

**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, December 22, 2011 at 4:00 PM at 14100 Horizon Boulevard, Horizon City, Texas, pursuant to notice given in accordance with the law. The attendance roll was signed by the members of the board, to-wit:

Benny Davis	President
Maureen Singleton	Vice President
Florence Thomas	Treasurer
Bob Jarvis	Secretary
Bonnie Moorhouse	Assistant Secretary

A quorum was established. Also in attendance were the District's consultants Mr. Charlie McGinnis and Ms. Janita Williams for SWWC; Ms. Linda Troncoso, Mr. Matt Hardison, Mr. Adrian Rosas and Mr. John Jansing for TRE. and Mr. Alan Petrov for Johnson Radcliffe Petrov and Bobbitt.

President Davis called the meeting to order. The Pledge of Allegiance was said with audience participation.

**Agenda  
Item**

**4. RECEIVE CITIZEN COMMUNICATIONS**

Mr. Sergio Garcia of the El Paso County Tax Office asked whether a flyer could be included with the water bills to inform County residents about Vehicle registration, insurance purchasing, car sales along roads, etc. Director Davis asked Mr. Petrov if this was allowed and Mr. Petrov replied that since the County Tax Office was a Government entity it was allowed but it had to be placed on the Agenda for action. Director Davis asked Mr. Garcia to provide a one sheet example to be placed on the next meeting Agenda.

**5. CONSENT AGENDA:**

- A: Consider and Take Action to Approve the Minutes of the Special Board of Directors Meeting Held November 17, 2011.
- B: Consider and Take Action to Approve the Payment of Bills and Invoices for Operations and Construction; and to Approve the Transfer of Funds.
- C: Consider and Take Action to Approve the Financial Statement for the Month Ending November 30, 2011.

Motion to approve the Consent Agenda was made by Director Jarvis and seconded by Director Singleton. The ensuing vote was unanimous to approve.

**6. Consider and Take Action on Management Report Relating to Current Management and Operation Activities of the District.**

Mr. McGinnis reported that due to the new SAP computer system going on-line, there was no Connection information available at the time the report was prepared. The SWWC office staff will undergo additional training to obtain connection and capacity information.

The Well Report shows 117 Million gallons of water were produced during November with 91% of that total being produced by the Wheeler Wells. The wastewater treatment plant treatment amount and GC pumping records were not available as of the date the report was prepared but Mr. McGinnis reported very little effluent being sent to the GC, with most of the effluent going to the Mesa Spur Drain. Director Thomas asked if the reports were going to be available next month and Ms. Williams replied that they would be.

Mr. McGinnis stated the TCEQ had responded to SWWC's request for a meeting to discuss the Notice of Violation and will set up a meeting after the 1<sup>st</sup>. Mr. McGinnis reviewed the capital projects, Mr. Paxton's operations report and the tax report before setting the calendar for the month of January.

Director Moorhouse asked about the sludge being hauled and Mr. McGinnis replied that El Paso Disposal began taking the sludge directly rather than using Mr. Crowther as a middleman.

Motion to approve the management report was made by Director Jarvis and seconded by Director Singleton. The ensuing vote was unanimous to approve with the condition that proper reports be obtained as soon as possible.

**A motion to table Items 9,10,11,12,17 and 18 was made by Director Thomas at the request of the Engineers, and seconded by Director Jarvis. The ensuing vote was unanimous to table.**

**20. Executive Session**

The Horizon Regional Municipal Utility District may meet in an executive session for consultation concerning pending or contemplated litigation and attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding a prospective gift (§551.073); personnel matters (§551.074); and deliberation regarding security (§551.076).

Director Jarvis moved to make the Executive Session be the next item. The Board withdrew into Executive Session at 4:33 P.M. The Board reconvened in Open Session at 5:05 P.M. with the announcement that No Action had been taken in Executive Session.

**7. Consider and Take Action on the Engineering Service Contracts for the District.**

Mr. Petrov stated that he received correspondence from Gray Jansing and TR Engineering stating that TR Engineering will pick up responsibility for District Engineering projects as of December 1, 2011. Director Davis asked Ms. Troncoso if the district could obtain records that are now kept by Gray Jansing and Ms. Troncoso replied that she would provide record information that is in her possession. Director Davis stated he would like complete records of the past and going forward with TRE. Mr. John Jansing stated he had 80 file boxes of records, 20 or so of which related to this district and he feels confident he has a complete inventory.

