

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 16, 2012, at 1502 San Juan Drive, 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

A roll call of the Directors was taken. The Directors present were Chet Palesko, Kenneth A. Fox and David I. Perl, thus constituting a quorum. Mike Dansby and Gregg Kronenberger were absent.

Also present at the meeting were Joe Szoo, Brett Reeh, Allen Douthitt, Robert Ferguson, David Ripley, Jerri Strain and Mike Willatt.

3. CITIZEN COMMENTS

No comments were offered.

4. REQUEST BY BILLY KILGO TO PURCHASE FROM THE MUD APPROXIMATELY 8,000 SQUARE FEET OF LAND ADJACENT TO HIS RESIDENCE

It was noted that this matter was discussed at the last meeting and nothing had been heard since.

5. MINUTES OF PRIOR MEETINGS

David I. Perl pointed out certain corrections to the minutes. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the minutes of the March 20, 2012 meeting as amended. The motion carried unanimously.

6. WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
7. CONSENT TO ASSIGNMENT BY LOWER COLORADO RIVER AUTHORITY TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY OF CERTAIN AGREEMENTS RELATED TO PROVISION OF WATER SERVICE TO SENNA HILLS

Items 6 and 7 were taken together.

Mike Willatt explained the request from West Travis County PUA for the District's consent to the assignment of the LCRA Wholesale Water Services Agreement to the PUA. Motion was made by David I. Perl and seconded by Kenneth A. Fox to Consent to the Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency of Certain Agreements Related to Provision of Water Service to Senna Hills. The motion carried unanimously.

8. OPERATIONS MANAGEMENT COMPANY SEARCH

Brett Reeh appeared on behalf of Aqua Texas. There was discussion as to how to proceed to obtain a new MUD management company. President Chet Palesko suggested that Aqua Texas submit an application along with everyone else and Brett Reeh seemed to be agreeable to that. After discussion David I. Perl and Gregg Kronenberger were appointed to act as a search committee.

9. AUSTIN ELECTRIC RATES

Mike Willatt explained that little was happening while the City of Austin determined how to set its revised electric rates.

10. TAYLOR LAKE EFFLUENT POND AND THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM
11. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT
12. PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Items 10, 11 and 12 were taken together.

Robert Ferguson said that he had determined that the replacement pump meets the specifications. It is a larger pump, with a higher horsepower rated motor. ETT has ordered the other three pumps which will be installed at its expense.

When the pumps are installed, they will be able to operate the plant in such a manner as to allow coring of the partition. This will be paid for by Doug Hearne.

Robert Ferguson explained that all of the money in the capital account is in escrow, being \$58,000 from the 2002 bond issue and \$217,000 from the most recent bond issue. There was discussion about getting the funds released from escrow. Motion was made by Kenneth A. Fox and seconded by David I. Perl to approve the pay estimate for the new wastewater treatment plant presented by Robert Ferguson to be paid upon release of funds from escrow. The motion carried unanimously.

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

Allen Douthitt presented the financial report and asked for approval of payment of the bills subject to funding. There was a long discussion of the District's financial circumstance and the need to get money out of escrow. It was confirmed that the District has stopped the water meter replacement program. At the last meeting, Robert Ferguson was going to look at the irrigation to see how much the District needs to meet all of the regulatory requirements. There was talk about inviting Rip Miller to put up the money for the District's engineer to review that issue. There was a general consensus that Rip Miller should hire his own engineer for that purpose. Allen Douthitt continued presenting the financial report. It was agreed that the payment to the wastewater treatment plant contractor will be delayed until release of funds from escrow, and that may be the same for the Weaver contract. Motion was made by President Chet Palesko and seconded by Kenneth A. Fox to approve payment of the bills subject to funding. The motion carried unanimously.

14. DISTRICT MANAGER'S REPORT ON OPERATIONS

David Ripley reported that the plant has been in compliance, although there were two minor overflows. The pump at the lift station failed. It was installed in 1996 or 1997 and has simply worn out. Aqua Texas has ordered a new pump, which has a six to eight week delivery schedule. Currently there is one pump working. Jerri Strain reported that the LCRA is expected to go to twice a week watering on May 1. She will post watering rules on the website.

15. AGREEMENT WITH CONSULTANTS ON DEFERRING PAYMENT OF THEIR BILLS

Mike Willatt asked that the consultants whose payments are being deferred receive interest, beginning 30 days from the date of the consultant's invoices, at an interest rate equal to the yield on the District's Series 2010 bonds, as sold to the public, which was 3.9551%. Motion was made by Kenneth A. Fox and seconded by David I. Perl to approve this request. The motion carried unanimously.

16. ENGINEER'S REPORT

- a. Wastewater Treatment Plant
- b. Weaver Wastewater Service
- c. LCRA Contract Amendment
- d. Office Park Site Plan

These items were addressed earlier.

President Chet Palesko moved to Item 23 at this time.

23. LETTER TO TxDOT REQUESTING APPROVING OF AN ENTRANCE OFF BEE CAVES ROAD FOR THE PROPOSED SENNA HILLS OFFICE PARK

President Chet Palesko announced that TxDOT had forwarded the letter to the appropriate person for review.

17. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This item was addressed earlier.

18. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO

This item was not discussed.

19. THE DISTRICT'S WATER AND SEWER RATES

This item was not discussed.

20. BILLING ADJUSTMENTS

This item was not discussed.

21. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING

This item was not discussed.

22. RESOLUTION ESTABLISHING OFFICES AND MEETING PLACES

The Resolution in the agenda package was not acted on, since the Board will be able to continue to meet at San Juan through the September 1, 2012 termination by Aqua Texas.

24. MUD LAND USE PLAN AMENDMENT AS PREPARED BY THE DISTRICT'S ENGINEER IN 2009.

This item was not discussed.

25. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT


Motion was made by David I. Perl and seconded by President Chet Palesko to release the check to the City of Austin to pay to bring electricity to the Weaver grinder pump. The motion carried unanimously.

26. LITIGATION WITH SENNA HILLS, LTD. OVER WEAVER SEWER LINE PROJECT

Mike Willatt reported that there was no action on the litigation initiated by Senna Hills, Ltd., and that to conserve money, he did not plan to take any action in the foreseeable future.

27. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]