

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

A regular meeting of the Board of Directors of the Horizon Regional M.U.D. was held on Thursday, June 27, 2024, at 6:00 p.m. in person 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:

Gordon, Jarvis	-	President
Dean Hulsey	-	Vice President
Florence Thomas	-	Treasurer
Mike Barton	-	Secretary
<i>vacant</i>	-	Assistant Secretary

Director Gordon Jarvis called the meeting to order at 6:00 p.m. A quorum was established. Also attending the meeting were the District's consultants: Inframark Account Manager - Charlie McGinnis, Administrative Assistant III - Veronica Saucedo. District Attorney - Alan Petrov. TRE & Associates Inc. - Linda Troncoso, Ricardo Felix, Tom Urrabazzo. Horizon Golf & Conference Center - Luis Delgadillo. Blich Associates Inc. - Bill Blich (via phone). CRI CPA's and Advisors - Michael White. The Pledge of Allegiance was said with audience participation.

4. RECEIVE CITIZEN COMMUNICATIONS.

No citizen communications.

5. CONSENT AGENDA.

- A: Consider and Take Action to approve the Payment of Bills and Invoices for Operations and Construction; and to approve the Transfer of Funds.
- B: 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.
- C: Consider and Take Action to approve Financial Statement for May 31, 2024.
- D: Consider and Take Action to approve Special Board Meeting Minutes for May 1, 2024, June 5, 2024, and June 10, 2024. Regular Board Meeting Minutes for March 28, 2024, and April 25, 2024.
- E: Consider and Take Action on Pay Estimate No. 7 for Paseo del Este Unit 9 Phase II.
- F: Consider and Take Action on Pay Estimate No. 6 for Summer Sky North Unit 2 Phase I drainage, water and wastewater improvements.
- G: Consider and Take Action on Pay Estimate No. 5 for Summer Sky North Unit 2 Phase II.

Motion was made by Director Thomas and seconded by Director Hulsey to approve the Consent Agenda.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

6. **DISCUSSION ON HORIZON VIEW ESTATES SEWER.**

Ms. Troncoso reported they received the survey from the surveyor and identified the gate valves had all been paved over by the county. Ms. Troncoso stated they were working with Inframark to locate all those gate valves then they can proceed with the design.

No action necessary.

7. **CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF THE DISTRICT.**

Mr. McGinnis presented the Management and Operations report and set new calendar.

See attached report.

Director Hulsey made a motion to approve the Management Report to include write offs and collections and was seconded by Director Thomas.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

8. **CONSIDER AND TAKE ACTION ON THE ENGINEERING REPORT RELATING TO CONSTRUCTION AND ENGINEERING ACTIVITIES OF THE DISTRICT.**

Ms. Linda Troncoso discussed and presented the current service commitment applications and construction activity, then presented a summary of the Engineer's Report.

See attached report.

Director Hulsey made a motion to approve the Engineering Report relating to construction and engineering activities and was seconded by Director Barton.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

9. **CONSIDER AND TAKE ACTION ON MANAGEMENT REPORT RELATING TO MANAGEMENT AND OPERATIONAL ACTIVITIES OF SPRAY FIELD No. 1.**

Mr. Luis Delgadillo presented the Management report for Spray Field No. 1 for the month of May to the Board and reported the \$100,000.00 down payment for the golf carts are reflected into the year-to-date budget. For the month of May they had \$133,000.00 worth of revenue with the expenses being close to what they were supposed to be. Overall, he had budgeted to do \$33,731.00 in profit and ended up making \$44,183.00. Year to date the golf course is \$109,000.00 on profit. Mr. Delgadillo proposed to increase the rates at the golf course to meet other golf courses.

Director Hulsey made a motion to approve the report relating to management and operational activities of Spray Field No. 1 and to increase the rates and was seconded by Director Barton.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

10. **CONSIDER AND TAKE ACTION ON RO EVAPORATION PONDS AND E3 SYSTEM REPAIRS.**

Mr. McGinnis requested item be tabled.

Item tabled.

11. **CONSIDER AND TAKE ACTION ON BOOKKEEPING CONTRACT.**

Mr. Michael White presented himself and his company to the Board of Directors stated they are a national firm from Florida to New Mexico and Mexico and have experience in utilities. He stated governmental is one of their areas of expertise. Mr. White spoke to the Districts software company to make sure they will be able to transition and stated that they would be and now the next step would be for the Board to agree to accept them as the District's accountants. Director Jarvis asked how long it would take for them to run parallel with the current bookkeepers. Mr. White stated as soon as the Board approves the contract the next step would be to acquire the software under the Districts name and then the training would begin and the only thing they would need to do is learn the Districts process and setup should take about a couple months.

