

**Minutes of the September 8, 2005 Meeting  
of the Board of Directors of the Senna Hills Municipal Utility District**

**Date of Meeting:** September 8, 2005

**Directors Present:** Chet Palesko, Mike Dansby, Kenneth Fox, and David Perl

**Location:** Travis County Water Control and Improvement District No. 18,  
1502, San Juan Drive, Austin, Texas 78733.

**Call to Order:** Chet Palesko

**Matters presented to the Board for consideration:**

1. On a motion made by Kenneth Fox and seconded by Mike Dansby, the Board approved the revised minutes from the prior meeting (July 14, 2005).
2. On a motion made by Kenneth Fox and seconded by Mike Dansby, the Board approved the minutes from the prior meeting (August 17, 2005).
3. On a motion made by David Perl and seconded by Kenneth Fox, the Board approved the engagement *of* Mike Willatt to replace Steve Bowers as the District's general legal counsel.
4. The Board received the District Manager's Report, and on a motion made by Mike Dansby and seconded by David Perl, the Board authorized the payment of District expenses as presented by Aqua Source.
5. The Board reviewed, and on a motion made by Mike Dansby and seconded by David Perl approved:
  - a. the proposed fiscal year 2005-2006 District operating budget;
  - b. the District's proposed debt service tax rate for the 2005 tax year of **\$0.565** per \$100 of taxable value.
  - c. the District's proposed operations and maintenance tax rate for the 2005 tax year of **\$0.100** per \$100 of taxable value.
6. The Board discussed the current status of the Evans Weaver situation and District action concerning enforcement of the District's consent agreement with the City of Austin.

There being no further business to come before the Board, the Board voted to adjourn the meeting by acclamation.

  
Secretary, Board of Directors

  
President, Board of Directors

**WILLATT & FLICKINGER**  
**ATTORNEYS AT LAW**

2001 NORTH LAMAR • AUSTIN, TEXAS 78705 • (512) 476-6604 • FAX (512) 469-9148

September 8, 2005

Board of Directors  
Senna Hills Municipal Utility District

Dear Directors:

This letter, when accepted by you, will evidence your approval of our agreement to perform legal services as bond counsel and general counsel for the District.

Services as Bond Counsel

In connection with the authorization, issuance, sale and delivery of each installment or series of Bonds, our services as bond counsel are and will be limited to preparation and examination of documents and materials, legal notices, resolutions and orders for adoption by the Board of Directors and the District, including bond resolutions and orders, instruments required to obtain necessary approvals of the Texas Commission on Environmental Quality and the Attorney General of Texas, and all other legal action necessary for the sale and delivery of the bonds and registration thereof by the Comptroller of Public Accounts of the State of Texas, and the rendition of our approving market opinion as to the authorization, issuance, sale and delivery by the District of the Bonds under Texas law based upon a transcript of certified proceedings thereof. We will make all necessary appearances before the Texas Commission on Environmental Quality, the Attorney General of Texas, and the Comptroller, to secure their necessary approvals for issuance of the Bonds.

For our legal services as bond counsel in connection with the issuance and approval of bonds, the District agrees to pay on a contingent fee basis, from the bond proceeds, for each issuance of an installment or series of bonds, 1.5% of the par amount issued.

We understand that the District proposes to engage a recognized financial advisor for the District, whose services will include preparation of and responsibility for financial data and any prospectus, offering circular or statement, or official statement in connection with the sale of the Bonds.

Services as General Counsel

Our services as general counsel will be billed at the same hourly rates as are charged to other clients of our firm for similar work, as those rates may change from time to time. The rates currently are \$295.00 per hour for Mike Willatt, \$250.00 per hour for Bill Flickinger and \$80.00 per hour for our legal assistant. In addition to our fees we expect to be reimbursed for actual out of pocket expenditures on your behalf, such as printing or reproduction of documents, travel, long distance

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faxes, and other similar expenditures, all of which will be subject to your approval as to reasonableness. We will bill you monthly.

This agreement may be terminated by you or ourselves at any time although we would expect to be paid for services and expenses through the date of termination.

Please indicate acceptance of the terms of this Agreement and our employment as aforesaid by taking the appropriate formal action and signing this Agreement at the place indicated below.

Respectfully,

WILLATT & FLICKINGER

By: Mike Willatt  
Mike Willatt

APPROVED AND ACCEPTED by the Board of Directors of Senna Hills Municipal Utility District effective the 8<sup>th</sup> day of September, 2005.

SENNA HILLS MUNICIPAL UTILITY DISTRICT

By: [Signature]  
VICE President

ATTEST:

By: \_\_\_\_\_  
Secretary

[SEAL]