Director Jarvis made a motion to accept the transfer of engineering services from Gray Jansing to TR Engineering provided the proper written documentation was provided to Mr. Petrov to complete the transfer. Director Singleton seconded the motion to accept the transfer of engineering services and the ensuing vote was unanimous to approve.

**8. Consider And Take Action On the Engineering Report Relating to Current Construction and Engineering Activities of the District.**

Ms. Troncoso thanked the Board Members and offered assistance in resolving the TCEQ Notice of Violation. Ms. Troncoso reported that Horizon City Unit Nine is under review for LUE commitment and Ryderwood Estates was approved. All other applications are as reported at the engineering meeting and Ms. Troncoso offered to answer any questions about the charts.

The Mesa Spur Drain is having meter calibration issues that is delaying the final paperwork. .

The WWTP System Improvements contractor is currently running the plant in automatic mode and the contractor is replacing the Chlorination system.

Elevated storage tank 4 is ready to fill with water.

The TCEQ has approved the lagoon decommissioning plan. The skid mounted pump system was approved in July, if needed.

On the RO Concentrate disposal irrigation field, plans have been approved and specifications are being prepared to advertise the bid of this project in January.

On the 1-10 Water Supply Wells; the contractor is conducting walk throughs. Pay Estimate Nos. 8 and 9 are on the Agenda for consideration at this meeting

On the Well Gathering and Supply Line Improvements - and the 16-inch EST-4 Feed-line, The Contractor is installing the 12 inch well gathering lines south of I-10. Pay estimate No. 7 is on the agenda for consideration.

On the 16 inch EST-4 Feed-line; The Contractor is conducting final walk-throughs at this time.

On the Booster Pump Station No.4, the contractor is preparing the building pad. Pay estimate No. 1 is on the Agenda for consideration at this meeting.

On RO Train D, submittals are under review and the contractor is preparing for construction of the RO skid unit. Pay estimate No. 1 is on the Agenda for consideration at this meeting.

Director Moorhouse asked if the Community College Easement had been paid for and recorded and Mr. Petrov replied that it was recorded and Ms. Thomas replied that it had been paid.

**9. Consider and Take Action on Whether to Accept the Water and Wastewater Improvements of Pinedale Subdivision for Operation and Maintenance.**

This Item was tabled.

**10. Consider and Take Action on Whether to Reimburse Red Cliff, Inc. in the Amount of \$19,512.49 for Impacts Suffered by the Cease and Desist Order Issued by the City of Socorro on the Mesa Spur Drain Project, and Extend the Contract Time.**

This Item was tabled.

**11. Consider and Take Action on the Final Pay Estimate from Red Cliff, Inc. (In an Amount to Be Read into the Record), for Completion of the Mesa Spur Drain Project.**

This Item was tabled.

**12. Consider and Take Action on Acceptance of The Mesa Spur Drain Improvements for Operation and Maintenance.**

This Item was tabled.

**13. Consider and Take Action on Pay Estimate No. 7 from RM Wright Construction Co. (In an Amount to Be Read into the Record), for the IH-10 Water Supply Well Improvements.**

Mr. Hardison reported that Pay Estimate Number 7 in the amount of \$44,735.50 was for the completion of all work on the I-10 Wells. The contractor has run the Wells under full operating conditions and is only awaiting the completion of the gathering line finish his project work. Director Davis asked if this was total complete payment and Mr. Hardison replied that we still have the retainage.

Motion to approve Pay Estimate No. 7 was made by Director Thomas and seconded by Director Singleton. The ensuing vote was unanimous to approve.

**14. Consider and Take Action on a Reduction in Retainage from 5% to 1/4 of 1% from RM Wright Construction Co. for the IH-10 Water Supply Well Improvements.**

Ms. Troncoso stated that Pay Estimate No. 8 was a request for reduction in retainage coupled with conditional acceptance, which is up for discussion in Item 15. The Contractor submitted a Change Order in the amount of \$1600 to have security on site for three weeks time to assure their project work is not tampered with. The contractor believes this is justified to cover his exposure incurred by stoppage of this project. Director Jarvis asked what the conditions were requiring security. Mr. Hardison replied that he was worried about a major freeze or other unforeseen condition that would affect his warranty. Ms. Troncoso stated that TR Engineering did not feel comfortable with the change order nor with starting the warranty at this time

Motion to accept the reduction in retainage was made by Director Jarvis and seconded by Director Thomas. The ensuing vote was unanimous to approve.

