

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 29, 2016 at Murfee Engineering Company, Inc. 1101 South Capital of Texas Highway, Building D, Austin, Texas 78746, 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 David I. Perl, Lisa McKenzie, Joe Szoo and Corey Newhouse, thus constituting a quorum. President Chet A. Palesko was absent.

Also present at the meeting were Robert Ferguson, Allen Douthitt, Kristi Hester, Bill Flickinger, Jerry Kyle and Jeniffer Concienne.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

Lisa McKenzie and David I. Perl commented on the Minutes and had several revisions. After discussion, motion was made by Corey Newhouse and seconded by Joe Szoo to approve the Minutes with the noted revisions. The motion carried unanimously.

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

Bookkeeper Allen Douthitt reported that he received the notice of the new rates from the PUA. It appears that the base and volumetric rates were reduced.

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 discussed the status of the wastewater treatment plant. They are preparing the submittal to put the plans in review at the TCEQ. Mr. Ferguson is hopeful that it will be submitted by the

end of the month. The proposed unit will be located outside the footprint of the existing WWTP fence. Within the next two to three weeks, the plans should be completed, the project bid out and the unit delivered in November. There was discussion of the guarantees for performance, membranes and equipment.

Mr. Ferguson discussed the fact that the TCEQ will not process the permit minor amendment without receiving the co-permittee's signature. The request for Rip Miller's signature was made and Mr. Ferguson received the executed signature page yesterday.

In regard to the bond issue application, Mr. Ferguson reported that he received comments from the TCEQ on the bond fees and other items. Those comments were addressed with the TCEQ, however the review of the application will most likely be kicked out of the expedited process with the TCEQ. The expedited review period is a 45-day process and the regular review period is a 120-day process. Bond Attorney Jerry Kyle discussed his fees in connection with the bond issue, which is 2% of the issue or a minimum of \$60,000. Mr. Kyle indicated that he will only seek the 2% and not the \$60,000 minimum. The Board thanked Mr. Kyle for his generosity.

#### 7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester stated that she and Engineer Robert Ferguson are still working on the map on the outfalls. The tile installation is still in process as well.

Lisa McKenzie inquired about the status of the pond clean out. Mrs. Hester indicated they will need a staging area to put all the dirt that is pulled out. There was discussion of reaching out to Rip Miller to see if he could use it for his berms. There was also discussion that the dirt might not be good enough to use and should just be hauled off, which will most likely be the case.

#### 8. CLEANING OF IRRIGATION TRACTS OWNED BY SENNA HILLS, LTD. TRUST FOR FIRE PREVENTION/PROTECTION

Lisa McKenzie indicated that some residents are concerned with fire prevention/protection due to the amount of brush and trees at the back of their property that backs up to Rip Miller's property. Mrs. McKenzie discussed this matter with the District's landscaper, Zane Furr. Mrs. McKenzie will send the addresses of the concerned residents to Attorney Bill Flickinger. Once those are received, Mr. Flickinger will contact Kemp Gorthey on this matter.

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

Bookkeeper Allen Douthitt discussed the bookkeeper's report as included in the agenda package. Lisa McKenzie inquired about the Evans Weaver refund. Mr. Douthitt explained that the water base fee should not have been included on his bill, therefore he was provided a refund. Mr. Douthitt will void President Chet Palesko's per diem due to his absence. The District's budget looks good. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve payment of the vendor invoices, per diems and fund transfer to the bookkeeper's report as presented. The motion carried unanimously.

## 10. DISTRICT MANAGER'S REPORT ON OPERATIONS

Manager Kristi Hester reported on the HOA using a lot of effluent for irrigation. The District and HOA will need to cut back on irrigation to allow the water level to rise in the pond. The pond is really low at this time. Since the pond is so low, it might be a good time to do an inspection of the liner. There was discussion of contacting the HOA irrigator to have several items corrected, such as avoiding watering during a rainstorm and limiting excess runoff. It is believed that an agreement between the District and HOA exists on the irrigation.

