

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 December 21, 2015, 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, Lisa McKenzie, Corey Newhouse and Joe Szoo, thus constituting a quorum. No Director was absent.

Also present at the meeting were Robert Ferguson, Allen Douthitt, Kristi Hester and Bill Flickinger.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

The Board decided to review the November 16, 2015 minutes at the next Board meeting. No action was taken.

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

Lisa McKenzie reported the PUA prepared its budget, but net revenue is not sufficient to meet bond covenant requirements. Recommendations were made by the PUA staff to increase prices enough to satisfy bond requirements and build an operating fund cushion. On average, there was a 34% increase on wholesale customers. Our base fee increased from \$6,250 to \$8,450 per month. Lisa McKenzie is not sure if it was formally approved on Thursday. Lisa McKenzie is not sure if the volume rate was decreased. Allen Douthitt stated it will be a 9% increase, but raw water went down from 53 cents per 1,000 gallons to 47 cents per 1,000 gallons. President Chet A. Palesko believes the total increase is 5-7% for water total from the PUA. Kristi Hester should receive the official notice from the PUA on the rates.

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

Robert Ferguson presented the Engineer's Report.

1. The wastewater treatment plan design is being reviewed. He is continuing to look at the equalization function.
2. Regarding the wastewater permit, he is working with the TCEQ on whether it will be a minor permit amendment, but there is no definite answer from the TCEQ yet. The TCEQ said to submit the application.
3. They are still working with Doug Whitt on the bond application. Lisa McKenzie asked when the bonds will be issued. Robert Ferguson said the TCEQ review will probably be fairly quick, and the TCEQ will probably expedite the review. The bonds can probably be issued in the summer of 2016.
4. He has received SCADA information from ST and is reviewing the high pressure events. The data is showing high pressure, but with the new PUA line in service, it should eliminate this problem.

Lisa McKenzie asked about system damage versus resident PRVs. Robert Ferguson stated at least one resident PRV was damaged in Lake Pointe. Kristi Hester stated there was also recent damage to the angle stop. Joe Szoo asked if it is related to the leak on Senna by the pond. Lisa McKenzie said probably not since the leak existed for awhile. David I. Perl said the leak was probably due to a ground shift.

5. In connection with the stormwater MS4 permit, Lisa McKenzie and Kristi Hester stated there is some maintenance needed. Lisa McKenzie described damage to the drainage ways and erosion in the drainage easement at 10314 Indigo Broom Loop. There is a lot of debris and trash including construction debris. Robert Ferguson stated there is some cleaning and maintenance needed, but it is all hand work and there is no access for the equipment.

Joe Szoo asked about the timing of the plant expansion, and Robert Ferguson stated it will probably be completed in September 2016. Kristi Hester commented that having a holding tank at the plant may help during maintenance. Robert Ferguson discussed equalization and storage. He said if they are having difficulty in processing the flow, storage may not help, but equalization may help during peak hours. Kristi Hester said they would still like a 50,000-gallon storage tank to use when they take the basin down for maintenance. Robert Ferguson discussed the possibility of a portable tank. Lisa McKenzie asked if it is less expensive to own a portable tank. President Chet A. Palesko asked if equalization could be increased. Robert Ferguson said they may need a larger footprint for the treatment plant site. A 20,000-gallon portable fracking tank was discussed as a possible solution. Joe Szoo suggested proceeding with the design and consider a temporary or portable tank later. Corey

Newhouse asked Robert Ferguson if they should proceed without an additional tank. Robert Ferguson said he can make provision in the design to add a portable tank.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

The Board discussed the needed repairs and maintenance to the District's ponds. Kristi Hester also reported on the MS4 permit requirements and timelines. The brochure is complete, and the Board decided to mail out the information with the bills. Kristi Hester reported that the MS4 map is in progress, and they are working on locating inlets, some of which need to be cleaned. She also reported that they have an inspection schedule, and ST will do the inspections and complete the forms. At the same time, they will pick up trash. Lisa McKenzie asked if authorization was needed for ST to do that work. Kristi Hester reported that they are working with the HOA landscaper and are still reviewing ST's additional cost for the inspections.

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

Allen Douthitt presented the bookkeeper's report. Motion was made by David I. Perl and seconded by Lisa McKenzie to authorize payment of the bills and the fund transfers as presented and a check to mediator Dean Kilgore for the SHL mediation in an amount to be determined but not to exceed \$1,500. The motion carried unanimously.

9. DISTRICT MANAGER'S REPORT ON OPERATIONS

Kristi Hester provided the Manager's Report.

Kristi Hester reported a billing adjustment was requested for 10628 Senna Hills Drive due to pool and irrigation repairs. Above-ground leaks are not within the current policy. The owner has paid the bills. Lisa McKenzie stated the notes indicate the owner was given notices on a possible leak, and Lisa McKenzie asked ST to investigate. The prior use was also high, and there was a delay in addressing the issue. Motion was made by Corey Newhouse and seconded by Joe Szoo to deny this billing adjustment request. The motion carried unanimously.

On December 13, 2015, the wastewater treatment plant lost Basin 1, and 24 membranes were replaced. Kristi Hester would like to spend time with the software vendor and bring in technical support to spend 20 to 40 hours to understand why Train 1 has more problems than Train 2. The Board directed ST to proceed with that analysis. Kristi Hester should have the report in February on lead and copper sampling. Kristi Hester explained the sampling process but is not sure what notification is needed.

The water accountability is at 75%, and they suspect a leak, but these are first billings with the new master meters. Kristi Hester will be investigating the possible leak.

Kristi Hester verified all meter sizes and the base rate is different for different meter sizes. Lisa McKenzie asked if residents can change to a smaller meter. Kristi Hester said it will depend on the irrigation needs. Robert Ferguson indicated the actual meter size was probably determined when the house was built.

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

No action was taken on this item.

11. BILLING ADJUSTMENTS

The billing adjustments were addressed in the manager's report in Item No. 9 above.

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

No action was taken on this item.

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

No action was taken on this item.

14. DROUGHT CONTINGENCY PLAN

No action was taken on this item.

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

No action was taken on this item.

16. LEGISLATIVE UPDATE

Attorney Bill Flickinger presented a summary of the new laws impacting the District.

17. 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 reported on the status of scheduling mediation in connection with the Senna Hills, Ltd. lawsuits. The Senna Hills HOA and the City of Austin have agreed to participate. The Board discussed the possibility of a special Board meeting prior to the mediation, which is currently scheduled for January 21, 2016.

Director Lisa McKenzie left the meeting at 9:23 a.m. prior to consideration of Item No. 18.

18. REQUEST TO THE TRAVIS CENTRAL APPRAISAL DISTRICT TO PURSUE  
LEGAL ACTION AGAINST PROPERTY OWNER(S) WHO PROVIDE FALSE  
OR MISLEADING TESTIMONY CONCERNING THE VALUE OF PROPERTY  
WITHIN THE DISTRICT

The Board President announced that the Board of Directors will now go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item No. 18. The Board went into closed session at 9:32 a.m.

At 9:47 a.m., the Board President announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

The Board discussed TCAD Property ID # 438033 and the prior testimony by the owner at the Appraisal Review Board. Motion was made by Joe Szoo and seconded by President Chet A. Palesko to file a formal complaint at TCAD to prosecute the owner for false testimony. The motion carried unanimously.

19. ADJOURN

The meeting was adjourned.



\_\_\_\_\_  
President, Board of Directors  
Senna Hills MUD

ATTEST:



\_\_\_\_\_  
Secretary, Board of Directors  
Senna Hills MUD



1\SennaHills\Minutes\12-21-15  
2/16/18