

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 November 22, 2013, pursuant to notice duly given in accordance with law.

Persons wishing to attend the Board meeting assembled at 12117 Bee Cave Road, Building 3, Suite 120, Austin, Texas 78738, but the doors were locked with no indication that anyone was coming to unlock the doors. The District's Manager stationed a person to inform anyone looking for the Board meeting that it had been moved to the conference room at the nearby treatment plant located adjacent to the West Travis County PUA. The meeting was then conducted at that location.

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, Gregg Kronenberger, Joe Szoo and Lisa McKenzie, thus constituting a quorum. David I. Perl was absent.

Also present at the meeting were Mike Willatt, Robert Ferguson, David Malish, Kristi Hester, Scott Manuel, Allen Douthitt, Johnson Goode and Scott Dooley.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

Lisa McKenzie drew attention to a typo in the draft minutes. Motion was made by Gregg Kronenberger and seconded by Joe Szoo to approve the minutes as amended. The motion carried unanimously.

5. CLAIM OF JOHNSON GOODE FOR REPAIR OF SEWER LINE AT 10559 INDIGO BROOM LOOP

Scott Manuel reviewed the piping at Mr. Goode's house. He stated that the property line is approximately 10-foot from the curb. The root blockage is approximately 15-foot inside the curb. Most connections have a clean-out stack at or near the property line for which responsibility is assumed by the District. There is no clean-out stack at this particular location. The problem is at the plumber's test out joint.

President Chet Palesko suggested that one option is to assume responsibility at the clean-out near the property line where one exists, and otherwise to assume responsibility outside the property line. Scott Manuel advised that is consistent with other districts. Motion was made by President Chet Palesko and seconded by Gregg Kronenberger to amend the rules to adopt Chet Palesko's suggestion as stated. The motion carried unanimously.

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

President Chet Palesko reported that Scott Dooley should be present at 8:15 to discuss the Indigo Broom easement property.

Scott Dooley appeared and said that the title company was willing to pay \$85,280 for revised easements. This will be paid to the District for the easements of the Marshs and McKenzies. There will be two checks and documents releasing the easements. He expects to have the checks at the end of December along with the paperwork.

Lisa McKenzie recused herself from the discussion.

David Malish said that he would try to find the original survey of the easements so that they do not have to be resurveyed. The District indicated that it would accept the settlement when the final documents are received. President Palesko thanked Scott Dooley for his efforts.

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

President Chet Palesko advised that the PUA had discussed proposed rates but that he did not know if the PUA board has acted yet.

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

Robert Ferguson advised that nothing has been heard from Travis County on approval of the plans for improvement of the effluent irrigation system. There was discussion of irrigation of the boulevard when the landscaping was being irrigated by effluent, at a time when rain was expected.

Robert Ferguson reported that the wastewater plant is running and Scott Manuel is working on various items. The dissolved oxygen and TSS meters are calibrated. The aerator had to be ordered. The aerator should be replaced after Thanksgiving. Mr. Ferguson advised that it is necessary to get all these fixes performed and then operate the plant to see what it will do at equilibrium.

Joe Szoo noted that the District has spent a \$100,000 hauling sludge last month, and \$10,000 this month, with the budget being \$9,000 per month. He inquired about how this can be stopped. Scott Manuel said that they need an equalization basin. David Malish said it is necessary to change the permit to make the next stage 100,000 gallons per day. He said that Murfee is looking at the design to get the plant to 100,000 gallons per day. He stated that if we add tankage, it is necessary to select the tankage so that it can be incorporated into the final design for the .1 mgd plant.

Mr. Ferguson said that the plant is currently at .065 mgd, but the rain adds infiltration and flow. During these days, it peaks over .08 mgd. He reemphasized that we need to get the plant in equilibrium to seek what can be done and then to design the expansion.

Ovivo is scheduled to come out on December 4. They are expected to spend the full day and will provide a list of what is needed. President Chet Palesko directed the engineers to tell the District exactly where it is at the next meeting.

Kristi Hester said that the District has two irrigation basins and asked if it could use one as an equalization basin. There was some discussion of this. Lisa McKenzie said that she would be available to attend the meeting with Ovivo.

9. RELEASE OF FUNDS FROM ESCROW

Robert Ferguson said that release of funds from escrow will require a letter signed by the President as soon as he gets clearance from Travis County for design of the effluent irrigation facilities.

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

There was no discussion on this item.

11. THE DISTRICT'S WASTEWATER TREATMENT PLANT

David Malish asked if a board member could attend the meeting with Ovivo. Lisa McKenzie said she could do so.

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

Allen Douthitt passed out the monthly report and asked everyone to sign the bank signature documents. He stated that next month he will report on whether it is necessary to tap into the line of credit, or proceed by managing the payables. There was discussion of the 5% charge if a person pays by a credit card to do a reconnect. Kristi Hester explained that if there is auto-draft, there is no charge. If a resident comes home at 6:00 p.m. and the water is turned off, the resident can pay with a credit card, get the water turned back on, but there is a 5% charge for using the credit charge. Kristi Hester will write an explanation for the homeowner's newsletter scheduled to go out on December 1. Motion was made by Gregg Kronenberger and seconded by Lisa McKenzie to approve payment of the invoices and the other matters requested by Allen Douthitt.

13. AUDITOR'S QUESTIONNAIRE

There was a brief discussion of the auditor's questionnaire to the individual board members.

14. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF

There was no discussion on this item.

15. BILLING ADJUSTMENTS

There was no discussion on this item.

16. DROUGHT CONTINGENCY PLAN AND WATER RESTRICTIONS

There was a brief discussion as to whether ST should drive around the District to observe violations of the Drought Contingency Plan.

17. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel presented the operation's report. He described a 15% water loss, 5% which could be due to old meters. Last time the leak detector came out the system was clean but there was still 10% loss. That was three or four months ago. He said there is probably 20 to 25 meters over 2,000,000 gallons. ST will change them out immediately.

There was a discussion that if there is a leak, a board member can direct ST to fix it.

Scott Manuel reported that the wastewater plant was within permit all month. There was an \$18,000 maintenance bill, which was mostly work on lift stations.

Kristi Hester explained the need for an after hours reconnect fee. The normal reconnect fee is \$40. If ST reconnects after hours, the charge is \$100.

Motion was made by President Chet Palesko and seconded by Lisa McKenzie to add a \$100 after hours reconnect fee to the District's rate order. The motion carried unanimously.

18. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES

There was no discussion on this item.

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

There was no discussion on this item.

20. THE DISTRICT'S WATER AND SEWER RATES

There was no discussion on this item.

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

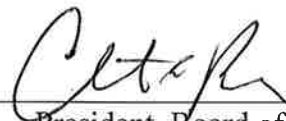
President Chet Palesko reported that he has heard nothing from Rip Miller or Kemp Gorthey.

22. CITY OF AUSTIN CONSENT AGREEMENT REQUIREMENT FOR DEDICATION OF LAND BY SENNA HILLS, LTD.

There was no discussion on this item.

23. ADJOURN

President Chet Palesko adjourned the meeting.



President, Board of Directors
Senna Hills MUD

ATTEST:

Lisa S. McKee

Secretary, Board of Directors
Senna Hills MUD

