

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 Municipal Utility District, open to the public, was held at 7:10 a.m. on April 29, 2022 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, pursuant to notice duly given in accordance with law.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

The Directors present were:

David I. Perl – Vice President
Lisa S. McKenzie – Secretary
Joe Szoo – Assistant Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. President Chet Palesko was absent.

Also present at the meeting were Bill Flickinger and Jeniffer Concienne of Willatt & Flickinger, PLLC, Anand Patel and Jason Baze of Murfee Engineering, Kay Olsen of Inframark and Allen Douthitt of Bott & Douthitt.

Hunter Hudson of Willatt & Flickinger, PLLC attended a portion of the meeting via Zoom and a portion of the meeting in person.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

Vice President David I. Perl entertained a motion for approval of the Minutes. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the Minutes of the March 25, 2022 board meeting. The motion carried unanimously.

5. PROCEDURES FOR HYBRID BOARD MEETINGS, IN-PERSON ATTENDANCE BY AT LEAST THREE (3) DIRECTORS, ACCESS BY MEMBERS OF THE PUBLIC, AND CONSULTANTS (WHEN NECESSARY), RECORDING OF MEETINGS AND POSTING OF RECORDING ON DISTRICT WEBSITE

Attorney Bill Flickinger discussed the procedures for a hybrid board meeting, in compliance with the rules prior to the pandemic. It is not permissible to do a completely Zoom meeting. This hybrid meeting requires three board members in the room and a recording of the meeting. The recording will be uploaded to the District's website. This will also allow the consultants to call in as necessary. Mr. Flickinger discussed his move to Michigan at the end of June. He will continue to work on the District's matters but will be primarily officing in Michigan. Mr. Flickinger will come back to Austin a few times a year, or if there are any emergencies. This process may allow the residents/citizens to participate in the monthly board meetings more easily.

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

This item was not discussed.

7. LCRA COST-SHARING PROGRAM

Manager Kay Olsen discussed the deadlines for submission of information to the LCRA in connection with the Cost-Sharing Program on the electronic meters. Ms. Olsen said the LCRA is being lenient due to supply issues.

8. ENGINEER'S REPORT ON SOME OR ALL OF THE AGENDA ITEMS
a. TCEQ permit amendment

Anand Patel discussed the engineer's report as included in the agenda package.

Mr. Patel updated the Board on the status of mapping the irrigation fields on the east and west sides. MEC prepared an exhibit showing what they know of the system based on the demonstrations performed in January. It shows the locations of the zones and what sprinkler heads are working. Mr. Patel will send the exhibit to Inframark for review. Mr. Patel followed up with the irrigation company and they will have a representative out to inspect the irrigation fields this weekend and install connectors where needed.

Mr. Patel reported that the TCEQ comments on the WWTP permit amendment application were addressed. The TCEQ reviewer had some additional requests and those are being addressed as well. MEC is working on the publication of the public notice which will be on May 4th in both English and Spanish as required.

Mr. Patel updated the Board on the pond liner replacement project. Bid advertisements were published on April 14th and 21st. The bid opening was postponed until May 5th due to the bidders having questions on silt, sludge, temporary storage of effluent, access and concerns with the boulders. There was discussion of the committee's reviewing the information and awarding

the project before the next board meeting or reviewing it, making a recommendation and then bringing it back to next board meeting for approval, which is only 15 days out. The consensus was for the committee to review the information and the Board can approve it at the May 20th board meeting. The lead time is anticipated to be about six weeks for the liner delivery. Mr. Patel passed around the sandy-colored liner swatch for review. The color looked different from what Vice President David I. Perl recalls. Mr. Patel will double check the color. Vice President Perl believes the agreed upon color was darker. Lisa McKenzie asked about the impact to the budget if the bid comes in higher than expected. Bookkeeper Allen Douthitt stated the budget can support an increase within reason. There was further discussion of temporary effluent storage during the liner replacement. Once the contract is awarded, the onsite activity should start around the last week of May, if not right after the May 20th board meeting. The committee would like to have a meeting with the affected homeowners around the pond. The decision on whether or not to install fountains in the pond once the liner is replaced has not yet been made

The District's Emergency Preparedness Plan was submitted to the TCEQ. The TCEQ has not reached out with any comments or requests. They have 90 days to review the plan. If no comments are received within 90 days, the plan is deemed approved. Lisa McKenzie discussed the plan being focused on water only and asked about a wastewater plan. Attorney Bill Flickinger stated that some Districts are voluntarily preparing a wastewater preparedness plan as well, however, it is not required.

