

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 December 28, 2018 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, LLC and Allen Douthitt of Bott & Douthitt, PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet A. Palesko entertained a motion for approval of the Minutes. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the Minutes of the November 30, 2018 meeting as presented. The motion carried unanimously.

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

President Chet A. Palesko stated that he had nothing new to report.

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

Engineer Robert Ferguson reported that Excel communicated that they would send pricing for the sludge management system by December 21st. He has not yet received that pricing and contacted them yesterday for an update. President Chet A. Palesko inquired about who else can price the sludge management. Mr. Ferguson discussed soliciting bids from other contractors. This is a small job and there might not be a lot of interest.

The catwalk drawings for the drum screen access have been completed. The catwalk will be a metal grate walkway around the screens and will necessitate moving an electrical panel. Mr. Ferguson will provide the drawings to Inframark for review and then to Excel for pricing.

Mr. Ferguson discussed the drainage near and adjacent to the Taylor Lake effluent pond. They went out and took more elevation shots from inside the owner's backyard at 2208 Gilia Drive. There is a low spot in the resident's lot and another inside the pond area, so that water does not flow to the inlet area. Mr. Ferguson will solicit bids from a landscaping company to do fine grading to improve drainage in both areas. There was discussion of cutting spots in the owner's raised flower beds along the back fence that separates the home from the pond area. Mr. Ferguson prepared a memo to the owner with suggestions to alleviate the drainage issues.

7. GRADING PROPOSALS ON PROPERTY NEAR TAYLOR LAKE EFFLUENT POND; DRAINAGE ISSUES

This item was discussed above in the engineer's report.

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

This item was not discussed.

9. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials and updated cash activity report with the Board. There was discussion on the decrease of water sales revenue. The decrease could be due to the recent rainfall and most likely the boil water notice. After discussion, President Chet

A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the invoices and per diems and authorize three fund transfers as presented. The motion carried unanimously.

11. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services

Manager Jesse Kennis discussed the Manager's report with the Board. There are 412 total water connections, of which 405 are residential. Mr. Kennis stated that they are trying to determine the discrepancy between the number of residential connections. Lisa McKenzie will reach out to the HOA to see if they have the total number. The monthly average residential water consumption was down again to 6,168 gallons. This decrease also brought the receivables down.

Mr. Kennis reported on the collections report. For the month of November, there were eight delinquent letters mailed out, six door tags hung and no disconnects for non-payment.

Mr. Kennis reported that the annual CL₂ average was a bit higher than normal.

The wastewater treatment plant was operating at 68% capacity in November and was 100% compliant during that period.

At last month's meeting, Lisa McKenzie asked about the number of door tags hung in a certain area of the District. Mr. Kennis reported that all of those were due to meter access issues. Also, as discussed at last month's meeting, Mr. Kennis discussed the seven auto dialers in the District. Those auto dialers use a landline for communication. Newer auto dialers communicate through cellphones. The overall cost to replace the auto dialers is approximately \$14,000. Lisa McKenzie inquired about the reliability of the cellphones for communications. The cell phone-based internet connection for the wastewater plant was unacceptable last year, especially during rainy weather. Mr. Kennis stated that they would have to conduct due diligence on that option and it should probably be included in next year's budget. Corey Newhouse asked that he also look into the savings that the District can expect as a result of replacing those auto dialers.

Mr. Kennis discussed the meter replacement project. Currently there are 188 older meters that should be replaced – 10 meters which have metered over 2,000,000 gallons of water; 67 that have metered over 1,500,000 gallons; and 111 meters that metered over 1,000,000 gallons. These meters can be replaced at the District's leisure. The meter replacement cost is \$150 per meter. The Board then discussed the option of electronic meters. An item will be included on the next agenda to discuss a pilot program for electronic residential meters.

President Chet A. Palesko inquired about any issues at the wastewater plant. Mr. Kennis advised that it is working well and no issues have been reported.

President Palesko also asked if the District should be concerned with leaks due to the 15% water loss. Mr. Kennis reported that he believes it is due to low usage but will keep an eye on it.

12. RATE ORDER

Lisa McKenzie discussed her recommended revisions to the rate order. There are several clean-up items she would like addressed. Mrs. McKenzie discussed the requirements for backflow prevention assemblies and testing. After discussion, Manager Jesse Kennis asked for an item to be included on the next agenda pertaining to a pilot program for testing backflow prevention devices. Mr. Kennis will provide a cost estimate at the next meeting. In connection with erosion control violations, additional language was included to require the violator to pay the cost of replacement or restoration of District property and adjacent residences. 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 rate order with the recommended revisions. The motion carried unanimously.

13. RELOCATION OF WATER METERS DUE TO SIDEWALK REPAIRS; RESPONSIBLE PARTY FOR RELATED COSTS

This item was not discussed.

14. BILLING ADJUSTMENTS

Manager Jesse Kennis discussed a leak adjustment request from the owner at 10608 Pluchea Cove. The owner submitted a detailed report of the leak and expenses he incurred to fix the issue. His family had traveled to India over the summer, so he was not aware of the high usage during that time. The leak occurred under the driveway. The owner spent over \$3,000 to repair the leak. Mr. Kennis advised that the requested adjustment is in the amount of \$1,332, which would be shown as a credit on his future water bills. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the adjustment as presented. The motion carried unanimously.

15. DISTRICT WEBSITE

This item was not discussed.

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

Lisa McKenzie reported on the update from John Chamblee regarding the HOA's irrigation issues. There appears to not be a lot of progress.

17. DATES FOR FUTURE BOARD MEETINGS

The Board discussed the current meeting schedule through March, which consists of the following meetings: February 1st, March 1st and March 29th.

18. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; REQUEST BY RIP MILLER AND SENNA HILLS, LTD. FOR IRRIGATION METER ON 11.73-ACRE TRACT

Attorney Bill Flickinger advised that Rip Miller has paid the latest invoice sent to him.

There was discussion of the irrigation meter that Rip Miller is requesting on the office tract. Since he is not requesting wastewater service, pursuant to the District's rate order, the Board will need to consider the irrigation meter request. Mr. Miller also does not want a temporary fire hydrant meter. He is planting 100 trees to separate his land from the residents on Gilia and wants sufficient irrigation. The Board discussed possible locations for the meter. There was also discussion of the costs for installing the meter and the impact fees due to the PUA. Manager Jesse Kennis will calculate the costs and report back to the committee. Once the costs are calculated, that information will be provided to Rip Miller. Mr. Flickinger advised that the application will need to be in the name of SHL. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the 5/8" irrigation water meter for the 11.73-acre tract, being the proposed office tract, subject to payment of all applicable fees and costs, subject to the meter being set at a location specified or agreed upon by the District's Manager and Committee and further provided that the application must be in the name of Senna Hills, Ltd., the owner of the tract. The motion carried unanimously.

19. ADJOURN

President Chet A. Palesko adjourned the meeting.


Chet A. Palesko, President.

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]