

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 26, 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, Bill Flickinger, Jeniffer Concienne, Jerry Kyle, Mike Willatt and Ivy Powers.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

The minutes to be considered are for December, January and February. Lisa McKenzie had changes to the December and February meetings, which Jeniffer Concienne made prior to today's meeting. David I. Perl had no further comments. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the minutes of December 21, 2015, January 14, 2016 and February 5, 2016. The motion carried unanimously.

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

President Chet Palesko asked about an update on the Lake Pointe lawsuit with the PUA. Kristi Hester stated that she would check the website and the PUA's minutes for details. David I. Perl inquired about the lawsuit and what it was about. There was discussion of the PRVs blowing out in Lake Pointe, possibly due to high pressure from the PUA. Lisa McKenzie began discussion of the District's water leak and that it may be possible that the meter is not registering correctly. This problem started in the summer. Mrs. Hester reported that ST put a meter next to the PUA's to

check to be sure it is registering correctly. She stated that Scott Manuel in her office believes it is an actual leak and not a misread. They will continue to investigate this matter. Corey Newhouse discussed the fact that the PUA cannot get the information to ST. One of the meters is working correctly and on the other meter the PUA is unable to get the information off of it.

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

Engineer Robert Ferguson discussed his Engineer's Report as included in the agenda package. In connection with the wastewater treatment plant expansion, he has no new news. He will have to get working on this and get it accomplished.

Mr. Ferguson is still working on the bond application to the TCEQ and will get it filed soon. Mr. Ferguson explained that the delay is due to his workload.

Rip Miller has not signed the minor amendment application regarding the change in phasing of the permit for the 100,000 gallon per day phase, so Mr. Ferguson will go ahead without him and file it with the TCEQ. There should be no problem in doing that. The TCEQ can contact Mr. Miller with any questions.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Kristi Hester reported that the landscaper went out and looked at the outfalls around the ponds. There are willow trees that need to be removed. The quote to clean the pond at Milagro will be \$750 initially and then \$100 per month and the pond at Strawflower will be \$750 as well. Lisa McKenzie said the trees are about 10' high and there is a lot of debris around the ponds. Mrs. Hester said originally the estimated cost was \$25,000 to take out all the silt and sand at the ponds. There is a tree growing through a fence that is pushing on a resident's fence. Lisa McKenzie also mentioned that the landscaper needs to look at the dead trees in the area of the Lemon Mint lift station. Engineer Robert Ferguson noted that if the trees are dying and it is classified as oak wilt, an arborist will need to handle it. Mrs. Hester is working with Zane, the landscaper to get a contract that addresses MS4. Mrs. Hester said that they cleaned out 25 pounds of trash yesterday. After discussion, Mrs. Hester recommended authorizing those charges to clean the ponds. President Chet Palesko inquired about waiting until they receive a contract from the landscaper. Attorney Bill Flickinger mentioned that the landscaper will need to comply with the Form 1295 requirement through the Texas Ethics Commission when submitting his proposed contract unless the contract will be through a subcontractor of ST. After further discussion, President Palesko said to wait a month and work on getting a contract and maybe an hourly rate and set a price on all the current projects.

Lisa McKenzie discussed getting the Boy Scouts involved in putting tiles down on each inlet. Mrs. Hester said the cost of the tiles will be about \$3,000. Mrs. McKenzie and Mrs. Hester discussed the map of the inlets and noted that it would be about 100 tiles to cover the area. The Board asked about the cost if ST and the Board just did it and Mrs. Hester replied about half the cost. The consensus was that the Board of Directors would not involve the Boy Scouts.

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

Allen Douthitt presented the bookkeeper's report and discussed the need to open up a bookkeeper's account. Bott & Douthitt will be the signatories on the account. The account is funded by the District when the Board approves and signs a check to be deposited into that account. Mr. Douthitt is requesting \$50,000 to open the account. If the Board agrees with opening a bookkeeper's account, he has signature cards for that purpose. David I. Perl agrees that it is a good idea.

In regards to the budget, the District is ahead at this time due to tax collection.

Lisa McKenzie inquired about the outstanding checks. Mr. Douthitt reported in about a year or so, if the checks are not cashed, then he will write a check to the State of Texas for those amounts.

After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to authorize payment of the bills, per diems and fund transfers as presented. The motion carried unanimously. Motion was also made by David I. Perl and seconded by Joe Szoo to authorize the opening of a bookkeeper's account as discussed. The motion carried unanimously.

9. DISTRICT MANAGER'S REPORT ON OPERATIONS

Kristi Hester discussed the Manager's Report as included in the agenda package.

The District had a 72% water accountability. They will continue to try to find the leak. ST is currently testing the main lines for the leak. There was discussion regarding the amount of water being purchased/sold. Right now, it is about a \$3,000 per month loss. President Chet Palesko asked if 3.4 million gallons of water was really used and Mrs. Hester reported it was. Mrs. Hester suggested having JBS come and help test for the leak, which will cost about \$2,500. Motion was made by Corey Newhouse and seconded by President Chet Palesko to authorize JBS to help with the testing process in connection with the leak. David I. Perl asked if someone could be bypassing their meter for landscaping purposes. It is possible, but probably too hard to do.