Director Hulsey made a motion to approve the contract with Carr Riggs & Ingram CPAs and Advisors not to exceed \$6,500.00 subject to legal review of the engagement letter and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

12. **CONSIDER AND TAKE ACTION ON CHANGE ORDER No. 1 FOR SUMMER SKY NORTH UNIT 2 PHASE 2.**

Ms. Troncoso stated this is a defined area project and as part of the contract includes water, wastewater and drainage together even though the District does not do drainage, this is a change to El Paso Underground's drainage portion of the contract modifying two drop inlets for \$9,200.00.

Director Hulseley made a motion to approve change order No. 1 for Summer Sky North Unit 2 Phase 2 in the amount of \$9,200.00 and was seconded by Director Thomas.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

13. **CONSIDER AND TAKE ACTION ON RECOMMENDATION OF AWARD FOR RANCHO DESIERTO BELLO UNIT 16 WATER AND WASTEWATER IMPROVEMENTS.**

Ms. Troncoso reported they publicly advertised this project, it is in a defined area and received 4 bids with the lowest coming from CMD Endeavors in the amount of \$706,397.00 and recommends award.

Director Hulseley made a motion to approve the award to CMD Endeavors Inc in the amount of \$706,397.00 and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

14. CONSIDER AND TAKE ACTION ON REPAIRS FOR MESA SPUR LINE.

Ms. Troncoso explained this was the 36" treated effluent line that was damaged on Dan Williams property and recommends repair on emergency basis due to the amount being \$29,500.00. Ms. Troncoso provided Mr. Petrov with a summary memo as well as the repair procedure from El Paso Underground for insurance purposes in making a claim.

Director Huley made a motion to approve the repairs to the Mesa Spur Line for El Paso Underground in the amount of \$29,500.00 and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

15. CONSIDER AND TAKE ACTION ON 20" TRANSMISSION LINE FOR RO PLANT IN DARRINGTON AND EASTLAKE COMMERCIAL.

Ms. Troncoso reported there was nothing for the Board to act on but had an update. Ms. Troncoso stated the line had been located and had the easement surveyed and the patio for Boozy Tacos is 2 ½ ft into the District's easement and the District's waterline is 3 ft outside of the easement so Boozy Tacos went 2 ½ ft too far and the water line is 5 ½ ft into their patio. Ms. Troncoso recommends leaving line as is for the moment because the District cannot afford to take that line offline as it conveys 5 wells of water to the RO Plant. Ms. Troncoso also stated they identified that that line continues to be outside of its easement and there is a McDonalds, future credit union and a Circle K that will be located there. Ms. Troncoso said she would try to approach each of the property owners to request additional easement rather than relocate the line and if the property owners decide to charge for the easement, it would be less costly than to relocate the line.

No action necessary.

16. CONSIDER AND TAKE ACTION ON NEW PUMP AND MOTOR FOR RO PONDS WATER CANNON.

Mr. McGinnis reported he hadn't received the pricing but did find a motor that may be able to be used and might just buy a small pump for it then refurbish the cannon unless the Board would put a not to exceed amount of \$20,000.00.

Director Hulsey made a motion to approve the purchase of parts as necessary not to exceed \$20,000.00 to repair RO Ponds water cannon and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

17. CONSIDER AND TAKE ACTION ON PROPOSAL FOR SCADA REPAIRS.

Mr. McGinnis explained the SCADA is having issues with Wells 5, 6, 7, 8, Tank 1, Elevated Storage Tank 2 located on the opposite side of the freeway. The issue is, with all the new construction like the new Amazon building, The Home Depot, the new hotel being constructed, they are blocking the signal, so the operators are having to run the wells manually. Mr. McGinnis presented the Board with 3 options quotes he received from Electrical Supply Source. Option 1 is cellular upgrade, which works without using radios it uses cell signals and suggests this is the best option to avoid signals getting blocked. Option 2 is wireless upgrade, the most expensive option which includes putting in new towers and using radios. Option 3 involves someone going out to each site to test and see if they can fix the issues. Mr. McGinnis is recommending the Board to approve option number 1, cellular upgrade in the amount of \$94,965.90.

Director Hulsey made a motion to approve option number 1 – cellular upgrade in the amount of \$94,965.90 from Electric Supply Source and was seconded by Director Thomas.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

18. **CONSIDER AND TAKE ACTION ON RATE ORDER FOR DISTRICT.**

Mr. McGinnis explained El Paso Disposal is getting ready to do their CPI increase of \$0.69 and is requesting the Board to increase the disposal services by \$1.00 to bring the base rate to \$24.50. The increase will take effect July 1.

