

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 14, 2007, 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 and Kenneth A. Fox, thus constituting a quorum. Directors Fred Garcia and Mike Dansby were absent.

Also present at the meeting were Jerri Strain, David Ripley, Bruce Aupperle, Mike Willatt, Robert Long, Rip Miller and David Merritt.

3. CITIZEN COMMENTS

There were no citizens present at the meeting.

4. MINUTES OF JANUARY 23, 2007 MEETING

Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the Minutes of the January 23, 2007 meeting as presented in the agenda package. The motion carried unanimously.

5. LIBRARY BILLING INSERT

The Board discussed the insert that the Westbank Library wants the District to mail. Motion was made by Chet Palesko and seconded by David I. Perl to approve mailing of the Westbank Library insert with the District's bills. The motion carried unanimously.

6. AUTHORIZE CONSTRUCTION OF ENHANCEMENT IMPROVEMENTS PROJECT FOR EFFLUENT HOLDING POND

Bruce Aupperle presented the bid tabulation for the work on the effluent holding pond.

Motion was made by David I. Perl and seconded by Kenneth A. Fox to award the contract to Ross Construction. The motion carried unanimously. Mr. Aupperle said he would take care of all the paperwork involved in awarding and administering the contract.

7. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Bruce Aupperle reported that he should have draft plans ready by the end of the month. These will be turned into TCEQ for approval. He anticipated applying to the City of Austin for a site permit in March, 2007.

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

David Ripley and Jerri Strain presented the Manager's Report. Motion was made by David I. Perl and seconded by Kenneth A. Fox to pay the bills with the exception of the LCRA invoice for unused raw water for year 2006. Bruce Aupperle will evaluate if the District is better served by paying this bill, or, staying under the previous contract and paying double for all water received in excess of the Maximum Annual Quantity ("MAQ"). The motion carried unanimously.

9. BOND ISSUE NO. 4

Bruce Aupperle presented two cost summaries for the 4th bond issue, one in the amount of \$4,486,456 and the other in the amount of \$3,256,500. The larger issue included Section 11. There was discussion between the Board members, Rip Miller, Robert Long and David Merritt as to the merits of issuing the larger bond issue and the last issue being in the approximate amount of \$2,000,000, or, to have the next bond issue and the last bond issue in the approximate amount of \$3,000,000 each. Chet Palesko said he would consult Mike Dansby on this issue.

10. RAW WATER CONTRACT WITH LCRA

Jerri Strain reported that she had sent a letter to the LCRA asking for an increase in the MAQ in November, 2005. She also sent a letter requesting an additional increase more recently. Anissa Medlock with the LCRA is suggesting that the District enter into an amended raw water contract with the LCRA effective January 1, 2006 to reflect the request in the MAQ from the fall of 2005, and that the District simultaneously enter into a new amended raw water contract effective January 1, 2007 reflecting the current requested increase in the MAQ. The LCRA bill for the increase in the MAQ for 2006 was included in this month's bills. Bruce Aupperle will conduct a study to determine if the District is financially benefitted by paying for the increase in the MAQ effective January 1, 2006, or, whether the District is better off to pay twice the overage during 2006 without amending the MAQ. He will report back at the next meeting.

11. REVIEW OF ONGOING CONSTRUCTION PROJECTS

This is a standing item. There was no discussion.

12. ANNUAL AUDIT

David Merritt presented the draft audit for the year ending September 30, 2006. After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to approve the audit as presented. The motion carried unanimously. David Merritt said that he would forward the final version for signature by the District and to file with the TCEQ.

13. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

Chet Palesko reported that he had been to the Westlake post office to pick up a certified mail, return receipt requested letter from the TCEQ giving the results of their most recent inspection. The letter claims a violation because the LCRA water contract does not obligate the LCRA to provide 0.6 gpm per connection. There was discussion that the treated water LCRA contract meets the applicable TCEQ rule. Attorney Mike Willatt indicated that he will write a letter to the TCEQ explaining that the LCRA treated water contract does comply with the applicable TCEQ rule.

14. STATUS OF EVANS WEAVER LITIGATION

There was discussion as to how to move forward on the Evans Weaver litigation. Attorney Mike Willatt said that he would draft an e-mail for Chet Palesko and Kenneth A. Fox to address to Toby Futrell as a starting point. Mr. Palesko will send a letter to the City Manager to try to get the City motivated to file its Motion for Summary Judgment on this litigation.

15. ADJOURN

Being no other business, the meeting was adjourned.



President, Board of Directors, Senna Hills MUD

ATTEST:



Secretary, Board of Directors, Senna Hills MUD

[SEAL]

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