ST conducted troubleshooting on Trains 1 and 2. ST was able to locate the original SCADA system company and also OVIVO. OVIVO came out to inspect. Train 1 is running in manual mode and not off of the SCADA system. Train 2 is running on the original setting on SCADA. The goal is to get Train 1 back on the computer controlled system. Mrs. Hester discussed the need for a rebuilt computer to get the system back in working shape. They will be able to clone the software for the rebuilt computer. The cost of this will be approximately \$5,000. The Board thought this was too high of an expense. Mrs. Hester called Scott Manuel and placed him on speaker phone to answer the technical questions that the Board had. Mr. Manuel reported that the computer keeps freezing up and does not recognize the prompts. There was discussion of the fact once the expansion is done, all of this will go away. The Board asked Mrs. Hester to go back to the company and negotiate a price reduction with a guarantee. The contract says \$2,600 for programing and \$2,000 for the hardware. After discussion, motion was made by President Chet Palesko and seconded by Corey

Newhouse to authorize up to \$4,000 for the new computer and programming, with a guarantee that Trains 1 and 2 will work properly. The motion carried unanimously.

Mrs. Hester reported that they have an aerator in stock. At Basin 2, one of them is down. The cost to replace this is \$5,000. President Chet Palesko made a motion to approve this repair and expenditure, the motion was seconded by Lisa McKenzie. The motion carried unanimously.

Mrs. Hester discussed the two proposals from Xylem Water Solutions as included in the agenda package. She is not recommending the first proposal but is recommending the second. The second proposal allows for replacement of the cutters at the Prickly Poppy lift station in the amount of \$1,308. After discussion, motion was made by President Chet Palesko and seconded by Corey Newhouse to approve the replacement of cutters at the lift station. The motion carried unanimously. Attorney Bill Flickinger stated that the TEC Form 1295 will not be needed for this contract due to it going through ST instead of the District.

In connection with last month's discussion, Mrs. Hester presented an informational letter to residents regarding repairs and maintenance to the grinder pumps. There are 33 private grinder stations within the District. After review of the letter, Lisa McKenzie feels that it needs some work. The purpose of the letter is to notify the residents that they are responsible for the grinder pumps and if they need to be replaced, it will cost about \$3,500. Mrs. McKenzie will work with Kristi Hester to finalize the letter and get it sent.

Lisa McKenzie then discussed the issue regarding overcharged customers in connection with incorrect meter sizes in the billing records. After a thorough review of the accounts, there were 9 accounts that were overcharged. Attorney Bill Flickinger stated that before the credits can be given, ST needs to correct the meter sizes in their system and start billing the customers the correct amount and then the rate order may need to be amended. There was discussion of meter sizes and whether or not the customer can request to have their meter size changed. Mrs. Hester said they could and that there is no charge for that service. It was advised that a plumber should check the customer's fixtures before that is done. Corey Newhouse recommended sending a letter out to all customers on this matter.

The Board and consultants then discussed the District's rate order and budget. Mrs. Hester advised that the PUA increased its charge from \$6,000 to \$8,400. There was discussion of the different sizes of meters that customers have. It appears at this time, there is no need to amend the budget. David I. Perl left the meeting at 8:45 a.m. The consensus was to wait until next month when the meters sizes and costs have been changed in the ST system to amend the rate order. Joe Szoo left the meeting at 9:01 a.m.

\*\*\*President Chet Palesko heard Item No. 17 at this time.\*\*\*

17. BOND COUNSEL AGREEMENTS; LEGAL SERVICES AGREEMENTS

Attorney Mike Willatt discussed the need to hire new bond counsel. Mr. Willatt said that he does not want the District to get behind in issuing its bonds for the wastewater treatment plant due to his health issues. Recently Andrews Kurth stepped in to help Mr. Willatt. Mr. Willatt then introduced Attorney Jerry Kyle. Mr. Kyle discussed his bond counsel services agreement with the Board. Mr. Kyle also stated that he would be sharing the bond fee with Mr. Willatt due to Mr. Willatt providing historical data on the District. Andrews Kurth will also serve as disclosure counsel as it has done so in the past. Mr. Kyle also wanted to disclose that Bill Miller, Rip Miller's brother works at Andrews Kurth in Houston. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the Bond Counsel Services Agreement with Andrews Kurth LLP as presented. The motion carried unanimously.

Attorney Mike Willatt and Ivy Powers left the meeting at this time.

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

This item was not discussed.

11. BILLING ADJUSTMENTS

This item was discussed above in the manager's report.

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

This item was not discussed.

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

This item was discussed above under the manager's report.

14. AMENDED BUDGET

This item was discussed above under the manager's report.

15. DROUGHT CONTINGENCY PLAN

This item was not discussed.

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

This item was not discussed.

18. 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

Attorney Bill Flickinger provided an update on the litigation between the District and Senna Hills, Ltd.

19. 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

