

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 16, 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, Kenneth A. Fox, Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. All Directors were present.

Also present at the meeting were Robert Ferguson, David Ripley, David Malish, Allen Douthitt, Mike Willatt and Brent Reh.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

David I. Perl presented some recommended changes on the minutes. Motion was made by David I. Perl and seconded by Mike Dansby to adopt the minutes of the June 18, 2012 meeting as amended. The motion carried unanimously.

5. WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

President Chet Palesko said that he had not been contacted by the PUA. He said at a later date, he will approach the PUA concerning his appointment as a Board member.

6. OPERATIONS MANAGEMENT COMPANY SEARCH

This discussion was deferred until later.

7. AQUA TEXAS BUSINESS RELATIONSHIP

There was no discussion.

8. AUSTIN ELECTRIC RATES

President Chet Palesko noted that the HOA had sent out petitions.

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

There was discussion of spending the \$200,000 currently held in escrow to rehabilitate the irrigation system. The consensus was to wait until the loan from ABC Bank has been closed to begin an application to use the funds.

David Malish offered a proposal to begin preparing the 210 permit for irrigation of the landscaping subject to the current understanding concerning deferral of payment of bills. The consensus was that he should proceed.

10. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

This discussion was deferred until later.

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

There was no discussion on this item.

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

Allen Douthitt presented the financial report, discussed the LCRA monthly charge for the reservation fee, and discussed the bills, including payments to Aqua Texas. Motion was made by Mike Dansby and seconded by David I. Perl to authorize payment of the bills as presented. The motion carried unanimously.

13. DISTRICT MANAGER'S REPORT ON OPERATIONS

David Ripley presented the management report. He advised that the system was in compliance last month. There were some problems from last night's thunderstorm and lighting but they are being addressed.

14. ENGINEER'S REPORT

Robert Ferguson presented his memorandum on the engineer's report. He stated that the plant is at capacity and that there will need to be discussion as to when to expand the plant.

Mr. Ferguson reported that he had received a proposal from Axiom to evaluate the need for irrigation land.

On the Weaver project, Mr. Ferguson reported that Austin Energy has set the poles and is waiting on Evans Weaver to file a correct application for service, following which Austin Energy will set the meter and provide electricity to the grinder pump station.

Mr. Ferguson reported that the application for release of escrow funds has been declared to be administratively complete.

15. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

There was no discussion on this item.

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

There was discussion of the TCEQ agreed enforcement order and the proposed penalty. After discussion, motion was made by Gregg Kronenberger and seconded by Kenneth A. Fox to authorize the President to accept the agreed enforcement order, with the proviso that the President will try to delay payment of the penalty until August 31, or later. The motion carried unanimously.

17. THE DISTRICT'S WATER AND SEWER RATES

There was no discussion on this item.

18. BILLING ADJUSTMENTS

There was no discussion on this item.

19. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING

President Chet Palesko reported that he got a call from the HOA President to ask what the MUD was doing on Rip Miller's office building. President Palesko advised that he told the HOA President that the Board is doing nothing until it hears from the HOA.

20. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT

This topic was discussed earlier under Item 14.

21. LITIGATION WITH SENNA HILLS, LTD. OVER WEAVER SEWER LINE PROJECT

There was no discussion on this item.

22. LOAN AGREEMENT WITH ABC BANK AND LOAN FROM ABC BANK

There was no discussion on this item.

23. TCEQ CHAPTER 210 PERMIT

This topic was discussed earlier under Item 9.

24. ORDER CALLING DIRECTORS ELECTION

Mike Willatt presented the Order Calling Directors Election as included in the agenda package. After discussion, motion was made by David I. Perl and seconded by Gregg Kronenberger to adopt the election order as presented, subject to location of the precinct voting place being filled in when it has been identified by the Travis County Election Administrator. The motion carried unanimously.

25. RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Mike Willatt presented the annual review of the investment policy and the amendments to the investment policy dictated by the legislature. After discussion, motion was made by David I. Perl and seconded by Kenneth A. Fox to adopt the Resolution Regarding Annual Review of Investment Policy, including amendments to the Investment Policy as presented. The motion carried unanimously.

The President next announced that the Board would move into Closed Session, as authorized by Sections 551.071 and 551.074, Government Code, to consult with the attorney on proposed litigation regarding the wastewater treatment plant, and on selection of a plant operator.

The Board emerged from Closed Session, reentered Open Session, upon which President Palesko announced that no action had been taken.

26. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:

Secretary, Board of Directors
Senna Hills MUD

