

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 22, 2013, at 12117 Bee Cave Road, Building 3, Suite 120, Austin, Texas 78738, 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 Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. President Chet Palesko and Vice President Kenneth A. Fox were absent.

Mike Dansby presided over the meeting. President Chet Palesko participated by telephone.

Also present at the meeting were Joe Szoo, Kent Mehring, Allen Douthitt, Jeff Garrett, Robert Ferguson and Mike Willatt.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl drew attention to two typographical errors. Motion was made by Gregg Kronenberger and seconded by David I. Perl to approve the minutes of the December 18, 2012 meeting as amended. The motion carried unanimously.

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

This item was not discussed.

\*\*Items 9 and 10 were taken together.\*\*

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

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

Mike Dansby noted that the District needs to spend \$135,000 on the sewage treatment plant to reduce the \$20,000 per month maintenance cost. Allen Douthitt reviewed the bookkeeper's report. After discussion, motion was made by David I. Perl and seconded by Gregg Kronenberger to approve repayment of the ABC Bank loan. The motion carried unanimously.

There was discussion of serious water loss experienced recently, costing approximately \$7,000 a month. There was also discussion as to how to identify the leaks. After discussion, motion was made by Gregg Kronenberger to approve payment of the bills as presented and that motion was seconded by David I. Perl. The motion carried unanimously.

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

Robert Ferguson presented his memorandum addressing certain problems with the sewage treatment plant. His memorandum addressed the cost of installing facilities to prevent leaves and debris from blowing into the membrane basins, for replacement of damaged membranes, or installation of tankage to provide functional equalization or change piping to utilize existing tankage, installation of additional baffled tankage specific for chlorine contact and irrigation wet well function, for finalization and submission of the 210 authorization application to the TCEQ, to perform smoke testing to locate sources of inflow/infiltration, and preparation of plans to repair and rehabilitate the existing effluent irrigation system. The memorandum also included a description of a report to include analysis of the feasibility for keeping the membrane treatment plant expanded to a higher capacity, the costs to change to a conventional treatment process and go to a higher capacity, including estimated operation and maintenance expenses. This study would include evaluation of the plant site and easements for treatment work and buffer zones per TCEQ requirements as well as any permit amendment. A copy of that memorandum was in the agenda package.

Mr. Ferguson noted that with respect to the release of escrowed funds, the TCEQ needs to approve plans and specifications for the irrigation field. On the 210 permit, he noted that he had talked with the District's attorney, Mike Willatt, with regard to a contract with the HOA for irrigation of the boulevard landscaping.

He reviewed his inspection of the sewage treatment plant. He noted damaged membranes. This was caused by a progression of things, such as leaves and branches, rocks introduced by kids or other, and too much chemical cleaning wearing out the membranes. Mr. Ferguson summarized the matters contained in his memorandum.

There was also discussion of the possibility of revising the draft request for release of escrowed funds to include a change in scope, to where \$130,000 would be allocated to the sewage treatment plant issues, leaving \$70,000 for rehabilitation of the irrigation field. (At that point, President Chet Palesko left the meeting.)

There was discussion of all these projects and expenditures. Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the engineer's pursuit of a 210 permit, to approve a replacement of destroyed membranes, to do smoke testing and to address the chlorine contact time issue. The discussion of the metal roof and how to pay for other improvements will be deferred until a later meeting. Mike Dansby and Gregg Kronenberger will work with the District's consultants to see what else can be done with respect to the roof and other improvements and to authorize their performance if it can be done at or under the cost listed in Robert Ferguson's memorandum. The motion carried unanimously.

The height of the roof over the facilities and the visibility from the road was discussed. Also, when the chlorine tank is installed, it will be big enough so the other three tanks can be placed in the equalization project.

Mr. Ferguson continued to address the engineering study included in his memorandum, to evaluate the status of the plant and the possibility of replacement with a conventional plant, and to determine which course is most effective. There was consensus that this discussion should be deferred until Gregg Kronenberger and Mike Dansby have done their tasks noted above.

Mr. Ferguson noted that the 210 contract with the HOA will be offered to the HOA if approved by Mike Dansby and Gregg Kronenberger.

**\*\*The Board moved to Item 12.\*\***

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

Jeff Garrett reported that the contract for installation of Weaver's grinder pump is completed and that Robert Ferguson said it was ready for connection. It is connected with one-half to three-quarters of the connection being covered by dirt. Jeff Garrett said that he had not been asked to make the inspection. Mike Willatt will look at the letter to Terry Irion on this.

Mr. Garrett reported on a complaint from a homeowner who wanted the District to clean the debris and rocks off the Weaver sewer line because kids are getting hurt when they go on that property.

Robert Ferguson reported that the District's policy is for the District to maintain the Weaver's grinder pump, and to charge Weaver the cost thereof.

**\*\*The Board moved to Item 14.\*\***

14. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES

This item was not discussed.

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

This item was not discussed.

16. THE DISTRICT'S WATER AND SEWER RATES

This item was not discussed.

17. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING

There was discussion with Kent Mehring on the status of the HOA survey. Kent Mehring said that he is finishing up his report on the polling results. He hopes to have feedback from 90% of the population. Approximately 50% are opposed and 50% are supportive.

\*\*The Board moved to Item 19.\*\*

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

Mike Willatt reported that the Judge denied Senna Hill, Ltd.'s Motion for Summary Judgment.

20. LICENSE AGREEMENT WITH TRAVIS COUNTY FOR MAINTENANCE OF SENNA HILLS RIGHT-OF-WAY LANDSCAPING AND IMPROVEMENTS

Kent Mehring reported that the HOA attorney and Taylor Morrison are working on this issue.

The Board then convened in closed session to discuss the Senna Hills, Ltd. existing and threatened litigation with Senna Hills, Ltd.

The Board of Directors emerged from closed session and the meeting was adjourned.

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

8. THE DISTRICT'S WASTEWATER TREATMENT PLANT

11. BILLING ADJUSTMENTS
13. TCEQ CHAPTER 210 PERMIT
18. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT
21. ADJOURN



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President, Board of Directors  
Senna Hills MUD

ATTEST:



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Secretary, Board of Directors  
Senna Hills MUD

[SEAL]