

CERTIFICATE FOR ORDER

THE STATE OF TEXAS :
COUNTY OF EL PASO :
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT :

We the undersigned officers of the Board of Directors (the "Board") of **HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT** (the "District"), hereby certify as follows:

The Board convened in special session, open to the public, on Tuesday, March 7, 2023, at 1:00 p.m., at 14100 Horizon Blvd., Horizon City, Texas 79928 and the roll was called of the members of the Board, to-wit:

Gordon "Bob" Jarvis	President
Dean Hulsey	Vice President
Mike Barton	Secretary
Florence "Kit" Thomas	Treasurer
Vacant	Asst. Secretary

All members of the Board were present with the exception of _____, thus constituting a quorum. Whereupon other business, the following was transacted at such Meeting:

**ORDER AUTHORIZING APPLICATION TO THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR APPROVAL OF PROJECT AND ISSUANCE OF BONDS
FOR THE RANCHO DESIERTO BELLO DEFINED AREA**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and after full discussion, such motion, carrying with it the adoption of such Order prevailed, carried, and became effective by the following vote:

AYES: 4 **NOES:** 0 **ABSTAIN:** 0

A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board are duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such meeting, and each of the officers and members consented, in advance, to the holding of such meeting for such purpose; and such Meeting was open to the public and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551 of the Texas Government Code and Section 49.063 of the Texas Water Code, as amended.

SIGNED this 7th day of March, 2023.



Secretary, Board of Directors



President, Board of Directors

(DISTRICT SEAL)



**ORDER AUTHORIZING APPLICATION TO THE
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THE STATE OF TEXAS
COUNTY OF EL PASO
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

WHEREAS, the Texas Water Code, as amended, requires a district, when it desires to issue bonds, to submit in writing to the Texas Commission on Environmental Quality (the "Commission") an application for approval of the proposed project and of the issuance of the bonds to finance such project, together with a copy of the engineer's report and data, profiles, maps, plans and specifications prepared in connection therewith; and

WHEREAS, the Board of Directors of Horizon Regional Municipal Utility District (the "District") desires to secure the approval and consent of the Commission for the following items: developer reimbursement for design and construction costs associated with water distribution wastewater collection, lift station and force main improvements benefitting the Rancho Desierto Bello Defined Area within the District (collectively the "Projects"); and developer reimbursement for all related engineering fees for the Projects, which are more completely described in the engineering report submitted in connection with this application, developer interest, and the issuance of the bonds hereinafter described in Section 1(b) of this Order;

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT THAT:**

Section 1: The President or Vice President and the Secretary/Treasurer or Assistant Secretary of the Board of Directors are hereby authorized and directed as follows:

- (a) To make application to the Commission for an investigation and report for developer reimbursement of the Projects upon the feasibility of the Projects, and related appurtenances and property acquisitions, together with related engineering fees and contingencies, which are more completely described in the engineering report submitted in connection with this application, developer interest, and the issuance of the bonds hereinafter described in Section 1(b) of this Order.
- (b) To request the Commission to approve the bonds of the Rancho Desierto Bello Defined Area of the District in an amount not to exceed \$1,645,000.00 bearing interest at a net effective interest rate not to exceed two percent (2%) above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date notice of sale of the bonds is given, and maturing serially in accordance with the schedule provided in the aforesaid engineering report.

Section 2. The officers, engineers, attorneys and consultants of the District are hereby authorized and directed to execute all documents and take all actions necessary to accomplish the purposes of this Order.

Section 3: By this application, the District assures the Commission that it will abide by the terms and conditions prescribed by the Commission and that it will retain a sufficient amount of all sums due all construction contractors on this project to assure that the project is completed in accordance with the approved plans and specifications.

Section 4: The District hereby requests that the Commission waive the requirement that a market study be submitted in connection with the District's bond application because the proposed debt is supported by a no-growth tax rate as permitted by 30 TAC Sect. §293.59 (i)(10) and/or the District expects to receive an investment grade rating as prescribed by 30 TAC §293.59(1)(5)(B).

Section 5: The District hereby requests an expedited 60-day Application review period pursuant to 30 T.A.C. §293.42, TAC in that the District's engineer, financial advisor and bond counsel have executed the certificate prescribed by the Executive Director of the Commission certifying that each of them has reviewed the Application and that it is accurate and complete, that the Application includes specific documents identified on the form, and that the District's financial status has reached the thresholds provided in 30 TAC §293.59.

Section 6: The District hereby requests that the Commission, pursuant to 30 TAC §293.47(a), waive the requirement that the developer pay thirty percent (30%) of the District's construction costs for the reasons that the District will receive an acceptable credit rating as defined in 30 TAC §293.47(b)(4) or ability of the District to meet a debt ratio of ten percent (10%) or less with debt as defined in 30 TAC §(b)(2).

Section 7 Pursuant to 30 TAC § 293.50(b), the District hereby requests that the Commission approve developer reimbursement for accrued interest for a period of more than two (2) years after completion date, as set out in the bond application report, and hereby confirms that no interest reimbursement has yet occurred.

Section 8: The District's Engineer, TRE & Associates, LLC is authorized and directed to prepare an engineer's report in the form required by the Commission and to submit same to the Commission in support of this application.

Section 9: The President, Vice President, Secretary/Treasurer and Assistant Secretary of the Board of Directors, the District's Engineers, Linda Troncoso P.E. and John Jansing, Jr., P.E. of TRE & Associates, LLC; the District's Financial Advisor, Bill Blitch of Blitch & Associates, Inc.; and the District's Attorney, Alan Petrov of Johnson Petrov LLP, together and individually, are authorized and directed to do any and all things necessary and proper in connection with this application.

Section 10: A certified copy of this Order shall constitute an application and request on behalf of the District to the Commission for approval of the Bond Projects described in Section 1(a) and the bonds described in Section 1(b).

PASSED AND APPROVED this 7th day of March, 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)

