

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 June 1, 2018 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 Palesko - President
David I. Perl – Vice President
Lisa S. McKenzie – Secretary
Corey Newhouse – Assistant Secretary
Joe Szoo – Assistant Secretary

thus constituting a quorum. All directors were present.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Allen Douthitt of Bott & Douthitt and Kristi Hester and Jason Tyler of InfraMark, LLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the April 27, 2018 meeting as presented. The motion carried unanimously.

****President Chet Palesko moved to the Manager’s Report on operations at this time.****

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts

Manager Kristi Hester discussed her report with the Board. There are 412 total water connections, of which 405 are residential. The total residential water consumption is 4,449,000 gallons. The average monthly residential water consumption is 10,985 gallons for April. Total water receivables came in at \$68,275 for the month of April.

Mrs. Hester discussed the accounts receivable and collections report. Five accounts from the 90-day delinquency period have been paid and there were two adjustments. The \$4.00 amounts in that column appear to be late fees. One owner presented the necessary paperwork on his water leak and Mrs. Hester recommends an adjustment to his bill for \$768. Motion was made by David I. Perl and seconded by Corey Newhouse to approve the adjustment in the amount of \$768 as presented. The motion carried unanimously. There were 15 delinquent letters mailed out, nine door tags hung and one disconnect for non-payment.

The water production and quality monitoring report looks good. Mrs. Hester advised that the totals are right where the District wants to be.

Mrs. Hester reported that water loss in April was at 11%. They will continue to monitor the loss and will begin testing the system next month if need be.

The wastewater treatment plant was operating at 69% capacity in April and was 100% compliant during that period.

Jason Tyler discussed Zane Furr's contract and associated amounts. As previously discussed, the \$500 fee for weed whacking around the sprinkler heads will need to be put back in the contract. The monthly amount of Zane Furr's contract will be \$2,850. A written contract will also need to be obtained. Jeniffer Concienne will provide InfraMark with a tracking number for the Form 1295 and a verification form for signature by Mr. Furr. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the proposal by Zane Furr and to obtain a written contract between Zane Furr and the District. The motion carried unanimously.

Mr. Tyler also discussed the need to remove trees that have grown through the pond liner. Zane Furr can do this for \$500. The Board agreed to have Zane Furr remove the trees. Lisa McKenzie discussed the request by a resident to remove some shrubs on District property that also abuts to the resident's fence. After review of the photos, the Board agreed to have Zane Furr remove the shrubs at a cost of \$500.

Mr. Tyler followed up on the discussion of the access point in the fence around the Prickly Poppy lift station. That area caused a resident concern over a fire hazard due to the overgrown/fallen tree(s). Mr. Tyler stated that his original observation of being able to cut the fence and make an entry point cannot be accomplished as the cost would be too expensive. After further discussion, InfraMark will ask the homeowner on Prezia that is next to the lift station, who

already has a gate going out to that area, if they can access it from their property to remove the trees to alleviate the fire hazard concern.

****President Chet Palesko took up items 14 and 15 at this time.****

14. DECLARATION OF SURPLUS PROPERTY AND SALE OF SURPLUS PROPERTY (EQUIPMENT FROM WASTEWATER PLANT – BAR SCREEN)

Manager Kristi Hester reported on the excess equipment from the wastewater plant due to the expansion. InfraMark would like to purchase the bar screen for \$500. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to declare the bar screen as surplus property. The motion carried unanimously. Motion was then made by Corey Newhouse and seconded by Lisa McKenzie to approve the sale of the bar screen to InfraMark in the amount of \$500. The motion carried unanimously.

15. RECORDS MANAGEMENT, INCLUDING STORAGE, SCANNING AND SHREDDING COSTS

Manager Kristi Hester reported that InfraMark is moving suites at their office this weekend. They are going through all of the District's file boxes, which number approximately 200. Mrs. Hester discussed the records management for the District and the destruction of some of the files as indicated in the records retention schedule. Mrs. Hester also presented a proposal on storage/scanning/purging of the files. The monthly cost to store the files will be \$20.00, a one-time fee to scan some files will be \$275.00 and a one-time fee of \$120.00 to purge other files. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the costs and records management process as presented. The motion carried unanimously.

5. BOY SCOUTS PROJECT – INSTALLATION OF BAT HOUSES ON DISTRICT PROPERTY

Lisa McKenzie discussed the request made by a Boy Scout to install bat houses on District property. The Boy Scout is not ready to make a formal proposal, but she wanted to get a feel to what the Board thinks. President Chet Palesko asked if the MUD would incur any liability for allowing the installation of the bat houses. Attorney Bill Flickinger advised that the bat houses should not be installed near people. Once the proposal is received, he will take a closer look at the request.

