

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 25, 2016, the CE-Bar Fire Department, 353 South Commons Ford Road, 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

The Directors present were Chet A. Palesko, David I. Perl, Lisa McKenzie, Joe Szoo and Corey Newhouse, thus constituting a quorum. All Directors were present.

Also present at the meeting were Robert Ferguson, Allen Douthitt, Kristi Hester, Bill Flickinger and Jeniffer Concienne.

3.     CITIZEN COMMENTS

There were no citizen comments.

4.     MINUTES OF PRIOR MEETINGS

Lisa McKenzie reviewed the draft minutes and had some corrections, which were done before the meeting. Jeniffer Concienne presented the final minutes for approval. After discussion, motion was made by David I. Perl and seconded by President Chet Palesko to approve the minutes of the April 29, 2016 meeting. The motion carried unanimously.

5.     ALL MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

President Chet Palesko inquired about the Lake Pointe lawsuit regarding excessive pressure issues and was wondering if it was moving forward. There were rumors that it was proceeding. President Palesko also heard that the PUA was being sued over rate changes, due to the rates increasing from what the LCRA was charging.

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

Engineer Robert Ferguson presented and discussed his Engineer's Report. In regards to the wastewater treatment plant expansion, Murfee is finishing up with its review of the calculations for the treatment processes under the TCEQ rules and design criteria. Mr. Ferguson reported that David Malish in his office is working on this project and that it is at the top of his to do list.

Joe Szoo arrived at 7:10 a.m.

Mr. Ferguson stated that he responded to the TCEQ letter on the permit minor amendment application. The TCEQ noted it was not executed by the co-permittee. In Mr. Ferguson's response to the TCEQ, he stated that he did not expect to get a signature by the co-permittee and to please move forward with the application under those conditions. Mr. Ferguson has not yet received another reply from the TCEQ. David I. Perl asked Attorney Bill Flickinger if the co-permittee should be taken off the permit application and Mr. Flickinger replied not at this time.

Lisa McKenzie asked about the status of the PRV letter. Mr. Ferguson advised that he would get the map to Kristi Hester today.

Mr. Ferguson then reported on the status of the bond application. They are currently working on all the attachments and exhibits. Once it is complete, he will distribute an Expedited Review Certificate to be signed by the consultants and then have it filed with the TCEQ. Due to no reimbursements being issued, the TCEQ review and approval of the application should go quickly.

7. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Kristi Hester reiterated that the MS4 permit was filed and the TCEQ came back with comments. The TCEQ indicated that the reporting period should have started in 2013, rather than in 2015 when our permit was actually received. Engineer Robert Ferguson disagrees with that statement because it was just a state permit and not actually issued to the District. Mrs. Hester commented that maybe they should meet with the TCEQ reviewer to discuss that issue. President Chet Palesko stated that the District has only two options, move up the reporting year or fight it. Mrs. Hester reported a lot of actions required by the permit have already been done. She will send a copy of the report to the Board for review. Mr. Palesko suggested waiting to see what the TCEQ says and then the District can address it at that time. Lisa McKenzie inquired about adding a MS4 permit fee on the water bills but wondered if there was a downside to doing that. Attorney Bill Flickinger indicated that the District would have to track those fees and only use that revenue for MS4 matters. Those fees would need to be budgeted and categorized. Bookkeeper Allen Douthitt reported that other Districts are doing it and categorizing it as drainage fees. President Palesko asked what the costs have been so far in regards to the MS4 permit. Mrs. Hester reported approximately \$30,000. Joe Szoo recommended breaking out the consultants' time on this and budgeting for it as well. Maybe this can be done next year.

Lisa McKenzie asked if the map showing the outfalls could be completed by the next meeting. She will work with Robert Ferguson to get this accomplished.

Mrs. Hester presented the tiles to install on the street curb inlets. The cost for the tiles was \$600. They are ready to be installed when the Board is ready to do so.

8. RECREATIONAL USE OF DISTRICT PONDS, DRAINAGE EASEMENTS AND OTHER OPEN SPACES

Lisa McKenzie informed the Board that a gentleman from the HOA asked what they could do with their budget involving recreational use of some of the District's open spaces or around its ponds and drainage easements. There was particular interest in a playing field and areas for use by older children. The Board discussed some of the areas within the District that could be used for any of those purposes, including an area around the trails. There was also discussion of the HOA clearing some trees around the Lemon Mint Park to open up an area for use. After a detailed discussion, the Board indicated that the HOA should come to a board meeting and make a proposal about what they would like to do. Mrs. McKenzie will inform them of that.

\*\*\*\*President Chet Palesko moved to agenda Items 16 & 17 at this time.\*\*\*\*

16. THE DISTRICT'S WATER AND SEWER RATES; AMENDED RATE ORDER

17. PENDING OPEN RECORDS REQUEST

President Chet Palesko discussed Items 16 and 17 together.

There was discussion of the chatter on the homeowners' Yahoo group regarding District rates, board actions and open records requests. The District is not compelled to respond to that type of inquiry. The Board discussed whether or not to set up a District website and the costs associated with the website and what type of documents would be published. President Palesko discussed putting together an e-mail response for the Yahoo group, which attaches the latest District audit, the tax rate information, a link for information on the bonds and a rate comparison sheet. Manager Kristi Hester will provide an estimate on the cost for the website and its upkeep.