**15. Consider and Take Action on Acceptance of the IH-10 Water Supply Well Improvements for Operation and Maintenance.**

Motion to table this item was made by Director Jarvis and seconded by Director Thomas. The ensuing vote was unanimous to table.

**16. Consider and Take Action on Pay Estimate No. 10 from Caldwell Tank, Inc. In the Amount of \$47,927.50 for the Elevated Storage Tank No. 4 Improvements.**

Ms. Troncoso stated this was a project progress payment for Elevated Tank 4, for work completed. Motion to approve this payment was made by Director Jarvis and seconded by Director Singleton. The ensuing vote was unanimous to approve.

**17. Consider and Take Action on Pay Estimate No. 6 (Final) From Shiya-Strephans Contracting In the Amount of \$34,510.37 for the EST 4 16" Feed-line Improvements.**

This Item was tabled.

**18. Consider and Take Action on Acceptance of the 16" Feed Line Improvements for Operation and Maintenance.**

This Item was tabled.

**19. Consider and Take Action on Pay Estimate No.7 From Shiya-Strephans Contracting In the Amount of \$148,511.34 for the Well Gathering and Supply Line Improvements.**

Ms. Troncoso stated this was a project progress payment for work completed. Motion to approve this payment was made by Director Thomas and seconded by Director Singleton. The ensuing vote was unanimous to approve.

**20. Consider and Take Action on Pay Estimate No. 1 from Red Cliff Inc., in the Amount of \$295,116.75 for the Booster Pump Station No. 4 Improvements.**

Ms. Troncoso stated this was a project progress payment for work completed through November 25th. Motion to approve this payment was made by Director Jarvis and seconded by Director Singleton. The ensuing vote was unanimous to approve.

**21. Consider and Take Action on Pay Estimate No. 1 from Industrial Water Services, in the Amount of \$16,416.00 for the RO Train D Improvements.**

Ms. Troncoso stated this payment reflected the cost of bonding and submittals, which have already been reviewed and returned. Motion to approve this payment was made by Director Jarvis and seconded by Director Thomas. The ensuing vote was unanimous to approve.

**22. Consider and Take Action on a Resolution Moving the District's General Election Date.**

Mr. Petrov stated that the State Legislature in complying with federal time voting mandates for the armed services resulted in the County primary elections being too close in time to local election dates. Under its ruling, the District may shift their election to November 2012 or May 2013. The November date is the same as the General Election date and may take the focus away from local elections. This shift will affect all elected offices and extend the term for all Board Members.

Motion was made by Director Thomas to change the election date for the District to May of odd-numbered years. The motion was seconded by Director Singleton and the ensuing vote was unanimous to approve the change.

**23. Consider and Take Action on a Resolution Authorizing Reimbursement of the District's General Fund with Bond Proceeds.**

Mr. Petrov stated that over the past years the district has sold bonds for wastewater projects. The District has also spent \$350,000 in engineering and legal fees, unrelated construction, and has also made the payment to Socorro that adds up to \$637,000 in non construction costs that have been paid from the General Fund. With this resolution the District can pay back the General Fund, the \$637,000 from the 2009 Wastewater Bond.

Motion to approve the Resolution was made by Director Jarvis and seconded by Director Thomas. The ensuing vote was unanimous to approve.

**24. Consider and Take Action on Authorizing the District's Attorney to File the Notice Required by Law Concerning Eminent Domain Authority with the Texas Comptroller's Office.**

Mr. Petrov stated that the last legislative session requires all political entities that have eminent domain authority, which includes cities, school and water utility districts, have to file a Notice.

This item is to file the proper notice, as required. Motion to approve the Notice was made by Director Thomas and seconded by Director Jarvis. The ensuing vote was unanimous to approve.

**25. Consider and Take Action to Accept the Bid of Lone Star Welding in the Amount of \$3,188.00 for the Erection of the Windmill in the Payment Lobby.**

Director Singleton stated that the District had purchased the windmill previously and this bid was to hang it on the wall and help spruce up the lobby. Two bids were solicited and Lone Star Welding has the low bid. Director Davis asked if the work to be done after hours and Director Singleton replied that it would be.

Motion to accept the low bid was made by Director Singleton and seconded by Director Thomas. The ensuing vote was unanimous to approve.

**27. Consider and Take Action on Litigation Involving Emerald Springs GC.**

No action.

**28. Reports and Discussion of Other Matters That May Come Before the Board.**

Director Moorhouse stated that the COG did not have a meeting this month. Horizon City has moved their election date to November and will have elections every four years.

