

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 7:10 a.m. on August 29, 2019 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, 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

The Directors present were:

Chet A. Palesko - President
David I. Perl – Vice President
Lisa S. McKenzie – Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. Assistant Secretary Joe Szoo was absent.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark, Allen Douthitt of Bott & Douthitt, PLLC and Jessica Scanlon of Hot Dog Marketing.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the July 26, 2019 meeting as presented. The motion carried unanimously.

5. REPORT FROM MR. RIP MILLER ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

Lisa McKenzie discussed the update from Rip Miller on development progress of the office tract. Mr. Miller's engineer has been able to demonstrate that the development will not increase runoff and/or pollutant load levels leaving the tract from what they currently are with no detention and/or filtration. Once this is put into a formal report, Mr. Miller will present the findings to the City of Austin's environmental department in hopes to diffuse most of their objections. There was also discussion of underground stormwater piping that Mr. Miller installed previously to handle runoff from Senna Hills Drive. Mr. Miller sent an additional request to Eanes ISD to rescind their letter of objection to the development. Mr. Miller's report indicated that he planned to have temporary electrical service to the tract in the next few weeks. This will eliminate the need for the generator to run the well for water. He also hopes to have an automated sprinkler system installed for watering the new trees and shrubs within the next month or so.

Attorney Bill Flickinger and Engineer Robert Ferguson discussed the City process. Lisa McKenzie discussed scheduling a meeting with the HOA, MUD committee and consultants to discuss the contract in detail.

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

President Chet Palesko expressed his disappointment with the base rate increase to the customers. The PUA did not mention anything about rate increases all year.

President Chet Palesko moved to Item No. 19.

19. DISTRICT WEBSITE; NEW STATE LAW REQUIREMENTS; PROPOSALS FOR WEBSITE SERVICES

Jessica Scanlon introduced herself to the Board of Directors. Ms. Scanlon discussed her proposal for the scope of work to maintain the District's website in light of all the new legislative requirements. The contract is for one-year and then auto-renews after that. The contract requires a 60-day notice to cancel by either party. The estimated cost for two-years is \$6,000, including the programming, development, hosting and maintenance. Corey Newhouse recommended changing 1 hour per month to two hours per month or allocating a certain amount of time for maintenance per year. After discussion, motion was made by Corey Newhouse and seconded by President Chet Palesko to authorize the committee to work with the District's attorney to finalize and approve the contract, after which the Board President is authorized to sign the Contract with Hot Dog Marketing for the District's new website. The motion carried unanimously.

President Chet Palesko moved to Item No. 7.

7. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

President Chet Palesko opened the public hearing on the Drought Contingency Plan. Hearing no public comments, the public hearing was closed.

8. AMENDMENT TO DROUGHT CONTINGENCY PLAN

Attorney Bill Flickinger discussed the new watering schedule as implemented by the PUA. The Board discussed their irritation with the change. The PUA letter read as if it was voluntary, not mandatory. Mr. Flickinger stated that his office called the PUA after receiving the letter and the Interim General Manager advised it was in fact mandatory. There was discussion of the Amended Drought Contingency Plan. The PUA also amended its Drought Contingency Plan. The revisions to the District's plan outline the new watering schedule. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to adopt the changes outlined in the redline version of the District's Drought Contingency Plan and adopt provisions similar to the newly adopted Drought Contingency Plan of the PUA. The motion carried unanimously. President Palesko noted that the signs within the District will need to be changed out to reflect the new schedule.

9. ORDER APPROVING BUDGET FOR 2019/2020

Bookkeeper Allen Douthitt discussed the proposed budget with the Board. Lisa McKenzie discussed a budget item for repair of the roads within the District. After further discussion, the budget is not yet ready for adoption. Mr. Douthitt will bring it back to the September meeting for consideration. No action is needed at this time.

10. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2019 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Bookkeeper Allen Douthitt discussed the District's proposed tax rate. Mr. Douthitt advised that the District's financial advisor recommended a debt service rate of \$0.32. Mr. Douthitt discussed the roll back rate with the Board. With a zero tax increase, the M&O rate would be \$0.1951 with a total tax rate of \$0.5151. The public hearing will be held at the next board meeting, scheduled for September 20th. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the Order Setting the District's Proposed Tax Rate for 2019 and Providing for Publication of Notice Thereof and inserting \$0.1951 for M&O, \$0.32 for debt service, with an overall tax rate of \$0.5151. The motion carried unanimously.