\*\*\*\*President Chet Palesko continued with the regular order of the agenda.\*\*\*\*

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

Bookkeeper Allen Douthitt presented and discussed the bookkeeper's report as included in the agenda package. The District's budget is in good shape. Mr. Douthitt informed the Board that the mysterious AT&T line discussed at last month's meeting is a Spanish only line. Lisa McKenzie volunteered to try to figure out whose name the line is in. After discussion, motion was made by David I. Perl and seconded by Joe Szoo to authorize payment of the bills, per diems and fund transfer to the bookkeeper's account as presented. The motion carried unanimously.

10. DISTRICT MANAGER'S REPORT ON OPERATIONS

A. Update TCEQ Disinfection Monthly Report

Kristi Hester discussed her report with the Board. In April, there were 406 residential connections and 4,895,000 gallons of water was consumed. The tracking meter at the amenity center consumed 25,000 gallons of water. The average residential consumption is 12,057 gallons per month.

Mrs. Hester reported that the leak detection is 95% complete. Two leaks were found on the service lines, before the customers' meter, located on Lemon Mint Court and Allium Drive. Those leaks were producing 5 to 15 gallons per minute. The lines will be repaired and then sound testing on the west side will commence. If that does not find a significant leak, then a night testing can be done, ~~which will be a complete shutdown of the system~~. Lisa McKenzie inquired about smoke testing and Mrs. Hester advised they should get the berm up first before doing the smoke testing. Mrs. Hester also stated the contractor may need to bring in additional help on finding the leaks, as he is extremely busy and booked up through the summer.

The wastewater treatment plant is all in compliance. The SCADA improvements are 80% complete. ST had a call out on a broken grinder pump. The pump was burnt up and the contractor replaced it.

The road base work to Lift Station No. 2 commenced yesterday.

Lisa McKenzie asked Mrs. Hester to pull information on the water use by the amenity center. It has been past procedure to not charge the HOA for the water use. The usage is now starting to get quite high. There was discussion as to sending a notice to the HOA on its water usage at the amenity center. Mrs. Hester will send the usage report to them each month.

Mrs. Hester also reported there are 31 meters that need to be changed out due to being old meters that have metered more than 1.5 million gallons since their installation. An ST representative will knock on the resident's door and advise them that they will be out of water for about 5 to 10 minutes so that the meter can be changed out. A hand tag will be left on the door for residents who were not at home. The cost will be about \$150 to \$200 per meter. There are also 12 meters that need risers so that the meter will be at ground level. That maintenance will cost about \$150 to raise each meter.

President Chet Palesko discussed his grinder pump and whether he can tap into the Weaver sewer line. President Palesko was wondering what the cost would be. Mrs. Hester said about \$3,500 to \$4,500. Engineer Robert Ferguson will look at it and get a sketch to Kristi Hester so that it can be priced.

11. BUDGET

12. TAX RATE

Bookkeeper Allen Douthitt requested the preliminary tax values. The value is up from approximately 5.8% from last year. Right now, there are 159 properties under protest. Lisa McKenzie said that the District needs to budget \$50,000 for the Indigo Broom drainage easement upgrade. There was discussion of adding the sewer base rate into the tax rate so that it is a tax deductible expense for residents. Attorney Bill Flickinger discussed same and the roll back rate. Mr. Douthitt noted there are a lot of moving parts. Mrs. McKenzie would like the winter average use information and Mrs. Hester advised she will provide that to her. There was also discussion on capital improvements.

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

There was discussion on the replacement of the pond liner at the Taylor Lake pond. It will probably need to be replaced within three years.

14. BILLING ADJUSTMENTS

This item was not discussed.

15. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES, ACCEPTANCES AND AWARD OF CONTRACTS

This item was not discussed.

18. DROUGHT CONTINGENCY PLAN

This item was not discussed.

19. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S CURRENT BOND ISSUE

No action is needed at this time.

20. RESOLUTION ESTABLISHING OFFICES AND MEETING PLACES

Attorney Bill Flickinger discussed the revised Resolution as included in the agenda package. Mr. Flickinger advised that his new law firm location at the Hill Country Galleria has been added to the Resolution for meeting places for the District. He also corrected the suite number at ST. The Resolution will be published in the newspaper and filed with the TCEQ. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the

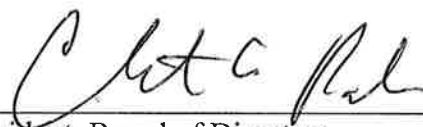
Resolution Establishing Offices and Meeting Places as presented. The motion carried unanimously.

21. REVISED MUD LAND USE PLAN AND CONSENT AGREEMENT WITH SENNA HILLS, LTD. AND THE CITY OF AUSTIN; INCLUDING PROPOSED OFFICE BUILDING AND LITIGATION WITH SENNA HILLS, LTD. OVER THE FOREGOING AND THE WEAVER SEWER LINE PROJECT

Attorney Bill Flickinger discussed the recent committee meeting. Once Mr. Flickinger hears back from Lance Lackey, the committee meeting will reconvene.

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]