

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

A work shop meeting of the Board of Directors of the Horizon Regional M.U.D. was held on January 4, 2017 at 1:30 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
Gordon Jarvis	-	Secretary
Florence K. Thomas	-	Treasurer
Dean Hulsey	-	Asst. 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 Munoz, TRE & Associates, Inc. Linda Troncoso, Adrian Rosas, and David Duran. The Pledge of Allegiance was said with audience participation.

Mr. Rosas presents 2017 Bond Project Work Shop. HRMUD- past and current bond water projects:

- RO Pre-Filter
- Ground Storage Tank 2-B
- Water Line Replacement
- Wastewater Lagoon Decommissioning
- El Paso Hills Lift Station Replacement
- Aeration Blowers
- WWL and Manhole Replacement/Remediation

Historical growth for Horizon Regional, 20 year total increase = 7,360 connections. TRE assumed a future growth rate of 215 connections per year.

Current number of connections as of 12-22-2016:

- Water 9,981 connections
- Wastewater 7,767 connections

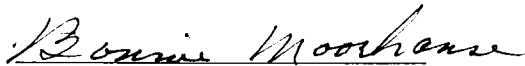
Field data demand - Hit 84% WTP capacity for peak day in July 2015 and 88% in August 2016. Ms. Troncoso explains that Mr. Ballard was the only one with subdivisions. Ms. Troncoso advised new developers are in and most are commercial growth. Ms. Troncoso advised existing WW discharge permit expires September 1, 2018. Recommended permit application initiation minimum of 1 year prior to expiration date.

Series 2018 = Total bond issue = \$38.4M

Series 2021 = Total bond issue = \$29.8M

Director B. Davis recommends another work shop meeting to discuss what project has priority. Ms. Troncoso advised that the RO Plant is a 2-3 year project, and Elevated Storage Project will be quicker. Director B. Davis asked Ms. Troncoso what can be done to test the Mountain Shadow Lake. Ms. Troncoso advised a test run would be needed to get samples at Mountain Shadow Lake. Director B. Davis advised it be a great idea to buy the lake that it be very beneficial for the District.

READ, APPROVED, AND ADOPTED THIS 23RD DAY OF FEBRUARY 2017.



BONNIE MOORHOUSE, VICE PRESIDENT

Board of Directors

Horizon Regional M.U.D.



GORDON JARVIS, SECRETARY

Board of Directors

Horizon Regional M.U.D.

EM/CM