

**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 September 24, 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
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, TRE & Associates, Inc. Linda Troncoso. The Pledge of Allegiance was said with audience participation.

**4. RECEIVE CITIZEN COMMUNICATIONS.**

No citizen communications.

**5. CONSENT AGENDA.**

A: Consider and Take Action to approve the Minutes of the Regular Meeting held on August 27, 2015 and Special Meeting held on September 17, 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 August 31, 2015.
- D: Consider and Take Action on RO Pre-Filtration Improvements Pay Estimate No. 7.

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.**

Director B. Davis asked on concentrator. Ms. Troncoso explained it was a regular concentrator with new technology. Mr. McGinnis explains the net water connections. Total active, inactive, for the month of August 2015 are: 10,077. Averaging connections per last (3) months= 7

Mr. McGinnis continues with well pumping report: Total gallons pumped for August 2015 were 180,717,455. Wheeler well field capacity is at 47.43% and Desert Well field is at 51.83% Waste water system reports total for the month of August 2015 is 7520 and year to date net change (6 month) is 243 averaging connections per last 3 months = 3

Influent received in August 2015 was 75,736,640

Effluent delivery total was 72,707,300 well water spray field is 7,026,000.

GLO 15,002,000 and SPUR 50,679,300

Total plant capacity: 3.0 MGD

Percentage of capacity: 80.5%

Mr. McGinnis reported that 9 customers were assisted with late fees. All inquiries were resolved. For the month of September 2015 Mr. McGinnis advised that a total of 1,150 delinquent letters were mailed and 50 disconnections were done. Mr. McGinnis concluded that approval was needed to send \$1,377.39 to collections and \$9.71 for write offs. Director B. Davis advised Mr. McGinnis to contact Mr. Mark Steelman regarding conference, advised did not want phone conference preferred conference in person.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve Management Report and to send \$1,377.39 to collections and \$9.71 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 explained Horizon Regional applications for service commitment are awaiting revised plans from HC 91 BLK 788-791 and carwash at Eastlake. On Spray Field No. 1 Lift Station and Force Main Improvements, the radio receivers have been received and installed at the Lift Station. On Spray Field No. 1 Irrigation System per Mr. Petrov and Ms. Troncoso has not been settled yet and Ms. Troncoso advised Board Members that District can be involved in a lawsuit. It is Mr. Petrov's recommendation to go in arbitration. Ms. Troncoso claims the District is still holding \$20,000.00 and the change out of screen per Ms. Troncoso was the contractor's fault. A mediation can be just fine as per Director B. Davis. Director B. Davis recommends to set a special meeting or can also be discussed at Spray Field Meeting.

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 that the bent seed is coming really good. Fairways are slowly growing, and pond looks great. Director B. Davis advised to install a screener on temporary pump. Mr. Delgadillo concluded that on October 2<sup>nd</sup>, 2015 golf course will reopen again for their 1<sup>st</sup> tournament.

**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 DISTRICT BUDGET FOR FISCAL YEAR 2015-2016.**

Director K. Thomas advised that copy was already presented to Board Members on previous meeting. Director K. Thomas also explained that she had met with Mr. Delgadillo regarding Spray Field Budget and it is similar to the one approved in the Budget Committee Meeting. Golf Course budget will remain the same.

Motion was made by Director B. Jarvis and seconded by Director D. Hulsey to approve District budget for fiscal year 2015-2016.

Vote was unanimous to approve.

**11. REVIEW AND APPROVE AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2014.**

As per Mr. Petrov notes from email that was sent to Board Members. Mr. Petrov recommends that the Board vote now to accept the 2014 audit in order to finalize document.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to approve 2014 financial report.

Vote was unanimous to approve.

**12. CONSIDER AND TAKE ACTION ON PROPOSALS FOR ANNUAL AUDIT OF ITS FISCAL YEAR ENDING SEPTEMBER 30, 2015.**

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to authorize McCall Gibson Swedlund Barfoot PLLC for annual audit of its fiscal year ending September 30, 2015

Vote was unanimous to approve.

