

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 August 27, 2021 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 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, Kristi Hester of Inframark and Allen Douthitt of Bott & Douthitt.

3. PUBLIC COMMENTS

No public comments were made.

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 July 30, 2021 board meeting as presented. The motion carried unanimously.

5. BUDGET FOR FY 2021-2022

Bookkeeper Allen Douthitt discussed the draft budget with the Board. The District will need to adopt a lower tax rate to stay under the rollback amount this year. The draft budget was based on three scenarios. After review and discussion of the available tax rate calculations, the Board would like to go with the overall tax rate of \$0.4125.

6. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2021 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Attorney Bill Flickinger discussed setting the District's tax rate and providing for publication of same. There was discussion of moving the September meeting date to September 17th so that the entire Board could be in attendance. The Notice will indicate an O&M rate of \$0.1140 and a debt service rate of \$0.2985, with a total rate of \$0.4125. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Joe Szoo to adopt the Order Setting the District's Proposed Tax Rate for 2021 and Providing for Publication of Notice Thereof. The motion carried unanimously.

7. RESOLUTION REGARDING ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES

Attorney Bill Flickinger reported on the annual requirement to review the District's Investment Policy. There are no changes recommended at this time. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to adopt the Resolution Regarding Annual Review of the District's Investment Policy and Investment Strategies as presented. The motion carried unanimously.

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

President Chet Palesko reported that the PUA conducted a meeting on the impact fees. The PUA will be expanding due to the anticipated growth in the area.

9. LCRA COST-SHARING PROGRAM

President Chet Palesko reiterated that he received the check from the LCRA for the Cost Sharing Program. President Palesko advised that he will get together with Corey Newhouse to purchase the caps on the meter boxes.

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

- a. Proposal for emergency preparedness plan

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

Mr. Ferguson discussed the status of the mapping of the irrigation fields. They met with PIOS to test the irrigation zones east of Senna Hills Drive and had progress with pressurizing some

of the zones. However, it was noted that there are leaks. PIOS will provide a quote to locate and repair those leaks. There was discussion of irrigating in that area. Mr. Ferguson indicated there was very little irrigation going on in that area.

The liner replacement project will be bid in early spring. Lisa McKenzie had a resident inquire about the status of the project and hoped that fountains would be installed when the liner was replaced.

In regard to the SHL site plans, the City of Austin posted another master comment report on the plan update and are still processing the application. Still no news from TxDOT. David I. Perl would like the District to notify SHL/engineers if the District is not receiving information as it should. Mr. Ferguson will track that as best as he can.

Mr. Ferguson discussed the issue with the swimming pool construction at 10808 Gaillardia Drive (Lot 20) and the discovery of a storm pipe. Mr. Ferguson explained that Inframark received a call from a resident that was installing a swimming pool. The contractor hit what appeared to be a 12" storm pipe. Approximately 40' of line was dug up. After investigating, it was discovered that this storm pipe originates several homes uphill from 10808 and continues downhill several homes past 10808. There is a 10' PUE at the back of all those lots. It appears that some of the storm pipe is within the 10' PUE through other yards, but this section is through his backyard, outside of the PUE. Mr. Ferguson discussed the photos included in his report. This pipe appears to be professionally installed and has area inlets in several of the neighbors' yards. Downhill from 10808, there is a discharge point for which storm water flows into the pond at Milagro. There was discussion of the plat map and pool sketch. Mr. Ferguson discussed two solutions. Due to the pipe traversing multiple lots and discharging into the Milagro water quality pond, it would make sense for it to be a District responsibility. Corey Newhouse asked if there is a record of this storm pipe being installed. Mr. Ferguson noted that he has not been able to find any record on the Sections 7 and 8 construction plans. One of the original residents noted that during their closing, there was mention of a French drain. If the storm pipe would have remained in the 10' PUE, this would not be an issue. Attorney Bill Flickinger discussed the adjacent channel, which is a 30' drainage easement across the rear lots of adjoining homes on Milagro. As noted, this Gaillardia storm pipe was professionally installed. The District needs to operate and maintain it. It appears to be installed to keep stormwater flow out of the adjacent channel. Evidence shows that there is a significant amount of stormwater that flows through the Gaillardia backyards. There is washout under some of the fences and there may be issues with the channel as well. Mr. Newhouse discussed the location of the drainage channel, which is behind his and his neighbors' back fences. Mr. Flickinger advised that the District needs to figure out a way to get this fixed so that the resident can finish their pool installation. There was discussion of diverting the storm pipe to Lot 19/drainage channel. Mr. Ferguson discussed meeting with a MUD contractor on site to review the location of the storm pipe. Diversion seems to be viable. It appears the storm pipe was moved out of the PUE, into the yard during original construction to avoid a large oak tree. The contractor suggests bending the pipe, crossing over to the drainage channel and having a discharge into the channel and then capping the downslope side of the pipe. Then the pool construction can continue. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to authorize the committee (Chet Palesko and David I. Perl) to have the storm pipe issue fixed as soon as possible, for an amount not to exceed \$30,000. The motion carried unanimously.

