

MINUTES OF MEETING
OF
SENNA HILLS MUNICIPAL UTILITY DISTRICT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

A meeting of the Board of Directors of Senna Hills Municipal Utility District, open to the public, was held at 7:00 a.m. on April 1, 2016, the CE-Bar Fire Department, 353 South Commons Ford Road, Austin, Texas 78733, pursuant to notice duly given in accordance with law.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

At the start of the meeting the Directors present were Chet A. Palesko, David I. Perl and Joe Szoo, thus constituting a quorum. Corey Newhouse entered the meeting at 7:39 a.m. as indicated below. Secretary Lisa McKenzie was absent.

Also present at the meeting were Robert Ferguson, Allen Douthitt, Kristi Hester, Bill Flickinger and Jeniffer Concienne.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

David I. Perl had several corrections to the minutes. Motion was made by David I. Perl and seconded by Joe Szoo to approve the minutes of the February 26, 2016 meeting with the corrections as noted. The motion carried unanimously.

5. ALL MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

David I. Perl asked if there was an update regarding the Lake Pointe lawsuit with the PUA. No updated information was provided. There was discussion about the PUA looking for a new manager as the current manager's contract was not renewed.

6. ENGINEER'S REPORT ON SOME OR ALL OF THE AGENDA ITEMS

Engineer Robert Ferguson discussed his Engineer's Report as included in the agenda package.

In connection with the wastewater treatment plant expansion, Mr. Ferguson stated that he met with the WaterReuse representative in review of the performance based specification criteria and the plan. They discussed the approach that may be expected from suppliers and plant contractors. The proposal for this project is being restructured. They will look at the plant and come back to reconfirm the membranes. The cost to get increased capacity of 150,000 gpd in place will be approximately \$800,000 to \$1,000,000. There was discussion of the proposals received for this project. Each one of them will only guarantee it if the District uses their membranes. The warranty will be for 2 years, but Mr. Ferguson is looking for a 2-year performance warranty as well. Joe Szoo asked about the timing of getting new proposals and Mr. Ferguson indicated about 30 days.

The bond application has not yet been filed with the TCEQ, but should be by the end of March.

Mr. Ferguson reported that the minor amendment application regarding the change in phasing of the permit for the 100,000 gpd phase was filed with the TCEQ. No comments have yet been received from the TCEQ. Mr. Ferguson does not anticipate any issues with the application.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester reported that she completed the District's 1st annual MS4 report and it will be filed today. Mrs. Hester stated it was a difficult process.

8. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt presented and discussed the bookkeeper's report. Mr. Douthitt will void the per diem for Lisa McKenzie due to her absence. Mr. Douthitt discussed three fund transfers. At this time, the District's budget is in good shape. After discussion, motion was made by Joe Szoo and seconded by David I. Perl to authorize payment of the bills, per diems and three fund transfers as presented. The motion carried unanimously.

9. ABC BANK RENEWAL OF LINE OF CREDIT

Bookkeeper Allen Douthitt informed the Board that the current line of credit with ABC Bank will expire on April 15th. There is a \$200 fee to renew the line of credit. David I. Perl asked if there were any reasons to not renew it. Both Mr. Douthitt and attorney Bill Flickinger said there were not any issues related to renewing the line of credit. There was mention of

needing the TEC Form 1295 before the Promissory Note could be executed. After discussion, motion was made by David I. Perl and seconded by Joe Szoo to approve the renewal of the line of credit with ABC Bank. The motion carried unanimously.

10. DISTRICT MANAGER'S REPORT ON OPERATIONS

A. Update TCEQ Disinfection Monthly Report

Manager Kristi Hester discussed the Manager's Report as included in the agenda package.

Mrs. Hester stated that the tiles for the inlets will be ordered and will probably be ready to install by summer.

There was discussion of the District's purchased and billed water. The water accountability for February was 77%. The Board and consultants discussed the ongoing leak. Mrs. Hester believes the leak is in the ground. However, there are three (3) fire hydrants being repaired, but she is sure that those are not what is causing the large amount of water to be leaked.

Mrs. Hester then discussed the recent water loss investigation by JBS Associates. David I. Perl asked if the District should insist that the PUA install meters per specifications. Mrs. Hester reported that JBS found no inaccuracies with the meters, just installation issues.

In connection with the wastewater treatment plant, there were no compliance issues noted. The plant is running at 85% capacity. The annual soil testing was filed and the transfer switch at the lift station was installed and the annual maintenance was conducted. Mrs. Hester also discussed the ongoing repairs at the plant.

Corey Newhouse entered the meeting at 7:39 a.m.

Mrs. Hester discussed the grinder station failure on 1604 Milagro Drive. The pump was pulled and cleaned and is working again.

The letter to residents providing grinder pump information is still being tweaked and is not yet ready to send out.

Mrs. Hester discussed a delinquent grinder pump repair bill and final water bill for a former resident. ST will now put grinder pump repairs on the customer's water bill, per the rate order. The Board might want to consider requesting additional deposits on delinquent accounts.

Attorney Bill Flickinger will be sending a demand letter to the former resident with the delinquent grinder pump repair bill. There was discussion of possible action against the former resident on this matter.

Mrs. Hester discussed the billing adjustments with the Board. Mrs. Hester reported that a letter went out to the customers that were owed a credit due to being overcharged in connection

with their meter size. Mr. Flickinger stated that the system needs to be corrected to show the correct meter size. The undercharged customers will see a slight increase due to the billing for the correct meter size. Mrs. Hester stated that ST will send a letter to those undercharged customers with their water bills. There were 35 accounts that were undercharged.

The Board then discussed the need for a charge if the customer wants to exchange their current meter size for a different size. After discussion, motion was made by Corey Newhouse and seconded by President Chet a. Palesko to revise the rate order to include a \$195 charge for a meter exchange per the customer's request. The motion carried unanimously.

Mrs. Hester had no update on the rebuilt computer and software as Scott Manuel has been on vacation.

Corey Newhouse presented a rate comparison for discussion.

11. TAYLOR LAKE EFFLUENT POND AND THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM

This item was not discussed.

12. BILLING ADJUSTMENTS

This item was discussed above under the Manager's Report.

13. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES, ACCEPTANCES AND AWARD OF CONTRACTS

This item was not discussed.

14. THE DISTRICT'S WATER AND SEWER RATES; AMENDED RATE ORDER

This item was discussed above under the Manager's Report.

15. DROUGHT CONTINGENCY PLAN

This item was not discussed.

16. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S CURRENT BOND ISSUE

No action is needed at this time.

17. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD. AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING AND LITIGATION WITH SENNA HILLS, LTD. OVER THE FOREGOING AND THE WEAVER SEWER LINE PROJECT

The Board President announced that the Board of Directors will now go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item No. 17. The Board went into closed session at 8:04 a.m.

At 8:28 a.m., the Board President announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.


18. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

