

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 20, 2012, 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, Kenneth A. Fox, Mike Dansby and David I. Perl, thus constituting a quorum. Gregg Kronenberger was absent.

Also present at the meeting were Jerri Strain, Mike Willatt, Robert Ferguson, David Ripley, David Merritt, Rex Hoover, Kent Mehring, Rip Miller, Neil Desai, Scott Ramsower and Corey Newhouse.

President Chet Palesko moved to Item No. 5.

5. PRESENTATION OF AUDIT BY DAVID MERRITT

David Merritt presented the audit. After the presentation, motion was made by Mike Dansby and seconded by David I. Perl to approve the audit and to approve execution of the Annual Filing Affidavit by the President and to authorize filing of the audit with the TCEQ. The motion carried unanimously.

President Chet Palesko moved to Item 21.

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

President Palesko discussed the history of the development of the District and the proposal of Senna Hills, Ltd. for an office building. He said that the difference between the previous proposal and this proposal is that the current proposal will have access from Bee Cave Road with access from Senna Hills Drive only for emergency situations. Corey Newhouse reported that he has only been on the Board of Directors of the HOA for two weeks but that his take is that the general consensus

is still against the office building. Joe Szoo agreed to that assessment. Rex Hoover asked if the Board's consent is required. He has read the agreement and cannot tell. David I. Perl said that the MUD's approval had been required for every change in the past. President Palesko said that the situation is somewhat fuzzy. Rip Miller made a presentation as to what he is trying to achieve. President Palesko emphasized that, as a Board member, he intends to follow the will of the community, but, as an individual, disregarding his status as a Board member, he thought that the new proposal with access off Bee Cave Road, and only emergency access off Senna Hills Drive represents a good compromise between competing interests, considering any potential dispute about the meaning of language in the Consent Agreement with the City.

No action was taken.

President Chet Palesko moved to Item No. 4.

4. MINUTES OF PRIOR MEETINGS

David I. Perl and Robert Ferguson noted some corrections to the minutes. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the minutes of the January 30, 2012 meeting as amended. The motion carried unanimously.

President Chet Palesko moved to Item No. 6.

6. BOOKKEEPING SERVICES AGREEMENT

President Palesko reported that the Board had authorized him and Mike Dansby to talk to David Merritt and Aqua Texas about reduction in their fees to offset some or all of the costs of the new bookkeeping contract. He said that these negotiations had not yet taken place, but that they should between now and the next Board meeting.

7. APPOINTMENT OF INVESTMENT OFFICER

This item was not discussed.

8. ASSIGNMENT OF AND AMENDMENT TO LICENSE AGREEMENT FOR MAINTENANCE OF SENNA HILLS ROW LANDSCAPING AND IMPROVEMENTS

Mike Willatt reported that the current License Agreement is between Senna Hills MUD and Travis County and that it only covers the entry to the subdivision. The proposed Assignment of and Amendment to License Agreement extends the Agreement throughout the subdivision and transfers responsibility for boulevard landscaping from the MUD to the HOA. He recommended that the Board approve the proposed Assignment and Amendment as presented. Motion was made by Kenneth A. Fox and seconded by Mike Dansby to approve and accept the Assignment of and Amendment to License Agreement for Maintenance of Senna Hills ROW Landscaping and Improvement and authorize the President to execute the document on behalf of the District. The

motion carried unanimously.

9. WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

President Chet Palesko reminded the Board that he had been approached to serve on the Board of Directors of the West Travis County Public Utility Agency. He had not heard anything since the last Board meeting.

10. AQUA TEXAS CONTRACT

This item was not discussed.

11. AUSTIN ELECTRIC RATES

This item was not discussed.

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

This item was not discussed.

13. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Robert Ferguson reported on the overflow issues and the plant inspection by the engineers, the pump provider and ETT. He said that the pump did not follow the design curve. The pump supply company concluded that the impellers are probably wrong. They ordered replacements and will pull the impellers from the pumps to see if they need to be replaced.

Robert Ferguson reported that the parties tried to core the wall in the treatment plant but the process was too slow. The pumps could not handle the incoming peak flow so they had to cease efforts. This will be done later.

The Board discussed the need to track the cost of the overflows so that they could be charged back to the responsible party.

14. PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Robert Ferguson presented the pay estimate which represented what should be the last pay estimate before release of the retainage for the sewage treatment plant contract. He said that he recommended that the District keep the retainage until all matters are resolved. Motion was made by Mike Dansby and seconded by Kenneth A. Fox to approve the pay estimate as presented. The motion carried unanimously.

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

David Ripley presented the operations report. There was discussion of the refilling of the pool in the amenity center. The deck is falling further away from the pool and the fill under the deck needs attention. Jerri Strain reported that she is trying to obtain a decision from the LCRA on whether it is permissible to fill up the pool.

Jerri Strain presented the financial report. She will get with Mike Dansby because the financials do not look right.

Motion was made by Mike Dansby and seconded by Kenneth A. Fox to approve payment of the bills as presented. The motion carried unanimously.

16. ENGINEER'S REPORT

- a. Wastewater Treatment Plant
- b. Weaver Wastewater Service
- c. LCRA Contract Amendment, Drought Contingency Plan and Water Conservation Plan
- d. Office Park Site Plan

Robert Ferguson gave an update on the LCRA raw water contract and drought contingency plan. The application for a raw water contract has been moved to the next level of review. Robert Ferguson stated that the LCRA is currently estimating the 600,000-acre feet deadline to occur in June or July rather than in April.

President Chet Palesko moved to Item No. 22.

22. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT

Robert Ferguson presented Pay Estimate No. 1 for the contract for installation of the Weaver sewer line. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the pay estimate as presented. The motion carried unanimously.

President Chet Palesko moved to Item No. 18.

18. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO

Mike Willatt advised that the Board had approved addition of grinder pump language and site plan review fees to the rules at last month's meeting. He presented the proposed final version of the rules and recommended that the District affirmatively approve this version. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the District's rules and regulations as

presented.

3. CITIZEN COMMENTS

No comments were made.

17. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This item was not discussed.

19. THE DISTRICT'S WATER AND SEWER RATES

This item was not discussed.

20. BILLING ADJUSTMENTS

This item was not discussed.

23. POSSIBLE LITIGATION WITH SENNA HILLS, LTD. OVER WEAVER SEWER LINE PROJECT

This item was not discussed.

24. ADJOURN

The meeting was adjourned.

, DIRECTOR

President, Board of Directors
Senna Hills MUD

ATTEST:

Secretary, Board of Directors
Senna Hills MUD

[SEAL]

1\SennaHillsMinutes\02-20-12
2/27/12