

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 July 31, 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 and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis, Kristi Hester and Victor Mendoza 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 June 26, 2020 meeting as presented. The motion carried unanimously.

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

Lisa McKenzie discussed the delinquent accounts. This month, the total went from two to 10 accounts. Managers Kristi Hester and Jesse Kennis discussed the delinquent notice process and late fees. There will be no waiver of late fees on the delinquent accounts. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to extend the moratorium on disconnection of water service for non-payment until the next 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. REFUNDING BOND ISSUE WHICH CLOSED ON JULY 16, 2020

Bookkeeper Allen Douthitt reported the refunding bond transaction closed on July 16, 2020. All went as scheduled. Attorney Bill Flickinger noted this item will be removed from the agenda.

9. MATTERS RELATED TO WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

Bookkeeper Allen Douthitt reported that he received a PUA notice on increasing the base water and wastewater rates for another District. He has not yet received any notification for Senna Hills MUD. Corey Newhouse asked if anything will need to be adjusted if there is an increase to the rates. Mr. Douthitt and President Chet Palesko discussed the process of a rate increase. After discussion, the consensus is to wait and see what rate the PUA proposes.

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

a. Proposal for Taylor Lake Line Replacement Project Design

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

In regard to the irrigation control wiring, a significant amount of work has been done. After completion of the project, the valve and sprinkler head locations will be marked and a layout of the irrigation fields will be generated.

Mr. Ferguson noted that plant operations are good at this time.

Included in the agenda package is a proposal for replacement of the electrical sub-meter to Rip Miller's buildings at the wastewater treatment plant site. The new sub-meter will be located at the District's electric service connection instead of its current location on Mr. Miller's building or inside the future perpetual use easement area. Mr. Ferguson contacted an electrician who has worked with permitting issues on the possibility of closing out the old open permit. If the Board wants to pursue this option, Mr. Ferguson will move forward.

Mr. Ferguson discussed his proposal for the engineering design services for the effluent storage pond liner replacement project. The estimated project costs are \$115,000. Attorney Bill Flickinger reported that he worked with Mr. Ferguson on the terms and conditions included in the proposal. Some of the originally proposed terms and conditions did not apply to the District per the Local Government Code. The target date to start this project will be next summer. There was discussion of the cost of this project, including the amount of engineering time that goes into a project like this. Lisa McKenzie and Robert Ferguson discussed the type of material that will be used. Currently there is sediment around the folds of the liner. Mr. Ferguson advised that with the new material, it will not create the rolls and ripples that the liner has now, which are retaining sediment as the pond water level changes. After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to approve the proposal submitted by Murfee Engineering for the effluent storage pond liner replacement project. The motion carried unanimously. Mrs. McKenzie asked if a new effluent line were run out of the pond to the office site or to improve water flow somewhere else, how would that affect the pond liner in regard to more holes. Mr. Ferguson advised any additional effluent irrigation line would be driven by a separate pump assembly at the existing location. He would not anticipate a separate penetration in the pond liner for the intake. President Chet Palesko asked if there is excess capacity in the existing pumps. Mr. Ferguson said they schedule the number of irrigation zones running at any time to match the discharge output capacity of the pumps. The irrigation controller can be programmed to send different amounts to each location. Corey Newhouse asked about the pond not being in operation for a while during the liner replacement. Mr. Ferguson advised that tanks will most likely be rented to handle the effluent during that period.

As of today's meeting, Mr. Ferguson confirmed that no permit applications relating to SHL have been filed yet.

11. 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.

12. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS

Manager Jesse Kennis reported that the MS4 inspection report did not have any significant items to report on.

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

Bookkeeper Allen Douthitt discussed the financials and current budget with the Board. The District's budget is good to plan for the month and year to date is good to plan as well. Mr. Douthitt stated that the appraisals remained flat and it should not impact the budget. The Board discussed the Atlas water meter invoice for payment. The meters have yet to be shipped to the District. Once they are received, Manager Jesse Kennis will notify the committee. The Atlas invoice will be reviewed at the August board meeting. After discussion, motion was made by Corey Newhouse and seconded by David I. Perl to approve payment of the invoices, per diems and three bond payments and to authorize three fund transfers as presented. The motion carried unanimously.

