

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 October 30, 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  
Corey Newhouse – Assistant Secretary

thus constituting a quorum. Director Joe Szoo was absent.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson of Murfee Engineering, Jesse Kennis of Inframark, Allen Douthitt of Bott & Douthitt, PLLC, and residents Brian Klaas and John Chamblee.

3. CITIZEN COMMENTS

No citizens commented under this section.

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 September 25, 2020 meeting as presented. The motion carried unanimously.

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

Manager Jesse Kennis advised that there are no payment plans to present or disconnections for past due water bills.

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

President Chet Palesko reported that the PUA had an impact fee meeting. The PUA will conduct a rate study soon. At the meeting, President Palesko stated that the owners of the commercial properties feel they are being treated unfairly. After the rate study, President Palesko is not sure what the impact fee will be.

\*\*President Chet Palesko moved to Item No. 9 at this time.\*\*

9. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS; ISSUES WITH THE HOA AMENITY CENTER DRAINAGE FACILITIES

Manager Jesse Kennis reported on the status of the HOA amenity center drainage facilities' investigation. There is a blockage in the stormwater pipe between the inlet and splitter box. The blockage is inside the fence around the pools, under the lawn area in the vicinity of the baby pool. The access hatches to the basins were opened and both the sedimentation and filtration basins are in pristine condition. The splitter box does not appear to be functioning correctly. It was not constructed as designed but has the connections from the splitter box into the filtration and sedimentation basins up too high. The cinder block walls around the basins are likely structurally unsound if the basins were to fill with water as designed. One wall of the basin area is shared with the room that houses the pool's chlorine storage and mechanicals. The splitter box has since been covered back up. The stormwater pipe and sand filtration pipes should be repaired.

John Chamblee asked who was responsible for this installation in the first place. Engineer Robert Ferguson stated that he is unsure who all the parties were that were involved with this construction. There was discussion of making a request to the City for the completion documentation related to the construction. Mr. Ferguson stated that a City engineer would have had to sign off on the final inspection. Resident Brian Klaas asked if there was a way to determine if the change in design of the splitter box was done purposefully or by accident. Mr. Ferguson stated that it would have had to go through a site plan change at the City, which appears was not the case, and that this construction may have been done with purposeful intent.

John Chamblee asked what the HOA needs to do next to address the situation. There was discussion as to how to get around the non-functioning filtration system until other alternatives can be investigated. Mr. Ferguson stated that this can be done through the City and County, although this will not be an easy path. It would be a good idea for the HOA to hire an engineer to evaluate the situation and have options to consider for the sedimentation and filtration for the site. The HOA will also need to authorize the MUD to excavate the stormwater pipe to clear it. Manager Jesse Kennis advised that the cost estimate for that work is approximately \$7,500. There was

discussion of this being the HOA's responsibility as it is on HOA property. This is of a concern to the District due to the possible MS4 violations. Mr. Chamblee asked if the District's Engineer could represent both the District and the HOA on this matter. Mr. Ferguson advised that his firm could represent both, but that the District will need to consent to that representation. David I. Perl stated that Attorney Bill Flickinger should discuss this situation with the HOA's attorney. Mr. Kennis stated that he would prepare a scope of work and cost estimate to fix the clogged pipe. Lisa McKenzie asked about opening the stormwater pipe where it is partially clogged, and after doing so, whether any of the water that comes off the playground and parking lot would go into the structurally unsound structure under the swimming pool deck. She was advised it would not because of the splitter box's construction.

After further discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to consent to Engineer Robert Ferguson's working with the HOA on the amenity center drainage project. The motion carried unanimously.

#### 7. 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 reported on the mapping of the irrigation fields. They are preparing the base drawing to overlay the surveyed irrigation data points. Mr. Ferguson is working with Manager Jesse Kennis on the field verification of the valve and head locations. They will get started on this project going into the next month.

Mr. Ferguson has not had further discussion with Merrigan Electric on what actions might be necessary to resolve any permitting issues with Austin Energy. Mr. Ferguson asked how the Board would like to proceed. President Chet Palesko advised that this matter does not need to be pursued right now. There was discussion as to whether or not Rip Miller is being billed for the electricity used in at his garages. President Palesko asked Manager Jesse Kennis why that new sub-meter is being read daily. Mr. Kennis advised that the action is on a daily checklist and there is no problem with doing it, as they are out there anyway. Bookkeeper Allen Douthitt indicated that an invoice was prepared yesterday and will be sent out. The electric usage for last month was \$40 and this month is \$75.

Mr. Ferguson reported on the efforts to compile the information for the pond liner replacement. He believes it would be a good idea to have a Board committee appointed to help work through the details. After discussion, President Chet Palesko appointed himself and David I. Perl to serve on that committee. Manager Jesse Kennis will work on this project as well. Lisa McKenzie recalled a prior conversation that the pond might have a larger capacity than needed and that the District might decrease the pond's capacity when replacing the liner. Mr. Ferguson does not believe there is any excess capacity. Mrs. McKenzie recalled a prior discussion that the pond capacity did not have to be 100 days' storage. Mr. Ferguson replied that the storage requirements may be something to look at during the Permit amendment to make sure the District has an adequate storage capacity.

