

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 January 12, 2011, 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, Gregg Kronenberger and Kenneth A. Fox, thus constituting a quorum. Mike Dansby was absent.

Also present at the meeting were Jerri Strain, Bruce Aupperle, David Ripley, Mike Willatt and Doug Hearne.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

Motion was made by Kenneth A. Fox and seconded by Gregg Kronenberger to approve the minutes as presented. The motion carried unanimously.

5. PRESENTATION OF AUDIT

Jerri Strain advised that the audit was not ready and that the auditor will present it at the next Board meeting.

6. AQUA TEXAS CONTRACT

This is a standing item. There was no discussion on this item.

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

11. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Items 7 & 11 were combined for discussion. Bruce Aupperle reported that at the last Board meeting he had notified the contractor of the District's concern about the schedule. The contractor now says he can meet the original schedule. This calls for the new plant to be up and operating on March 14, 2011. The contractor should dismantle the existing plant by the end of March. There was discussion as to how the transition from the old plant to the new plant will work. Doug Hearne also presented a schedule.

8. TRAILS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

9. AMENDMENT TO LCRA WATER CONTRACT

Jerri Strain advised that she had sent a letter to the LCRA advising of an increased reservation amount.

10. AMEND DISTRICT INFORMATION FORM

Mike Willatt presented the Amended District Information Form and explained that it was necessary due to the recent bond issue. Motion was made by Kenneth A. Fox and seconded by Gregg Kronenberger to authorize the directors to sign the Amended District Information Form. The motion carried unanimously.

12. THE DISTRICT'S FINANCIAL AFFAIRS

President Chet Palesko reported on the need to get information from the auditor as to his comfort level on the District's proposed use of surplus bond proceeds. Mike Willatt said that he will send an e-mail to the auditor explaining the proposed use of funds and asking for an answer from the auditor.

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

Jerri Strain presented the manager's report and financial report. There was discussion about putting the requested easement vacation form on the next agenda. Motion was made by Gregg Kronenberger and seconded Kenneth A. Fox to approve payment of the bills as presented. The motion carried unanimously.

14. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

15. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion on this item.

16. THE DISTRICT'S WATER AND SEWER RATES

This is a standing item. There was no discussion on this item.

17. BILLING ADJUSTMENTS

This is a standing item. There was no discussion on this item.

18. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

Bruce Aupperle said that he and Doug Hearne have a meeting with the landscaper to discuss the switch from potable water to reuse water. The landscaper will have to change heads to get the purple color required for reuse. There was discussion as to whether the HOA should pay for this expense.

19. HOA WATER USAGE AND CHARGES

This is a standing item. There was no discussion on this item.

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

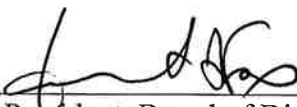
Bruce Aupperle reported that it was rumored that Rip Miller will obtain City of Austin approval for a smaller office project and bring it back to the District for review.

21. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Bruce Aupperle reported that the plans are in the hands of the City of Austin.

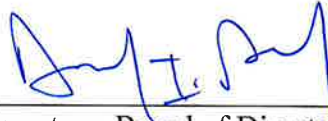
22. ADJOURN

The meeting was adjourned.



Vice President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]