President Chet Palesko moved to Item No. 21 at this time.

21. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC.; SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; MEDIATION OF DISPUTES RELATED TO THAT CONTRACT

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 8:14 a.m.

At 8:29 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.

Motion was made by President Chet Palesko and seconded by Joe Szoo to approve the Mediated Settlement Agreement as presented. The motion carried unanimously.

Motion was then made by David I. Perl and seconded by Corey Newhouse to authorize Engineer Robert Ferguson to proceed with the TCEQ permit amendment once the HOA approves the Mediated Settlement Agreement and the MUD receives the required deposit from SHL. The motion carried unanimously.

Joe Szoo left the meeting at this time.

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; ISSUES WITH THE HOA AMENITY CENTER DRAINAGE FACILITIES

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials, invoices, per diems and fund transfers with the Board. Mr. Douthitt discussed the District's budget, which looks good for both the month and year to date. After discussion, President Chet Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve the financials, payment of the invoices, per diems and authorize the two 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. Maintenance and trimming of trees and vegetation on District property; Oak tree limbs damaged in Lemon Mint Park; removal of vegetation on District property planted by homeowners without permission
- e. Leak detection investigation
- f. Cybersecurity
- g. Stormwater drainpipe at 10808 Gaillardia; pool construction

Manager Kristi Hester discussed the Executive Summary with the Board. The daily water usage graph has been included in the report.

Mrs. Hester reported on the wastewater treatment plant. There was 2.4 mg of wastewater treated for the month of July. The plant is running at 79% capacity. No compliance issues were noted for the month of July. Mrs. Hester reported on several repairs at the plant.

Mrs. Hester discussed the water accountability for July and that it has dropped back down again. There was a 28% water loss. A crew will go out and do night testing on non-irrigation nights, most likely a Sunday evening. Corey Newhouse asked if it could be the master meter reads. Mrs. Hester received those readings and they looked good. Mrs. Hester was thinking of getting a different meter calibration system to compare the readings. It is possible that the new electronic meter replacements could be the issue as well. There are a lot of factors to review. Since January, 1.8M gallons are unaccounted for each month. It is very possible it could be a huge leak. President Chet Palesko believes it to be a leak as well.

All the AMI meters were set. The next step will be to install the endpoints and new lids. There was discussion of the new meters being more accurate.

The water restrictions signs will be installed next week.

There was a power outage recently, which caused an overflow at lift station 3. The spill was about 500 gallons and will be reported to the TCEQ.

A full inspection of the District's facilities was conducted recently and Inframark has a good list of things that need to be done at the plant and lift stations. These housekeeping items will be completed by October.

15. ELECTRONIC METERS

This item was not discussed.

16. INSURANCE PROPOSALS WITH AJ GALLAGHER; NOTICE TO TML

Corey Newhouse discussed the annual premium comparison between TML and AJ Gallagher. However, he still has some questions for AJ Gallagher. Pending the answers to his questions, he recommends changing insurance carriers from TML to AJ Gallagher. Attorney Bill Flickinger discussed the coverage in connection with legal defense costs. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the AJ Gallagher proposal and give Notice to TML, pending confirmation by Corey Newhouse. The motion carried unanimously.

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 above under the Engineer's Report.

19. DATES FOR FUTURE BOARD MEETINGS; STATUS OF TEMPORARY RULES ALLOWING REMOTE BOARD MEETINGS – IN-PERSON BOARD MEETINGS REQUIRED BEGINNING SEPTEMBER 2021


The next several Board meeting dates are as follows: September 17th, October 29, 2021 and November 19th.

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.

22. ADJOURN

President Chet Palesko adjourned the meeting.



Chet Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]