14. 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. Purchase of a flow meter for the sludge box at the WWTP

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

The plant is running at 81% capacity. Mr. Kennis discussed purchasing a sludge box wasting meter. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve the purchase of a meter for the sludge box in an amount not to exceed \$5,500. The motion carried unanimously. The sludge box has cut down on the costs of wet hauling. Mr. Kennis also reported that a water booster pump failed and had to be replaced.

Pios' spray field project is substantially complete. A final invoice will be received soon. All the spray heads have been flagged for mapping of the irrigation system.

Mr. Kennis reported on the District's 18.6% water loss for June. A daily meter read of the master meters has been implemented to review this issue. Once all the electronic meters are installed, it should improve the water loss figures. The prior leaks that were identified and repaired in connection with the recent leak detection survey could have had an impact on the water loss for June as well. Mr. Kennis reported that the fire hydrant painting and repair project has been completed. David I. Perl stated that some may have not been painted. Mr. Kennis will check on the details, but it could be that those hydrants belong to the PUA.

The pump controls for Lift Station #1 were received and installed. Installation of the auto dialers at the wastewater treatment plant, Lift Station #1 and the Lemon Mint Lift Station is underway.

Lisa McKenzie asked about the timeframe of installing the new electronic meters once they are received. Mr. Kennis reported that the meter installation will be a high priority. President Chet Palesko asked that the four meters identified in the leak detection report as not registering low flow be replaced first. Mr. Kennis stated that in addition to those meters, the oldest meters would be replaced first.

There was discussion of the fence by the trails being hit and damaged a while ago. Mr. Kennis will solicit proposals for repair of the fence. The wooden bridge on the trails is also in need of repair. However, those are maintained by the HOA.

15. RESOLUTION ADOPTING BOARD POLICY ON MAINTENANCE OF GREENBELT AREAS OWNED BY SENNA HILLS MUNICIPAL UTILITY DISTRICT

Attorney Bill Flickinger discussed adoption of a Board policy on maintenance of greenbelt areas owned by the District. This policy would allow Inframark to provide a response to homeowners requesting maintenance of greenbelt areas and not have to bring all the requests to the Board for review. The policy would allow homeowners to clear six (6) feet behind their property line onto the adjacent greenbelt areas owned by the District. All maintenance will be done at the homeowner's expense and all yard waste must be hauled off. The policy would also state that oak trees may not be pruned during oak wilt season, which is February through June of each year. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the Resolution Adopting Board Policy on Maintenance of Greenbelt area owned by Senna Hills Municipal Utility District as presented. The motion carried unanimously.

16. PURCHASE OF ELECTRONIC METERS

This item was discussed above.

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

This item was discussed under the Engineer's Report.

19. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: August 28th, September 25th and October 30th.

20. DIRECTORS ELECTION

Attorney Bill Flickinger reported on the upcoming directors' election. The incumbents are Lisa McKenzie, Joe Szoo and Corey Newhouse. Mr. Flickinger discussed the election process with the Board. The Order Calling Directors Election, Election Agreement with Travis County and the Resolution Concerning Adoption of New Equipment were included in the agenda package for consideration. The Election Agreement calls for a \$150 fee to the Election Division. After discussion, the following motions were entertained: 1) Motion was made by David I. Perl and seconded by President Chet Palesko to adopt the Order Calling Directors Election. The motion carried unanimously. 2) Motion was made by David I. Perl and seconded by President Palesko to approve the Election Agreement with Travis County. The motion carried unanimously. 3) Motion was made by David I. Perl and seconded by President Palesko to adopt the Resolution Concerning Adoption of New Equipment. The motion carried unanimously. If the election is not contested, it can be cancelled at the next board meeting.

21. INFRAMARK CONTRACT

Manager Jesse Kennis advised that Manager Kristi Hester will meet with the committee to discuss amendment to the management contract for the new fiscal year. No action is needed at this time.

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; REPLACEMENT OF ELECTRICAL SUBMETER TO SHL BUILDINGS AND REIMBURSEMENT BY SHL FOR ELECTRICITY EXPENSES

President Chet 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 Nos. 17 and 22. The Board went into closed session at 8:33 a.m.

At 9:17 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.

President Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Joe Szoo to approve the electrical proposal for a new sub-meter for electric service to Rip Miller's buildings at the wastewater treatment plant site at a cost of \$2,380.00. The motion carried unanimously.

23. ADJOURN

President Chet Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]