

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 July 28, 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

thus, constituting a quorum. Joe Szoo and Corey Newhouse were absent.

Also, present at the meeting were Kristi Hester of ST, Robert Ferguson of Murfee Engineering, Bill Flickinger, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC, Allen Douthitt of Bott & Douthitt, P.L.L.C. and residents Dylan (Jingqiang) Li, Dao Wei (Lucy) Zhang and Krista O’Connell.

3. CITIZEN COMMENTS

No citizen comments were made.

4. MINUTES OF PRIOR MEETINGS

Both Lisa McKenzie and David I. Perl had several revisions to the Minutes. Jeniffer Concienne presented the revised version. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the Minutes of the June 30, 2017 board meeting as revised. The motion carried unanimously.

President Chet Palesko moved to Item No. 13.

13. BILLING ADJUSTMENTS

Residents Dylan (Jingqiang) Li and Dao Wei (Lucy) Zhang addressed the Board on the letter they received regarding dumping debris on District property. The residents were shocked to receive the letter that requested they pay \$160 for the removal of yard debris that fell over the fence into the locked area around the District's effluent pond. The residents reported that they were clearing their back fence and a ball of vines fell over into the pond area. The son of the District's landscaper was in the pond area and informed her that he would "take care of it". There was no way for her to enter the pond area and retrieve the yard waste herself. After discussion and based on the evidence presented to the Board, the Board agreed to cancel the fee of \$160 charged to the residents. Motion was made by David I. Perl and seconded by Lisa S. McKenzie to cancel the fee of \$160 charged to the residents and to discuss this matter with the District's landscaper. The motion carried unanimously.

Lisa McKenzie discussed the billings from the District's landscaper on the debris pick up. There were three areas inside the locked fence around the effluent pond where debris was picked up and hauled off. The total bill was for \$310. The bill appeared to be high given the amount of debris. Manager Kristi Hester stated in Zane Furr's defense that he is proactive and lets the District know when a problem arises. He often proposes additional work to be sure the District stays in compliance. The Board asked Mrs. Hester to notify Zane Furr that they are concerned with his pricing.

****President Chet Palesko moved to Item No. 12.****

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

Manager Kristi Hester discussed her report as included in the agenda package. There are 405 residential connections. The average monthly residential water consumption is 13,417 gallons for June. Mrs. Hester discussed the collection report with the Board. Fifteen delinquent letters were mailed out, five door tags were hung and there was one disconnect for non-payment. The water quality monitoring shows our average chlorine level is at 3.2 ppm, which is where the District wants to be. The overall water accountability is 95%. The wastewater plant is operating at 83.1% capacity and is in full compliance.

Mrs. Hester reported that the painting at the lift stations on Strawflower and in the trails area is complete. There will be a pre-construction meeting with West Star next week on the repair to the gabion wall and pond renovation. David I. Perl discussed the failure of the gabion wall with Engineer Robert Ferguson. It appears that the failure may have been caused by the height of the wall. Mr. Ferguson still needs to review the design but shortening and widening the wall may help. There was discussion of City of Austin inspections and at times how they will go back to the original plans. Mr. Ferguson noted that there is a possibility that modifications to the original plan of the gabion wall could be an issue.

Mrs. Hester stated that the grass is high again in the spray fields and is in need of mowing. Zane Furr provided a quote of \$4,000. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the quote for mowing and seek \$160 reimbursement for the debris haul off from the effluent pond area. The motion carried unanimously.

Mrs. Hester discussed the recent storm-related power outage at the wastewater plant. The generator located on the trailer shut down and the alarm did not activate. It appears that the surge protector did its job, but in turn shut everything down, including the phone. Since the phone shut down, it did not call out to alert ST to rising levels in the basins. The power outage caused a 16,000 gallon spill, which ST staff discovered the following morning when they are normally on site. The spill was contained on site. TCEQ was notified and no fine is expected to be imposed. Lisa McKenzie asked how the auto-dialers are checked. Mrs. Hester discussed the testing process and confirmed that ST checks the auto-dialers every day and once a week the floats are pulled to confirm the alarm. There was discussion that there needs to be a cell phone out there instead of the land line. As the Board is aware, there is no internet access at the site. Mrs. Hester stated that the issue was with the phone, not the auto-dialer. All of this will be taken care of once the expansion to the wastewater plant is completed.

There was also discussion of the operations at the wastewater plant. Mrs. Hester stated that Henry Ochoa is cross-training with Allen Smith, the District's current day-to-day operator, in preparation for taking over that role.

