

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 August 16, 2006, 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 David I. Perl, Kenneth A. Fox, Chet Palesko and Fred Garcia, thus constituting a quorum. Director Mike Dansby was absent.

Also present at the meeting were Mike Willatt, Steve Bowers, Jerri Strain, Bruce Aupperle, David Ripley, Rip Miller and Rip Miller's associate, Clay.

3. CITIZEN COMMENTS

There were no citizens present at the meeting.

4. MINUTES OF JULY 18, 2006 MEETING

Motion was made by Kenneth A. Fox and seconded by Fred Garcia to approve the Minutes of the July 18, 2006 meeting as presented. The motion carried unanimously.

5. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT AND MODIFICATIONS TO THE EFFLUENT POND, INCLUDING RETAINING SERVICES OF AN ENGINEER AND FINANCING OF THE IMPROVEMENTS

Bruce Aupperle reported on the financing and schedule for expansion to the District's wastewater treatment system. He said that the Board will need to make a decision on the engineer in October. Mr. Aupperle will provide the engineer's proposal so that it can be considered at the next Board meeting. He also said that the City of Austin had declined to take over the system. Jerri Strain reported that Aqua Texas had not responded, but that this does not seem to be much interest in Aqua Texas financing the improvements to the system.

6. DISTRICT MANAGER'S REPORT AND PAYMENT OF DISTRICT EXPENSES AS PRESENTED BY AQUA TEXAS

The manager's report was presented by Jerri Strain and David Ripley. Kenneth A. Fox submitted an attorney's bill in the amount of \$396 in relation to the Evans Weaver litigation. Motion was made by David I. Perl and seconded by Fred Garcia to approve reimbursement of the expenses to Kenneth A. Fox. The motion carried unanimously. Ms. Strain presented the invoices and checks. Motion was made by Fred Garcia and seconded by David I. Perl to approve payment of the bills. The motion carried unanimously.

7. BUDGET

President Chet Palesko presented the proposed budget contained in the manager's report. There was extensive discussion following which motion was made by Fred Garcia and seconded by Kenneth A. Fox to adopt the Order Approving the Budget as presented. The motion carried unanimously.

8. TAX RATE

Motion was made by Fred Garcia and seconded by Kenneth A. Fox to set the debt service tax rate at \$0.5125 per \$100 of value and the operation and maintenance tax at \$0.095 per \$100 of value. The motion carried unanimously. Jerri Strain said that she will prepare the Notice of Public Hearing, scheduling a public hearing on the tax rate at the September 20, 2006 meeting, and that she will arrange for publication of that notice in the West Lake Picayune.

9. TEXAS MUNICIPAL LEAGUE INSURANCE RENEWAL

Jerri Strain presented the TML Rerate Exposure Summary. Motion was made by Chet Palesko and seconded by David I. Perl to approve the Rerate Exposure Summary and renewal of insurance with TML. The motion carried unanimously.

10. DENIAL LETTER FROM CITY OF AUSTIN REGARDING SENNA HILLS MUD WWTP SLUDGE

David Ripley presented the letter from the City of Austin revoking permission to dispose of waste activated sludge at the City's facilities. There was considerable discussion of this by David Ripley and Bruce Aupperle. They said that the sewage hauled from the medical center was causing operational problems and making it difficult to meet permit conditions. Within the next six months the District will need to not take anymore sewage from the medical center. Rip Miller reported that he was negotiating with the City of Austin and asked if he could come back in two months with a report. Mr. Ripley noted that there are 20 additional houses coming online which will make it difficult to meet the permit conditions in the plant. Chet Palesko said the Board should take it month to month, pending Rip Miller's report.

11. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

No action was taken under this item.

12. STATUS OF EVANS WEAVER

The Board went into closed session at 8:20 a.m. to discuss the Evans Weaver litigation, and returned into open session at 9:00 a.m. Present in closed session were the Board members and attorneys Mike Willatt and Steve Bowers. No action was taken.

11. ADJOURN

There being no further business, the meeting was adjourned.



Board of Directors, Senna Hill MUD

ATTEST:



Board of Directors, Senna Hills MUD

