC.	N/A
16:	REVIEW AND DISCUSS NEW LEGISLATION AFFECTING WATER DISTRICTS ENACTED IN THE 84 TH TEXAS LEGISLATIVE SESSION.	N/A
17:	CONSIDER AND TAKE ACTION ON REPAIR OF AIR CONDITIONING UNIT AT RO BOOSTER PUMP HOUSE.	APPROVED 4-0
18:	CONSIDER AND TAKE ACTION ON DESERT WELL 14-36 REHAB.	ITEM TABLED

19	CONSIDER AND TAKE ACTION ON LEASE FOR TANK 1 WITH JORGE QUIJAS.	APPROVED 4-0
20	DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA CONSTRUCTORS.	APPROVED 4-0
21	REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.	N/A

