

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 September 25, 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 and Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, PLLC, Nancy Olson of McCall Gibson Swedlund Barefoot PLLC and resident Brian Klaas.

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 August 28, 2020 meeting as presented. The motion carried unanimously.

5. ENGAGEMENT OF MCCALL GIBSON FOR ANNUAL AUDIT

Nancy Olson discussed the audit engagement letter. This engagement will be for another two-year period. The fee range was increased by \$500 for a range of \$10,000 - \$11,000 for preparation of the District's annual audit. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the audit engagement letter submitted by McCall Gibson Swedlund Barfoot as presented. The motion carried unanimously.

6. PUBLIC HEARING ON TAX RATE

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

7. ORDER APPROVING BUDGET FOR 2020/2021

Bookkeeper Allen Douthitt discussed three scenarios with the tax rate ranging from \$0.41 to \$0.45 per \$100 of assessed valuation. There was discussion of the expenditures and the District's reserves. Vice President David I. Perl reiterated that he would like to see the electronic meters and endpoints purchased District-wide. President Chet Palesko would like it to be at the homeowners' option and expense. The cost for the entire District to have electronic meters with the "smart" features would be \$100,000+. The Board discussed several items including whether the \$30,000 budgeted for drainage is adequate, if the \$0.32 debt rate is necessary, manhole maintenance (annual survey) and road maintenance. After further discussion, President Palesko entertained a motion. Motion was made by David I. Perl and seconded by Joe Szoo to adopt the Order Approving Budget as the blue column with the overall tax rate of \$0.45. The motion carried unanimously.

8. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2020

Attorney Bill Flickinger discussed the published Notice of Public Hearing on the tax rate. After discussion, President Chet Palesko entertained a motion for approval. Motion was made by David I. Perl and seconded by Joe Szoo to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2020, with the M&O rate at \$0.13 and the debt service rate at \$0.3200 for a total amount of \$0.45. The motion carried unanimously.

President Chet Palesko moved to Item No. 14 at this time.

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 by \$11,000 for the month due to the previously-approved repairs to the effluent irrigation system. For the year, it is \$51,000 to the good. After discussion, motion was made by Corey Newhouse and seconded by Joe Szoo to approve payment of the invoices, per diems and authorize two fund transfers as presented. The motion carried unanimously.

****President Chet Palesko moved to Item No. 13 at this time.****

13. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS; ISSUES WITH THE HOA POOL DRAIN FACILITIES

Manager Jesse Kennis discussed the issues with the drainage facilities around the HOA amenity center. A resident advised Lisa McKenzie that the amenity center parking lot was flooded due to the storm inlet being clogged. Mr. Kennis reported that the drain was jetted and they T.V.'d the line. The jetting produced several buckets of debris but was unable to clear the drain. The drain is damaged 25' from the inlet. Additional repairs will be needed. After review of the plans provided by the HOA management company, it is assumed that the sedimentation and sand filtration basins may be under the pool deck and the splitter box might be buried underneath the lawn beside the pool deck area. From the plans, it appears that the pool's filter backwash discharges into the splitter box and into the District's storm sewer on Senna Hills Drive. There has been a seepage stain on Lemon Mint Court near Yarrow Court for the last 20 years. Its source is unclear. Attorney Bill Flickinger advised that it needs to be determined where the HOA's system ends and where the District's system begins. The District will need to review this as it may be a MS4 issue. There was discussion of closing down the pool to be able to safely investigate these issues. The HOA will need to provide approval for the investigation by the District. Mr. Kennis will be able to start work on this during the latter part of October. He will provide a report detailing his findings by the next board meeting. President Chet Palesko inquired about the costs for this investigation. Mr. Kennis replied approximately \$2,000 to determine what all needs to be done.

****President Chet Palesko moved to Item No. 16 at this time.****

16. 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 flow meter for the sludge box at the WWTP
- g. Maintenance and trimming of trees and vegetation on District property; removal of vegetation on District property planted by homeowners without permission

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

The wastewater plant is running at 78% capacity. Mr. Kennis reported that there was a sanitary sewer overflow on September 11th. The influent flow meter failed causing a 4,000-gallon spill that soaked into the soil. The SCADA system interpreted the failed meter as no inflow, so it stopped the drum screens and the spill resulted. The screens are currently being operated in manual clean mode until the meter can be replaced. Mr. Kennis advised that the spill

has been reported to the TCEQ and no fine is expected. The meter is only a little over two years old, but past the end of its two-year warranty. This is unacceptable for it to fail this quickly. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Joe Szoo to authorize the meter replacement in the amount of \$7,750 as presented. The motion carried unanimously. Mr. Kennis stated that Fluid Meters will look at the meter to attempt to determine why it failed.

