

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 31, 2010, at 1502 San Juan Drive, 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

A roll call of the Directors was taken. The Directors present were Chet Palesko, David I. Perl, Mike Dansby and Kenneth A. Fox, thus constituting a quorum. Gregg Kronenberger was absent.

Also present at the meeting were Jerri Strain, Bruce Aupperle, Mike Willatt and a resident, Harsha Pilli.

3.     CITIZEN COMMENTS

Harsha Pilli said that he lives at 10724 Straw Flower Drive. He showed a picture that illustrates a steep drop off from his driveway to the MUD land below. He has asked Drees and Taylor Morrison to build a fence but without response. He was there to ask the MUD to build a fence. Jerri Strain advised that she has received a bid of \$3,200 from a fence contractor and received bids from two landscaping companies, one for \$4,000 and the other for \$6,200. Bruce Aupperle and Jerri Strain said that they would undertake to contact Taylor Morrison and Drees, and if that was successful, Ms. Strain would make arrangements to install the fence at a price not to exceed \$4,000, subject to approval from a Board member.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl proposed certain revisions to the minutes. Motion was made by David I. Perl and seconded by Mike Dansby to approve the minutes as revised. The motion carried unanimously.

5. AQUA TEXAS CONTRACT

President Chet Palesko reported that the committee was not ready to make a recommendation at this point.

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

This is a standing item. There was no discussion on this item.

7. TRAILS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

8. AMENDMENT TO LCRA WATER CONTRACT

Bruce Aupperle had previously undertaken to determine how much water should be reserved from the LCRA. He advised that he recommends 330-acre feet per year. There was discussion of the LCRA plans to sell its water systems. President Chet Palesko indicated he would draft a letter to the LCRA expressing the District's expectation that the service and rates will stay the same.

9. AMEND DISTRICT INFORMATION FORM

Mike Willatt advised that it is necessary to amend the District's information form to accommodate the recent bond issue. Upon examining the form, several errors were noted. Mike Willatt said he would get the errors corrected and bring the Amended Information Form back to the next meeting.

10. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

There was discussion of the status of the wastewater treatment plant project, with emphasis on the fact that it is again behind schedule. Bruce Aupperle said that he would get with Hearne Engineering and get with the contractor to see what the problem is. Several Board members suggested that the Board get involved at a meeting on site.

11. THE DISTRICT'S FINANCIAL AFFAIRS

Mike Dansby's e-mail on his concerns as to the District's financial condition was included in the agenda package. Basically he advised that two approved projects totaling \$114,000, which include the HOA irrigation hookup and Weaver hookup, must be funded out of the O&M balance. If both these projects proceed, the O&M will be placed in a negative condition. He advised that he had met with Bruce Aupperle and determined that the District has approximately \$120,000 in surplus funds.

Bruce Aupperle noted that surplus bond proceeds can be used without TCEQ approval for rehabilitation or maintenance of facilities previously approved by the TCEQ for funding and owned by the District if the scope of the original approved project had not been changed. Therefore, the surplus bond proceeds can be used for rehabilitation or maintenance of the wastewater treatment plant.

The TCEQ rules require the auditor to report expenditures of all surplus funds, disclosing any amounts transferred among the funds, including the use of surplus funds and the authority for such transfers. Mike Dansby will get with the auditor, David Merritt, to see if the auditor is comfortable with the District reimbursing the O&M fund from the surplus bond proceeds for prior treatment plant maintenance expenses paid from the O&M fund.

12. DISTRICT MANAGER'S REPORT AND PAYMENT OF DISTRICT EXPENSES AS PRESENTED BY AQUA TEXAS

Jerri Strain presented the manager's report and the financial report. She discussed a request for vacation of an easement at 10828 Straw Flower Drive. She said she will get additional information on what the homeowner wants to build and on the status of the HOA approval of the project and report at the next meeting. Jerri Strain also presented an e-mail complaint from Georgia Karides. She said that she would get with Ms. Karides for further discussion. Motion was made by Mike Dansby and seconded by Kenneth A. Fox to approve payment of the bills as presented. The motion carried unanimously.

13. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

14. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion on this item.

15. THE DISTRICT'S WATER AND SEWER RATES

This is a standing item. There was no discussion on this item.

16. BILLING ADJUSTMENTS

This is a standing item. There was no discussion on this item.

17. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

This is a standing item. There was no discussion on this item.

18. HOA WATER USAGE AND CHARGES

This is a standing item. There was no discussion on this item.

19. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN

This is a standing item. There was no discussion on this item.

20. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

This is a standing item. There was no discussion on this item.

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

Mike Willatt advised that the Board is required by law to review the District's investment policy annually. He presented a resolution recommending that no changes be made, which was included in the agenda package. Motion was made by Kenneth A. Fox and seconded by Mike Dansby to adopt the resolution as presented. The motion carried unanimously.

22. ADJOURN

The meeting was adjourned.



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President, Board of Directors  
Senna Hills MUD

ATTEST:



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Secretary, Board of Directors  
Senna Hills MUD

[SEAL]