In connection with the SHL site plan application submitted to the City for review, Mr. Ferguson reviewed the plans and generated a draft letter to the committee for comments.

8. 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.

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

Bookkeeper Allen Douthitt discussed the financials, invoices and fund transfers with the Board. Yesterday's per diems for the special board meeting will be included in today's approval. Corey Newhouse pointed out that the District sold less water recently. Mr. Douthitt confirmed that statement, however the budget is good and has a favorable variance. Mr. Douthitt stated that the District's investment income for the year came in below plan. At the time the budget was done, interest rates applicable to the District's reserves were approaching 2% and now they are 0.2%. It appears that it will be this way for the next two years. It is possible that negative rates will occur. President Chet Palesko asked if all the investment income was from the Logic account. Mr. Douthitt confirmed it was. There was discussion of what the District might do, if the Logic interest rate ever went negative. Mr. Douthitt discussed the account and that the District's funds are collateralized, so that they can all be held at a single institution. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve the financials and payment of the invoices and per diems and authorize three fund transfers. The motion carried unanimously.

11. 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. 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 83% capacity. Mr. Kennis reported that the replacement influent flow meter installation is scheduled for November 5<sup>th</sup>. Mr. Kennis stated that there was a call on the Blower #1 at the plant. He will have details on that at the next meeting.

Mr. Kennis is working with Kubota on the drum screens, reducing the amount of liquid in the material that is screened out. The process is much cleaner now and all issues appear to be resolved.

In connection with the HOA amenity center drainage issues, Mr. Kennis stated that the District will need to dial in to identify which areas are being irrigated with potable water vs. effluent water.

Mr. Kennis reported that a thermal sensor malfunctioned at Lift Station #3.

Mr. Kennis reported on the District's 21% water gain for September. Inframark is reviewing the billing reports to verify their accuracy. Something definitely is amiss.

Mr. Kennis reported on the status of the electronic meter installation. As of October 23<sup>rd</sup>, 91 electronic meters were installed. Mr. Kennis will obtain a cost estimate for the remaining 175 electronic meters and bring it back to next month's board meeting. President Chet Palesko reminded Mr. Kennis that the District has a price deal on the meters for one year, so this purchase should be made promptly.

Inframark is looking into the billing for the tree root removal at a residence back in July. It is possible that the homeowner should have been billed for that work.

Lisa McKenzie discussed the response from a homeowner that received a letter regarding dumping on District property near the Lemon Mint Park. The homeowner clearly misunderstood the District's request to clean up his yard waste in the park. The homeowner cleaned much more than 6' feet behind his property line and hauled the waste into his backyard. The homeowner provided a calculation as to what he thought his share of yard waste was and what was the District's. Now he wants the District to haul off the remaining yard waste that he pulled into his yard from the park. The homeowner identified trees in the Lemon Mint Park that he felt should be removed, as well as a bug infestation in one of the trees. It was noted that there is a board policy that the undeveloped areas where the District does not irrigate are not maintained. David I. Perl asked Manager Jesse Kennis to look at the infestation and report back with the findings. President Chet Palesko agreed. After discussion, Manager Jesse Kennis will go and talk to the homeowner in person and advise that he is responsible for removal of the yard waste in his yard.

Mr. Kennis also mentioned that he did submit the TML insurance claim for repair of the lightning damage to lift station #1 but has not yet received a response.

12. 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

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

Items 12 and 13 were discussed together.

Attorney Bill Flickinger discussed the draft rate order and Board policy. These items were discussed in detail at yesterday's special board meeting. Mr. Flickinger advised the Board that the rate order and policy can be revised at any time.

After discussion, motion was made by President Chet Palesko and seconded by Corey Newhouse to adopt the Rate Order and Board Policy on Maintenance of Greenbelt Area Owned by the District as presented. The motion carried unanimously.

14. ELECTRONIC METERS

President Chet Palesko stated at some point at the beginning of the year, the Board can discuss potential acquisition of the "smart" communication devices and software that can support the District's new meters, and who pays for what.

15. BILLING ADJUSTMENTS

This item was not discussed.

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

This item was not discussed.

17. RESOLUTION CONFIRMING ANNUAL REVIEW OF WRITTEN PROCEDURES FOR POST BOND ISSUANCE; FEDERAL TAX COMPLIANT

Attorney Bill Flickinger discussed the annual review of the post-issuance tax compliance procedures for tax-exempt bonds on arbitrage. Mr. Flickinger is not recommending any change to the procedures. President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Lisa McKenzie to adopt the Resolution as presented. The motion carried unanimously.

18. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: November 20<sup>th</sup>, December 18<sup>th</sup> and January 29, 2021.

19. INFRAMARK CONTRACT

Manager Jesse Kennis reported that Kristi Hester is working with legal counsel at Inframark on the contract amendment and will then get with Attorney Bill Flickinger to review.

20. 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.

21. 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

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 No. 21. The Board went into closed session at 8:36 a.m.

At 9:00 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.

22. ADJOURN

President Chet Palesko adjourned the meeting.

  
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Chet A. Palesko, President

ATTEST:

  
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Lisa S. McKenzie, Secretary

[SEAL]