

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 29, 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
Corey Newhouse – Assistant Secretary

thus constituting a quorum. Assistant Secretary Joe Szoo was absent.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark, Rip Miller of SHL, John Chamblee from the HOA and Allen Douthitt of Bott & Douthitt, PLLC via telephone conference.

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 March 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. Mr. Miller reiterated Eanes ISD's opposition to the application as well as a resident's objection. That resident is once again on the school board for Eanes ISD. As reported at last month's meeting, Mr. Miller is still trying to set up a meeting with Eanes ISD to no avail. It is believed that Eanes ISD wants to reserve its right for a school site to be located on SHL's land. Mr. Miller stated that he still wants to move forward with the City of Austin process even if Eanes ISD is not cooperative. Mr. Miller discussed changing the use designation from only office to school or office. If this is the case, a contract amendment will be needed. Mr. Miller also discussed the option of deeding over the land to the HOA now, rather than later, provided that he had the option to buy the land back from the HOA for \$10. If the deal does not go through with the City of Austin and TXDoT, he would require the land back. This would also need to be a side agreement to the contract.

After his discussion with the Board, Mr. Miller left the meeting. No action was taken.

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 that his office reviewed the submittals sent by Excel Construction for the sludge management system improvements and catwalk for the drum screen installation and sent their comments to Excel. The perimeter fence will be extended to accommodate the sludge box and catwalk. Murfee Engineering will be meeting with Excel on site to be sure everyone is on the same page.

Mr. Ferguson reported on the drainage and grading issue at 2208 Gilia Drive and behind the residence. TexaScapes is actively working on that project. There was discussion as to how that area should be irrigated after the project has been completed. A possibility would be to use a temporary connection or the owner's connection and the District could compensate the owner accordingly. This area would need to be irrigated three times a week. Hoses and a sprinkler could be purchased through Inframark for this irrigation. After discussion, the Board was fine with that solution.

8. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD,

RECOMMENDATION, ADMINISTRATION OF CONSTRUCTION CONTRACTS,
CHANGE ORDERS AND PAY ESTIMATES

This item was not discussed.

9. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Jesse Kennis advised that his office would be submitting the annual MS4 report today. Mr. Kennis will include a copy of the report in the next agenda package.

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

Bookkeeper Allen Douthitt discussed the financials with the Board via telephone conference. The per diem for Joe Szoo will be voided due to his absence. The District's budget through February is ahead of plan. This year has been a record low for water sales. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the invoices, per diems and fund transfer 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.

11. 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 were 2.37 million gallons of water consumed in the month of February.

Mr. Kennis reported that the chlorine residuals and bacteriological samples were satisfactory. The District's water loss was 9.3%.

Mr. Kennis also reported on the accounts receivable and collections report. There were nine delinquent letters mailed out, three door tags hung and no disconnections for non-payment.

The wastewater plant is running at 64% capacity and is in full compliance. The plant is working well. Mr. Kennis stated that a new phone line was run from the interface to the auto dialer at the plant. There is also a cable modem for the SCADA system at the plant.

A pump at Lift Station #5 failed and was replaced. The old pump was repaired and will be placed on the shelf as a spare pump.

Mr. Kennis stated that Inframark will submit a \$6,000 invoice to TML for the repairs due to the power surge at the plant. Hopefully this will be covered under the District's policy.

12. WLE PROPOSAL FOR MAPPING OF HOA IRRIGATION SYSTEM

Lisa McKenzie explained that the District is not aware of exactly what the HOA has in regard to its irrigation system. It would be helpful for the District to have a map of the HOA system. An estimated cost for this project would be \$15,000. President Chet A. Palesko inquired as to the timing of this map and the associated benefits. After discussion, President Palesko and Corey Newhouse indicated they are not yet ready for that expenditure. No action was taken.

