

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 March 1, 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

thus constituting a quorum. Assistant Secretaries Corey Newhouse and Joe Szoo were absent.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark, Allen Douthitt of Bott & Douthitt, PLLC, Rip Miller of SHL and Jeff Watson of Atlas Utility Supply Company.

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 February 1, 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 reported on the status of the SHL application at the City of Austin. The Environmental Commission ended up at a no vote, which was referred to the Planning Commission. The Planning Commission voted in favor of the application and referred it to the City Council. At the City Council meeting, Mr. Miller's consultants requested a postponement to have additional time to meet with City Council members individually. Mr. Miller then discussed Eanes ISD's opposition to the application. Mr. Miller is trying to set up a meeting with Eanes ISD to discuss the application in person. Mr. Miller has also received a letter from a homeowner which was sent to the City Council advising he is in opposition as well. Right now, the process is in limbo.

Mr. Miller also provided the Board with an update on his well at the office site. The well will provide 100 gallons per minute. The water will be used to irrigate the trees that he is planting throughout the summer. The trees will provide a buffer between the office site and the homes on Gilia. Mr. Miller would eventually like to use effluent for this irrigation.

After his discussion with the Board, Mr. Miller left the meeting.

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

Engineer Robert Ferguson reported on the progress at the wastewater treatment plant. Excel potholed the electric service feed for the plant and confirmed that the proposed location of the sludge tankage is not in conflict. Mr. Ferguson presented a schedule for sludge tankage installation. The project would be completed by the end of June.

8. GRADING PROPOSALS ON PROPERTY NEAR TAYLOR LAKE EFFLUENT POND; DRAINAGE ISSUES

Engineer Robert Ferguson reported that TexaScares is moving forward with the grading and drainage issues at 2208 Gilia Drive.

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

President Chet A. Palesko advised that the change order for the sludge management system improvements and additional catwalk for the drum screen installation has been executed

as approved at last month's meeting. Engineer Robert Ferguson reported that it has been provided to Excel Construction.

10. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. The per diems for Corey Newhouse and Joe Szoo will be voided due to their absence. The District's budget is approximately \$33,000 ahead of plan. Water sales are still down. Mr. Douthitt advised that he is having surgery this month and will have to miss the next meeting. The Board wished him well. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve payment of the invoices, per diems and three fund transfers as presented. The motion carried unanimously.

President Palesko stated that he received an e-mail from the District's financial advisor about future payment of disclosure fees. Previously, the District has not been charged for this service. This item will be added to a future agenda for consideration.

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services
- c. Power surge at wastewater plant; emergency repairs to pump; possible insurance claim or other options

Manager Jesse Kennis presented an Executive Summary Report. There are 412 total water connections, of which 405 are residential. There was 2.9 million gallons of water used in the month of January.

The chlorine residuals and bacteriological samples were satisfactory. Water loss was at 5.74% this period.

Mr. Kennis reported on the accounts receivable and collections report. There were 11 delinquent letters mailed out, seven door tags hung and one disconnect for non-payment.

The wastewater plant is running at 74% capacity and is in full compliance.

Mr. Kennis reported that he will submit an insurance claim for the power surge at the wastewater plant that occurred on February 3<sup>rd</sup>. There was discussion of not having a spare pump that worked. It will cost more to repair the pump than to buy a spare one. A new pump will cost \$2,300. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to authorize an expenditure of \$2,300 for a spare pump. The motion carried unanimously.

Mr. Kennis discussed the pilot program for testing backflow prevention devices. After further discussion, this appears to be a low risk because the backflow concerns in a residential neighborhood focus on irrigation systems. The Board will consider modifying the Rate Order section concerning backflow devices to address commercial rather than residential customers at a future meeting.

### 13. PRESENTATION OF PILOT PROGRAM FOR ELECTRONIC RESIDENTIAL METERS

Jeff Watson with Atlas Utility Supply Company discussed the background of his company and supplied sample electronic meters for review. Badger meters are the latest in innovative metering technology. The electronic meters have a long life expectancy and have to read very low flows, which is of course financially beneficial to the District. The electronic meters are able to provide notifications to Inframark and customers if they decide to receive them. These types of notifications provide for faster leak detection for both Inframark and the customer. President Chet A. Palesko inquired about the cost for an entire electronic metering system for the whole District. Mr. Watson stated that the electronic meters can only be set in meters cans with a plastic lid. If there are any metal lids, those will need to be replaced before the meter can be set. Manager Jesse Kennis will make a note of how many lids would need to be replaced when they conduct the next meter read. Mr. Watson discussed the pricing points for an entire system, which will be approximately \$130,000 for a 10-year contract. There was discussion of the costs between electronic metering and the traditional mechanical metering. The Board and Mr. Watson also discussed a start up package for a four-month trial. The trial period will include 10 electronic meters with full usage capabilities. The cost for a four-month trial will be \$3,655. After further discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the purchase of an electronic metering start up package not to exceed \$4,000 and authorize the committee and Inframark to identify 10 locations to install the electronic meters. The motion carried unanimously.

