

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 February 5, 2016, 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 and Jeniffer Concienne.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

The Board reviewed the minutes from the prior Board meeting on November 16, 2015. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the minutes with correction of the typographical error on page 2 correcting the plant phase at 100,000 gallons per day. The motion carried unanimously.

5. ANNUAL AUDIT SUBMITTED BY MCCALL GIBSON SWEDLUND BAREFOOT

Josh Rambo presented the annual audit. After discussion, motion was made by David I. Perl and seconded by Joe Szoo to approve the audit and authorize the Board President to execute the filing affidavit and to cause the audit to be filed with both the TCEQ and the Texas Comptroller. The motion carried unanimously.

*** President Chet A. Palekso then moved to Item No. 20. ***

20. 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

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. 20. The Board went into closed session at 7:24 a.m.

At 7:56 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.

*** President Chet A. Palesko then moved to Item No. 6. ***

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

Allen Douthitt and Lisa McKenzie reported that the new PUA rates begin on the 1st of March. Kristi Hester addressed the water loss concerns and reported that she had requested data from the PUA off of their meters. The PUA had difficulty downloading the data from their meters which caused her concern. She will install a meter beside the PUA meter to make sure it is working properly. Kristi Hester also reported that the District is still at 74% water accountability. This may be due to the PUA's meter.

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

Robert Ferguson presented the Engineer's Report.

1. In connection with the wastewater treatment plant, he is still working on a performance-based specification for the wastewater treatment plant expansion. He believes the project should be under construction in early spring.
2. The minor permit application to add the 100,000 gallons per day phase is ready for signatures.
3. On the bond application to the TCEQ, he is still working on the application and obtaining additional materials and will proceed as quickly as possible.

8. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Kristi Hester reported that she had looked at the ponds last month, and they require maintenance, especially the Milagro Pond. She is estimating \$25,000 for the pond maintenance. The pond on Strawflower would require specific equipment so that the pond is not damaged and to

remove one to two feet of sediment and replace it with filter sand. Removed materials can be used within the District.

9. RESOLUTION AUTHORIZING DIRECTOR'S FEES

The Board reviewed the current resolution authorizing directors' fees and a possible change to providing for per diems in accordance with the proposed resolution. The new resolution is similar to the per diem resolutions adopted by other districts. After discussion, motion was made by Joe Szoo and seconded by President Chet A. Palesko to approve the resolution authorizing directors' fees as presented. The motion carried unanimously.

10. AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA) ENGAGEMENT LETTER WITH BOTT & DOUTHITT, PLLC

Allen Douthitt explained the need for a signed engagement letter to comply with CPA requirements. He explained a prior engagement letter was prepared but not signed by the District. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the engagement letter with Bott & Douthitt, PLLC as presented. The motion carried unanimously.

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

Allen Douthitt presented the bookkeeper's report. Motion was made by Joe Szoo and seconded by Corey Newhouse to authorize payment of the bills and the fund transfers as presented. The motion carried unanimously.

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

Kristi Hester provided the Manager's Report.

1. Water accountability is at 74%, and she will give an update next meeting regarding the PUA meter issues discussed above.
2. A lead and copper compliance letter was sent out to the owners. Lisa McKenzie commented that there was an owner who had complained about a chlorine smell previously, and the lead and copper notice stimulated more questions. Kristi Hester explained the timing of the annual water quality report and what it would address.
3. The wastewater treatment plant was at 87.5% capacity in January. ST cleaned out Basin 2 as a precaution. David I. Perl asked if a diversion basin would help with the hauling cost during this type of maintenance. Kristi Hester responded that it would. She is looking at prices on fracking tanks and will coordinate with Robert Ferguson to see if that option is viable.

4. Kristi Hester reported that they found 33 grinder pumps in the District, and she is working on a letter to those owners regarding repairs and maintenance.
5. ST performed an I & I survey and found 10 repairs needed, and these were completed during the grinder pump location process.
6. ST is having problems contacting the company that did the programming on the SCADA system. OVIVO did help troubleshoot the plant. Kristi Hester believes the problems are primarily related to the control system.

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

This item was discussed as part of the District Manager's Report on Operations in Item 12 above.

14. BILLING ADJUSTMENTS

The Board discussed previous discrepancies regarding meter sizes. No action was taken.

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

No action was taken on this item.

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

No action was taken on this item.

17. DROUGHT CONTINGENCY PLAN

No action was taken on this item.

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

No action was taken on this item.

19. LEGAL SERVICES AGREEMENTS

Attorney Bill Flickinger reported that Mike Willatt's health is declining and that they are planning a transition for the law firm. It is also anticipated that in connection with the bond work, a proposal from Andrews & Kurth will be brought before the Board at the next meeting. No action was taken on this item.

21. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

