

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 7:10 a.m. on September 20, 2019 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, pursuant to notice duly given in accordance with law.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

The Directors present were:

- Chet A. Palesko - President
- David I. Perl – Vice President
- Lisa S. McKenzie – Secretary
- Corey Newhouse – Assistant Secretary

thus constituting a quorum. Assistant Secretary Joe Szoo was absent.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark and Allen Douthitt of Bott & Douthitt, PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the August 29, 2019 meeting as revised by Lisa McKenzie. The motion carried unanimously.

5. REPORT FROM MR. RIP MILLER ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

This item was not discussed.

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

This item was not discussed.

7. PUBLIC HEARING ON TAX RATE

President Chet Palesko opened the public hearing on the tax rate. Hearing no comments, President Palesko closed the public hearing.

8. ORDER APPROVING BUDGET FOR 2019/2020

Bookkeeper Allen Douthitt discussed the proposed budget with the Board. There was discussion about possibly paying for two capital projects out of the cash reserves on hand rather than through the tax rate and what that does to the budget. Based on the key assumptions and a proposed tax rate of \$0.4651, President Chet A. Palesko entertained a motion for approval. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to adopt the Order Approving Budget. The motion carried unanimously.

9. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2019

Attorney Bill Flickinger discussed the published notice on the overall tax rate, which was \$0.5151. Bookkeeper Allen Douthitt discussed the reduced amount for M&O. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2019, with the M&O rate as \$0.1451 and the debt service rate at \$0.3200 for a total amount of \$0.4651. The motion carried unanimously.

10. AMENDED INFORMATION FORM

Attorney Bill Flickinger discussed the need to revise the Amended Information Form to include the recently adopted tax rate. The form will be signed by the Board and recorded with the Travis County Clerk and filed with the TCEQ. President Chet A. Palesko entertained a motion for approval. Motion was made by Lisa McKenzie and seconded by David I. Perl to adopt the Amended Information Form as revised. The motion carried unanimously.

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

Engineer Robert Ferguson reported that the wastewater treatment plant expansion through the sludge box and catwalk is complete, except for two fence panels. The sludge box is in operation.

Lisa McKenzie inquired if the old filters and membranes are still on site at the plant. Manager Jesse Kennis replied that they are mostly gone. Mr. Kennis said he would have a clean up day and have the remainder removed from the site.

12. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION, ADMINISTRATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND PAY ESTIMATES

Engineer Robert Ferguson discussed the final Pay Application from Excel.

After discussion Mr. Ferguson recommended approval of the following:

Pay Application No. 11 Final submitted by Excel Construction Services, LLC in the amount of \$29,138.06 for the sludge box change order portion of the wastewater treatment plant expansion project.

President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the pay application as submitted but hold it until the fence panels are installed and the project is deemed complete. The motion carried unanimously.

13. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Jesse Kennis reported that a MS4 inspection was held yesterday. He will include the report at the next board meeting. Mr. Kennis advised that nothing significant was noted.

14. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS; BUILDER DEPOSITS

Bookkeeper Allen Douthitt discussed the financials and fund transfer with the Board. Mr. Douthitt reported that the per diem for Assistant Secretary Joe Szoo will be voided due to his absence. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the invoices, per diems and fund transfer as presented. The motion carried unanimously.

15. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services
- c. Inspections of HOA effluent irrigation system
- d. I&I issues at wastewater plant
- e. Pilot program for electronic residential meters
- f. Possible repairs to areas of streets in Sections 5B and 6; Manholes, water meters and storm drains

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

There are 412 active water connections in the District. 10 million gallons of water were consumed in August. The chlorine residuals and bacteriological samples are satisfactory. The August water loss was up to 11%.

Mr. Kennis reported that there were two disconnects for non-payment. Lisa McKenzie asked if service has been restored on those accounts. Mr. Kennis will need to check to see if those accounts have been turned back on.

President Chet Palesko discussed the peak flows at the plant.

Lisa McKenzie discussed the ROW flows in the HOA area. Is the District ok with that amount of flow? The HOA is repairing what needs to be done and recently expended \$817 in repairs.

Mr. Kennis reported that someone in the District is still dumping yard debris on District property. The Board discussed what could be done about this.

There was also discussion on the lead testing at a resident's house in the District. Inframark believes the read was off. The resident is not satisfied with that statement and Inframark will arrange to have another sample tested at the District's cost.

Mrs. McKenzie stated the watering signs are eyesores in the District. They are hard to read and scattered about the District. The signs should be moved and consolidated in one place, such as the pole at the front of the District that has the District information on it. It was agreed that Inframark would move the watering signs.

Mr. Kennis discussed the electronic meter program. The trial period has expired and the Board needs to decide if they want to keep them and change out all the meters. President Palesko discussed the associated costs. After discussion, the Board agreed to move forward on replacing all the mechanical meters with electronic meters. Mr. Kennis will obtain a contract from the vendor to present at next month's meeting.

16. INFRAMARK CONTRACT

Manager Jesse Kennis advised that the Amended Contract is not yet ready for review. The amendment will pertain to the commercial meter-reading charge. The charge will be changed from a consumption basis to per connection. Mr. Kennis will bring the amendment to the November meeting for consideration.

17. BILLING ADJUSTMENTS

This item was not discussed.

18. RATE ORDER

This item was not discussed.

19. DISTRICT WEBSITE

This item was not discussed.

20. TML INSURANCE

There was discussion on the declaration of coverage. The irrigation pond was added to the Boiler & Machinery schedule as it was determined that the pond has two large fountains that could breakdown. There was discussion of the added costs for this coverage and if it was necessary. Manager Jesse Kennis will look at it and determine if it should be kept or excluded.

21. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA

This item was not discussed.

22. DATES FOR FUTURE BOARD MEETINGS

The current meeting schedule includes September 20th, October 25th, November 21st and December 20th. President Chet A. Palesko and Corey Newhouse advised that they cannot make the October meeting. After discussion, the October meeting was rescheduled to November 1st.

23. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; AMENDMENT TO THAT CONTRACT

President Chet A. Palesko announced that the Board of Directors will 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. 23. The Board went into closed session at 8:19 a.m.

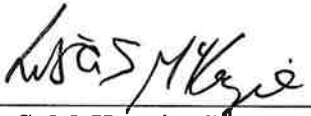
At 8:28 a.m., President Palesko announced that the Board of Directors had concluded its closed session and was returning to open meeting, and that no action was taken during the closed session.

24. ADJOURN

President Chet A. Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]