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

Per email notes from Mr. Petrov. Cubic Water has in principal agreed to the resolution of the membrane replacement contract using the retainage, as proposed as a cash bond for warranty period. The agreement, however, was contingent on resolution of the Lift Station and force main contract, which is also with Cubic Water. Cubic Water believes that they have completed the work and we believe that they owe the District for damages to the Lift Station resulting from faulty construction. Mr. Petrov recommends mediation or some form of simple arbitration. Mr. Petrov asks for approval from the Board to explore this option with Cubic Water's attorney.

Motion was made by Director B. Jarvis and seconded by Director B. Moorhouse to authorize attorney Mr. Petrov to explore with Cubic Water's attorney.

Vote was unanimous to approve.

**14. CONSIDER AND TAKE ACTION ON THE EL PASO COUNTY STORMWATER CONTROL AUTHORITY INCLUDING APPOINTMENT OF A REPRESENTATIVE TO THE BOARD OF DIRECTORS OF AUTHORITY.**

Ms. Troncoso explained meeting with El Paso County Storm Water-Control Authority would be meeting quarterly.

Motion was made by Director B. Moorhouse and seconded by Director K. Thomas to appoint Director B. Jarvis as the voting Board Member and Ms. Troncoso a voting alternate. Mr. McGinnis will contact Mr. Petrov if legal for Ms. Troncoso to be the voting alternate.

Vote was unanimous to approve.

**15. CONSIDER AND TAKE ACTION ON HB 3357 RELATED TO POSTING OF DISTRICT MEETING NOTICES ON THE DISTRICT'S WEBSITE INSTEAD OF AT THE COUNTY COURTHOUSE.**

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to authorize use of website as 1<sup>st</sup> method to post agenda, 2<sup>nd</sup> method to post agenda with County Clerk at El Paso County, and 3<sup>rd</sup> method to post outside on our bulletin board.

Vote was unanimous to approve.

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

Mr. McGinnis advised Board Members he recommends West Texas Water Well to repair Well 14-36

Motion was made by Director K. Thomas and seconded by Director B. Moorhouse to approve West Texas Water Well Service to repair Well 14-36 in the amount of \$17,712.00

Vote was unanimous to approve.

**17. DISCUSSION AND POSSIBLE ACTION CONCERNING THE CONSTRUCTION CONTRACT BETWEEN THE DISTRICT AND KARLSRUHER, INC. D/B/A CSA CONSTRUCTORS.**

As per Mr. Petrov email he recommends to explore mediation as an option for this item to resolve the impasse and finalize contract.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to authorize Mr. Petrov to pursue the use of mediation or arbitration with Karlsruher, Inc. d/b/a CSA Constructors.


Vote was unanimous to approve.

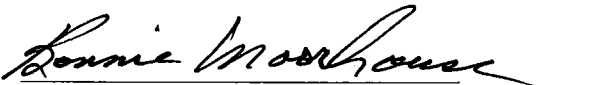
**18. REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.**

Director B. Moorhouse asked Mr. McGinnis if four operators would be rotating thru out the month to be on call. Mr. McGinnis advised yes there would be four operators rotating. Ms. Troncoso advised that she and Mr. Paxton were invited to attend meeting with Group Design CEA.

There being no further business before the Board, the meeting was upon motion made by Director K. Thomas duly made and seconded by Director D. Hulsey all in favor and carried, adjourned at 7:15 P.M.

**READ, APPROVED, AND ADOPTED THIS 22nd OF October 2015.**

  
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**BOB JARVIS, SECRETARY**  
Board of Directors  
Horizon Regional M.U.D.

  
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**BONNIE MOORHOUSE, VICE PRESIDENT**  
Board of Directors  
Horizon Regional M.U.D.

EM/CM