

**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 October 17, 2014 at 1:00 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:

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|------------------|---|-------------------------|
| Benny Davis | - | President – Not Present |
| Bonnie Moorhouse | - | Vice President |
| Bob Jarvis | - | Secretary |
| Kit Thomas | - | Treasurer |
| Dean Hulsey | - | Asst. Secretary |

Director Bonnie Moorhouse 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, Assistant Manager Joe Paxton, Lead Operator Miguel Luna, and TRE & Associates, Inc. Linda Troncoso. 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.

Director B. Jarvis made a motion 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 and was seconded by Director D. Hulsey.

Vote was unanimous to approve.

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

Mrs. Alejandrina Pina advised Board Members that she has been hearing that the golf course looks wonderful. Director K. Thomas asked Mr. Gates for the opening date at the golf course. Mr. Gates advised them that he will let them know by next Board Meeting.

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

Mr. Gates explained that the golf course has made excellent progress, and that Dr. Doss was amazed of how much better the growth is. Mr. Gates confirms that by November 1st the 16 greens will be ready, and that 12 & 13 will be tarped. Director D. Hulsey explained that with new grass, it can be tarped to keep the heat in, and also helps the grass grow. Mr. Gates advised Board that the tarping would cost approximately \$400.00. Director D. Hulsey replied that \$400.00 are well spent. Director K. Thomas asked Mr. McGinnis to call Attorney A. Petrov to find out if contract was fine. Director D. Hulsey asked to make sure school coaches need to take full responsibility with their students. Mr. Gates responded that contact did specify. Mr. Gates advised Board Members that a copy of the inventory was in their books to review if needed. Mr. Gates explained that his understanding was to open by November 1st, 2014, but is asking for permission to approve the opening until November the 8th, 2014. Director D. Hulsey advised all that if the golf course opens on a later date advertising needs to be done. Director D. Hulsey also explained that the greens look good now but the freeze days are getting closer. Director D. Hulsey advised that the weekend of the 8th and the 9th the golf course can get a soft opening and have some music, food, and a special to golf. Mrs. Pina agreed and advised Board Members that it would be an excellent idea. Director B. Jarvis concluded that the soft opening can be done on the 1st and the grand opening on the 9th.

Director B. Jarvis made a motion to approve Spray Field Report and seconded by Director D. Hulsey.

Vote was unanimous to approve.

8. **CONSIDER AND TAKE ACTION ON LOAN FROM WESTSTAR BANK FOR GOLF CARTS.**

Director K. Thomas made a motion to approve Loan from WestStar Bank for golf carts and was seconded by Director B. Jarvis.

Vote was unanimous to approve.

8. OPERATIONS AND ENGINEERING REPORT.

Lead Operator Mr. Luna explained that all lift stations were operational with the exception of El Paso Hills Lift Station #2 running on one side, one pump has been sent to the shop for repairs. Next Mr. Luna explains that the sewage treatment plant had four loads of sludge hauled to Clint Landfill in September 2014. R.M. Wright checked the coarse bar screen and is under warranty. Bar Screen is working mechanically per specs but seems to be plugged and needs to be lifted and cleaned. Also the lift station to the golf course is operating. Director K. Thomas asked if there's an electrical problem on the golf course lift station. Ms. Troncoso and Mr. McGinnis said there is an electrical problem but that they are working with the electricians and SCADA technicians on fine-tuning the level controls. Mr. Luna now explains on water wells wheeler well 7 has been rehabbed and will be placed back into operations when a clear bact is obtained. Wheeler well 6 has been pulled to determine repair costs. Well 16-36 is back online with the system. The back wells are on and pumping to GST #3. Next Mr. Luna explained to water production by day.

Average daily use 4,559,600 = 1.35 residual
Maximum daily use 6,531,000 = 2.01 residual
Minimum daily use 2,278,400 = 1.0 residual

Waste water totals for the month September 2014:
Percent of permitted application rate to golf course is 49.5%
Percent of permitted to GLO is 58.2%
Percent of permitted influent to STP is 65.3%
Percent of permitted effluent to Mesa Spur drain is 31.4%.

Mr. Luna concludes that HRMUD effluent annual average is:

Total effluent 1.9795
Golf Course 0.1850
GLO 0.7336
MSD 1.0416
RO 0.5148

Permit Maximum:

Total effluent 3.0000
Golf Course 0.5000
GLO 1.0000
MSD 3.0000
RO 0.5294

Director B. Moorhouse asked if Cubic Water was finished. Mr. McGinnis explained that walk-thru was going to be Monday October 20th, 2014. Director B. Jarvis asked on status of leaks. Mr. McGinnis explained only averaging 1 to 2 leaks per day, all by the manor and all seem to be polyline problems. Mr. McGinnis also explained that the leaks having the problems are subdivisions that are 8-10 years old. Mr. McGinnis concluded that our new Regional Manager would be here for our next Board Meeting on October 23, 2014.

Engineer L. reported that Pizza Properties have submitted plans, but comments were still under review. Director K. Thomas suggested to Ms. L. Troncoso to write them a letter of what they are still missing. Consent was given for RO Train repairs and membrane replacement improvements pay estimate No. 2. Consent was also given for lift station project for Spray Field #1 and consider pay estimate No. 5. Ms. Troncoso explained that a letter was sent and received from TCEQ. Ms. Troncoso also explained that TCEQ has lost letter, but was resent FedEx by Mr. McGinnis. This letter was also turned to Attorney A. Petrov. Ms. Troncoso advised that RO concentrate pond improvements explained cost of material, the breakdown was on the estimate recap report copy that was handed out to them to review. Ms. Troncoso advised that she does not recommend it at this time and that the change order will be for discussion for next meeting. Ms. Troncoso then explained that the last week of October 2014 would be a bid for the RO pre-filter system improvements. Ms. Troncoso goes on to explain that the Lagoon Contractor still not here and was aware the clock was clicking. Ms. Troncoso explained that the contractor has been talking to Lorena from El Paso Disposal and will probably be here next week. Director K. Thomas said to place agenda item for Spray Field No. 1 irrigation booster pump station improvements pay estimate No. 4. Director K. Thomas added to place agenda item for effluent for main repairs and consider pay estimate No. 1. Ms. Troncoso explained that the design for the El Paso Hills lift station replacement project survey was back and that design is moving along. Ms. Troncoso explained the using of the pond in the golf course. Ms. Troncoso is meeting with Bobby Gonzalez from the City of Horizon. Director D. Hulsey asked Ms. Troncoso regarding the sulfate burner. Ms. Troncoso advised she will check.

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

Director B, Moorhouse advised that soon the RO will be used for visitors on week days for students to see. Mr. McGinnis confirmed that 200 coloring books and posters to give out to the students. Ms. Pina advised Board Members that water is out from the swimming pool and is trying to paint the swimming pool. Also that now that swimming pool is empty she is trying to fix the skimmers. Director D. Hulsey asked for her to get a report from Triple-S to see what the problem is with the swimming pool.

There being no further business before the Board, the meeting was upon motion made by Director D. Hulsey duly made and seconded by Director B. Moorhouse and carried, adjourned at 2:50 p.m.

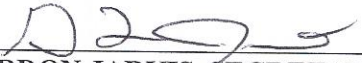
READ, APPROVED, AND ADOPTED THIS 23th DAY OF OCTOBER 2014.



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