Mr. Patel discussed the status of the SHL office site. The SHL engineer has been addressing the comments provided by the City. MEC has also provided comments that will be resolved when addressing the City's comments. The District sent a letter to the SHL engineer on contacting WTCPUA to determine the appropriate LUEs for the office site.

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

Anand Patel discussed the drainage issues at the amenity center. MEC had a site visit with the HOA on the issues. The stormwater is draining from the outfall near the lift station on Senna Hills Drive. The HOA wants to bring their system into compliance and MEC is reviewing the record drawings. There was discussion of the HOA's hiring MEC to work on this issue. The District will not pay for the solution but will provide information as needed. Engineer Jason Baze arrived and discussed the meeting with the HOA at the amenity center. The drainage facilities were apparently not built as designed and do not appear to be structurally sound. Going forward the facilities need to be in compliance.

11. 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 reported that the District is ahead of budget for the month. Inframark had a large maintenance bill this period which may have included past months' charges. The per diem for President Chet Palesko will be voided due to his absence. Lisa McKenzie discussed the cost from Inframark to pick up trash behind a resident's house, for which the District was billed \$660. That cost seems to be extreme. Manager Kay Olsen will review that charge but believes the cost is actually for more areas than just behind that one house. After discussion, Vice President David I. Perl entertained a motion. Motion was made by Joe Szoo and seconded by Corey Newhouse to approve the financials, payment of the invoices and per diems and authorize the three fund transfers as presented. The motion carried unanimously.

12. INCREASES IN APPRAISED VALUES OF PROPERTY IN THE DISTRICT; HOMESTEAD EXEMPTIONS; IMPACT OF INCREASED VALUES ON FUTURE DISTRICT TAX RATES

Vice President David I. Perl discussed the increase in the appraised values of property in the District. Individual residences are up about 80% this year. The District as a whole has increased about 20%. There was discussion of homes in the District not homesteaded and the number of homes that are leased in the District. Inframark has a record of 18 leased homes of which they are aware. There are few homes on the market in the District, which seems unusually low for this time of year. Attorney Bill Flickinger reminded the Board that the MUD taxes can only be increased up to 3.5%. There was discussion of the split between the combined total tax of M&O and debt. Mr. Flickinger advised that debt service is not included in the 3.5% increase cap.

13. DISTRICT MANAGER'S REPORT ON OPERATIONS

- a. Wastewater Treatment Plant
- b. Distribution System – Billing
- c. Collection System
- d. Drainage/Ponds
- e. Customer Requests
- f. Landscape Maintenance Contracts; Additional landscaping services
- g. Inspections of HOA effluent irrigation system
- h. Pool construction at 10621 Strawflower
- i. Utilimatics, LLC discussion on pressure & flow monitoring

Manager Kay Olsen discussed the Executive Summary with the Board.

Ms. Olsen reported on the wastewater treatment plant. There was 2.38 MG of wastewater treated for the month of March. The plant is running at 77% capacity.

Ms. Olsen reported that the SCADA system needs a software update. She is recommending a one-year renewal. There was also discussion of a blown transformer fuse at the WWTP. Austin Energy lost power which caused the panel to go from three phase to a single phase, which blew a

fuse. The fuse was replaced immediately, and Wastewater Transport Systems pumped down the wet well to prevent an overflow. After discussion, Lisa McKenzie asked that all related costs be totaled up and brought back to the next board meeting for discussion. The District might want to consider submitting an insurance claim for this loss.

