

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 March 20, 2013, at 12117 Bee Cave Road, Building 3, Suite 120, 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

A roll call of the Directors was taken. The Directors present were Chet Palesko, David I. Perl, Mike Dansby and Gregg Kronenberger, thus constituting a quorum. All Directors were present.

Also present at the meeting were Joe Szoo, Allen Douthitt, David Merritt, Robert Ferguson, Jeff Garrett, Robert Ferguson, Rip Miller, Kristi Hester, Mike Willatt, Terry Irion, Lisa McKenzie, Scott McKenzie, John Chamblee, Christina Simpson and an identified man.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     ACCEPT RESIGNATION OF KENNETH A. FOX

Motion was made by David I. Perl and seconded by Mike Dansby to accept the resignation of Kenneth A. Fox. The motion carried unanimously. David I. Perl asked that the minutes reflect the District's gratitude to Kenneth A. Fox for his years of service.

5.     APPOINT JOE SZOO TO FILL KENNETH A. FOX'S UNEXPIRED TERM OF OFFICE

Motion was made by David I. Perl and seconded by Mike Dansby to appoint Joseph Matthew Szoo to serve the unexpired term of Kenneth A. Fox. The motion carried unanimously.

\*\*President Chet Palesko moved to Item No. 8.\*\*

8. MINUTES OF PRIOR MEETINGS

The minutes waiting approval were not included in the agenda package.

9. VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY

The representative from the title company that was going to make a proposal was not present. There was no other discussion.

\*\*President Chet Palesko moved to Item Nos. 23 & 25.\*\*

23. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING

25. LITIGATION WITH SENNA HILLS, LTD. OVER WEAVER SEWER LINE PROJECT

President Chet Palesko announced that the Board would go into closed session to discuss pending and threatened litigation with Senna Hills, Ltd.

The Board emerged from closed session and President Palesko stated that the Board is considering entering into discussions with the developer of the proposed office building. He called for comments.

John Chamblee on Indigo Loop stressed the importance of access being limited to Bee Cave Road. He also opined that a school will be great but an office building will not. He said that he may have a different opinion if TxDOT allows access off of Bee Cave Road.

An unidentified man talked about the site problems at the entrance to Senna Hills and said that an office building with an entrance at Bee Cave Road would be a blind spot.

Christina Simpson announced that she was at the meeting to listen.

Scott McKenzie said that he began living in the District in August, having bought the property partially due to the large amount of adjacent green space. He thought the property would be a school site. He envisioned his kids being able to walk to school, with playing fields and similar amenities being an asset to the community. He noted that the Consent Agreement says there will be no development on irrigation land even after it is no longer needed for irrigation. It is needed to maintain the density in the existing development.

David I. Perl addressed some questions to Rip Miller as follows:

1. How did the school get on the conceptual plan in the first place? Rip Miller said that 15 years ago they thought that schools in Westlake would fill quickly, but a more recent study concludes that the existing schools are adequate. They originally thought it would be a good amenity for the community. The school district has declined to buy the property.

2. Why is there a lawsuit against the MUD for running a line on a P.U.E.? Rip Miller replied that the dotted line on the plat marks the boundary of the P.U.E.

3. David I. Perl noted that originally the MUD was talking to Rip Miller about working with the City to update the irrigation requirements. Then the MUD learned that he was asking for a change in the land use for the office. Why did this happen? Rip Miller said that when the MUD refused to talk, his team said that he should file for the land use change. He also contended that the City of Austin wants the entrance to the office site to be on Senna Hills Drive, this always having been in the plan.

There was discussion on how to proceed. David I. Perl proposed a motion to enter into negotiations with Senna Hills, Ltd. for a change to the land use plan after the lawsuit is dropped and with the pre-condition that any access will be off Bee Cave Road. Rip Miller said that his current plan is to press the lawsuit and add an amendment to it.

President Chet Palesko made a motion that the Board enter into discussion without requiring dropping of the lawsuit, and appoint a committee to negotiate, contingent on receiving a letter from Rip Miller saying that he will not prosecute the lawsuit without 60-days notice to the District. David I. Perl reiterated his motion above and Mike Dansby seconded that motion. Chet Palesko, Gregg Kronenberger and Joe Szoo voted against David I. Perl's motion. The motion did not pass. Gregg Kronenberger then seconded Chet Palesko's motion above that the Board enter into negotiations with Senna Hills, Ltd., contingent upon receiving a letter from Rip Miller that he will not pursue the lawsuit without 60-days notice to the District. Chet Palesko, Joe Szoo and Gregg Kronenberger voted in favor and David I. Perl and Mike Dansby voted against. The motion passed.

Mike Willatt said that he would draft a letter for signature by Senna Hills, Ltd. that it will not prosecute the lawsuit without first giving 60-days notice to the District.

The Board agreed to hold a special meeting on March 27, 2013 to lay out the Board's requirements and then appoint a committee.

**\*\*President Chet Palesko then moved to Item No. 6.\*\***

**6. ELECTION OF OFFICERS**

It was noted that Kenneth A. Fox had been Vice President. Motion was made by Mike Dansby and seconded by Gregg Kronenberger that David I. Perl be appointed Vice President. The motion carried unanimously.

7. COLLECTION ACCOUNTS/RED FLAG RULES

Mike Willatt explained the Red Flag Rules dealing with identity theft and said that the need for such a policy would be required if the accounts were turned over to a collection agency. Motion was made by David I. Perl and seconded by Gregg Kronenberger to rescind the prior authorization to send certain delinquent accounts to a collection agency and to instead write off those accounts. The motion carried unanimously.

10. DISTRICT'S ANNUAL AUDIT

David Merritt presented his revised audit. After discussion, motion was made by Mike Dansby and seconded by David I. Perl to approve the audit and to authorize Chet Palesko to sign the annual filing affidavit for submission to the TCEQ. The motion carried unanimously.

\*\*President Chet Palesko then moved to Item No. 15.\*\*

15. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Allen Douthitt presented his financial reports. Motion was made by Mike Dansby and seconded by Gregg Kronenberger to approve payment of the bills. The motion carried unanimously. Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the transfers requested by Allen Douthitt. The motion carried unanimously.

\*\*President Chet Palesko then moved to Item No. 18.\*\*

18. DISTRICT MANAGER'S REPORT ON OPERATIONS

Jeff Garrett reported that some membranes had gone out of service, which caused expensive sludge hauling. One set of membranes was installed. Mr. Garrett was waiting on the shed before installing the membranes, but the collapse changed that.

Jeff Garrett reported that a majority of the irrigation system is up and running. He said that he is looking for a leak in all four quadrants of the District. He is also waiting on the leak detector company to call with a proposal. Allen Douthitt says that the District will be able to pay for the leak detection out of the savings.

\*\*President Chet Palesko then moved to Item No. 12.\*\*

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

Robert Ferguson reported that he is looking at what is under irrigation to determine if it meets the District's needs. He said that he would drop the 210 permit application.

\*\*All remaining items were not addressed.\*\*

11. ALL MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
13. TAYLOR LAKE EFFLUENT POND AND THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM
14. THE DISTRICT'S WASTEWATER TREATMENT PLANT
16. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF
17. BILLING ADJUSTMENTS
19. TCEQ CHAPTER 210 PERMIT
20. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES
21. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO
22. THE DISTRICT'S WATER AND SEWER RATES
24. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT
26. ADJOURN

The meeting was adjourned.



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President, Board of Directors  
Senna Hills MUD

ATTEST:



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Secretary, Board of Directors  
Senna Hills MUD

[SEAL]

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