

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 July 13, 2011, 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 David I. Perl, Mike Dansby and Gregg Kronenberger, thus constituting a quorum. President Chet Palesko and Vice President Kenneth A. Fox were absent.

Also present at the meeting were David Ripley, Jerri Strain, Mike Willatt, Joe Szoo, George Murfee, David Malish and Robert Ferguson.

In the absence of the President and Vice President, Mike Dansby presided. He stated that he would take matters on the agenda out of order to accommodate limitations on maintenance of a quorum.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl noted some changes to the minutes. Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the minutes of the June 22, 2011 meeting as amended. The motion carried unanimously.

5.     AQUA TEXAS CONTRACT

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

7. DROUGHT CONTINGENCY AND WATER CONSERVATION PLANS

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

8. AUTHORIZATION OF HOMEOWNERS TO CUT TREES AND GRASS ON MUD LAND

Attorney Mike Willatt reported that Bruce Aupperle had forwarded a copy of the Barton Creek West policy on landscape clearing on territory below the homeowner's lots. It was agreed that this will be taken up at a later meeting.

9. IMPACT OF REDUCED WATER LEVELS DUE TO THE SPRINKLER CONVERSION

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

11. TRAILS WITHIN THE DISTRICT

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

19. BILLING ADJUSTMENTS

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

20. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

21. HOA WATER USAGE AND CHARGES

There was no discussion on these items. It was generally agreed that these items will be irrelevant once the irrigation system is connected with the effluent from the wastewater treatment plant.

22. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN

Joe Szoo reported that Bill Pohl had approached the HOA about building a retail center.

28. EVALUATION AND REPLACEMENT OF DISTRICT'S CONSULTANTS, VENDORS AND SUPPLIERS AND RETENTION OF NEW DISTRICT CONSULTANTS

Mike Dansby reminded the Board that it talked about replacing Bruce Aupperle at the last meeting. Mike Dansby was charged to identify potential replacements. Mr. Dansby called for a presentation by George Murfee, David Malish and Robert Ferguson from Murfee Engineering

Company, Inc., which was followed by a question and answer session. Following discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to terminate the District's relationship with Aupperle Engineering. The motion carried unanimously. Motion was then made by David I. Perl and seconded by Gregg Kronenberger to accept the proposal by Murfee Engineering Company, Inc. and to authorize secretary Dansby to sign the proposal on behalf of the District. The motion carried unanimously.

6. LICENSE AGREEMENT IN CONNECTION WITH RETAINING WALL FOR SECTION 10

David I. Perl noted that, in the draft license agreement, the purchasers of lots from Taylor Morrison had the rights to the license but not the obligations. It was agreed that this should be corrected. David I. Perl inquired as to how future owners of the lots would be aware of their responsibilities, if a license agreement is not recorded. After discussion, Attorney Mike Willatt stated that he will amend the License Agreement so that it will be filed in the Official Records of Travis County, Texas and provide notice to future owners.

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

~~Jerri Strain~~ said that the pest control company had come out during daytime hours and did not see anything. It saw standing water, but no bugs. Joe Szoo said that someone had suggested that a pigeon coup with 50 pigeons could be creating a problem. Jerri Strain said that the pest control company said that they will not charge if they come out to review the problem, but will charge if they treat. They may charge if they come out and review the problem after hours. She will ask the pest company to take a closer look at the problem.

12. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

13. CHANGE ORDER NO. 3 FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

David Ripley reported on the progress of bringing the new plant online. He said they hope to turn on the irrigation system on at the end of this month. There was a delay in the City of Austin's inspection of the electrical work at the lift station and some fencing work remains to be done. Gregg Kronenberger will get with Murfee Engineering to address the engineer's transition. Murfee Engineering will notify Bruce Aupperle of the change of engineers. Murfee Engineering will get with Doug Hearn to review the transition for completion of the WWTP. The change orders will be addressed at the next meeting.

14. THE DISTRICT'S FINANCIAL AFFAIRS AND INCLUDING APPLICATION TO THE TCEQ FOR EXPENDITURE OF SURPLUS BOND PROCEEDS

Mike Dansby reported on the cash flow concern at the last meeting. He said that he has validated the fact that the District is running about even on operations with the new rate increase. It will take a year or two to build the reserve back up.

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

Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve payment of the bills as presented. The motion carried unanimously.

David I. Perl left the meeting.

David Ripley presented the operations report and Jerri Strain presented the financial report.

23. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Mike Dansby reported on the status of the Evans Weaver project to Murfee Engineering. Murfee Engineering will look into this.

24. SALE OF 30 LCRA WATER AND WASTEWATER SYSTEMS AND TWO RAW WATER PUMPING SYSTEMS

George Murfee reported that there had been 67 bidders rumored. They are now in the second and final round of the bidding. UDC has been created for the Leander, Bee Cave and Hays County systems. Mr. Murfee said that two local groups, the UDC and a group of local investors, were bidding on the local system.

25. LITIGATION THREATENED WITH RESPECT TO WATER PRESSURE AT 10405 INDIGO BROOM LOOP

Mike Dansby reported on the claim to Murfee Engineering. Attorney Mike Willatt stated that the house at 10405 Indigo Broom Loop had apparently been built in 1996 and subsequently there was a change of pressure <sup>plane</sup> plain. David Malish said that he will look into the pressure plains in the District to determine which homeowners need to be advised to verify that they have a functional pressure relief valve.

16. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

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

17. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

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

18. THE DISTRICT'S WATER AND SEWER RATES

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

26. RESOLUTION APPROVING ADOPTION OF GASB 54 FUND BALANCE POLICY


This item was postponed until Mike Willatt receives advice from David Merritt on whether it is needed.

27. RECORD CONTROL SCHEDULES

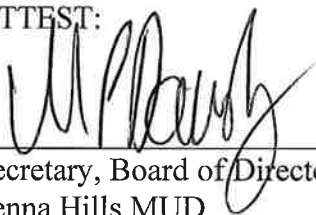
Mike Willatt advised that the Texas State Library and Archives Commission has updated its recommended record control schedules, making it necessary for the District's record control officer to adopt the new policy. Mike Dansby adopted the new policy.

29. ADJOURN

The meeting was adjourned.

  
\_\_\_\_\_  
Mike Dansby  
President, Board of Directors  
Senna Hills MUD

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors  
Senna Hills MUD

[SEAL]