

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 May 14, 2012, 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 Chet Palesko, Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. Kenneth A. Fox was absent.

Also present at the meeting were Robert Ferguson, David Ripley, Mike Willatt, Jerri Strain and Allen Douthitt and David Malish.

3. CITIZEN COMMENTS

No comments were offered.

4. MINUTES OF PRIOR MEETINGS

David I. Perl addressed some typographical errors in the minutes. Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the minutes of the April 16, 2012 meeting as amended. The motion carried unanimously.

5. WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

David I. Perl asked about the sewage treatment plant at Lake Pointe. David Malish advised that the plant is at 90% capacity so the TCEQ rules require construction of the expansion to begin.

6. OPERATIONS MANAGEMENT COMPANY SEARCH

Gregg Kronenberger reported on the search by himself and David I. Perl for a new management company. He advised that he had been unable to schedule a meeting with Tumco.

After discussion, the consensus was to not pursue Tumco.

Gregg Kronenberger reported on the presentations made by Crossroads and Severn Trent. Gregg Kronenberger asked Robert Ferguson to provide a brief description of the District's wastewater and water facilities that will be operated by the management company.

The consensus was that the committee should secure proposals for presentation at the next Board meeting.

7. AUSTIN ELECTRIC RATES

This item was not discussed.

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

This item was not discussed.

9. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

This was discussed in the engineer's report.

10. PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Robert Ferguson said McKinney was asking about when they would get paid and he explained it to them. They called back and said that they forgot to include the cost of the electrical work on the lift station in the approximate amount of \$9,000. The revised final Pay Estimate No. 13 was in the manager's report for consideration. Motion was made by Gregg Kronenberger and seconded by David I. Perl to approve Pay Estimate No. 13 for payment, contingent upon funds to do so. The motion carried unanimously.

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

Allen Douthitt gave the bookkeeping report. He advised that there is \$45,000 on hand to get through the rest of the year.

Mike Willatt was asked to get with ABC Bank to see if a loan could be set in place in case needed.

After discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to increase the water tier rates from \$3.15 to \$3.40 and the \$3.55 tier to \$3.75, and to increase the charge for sewer service from \$40 per month to \$50 per month. The motion carried unanimously.

Jerri Strain reported that 30-days notice is required so she will get the notice out as quickly as possible.

The Board reviewed the bills and Jerri Strain confirmed that the Board withheld \$1,800 from Aqua Texas last month. Motion was made by Mike Dansby and seconded by David I. Perl to approve the bills as presented, with some of them to be held until funding is received, and withholding of \$1,800 from the Aqua Texas bill.

12. DISTRICT MANAGER'S REPORT ON OPERATIONS

David Ripley presented the operations report.

13. ENGINEER'S REPORT

- a. Wastewater Treatment Plant
- b. Weaver Wastewater Service
- c. LCRA Contract Amendment
- d. Office Park Site Plan

Robert Ferguson reported that the blower motors had burned out, and that a claim was made on the warranty. The pump supplier pointed out that the warranty ran 18-months from the date of delivery or 12-months from the date of being placed in service, and that there had been a lapse of 36-months since the delivery of the pumps. Therefore, the warranty was denied.

Robert Ferguson confirmed that ETT and Doug Hearn are paying to replace the four pumps that were recently replaced.

Robert Ferguson advised with respect to the Weaver project that the City of Austin is four weeks out on setting the pole. The contractor has installed the grinder pump. He wants to see if he can use effluent to revegetate the trench. Robert Ferguson will work with him in that regard.

14. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This item was not discussed.

15. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO

This item was not discussed.

16. THE DISTRICT'S WATER AND SEWER RATES

This was addressed under Item 11.

17. BILLING ADJUSTMENTS

This item was not discussed.

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

David I. Perl reported that the HOA is taking a vote from the residents in connection with this matter. No action is needed at this time.

19. LETTER TO TXDOT REQUESTING APPROVAL OF AN ENTRANCE OFF BEE CAVES ROAD FOR THE PROPOSED SENNA HILLS OFFICE PARK

This item was not discussed.

20. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT, INCLUDING CONTRACT FOR 10340 FM 2244 WASTEWATER SERVICE PROJECT

a. Pay Estimate No. 2

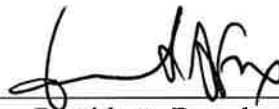
Robert Ferguson presented Pay Estimate No. 2 in connection with the Weaver project. Motion was made and seconded to approve Pay Estimate No. 2 for payment, contingent upon funds to do so. The motion carried unanimously.

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

This item was not discussed.

22. ADJOURN

The meeting was adjourned.



Vice President, Board of Directors
Senna Hills MUD

ATTEST:

A handwritten signature in black ink, appearing to read "W.P. [unclear]", written over a horizontal line.

Secretary, Board of Directors
Senna Hills MUD

[SEAL]

