

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 May 20, 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:

Chet A. Palesko – President
David I. Perl – Vice President
Lisa S. McKenzie – Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. Assistant Secretary Joe Szoo was absent.

Also present at the meeting were Bill Flickinger, Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson and Anand Patel of Murfee Engineering, Kay Olsen and Makenzi Scales 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 April 29, 2022 board meeting. The motion carried unanimously.

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

President Chet Palesko reported that there is an update from the PUA on the LUE calculations for the SHL site. We will holdoff on that discussion until later on in the meeting.

The Board discussed the recent PUA watering restrictions. Lisa McKenzie stated that this already matches the District's permanent watering schedule. Mrs. McKenzie had the HOA send out an email blast to all residents. President Palesko noted that the residents need to be aware that this is actually a MUD rule, not an HOA rule. President Palesko asked if the District was at a point where they need to enforce the water restrictions. David I. Perl does not believe so.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko advised that there is nothing new to report on for the Cost-Sharing Program. However, the District is coming up on one-year since the grant was awarded. The LCRA will need a status report on the project. They will probably have to provide an extension for completion of the project due to the delays on product availability.

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

- a. TCEQ permit amendment
- b. Effluent Pond Liner Replacement

Engineer Robert Ferguson discussed the engineer's report as included in the agenda package.

Mr. Ferguson reported that Anand Patel has been working on mapping the irrigation fields. PIOS has been hard to get a hold of. There are some issues with signal wires. PIOS will come back out and look at the connectors. David I. Perl noted that this project is dragging, and Mr. Ferguson agreed.

Mr. Ferguson reported that the notice of receipt of the WWTP permit amendment application was published in the Austin American-Statesman. He is not aware of any responses or comments to the notice from residents. President Chet Palesko stated that he received a notice of the application. The residents closest to the plant will receive a notice. Mr. Ferguson noted that his office is addressing technical inquiries from the TCEQ reviewer. The Affidavits of Publication have been sent to SHL since it is still co-permittee so that it can track the progress of the permit amendment application. The process is going as expected. Lisa McKenzie asked about the process. Makenzi Scales advised that the TCEQ is behind at this time, so it might take a bit of time to get all the way through the TCEQ. Timing has no immediate impact to the District.

Mr. Ferguson discussed the Emergency Preparedness Plan which was filed with the TCEQ. There have been no comments or requests for information by the TCEQ.

In regard to the HOA amenity center drainage issues, Anand Patel and Jason Baze have talked to the HOA Board members and gone over the information. Attorney Bill Flickinger advised that his office received a call from an engineer from a stormwater company working with the HOA. Mr. Flickinger reported that he was unable to return the call due to it being made from Puerto Rico and the call would not connect. The engineer has not called again. If so, Mr. Flickinger will provide contact information for Robert Ferguson.

Mr. Ferguson discussed the pond liner replacement project. Only one bid was received and was in the total amount of \$1.9M. As the Board is aware, it budgeted \$1M for the project. Murfee Engineering met with the committee to discuss in detail. Mr. Ferguson discussed the residue in the bottom of the pond and the cost to remove/haul it off. That portion of the bid came in at \$384,000. If the residue can be disposed of from a land application basis, the contractor will knock off \$50,000 from the disposal costs. Mr. Ferguson has asked Inframark to draw the pond down so samples can be taken. Once the results come in, they will come back to the Board with the details. President Chet Palesko would like to get the bid down as much as possible. The bid refers to the residue as sludge, which it is not. This project will probably be delayed for a year. President Palesko feels that the District can do a better job of describing the project and all the details and would like to see multiple bids. The District will continue to patch the liner as needed. Mr. Ferguson discussed another reason for the high cost was the boulders and concerns over the access to the pond. One contractor did not bid the contract due to those issues. President Palesko discussed making the project more attractive to attract additional bidders. Maybe the District needs to spend some money ahead of time for a roadway into the area. The District needs to be better prepared before the project is rebid. Corey Newhouse went back to the issue of the boulders and the costs associated with better access to the pond. Mr. Ferguson discussed the possibility of rebidding the project again later this year, if some accommodations can be made with the boulders. President Palesko noted that in the committee meeting, if the current bid can come down to around \$1.5M, the Board can consider it. Mr. Perl noted all the fill around the outside of boulders that cannot be rolled back to provide additional access. There was discussion of manual trenching inside the boulders and different ways to anchor the liner. The old liner will not be removed, as the new liner will go on top of it. After discussion, the Board decided to wait for the results of the residue testing, and then decide if the District should rebid this year or next. Lisa McKenzie and Bookkeeper Allen Douthitt discussed the District's reserves and continuing repairs to the current liner.

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.

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

This item was not discussed.

10. 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 trending in the right direction. Mr. Douthitt also discussed the number of homesteads in the District in regard to tax value as requested by David I. Perl. Last year, it was 360, so there are about 44 residences that are not homesteaded. There was discussion if this number of properties without a homestead exemption could raise the

taxable value of the District by 20%. There are different factors that cause a residence to not be homesteaded. President Chet Palesko discussed that the District can collect taxes up to 3.5% more than last year without a rollback election. Mr. Douthitt stated the District can collect on the average homestead tax value, not the total taxable value within the District. Attorney Bill Flickinger noted that the commercial property is not included in that calculation. Mr. Flickinger advised that the calculation is based on a formula and in fact once the tax rate is set, the District may generate more money overall.

Mr. Douthitt reported that Joe Szoo's per diem will be voided due to his absence.

After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the invoices and per diems and authorize the fund transfers as presented. The motion carried unanimously.

David I. Perl asked for a projection on taxes for the next board meeting.