There being no further business before the Board, the meeting was, upon motion duly made and seconded, adjourned at 6:04 pm.

READ, APPROVED, AND ADOPTED THIS 24th DAY OF JANUARY 2012.

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Benny Davis, President

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Attest

<b>AGEND A ITEM</b>	<b>ATTACHMENTS AND HANDOUTS</b>	<b>ACTION TAKEN</b>
4	RECEIVE CITIZEN COMMUNICATIONS	N/A
5	Consent Agenda	N/A
5A	Consider and Take Action to Approve the Minutes of the Regular Board of Directors Meeting Held November 17, 2011.	APPROVED 5-0
5B	Consider And Take Action To Approve The Payment Of Bills And Invoices For Operations And Construction. And To Approve The Transfer Of Funds.	APPROVED 5-0
5C	Consider And Take Action To Approve The Financial Statements For The Month Ending November 30, 2011.	APPROVED 5-0
6	Consider And Take Action On The Management Report Relating To Current Management And Operation Activities Of The District.	APPROVED 5-0
7	Consider and Take Action On the Engineering Services Contract for the District.	APPROVED 5-0
8	Consider And Take Action On The Engineering Report Relating To Construction and Engineering Activities Of The District.	APPROVED 5-0
9	Consider and Take Action on Whether to Accept the Water and Wastewater Improvements of Pinedale Subdivision for Operation and Maintenance.	TABLED 5-0
10	Consider and Take Action on Whether to Reimburse Red Cliff, Inc. in the Amount of \$19,512.49 for Impacts Suffered by the Cease and Desist Order Issued by the City of Socorro on the Mesa Spur Drain Project, and Extend the Contract Time.	TABLED 5-0
11	Consider and Take Action on the Final Pay Estimate from Red Cliff, Inc. (In an Amount to Be Read into the Record), for Completion of the Mesa Spur Drain Project.	TABLED 5-0
12	Consider and Take Action on Acceptance of The Mesa Spur Drain Improvements for Operation and Maintenance.	TABLED 5-0
13	Consider and Take Action ON Pay Estimate No. 7 from RM Wright Construction, Co. In the Amount of \$44,735.50 For the IH-10 Water Supply Well Improvements.	APPROVED 5-0
14	Consider and Take Action on a Reduction in Retainage from 5% to 1/4 of 1% from RM Wright Construction, Co. For the IH-10 Water Supply Well Improvements.	APPROVED 5-0
15	Consider and Take Action on Acceptance of For the IH-10 Water Supply Well Improvements For Operation and Maintenance.	TABLED 5-0
16	Consider and Take Action on Pay Estimate No. 10 from Caldwell Tank in the Amount of \$47,927.50 for the Elevated Storage Tank No. 4 Improvements.	APPROVED 5-0
17	Consider and Take Action on Pay Estimate No. 6 from Shiya-Strephans Contracting in the Amount of \$34,510.37 for the EST 4 Feed Line Improvements.	TABLED 5-0
18	Consider and Take Action on Acceptance of the 16" Feed Line Improvements for Operation and Maintenance.	TABLED 5-0
19	Consider and Take Action on Pay Estimate No. 7 from Shiya-Strephans Contracting in the Amount of \$148,511.34 for the Well Gathering and Supply Line Improvements.	APPROVED 5-0
20	Consider and Take Action on Pay Estimate No 1 from Red Cliff Inc in the Amount of \$295,116.75 for the Booster Pump Station No. 4 Improvements.	APPROVED 5-0
21	Consider and Take Action on Pay Estimate No 1 from Industrial Water Services in the Amount of \$16,416.00 for the RO Train D Improvements.	APPROVED 5-0

22	Consider and Take Action on a Resolution Moving the Districts General Election Date.	APPROVED 5-0
23	Consider and Take Action on a Resolution Authorizing Reimbursement of the District's General Fund with Bond Proceeds.	APPROVED 5-0
24	Consider and Take Action on Authorizing the District's Attorney to File the Notice Required by Law Concerning Eminent Domain Authority with the Texas Comptroller's Office.	APPROVED 5-0
25	Consider and Take Action to Accept the Bid of Lone Star Welding in the Amount of \$3,188.00 for the Erection of the Windmill in the Payment Lobby.	APPROVED 5-0
26	Executive Session	
27	Consider and Take Action on Litigation Involving Emerald Springs GC.	No Action
28	Reports and Discussion of Other Matters That May Come Before the Board	N/A