

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 7:10 a.m. on January 27, 2017 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, 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

The Directors present were:

Chet A. Palesko – President  
David I. Perl – Vice President  
Lisa S. McKenzie – Secretary  
Joe Szoo – Assistant Secretary  
Corey Newhouse – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Allen Douthitt of Bott & Douthitt, Kristi Hester of ST, Robert Ferguson of Murfee Engineering, Bill Flickinger, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC and Ashlee Martin of McCall Gibson Swedlund Barfoot, PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the December 30, 2016 meeting with some recommended revisions. The motion carried unanimously.

5. ANNUAL AUDIT PRESENTED BY MCCALL GIBSON SWEDLUND BARFOOT, PLLC

Ashlee Martin reported that McCall Gibson et al. has opened up an Austin office. Ms. Martin discussed the audit with the Board of Directors. The District received a clean unmodified opinion, which is the best given. Lisa McKenzie noted a minor typo in the audit and Ms. Martin will correct it and send to Jeniffer Concienne for replacement. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Joe Szoo to approve the audit with the minor revision and authorize the execution of the Annual Filing Affidavit and have the audit filed with the TCEQ and Comptroller. The motion carried unanimously.

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

President Chet Palesko reported that he attended a meeting a couple of days ago. The Board has decided to go to seven members instead of five. There was discussion of resetting the fee schedule possibly in the next year or so.

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

Engineer Robert Ferguson discussed his report as included in the agenda package.

The pre-bid meeting was held in connection with the wastewater treatment plant. Six contractors and a lot of vendors attended the meeting. Several of them caught the eye of Murfee Engineering. There was a tour at the wastewater plant. The bid opening is scheduled for February 21<sup>st</sup>.

The amended permit was issued by the TCEQ. The District has 120 days to provide completion and construction history for the effluent pond. Mr. Ferguson is working on a letter to the TCEQ indicating that the pond has been functioning for the last 20 years.

8. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester has nothing to report on in connection with the MS4 permit.

Mrs. Hester discussed the costs related to the pond liner. The liner will cost about \$128,000 and the installation of the liner will run about \$200,000. These costs will be put in a 5-year budget plan.

The actual repairs to the liner were made several months ago and there have been no further issues.

9. EFFLUENT IRRIGATION AGREEMENT BETWEEN THE HOA AND THE DISTRICT

Attorney Bill Flickinger reported that this project is not ready for action. Mr. Flickinger will get focused on this with the HOA attorney Lance Lackey.

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

Bookkeeper Allen Douthitt discussed the bookkeeper's report as included in the agenda package and presented an updated Cash Activity Report for review. Mr. Douthitt will put a "stop" on one of ST's checks from several months ago that still has not been deposited and issue a new one. In regard to the District's budget, it is \$11,000 ahead of plan. For today's consideration, there are vendor and per diem payments and three fund transfers. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve payment of the vendor invoices, per diems and fund transfers as presented. The motion carried unanimously.

11. DISTRICT MANAGER'S REPORT ON OPERATIONS

Manager Kristi Hester discussed her report as included in the agenda package.

Mrs. Hester discussed a spill at Lift Station #3 on Strawflower. Apparently a squirrel connected with a power line and power was shut off. However, no alarm was activated. Allen with ST just happened to be driving by and caught it. About 600 gallons was spilt. ST is installing a dry connect which is basically a backup to the alarm. This spill is not a violation and is not required to be reported to the TCEQ, but ST will report it anyway. Mrs. Hester also reported on issues at Lift Station #4. One of the two pumps is not working. Instead of waiting six to eight months for the pump to be repaired, Mrs. Hester recommended buying a new one. The cost is approximately \$6,000. If the old pump is repaired, it can be put up as a spare pump. President Chet Palesko wants a quote for the cost of the repair of the pump before it is done. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by Joe Szoo and seconded by Lisa McKenzie to authorize ST to purchase a new pump for Lift Station #4 as discussed. The motion carried unanimously.

Mrs. Hester stated that she contacted the PUA again on the District's water gain. Apparently the new PUA meter was not reading. They are in the process of getting it fixed, which may have already occurred. Mrs. Hester reported on the District's billing summary. The residential average of water consumption is 8,125 gallons per month. There will be a write-off of \$68.61. 15 delinquent letters were mailed out, nine door tags were hung and there were no disconnects for non-payment. The water quality monitoring is good. There are no compliance issues at the wastewater plant and the plant is operating at 82% capacity.

12. DISTRICT WEBSITE

Lisa McKenzie and attorney Matt McPhail discussed the mandatory items that had to be posted on the District's website. Manager Kristi Hester inquired about posting agendas on the

website only and not in the District. Attorney Bill Flickinger does not recommend it. There was discussion of not having a District website after all. Manager Kristi Hester will provide a link for payment of the water bill on the website as well. After further discussion, Joe Szoo and Corey Newhouse will review the website for a final time and once they give the ok, the website will go live.

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

This is a standing item and was not discussed.

14. ARCADIA TRACT – ACQUISITION BY DISTRICT

David I. Perl discussed the Arcadia Tract. It is about .10 of an acre by the Lemon Mint path to the playscape. Attorney Bill Flickinger advised that when the land was platted it was owned by Arcadia and was not taken out, which is why they did not believe they owned it. This issue can be fixed by a Quit Claim Deed and will clear title for Lot 64 in the future. Motion was made by President Chet Palesko and seconded by Joe Szoo to authorize David I. Perl and Attorney Bill Flickinger to prepare the Quit Claim Deed and have it executed and pay any back taxes that are owed. The motion carried unanimously.

15. BILLING ADJUSTMENTS

This is a standing item and was not discussed.

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

This is a standing item and 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 AND LITIGATION WITH SENNA HILLS, LTD. OVER THE FOREGOING AND THE WEAVER SEWER LINE PROJECT; PROPOSED SETTLEMENT AGREEMENT WITH SENNA HILLS, LTD. AND SENNA HILLS HOA

Attorney Bill Flickinger reported that the committee is working hard and we are close to a deal. There are only two points left, which are: 1) limiting the perpetual use easement size and 2) additional reimbursement of fees. Mr. Flickinger will get with Attorney Kemp Gorthey on these issues.

18. DATES FOR FUTURE BOARD MEETINGS

After discussion of the previously scheduled meetings for February and March, the April meeting was set for April 28th.

19. ADJOURN

The meeting was adjourned.

  
Chet A. Palesko, President

ATTEST:

  
Lisa S. McKenzie, Secretary