Lisa McKenzie reported on a complaint from the HOA at the Lemon Mint Park. There is no lighting at the gazebo and there are kids hanging out there at night. There was discussion of the District offering to allow the HOA to run an electric line from the District's Lemon Mint lift station to the gazebo for lighting. Attorney Bill Flickinger did not see a problem with offering that option.

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

President Chet A. Palesko reported that the PUA board does not want to consider an increase of impact fees just yet.

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

Engineer Robert Ferguson discussed his report as included in the agenda package. Mr. Ferguson presented a submittal log from Excel Construction Services, LLC on the wastewater treatment plant expansion project. Mr. Ferguson reported that they met with the contractor on the project and then all went to the plant to review further details. The plant expansion is expected to be completed in March 2018. David I. Perl asked for a copy of the project schedule. Mr. Ferguson will e-mail the schedule to the Board and consultants.

7. AMENDMENT TO ENGINEERING SERVICES AGREEMENT BETWEEN SENNA HILLS MUNICIPAL UTILITY DISTRICT AND MURFEE ENGINEERING COMPANY, INC.

Engineer Robert Ferguson discussed the amendment to the engineering contract as presented. When Murfee started work for the District, the District was not in a good financial state and a lower hourly rate for engineering services was agreed due to that difficulty. Since that time, they have held the same rates for 10 years. David I. Perl inquired about the average increase on the monthly invoices and if the engineering costs for the plant expansion will increase as well. Mr. Ferguson indicated that the hourly rate will go from \$190 to \$250 for Mr. Ferguson's time. Overall it will be an increase of 20-25% to the operating budget. President Chet Palesko asked that the effective date of the increase be the 2018 fiscal year, which will be October 1st. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Amendment to Engineering Services Agreement between the District and Murfee Engineering Company, Inc. effective October 1, 2017. The motion carried unanimously.

8. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester stated that the work on the outfall project has not yet commenced. ST had an injured employee so the project was delayed. Lisa McKenzie inquired about the residents being contacted to let them know that ST employees will be in their yards to perform the necessary work on the outfalls. Mrs. Hester confirmed that the residents will be contacted.

Mrs. McKenzie also asked Mrs. Hester about litter inspections around the outfalls. Mrs. Hester reported that they look around for litter when they inspect the ponds, but not necessarily the outfalls every time.

David I. Perl inquired about the next required time to replace the tiles on the curb inlets. A lot of the tiles appear to be missing. Mrs. Hester stated no additional action is needed.

Mrs. Hester and Mrs. McKenzie will get together on the Standard Operating Procedures for the HOA irrigation system leaks, record retention and the memo to the neighborhood on the rate order changes. Mrs. Hester stated that the memo addressing the rate order can be published on the District's website and a blurb on the water bill.

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

Bookkeeper Allen Douthitt discussed the updated cash activity report. For today's consideration, he presented approval of the director and vendor payments and two fund transfers. Mr. Douthitt will void the per diems for Corey Newhouse and Joe Szoo due to their absence. Due to higher water sales and some lower operating expenses, the District is ahead of budget by \$20,000 this month. Lisa McKenzie addressed the budget surplus and asked about using it for any cost overruns during the wastewater treatment plant expansion project or for future replacement of the pond liner. Mr. Douthitt said it will probably be used for cost overruns for the plant expansion. There was discussion of allowing \$75,000 a year in the budget to build up a fund for replacing the pond liner. After discussion, President Chet A. Palesko entertained a motion for approval. Motion

was made by Lisa McKenzie and seconded by David I. Perl to approve payment of the vendor invoices, per diems and two fund transfers as presented. The motion carried unanimously.

10. ORDER APPROVING BUDGET FOR 2017/2018

Bookkeeper Allen Douthitt reported that the District's assessed valuation has increased. He is working on the budget and will bring it to the Board at the September 1st meeting.

11. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2017 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Bookkeeper Allen Douthitt stated this item is not ready for discussion.

14. DISTRICT WEBSITE

This is a standing item and was not discussed.

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

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 settlement is on the same course as last month. The HOA has not yet reported back with any comments.

18. DATES FOR FUTURE BOARD MEETINGS

The meetings through September 29th have been set. Robert Ferguson will not be in attendance at the September 29th meeting. The Board will wait on Corey Newhouse and Joe Szoo to schedule the October, November and December meetings.

19. ADJOURN

The meeting was adjourned.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