At the end of the trial period, the Board will decide if the program should move forward for the entire District. This expenditure could be split between this year's budget and next. Lisa McKenzie asked Jesse Kennis to stop work on the mechanical meter replacement at this time. Mr. Kennis will provide a list of all the mechanical meters which would normally be replaced.

### 14. PILOT PROGRAM FOR TESTING BACKFLOW PREVENTION DEVICES

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

### 15. RATE ORDER

Manager Jesse Kennis discussed the sewer stoppage at 2150 Rivina Drive. The resident was told by the plumber it was on the District's side and another report indicated it was on the customer's side. Inframark went out and TV'd the line and determined tree roots were the issue. The cost to the District was \$1,600. There was discussion of charging a resident a service fee for

this type of work when the problem is found to be on the customer's side. Attorney Bill Flickinger advised he would draft some language for the rate order.

Mr. Flickinger will also include proposed language on the backflow device requirements. The rate order will be considered at next month's board meeting.

16. RELOCATION OF WATER METERS DUE TO SIDEWALK REPAIRS;  
RESPONSIBLE PARTY FOR RELATED COSTS

Lisa McKenzie stated that she did not have an update on this matter. The HOA will be meeting in April to discuss further.

17. BILLING ADJUSTMENTS

Manager Jesse Kennis discussed two billing adjustments.

The first billing adjustment was due to a leaking toilet at 2304 Rivina Drive. The residents were out of the country for several weeks. They had an individual checking on the house in their absence, who did not notice that a toilet was running and allowed it to run until they returned. After discussion, the Board decided against this adjustment.

The second billing adjustment was due to an underground leak at 10547 Indigo Broom Loop. The pipe coupling between the house and street separated. The residents submitted the required work orders. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve an adjustment in the amount of \$885. The motion carried unanimously.

18. DISTRICT WEBSITE

Manager Jesse Kennis reported that they are working on updating the District's website. The website will only hold a year's worth of Minutes and Agendas. The Consent Agreement and SHL Contract will be uploaded to the website for review. There was discussion of the required information to be included on the website.

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

Lisa McKenzie reported that the HOA was interested in switching to potable water instead of using effluent for its irrigation needs. After review and discussion, that will not be an option due to the District needing that area for irrigation as required in the permit. Also, the HOA and the District are in a five-year contract for use of effluent.

Mrs. McKenzie presented information on the repair estimates to the HOA's irrigation system. There are three phases of repairs. An approximate estimate of all three phases is between \$13,000 to \$26,000. There was discussion of helping out the HOA with its repairs to

the irrigation system. If the District helps with these repairs, the Effluent Disposal Contract will need to be amended. The District will need to find out if the HOA has a License Agreement with the County. President Chet A. Palesko stated that he wants to keep the irrigation system turned off until all the repairs are made.

20. DATES FOR FUTURE BOARD MEETINGS

The Board discussed the current meeting schedule through May, which consists of the following meetings: March 29<sup>th</sup>, May 3<sup>rd</sup> and on May 31<sup>st</sup>.

21. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; REQUEST BY RIP MILLER AND SENNA HILLS, LTD. FOR IRRIGATION METER ON 11.73-ACRE TRACT; PENDING REQUEST FOR USE OF EFFLUENT

There was no further discussion on this matter.

22. EVANS WEAVER; PROPOSED BED & BREAKFAST

Attorney Bill Flickinger reported that Evans Weaver has provided some information on a proposed bed & breakfast and condo regime on his property. Engineer Robert Ferguson will review this information in connection with the utilities. The bed & breakfast is allowed under the current settlement agreement. However the condo regime will require MUD approval. The Declaration of Covenants and Restrictions for his land will need to be amended to allow for the condo regime.

23. ADJOURN

President Chet A. Palesko adjourned the meeting.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]

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