

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 June 20, 2008, 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, Mike Dansby, David I. Perl, Kenneth A. Fox and Gregg Kronenberger, thus constituting a quorum. All Directors were present.

Also present at the meeting were Bill Flickinger, Bruce Aupperle, Janet Stephenson and Angie Flores of the LCRA and Jerri Strain.

3. CITIZEN COMMENTS

Janet Stephenson and Angie Flores of the LCRA discussed the LCRA's water conservation plan and the LCRA's proposed rate increases for raw water and treated water provided to the District as well as the rates charged to other wholesale customers. Janet Stephenson explained that the LCRA Board will consider the rate increases at its August meeting and if approved, the new rates will take effect in October, 2008. The last rate increase was in 2005.

4. MINUTES OF MAY 21, 2008 MEETING

Motion was made by David I. Perl and seconded by Mike Dansby to approve the minutes as presented. The motion carried unanimously.

5. ELECTION OF OFFICERS

Motion was made by Gregg Kronenberger and seconded by Chet Palesko that the current officers continue in their positions and that Kenneth A. Fox be elected Vice President and David I. Perl be elected Assistant Secretary. The motion carried unanimously.

Director David I. Perl entered the meeting following this item.

6. HOA WATER USAGE AND CHARGES

The Board discussed the response from the homeowners association to the proposed water rates. Gregg Kronenberger reported that he understood that the homeowners association had met on the topic but did not have a response from them. He indicated that the proposed rates would exceed the homeowners association budget by approximately \$4,000 per year. Chet Palesko suggested that the Board needs to continue discussions with the homeowners association to be sure that it is conserving water use. Bruce Aupperle suggested that the homeowners association utilize the LCRA's monitoring program until this matter is resolved. The Board anticipates a response from the homeowners association to consider at the next Board meeting.

7. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Bruce Aupperle presented to the Board the letter dated June 18, 2008 from Hearn Engineering, Inc. which recommended issuing a Purchase Order to Environmental Treatment Technologies, Inc. in the amount of \$355,750 and Enviroquip in the amount of \$495,413 pursuant to the bids submitted. Mr. Aupperle explained that the initial 25% payment due upon receipt of the Purchase Order would be paid from surplus bond proceeds and that the current bond application had accounted for the surplus bond proceeds available. Mr. Flickinger recommended that if the Board accepts these bids and approves the Purchase Order, that they make issuance of the checks to the vendors contingent upon approval by Mike Willatt, who is traveling at present.

Motion was made by Gregg Kronenberger and seconded by Kenneth A. Fox to accept the bids of Environmental Treatment Technologies, Inc. and Enviroquip as presented by Bruce Aupperle with the condition that the checks for the initial payments to these vendors will not be issued until Mike Willatt has approved the checks. The motion carried unanimously.

8. 2007 ANNUAL DRINKING WATER QUALITY REPORT

Jerri Strain presented the Board with the Annual Drinking Water Report and discussed the details. She explained that all samples are within limits and there are no violations. She will be sending out the report by July 1, 2008.

9. DISTRICT MANAGER'S REPORT AND PAYMENT OF DISTRICT EXPENSES AS PRESENTED BY AQUA TEXAS

Jerri Strain presented the Manager's Report. The Board discussed the increase in expenses presented in the financials including the pond expense of \$52,000 and legal expense of \$25,000. The pond expense is actually paid from surplus bond proceeds. Motion was made by Mike Dansby and seconded by Kenneth A. Fox to authorize payment of the bills as presented. The motion carried unanimously.

10. BOND ISSUE NO. 4 & NO. 5

Bruce Aupperle and Bill Flickinger explained that the formal Board Resolution as presented is required by the TCEQ in connection with the pending bond application. Motion was made by Gregg Kronenberger and seconded by Kenneth A. Fox to approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for approval of engineering project and \$5,200,000 Senna Hills Municipal Utility District Bond Issue. The motion carried unanimously.

Director David I. Perl left the meeting at 8:05 a.m.

11. RAW WATER CONTRACT WITH LCRA

Jerri Strain reported that she is still working with the LCRA on this issue. Other issues related to the contract and the Raw Water Contract rate were discussed by the LCRA under Citizen Comments above.

12. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This item was not discussed.

13. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This item was not discussed.

14. EVANS WEAVER LITIGATION, INCLUDING RULE 11 T.R.C.P. MEDIATED SETTLEMENT AGREEMENT

Chet Palesko requested an update regarding this matter and was informed by Bruce Aupperle that the process is now at the City of Austin seeking its consent for annexation and amendment to the consent agreement.

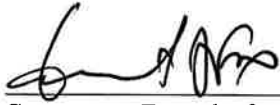
15. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]