

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 26, 2014, at 12117 Bee Cave Road, Building 3, Suite 120, 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

A roll call of the Directors was taken. The Directors present were Chet A. Palesko, David I. Perl and Lisa McKenzie, thus constituting a quorum. Directors Joe Szoo and Corey Newhouse were absent.

Also present at the meeting were Scott Manuel, Allen Douthitt, Robert Ferguson and Mike Willatt.

3.     CITIZEN COMMENTS

Lisa McKenzie showed a diagram of a proposed toll road that would abut Senna Hills and go to Lakeway.

4.     MINUTES OF PRIOR MEETINGS

Motion was made by David I. Perl and seconded by Lisa McKenzie to adopt the minutes of August 29, 2014 as presented. The motion carried unanimously.

5.     REVIEW OF MANAGEMENT PERFORMANCE BY SEVERN TRENT SERVICES

President Chet Palesko stated the need to move the meetings to a different location. It was agreed that the next meeting will be at CE-Bar. There was also agreement that Murfee Engineering should be offered as a meeting place.

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

Mike Willatt presented the settlement documents between the McKenzies, the District and Fidelity Title. Motion was made by David I. Perl and seconded by President Chet Palesko to approve the settlement documents and their execution by the President and Secretary. The motion carried unanimously.

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

Allen Douthitt reported that the PUA had sent out a budget.

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

Robert Ferguson reviewed his memo that was included in the agenda package. The irrigation contract is ready for signature by President Chet Palesko.

\*\*President Chet Palesko moved to Item No. 20.\*\*

20. DISTRICT MANAGER'S REPORT ON OPERATIONS

Scott Manuel discussed his operations report. Scott Manuel requested a motion to authorize ST to spend up to \$3,000 for smoke testing in certain sections. He said there was inflow into the lift station with the recent rain. It is possible that it might be an open clean-out or manhole, so it needs to be reviewed. Motion was made by David I. Perl and seconded by Lisa McKenzie to authorize ST to spend up to \$3,000 on smoke testing. The motion carried unanimously. President Chet Palesko emphasized the need to do another 3 a.m. review of the meter to see if there is any water loss through leaks. Lisa McKenzie reported that the water loss has been consistent and that they need ST to get on their hands and knees to check each inch of the system.

Lisa McKenzie proposed that the District send seven delinquent accounts to collection. Scott Manuel advised that ST has a collection agency that it deals with. There was a consensus that the delinquent accounts should be sent another bill, and if not paid within 15 days, they will be sent to collection.

There was a discussion of other past due accounts with chronic last minute payers. There was discussion of getting payments from the lockbox to ABC in Austin. ABC does not have a branch in Houston so there is a delay in getting the checks to ABC.

There was a discussion of a meter with a huge meter reading that had another break. Motion was made by Lisa McKenzie and seconded by President Chet Palesko to bill at the Tier 1 rate and allow payment in four monthly installments after proof of repair, and to authorize ST to make similar arrangements when it sees abnormal use. The motion carried unanimously.

**\*\*President Chet Palesko moved to Item No. 12.\*\***

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

Allen Douthitt presented his report, following which motion was made by Lisa McKenzie and seconded by David I. Perl to approve payment of the bills and fund transfers as presented. The motion carried unanimously.

13. PUBLIC HEARING ON THE TAX RATE

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

14. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2014

Motion was made by David I. Perl and seconded by Lisa McKenzie to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2014 as presented. The motion carried unanimously.

15. AMENDED INFORMATION FORM

Motion was made by Lisa McKenzie and seconded by David I. Perl to authorize the Directors to sign the Amended Information Form for filing with the County Clerk. The motion carried unanimously.

16. 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

Mike Willatt noted that Rip Miller and Kemp Gorthey had not been heard from since the last meeting. He said he would call Kemp Gorthey to ascertain Rip Miller's intentions.

17. ANNUAL AUDIT ENGAGEMENT LETTER SUBMITTED BY DAVID L. MERRITT, CPA

Allen Douthitt noted that David Merritt had joined McCall Gibson and that McCall Gibson was offering a two-year proposal to do the audits, or a one-year proposal. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the McCall Gibson two-year proposal in order to lock in favorable terms and to authorize the President to sign on behalf of the District. The motion carried unanimously.

24. ADJOURN

The meeting was adjourned.

**\*\*THE FOLLOWING ITEMS WERE NOT DISCUSSED.\*\***

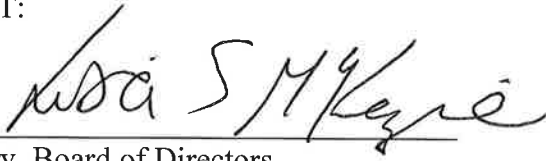
9. AUTHORIZATION TO THE DISTRICT'S ENGINEER TO PREPARE APPLICATION TO THE TCEQ FOR AUTHORIZATION TO ISSUE THE DISTRICT'S REMAINING AUTHORIZED BUT AS OF YET UNISSUED BONDS
10. TAYLOR LAKE EFFLUENT POND AND THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM
11. THE DISTRICT'S WASTEWATER TREATMENT PLANT
18. ABC LOAN AGREEMENT AND RELATED MATTERS, INCLUDING RENEWAL AND INCREASE THEREOF
19. BILLING ADJUSTMENTS
21. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING CHANGE ORDERS, PAY ESTIMATES AND ACCEPTANCES
22. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS AND RULES PERTAINING THERETO
23. THE DISTRICT'S WATER AND SEWER RATES



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President, Board of Directors  
Senna Hills MUD

ATTEST:



Secretary, Board of Directors  
Senna Hills MUD

