

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 18, 2013, at 12117 Bee Cave Road, Building 3, Suite 120, 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

A roll call of the Directors was taken. The Directors present were David I. Perl, Mike Dansby and Joe Szoo, thus constituting a quorum. Chet Palesko and Gregg Kronenberger were absent.

Also present at the meeting were John Chamblee, Kristi Hester, Scott Manuel, Allen Douthitt, Mike Willatt and Robert Ferguson.

David I. Perl presided over the meeting.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl noted that several pages of the minutes seem to be missing in the agenda package. Mike Willatt presented the full version. David I. Perl made a quick review, following which motion was made by David I. Perl and seconded by Mike Dansby to approve the minutes of the June 18, 2013 meeting as presented. The motion carried unanimously.

5.     VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY

Robert Ferguson indicated that the just approved minutes included the cost for three (3) scenarios. He stated he talked to the boring contractor and noted that the concrete collars would preclude the "pipe bursting" option. It would also make the boring more difficult. There was

discussion as to what settlement to require from the title company. There was general consensus of that number being \$85,000. David I. Perl would pass this along to President Chet Palesko so that President Palesko can continue negotiating with Scott Cooley.

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

There was discussion of the fact that this item had not received any mention in the last couple of months. Allen Douthitt indicated that the PUA had just undergone an intense effort to issue bonds. Mike Willatt said that he understood that the PUA was willing to enter into a draft contract as previously presented. Robert Ferguson said the contract would be based on flow and that he had determined a flow that was much lower than the existing flow reservation. This would result in a significant saving. Mike Willatt stated that he would ask for a draft contract from the PUA.

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

Robert Ferguson presented his engineer's report. Robert and Allen Douthitt discussed the fact that it was costing \$8,000 a month to haul sewage. That combined with cleaning the membranes was running at \$20,000 per month.

\*\*Vice President David I. Perl then moved to Item No. 16.\*\*

16. THE DISTRICT'S WATER AND SEWER RATES

There was discussion of the need to raise the sewer rates by a flat \$20 per month, and to increase the water rates 20% across the board. This was combined with discussion of the need to authorize Robert Ferguson to present a report on what needs to be done with the sewage treatment plant, either by a modification or rebuilding. Following discussion, motion was made by Mike Dansby and seconded by David I. Perl to increase the sewer rate by a flat \$20 per month and to increase the water rate by 20% across the board, to take effect on the date of the August meter reading, and to be first billed on the September bill. The motion carried unanimously. Kristi Hester said that she would draft a letter to the residents for review by President Chet Palesko and David I. Perl. The letter will go out with the August bill. Motion was then made by Joe Szoo and seconded by David I. Perl to authorize Robert Ferguson to proceed with the study of the expansion of the sewage treatment plant, with the study to include the various alternatives. The motion carried unanimously.

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

There was no discussion on this item.

9. THE DISTRICT'S WASTEWATER TREATMENT PLANT

There was no discussion on this item.

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

Allen Douthitt discussed the bookkeeper's report. He noted that when funds are released from escrow, \$70,000 will be transferred to the operating fund to reimburse money paid for repairs to the irrigation system. He estimated that the District would over recover expenses by \$250,000 at the end of September. He mentioned that three bond payments are coming up before the next meeting. He also reviewed the bills. Motion was made by Vice President David I. Perl and seconded by Mike Dansby to pay the bills, approve the bond payments and to approve the transfer of funds from the escrow account to the operating account upon receipt of TCEQ approval. The motion carried unanimously.

11. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF

There was no discussion on this item.

12. BILLING ADJUSTMENTS

There was no discussion on this item.

13. DISTRICT MANAGER'S REPORT ON OPERATIONS

Kristi Hester reported on various items in the manager's report. This month was 88% water accountability. The average throughout the year is 82%. There was agreement to put leak detection on the agenda for the next meeting.

Kristi Hester reported that the sewage treatment plant was at 83.6% capacity. This may have been affected by the recent rains. She discussed the repair invoice in the amount of \$26,000, advised that there was lightening damage to a lift station in June, and a claim has been made to TML for somewhere between \$4,000 and \$5,000.

14. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES

There was no discussion on this item.

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

There was no discussion on this item.

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 WEAVER SEWER LINE PROJECT

Mike Willatt handed out President Chet Palesko's e-mail giving Rip Miller's responses to Chet's proposed term sheet. After discussion, Vice President David I. Perl said that he would get with President Chet Palesko to review discussion with Rip Miller.

18. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, WITH RESPECT TO THE PROPOSED SENNA HILLS MUNICIPAL UTILITY DISTRICT UNLIMITED TAX AND WATERWORKS AND SEWER REVENUE REFUNDING BONDS, SERIES 2013

There was no discussion on this item.

19. RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Mike Willatt explained the requirement that the Board annually review the District's investment policy. He presented a Resolution making no changes to the investment policy. After discussion, motion was made by Mike Dansby and seconded by Joe Szoo to adopt the Resolution as presented. The motion carried unanimously.

19. ADJOURN

At the conclusion of the meeting, the Board members expressed their appreciation and gratitude to Mike Dansby for his years of service as a director, and particularly, for his years of work on the District's annual budget and financial matters.

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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