

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 September 16, 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 Chet Palesko, Kenneth A. Fox, Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. All Directors were present.

Also present at the meeting were Jerri Strain, Bruce Aupperle, Mike Willatt, Doug Whitt, Clay Bebee, Christina Simpson and John Chambl~~ee~~

3.     CITIZEN COMMENTS

There were no citizens present.

4.     MINUTES OF PRIOR MEETINGS

President Palesko suggested that action on the minutes be delayed to the next meeting because of the crowded agenda.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 18 AT THIS TIME.\*\*\*

18.    AGREEMENT WITH HOMEOWNERS ASSOCIATION ON IRRIGATION OF COMMON AREAS

President Palesko invited the Board members to talk about what they heard at the public hearing on the proposed office building. David I. Perl presented proposed minutes of that meeting. There was discussion of Rip Miller's various contentions on the irrigation tract. There was discussion of the fact that there are 130 signatures asking the Board to take no action. Rip Miller has not said what his alternative for the office building might be, and there is also discussion that the

Board has never seen his plan. The basic conclusion was that Rip Miller should show the Board a plan. Bruce Aupperle pointed out that Rip Miller's next step would be to submit a site plan and a revised land use plan. The consensus was that the Board not do anything right now.

5. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, IN CONNECTION WITH THE ISSUANCE AND SALE OF THE DISTRICT'S UNLIMITED TAX AND WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2010

Doug Whitt presented a chart and reviewed the underwriter's proposal to purchase the bonds. He presented the savings arising out of refunding the Series 1999 and Series 2000 bonds, being a gross savings of \$440,045. Mike Willatt introduced a Resolution Authorizing the Issuance of Senna Hills Municipal Utility District Unlimited Tax and Waterworks and Sewer System Revenue and Refunding Bonds, Series 2010, Prescribing the Terms and Provisions Thereof, Making Provision for the Payment of that Interest Thereon and Principal Thereof; Authorizing and Awarding the Sale Thereof; Authorizing the Execution of a Bond Purchase Agreement, Paying Agent/Registrar Agreement and an Escrow Agreement; Authorizing an Official Statement; and Containing Other Provisions Relating to the Subject. Motion was made and seconded to adopt the Resolution as presented. The motion carried unanimously.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NOS. 15 & 16 AT THIS TIME.\*\*\*

15. PUBLIC HEARING ON TAX RATE

President Chet Palesko opened the public hearing. There being no comment, the public hearing was closed.

16. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2010

Motion was made by Kenneth A. Fox and seconded by David I. Perl to adopt the Order Approving District's Appraisal Roll and Setting the District's Tax Rate for 2010 as presented. The motion carried unanimously.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 13 AT THIS TIME.\*\*\*

13. THE DISTRICT'S WATER AND SEWER RATES

There was discussion that the notice to the customers had an error in the gallonage rates. The revised water and sewer rate analysis, a copy of which is attached to these minutes, correctly states the rates. Motion was made by Gregg Kronenberger and seconded Mike Dansby to adopt the rates as stated in that revised water and sewer rate analysis, effective with the October meter reading. There was discussion about the fact that the notice to the residents that was previously sent out was in error. President Chet Palesko said that he would issue a correction notice.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 20 AT THIS TIME.\*\*\*

20. REIMBURSEMENT AUDIT

Motion was made by David I. Perl and seconded by Kenneth A. Fox to approve David Merritt's engagement letter for the bond reimbursement audit. The motion carried unanimously.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 20 AT THIS TIME.\*\*\*

9. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

Bruce Aupperle says that the contractor has the generator and is mounting it on a trailer. The extra tanks are to move in next month. At the last meeting, the Board approved a budget for hooking up the homeowner's irrigation system. This will start when the plant is up and running.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 22 AT THIS TIME.\*\*\*

22. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Bruce Aupperle reviewed the permit process for the sewer line to the Evans Weaver tract. He said that one person at the City indicated they may review it but another indicated they will not.

\*\*\*PRESIDENT PALESKO MOVED TO ITEM NO. 10 AT THIS TIME.\*\*\*

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

Jerri Strain presented the manager's report. Motion was made by Mike Dansby and seconded by David I. Perl to approve the bills as presented. The motion carried unanimously.

6. AQUA TEXAS CONTRACT

There was no discussion on this item.

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

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

8. TRAILS WITHIN THE DISTRICT

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

11. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

This is a standing item. There was no discussion.

12. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

This is a standing item. There was no discussion.

14. BILLING ADJUSTMENTS

This is a standing item. There was no discussion.

17. INSURANCE COVERAGE

There was no discussion on this item.

19. HOA WATER USAGE AND CHARGES

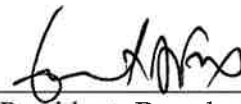
This is a standing item. There was no discussion.

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

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

23. ADJOURN

The meeting was adjourned.



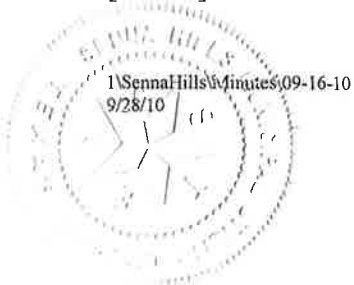
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President, Board of Directors  
Senna Hills MUD

ATTEST:



Asst. Secretary, Board of Directors  
Senna Hills MUD

[SEAL]



**Senna Hills MUD**  
**Revised Water and Sewer Rate Analysis**  
**September-2010**

	<u>Current</u>	<u>Proposed</u>
Base Water Rate	\$ 18.00	\$ 22.00
< 20K gallons	\$ 3.07	\$ 3.15
< 45K gallons	\$ 3.35	\$ 3.55
< 75K gallons	\$ 3.91	\$ 3.91
Over	\$ 4.20	\$ 4.20
Base Sewer Rate	\$ 25.00	\$ 30.00
> 10K gallons	\$ 2.75	\$ 2.85

<u>Pro-forma Impact 1/09-6/10</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Water Revenue	\$ 516,970	\$ 557,325	\$ 40,355
Water Cost (w/new LCRA rates)	\$ 523,176	\$ 523,176	\$ -
Gross Profit / (Loss)	\$ (6,206)	\$ 34,149	\$ 40,355
Sewer Revenue	\$ 224,983	\$ 269,526	\$ 44,543
Total Water and Sewer Revenue	\$ 741,953	\$ 826,851	\$ 84,898