

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
HORIZON REGIONAL M.U.D.**

A special meeting of the Board of Directors of the Horizon Regional M.U.D. was held on January 21, 2016 at 3:00 p.m. 14100 Horizon Blvd, Horizon City, Texas, pursuant to notice given in accordance with the law.

The roll was called off the members of the board, to-wit:

Benny Davis	-	President	- Not Present
Bonnie Moorhouse	-	Vice President	
Bob Jarvis	-	Secretary	
Kit Thomas	-	Treasurer	
Dean Hulsey	-	Asst. 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, Administrative Assistant Elvia Munoz, Operations Manager Joe Paxton, TRE & Associates, Inc. Linda Troncoso, John Jansing, and Adrian Rosas. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

No citizen communications.

5. CONSIDER AND TAKE ACTION TO APPROVE THE PAYMENT OF BILLS AND INVOICES FOR OPERATIONS AND CONSTRUCTION FOR SPRAY FIELD; AND TO APPROVE THE TRANSFER OF FUNDS FOR SPRAY FIELD #1.

Motion was made by Director B. Jarvis and seconded by Director K. Thomas to approve the payment of bills and invoices for operations and construction for Spray Field, and to approve the transfer of funds for Spray Field No. 1

Vote was unanimous to approve.

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

Mrs. Pina advised Board Members that she has a new partner for her business at Moonlight P&Q, LLC. Mrs. Pina reported that the year 2015 was a better year and had made \$150,000.00 in sales. Mrs. Pina concluded that hopefully her new partnership will work better for the restaurant.

7. CONSIDER AND TAKE ACTION, IF NECESSARY, ON SPRAY FIELD OPERATIONS.

Mr. Delgadillo reported that for the month of December 2015 was not a good month due to bad weather. The first two weeks of January 2016 were also slow. Mr. Delgadillo also advised Board Members that \$1,300.00 were spent to purchase a water heater. Mr. Delgadillo advised he anticipates to sell \$15,000.00 in sales for the month of January 2016. An agronomist toured the golf course with Mr. Delgadillo and was advised to do more seeding in the greens this year. Director B. Jarvis asked if the golf course would need to be closed again this year for seeding. Mr. Delgadillo explained closure would only be for 2-3 days in April of this year.

8. OPERATIONS AND ENGINEERING REPORT.

Operations:

Operations Manager Mr. Paxton explains that Duanesburg Lift Station the riser pipe on pump 2 has a hole. Prices are being obtained for repairs. On section 32 Lift Station is running on one side due to a problem in the control panel. IDESaA has been contacted to troubleshoot the problem. El Paso Hills Lift Station running on one side. Pump 2 went out and has been sent to the shop for repairs. The Wastewater Treatment Plant fourteen loads of sludge were hauled to the Camino Real Landfill in December 2015. On Water Wells, motor on I-10 well 6 went out. Motor is being repaired the Cla-Valve on Wheeler Well 3 has failed. Prices are being obtained and received price from JCH for \$7,000.00 for Cla-Valve. Pump Station 3 bearings on Pump 1 has started to make noise. Pump has been sent for repairs. Mr. Paxton advised still running on Concentrator B. Director B. Jarvis asked how evaporations level were. Mr. Paxton and Ms. Troncoso advised levels were very high. Ms. Troncoso advised she would check on getting a new meter set for the concentrate ponds for aerators to help evaporate. Mr. McGinnis advised would have prices for next agenda. Mr. McGinnis added that he would need approval from Board Members to have Kendrick Electric check all electrical issues for safety pre-cautions, and to survey for all facilities. Board Members advised Mr. McGinnis to input for next regular agenda.

Motion was made by Director K. Thomas and seconded by Director D. Hulsey to install pricing on consent agenda.

Vote was unanimous to approve.

Mr. Paxton explained total water production by day:

Average daily use 3,896,900= 1.46 residual

Maximum daily use 5,512,600=2.00 residual

Minimum daily use 2,474,600= 1.03 residual

Waste water totals for the month December 2015:

Percent of permitted to Spray Field is 51.2%

Percent of permitted to GLO is 90.9%

Percent of permitted influent to STP is 53.0%

Percent of permitted effluent to Mesa Spur drain is 14.1%.

