

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 29, 2014, at 12117 Bee Cave Road, Building 3, Suite 120, Austin, Texas 78738, 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 A. Palesko, David I. Perl, Joe Szoo, Lisa McKenzie and Corey Newhouse, thus constituting a quorum.

Also present at the meeting were John Chamblee, Scott Manuel, Allen Douthitt, Robert Ferguson, Charles Collier and Mike Willatt.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

The Board noted that the \$20,000 appearing in item 6 of the proposed minutes should be \$15,000. After discussion, motion was made by David I. Perl and seconded by Joe Szoo to adopt the minutes of August 1, 2014 as amended. The motion carried unanimously.

5. REVIEW OF MANAGEMENT PERFORMANCE BY SEVERN TRENT SERVICES

Corey Newhouse reported on his meeting with ST, and on the fact that ST is preparing a "wish list" as to what it would like to see to assist them in operating the sewage treatment plant.

6. VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY, AND ALL RELATED ISSUES

Robert Ferguson reported on his efforts to find someone to locate the line. He has found someone to locate it for \$425. Motion was made by David I. Perl and seconded by Joe Szoo to

approve the expenditure of \$425 to locate the line at 10318 Indigo Broom Loop. The motion carried unanimously. Motion was then made by David I. Perl and seconded by Joe Szoo to authorize the President to sign the settlement documents with the McKenzie's after Robert Ferguson has approved the partial release of the easement, after the line is located. Lisa McKenzie abstained from the vote. The other board members voted in favor of the motion and the motion passed.

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

President Chet Palesko reported that the PUA has been conducting impact fee meetings. There was discussion of the impact fee process.

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

Robert Ferguson said that he had obtained two bids on the irrigation work. G Creek dropped its price to \$87,040. He explained that the people installing irrigation systems for private entities did not want to bid because of the bonding and insurance requirements. Motion was made by David I. Perl and seconded by Lisa McKenzie to award the contract to G Creek for the irrigation work. The motion carried unanimously.

Robert Ferguson reported that the TCEQ permit reviewer said that because the District had prior enforcement actions, the renewal will have to go before a committee. Robert is also correcting the TSS number. A draft renewal is being prepared.

Robert Ferguson reported that the MS4 permit application is ready to be filed. There was discussion of what it requires.

9. AUTHORIZATION TO THE DISTRICT'S ENGINEER TO PREPARE APPLICATION TO THE TCEQ FOR AUTHORIZATION TO ISSUE THE DISTRICT'S REMAINING AUTHORIZED BUT AS OF YET UNISSUED BONDS

Robert Ferguson said that he was ready to prepare the bond application. Motion was made by Joe Szoo and seconded by Corey Newhouse to authorize Murfee Engineering to prepare the bond application for the District's remaining voted but as of yet unissued bonds. The motion carried unanimously.

10. RESOLUTION AUTHORIZING DIRECTOR'S FEES

There was discussion as to whether the board members should take director's fees. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Resolution Authorizing Director's Fees, but amending it to provide that director's fees would only be payable for attendance at a meeting of the board where a quorum is present. Joe Szoo voted against the motion. The other directors voted in favor of the motion and the motion passed.

President Chet Palesko moved to Item No. 18.

18. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel handed out his report and discussed the fact that the water usage will increase because of the new meters. David I. Perl discussed the bill paying process.

President Chet Palesko moved to Item No. 13.

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

Allen Douthitt presented and discussed his report. Motion was made by David I. Perl and seconded by Joe Szoo to pay the bills. The motion carried unanimously.

Item Nos. 14 and 15 were discussed together.

14. ORDER APPROVING BUDGET

15. ORDER APPROVING PROPOSED TAX RATE FOR 2014 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Allen Douthitt presented information on the assessed value and budget. After review and discussion, motion was made by President Chet Palesko and seconded by David I. Perl to adopt the budget, subject to the adjustment to provide for payment of director's fees and to adopt the proposed tax rate and provide for publication of the notice of the public hearing on the tax rate. The motion carried unanimously.

President Chet Palesko moved to Item No. 23.

23. ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE AND CANCELLING DIRECTOR'S ELECTION

Motion was made by Lisa McKenzie and seconded by Corey Newhouse to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Director's Election. The motion carried unanimously.

President Chet Palesko moved to Item No. 22.

22. 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

Mike Willatt reported that Kemp Gorthey had asked the District to review nine issues. There was discussion of each of the nine issues provided by Mr. Gorthey, following which it was agreed that Mike Willatt would prepare a response to Kemp Gorthey and would submit it to President Chet Palesko and Lisa McKenzie for comment, with copies going to the other Board members, but without their comments.

24. ADJOURN

The meeting was adjourned.

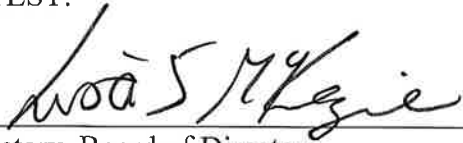
****THE FOLLOWING ITEMS WERE NOT DISCUSSED.****

11. TAYLOR LAKE EFFLUENT POND AND THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM
12. THE DISTRICT'S WASTEWATER TREATMENT PLANT
16. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF
17. BILLING ADJUSTMENTS
19. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES
20. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO
21. THE DISTRICT'S WATER AND SEWER RATES



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]