In connection with the Distribution System & Billings, the District's water accountability was 100.9% for March. There was discussion of calibrating the meters. The PRV letter was updated and inserted into the April water bills. The updated grinder station letters also went out. Ms. Olsen discussed a billing issue with the customer deposits that was discovered when Lisa McKenzie inquired about the rental units in the District. Some tenants were undercharged on their deposits. The deposit should have been \$400, but only \$200 was collected. Inframark will go back to those tenants to collect the additional \$200. Inframark will not be able to collect on one tenant account due to the tenant completing the old Customer Service Agreement where the deposit was set at \$200. This misstep was due to a billing system error.

Ms. Olsen discussed the access point that leads to the WWTP and fields. She has an estimate for placing boulders next to the gate so that people cannot drive around the gate. Several months ago, President Chet Palesko mentioned that he has some large boulders that Inframark could use. Lisa McKenzie discussed the fact that the HOA will soon own that land. Before any money is spent on this matter, Ms. Olsen will check the signage in that area, verifying that No Trespassing signs are posted. Vice President Perl does not feel that spending money on this is appropriate.

Ms. Olsen will provide a credit memo of \$2,156.50 to the District for the Lone Star Paving invoice due to the invoice not being approved by the Board prior to the NTP. The Board thanked Ms. Olsen for the credit.

Brightview provided the HOA effluent irrigation inspection report as required.

The committee is finalizing the scope of work for the Utilimatics contract and will then be sending to Attorney Bill Flickinger for review. Motion was made by Joe Szoo and seconded by Corey Newhouse to authorize Attorney Bill Flickinger to review the contract when presented. The motion carried unanimously.

14. STORMWATER ISSUES ON RIVINA

Lisa McKenzie discussed the drainage issues on Rivina. A homeowner contacted her to see if the District could help him with a long-standing drainage issue in his backyard. He gets rainwater from his uphill neighbors. He asked if the District would be concerned with erosion around the stormwater pipe if his neighbor redirected the stormwater to exit into the field instead of in his yard. MEC went out and looked at the area. It appears that the lot grade is probably causing the issue. The owner discussed building a small wall to cause the water to stop flowing onto his property and to be directed toward the pond. Engineer Jason Baze indicated that anything that is built there would be in the District's wastewater line easement, which is not a good idea. After Mr. Baze's review, this situation is not something the District needs to fix, as the District's facilities are working as designed. After discussion, Attorney Bill Flickinger discussed the

associated costs to the owner, easements and the need for the District to maintain the facility if the owner wants to install a diversion. The District is open to helping him fix the drainage issue, but the homeowner will need to pay for it. The District will need an agreement with the homeowner to do this. Mrs. McKenzie will contact the homeowner on the discussion.

15. ELECTRONIC METERS

The endpoints have been delivered and are in the storage unit. Lisa McKenzie asked when the new meter lids would be received. Manager Kay Olsen reported that Jeff Watson at Badger indicated it may take up to 4 months. Ms. Olsen will check to see if the meter lids can be ordered from somewhere else.

16. BILLING ADJUSTMENTS

This item was not discussed.

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

Attorney Bill Flickinger reported that the committee of Joe Szoo and Corey Newhouse were reviewing the information to enforce the Effluent Disposal Contract, but in the meantime, the District received an inspection report on the HOA's irrigation system. The committee will continue to monitor this and if the reports are not received timely, the committee will proceed with enforcing the contract with the HOA.

18. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: May 20th, June 24th and July 29th.

19. 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.

20. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC.; SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; IMPLEMENTATION OF MEDIATED SETTLEMENT AGREEMENT; APPLICATION TO AMEND PERMIT

Attorney Bill Flickinger reported that the conveyance of lots to the HOA is moving forward. The HOA's attorney would like to get an updated environmental assessment done on the property before title passes to the HOA.

21. ADJOURN

Vice President David I. Perl adjourned the meeting.



Chet Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]