

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 28, 2008, 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, Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. All Directors were present.

Also present at the meeting were Mike Willatt, Bruce Aupperle, Jerri Strain, David Ripley and Robert Long.

3. CITIZEN COMMENTS

There were no citizens present.

4. MINUTES OF JULY 16, 2008 MEETING

Motion was made by Kenneth A. Fox and seconded by Chet Palesko to approve the minutes as presented. The motion carried unanimously.

5. PROPOSED RATE INCREASE BY THE LCRA IN CONNECTION WITH RAW WATER AND TREATED WATER PROVIDED TO THE DISTRICT

Bruce Aupperle reported that the LCRA had increased the District's base rate from \$3,250 to \$3,770, the raw water price from \$.39 per 1,000 gallons to \$.43 per 1,000, and the potable water price from \$2.12 per 1,000 gallons to \$2.40 per 1,000 gallons. He said that Janet Stephenson said that they will not change the rates again until 2013. There was discussion about sending a letter of explanation to the customers. Jerri Strain produced the letter that was sent last time.

6. RATE ORDER

After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to amend the District's water volume charge as follows:

1,001 - 19,999	\$3.07
20,000 - 44,999	\$3.35
45,000 - 74,999	\$3.91
Over 75,000	\$4.20

The motion carried unanimously.

7. DROUGHT CONTINGENCY PLAN

No action was taken on the Drought Contingency Plan. It was agreed that this item can be removed from the agenda.

8. BUDGET

Mike Dansby presented the proposed budget. After discussion, motion was made by Kenneth A. Fox and seconded by Mike Dansby to adopt the Order Approving Budget as presented. The motion carried unanimously.

9. PROPOSED TAX RATE

There was discussion as to the proposed tax rate. After discussion, motion was made by Gregg Kronenberger and seconded by Mike Dansby to adopt the Order Setting the District's Proposed Tax Rate for 2008 and Providing for Publication of Notice Thereof, as presented, with the operation and maintenance tax being set at \$.07, the debt service tax being set at \$.47, with \$.54 being the total tax rate per \$100. The motion carried unanimously.

10. HOA WATER USAGE AND CHARGES

Gregg Kronenberger reported that the HOA met last week. Water usage is below that in the proposed budget.

11. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Bruce Aupperle reported that all equipment has been ordered, and that he is obtaining shop drawings.

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

David Ripley presented the operation features of the Manager's Report and Jerri Strain presented the financial information. After discussion, motion was made by David I. Perl and seconded by Mike Dansby to approve payment of the bills as presented. The motion carried unanimously.

13. BOND ISSUE NO. 4 & NO. 5

Bruce Aupperle reported that the Bond Issue No. 4 will go before the City's water and wastewater commission in September and to the City Council on October 2. TCEQ will probably not complete their process until December. He also stated that with the assessed value at \$162,000,000 Bond Issue No. 5 is now eligible. He will begin preparing an application and bring it to the Board in October to get it moving forward.

14. RAW WATER CONTRACT WITH LCRA

Jerri Strain stated that she will send the proposed LCRA contract to Mike Willatt for review.

15. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

Bruce Aupperle and Robert Long reported that Taylor-Morrison Homes has advertised and opened bids for Senna Hills Section 9, Water, Wastewater, Drainage and Roadway Excavation Improvements. Bruce Aupperle presented the bid tabulation and recommended award of the contract to Austin Engineering Co., Inc. who submitted the low bid of \$233,653.50. Motion was made by David I. Perl and seconded by Mike Dansby to approve award of the contract to Austin Engineering Co., Inc. The motion carried unanimously.

16. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This item was not discussed.

17. EVANS WEAVER LITIGATION, INCLUDING RULE 11 T.R.C.P. MEDIATED SETTLEMENT AGREEMENT AND ANNEXATION OF THE "EVANS WEAVER" TRACT

Bruce Aupperle reported that the proposed annexation is scheduled before the City Council at the same time as the bond issue; i.e., October 2, 2008.

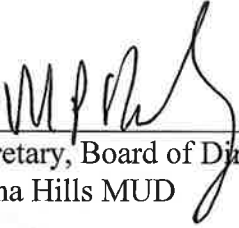
18. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]

