

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 18, 2011, 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 President Chet Palesko, Kenneth A. Fox, David I. Perl and Mike Dansby, thus constituting a quorum. Gregg Kronenberger was absent.

Also present at the meeting were Bruce Aupperle, David Ripley, Jerri Strain, Mike Willatt, Joe Szoo, Janet Stephenson, Nora Mullarky, Jay Bhadra, Cindi North, Neil Desai and Rex Hoover.

3.     CITIZEN COMMENTS

Jay Bhadra said that he lives near the pond and he saw a homeowner's newsletter saying that the pond water will be used for irrigation of the common areas. In 2009, the pond levels went very low and he is concerned about odor, growth of algae and the health of children. He would like to get a commitment that the next drop will not be below a certain level and he would also like to get a log of lake levels since 2009. Further discussion was deferred until the agenda item on this issue.

4.     MINUTES OF PRIOR MEETINGS

David I. Perl noted some typographical corrections to the minutes. Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve the minutes as amended. The motion carried unanimously.

5.     AQUA TEXAS CONTRACT

This is a standing item. There was no discussion on this item.

\*\*President Palesko moved to Item No. 21 on the agenda for consideration.\*\*

21. SALE OF 30 LCRA WATER AND WASTEWATER SYSTEMS AND TWO RAW WATER PUMPING SYSTEMS AND RELATED CONFIDENTIALITY AGREEMENT WITH BMO CAPITAL MARKETS

Janet Stephenson of the LCRA spoke about the divestiture of the LCRA water and wastewater facilities. She advised that indicative bids are due on Monday. These will be reviewed to see if the bidders meet the LCRA qualifications. The bidders list will be reduced to those that do. If more than five bidders meet the qualifications, they will probably reduce the bidders to five. They will then schedule site visits and at the end of June or mid-July final bids will be due. These should go to the Board of Directors in September. They will then go through the sale, transfer and merger process at the TCEQ. The new buyer will talk to the District about the District's consent to the assignment.

Nora Mullarky of the LCRA then presented her report on the status of water conservation and drought contingency. She said that the LCRA general manager is holding a press conference today to address the current drought situation. The LCRA is asking raw water customers to do voluntary Stage 1. The West Travis County Plan requires mandatory restrictions on watering to twice a week between May 1 and September 30. Her people will be driving the subdivision to ensure compliance. Jerri Strain advised that she is working on the drought contingency and water conservation plan for submission to the LCRA. Nora Mullarky suggested that we offer irrigation evaluations. Janet Stephenson reported that the LCRA is evaluating the current rates. She expects to issue a letter in July saying that there will be no change in the raw water rates but that they may come back in January to discuss a different rate after they have completed the current evaluation of the rates.

Kenneth A. Fox reported on his information on the consolidated entities who are submitting a bid to buy the LCRA system that serves Senna Hills MUD. He said that he will stay in touch with that group.

\*\*President Palesko then moved to Item No. 9 for consideration.\*\*

9. TRAILS WITHIN THE DISTRICT

Cindi North reported that the HOA has formed a committee to look at the trails, which the committee will report back to the MUD. Rex Hoover asked about who owns Lemon Mint Park. Apparently the MUD gave permission to the HOA to clear and maintain the Lemon Mint Park some time ago but now the HOA is asking the MUD to pay for their effort. There was discussion as to whether any documentary evidence exists to evidence the MUDs permission for the HOA to maintain that park.

\*\*President Palesko then moved to Item No. 6 for consideration.\*\*

6. AUTHORIZATION OF HOMEOWNERS TO CUT TREES AND GRASS ON MUD LAND

President Palesko said that we can give permission to the homeowners, or the HOA, to clear MUD land below their lots. Bruce Aupperle reported that in Barton Creek West, they allow the homeowners to go 30-feet beyond their lots. They can take out cedar, but no other trees or shrubs. They can mulch the cedar and leave it on site, or remove the remnants. They have to ask for permission and the process is monitored.

There was discussion as to whom might administer this program, either the MUD or HOA. Bruce Aupperle said that he will forward a copy of the Barton Creek West rules addressing this issue.

\*\*President Palesko moved to Item Nos. 7 & 8 together for consideration.\*\*

7. IMPACT OF REDUCED WATER LEVELS DUE TO THE SPRINKLER CONVERSATION

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

Bruce Aupperle said that he had met with David Ripley and ascertained that about half of the effluent from the plant will go to the HOA irrigation system during the summer months. There will be evaporation in the pond. David Ripley will try to maintain the pond level at the "white line." David Ripley reported that he has tracked levels of the lake since this issue came up three years ago. Bruce Aupperle reminded everyone that in October the pond has to have 100 days of storage available.

\*\*President Palesko moved to Item No. 10 for consideration.\*\*

10. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Bruce Aupperle reported that the City of Austin electric department decided to revamp everything. This is supposed to be completed tomorrow so that the cut over to use effluent to irrigate the common areas can be accomplished in the week of June 6, 2011. He advised that the homeowners association has changed out the valves and valve covers to replace them with purple colored facilities. The contractor should be able to do start up work on the new plant beginning next week. Bruce Aupperle said that the contractor will need to present a change order to extend additional days for completion of the project. Damages can be negotiated at that time. Bruce Aupperle said that he will send a copy of the construction contract to Mike Willatt so that Mike Willatt can analysis the contract in advance of the next Board meeting.

11. THE DISTRICT'S FINANCIAL AFFAIRS AND INCLUDING APPLICATION TO THE TCEQ FOR EXPENDITURE OF SURPLUS BOND PROCEEDS

This is a standing item, there was no discussion on this item.

12. DISTRICT MANAGER'S REPORT AND PAYMENT OF DISTRICT EXPENSES AS PRESENTED BY AQUA TEXAS

David Ripley reported on the operations report. Jerri Strain presented the financial report. Motion was made by Mike Dansby and seconded by David I. Perl to authorize payment of the bills as presented. The motion carried unanimously.

13. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This is a standing item. There was no discussion on this item.

14. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion on this item.

15. THE DISTRICT'S WATER AND SEWER RATES

This is a standing item. There was no discussion on this item.

16. BILLING ADJUSTMENTS

This is a standing item. There was no discussion on this item.

17. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

This is a standing item. There was no discussion on this item.

18. HOA WATER USAGE AND CHARGES

This is a standing item. There was no discussion on this item.

19. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD AND THE CITY OF AUSTIN

This is a standing item. There was no discussion on this item.

20. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Bruce Aupperle said that the application to spend surplus bond proceeds had been declared administratively complete and we are now waiting for it to go through the process. He stated that he would stay after the meeting to meet with Mike Dansby to verify the amount of funds on hand.

\*\*President Palesko then moved to Item No. 22 for consideration.\*\*

22. 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]