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

President Chet Palesko reported that for the purposes of the Impact Fee Study by the PUA, the District affirmed the forecast of 485 LUEs by the year 2027.

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

Engineer Robert Ferguson reported that they conducted the walk thru with Excel Construction. There are still a few minor items left to finish out the wastewater treatment plant expansion project. However, the chlorine tank baffles and leaf screening have been installed. It is possible that some of the items left will not be the responsibility of Excel under the contract.

As Manager Kristi Hester reported earlier, there is surplus equipment left from the wastewater plant expansion project. Excel wants the splitter box from the membrane unit. InfraMark will remove the plastics and Excel will haul it off.

InfraMark repaired a level transducer for train #1 that lost its calibration. Mr. Ferguson reported that they are working with InfraMark on the plant operations and coordination with Kubota on monitoring the plant's function. From what he sees, the fine screen function needs more attention.

Excel Construction still has not done the pricing for the sludge management system. It may be time to go elsewhere for this project.

8. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION, ADMINISTRATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND PAY ESTIMATES

Engineer Robert Ferguson discussed Pay Application No. 7 as submitted by Excel Construction Services, LLC.

After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve Pay Application No. 7 in the amount of \$29,311.30 for the wastewater treatment plant expansion submitted by Excel Construction Services, LLC. The motion carried unanimously. Mr. Ferguson reported that 5% retainage still remains.

9. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester reported that the MS4 permit items are up to date. The District is in its third year of reporting. During the month of June, InfraMark will do another clean up and will send educational information to the residents. Once commercial construction commences, there will be a new list of items to do.

10. POSSIBLE TRAFFIC SIGNAL AT BEE CAVES ROAD AND SENNA HILLS DRIVE (WEST ENTRANCE)

Engineer Robert Ferguson discussed the possible signal light at the west Senna Hills Boulevard entrance. He is not sure how this was initiated. TXDoT has indicated that a signal light has been included in the 2019 budget.

11. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS; BUILDER DEPOSITS

Bookkeeper Allen Douthitt discussed the updated cash activity report with the Board. For today's consideration, he presented approval of the director and vendor payments, two fund transfers and the wire transfer to Excel. The budget is trending well due to favorable operations and maintenance. As of April, the budget is ahead of plan. President Chet Palesko inquired about preliminary values for the District. He sees that land values are up and improvements are down.

After discussion, President Chet Palesko entertained a motion for approval. Motion was made by Corey Newhouse and seconded by Joe Szoo to approve payment of the vendor invoices, per diems, fund transfers and the wire transfer to Excel Construction as presented. The motion carried unanimously.

13. BILLING ADJUSTMENTS

This item was discussed under the Manager's report above.

16. RATE ORDER

This item was not discussed.

17. DISTRICT WEBSITE

This item was not discussed.

18. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM

This item was not discussed.

19. DATES FOR FUTURE BOARD MEETINGS

Allen Douthitt reiterated that he will not be able to attend the June 29th meeting. Corey Newhouse stated the same. The July meeting will be held on 27th. Due to budget and taxing season, the August and September meetings will be as follows: August 24th and September 21st. President Chet Palesko will not be in attendance at the August meeting.

20. DIRECTORS ELECTION

- a. Resolution Authorizing Secretary's Appointment of Agent to Perform Duties During Election Period
- b. Notice of Deadline to File Application for Place on Ballot

Attorney Bill Flickinger discussed the upcoming November 6th directors election and its process. Both Chet Palesko and David I. Perl are up for re-election. If no one else applies for a place on the ballot, then the election can be cancelled due to no contest. The Notice of Deadline to File Applications for Place on Ballot will be published on the website and posted in the District. The first day to file an application is July 23rd.

Mr. Flickinger advised that the Board Secretary can appoint an agent to perform duties for her as required during the election period. After discussion of the election process, President Chet Palesko entertained a motion for approval. Motion was made by Joe Szoo and seconded by Corey Newhouse to adopt the Resolution Authorizing Secretary's Appointment of Agent to Perform Duties During Election Period as presented. The motion carried unanimously.

21. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST

Attorney Bill Flickinger reported that all is on course and the required documents have been signed and escrowed with the title company. The District received the final payment of \$63,971.93 that was due from Senna Hills, Ltd. The Effective Date of the Contract is May 23, 2018.

22. ADJOURN

The meeting was adjourned.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]