

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 27, 2011, 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 Mike Dansby, David I. Perl and Gregg Kronenberger, thus constituting a quorum. President Chet Palesko and Vice President Kenneth A. Fox were absent.

Mike Dansby presided over the meeting.

Also present at the meeting were David Ripley, Jerri Strain, Mike Willatt, David Malish, Robert Ferguson and Joe Szoo.

3. CITIZEN COMMENTS

Mike Willatt announced that he had received a call from Janet Stephenson at the LCRA saying that the District had exceeded its maximum annual quantity during the last several years and that the District urgently needs to file an application to amend its contract with the LCRA before the October 27, 2011 deadline. The urgency is because if the LCRA has to ration water, the rationing will be prorated on the customer's maximum annual quantities, not on their actual usage. Mr. Willatt said that he would get with Robert Ferguson and Chet Palesko to expedite this application.

4. MINUTES OF PRIOR MEETINGS

Motion was made by David I. Perl and seconded by Gregg Kronenberger to approve the minutes of the August 24, 2011 meeting as presented. The motion carried unanimously.

5. AQUA TEXAS CONTRACT

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

6. PUBLIC HEARING ON TAX RATE

Mike Dansby opened the public hearing on the District's tax rate. There were no comments, therefore the public hearing was closed.

7. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING DISTRICT'S TAX RATE FOR 2011

There was discussion of the District's actual tax rate, following which motion was made by David I. Perl and seconded by Gregg Kronenberger to adopt the Order Approving District's Appraisal Roll and Setting District's Tax Rate for 2011 as presented. The motion carried unanimously.

8. DROUGHT CONTINGENCY AND WATER CONSERVATION PLANS

Mike Dansby had some questions on what stage the District is currently undergoing in connection with water rationing. Jerri Strain said the District is in Stage 2.

9. AUDIT ENGAGEMENT LETTER SUBMITTED BY DAVID L. MERRITT, P.C., INCLUDING CONTROL ENVIRONMENT AND RISK ASSESSMENT

The audit engagement was presented. After discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to accept the audit engagement letter as presented and to authorize its signature by Mike Dansby. The motion carried unanimously.

The Control Environment and Risk Assessment was presented. After discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to authorize Mike Dansby to sign the Control Environment and Risk Assessment as presented. The motion carried unanimously.

10. AUTHORIZATION OF HOMEOWNERS TO CUT TREES AND GRASS ON MUD LAND

There was discussion on the fact that the District cannot give permission to cut vegetation on land owned by Senna Hills Ltd. or Michael Dell. After discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to adopt an interim policy authorizing the homeowners or homeowner's association to cut all growth on MUD owned property within 30' of the homeowner's property line, except for oak trees, and to authorize the homeowner's association to handle all questions or disputes on this issue. The motion carried unanimously.

There was discussion pursuant to which Jerri Strain said that she will revise the map showing which land is owned by which entity and will send a notice of this policy in the bill. Mike Willatt will assist her in drafting the letter to the homeowners.

11. IMPACT OF REDUCED WATER LEVELS DUE TO THE SPRINKLER CONVERSION

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

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

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

13. USE OF DISTRICT'S ELECTRICAL METER BY HOA

Joe Szoo advised that the HOA now has its own electrical meter. This item can be taken off the agenda.

14. EXPANSION OF THE DISTRICT'S WASTEWATER TREATMENT PLANT

15. PAY ESTIMATES AND CHANGE ORDERS FOR WASTEWATER TREATMENT PLANT CONSTRUCTION CONTRACT

Items 14 & 15 were discussed together. Robert Ferguson discussed Change Order Nos. 3 and 4. There was discussion of the history of the plant design starting with ultraviolet disinfection and then transferring to chlorine. Motion was made David I. Perl and seconded by Gregg Kronenberger to approve Change Order No. 4 and to table Change Order No. 3 pending further investigation. The motion carried unanimously. Robert Ferguson advised that the contractor is moving forward in transferring the wrought iron fence from the old plant to the new plant. Additions to the design caused the fence to be relocated. It may be necessary to approach Rip Miller to extend the easement.

David Malish discussed ETT's request for an \$11,000 charge for storage and moving the tank. Mr. Malish explained that his engineering firm rarely orders equipment before signing a construction contract. They occasionally do if something like a pump will require a 9-month lead time. He will investigate further with ETT on the justification for this charge.

Robert Ferguson presented Pay Estimate No. 10 for work on the plant between May and August 1 in the approximate amount of \$59,000. Motion was made by Gregg Kronenberger and seconded by David I. Perl to approve Pay Estimate No. 10. The motion carried unanimously.

16. THE DISTRICT'S FINANCIAL AFFAIRS AND INCLUDING APPLICATION TO THE TCEQ FOR EXPENDITURE OF SURPLUS BOND PROCEEDS

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

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

David Ripley presented the management report. Jerri Strain presented the financials. Jerri Strain presented a map showing the areas that are mowed. The current contract has Aqua Texas paying for four mowing locations. Other mowing locations have been added along the way. The mowing expense has recently increased from twice a year at \$1,500 to \$3,500 per month. Mike Dansby asked Jerri Strain to put together a bid package and take bids from landscaping contractors. She said she will do so. Motion was then made by David I. Perl and seconded by Gregg Kronenberger to approve payment of the bills as presented. The motion carried unanimously.

18. ENGINEER'S REPORT

- (a) Wastewater Treatment Plant
- (b) Weaver Wastewater Service

There was no discussion.

19. CONSTRUCTION PROJECTS WITHIN THE DISTRICT

There was no discussion.

20. THE DISTRICT'S WATER AND WASTEWATER SYSTEMS

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

21. THE DISTRICT'S WATER AND SEWER RATES

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

22. BILLING ADJUSTMENTS

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

23. 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.

24. PROVISION OF SEWER SERVICE TO EVANS WEAVER TRACT

Robert Ferguson said that he met the Weavers on the property and reached an agreement on location of the facilities. He said that he has Bruce Aupperle's design sheets. He will send requests for proposal to about six contractors for the bifurcated project. He discussed the need for an access easement through the Weaver's driveway.

25. SALE OF 30 LCRA WATER AND WASTEWATER SYSTEMS AND TWO RAW WATER PUMPING SYSTEMS

There was discussion as to the fact that the entities seeking to purchase the LCRA system for that portion of the system serving the District was denied and that portion will go to one of the other two companies being selected to acquire the bulk of the LCRA system.

26. AMENDED INFORMATION FORM

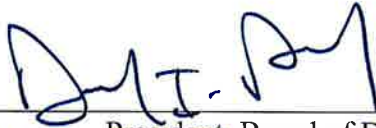
Mike Willatt explained the need for the amended information form since the District's tax rate had changed. After discussion, motion was made by Gregg Kronenberger and seconded by David I. Perl to authorize the Directors present to execute the Amended Information Form and the filing of form with the TCEQ and County Clerk. The motion carried unanimously.

27. FIRE PREVENTION ACTIVITIES

There was no discussion.

28. ADJOURN

The meeting was adjourned.

Ass. Secretary


President, Board of Directors
Senna Hills MUD

ATTEST:



Secretary, Board of Directors
Senna Hills MUD

