

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 January 31, 2020 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, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis and Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, PLLC and Nancy Olson of McCall Gibson Swedlund Barfoot PLLC.

3. CITIZEN COMMENTS

No citizens were present.

4. §49.063(C), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger advised that this item is an annual requirement to comply with the statute, so long as the Board holds meetings outside of the District. The first agenda to be posted each year, must include this notice. Today's agenda included the notice requirement with a description of the petition process. If a petition is filed to hold the Board meetings within the District, it will be dealt with at that time. No action is needed today.

5. 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 December 20, 2019 meeting as presented. The motion carried unanimously.

6. ANNUAL AUDIT SUBMITTED BY McCALL GIBSON SWEDLUND BARFOOT PLLC

Nancy Olson discussed the annual audit and required communications with the Board. The District received a clean unmodified opinion, which is the best given. Ms. Olson advised that they had no misstatements, adjustments or disagreements in preparing the audit. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Corey Newhouse to approve the audit and authorize the execution of the Annual Filing Affidavit and filing with the TCEQ and Comptroller as required. The motion carried unanimously.

7. 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.

8. MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

President Chet Palesko advised that the new raw waterline was going in along Bee Cave Road. This will be a second line from the lake and will help with the summer demands for water service.

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

Engineer Robert Ferguson presented sketches of the effluent irrigation system around the plant/garage area. The sketches were used to discuss the damage of the electronics, lines and sprinkler heads within those areas. Manager Jesse Kennis will come back to the Board with recommended action at the next meeting. Mr. Ferguson and Manager Jesse Kennis discussed their findings during the recent site visit. It appears that Rip Miller's crew has cleaned the site up as requested.

Mr. Ferguson also reported that probably within an a year to 18 months the District will need to start working on the replacement of the effluent pond liner. There was discussion of this process and if it was best to place a new liner on top of the existing one or remove the existing liner altogether. It will be best to remove the existing liner, at least in certain areas, in order to do more dirt work. All of these items will be reviewed and an assessment made at the appropriate time.

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

This item was not discussed.

11. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Jesse Kennis stated that the MS4 inspection reports were included in the agenda package and as previously noted, there were no issues to report.

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

Bookkeeper Allen Douthitt discussed the financials and fund transfers with the Board. There are also three bond payments due. The per diem for Joe Szoo will be voided due to his absence. After discussion, President Chet A. Palesko entertained a motion for approval. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve payment of the invoices, per diems, three fund transfers and three bond payments as presented. The motion carried unanimously.

13. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Customer Requests
- b. Landscape Maintenance Contracts; Additional landscaping services
- c. Inspections of HOA effluent irrigation system
- d. Possible repairs to areas of streets in Sections 5B and 6; Manholes, water meters and storm drains
- e. Drum screens; waste disposal process
- f. Storage unit at wastewater treatment plant
- g. Grinder Pump Letter to Residents

Manager Jesse Kennis introduced Makenzi Scales to the Board. She came from the Houston office and has relocated to Austin.

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

The wastewater plant is running at 69% capacity. Mr. Kennis reported that a chlorine booster pump was recently repaired and electrical preventative maintenance was conducted at the plant and lift stations. No issues were reported.

As discussed at last month's meeting, a new motor for the effluent irrigation pump was ordered, however, it has not yet arrived.

There was a 3.7% water gain this period. Mr. Kennis has asked the PUA for calibration records for the master meters. 3.9 million gallons of water was consumed for December.

Attorney Bill Flickinger asked if the amenity center tracking meter total should have gone down this period. This meter is for the amenity center and yard area. The meter read of 34,000 gallons seems a bit high. Mr. Kennis will pull more detailed reports to check into this consumption.

14. BADGER MASTER METER AGREEMENT (SOFTWARE); PRICING SHEET FOR METER PURCHASE

President Chet Palesko discussed the pricing of the electronic meters. President Palesko would like to meet with the Atlas Representative on all the costs. President Palesko asked attorney Bill Flickinger if the language in the software contract was acceptable. Mr. Flickinger will continue to review the contract but has not encountered any concerns. There was discussion of adding hourly/daily flow report language to the contract, so that the District will always have access to its data, rather than potentially becoming limited to standard reports in the future. President Palesko will send sample language to Mr. Flickinger to review.

15. RATE ORDER

Attorney Bill Flickinger discussed the possibility of amending certain fees in the rate order due to the installation of the electronic meters. The Board will need to consider the current base fee, as there will be a monthly charge for the electronic software, review the disconnect and reconnect fees, fees for a damaged transmitter under certain circumstances and a billing adjustment policy for leaks. If the District installs the electronic meters, customers can program an alarm on their cell phones or other electronic device to monitor water usage and detect leaks. This should cut down on the number of leak adjustments being requested.

16. BILLING ADJUSTMENTS

This item was not discussed.

17. DISTRICT WEBSITE

The website is up and running and all looks good.

18. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA; REQUEST FROM HOA FOR POSSIBLE DOG PARK

This item was not discussed.

19. DATES FOR FUTURE BOARD MEETINGS

The meeting dates are as follows: February 28th, March 27th, April 24th and May 29th. President Chet Palesko advised that he will now be able to attend the February board meeting, as his travel to China has been cancelled. Manager Jesse Kennis stated that he would not be in attendance at the March meeting.

20. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; STORAGE OF SHL MATERIALS ON PROPERTY NEAR SHEDS; POSSIBLE DAMAGE TO DISTRICT'S IRRIGATION SYSTEM

Attorney Bill Flickinger stated that SHL anticipates being placed on the City of Austin's March agenda for discussion.

21. INFRAMARK CONTRACT

Lisa McKenzie reported that the committee and Inframark are still working on this item.

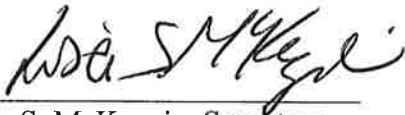
22. ADJOURN

President Chet A. Palesko adjourned the meeting.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]