

**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 September 18, 2014 at 3:00 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
Kit Thomas	-	Treasurer
Dean Hulsey	-	Asst. Secretary

Director 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, 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 K. Thomas.

Vote was unanimous to approve.

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

Director B. Jarvis explains that the membership has been extended for members. Director B. Moorhouse asked Mrs. Pina what the hours of operation were for the restaurant. Mrs. Pina replied that the restaurant opened at 11:00 a.m. Director K. Thomas advised Mrs. Pina to place a sign in the restaurant doors with hours of operation. Director B. Moorhouse explained to Mrs. Pina that Mr. Ballard had called and no one answered at the restaurant. Director B. Moorhouse also explained that the HCIA wanted to make reservations for October 6, 2014. Mrs. Pina confirmed that she did speak to HCIA for reservation. Mrs. Pina also apologized for her employees not answering the phone. Mrs. Pina advised Board members that she would speak to her employees to make sure phone is answered at all times. Director B. Moorhouse also asked Mrs. Pina what the name of her manager was. Mrs. Pina said she had two managers, the names of the managers are Luis and Gabriel. Mrs. Pina also gave the phone number to Board Members in case they had a different number. The number for Moonlight P&Q is 915-852-4136 and 915-852-4138. Director B. Jarvis explained that he would like to extend the grace period for Mrs. Pina from 18 months to 21 months.

Director B, Jarvis made a motion to extend grace period from 18 months to 21 months and was seconded by Director K. Thomas.

Vote was unanimous to approve.

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

Mr. Gates explained rain is good but also too much rain is not good for the greens. Mr. Gates explained he has found some brown patches due to fungus that the greens have. Mr. Gates mentioned that 5, 12, and 14 will need extra treatment and reseeding. The fairways look good. Mr. Gates explained that if rain continues and no dryness he would not be ready to open on Monday September 22, 2014 since he still had to mow the grass. Director B. Davis advised Mr. Gates that according to weather report rain would stop as of Saturday, and also advised him to turn off the sprinklers. Mr. Gates explained to Board Members that he had created a report regarding description for General Manager. Director D. Hulsey advised Mr. Gates he had only four days of germination. Mr. Gates did mention that several spots are getting good germination 7, 11, 14, 16, and 17. Director B. Moorhouse asked if inventory is done. Mr. Gates replied that inventory is done once a month. Director B, Davis asked Mr. Gates to have inventory report ready for next meeting. Mr. Gates agreed and advised will have inventory ready.

Motion was made by Director K. Thomas to approve spray field operations report and seconded by Director B. Jarvis.

Vote was unanimous to approve.

8. OPERATIONS AND ENGINEERING REPORT.

Mr. McGinnis explained well #6 will need prices and advised will input on next agenda. Mr. Luna Lead Operator explained that all lift stations were operational with the exception of Veny Webb lift station. Next Mr. Luna advised that the sewage treatment plant had three loads of sludge hauled to the Clint Landfill in August. Mr. McGinnis advised that the coarse bar screen tripped, but that R.M. Wright would be out on September 19, 2014 to check it, and that it was still under warranty. Mr. Luna explains water wells. Well #7 has been rehabbed and will be placed back into operation. Well #6 has been pulled to determine repair costs. Well 16-36 have all been repaired and will be placed back online, as soon as clear bacteria is obtained. Mr. Luna continues with pump stations, all four pumps are online and on standby. Mr. McGinnis explained that the installation vessel replacement for RO-A began on September 15, 2014. Director B. Jarvis asked if ponds can be isolated. Engineer L. Troncoso said yes once concentrator is in. Ms. Troncoso also mentioned that there are still small leaks at the RO Plant. Mr. Luna explained total water production by day:

Average daily use 4,951,000= 1.46 residual
Maximum daily use 6,441,800= 2.06 residual
Minimum daily use 3,650,800= 0.91 residual

Waste water totals for the month August 2014:
Percent of permitted application rate to golf course is 18.5%
Percent of permitted to GLO is 98.4%
Percent of permitted influent to STP is 68.3%
Percent of permitted effluent to Mesa Spur drain is 28.6%.

Mr. Luna concludes that HRMUD effluent annual average is:

Total effluent 1.9562
Golf Course 0.1816
GLO 0.7409
MSD 1.0145
RO 0.5315

Permit Maximum:
Total effluent 3.0000
Golf Course 0.7249
GLO 1.0000
MSD 3.0000
RO 0.5294

Director B. Jarvis asked Mr. McGinnis if taps on fire hydrants were covered by Severn Trent Services. Mr. McGinnis advised Director B. Jarvis that he would check the contract.

Engineer L. advised Board Members that 3 applications had come in and all 3 were approved. Piedmonte Village Unit 1 and 2, Panda Express, and Popeye's Chicken. Ms. Troncoso explained RO replacement project. Ms. Troncoso also explained there are still leaks at the RO, and would be needing 15 to 24 vessels. Each vessel would be \$2,750.00 plus installation. Ms. Troncoso advised if this can be done soon. Director B. Davis asked if the District can purchase them and just have them installed. Ms. Troncoso replied yes. Ms. Troncoso continues to discuss status of lift station project for Spray field #1 and consider pay estimate No. 4. Ms. Troncoso explains no walk through yet on the project, and will place on next agenda. Ms. Troncoso mentioned that Smithco, R.M. Wright, and Cubic water were the 3 bidders for time awarded would be 210 days from start time until project was completed. Ms. Troncoso mentioned that she would get with Attorney A. Petrov to add enforcement plan to contract. Ms. Troncoso advised Board Members that she has been working with Mr. McGinnis and mentioned old ponds have erosion. Ms. Troncoso advised she will be getting some prices. Pre-Filter system improvements all civil drawings approved by TCEQ, and advertising is in October 2014. Mr. Paxton explained that pre-filters are being changed every six to eight days as per Mr. Paxton. Lagoon decommissioning, Ms. Troncoso advised that contractor would be in next week. Ms. Troncoso mentioned she had walk the site with contractor and explained that this contractor did not need all contract time. Director B. Davis asked how long the contract was for. Ms. Troncoso replied 120 days. Ms. Troncoso explained status of Spray Field No. 1 irrigation system improvements and consider pay estimate No. 3. Pay estimate No. 3 from Karlsruhe Inc. dba CSA Constructors in the net amount of \$103,041.00. This estimate reflects project progress through September 2, 2014. Explains this will be in a consent agenda. Ms. Troncoso explains status of WWTP permit renewal. Ms. Troncoso explained she was contacted by TCEQ and that they had questioned why the disposing of our sludge had crossed State lines. The status of El Paso Hills Lift Station replacement project. Director B. Jarvis asked on vessel leaks at RO. Ms. Troncoso said that maybe when membranes are in and out that it might cause vessel leaks. Mr. Paxton explained that pulling membranes joints would be a mechanical failure.

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

Director B, Moorhouse explained that homes were getting built for \$100,000.00 to \$200,000.00 at Land of Texas.

There being no further business before the Board, the meeting was upon motion made by Director K. Thomas duly made and seconded by Director Dean Hulsey and carried, adjourned at 4:50 p.m.

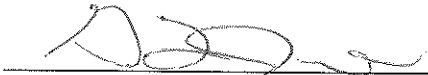
READ, APPROVED, AND ADOPTED THIS 25th DAY OF SEPTEMBER 2014.



BENNY DAVIS, PRESIDENT

Board of Directors

Horizon Regional M.U.D.



GORDON JARVIS, SECRETARY

Board of Directors

Horizon Regional M.U.D.

EM/CM