Director Hulsey made a motion to approve the increase rate to reflect the trash service and was seconded by Director Thomas.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

19. **CONSIDER AND TAKE ACTION ON SPARE PUMP FOR RO BOOSTER PUMP STATION.**

Mr. McGinnis is waiting for pricing and requested item tabled.

Item tabled.

20. **CONSIDER AND TAKE ACTION ON RESEALING PARKING LOT FOR 14100 HORIZON BLVD.**

Mr. McGinnis stated he had received 3 prices (Alpha Paving, Frontline Asphalt Solutions & CAV Parking Lot Striping and Sealcoating) with Alpha Paving having the best price and recommends the Board to approve.

Director Thomas made a motion to approve Alpha Paving for repairs to parking lot at 14100 Horizon Blvd and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

21. **SALE OF \$89,680,000 HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT UNLIMITED TAX BONDS, SERIES 2024, INCLUDING:**

- a. **Receive and Accept Bids for the purchase of \$89,680,000 Unlimited Tax Bonds, Series 2024; and**
- b. **Approve final form of the Official Statement and Adopt an Order Authorizing Issuance of \$89,680,000 Unlimited Tax Bonds, Series 2024;**

Mr. Bill Blich addressed the Board (via phone) stated he received 4 bids with the best bid coming from Robert W. Baird @ 4.407934%. Mr. Blich ran numbers and debt service would have to be increased slightly, costing the average homeowners and estimated \$10.00 a month.

- (a.) Director Hulsey made a motion to sell the bonds to Robert W. Baird and was seconded by Director Barton.

All in favor: 4 ayes
Opposed: 0 none

Motion passed to approve.

- (b.) Director Hulsey made a motion to issue the order and was seconded by Director Barton.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

22. **CONSIDER AND TAKE ACTION ON POSSIBLE AMENDMENT TO CONCESSION AGREEMENT.**

Mr. Alan Petrov explained this is for the current food service at the Golf Course and what they had was a six-month concession agreement and will automatically go into a month to month.

Director Hulsey made a motion to extend the lease to December 31st, 2024, and was seconded by Director Barton.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

23. **CONSIDER AND TAKE ACTION REGARDING AN ORDER EXCLUDING LAND AND REDEFINING BOUNDARIES OF THE DISTRICT (INTERNATIONAL EAGLE ENTERPRISE, INC.).**

Mr. Alan Petrov requested item tabled to next agenda.

Item tabled.

24. **CONSIDER AND TAKE ACTION TO APPROVE AN AMENDED AND RESTATED DISTRICT INFORMATION FORM.**

Mr. Petrov requested item be tabled to next agenda.

Item tabled.

25. **CONSIDER AND TAKE ACTION ON SERIES 2024 OS MANAGEMENT REPRESENTATION LETTER.**

Mr. Petrov explained this was a request from the auditor to verify the District is not aware of any changes to the financial records.

Director Hulsey made a motion to approve the OS Management Representation letter for Series 2024 and was seconded by Director Thomas.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

26. **CONSIDER AND TAKE ACTION TO APPROVE CYBER LIABILITY AND DATA BREACH COVERAGE WITH THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL.**

Mr. Petrov explained this was insurance and what TML is doing because data breaches are so common, they are dropping it from their standard policy but adding an additional insurance that is specific to that and if the Board wants to continue with the coverage, it will cost another \$1,000.00 a year.

Director Hulsey made a motion to approve the purchase of the Core+ cyber liability and breach coverage with TML and was seconded by Director Barton.

All in favor: 4 ayes

Opposed: 0 none

Motion passed to approve.

27. **CONSIDER AND TAKE ACTION ON POSSIBLE LEASE OF THE DISTRICT'S PROPERTY.**

Mr. Alan Petrov requested item be discussed in executive session.

28. **EXECUTIVE SESSION, AS NECESSARY.**

Executive session at 7:34 pm.

Back from executive session at 7:58 pm.

Table item # 27.

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

Ms. Troncoso presented the Board with a Drought Contingency Plan and suggests the District promote Stage 1 which states when the total daily water demand reaches 80% of the District's supply capacity for 5 consecutive days the customer voluntarily conserves water and the District remind customers what water conservation is i.e. specific watering days and times etc. Director Jarvis requested the Drought Contingency Plan be added to the board outside and the website.

There being no further business before the Board, the meeting was adjourned at 8:00 p.m.

READ, APPROVED AND ADOPTED THIS 26th Day of SEPTEMBER 2024.



GORDON JARVIS, PRESIDENT
Board of Directors
Horizon Regional M.U.D.



MIKE BARTON, SECRETARY
Board of Directors
Horizon Regional M.U.D.

CM/VS