13. IRRIGATION OF CORNER LOT AT SENNA HILLS DRIVE AND GILIA AND/OR LOT ACROSS GILIA AND ADJACENT TO THE POND DRIVEWAY

Lisa McKenzie discussed the triangular lot near Senna Hills Drive and Gilia Drive. A nearby neighbor had asked if that lot could be irrigated. Also, the strip next to the sidewalk should be mowed on a regular basis. Landscaper Zane Furr has submitted a proposal for that additional maintenance. The overall cost for that maintenance will be \$960 per year. After discussion, President Chet A. Palesko entertained a motion for approval of the additional maintenance. The board is not in favor of installing irrigation equipment on that lot at this time. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the Amended and Restated Mowing Contract as presented. The motion carried unanimously.

14. PILOT PROGRAM FOR ELECTRONIC RESIDENTIAL METERS

Lisa McKenzie and Manager Jesse Kennis discussed the locations to install the test meters. Mr. Kennis stated as discussed previously, the electronic meters can only be set in meter cans with plastic covers. After review of the District's meter cans, 90% of the covers are metal. Those will need to be replaced at the tentative locations before the install can occur. Mrs. McKenzie asked about the timeline to implement the program. Manager Jesse Kennis advised it would be within the next couple of weeks.

15. RATE ORDER

Attorney Bill Flickinger discussed the recommended revisions to the rate order. The revisions were made to provide for a service charge to residents if they request the District to investigate a problem and the problem is found to be on the customer's side of the connection or to have originated on the customer's side of the connection, as well as a trip fee. The other revision provides for backflow prevention devices being tested if required by the District's rules or the rules and regulations of the TCEQ. The last revision was made to reflect that the District does not charge the HOA for water or wastewater services.

After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Order Establishing Water and Wastewater Service Rates, Charges and Tap Fees, and Adopting General Policies and Rules

with Respect to the District's Water, Wastewater and Drainage Issues as presented. The motion carried unanimously.

16. BILLING ADJUSTMENTS

This item was not discussed.

17. DISTRICT WEBSITE

This item was not discussed.

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

John Chamblee discussed the WLE irrigation proposal. As shown, the repairs will be expensive. Mr. Chamblee stated that a large part of the issue is pressure in those areas of default. Also, a main point is to have WLE verify that the HOA's system is in compliance once the recommended repairs are complete. If WLE is not willing to verify that, he is not sure how to proceed. This verification will need to come from a licensed irrigator. Manager Jesse Kennis and Lisa McKenzie discussed the possibility of Inframark's inspecting the HOA's system and verifying its compliance after the repairs are made by WLE, as well as on a regular schedule going forward. The inspection and verification will be charged to and paid for by the HOA. David I. Perl and Lisa McKenzie will serve as the Irrigation Committee. There was discussion of Inframark's turning on the effluent so that the repairs can be made and will turn it off each evening. Once all the repairs are made to Phase 1, the effluent supply will be restored.

19. DATES FOR FUTURE BOARD MEETINGS

The Board discussed the upcoming board meetings. The current meeting schedule includes May 3rd and May 31st. The June and July meeting dates were set for June 28th and July 26th. Engineer Robert Ferguson advised that he cannot attend the June 28th meeting. President Chet A. Palesko stated once it gets closer, the July meeting date might need to be moved around.

20. 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

President Chet A. Palesko announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item No. 20. The Board went into closed session at 9:02 a.m.

At 9:20 a.m., President Palesko announced that the Board of Directors had concluded its closed session and was returning to open meeting, and that no action was taken during the closed session.

21. EVANS WEAVER; PROPOSED BED & BREAKFAST, CONDOS AND WEDDING VENUE; FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR WEAVER TRACT (CURRENT OWNERS: AUSTIN SRW INVESTMENTS, INC.)

Attorney Bill Flickinger reported that Evans Weaver has changed his site plan for his project. There was discussion of the water and sewer service to his project. The Board reviewed his proposed site plan. The Board also discussed the site plan review fee and security deposit for commercial projects as outlined in the District's rate order. Engineer Robert Ferguson will review the updated plans and advise of the service units needed for the project upon payment of the site review fee. No action is needed at this time.

22. ADJOURN

President Chet A. Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]