

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 22, 2011, 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 Kenneth A. Fox, David I. Perl, Mike Dansby and Gregg Kronenberger, thus constituting a quorum. President Chet Palesko was absent.

Also present at the meeting were Bruce Aupperle, David Ripley, Jerri Strain, Mike Willatt, Amy McMillen Jay, Terry Irion, Cindi North, Allen Rhames and Robert Long.

Vice President Kenneth A. Fox presided over the meeting.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the minutes of the May 18, 2011 meeting as presented. The motion carried unanimously.

5. AQUA TEXAS CONTRACT

This is a standing item. There was no discussion on this item.

6. RETAINING WALL FOR SECTION 10

Robert Long appeared on behalf of Taylor Morrison. He said that after the Board of Directors declined to allow Taylor Morrison to build on District property, the contractor in fact

overlapped the retaining wall in Section 10 on District property by as much of 0.3 feet. After discussion, the consensus was that attorney Mike Willatt would prepare a License Agreement with an appropriate indemnity provision to bring back to the next meeting.

7. DROUGHT CONTINGENCY AND WATER CONSERVATION PLANS

Attorney Mike Willatt and Jerri Strain discussed yesterday's LCRA e-mail advising that the LCRA will probably request a 20% water use reduction in late August. Jerri Strain said that she will be attending the briefing session and will report back.

8. AUTHORIZATION OF HOMEOWNERS TO CUT TREES AND GRASS ON MUD LAND

Attorney Mike Willatt reported that he had not yet received the Barton Creek West documents from Bruce Aupperle.

9. IMPACT OF REDUCED WATER LEVELS DUE TO THE SPRINKLER CONVERSION

Jerri Strain reported that a homeowner had requested the effluent pond levels over the last two years. She will forward that information to the requestor.

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

Bruce Aupperle reported that the contractor was not able to get the supplier to an on-the-ground meeting. The supplier has a man from Siemens who will be there this week. They are putting in the parts today. The contractor will load the system with effluent, following which it will take at least a week to do hydraulic testing. The final operation is about three weeks away.

11. TRAILS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

12. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

This was deferred until later in the meeting.

13. CHANGE ORDER NO. 3 FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Bruce Aupperle reported that Environmental Treatment Technologies is requesting a change order to pay for additional storage occasioned by delay in the project. Bruce Aupperle stated that the project was delayed because of the delay in the amended permit issuance, a delay caused by adding the irrigation system and a change in the storage tanks, and a delay in issuance of the bonds.

There was also delay because of the City of Austin electric service. Bruce Aupperle indicated that Environmental Treatment Technologies supplied the parts outside of the EnviroQuip contract. They are asking for Change Order No. 3 to pay for storage of the tanks and other equipment. Further discussion was deferred.

14. THE DISTRICT'S FINANCIAL AFFAIRS AND INCLUDING APPLICATION TO THE TCEQ FOR EXPENDITURE OF SURPLUS BOND PROCEEDS

Discussion was deferred until later in the meeting.

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

David Ripley presented the management report. Jerri Strain presented the financial report. Discussion of the approval of checks was deferred until later in the meeting.

16. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

17. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion on this item.

18. THE DISTRICT'S WATER AND SEWER RATES

Discussion was deferred until later in the meeting.

19. BILLING ADJUSTMENTS

This is a standing item. There was no discussion on this item.

20. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

This is a standing item. There was no discussion on this item.

21. HOA WATER USAGE AND CHARGES

This is a standing item. There was no discussion on this item.

22. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN

This is a standing item. There was no discussion on this item.

23. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Terry Irion appeared before the Board on behalf of John Weaver. Bruce Aupperle said that the District is ready to move forward on providing sewer service to the Weaver tract, subject to financial ability. Mike Dansby stated that the initial \$50,000 estimate has turned into \$125,000, \$50,000 of which is already spent. The District has to find \$75,000 in order to proceed. He told Terry Irion that he would give him a report within the next week or two. Mr. Irion accepted that information and left the meeting.

24. SALE OF 30 LCRA WATER AND WASTEWATER SYSTEMS AND TWO RAW WATER PUMPING SYSTEMS

Vice President Kenneth A. Fox reported that he has made contact with the large coalition led by the City of Leander. He stated that the former manager of the LCRA says that the LCRA wants to sell to this coalition so as to remove the profit motive. Vice President Fox reported that there is a smaller group consisting of Lakeway MUD, Lake Pointe MUDs and Bee Cave, who are submitting a proposal to purchase their facilities. Vice President Fox stated that the LCRA had been expecting a bid in the cumulative total of \$300,000,000, but the offer was \$150,000,000. During the first round of the bidding the other local MUDs had been assessed \$3,100 for work on their coalition. The next round is expected to be \$15,000 per MUD. Mike Willatt advised that the existing contract with the LCRA has language requiring the LCRA to design rates to recover the cost of service, and, he also reminded the Board that it will have to consent to any assignment of the LCRA contract to the successful bidder.

25. LITIGATION THREATENED WITH RESPECT TO WATER PRESSURE AT 10405 INDIGO BROOM LOOP

Mike Willatt advised that the District should turn over the attorney's letter complaining about high water pressure at 10405 Indigo Broom Loop to the TML Intergovernmental Risk Pool. Mike Willatt will write a letter to the plaintiff's attorney so stating, and also advising investigation of the existence or need for a pressure relief valve.

CLOSED SESSION: Vice President Kenneth A. Fox announced that the Board would move into closed session pursuant to Section 551.071, Government Code concerning threatened litigation in regards to Items 12 through 16 of the agenda.

The Board emerged from closed session. Motion was made by Mike Dansby and seconded by Gregg Kronenberger to approve payment of the bills, except the Environmental Treatment Technologies Change Order No. 3 payment, which was pulled for further explanation. The motion carried unanimously.

The Board then addressed the need to increase sewer rates. Motion was made by Gregg Kronenberger and seconded by Mike Dansby to increase the sewer rates by \$10 per month, effective not on the upcoming bill but on the next bill. The motion carried unanimously. Jerri Strain said that she will send out the notices and arrange to bill accordingly.

26. ADJOURN

The meeting was adjourned.



Secretary ~~President~~, Board of Directors
Senna Hills MUD

ATTEST:

Assistant 

Secretary, Board of Directors
Senna Hills MUD

[SEAL]