Joe Szoo had to leave the meeting at 8:29 a.m.

Due to all the rainfall this month, the spray fields had to be cut twice. There was also additional tree trimming by Zane Furr.

Mr. Kennis reported on the District's 4.5% water loss for August. Mr. Kennis also reported that three delinquent letters were mailed out this reporting period. One of those residents requested a payment plan. It looks like service will be cut to two accounts next week. Mr. Kennis reported on the status of the electronic meter installation. This month, 62 electronic meters were installed.

The auto dialer install at the wastewater treatment plant is 75% complete. They are waiting to tie-in to the SCADA alarm.

Mr. Kennis reported that Zane Furr provided a quote of \$2,000 to haul off the large piles of yard waste that have been dumped at the Strawflower lift station area. The quote will also include removal of the Junipers and scrub brush. This will help eliminate the concealment of that area and hopefully deter dumping in that area. There was discussion of sending letters to the residents on Strawflower to point out that dumping on District property is not allowed. Mr. Kennis also stated that No Dumping signs can be installed in that area. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve Zane Furr's quote of \$2,000 for yard waste removal and removal of the Junipers and scrub brush on Strawflower. The motion carried unanimously.

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

Manager Jesse Kennis advised that Inframark received one request for a payment plan in connection with a past due water bill.

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

President Chet Palesko reported that the PUA is trying to schedule an impact fee meeting.

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

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

Mr. Ferguson understands that the irrigation control wiring project is functioning.

Mr. Ferguson reported on the mapping of the irrigation fields. They met with the surveyor on site to review the markers, valves and sprinkler layout to establish the basis and scope of the requested surveying location services. The surveyor is waiting on the eastern most parts across Senna Hills Drive to be walked and staked to facilitate the surveying. Mr. Ferguson stated that this map will be a good product to have for the District.

As previously stated, the electrical sub-meter installation for Rip Miller's buildings is complete. Mr. Ferguson stated that it might be helpful to have a list of the meter reads. Merrigan Electric is still waiting to initiate an informal conversation with a City inspector regarding the open permits to see what actions may be necessary to resolve this through Austin Energy.

Mr. Ferguson confirmed that no permit applications relating to SHL have been filed yet.

Lisa McKenzie reported that a resident that backs up to the effluent pond inquired about what happened to the fountains, which the District removed a few months ago. The homeowner was concerned about the pond potentially being a mosquito breeding ground without the fountains. After discussion, Mrs. McKenzie would like to consider new fountains once the pond liner has been replaced. The Board agreed that it would make the pond look better. Mr. Ferguson added that it does have effluent quality benefits as well.

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.

15. AMENDED INFORMATION FORM

Attorney Bill Flickinger discussed the revisions to the Amended Information Form in connection with the lowering of the tax rate. Mr. Flickinger also reported that the Notice to Purchaser was revised to include the new law pertaining to annexations. David I. Perl asked if the Notice to Purchaser is included in the closing documents when someone purchases a home in the District. Mr. Flickinger advised it is. The form will be signed by the Board, with the exception of Joe Szoo since he had to leave the meeting early. President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by David I. Perl to adopt the Amended Information Form as presented. The motion carried unanimously.

17. ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES, CHARGES AND TAP FEES, AND ADOPTING GENERAL POLICIES AND RULES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS

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

Items 17 and 18 were discussed together.

Due to the lengthy board meeting, Attorney Bill Flickinger recommended a committee meeting to discuss the changes to the rate order and board policy. Then, if appropriate, a special board meeting can be called if the Board wishes to meet prior to the next regularly scheduled meeting.

19. ELECTRONIC METERS

This item was discussed above.

20. BILLING ADJUSTMENTS

This item was not discussed.

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

This item was not discussed.

22. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: October 30th, November 20th and December 18th.

23. INFRAMARK CONTRACT

The committee of Lisa McKenzie and David I. Perl summarized the proposed amendment to the Inframark contract. The contract has not been changed since it was signed in 2012. The committee is working with Inframark on what will be included in the base fee and what will be submitted as work orders. Mrs. McKenzie wanted to give a heads up that the base fee will probably be increased. President Chet Palesko is concerned with the overall costs. The amendment is not yet ready for consideration by the full board.

24. 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.

25. ADMINISTRATION OF CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; ADDITIONAL AMENDMENT TO THE CONTRACT; 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

Attorney Bill Flickinger stated there has been little activity in regard to SHL.

Manager Jesse Kennis reported that they read the new electric meter for Rip's buildings near the WWTP on a daily basis and will prepare a spreadsheet to send to Bookkeeper Allen Douthitt.

26. ADJOURN

President Chet Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]