Mrs. Hester discussed her report as included in the agenda package. Residential water consumption was down from last year. The average residential consumption is 10,274 gallons per month. The District experienced a 95.7% water accountability for June. The leak detection contractor found a leak at Allium and Lemon Mint that were accounting for the excessive water loss. The leak on Allium was first discovered at the end of last year by an affected resident, but the ST water test confirmed that no chlorine was present and therefore the water was determined to be groundwater. The resident then installed a French drain on his property. It was later determined that the water was actually a District leak and not groundwater. The resident is now requesting reimbursement of \$2,500. Mrs. Hester explained that ST determined it was groundwater and not a leak in error, ST will credit the District for \$2,500 and the District can reimburse the owner for his costs. The Board thanked Mrs. Hester for providing the credit. After discussion, motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve reimbursement to the owner for the costs of the French drain and acknowledge that ST will reimburse the District for that amount due to the water leak found on Allium. The motion carried unanimously.

There was discussion of the maintenance at the wastewater plant. The trains were taken down and cleaned. Thirty-three membranes were replaced due to debris in the tank. The debris causes the filters to rupture.

Corey Newhouse asked if there was a better way to screen the effluent pond so neighbors are less aware of the water level. The consensus was there was not a better way. Mrs. Hester reported that someone ran into the stone wall and damaged a pillar at the driveway entrance to the effluent pond. However, the HOA is responsible for that repair.

## 11. DISTRICT WEBSITE

Manager Kristi Hester advised that she reserved SennaHillsMUD.org for the District's website. Mrs. Hester presented a sample of the homepage design and accepted comments. Included on the website will be the financials, minutes and rate order. Mrs. Hester will get started on the website.

12. ORDER CALLING DIRECTOR'S ELECTION

13. ELECTION SERVICES AGREEMENT AND JOINT ELECTION AGREEMENT WITH TRAVIS COUNTY AND PARTICIPATING ENTITIES

Attorney Bill Flickinger indicated that Items 12 and 13 are related and will be discussed together. Mr. Flickinger discussed the Order Calling Director's Election as included in the agenda package. Lisa McKenzie, Joe Szoo and Corey Newhouse are up for re-election. The election will be held on November 8, 2016. If the election is not contested, it can be cancelled at the September board meeting. The District will need to enter into a Joint Election Agreement with the participating entities conducting elections. The District previously entered into an Election Services Agreement with the County to hold its elections. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Order Calling Directors Election as presented. The motion carried unanimously. Motion was then made by Lisa McKenzie and seconded by Joe Szoo to authorize the President or Vice President to enter into a Joint Election Agreement with participating entities if needed. The motion carried unanimously.

14. BUDGET

15. TAX RATE

Bookkeeper Allen Douthitt discussed the District's budget and tax rate process. He reported that the residential values went up within the District. Mr. Douthitt is waiting to get the debt service tax amount from the District's financial advisor so that he can prepare the proposed budget. These items will be discussed in detail at the next board meeting.

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

This matter was discussed in the Manager's Report.

17. BILL ADJUSTMENTS

This matter was discussed in the Manager's Report.

18. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES, ACCEPTANCES AND AWARD OF CONTRACTS

This is a standing item and not discussed.

19. THE DISTRICT'S WATER AND SEWER RATES; AMENDED RATE ORDER

This is a standing item and not discussed.

20. DROUGHT CONTINGENCY PLAN

Manager Kristi Hester discussed that there is a gray area in the Drought Contingency Plan regarding voluntary and mandatory restrictions. There was discussion of leaving the water conservation signs up throughout the District or taking them down. The consensus was to leave the signs up.

21. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S CURRENT BOND ISSUE

This matter was discussed under the Engineer's Report.

22. 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

Attorney Bill Flickinger discussed this item with the Board. Mr. Flickinger will check with Attorney Lance Lackey on where the HOA board is in the process and then will schedule a committee meeting to discuss. At the September 23<sup>rd</sup> board meeting, the committee will come to the Board with a recommendation.

23. DATES FOR FUTURE BOARD MEETINGS

There will be no meeting in August and the September meeting dates will be scheduled for September 2<sup>nd</sup> and September 23<sup>rd</sup>.

24. ADJOURN

The meeting was adjourned.

  
\_\_\_\_\_  
Chet A. Palesko, President

ATTEST:



---

Lisa S. McKenzie, Secretary

