

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 25, 2014, at 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

At the start of the meeting the Directors present were Chet A. Palesko, David I. Perl, Corey Newhouse and Joe Szoo, thus constituting a quorum. Director Lisa McKenzie arrived at 7:30 a.m. after the Board had discussed item 6 below in Executive Session.

Also present at the meeting were David Malish, Allen Douthitt, Scott Manuel, Kristi Hester, and Bill Flickinger.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

The Board acknowledged that the October 24, 2014 draft minutes still require additional revisions, and that minutes are required for the November 14, 2014 special board meeting. No action was taken.

5. REVIEW OF MANAGEMENT PERFORMANCE OF SEVERN TRENT SERVICES

This item was discussed in connection with item 10 below, District Manager's Report on Operations.

6. VACATION OR MODIFICATION OF EASEMENT AT 10318 INDIGO BROOM LOOP AND ADJACENT PROPERTY, AND ALL RELATED ISSUES

The Board President announced that the Board of Directors will now 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. 6. The Board went into closed session at 7:07 a.m.

At 7:25 a.m., the Board President announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

Director Lisa McKenzie arrived after the Board returned to the open meeting, at 7:30 a.m.

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

Board President Chet Palesko reported that he attended the impact fee meeting and that the impact fee will be increased. He explained that new development will pay a larger share of the cost of the new improvements and he does not expect much of an impact on the District's water rates.

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

David Malish presented the Engineer's Report in Robert Ferguson's absence. He reported that work is continuing on the wastewater treatment plant in connection with design and the new membranes with higher capacity. They are also working on the bond application and anticipate a bond sale in about nine months. David Malish stated that Ken Martin is working on the site development permit and the existing SHL buildings and stated it should be about two weeks until his next report. David Malish confirmed that at least two acres additional irrigation land is needed from SHL. They have received comments from the TCEQ on the wastewater permit renewal application and will be publishing notice. In connection with the MS4 application, they received a response from the TCEQ and are working through the TCEQ Staff.

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

Allen Douthitt presented the bookkeeper's report. Motion was made by David Perl and seconded by Joe Szoo to authorize payment of the bills and the fund transfers as presented. The motion carried unanimously.

10. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel provided the Manager's Report. He stated that a connection was repaired to a stack as a result of smoke testing and that they had corrected improper connections to sewer line and were still investigating. They are also still working on the storm drain at Strawflower but have no immediate action recommended until more information is available from additional smoke testing

and camera work in the storm drain in relation to possible connection to the sanitary sewer line. He indicated they need to identify the interconnection/infiltration. Regarding the water loss issue, they have reviewed the master meters and those appear to be ok but the system currently uses two 8-inch turbine meters which do not have low-flow bypasses and may not register low flows. They have decided to shut one of these meters off to see if it makes a difference. They will conduct a 3:00 a.m. investigation next week. Lisa McKenzie asked for the cost of the full-system survey and Scott Manuel estimated that cost to be \$4,000. He also said the price to repair vandalism to the pond liner will be about \$936 which he will take care of through the Manager's Account. Scott Manuel also discussed the wastewater treatment plant operations, indicating they have discovered a filamentous bacteria that needs to be treated. David Malish explained that this type of bacteria can occur due to the age of the sludge in the process.

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

This item was not discussed.

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

This item was discussed as part of the District Manager's Report on Operations in Item 10 above.

13. THE DISTRICT'S WASTEWATER TREATMENT PLANT

This item was discussed as part of Item 10 regarding District Manager's Report on Operations.

14. BILLING ADJUSTMENTS

There were no billing adjustments this month.

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

David Malish indicated that the contract regarding the irrigation lot is proceeding but that no action is required today.

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

This item was not discussed.

17. THE DISTRICT'S WATER AND SEWER RATES

After considerable discussion, a motion was made by Chet Palesko and seconded by Corey Newhouse to amend the District's Rate Order to provide for an increase in the deposits to \$200, with subsequent increases to the deposit in event of disconnection in the amount of \$100 up to a maximum \$500 deposit, with deletion of the provision regarding refund of the deposit, and modification of the water rates so that the base rate is \$28.12 with no gallons included, usage from 0 to 20,000 gallons to be \$5.05, usage for 20,001 to 30,000 gallons to be \$7.00, usage from 30,001 gallons to 45,000 gallons to be \$9.00, usage of 45,001 gallons to 60,000 gallons to be \$10.00, usage of 60,001 gallons to 75,000 gallons to be \$12.00 and over 75,000 gallons to be \$14.00 per 1,000 gallons plus the surcharge of 11%, or whatever applicable surcharge is in effect at that time due to the drought. The motion carried unanimously.

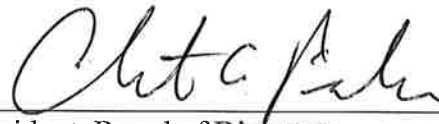
Motion was made by Lisa McKenzie to write off two delinquent accounts totaling \$250 which are the accounts for Ann Espinoza and James Doyle. Motion was seconded by Joe Szoo and the motion passed unanimously.

18. 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

This item was not discussed.

19. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

[SEAL]

\\Senna Hills\Minutes\11-25-14-BF mtg outline
12/12/14