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

Engineer Robert Ferguson reported that the sludge tank is now in operation. The fence company is working on the re-installation of the perimeter fencing. A final walk-thru should be completed soon. Mr. Ferguson is hopeful that all will be completed and closed out next month.

12. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION, ADMINISTRATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND PAY ESTIMATES

Engineer Robert Ferguson recommended approval of the following pay application.

Pay Application No. 10 submitted by Excel Construction Services, LLC in the amount of \$162,748.08 for the sludge box change order portion of the wastewater treatment plant expansion project.

President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve the pay application as submitted. The motion carried unanimously.

13. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

This item was not discussed.

14. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS; BUILDER DEPOSITS

Bookkeeper Allen Douthitt discussed the financials and fund transfers with the Board. Mr. Douthitt reported that the per diem for Assistant Secretary Joe Szoo will be voided due to his absence. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve payment of the invoices, per diems and three fund transfers as presented. The motion carried unanimously.

15. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services
- c. Inspections of HOA effluent irrigation system
- d. I&I issues at wastewater plant
- e. Pilot program for electronic residential meters
- f. Possible repairs to areas of streets in Sections 5B and 6; Manholes, water meters and storm drains

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

There are 412 active water connections in the District. 6.45 million gallons of water were consumed in July. The chlorine residuals and bacteriological samples are satisfactory. The July water loss was 3.4%.

Mr. Kennis reported that 20 delinquent letters were mailed out, 10 door tags were hung and there were three disconnects for non-payment.

The wastewater plant is running at 61% capacity and is in full compliance.

Mr. Kennis reported that the turbidimeter that failed last month was not covered under warranty.

Mr. Kennis reported on the HOA's irrigation system and their billing items related to that project. The HOA's old flow meter was not compatible with the SCADA system so a new one was purchased from Fluid Meter Service. The unit malfunctioned and was sent back to the manufacturer for repairs. The old meter was reinstalled and then failed again.

Inframark's invoice of maintenance items also includes work done on two lift stations. A surge protector failed at Lift Station #4 and pumps were worked on at the Strawflower lift station.

Lisa McKenzie conducted a survey on the electronic meters and it appears that the overall satisfaction with the electronic meters is good. The meter aging report shows that half of the mechanical meters need to be replaced.

16. BILLING ADJUSTMENTS

This item was not discussed.

17. PROFESSIONAL SERVICES AGREEMENT WITH INFRAMARK

Attorney Bill Flickinger discussed the commercial/HOA fee in Inframark's contract. The contract provides for a fee based on consumption rather than per connection. The fee is \$3.00 per 10,000 gallons of water usage. Manager Jesse Kennis advised that Kristi Hester is working through this issue and he will come back to the Board with a recommendation. No action is needed at this time.

18. RATE ORDER

This item was not discussed.

20. SPLASH PAD CONCEPT

Lisa McKenzie discussed the issues with the baby pool and the possibility of replacing it with a splash pad. The Board discussed the water supply aspect, including where the water would go and whether it would be a tank/filter and chlorine system or more like a sprinkler system. Engineer Robert Ferguson advised that the water would need to be de-chlorinated if it runs off site. The best way is just to have a recirculating system. The HOA is not yet ready to move forward with this project, it is just in the discussion phase.

21. RESOLUTION REGARDING ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES

Attorney Bill Flickinger advised that the District's investment policy must be reviewed on an annual basis. No changes were recommended from the current policy. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.

22. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA

This item was not discussed.

23. RULES REGARDING PUBLIC'S RIGHT TO ADDRESS THE BOARD OF DIRECTORS

Due to recent legislation, to be effective on September 1, 2019, Attorney Bill Flickinger discussed the need for the Board to adopt rules regarding the public's right to address the Board of Directors. The rules set time limits on the discussion and provide for an Attendance Sheet to be signed by those persons wishing to speak. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to adopt the Rules Regarding Public's Right to Address the Board of Directors as presented. The motion carried unanimously.

24. DATES FOR FUTURE BOARD MEETINGS


The Board discussed the upcoming board meetings. The current meeting schedule includes September 20th, October 25th, November 22nd and December 20th. President Chet A. Palesko advised that he cannot make the October meeting, but no need to reschedule it. David I. Perl advised that he cannot make the November meeting. After discussion, the November 22nd meeting was rescheduled to Thursday, November 21st.

25. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; AMENDMENT TO THAT CONTRACT

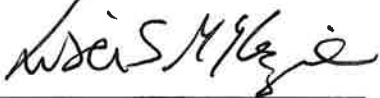
This item was not discussed.

26. ADJOURN

President Chet A. Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

