

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 February 1, 2019 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, Ashlee Martin of McCall Gibson Swedlund Barfoot, PLLC and via telephone 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 David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the December 28, 2019 meeting as presented. The motion carried unanimously.

5. §49.063(C), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger discussed the annual notice requirement for Boards that hold their meetings outside of the District. The first agenda in each calendar year must include the notice requirement. The agenda for today's meeting included the notice requirement with a description of the petition process. If a petition is filed, it will be dealt with at that time.

6. ANNUAL AUDIT SUBMITTED BY McCALL GIBSON SWEDLUND BAREFOOT

Ashlee Martin discussed the annual audit and required communications with the Board. The District received a clean unmodified opinion, which is the best given. Ms. Martin advised that they had no issues, adjustments or difficulties in preparing the audit. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve the audit and authorize the execution of the Annual Filing Affidavit and filing with the TCEQ and Comptroller as required. The motion carried unanimously.

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

This item was not discussed.

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

Engineer Robert Ferguson reported that Excel Construction provided the pricing for the sludge management system improvements. Mr. Ferguson discussed the Change Order submitted by Excel for this project. The Change Order is in the amount of \$277,951.00. Mr. Ferguson believes this is a fair price for the project. Corey Newhouse asked about the financial benefit of the sludge management system. Manager Jesse Kennis advised that it would cut down on the pump and haul loads, possibly from 5 loads to 1 per month.

Mr. Ferguson and Mr. Kennis discussed Excel's proposal for the catwalk improvements and the safety issues at the drum screens. The proposal came in at \$28,841.00. This project will include the metal drum screen platform, security fencing and relocation of the electrical panel.

Mr. Ferguson stated that these two projects will be submitted under one Change Order from Excel. After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to authorize the Board President and Engineer to obtain and execute a formal change order in an amount up to \$277,951.00 from Excel to proceed with the sludge management system. The motion carried unanimously.

Motion was then made by Lisa McKenzie and seconded by David I. Perl to authorize the Board President and Engineer to obtain and execute a formal change order in the amount up to

\$28,841.00 from Excel to proceed with the drum screen platform, security fencing and relocation of the electrical panel. The motion carried unanimously.

The Board and Mr. Kennis discussed any other necessary maintenance items at or around the plant. There was discussion of a disinfection change from chlorine gas to liquid and the pros and cons of each. Also, Mr. Kennis advised that a ramp to the shed at the plant needs improvement. These items can be planned in a five-year budget.

Mr. Ferguson discussed the drainage concerns at 2208 Gilia Drive. Mr. Ferguson received two proposals to improve drainage to the area inlet. Ponding occurs in several locations during rain events due to those areas being lower than the drainage inlet. The owner at 2208 Gilia advised that she would like the same company to do the grading in her yard that is working for the District. There was discussion that the owner should have her work done first prior to the District incurring the charges to grade the area near the inlet. The two proposals for the District work came in at very different prices. One was \$1,450 and the other was \$5,300. After discussion, motion was made by Corey Newhouse and seconded by Lisa McKenzie to authorize the Board President and Engineer to obtain and execute a formal proposal from TexasScapes for an amount up to \$1,450.00 for the grading work, subject to the owner doing her work first. The motion carried unanimously.

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

This item was discussed above in the Engineer's Report.

10. 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.

11. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials via telephone with the Board. Joe Szoo's per diem will be voided due to his absence. The District's budget is looking good. Year to date it is about \$16,000 ahead of plan. As previously discussed the water sales are down again. Lisa McKenzie inquired about the amount of unclaimed property listed in the financial report. Mr. Douthitt explained that amount relates to customer deposit refunds that have not yet been cashed. 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, per diems and three bond payments and to authorize three fund transfers as presented. The motion carried unanimously.

13. 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 reported on the accounts receivable and collections report. There were 11 delinquent letters mailed out, seven door tags hung and one disconnect for non-payment.

The Water Production and Quality Report is normal. Water loss was at 5% this period.

The wastewater plant is running at 73% capacity utilization and is in full compliance.

14. PILOT PROGRAM FOR ELECTRONIC RESIDENTIAL METERS

Manager Jesse Kennis discussed the estimated costs for a pilot program for electronic meters. If the Board is interested, he will set up a formal presentation with the vendor to attend the next board meeting. The estimated costs and programming were discussed. The Board would like to see a formal presentation.

15. PILOT PROGRAM FOR TESTING BACKFLOW PREVENTION DEVICES

Manager Jesse Kennis reported that he is not yet ready for this discussion as he is still obtaining pertinent information.

16. RATE ORDER

Lisa McKenzie discussed the possibility of a District policy regarding charges the District incurs when Inframark has to go out and check a sewer line issue and it is determined that the issue is on the resident's side of the meter. Manager Jesse Kennis will check on the amount of charges to the District for these types of service calls. There was discussion of a service fee to the residents. This item will be left on the agenda for further discussion.

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

Lisa McKenzie stated that the HOA will be meeting soon and considering the budget for the ADA study that might result in the need for the relocation of meters/sidewalk repairs.

18. BILLING ADJUSTMENTS

This item was not discussed.

19. DISTRICT WEBSITE

Manager Jesse Kennis reported on the activity of the District's website. Out of 469 visits, only 15% are from the Austin area. Currently the website is out of date in regard to the information and documentation. Mr. Kennis advised that they would get it updated and keep it maintained. The Board decided to keep the website running for now.

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

This item was not discussed.

21. DATES FOR FUTURE BOARD MEETINGS

The Board discussed the current meeting schedule through March, which consists of the following meetings: March 1st and March 29th. The Board agreed to meet on May 3rd, which will be the April meeting and on May 31st.

22. 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 discussed the upcoming Austin City Council meeting to be held on February 7th on the SHL application. Lisa McKenzie will be attending that meeting on behalf of the District.

The Board discussed Rip Miller's request for irrigation on the office site and the meter vault location for irrigation of the trees. Mr. Miller is also interested in using effluent for irrigation purposes. Fire flow protection was discussed as well.

23. ADJOURN

President Chet A. Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:

A handwritten signature in black ink, appearing to read "Lisa S. McKenzie", written over a horizontal line.

Lisa S. McKenzie, Secretary

[SEAL]