

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 MUD was held at 7:10 a.m. on June 26, 2020 by remote access only in accordance with the March 16, 2020 Order by Governor Abbott temporarily suspending certain requirements of the Texas Open Meetings Act to advance the goal of limiting face-to-face meetings to slow the spread of COVID-19. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act and as modified by the Governor's Order.

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  
Joe Szoo – Assistant Secretary  
Corey Newhouse – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis, Kristi Hester and Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, Doug Whitt of SAMCO and Jerry Kyle of Orrick Herrington and Sutcliffe, LLP.

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 May 29, 2020 meeting as presented. The motion carried unanimously.

5. TEMPORARY MORATORIUM ON DISCONNECTION OF WATER SERVICE FOR NON-PAYMENT DURING COVID-19 VIRUS CRISIS

President Chet Palesko reminded the Board that they are considering the moratorium on a month to month basis. Manager Jesse Kennis reported that two accounts were delinquent. Inframark can reach out to the owners directly to see if they would like to get set up on a payment plan. One account is past due by \$1,900. Lisa McKenzie stated it is possible that owner has an irrigation leak. David I. Perl asked Inframark to make contact with the owner. After discussion, President Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to continue the temporary moratorium on disconnection of water service for non-payment until the next regular Board meeting. The motion carried unanimously.

6. PAYMENT PLANS FOR DISTRICT CUSTOMERS DURING COVID-19 VIRUS CRISIS

Manager Jesse Kennis advised that he has not received any requests for payment plans.

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 will be discussed below under Item No. 22.

8. STATUS OF REFUNDING BOND ISSUE

Financial Advisor Doug Whitt addressed the Board on the status of the refunding bond results from the 2010 Series. Final savings to the District will be \$262,362. The bond closing is scheduled for July 16<sup>th</sup>. Mr. Whitt discussed the pre-closing telephone conference to be held next week on July 7<sup>th</sup> with President Chet Palesko and the consultants. President Palesko asked when the District could do the next refunding issue. The next callable series would occur in 2024.

Bond Attorney Jerry Kyle discussed the processes of filing with the Attorney General and then the closing. Corey Newhouse asked if there is a chance the deal would not close. Both Mr. Whitt and Mr. Kyle advised it is very unlikely that would happen and actually neither of them has seen that happen before.

9. LETTER OF REPRESENTATION PERTAINING TO THE UPCOMING SERIES 2020 REFUNDING BONDS

Attorney Bill Flickinger advised that the District's auditor has asked that a representation letter pertaining to the current refunding bonds be executed by the Board. The auditor stated that a new standard was issued a couple of years back (Statement on Auditing Standards No. 133) that requires a representation letter be signed when the audit report is included in and disseminated with an exempt offering document – in this case with the Series 2020 Refunding Preliminary

Official Statements. The standard makes sure that the audited financials included in the offering document are not misleading to the readers or purchasers of the bonds. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to authorize the Board President to execute the representation letter as presented. The motion carried unanimously.

10. MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

This item was not discussed.

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

Engineer Robert Ferguson discussed his report as included in the agenda package.

In regard to the irrigation control wiring, Inframark advised that the project is close to wrapping up. A walk-through and test of the system will be conducted sometime soon. Mr. Ferguson reported that once that is done, the intent in combining the mapping of the irrigation fields is to have the irrigation repairs flagged in the field where the valves, controllers, and heads are located. The surveyor crew can then pin the locations of the all the flags, and will be the first step of mapping the irrigation fields. Mr. Ferguson believes that is the most efficient way to get that information.

Mr. Ferguson will submit the pond liner replacement proposal at the next meeting for review. President Chet Palesko confirmed the proposal will be for the entire replacement, not repairs. Mr. Ferguson stated that the proposal will include replacement and some groundwork under the liner.

The GIS link at the City of Austin is sending notifications every few days. Mr. Ferguson confirmed that no permits relating to SHL have been filed yet.

12. 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.

13. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. The District's budget is over plan for the month, but year to date is good to plan. After discussion, motion was made by

President Chet Palesko and seconded by Joe Szoo to approve the invoices, per diems and two fund transfers 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. Drum screens; waste disposal process
- e. Replacement of control components at Lift Station #1
- f. Board policy on maintenance of greenbelt areas

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

The plant is running at 83% capacity. Mr. Kennis stated the increase is due to the stay at home orders and the recent rain event. Mr. Kennis reported that the Pios spray field project is 95% complete. Mr. Kennis will provide the as-builts to Engineer Robert Ferguson so he can begin work on the mapping of the irrigation fields.

Mr. Kennis reported on the District's water loss issue. After further review it was discovered that a former employee entered incorrect meter reads that resulted in two months' of erroneous water accountability calculations. President Chet Palesko expressed his concern as to how that could happen. Mr. Kennis advised that the master meters were read incorrectly, and stated that the process of weekly review of the master meter reads was re-emphasized to his staff. However, during the water loss investigation, SAMCO found several leaks, which have since been repaired. President Palesko advised to do nothing further on the leak detection.

Mr. Kennis reported that the pump controls for Lift Station #1 are on backorder. He is also still working on the TML claim due to the lighting strike at Lift Station #3.

Mr. Kennis discussed the purchase of the auto dialers at the wastewater treatment plant, Lift Station #1 and the Lemon Mint Lift Station. After discussion, President Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by David I. Perl to authorize Inframark to purchase and install the auto dialers at the three locations as discussed at a cost of \$11,000. The motion carried unanimously.

There was discussion of the electric sub-meter at Rip Miller's garages not working. Engineer Robert Ferguson will contact an electrician to see what it takes to set another sub-meter. Attorney Bill Flickinger will inform Kemp Gorthey that the sub-meter needs to be fixed.

Lisa McKenzie and Corey Newhouse discussed maintenance of the greenbelt areas where owners' property lines back up to MUD-owned areas. It has been a standing Board policy that those areas are not maintained by the District, and that if the homeowner does any work in that area, it is at the homeowner's expense. The owners are permitted to clear 6' from their fence. There was also discussion of pruning oaks trees and that they should not be touched during oak wilt season. There are currently several requests to do work in the greenbelt area. Lisa McKenzie

also discussed an area off of Heliotrope that an owner maintains. President Chet Palesko is ok with the owner providing the maintenance in that area, as it connects to their lot. Attorney Bill Flickinger advised that he would bring a written policy to the next board meeting for consideration. Once the policy is adopted by the Board, it will be provided to Inframark so that they will be able to address the requests and it will not have to come to the Board for consideration of each request. Lisa McKenzie will respond to the owners' requests and advise them they can provide the maintenance at their cost.

16. PURCHASE OF ELECTRONIC METERS

President Chet Palesko asked if the new electronic meters have been received. Manager Kristi Hester stated that they should be received in the next two weeks. Corey Newhouse stated that he will follow-up with Jeff Watson on the delivery.

17. BILLING ADJUSTMENTS

This item was not discussed.

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

Manager Jesse Kennis stated that he has not received any communication with residents on removing the fountains from the pond. Lisa McKenzie reported that the fountains have been turned off but have not yet been removed. Mr. Kennis will check on that project.

19. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: July 31<sup>st</sup>, August 28<sup>th</sup> and September 25<sup>th</sup>.

20. DIRECTORS ELECTION

Attorney Bill Flickinger reported on the upcoming directors' election. No action is needed at this time.

21. INFRAMARK CONTRACT

This item was not discussed.

22. ADMINISTRATION OF 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; DAMAGE TO HOA EFFLUENT IRRIGATION SYSTEM BY SHL CONTRACTORS

There was discussion of the SHL site. The deadline to remove the paint shed is the end of the month. However, Rip Miller would like to keep it until the end of the year. Attorney Bill Flickinger will address this issue in a future contract amendment. There are also new rocks on site in an area where it is believed that the District irrigates. When inspecting Pios' irrigation repairs, Robert Ferguson and Inframark will inspect this area as well.

23. ADJOURN

President Chet Palesko adjourned the meeting.

  
Chet A. Palesko, President

ATTEST:

  
Lisa S. McKenzie, Secretary

[SEAL]