

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, 2014, 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 Chet Palesko, Gregg Kronenberger, Joe Szoo and Lisa McKenzie, thus constituting a quorum. David I. Perl was absent.

Also present at the meeting were Kristi Hester, John Chamblee, Scott Manuel, Robert Ferguson, Allen Douthitt, Rip Miller, Kemp Gorthey and Mike Willatt.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

There was discussion of the proposed rule change in the November minutes addressing the customer's responsibility for service lines. After discussion, motion was made by Lisa McKenzie and seconded by President Chet Palesko to revise the District's minutes to make the customer responsible for the water service line from the outlet of the water meter to the property being served and the customer is responsible for the sewer line from the tap into the District's line in the street to the property being served. The motion carried unanimously. Lisa McKenzie presented some typo corrections to the December minutes. After discussion, motion was made by Gregg Kronenberger and seconded by Joe Szoo to approve the November and December minutes as corrected. The motion carried unanimously.

President Palesko then moved to Item 19.

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

John Chamblee reported that there will be HOA workshops, studies, and a committee designated to work with a committee of the MUD, and eventually an up or down vote on any settlement agreement with Senna Hills, Ltd. He said that an issue had arisen with respect to Section 5. The City has not accepted the street. Therefore, the City did not top dress the street. Apparently there was no proper inspection, and there is an ADA issue on the sidewalks being too narrow.

Rip Miller and Kemp Gorthey entered the room at this time. They discussed the existing building on the irrigation tract and the fact that Rip is paving over the caliche access road. John Chamblee explained the process that the HOA is going through. He explained the debate over whether the HOA should be a party to the settlement agreement. He expects to get a proposal out of the HOA by the end of March. Lisa McKenzie explained that the MUD board had not yet taken a vote and that she thinks Senna Hills, Ltd. should offer more to obtain MUD cooperation. There was an agreement to schedule a workshop at 8:00 a.m. on February 15, 2014.

President Palesko then returned to Item 5.

5. DISTRICT'S ANNUAL AUDIT SUBMITTED BY DAVID L. MERRITT, P.C.

David Merritt presented the final audit. Motion was made by Gregg Kronenberger and seconded by Lisa McKenzie to approve the audit, authorize the President to sign the Annual Filing Affidavit and to authorize the President to sign the representation letter addressed to David Merritt. The motion carried unanimously.

President Chet Palesko then moved to Item 8.

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

Robert Ferguson presented his engineer's report. He said that Travis County has approved the irrigation plan. He is applying to the TCEQ for release of funds to irrigate the tract between the trailers and thence west to Senna Hills Drive. His report on the wastewater treatment plant expansion is 85% complete. He is still evaluating membrane options. Robert Ferguson also reported that ST recently had a training session with OVIVO.

President Chet Palesko then moved to Item 15.

15. DISTRICT MANAGER'S REPORT ON OPERATIONS

Kristi Hester presented the manager's report. She stated that ST will bring suggestions for landscaping, for work on the irrigation tract and the estimated costs for those projects. She will also bring a list of write-offs to the next meeting. Kristi Hester reported that more than 70 meters had been changed out.

President Chet Palesko then moved to Item 12.

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

Allen Douthitt presented the financial report. Motion was made by Gregg Kronenberger and seconded by Lisa McKenzie to approve payment of the bills and the fund transfers as presented. The motion carried unanimously.

THE REMAINING ITEMS WERE NOT DISCUSSED.

6. VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY

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

9. RELEASE OF FUNDS FROM ESCROW

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

11. THE DISTRICT'S WASTEWATER TREATMENT PLANT

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

14. BILLING ADJUSTMENTS

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

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

18. THE DISTRICT'S WATER AND SEWER RATES

20. REFUNDING OF THE DISTRICT'S BONDS

21. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]