

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 October 27, 2010, 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 Kenneth A. Fox, David I. Perl and Gregg Kronenberger, thus constituting a quorum. President Chet Palesko and Mike Dansby were absent.

Kenneth A. Fox presided over the meeting.

Also present at the meeting were Jerri Strain, Bruce Aupperle, Mike Willatt and Joe Szoo.

3. CITIZEN COMMENTS

There were no citizens present.

4. MINUTES OF PRIOR MEETINGS

Mike Willatt presented the meeting minutes for August 20, 2010, August 24, 2010 and September 16, 2010. David I. Perl noted certain corrections. Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the minutes as corrected. The motion carried unanimously.

5. AGREEMENT ON DIVISION OF BOND PROCEEDS WITH MILLER INTERESTS

There was discussion of the Agreement on Division of Bond Proceeds with the Miller interests. There is an approximate \$40,000 discrepancy between David Merritt's calculation and Bruce Aupperle's calculation. Bruce Aupperle calculates the amount due to the Miller interests as \$1,126,485. David Merritt reports that the amount due is \$1,064,213.58. Motion was made by

David I. Perl and seconded by Gregg Kronenberger to authorize the bond committee, Mike Dansby and Gregg Kronenberger, to agree on the reimbursement amount, not to exceed \$1,126,485, and upon their approval of the final figure, to authorize Mike Willatt to finalize the Agreement on Division of Bond Proceeds and authorize Kenneth A. Fox to sign on behalf of the District. The motion carried unanimously.

6. UTILITY CONVEYANCE AGREEMENT WITH TAYLOR MORRISON

This was discussed with Item 7.

7. ACKNOWLEDGMENT FROM TAYLOR MORRISON OF NO RECEIPT OF BOND PROCEEDS

Mike Willatt presented the Utility Conveyance Agreement with Taylor Morrison pursuant to which Taylor Morrison was conveying to the District the facilities for which bond reimbursement was being made out of the 5th bond issue.

Mike Willatt also presented the Acknowledgment from Taylor Morrison of No Receipt of Bond Proceeds. Motion was made David I. Perl and Gregg Kronenberger to approve the Utility Conveyance Agreement and Acknowledgment from Taylor Morrison of No Receipt of Bond Proceeds and authorize the President to sign and the Secretary to attest to those documents. The motion carried unanimously.

8. DISTRICT'S CONTROL AND ENVIRONMENT AND RISK ASSESSMENT

Mike Willatt presented the District's Control Environment and Risk Assessment as included in the agenda package. Motion was made David I. Perl and seconded by Gregg Kronenberger to authorize its signature by the Vice President. The motion carried unanimously.

9. AUDIT ENGAGEMENT LETTER SUBMITTED BY DAVID L. MERRITT, P.C.

Mike Willatt presented the audit engagement letter submitted by David L. Merritt, P.C. Motion was made by David I. Perl and seconded by Gregg Kronenberger to accept the engagement letter and to authorize the Vice President to sign that document on behalf of the District. The motion carried unanimously.

10. AQUA TEXAS CONTRACT

David I. Perl reported that he is working on this matter and he expects to give a report by Thanksgiving week.

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

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

12. TRAILS WITHIN THE DISTRICT

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

13. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Jerri Strain reported that the contractor is working on the new sewage treatment plant and that the generator was delivered this week.

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

Jerri Strain presented the manager's report and the financial information. Motion was made by Gregg Kronenberger and seconded by David I. Perl to approve payment of the bills as presented. The motion carried unanimously.

15. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

Bruce Aupperle reported that the only construction going on in the District was with respect to the sewage treatment plant and the Weaver project. He presented Change Order No. 2 for both contracts on the sewage treatment plant, one accounting for rehabilitation of the irrigation system and the other accounting for a change in the chlorination system. Motion was made by Gregg Kronenberger and seconded by David Perl to approve both change orders as presented. The motion carried unanimously. Bruce Aupperle discussed the use of surplus funds from the current and prior bond issues on such projects as the lift station rehabilitation. He will prepare an application to the TCEQ for use of surplus bond proceeds and present it to the Board of Directors for review. Bruce Aupperle reported that he is still working with the City of Austin to get a permit on the Weaver project.

16. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion.

17. THE DISTRICT'S WATER AND SEWER RATES

Jerri Strain reported that Chet Palesko had sent out the letter on the change in water and wastewater rates.

18. BILLING ADJUSTMENTS

This is a standing item. There was no discussion.

19. INSURANCE COVERAGE

There was no discussion on this item.

20. AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

There was no discussion on this item.

21. HOA WATER USAGE AND CHARGES

This is a standing item. There was no discussion.

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

Joe Szoo reported that Rip Miller has offered to sell the "school site" to the HOA for \$1.5 million. There was discussion as to whether the District can borrow money to acquire the land, and, if so, what it would do with the land. Mike Willatt said that if there is a specific proposal, he will look into whether it can be done.

23. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

This item was not discussed.

24. ADJOURN

The meeting was adjourned.



President, Board of Directors
Senna Hills MUD

ATTEST:



Asst. Secretary, Board of Directors
Senna Hills MUD

[SEAL]