Mr. Paxton explains the HRMUD effluent annual average is:

Total effluent 2.0672

Golf Course 0.3284

GLO 0.6571

MSD 1.0689

RO 0.4651

Permit Maximum:

Total effluent 3.0000

Golf Course 0.5000

GLO 1.0000

MSD 3.0000

RO 0.5294

Engineering:

Ms. Troncoso reported that application for water and sewer was received for a Neighborhood Wal-Mart At Darrington and Eastlake. On RO Membrane Replacement Project Mr. Petrov has not heard anything from Herald Davis. On SF #1 Lift Station Replacement Project week of the 4th Bob Johnson started the system and a Tee broke and was not running correctly. Mr. Rosas and Johnson's group have been following up on Tee failures. Bob Johnson has been contacted due to 7 of 10 Tee's have failed. Ms. Troncoso advised that Randy Wright has pictures that this happened after installation was done. Mr. Bob Johnson & Associates advised Ms. Troncoso that maybe they were adjusted. Estimation was done by Randy Wright that fixture can cost from \$18,000.00 to \$20,000.00 numbers can change. Ms. Troncoso recommends to remove supports with understanding in writing with Bob Johnston & Associates. Director D. Hulseby advised that Bob Johnson needs to come in and fix piece of equipment to work correctly. Ms. Troncoso advised that the design parameters were given to have installation be done correctly. Board advised Ms. Troncoso to get litigator. Ms. Troncoso advised she would make an appointment to see one as soon as possible. Mr. Jansing advised that warranty should be valid as stated, but thinks that President of the Company might not give warranty. Board advised Ms. Troncoso to make Mr. Petrov aware of issue with litigator and advised not to remove supports until Ms. Troncoso speaks with attorney. On Booster Pump Mr. Petrov has sent letter to CSA to see if we had an agreement to close out project. On El Paso

Hills Lift Station Replacement Project bid will be going out soon. On GST-2B Design is 1.5 million dollars. On Horizon City Drainage exhibit was sent from Town of Horizon and looks better. Proposed dirt would be about 100,000 yards of dirt. The proposed pond has gone further east.

Workshop:

Mr. Rosas presents 2016 Bond Project Workshop. Horizon Regional MUD – Historical % annual growth: In 2015 there was 1.6% in growth, 20 year total increase =7,400 total connections.

Water connection averages 1995-2015 average 370 annual growth, 31 monthly growth and 7.6% annual growth.

Future growth rate of 215 connections per year.

TCEQ water capacity milestone requirements. Based on 5 year average growth rate:

- Hit 75% of water treatment plant capacity in 2018
- Hit 75% of raw water supply capacity in 2021
- Hit 85% of elevated storage capacity in 2021

Water Treatment:

- RO Feedwater GST
- RO Feedwater BPS
- 3-Stage RO WTP (4.2 MGD Total)
- ZLD Concentrate Treatment System

Water Distribution:

- Potable water BPS
- Elevated Storage
- 1.0 MG Elevated Storage Tank
- Recommended 2.0 MGD WWTP Improvements
- Recommended Manhole replacement

Mr. Rosas concluded that all of the above meets bond authorization.

9. **EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE REGARDING CONSULTATION WITH THE DISTRICT'S ATTORNEY CONCERNING THE RO PREFILTER PROJECT.**

Item #9 Tabled.

10. CONSIDERATION AND POSSIBLE ACTION CONCERNING MATTERS IN EXECUTIVE SESSION.

Item #10 tabled.

Executive session started at 5:25 p.m.


Executive session ended at 6:15 p.m.

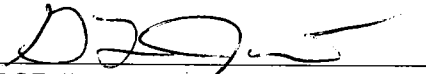
11. REPORTS AND DISCUSSION OF OTHER MATTERS THAT MAY COME BEFORE THE BOARD.

No reports or discussions were made for item #11.

There being no further business before the Board, the meeting was upon motion made by Director B. Jarvis duly made and seconded by Director D. Hulsey all in favor and carried, adjourned at 6:18 p.m.

READ, APPROVED, AND ADOPTED THIS 27TH DAY OF JANUARY 2016.


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


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

EM/CM