

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 29, 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 Lisa McKenzie, thus constituting a quorum. Joe Szoo entered the meeting at 7:14 a.m. as indicated below. Corey Newhouse was absent.

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

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

David I. Perl had a few questions regarding the minutes. He also had several corrections to the minutes. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the minutes of the April 1, 2016 meeting. The motion carried unanimously.

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

It was noted that that PUA extended its search period for a new manager.

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.

Mr. Ferguson reported that they are going back through what has been proposed for the treatment basin volumes before it is submitted to the contractors, so that it can be used in preparing the bids for the project. This should be done soon.

The bond application is almost ready for submission to the TCEQ.

Mr. Ferguson stated that the TCEQ commented on the minor amendment application and informed them that the application format has been changed, therefore the application will need to be resubmitted on the new format. Mr. Ferguson is addressing those comments and it should be submitted next week.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Attorney Bill Flickinger discussed the correspondence from the TCEQ in regards to the District's MS4 annual report. Jason Tyler at ST mentioned that the report was filed by the deadline, which was March 31st. However, the TCEQ sent notification that the actual permit went into effect December 2013. The TCEQ wants reports filed for calendar year 2014 and 2015. The District can respond by saying it did not have a permit at that time.

Joe Szoo arrived at 7:14 a.m.

Engineer Robert Ferguson discussed the delay in the TCEQ taking action on the MS4 permit as there was confusion as to when to start the process. Mr. Tyler will review the report and determine what additional information needs to be sent to the TCEQ and send it in.

President Chet A. Palesko discussed Zane Furr's contract. Mr. Flickinger stated that the contract intended to reflect all the work he is currently doing. Mr. Flickinger addressed some billing language in the proposed contract. Any additional work that Mr. Furr performs will be billed at \$75 per hour. Mr. Flickinger noted that the District will need to receive the TEC Form 1295 from Mr. Furr prior to signing the contract. After discussion, motion was made by David I. Perl and seconded by President Palesko to approve the Professional Services Contract with Zane Furr as presented, subject to receipt of the TCE Form 1295. The motion carried unanimously.

The Board discussed all the work needed around the Milagro and Strawflower ponds. Due to the estimated cost of \$30,000 for the pond maintenance, the budget may need to be revised. Bookkeeper Allen Douthitt indicated that the District does not need to amend the budget to have the work done, it just needs to have the funds available. Engineer Robert Ferguson indicated that when the bond funds come in, the District will not need additional money. After further discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the \$30,000 expenditure on the ponds to be completed by ST, including rebuilding the gabion wall.

There was further discussion of trees needing to be removed at the Strawflower pond. David I. Perl asked if the HOA is responsible for that and Lisa McKenzie advised that all those trees are located on the District's land. President Palesko entertained a motion for approval.

Motion was made by Lisa McKenzie and seconded by David I. Perl to approve ST to inform Zane Furr on the fixed pricing and then he can bill at an hourly rate if need be to remove the dead trees and brush around the ponds. The motion carried unanimously.

Lisa McKenzie reported that the District has a drainage easement behind several homes on Indigo Broom Loop, which includes a storm water outfall and other improvements behind 10314 Indigo Broom Loop. The homeowner has asked when the District will be restoring or improving this easement, and if there is a plan and budget in place for that. Mrs. McKenzie, Kristi Hester of ST and Engineer Robert Ferguson previously met with the homeowner and inspected the drainage area. The homeowner would prefer an underground pipe, rather than the open drainage area, but there are springs on an adjacent hillside that drain into this easement, so that is not feasible. Engineer Robert Ferguson stated there was not a plan but, that he can get a quote to do the cleanup. Mrs. McKenzie commented that the District can budget for this next year.

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

Bookkeeper Allen Douthitt presented and discussed the bookkeeper's report as included in the agenda package. Mr. Douthitt will void the per diem for Corey Newhouse due to his absence. Mr. Douthitt mentioned that the District is not being billed for a telephone line at the lift station and he does not know whose name it is in. However, the line is still in use at this time. This needs to be figured out because if the line gets disconnected, it could cause a major problem. Mr. Douthitt indicated that he is starting to receive preliminary appraisals, which are both up and down this year. In regards to collection of the District's taxes, there is still \$10,000 outstanding. There was discussion of collection of these amounts. Attorney Bill Flickinger stated that at the appropriate time, the County will go after the homeowners for the delinquent amounts. However, the District has the authority to take action by terminating the water service after 6-months of delinquency. There was discussion of a delinquent account belonging to Arcadia, which owns an 800-square foot piece of land. The Board discussed the possibility of the owner conveying that piece of land to the District. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to authorize payment of the bills, per diems and fund transfers as presented. The motion carried unanimously.

9. DISTRICT MANAGER'S REPORT ON OPERATIONS
A. Update TCEQ Disinfection Monthly Report

Jason Tyler filled in for Manager Kristi Hester and discussed the Manager's Report as included in the agenda package.

Mr. Tyler informed the Board that the correct meter sizes have been updated in the billing system and notices have been sent to all affected residents. There have been no calls from residents on the change of meter sizes. The credits that were due to the residents have been sent out as well.

automatic device to turn on instead of it being a manual device. When the operator was notified of the leak and got to the site, there was already a 200,000-gallon spill.

The leak in the District has not yet been found. There was a 75% water accountability for April. Lisa McKenzie stated that the contractor needs to accelerate the leak finding process. This is just going on and on. Mr. Tyler will contact them to see if they can speed it up.

In regards to the lift stations, lift station 5 on Strawflower experienced high pump run times during the recent rain events. The lift station is positioned on a slope and the runoff is entering the lift station. Mr. Tyler recommends building a berm around the sit to divert the water flow. The estimated cost for this project is \$2,000. Mr. Ferguson also recommended doing something about this. Mr. Tyler also discussed lift station 2. There needs to be an all-weather road leading to the site. A crane needs to be brought in there so that the repairs can be made. The pump needs to be pulled and the cutters need to be replaced. The estimated cost for the road base is \$2,500. The Board directed ST to put in the all-weather road, but not to exceed \$2,500.

Lisa McKenzie discussed the demand letter to Mr. Totah in connection with past due grinder pump repairs and a past due water bill. Attorney Bill Flickinger reported the demand letter to Mr. Totah went out yesterday. There was discussion of the service agreement and rate order. The rate order provides that the owners pay for grinder pump repairs. President Palesko mentioned that he did not receive the informational letter on grinder pumps and he needs to be added to the list.

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

Lisa McKenzie reported that she has had complaints from a neighbor that the effluent pond is in bad shape and was wondering why the water level was so low that it has exposed the white residue. Jason Tyler reported that actually the pond is half full right now and they do not want to run the ponds full because they need to allow for storage capacity. Engineer Robert Ferguson stated that it is beneficial to leave the white residue on the liner, which is calcium buildup. ST will look at the ponds again during the summer to see if any adjustments need to be made.

11. BILLING ADJUSTMENTS

This item was not discussed.

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

This item was not discussed.

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

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

14. DROUGHT CONTINGENCY PLAN

This item was not discussed.

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

No action is needed at this time.

16. 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

Attorney Bill Flickinger suggested that the committee meet to discuss this matter. Jeniffer Concienne will coordinate a meeting with the committee at the appropriate time.

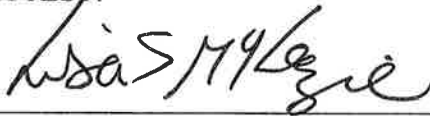
17. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD



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