

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 28, 2019 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
Joe Szoo – Assistant Secretary

thus constituting a quorum. Assistant Secretary Corey Newhouse was absent.

Also present at the meeting were Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark and Allen Douthitt of Bott & Douthitt, PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet A. 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 May 31, 2019 meeting as presented. The motion carried unanimously.

5. REPORT FROM MR. RIP MILLER ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

Rip Miller did not attend the meeting.

Secretary Lisa McKenzie stated that the HOA tentatively set its meeting date as July 29th to vote on the SHL contract amendment. Mrs. McKenzie had no further details.

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

This item was not discussed.

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

- a. Grading on property near Taylor Lake effluent pond; drainage issues

Engineer Robert Ferguson reported on the status of the wastewater treatment plant. Excel has poured the slab/foundation for the sludge tank, support piers to the catwalk and light standard. Mr. Ferguson stated that Excel expects to be finished with the project in a couple of weeks.

There was discussion of the traffic signal to be installed at intersection of Bee Cave Road and western Senna Hills Drive. Mr. Ferguson provided a TXDoT link for status updates and notices about the project if interested.

Mr. Ferguson informed the Board that Kubota indicated that they have no place for the used membranes and panels from the old plant. Mr. Ferguson will ask Excel if they are interested in them and if so, haul them off.

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. 9 for the sludge box change order. This payment is in line with the quote Excel provided. President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve Pay Application No. 9 in the amount of \$127,215 submitted by Excel Construction Services, LLC as presented. The motion carried unanimously.

9. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Jesse Kennis reported that the trash pickup around the inlets/outfalls is on schedule.

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

Bookkeeper Allen Douthitt discussed the financials, fund transfers and bond payments with the Board. The District's budget for the year is ahead of plan by \$30,000. The per diem for Corey Newhouse will be voided due to his absence. Mr. Douthitt reported that the water sales revenue increased this reporting period. Mr. Douthitt also discussed the possibility of Travis County being delayed in submitting the County's appraised values until August 25th, instead of the end of July. If that occurs, the meetings to discuss the budget and tax rates will be impacted. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Joe Szoo and seconded by David I. Perl to approve payment of the invoices, per diems, bond payments for Bond Series 2010, 2014 and 2016 and authorize the two fund transfers as presented. The motion carried unanimously.

11. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services
- c. Inspections of HOA effluent irrigation system
- d. I&I issues at wastewater plant
- e. Pilot program for electronic residential meters
- f. Unauthorized residential connections to the District's sanitary sewer system; gutters, downspouts, french drains, etc.

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

There are 412 active water connections in the District. 4.14 million gallons of water were consumed in May. The chlorine residuals and bacteriological samples are satisfactory. The May water loss came was 4.9% and the running annual average is 5.3%.

Mr. Kennis reported that five delinquent letters were mailed out and there were no door tags hung or disconnects for non-payment.

There has been a lot of activity in regard to the HOA's irrigation system. There have been numerous leaks and overspray found. Mr. Kennis advised that the water has been turned off until those repairs can be made by WLE. They are still working on identifying the 15 zones along Senna Hills Drive that are marked "non-potable" but that are actually running off potable water. WLE will separate the potable water supply and connect it to the effluent supply. The estimated cost for that work is \$8,000.

Mr. Kennis stated that the electronic meter that was to be installed at Vice President David I. Perl's residence was inadvertently installed at another owner's residence with the same last name, just spelled differently. The meter has now been installed at Vice President Perl's residence.

Secretary Lisa McKenzie inquired about the status of the smoke testing on the District's sewer system. Mr. Kennis advised that it has been scheduled. However, he wants to first check

on the homes that previously had their storm water systems tied to the District's system to see if they have been reconnected.

12. BILLING ADJUSTMENTS

Manager Jesse Kennis discussed a write-off in the amount of \$18.00, which is over 90-days old. President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Joe Szoo to approve the write-off as presented. The motion carried unanimously.

13. DISTRICT WEBSITE

Manager Jesse Kennis advised that his office is working with Secretary Lisa McKenzie on updating the website and keeping it in compliance.

14. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA

Engineer Robert Ferguson advised that the repairs were made to the effluent pond liner. He will come back to the Board with a target date and cost estimate as to when the liner should be fully replaced. There was discussion on whether or not the liner would pass a TCEQ inspection. Manager Jesse Kennis believes it would, as there are no holes, leaks or vegetation growing through the liner.

15. DATES FOR FUTURE BOARD MEETINGS

The Board discussed the upcoming board meetings. The current meeting schedule includes the July 26th meeting and the September 20th meeting. There was discussion of moving the August meeting to Thursday, August 29th instead of August 23rd. Jeniffer Concienne will send out an e-mail to the Board on this change.

16. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; AMENDMENT TO THAT CONTRACT; SHED BEING CONSTRUCTED BY SHL IN PROPOSED PERPETUAL USE EASEMENT AREA

There was discussion of the activity at the SHL site.

17. LEGISLATIVE UPDATE

Attorney Matt McPhail presented and discussed a summary of the legislation pertaining to water districts. Mr. McPhail informed the Board that his office is still working through all the bills. Some bills to note are:

S.B. 2 addressing tax reform. The rollback rate, now referred to as the Voter-Approval Tax Rate, has been reduced to 3.5% and would require an automatic tax hearing if the increase is over 3.5%. Mr. McPhail is still working through all the details and this law is not effective until 2020.

H.B. 305 provides for certain District information to be posted on its website, such as contact information for consultants and directors, board meeting information and election information. This law is effective September 1, 2019.

S.B. 239 also includes new disclosure items for posting on the District's website, audio taping of the Board's tax hearing if requested, a meeting place within or within a 10-mile radius of the District. This law also requires board meeting information to be posted on the water bills. This law is effective September 1, 2019.

18. ADJOURN

President Chet A. Palesko adjourned the meeting.


~~Chet A. Palesko, President~~ David J. Perl, VP

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]