

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 30, 2016 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 Allen Douthitt of Bott & Douthitt, Kristi Hester of ST, Robert Ferguson of Murfee Engineering, Bill Flickinger, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the November 23 and December 1, 2016 meetings as presented. The motion carried unanimously.

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

President Chet Palesko reported that he attended another impact meeting and had nothing new to report. Mr. Palesko will continue to be on the committee but during the summer months it will be hard to attend the meetings.

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

Engineer Robert Ferguson discussed his report as included in the agenda package.

Mr. Ferguson presented plans for the expansion to Manager Kristi Hester. Mr. Ferguson discussed the need to start advertising for the wastewater treatment plant expansion in January. The difficult part is how to present the contract on the basis that it is favorable to contractors. They want to receive more than just one bid. The performance-based contract includes both a performance clause for operationally meeting the permit and identifiable construction elements and items for use in pricing the physical plant and piping works. The bid solicitation will include the requirement that the membrane supplier obtain TCEQ approval of their treatment unit(s) as a part of their bid.

In regard to the minor amendment, Mr. Ferguson stated he received an e-mail from the TCEQ advising that the liner requirement for the existing phase (Interim 1 phase) had not been complied with, which is also the case with the current permit. The liner certification from 20 years ago has never been received. Mr. Ferguson has reached out to the District's prior engineer Bruce Aupperle and will contact the engineer of record at that time, which was David Gray. The District has 120 days to comply from the permit issuance. Mr. Ferguson noted that the permit will be issued today or later next week. President Chet Palesko said that the TCEQ should come out and look at the pond. Manager Kristi Hester will provide the cost of the liner material and will also need the dirt work quote to estimate the cost to replace the pond liner in the future.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester reported that another annual report will be due soon. Lisa McKenzie discussed the fact that a lot of the storm drain marker tiles are missing. There was discussion of a stencil instead of the actual tile. Manager Kristi Hester will revisit the issue later in the year.

Mrs. Hester stated that the cleaning of the pond will commence once the ground gets dry.

Mrs. Hester reported that the water bill being sent out today will include the recent surcharge in the amount of \$4.00 in connection with the District's Municipal Separate Storm Sewer System (MS4) permit.

8. EFFLUENT IRRIGATION AGREEMENT BETWEEN THE HOA AND THE DISTRICT

Attorney Bill Flickinger reported that this project is still pending. He will work with the subcommittee to get this completed.

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

Bookkeeper Allen Douthitt discussed the bookkeeper's report as included in the agenda package and presented an updated Cash Activity Report for review. Mr. Douthitt will void Joe Szoo's per diem due to his absence. The Board discussed Zane's landscaping invoice for cleaning and mowing. The mowing around the effluent area will need to be increased. Zane currently mows the area four times per year. Mr. Douthitt presented a letter for signature to memorialize yesterday's bond closing. The District is \$16,000 ahead of plan in its budget. The annual audit will be presented at the January board meeting. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve payment of the vendor invoices, per diems, three fund transfers and three bond payments as presented. The motion carried unanimously.

10. DISTRICT MANAGER'S REPORT ON OPERATIONS

Manager Kristi Hester discussed her report as included in the agenda package.

Mrs. Hester discussed the District's billing summary for the connections and consumptions. Twelve delinquent letters were sent out, four door tags were hung, however there were no disconnects. The water quality monitoring is at 3.2, which is good. The wastewater flows look good, and the plant is running at 86% capacity. Mrs. Hester reported that she will be adding the rainfall totals to the wastewater flow chart. Lisa McKenzie inquired about smoke testing the lines again. President Chet Palesko advised that he wants to hold off on that right now and just monitor the situation. Mrs. Hester reported the PUA had a meter that was not measuring properly, therefore the District made water again. The PUA was contacted to look into this matter.

11. DISTRICT WEBSITE

Manager Kristi Hester reported she sent the proposed website to Joe Szoo and Lisa McKenzie for final review. It is pretty much ready to go online and will begin in January. Attorney Bill Flickinger reported that there are a couple of legal requirements in connection with what is posted on the District's website. Attorney Matt McPhail is looking into those and will provide the requirements to Kristi Hester. Of note, the minutes and agendas are not required to be posted on the District's website.

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

This is a standing item and was not discussed.

13. ARCADIA TRACT – ACQUISITION BY DISTRICT

David I. Perl reported that he has called Arcadia to discuss this acquisition, but has not yet received a return call. Attorney Bill Flickinger said that he should keep trying to reach them until he gets the right person. Mr. Flickinger advised he can write a letter to Arcadia if Mr. Perl wants him to do so. Lisa McKenzie provided photos of the tract that were included in the agenda package.

14. BILLING ADJUSTMENTS

This is a standing item and was not discussed.

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

This is a standing item and was not discussed.

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

Bookkeeper Allen Douthitt advised that the bond transaction closed yesterday and will be funded today. No further action is needed.

17. AMENDED INFORMATION FORM

Attorney Bill Flickinger discussed the need to amend the District's information form. The form includes all the pertinent information on the District such as tax rate, bonds, boundary and services. It is being amended now due to the recent bond issue and will be filed with the Travis County Clerk and TCEQ as required. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the Amended Information Form as presented and authorize its filing with the TCEQ and Travis County Clerk. The motion carried unanimously.

18. 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; PROPOSED SETTLEMENT AGREEMENT WITH SENNA HILLS, LTD. AND SENNA HILLS HOA

This is a standing item and was not discussed.

19. DATES FOR FUTURE BOARD MEETINGS

After discussion, the Directors agreed to set the meetings for the next few months, which are as follows: January 27th, February 24th and March 24th.

20. ADJOURN

The meeting was adjourned.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

