

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 30, 2012, 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 and Kenneth A. Fox, thus constituting a quorum. Mike Dansby and Gregg Kronenberger were absent.

Also present at the meeting were Jerri Strain, Mike Willatt, Robert Ferguson, David Ripley, Joe Szoo, Allen Douthitt, Mary Bott and Michael Slack.

3.     CITIZEN COMMENTS

No comments were made.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl made some corrections to the minutes.

There was discussion of the wastewater treatment plant. It was noted that at the last meeting, David Ripley had not taken his training on cleaning of the membranes. David said that he has now received that training. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the minutes of the December 16, 2011 meeting as amended. The motion carried unanimously.

5.     PROPOSAL FOR ACCOUNTING SERVICES

Allen Douthitt and Mary Bott made a presentation of their bookkeeping proposal. There was discussion of the \$1,800 per month cost being a "wash" by reason of reduction in the AquaSource monthly fee and a reduction in the audit fee.

Motion was made by David I. Perl and seconded by Kenneth A. Fox to appoint President Chet Palesko and Mike Dansby as the committee to talk to David Merritt and Aqua Texas, and to negotiate a bookkeeping contract with Bott & Douthitt. The motion carried unanimously.

\*\*\*\*President Chet Palesko moved to Item No. 7.\*\*\*\*

7. LICENSE AGREEMENT WITH TRAVIS COUNTY FOR LANDSCAPING OF SENNA HILLS BOULEVARD

Michael Slack of Taylor Morrison said that Taylor Morrison is finishing up on five houses, and that there is gap in the wall along Senna Hills Boulevard. The wall is a landscaping wall with a wrought iron fence on top. When he investigated finishing the wall, he found that some sections of the existing wall are in the right-of-way. He researched the past to verify that there is a License Agreement in place, and to see if the HOA is responsible for maintaining the wall. He reported that there is a recorded License Agreement but that it only covers the area around the subdivision entrance.

Michael noted that the existing License Agreement is between the MUD, the developer and Travis County. In 2009 an amendment was drawn up to include all of the Senna Hills sections, and to transfer responsibility from the MUD to the HOA.

The Board was supportive of his presentation and said that if he would get the amendment approved by Travis County and the HOA, the Board would be receptive to approving and signing the amendment.

Mike Willatt said that he would review the 2009 amendment before action is taken.

\*\*\*\*President Chet Palesko then moved to Item No. 6.\*\*\*\*

6. WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

President Chet Palesko reported that he received an e-mail from Larry Fox asking if he would be willing to serve on the Board of the West Travis County Public Utility Agency. President Palesko said that he is concerned about the time commitment but is interested in serving on that Board. He indicated that as a practical matter he may have to step down as President on the MUD Board. No action was taken.

8. ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES, CHARGES AND TAP FEES, AND ADOPTING GENERAL POLICIES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS

11. LCRA RAW WATER CONTRACT, DROUGHT CONTINGENCY PLAN, WATER CONSERVATION PLAN, CUSTOMER CURTAILMENT PLAN AND LANDSCAPE IRRIGATION SYSTEM EVALUATION PROGRAM

\*\*\*\*President Chet Palesko combined Items No. 8 and 11 together.\*\*\*\*

President Chet Palesko reported that Mike Dansby had detected that the rates in the current draft are incorrect. Mike Willatt said he would send the rate sheets to Jerri Strain for correction and formalize the rate order at the February meeting.

Robert Ferguson made a presentation of the four resolutions approving and adopting the proposed Drought Contingency Plan, Water Conservation Plan, Customer Curtailment Plan and Landscape Irrigation System Evaluation Program. Robert explained that the Drought Contingency Plan and Water Conservation Plan are adopted from the LCRA's plans for the West Travis County Regional System. He also explained that the District is required to adopt a Drought Contingency Plan and Water Conservation Plan by the terms in the Raw Water Contract. After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to approve and adopt a Drought Contingency Plan as presented. The motion carried unanimously.

Robert explained that the Water Conservation Plan is adopted to reduce water consumption over 5 and 10 year planning horizons. For example, one goal is to reduce loss and unaccounted for water to less than 10% after 5 years and less than 5% after 10 years. There is also a projected per capita use, "per capita" being based on 3.5 persons per household. After discussion, motion was made by David I. Perl and seconded by Kenneth A. Fox to adopt the Water Conservation Plan as presented. The motion carried unanimously.

Robert then presented the Landscape Irrigation System Evaluation Program. He pointed out that participation by the customers is on a voluntary basis and the cost will be borne by the customers, not by the District. There was discussion about asking the HOA to find landscape irrigators to be able to do these audits. Joe Szoo said that he would mention that need to the HOA. After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to adopt the Landscape Irrigation System Evaluation Program as presented. The motion carried unanimously.

Robert also presented the Customer Curtailment Plan. He said that the baseline was last year, which is probably the District's highest ever usage, being approximately 404-acre feet per annum. There was discussion as to how to achieve the goal of 20% reduction so as to avoid LCRA fines. After discussion, motion was made by David I. Perl and seconded by Kenneth A. Fox to adopt the Customer Curtailment Plan as presented. The motion carried unanimously.

