

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 27, 2015, at 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 and Lisa McKenzie, thus constituting a quorum. Corey Newhouse and Joe Szoo were absent.

Also present at the meeting were Robert Ferguson, Allen Douthitt, Scott Manuel, Jason Tyler, Mike Willatt, and Bill Flickinger.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

The Board reviewed the minutes from the prior Board meeting on January 23, 2015. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the minutes. The motion carried unanimously.

5. TERMINATION OF FINANCIAL ADVISORY AGREEMENT WITH SOUTHWEST SECURITIES, INC. /A HILLTOP HOLDINGS COMPANY; and

6. FINANCIAL ADVISORY AGREEMENT WITH SAMCO CAPITAL MARKETS, INC.

Item Nos. 5 and 6 were considered together. Mike Willatt explained the changes regarding the financial advisor for the District. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve termination of the Financial Advisory Agreement with Southwest Securities, Inc./A Hilltop Holdings Company and to approve the financial advisor agreement with SamCo Capital Markets, Inc. The motion passed unanimously.

7. VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY, AND ALL RELATED ISSUES

This item was discussed with Item No. 20 below.

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

The Board discussed possible increases in rates charged by the West Travis County PUA. It was determined that there will be little impact upon the District since the increases relate primarily to impact fees.

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

Robert Ferguson presented the Engineer's Report. Mr. Ferguson reported that the effluent irrigation system expansion is installed and tested. He also presented a memorandum to the Board regarding the progress and associated tasks in connection with the wastewater treatment plant. In connection with the MS4 permit renewal, the TCEQ has accepted the proposed modifications, and a draft notice has been provided by the TCEQ. Mr. Ferguson provided handouts to the Board which outlined the tasks associated with the MS4 permit. He also reported that the bond application report is still underway. Mr. Ferguson also discussed the findings to date in connection with the impervious cover available for the plant expansion.

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

Allen Douthitt presented the bookkeeper's report. Motion was made by President Chet A. Palesko and seconded by David I. Perl to authorize payment of the bills and the fund transfers as presented. The motion carried unanimously.

11. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel provided the Manager's Report. Mr. Manuel reported that the pre-anoxic pump was repaired and that the Cla-Val pump had failed on the irrigation system and that a repair is needed. He also recommended that a pressure control valve be added in connection with the repair at an additional cost of approximately \$400. A motion was made by David I. Perl and seconded by Lisa McKenzie to approve the pump repair recommended by Scott Manuel with the additional pressure control valve for a total amount of \$5,500. The motion passed unanimously. Mr. Manuel also reported that two days ago, a valve failed, and the plant was out of operation for 24 hours. The hauling cost should be about \$3,000 in connection with that failure. The fencing around lift stations was discussed and the potential cost. It was determined that those improvements should be part of the proposed plant expansion. The water loss investigation continues, and the problems appear to be isolated to the western side of the system.

Lisa McKenzie discussed the customer complaints related to the PUA chlorine burn. Lisa McKenzie agreed to provide email notice to the Yahoo group regarding the change by the PUA back to regular chloramine disinfection.

12. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF

This item was not discussed.

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

This item was not discussed.

14. THE DISTRICT'S WASTEWATER TREATMENT PLANT

This item was discussed as part of Item 11 regarding District Manager's Report on Operations.

15. BILLING ADJUSTMENTS

There were no billing adjustments this month.

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

Robert Ferguson presented Pay Application No. 2 on the G Creek construction contract in the amount of \$9,450. Motion was made by David I. Perl and seconded by President Chet A. Palesko to approve the pay application. The motion carried unanimously.

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

This item was not discussed.

18. THE DISTRICT'S WATER AND SEWER RATES

This item was not discussed.

19. 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

Bill Flickinger reported that there were no new developments in connection with this issue. Scott Manuel reported that the travel trailer was still onsite.

Director Lisa McKenzie left the Board meeting after Item No. 19 and prior to consideration of Items 7 and 20.

20. CAUSE NO. D-1-GN-14-005177; WILLIAM D. MARSH AND MARIA ELLENA CUEVAS SANTANA V. SENNA HILLS MUNICIPAL UTILITY DISTRICT; IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS; 419TH JUDICIAL DISTRICT

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 and Section 551.072 of the Texas Government Code regarding matters related to Agenda Item Nos. 7 and 20. The Board went into closed session at 8:54 a.m.

At 9:13 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.

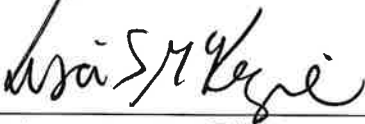
21. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]

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