11. 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; Agreement with Utilimatics, LLC
- j. Watering Restrictions; Recent notice from WTCPUA

Manager Kay Olsen re-introduced Makenzi Scales to the Board. Going forward, they will be doubling up as account managers at the Board meetings.

Ms. Olsen presented an organizational chart for Inframark. Inframark will be hiring a Senior Account Manager in the near future. There was discussion of the representatives located in Austin. President Chet Palesko would like to meet with Mark Yentzen, the Client Services Director, regarding expectations and why the District should continue with Inframark as the District's Manager. Mr. Palesko would like to see Inframark be more timely and accurate. This concern goes back for some time, not just since Kristi Hester left.

Ms. Olsen presented a Standard Operation Procedures she had written for commercial tenants.

President Palesko discussed the smart meter project. This is a significant project and will be a big topic to discuss with Mark Yentzen. President Palesko wants to be sure we get ahead on this project and are not sitting with all this equipment and data and not prepared for it. Ms. Olsen reported that Missy Roberts with Inframark will continue to handle the metering conversion

project. Missy is very good and consistent. Lisa McKenzie noted that Missy is the bomb! Makenzi Scales reported that she has done 600 change outs this year and has about 1,200 more to go. The system is working well.

Ms. Olsen discussed the Executive Summary with the Board.

Ms. Olsen reported on the wastewater treatment plant. There was 2.36 MG of wastewater treated for the month of April. The plant is running at 79% capacity.

Lisa McKenzie has a hard stop for the meeting, so President Palesko moved to Item No. 18.

Lisa McKenzie appreciated the map that Ms. Olsen provided on Inframark's cleanup of the District.

Ms. Olsen discussed the costs of the blown transformer fuse due to Austin Energy's loss of power. There are a few more costs they still need to get but Inframark's charge was \$990. The District's deductible is \$7,500. So, it looks like an insurance claim will not be made.

The water accountability looks good for April.

Ms. Olsen followed up on the grinder pump station process. There are 34 grinder pumps in the District. The annual grinder pump letter recently went out to the residents. President Palesko discussed the grinder pump procedures. The issue he has is the current process generated a \$750 bill for an hour worth of work. President Palesko would like to find a way to be more efficient. There was discussion of Inframark's charges and outsourcing to HydroSource. Makenzi Scales indicated that the residents could be allowed to hire their own contractor to make the repairs. If that is the case, the District would need to set up a policy on this matter. The District could have an approved vendor list. Attorney Bill Flickinger discussed having a certified vendor list. David I. Perl discussed a mark-up fee vs. a base fee in the Inframark contract. Ms. Olsen stated that Inframark confirmed that President Palesko did not pay a 15% markup. Ms. Olsen will forward the backup to President Palesko. After discussion, if a new policy is approved, the District's Rate Order will need to be amended. This item will be placed on the next agenda for further discussion.

The current PUA watering restrictions were provided in the billing inserts.

David I. Perl asked when the effluent pond will start being drawn down. Ms. Olsen stated that they will start now. The residents around the pond will be notified of the process.

The endpoints for the electronic meters are all here. Most of the District already has the appropriate lids needed for the endpoints. The remainder of the lids should arrive in July. President Palesko asked about the schedule for the two large meters. Ms. Olsen indicated that those should be shipped in June. President Palesko really wants those two meters in use as soon as possible, as that will be a good tool if there is water loss.

In regard to the Utilimatics contract, President Palesko and Corey Newhouse will review the contract. After their review, it will go to legal for review. Utilimatics will install pressure

monitoring devices. Once a contract is signed, the District can provide a map of its assets and then they can review flow and can detect differences in pressure. It should make it easier to localize where a leak may be.

Attorney Bill Flickinger discussed the need to get monthly irrigation reports from the HOA. He asked that Inframark set up a protocol to request the reports if not received. Joe Szoo and Corey Newhouse are the committee to enforce the Effluent Disposal Contract with the HOA and those reports are needed on a timely basis.

12. STORMWATER ISSUES ON RIVINA

This item was not discussed.

13. ELECTRONIC METERS

This item was discussed in the Manager's Report above.

14. BILLING ADJUSTMENTS

This item was not discussed.

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

This item was discussed in the Engineer's Report above.

16. DATES FOR FUTURE BOARD MEETINGS

The next several Board meeting dates are as follows: June 22th, July 29th and August 26th.

Bookkeeper Allen Douthitt mentioned that we might have the certified values at the July board meeting and could set the tax rate in August and not worry about it in September.

17. REPORT FROM MR. RIP MILLER ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

Attorney Bill Flickinger reported that the PUA reviewed the LUE requirements. The PUA indicated that SHL will need 17 LUEs instead of the 60 LUEs that the District calculated using the formula published in the PUA's Rate Tariff. President Chet Palesko discussed the PUA tariff and calculations. This is a pass through for the District. Lisa McKenzie asked if the PUA determination changes anything with the District's plant capacity. Engineer Robert Ferguson advised that it does not.

In regard to the HOA's request to have the Phase 1 environmental assessments updated, the initial SHL response was not right now. Mr. Flickinger advised the SHL attorney that the lots are being transferred at this time, so the Contract provides for the assessments to be updated at this time. SHL will now do the assessments.

Mr. Flickinger advised that all SHL reimbursements have been paid current.

Engineer Robert Ferguson stated that they received documentation of the established vested rights for SHL. Lisa McKenzie asked if that information can be shared with Matt Moore. SHL was grandfathered back to 1985, when the land was platted. There was discussion of the site being disturbed. Mr. Flickinger noted that this is a City of Austin decision. Allen Douthitt advised that the District will need to confirm the LUE fee when service is actually needed.

President Palesko went back to Item 11.

18. 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

19. ADJOURN

President Chet Palesko adjourned the meeting.



David I. Perl, VP

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]