9. AQUA TEXAS CONTRACT

This item was not discussed.

10. AUSTIN ELECTRIC RATES

Mike Willatt reported that the group organizing to protest Austin electric rates is requesting monetary contributions. He said that initially the greatest contribution that can be made in Senna Hills is to get signatures for a petition opposing the rates. This effort cannot begin until the new rates have been actually adopted. He also recommended that it is not timely to make a financial

contribution until we see what new rates are actually adopted.

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

David Ripley reported that the HOA landscape irrigation has now been connected with effluent and the landscaping is being irrigated with the effluent. There was discussion as to the fact that if the effluent ran out, the system is not plumbed to irrigate with treated water.

13. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Robert Ferguson reiterated that as he stated last month, there needs to be a modification to the basin. Holes will be cut in the basin to allow equalization. This work is in progress.

Robert stated that the District had to report another overflow this month. The pumps that transmit effluent from the membranes to ultimate disposal may not have adequate capacity. At this point, it appears to be a design flaw. Doug Hearne has informed the pump supplier of the problem and is waiting to hear back from them. Robert has not yet been able to review the record drawings to see what was in the plans and specifications as compared to what was actually built. He reported that the flow is within 10-15% of the design capacity of the current membranes. This will be addressed by adding new membranes.

David Ripley said that the 30-day average is running at 65,000 gallons per day, which is within the plant capacity of 80,000 gallons per day. At some point, the District will get close to the TCEQ's 75/90 rule, which requires that when the plant reaches 75% capacity, engineering work on the expansion has to begin and when the plant reaches 90% capacity, construction to increase the capacity has to begin.

In summary, Robert Ferguson is proceeding with drilling the hole to allow equalization, and to get correctly sized pumps.

14. PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Robert Ferguson said that he had received a pay estimate, but it has not yet been processed, so no action is required at this time.

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

David Ripley presented the operations report and Jerri Strain presented the financial report. President Chet Palesko stated that Mike Dansby had found a billing glitch where the base bill for wastewater went back to \$30. Jerri Strain said that they had caught the glitch and the customers will be back charged for the difference between the billing and the correct rate. Motion was made by

David I. Perl and seconded by Kenneth A. Fox to approve payment of the bills as presented. The motion carried unanimously.

16. ENGINEER'S REPORT
- a. Wastewater Treatment Plant
  - b. Weaver Wastewater Service
  - c. LCRA Contract Amendment

No action was taken.

17. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

No action was taken.

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

No action was taken.

19. THE DISTRICT'S WATER AND SEWER RATES

Mike Willatt presented the proposed site plan review fee provision. After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to approve the addition of the site plan review fee to the District's water and sewer rates. The motion carried unanimously.

20. BILLING ADJUSTMENTS

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

21. SOS REQUEST FOR INFORMATION UNDER OPEN RECORDS ACT

Mike Willatt reported on the Open Records Request by SOS, and on the fact that some of the information requested would have to be submitted to the Attorney General for review of whether or not it is confidential under the law.

22. RESOLUTION CHANGING DATE OF DIRECTORS ELECTION FROM MAY TO NOVEMBER IN EVEN-NUMBERED YEARS AND ADJUSTING TERMS OF OFFICE TO CONFORM TO THE NEW ELECTION DATE

Mike Willatt presented the Resolution Changing the Directors Election from May to November in Even-Numbered Years and Adjusting Terms of Office to Conform to the New Election Date. He explained that this was made necessary by the recent change in the law that does not allow counties to hold elections in May in even-numbered years. After discussion, motion was made by Kenneth A. Fox and seconded by David I. Perl to adopt the Resolution as presented. The motion carried unanimously.

23. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN
24. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT
25. POSSIBLE LITIGATION WITH SENNA HILLS, LTD. OVER WEAVER SEWER LINE PROJECT

\*\*\*\*Item Nos. 23, 24 and 25 were discussed together.\*\*\*\*

President Chet Palesko reported that Rip Miller indicated that he was not too concerned about the sewer line across his property, but that he wanted to use it as a bargaining chip over the proposed office building. David I. Perl noted that his memory of the Consent Agreement was that it requires the developers to give the District whatever it needs to do its job. Mike Willatt said that he would review the Consent Agreement.

There was discussion of the possibility of a lawsuit being filed over the Weaver sewer line, and the Board members recognized that possibility. President Palesko said that he will advise Rip Miller to get a Bee Caves entrance to the proposed office site and take it up with the HOA.

On the dispute about who is to provide electricity to the Weaver grinder pump, Robert Ferguson said that he is getting a cost estimate from the City of Austin to locate a pole and drop line. Mike Willatt advised Robert to show the contract to John Weaver, and to show John Weaver that the District is building what the District is required to build.

26. ADJOURN

The meeting was adjourned.



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President, Board of Directors  
Senna Hills MUD

ATTEST:



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Secretary, Board of Directors  
Senna Hills MUD

[SEAL]

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