

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 23, 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, Lisa McKenzie, Corey Newhouse and Joe Szoo, thus constituting a quorum. No Director was absent.

Also present at the meeting were Robert Ferguson, John Chamblee, Allen Douthitt, Scott Manuel, Kristi Hester, David Merritt and Bill Flickinger.

John Chamblee left the meeting at 7:05 a.m.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

The Board reviewed the minutes from the prior Board meetings on December 19, 2014 and October 24, 2014. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve both minutes with the correction of the typo in the December 19, 2014 minutes correcting the spelling of Spiderling Court. The motion carried unanimously.

5. DISTRICT AUDIT

The District's annual audit was presented by David Merritt. After discussion, motion was made by David I. Perl to approve the audit with correction of typos on page FS-16, and such motion was seconded by Joe Szoo. The motion carried unanimously.

President Chet Palesko moved to Item No. 8 and delayed consideration of Item Nos. 6 and 7 until the end of the agenda.

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

Kristi Hester reported that the PUA was conducting a free chlorine burn and that customers could experience taste and odor issues. She also stated that the PUA was considering a rate increase.

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

Robert Ferguson presented the Engineer's Report.

Robert Ferguson reported that the effluent irrigation system construction is underway and that the system may be tested in the next one to two weeks.

Robert Ferguson presented Change Order No. 1 to the Effluent Irrigation Expansion Phase II in the amount of \$2,650 which brings the resulting contract amount to \$90,490. Motion was made by Lisa McKenzie and seconded by Joe Szoo to approve this change order. The motion carried unanimously.

Robert Ferguson presented Pay Application No. 1 on the Effluent Irrigation Expansion Phase II in the amount of \$71,991. Motion was made by David I. Perl and seconded by Joe Szoo to approve this pay application. The motion carried unanimously.

Robert Ferguson also reported that they are continuing discussions with OVIVO and STES on specific treatment component options in the design of the expansion of the plant. Sampling/testing results are also being reviewed to assist in both the design and plant operations. On the permit renewal, the second notice was published, and they are in the process of checking with the TCEQ on when the renewed permit will be issued.

Robert Ferguson indicated that he is reviewing the allowed impervious cover requirements in connection with the wastewater plant site and the areas including the propane tank and effluent areas. There are concerns that with expansion of the footprint of the plant that the impervious cover requirements may result in additional expenses for water quality facilities. This issue is still being investigated.

Robert Ferguson reported that he is preparing a response to the TCEQ reviewer in connection with the MS4 permit and will have that sent early next week.

The bond application report preparation is underway with updating in progress.

Director Joe Szoo requested that Robert Ferguson prepare a chart or a spreadsheet on the tasks related to the plant and the permit process so that he can better understand the various steps. Robert Ferguson agreed to prepare a report to address this.

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

Allen Douthitt presented the bookkeeper's report. Motion was made by President Chet Palesko and seconded by Lisa McKenzie to authorize payment of the bills, bond payments and the fund transfers as presented. The motion carried unanimously.

11. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel and Kristi Hester provided the Manager's Report.

Scott Manuel reported that there was one pump failure that has been corrected by replacing the pump. There are no current irrigation issues.

Water loss increased again this month and is consistently and slowly increasing. No leak was found in connection with the testing on Peonia. They are currently proceeding with data logging on the master meter on one-half of the District to determine night flows and possible leak locations. Scott Manuel also agreed to investigate any possible leaks at vacant lots which may have lines but no meter connected. He will continue the efforts to identify the leak causing the water loss. Robert Ferguson commented that the leak detection service being used has been the most successful in other districts and that, in certain cases, it is extremely difficult to locate the leak or leaks causing the water loss.

Scott Manuel reported that the operation of the wastewater treatment plant is satisfactory at present. Kristi Hester presented an asset management report to the Board identifying critical facilities at the plant. Kristi Hester also presented a consumption report to the Board.

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 discussed as part of the District Manager's Report on Operations in Item 11 above.

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.

This item was discussed as part of the engineer's report above.

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

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 regarding matters related to Agenda Item No. 19. The Board went into closed session at 8:37 a.m.

At 9:01 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.

Director Lisa McKenzie left the meeting after consideration of Item No. 19.

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

This item was considered with Item No. 7 as discussed below.

7. 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 regarding matters related to Agenda Item Nos. 6 and 7. The Board went into closed session at 9:01 a.m.

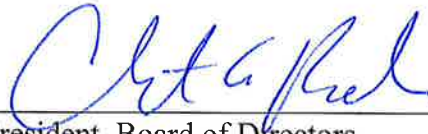
At 9:29 a.m., the Board President announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

Motion was made by President Chet Palesko and seconded by Corey Newhouse to authorize the District's attorneys, Willatt & Flickinger, to represent it in Cause No. D-1-GN-14-005177. The motion carried unanimously.

The next three Board meeting dates will be as follows: February 27, 2015; March 27, 2015; and April 24, 2015.

20. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

