

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 July 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:

Chet A. Palesko - President
David I. Perl – Vice President
Lisa S. McKenzie – Secretary

thus constituting a quorum. Assistant Secretary Corey Newhouse was absent.

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

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC and Assistant Secretary Joe Szoo.

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 June 22, 2022 board meeting as revised. The motion carried unanimously.

5. GOVERNOR'S DECLARATION OF DISASTER DATED JULY 8, 2022 DUE TO DROUGHT

Attorney Bill Flickinger discussed the Governor's declaration of disaster due to the drought conditions. Mr. Flickinger advised that the District should track its costs related to the drought, if any, for possible reimbursement from state funds.

6. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

President Chet Palesko opened the public hearing on the Drought Contingency Plan. Hearing no comments, the public hearing was closed.

7. AMENDED DROUGHT CONTINGENCY PLAN

Attorney Bill Flickinger discussed the changes to the District's Drought Contingency Plan to match the WTCPUA's plan. There was discussion regarding enforcement of the watering restrictions, related to filling swimming pools. Any exceptions will need to come before the Board for consideration. The process for enforcement will include a report of the violation, drive through inspections by Inframark and then a warning letter. There was also discussion of monitoring the watering through the EyeOnWater system. Inframark could provide weekly reports and then issue warning letters for the first violation. After further discussion, President Chet Palesko asked Inframark to begin drive-through inspections beginning on Sunday morning. Inframark will also be posting the new watering schedule signs at the entrance into the District. Lisa McKenzie will arrange for another TownSquare notice to be sent out. President Palesko indicated that he wants access to the water use information so that he can review watering data and to provide information for the Cost-Sharing Program with the LCRA. Manager Makenzi Scales advised that she would set this up. President Palesko entertained a motion. Lisa McKenzie had several typos to correct in the Drought Contingency Plan. Motion was made by Joe Szoo and seconded by Lisa McKenzie to adopt the Amended Drought Contingency Plan as discussed. The motion carried unanimously.

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

It was reported that the WTCPUA cancelled its special board meeting that was recently scheduled. The agenda indicated that the WTCPUA wanted to discuss enforcement for watering restrictions on its wholesale customers.

9. LCRA COST-SHARING PROGRAM

President Chet Palesko stated that he needs to provide a report to the LCRA at some point on the District's status of the installation of electronic meters. At this time, half of the District is up and running on electronic meters. David I. Perl asked when the project will be completely finished. Manager Makenzi Scales reported that the equipment is coming in partial shipments. Mrs. Scales will check with Missy Roberts on the anticipated completion date.

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

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

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

Mr. Patel advised that he does not have an update on the mapping of the irrigation fields. Efrain from PIOS was scheduled to visit the fields on July 25th, but that may have been postponed as he did not receive any information on the visit.

In connection with the wastewater treatment plant permit amendment application, a draft was received from the TCEQ on July 25th. Murfee Engineering had a meeting with the committee to discuss the permit. Comments were received by the parties and sent back to the TCEQ. The TCEQ accepted the comments as submitted but requested a new exhibit to see the area more clearly on the map. The new exhibit was submitted as requested. Lisa McKenzie had further comments on the permit. SHL did not submit any comments for consideration. The next step is another published notice and opportunity for comments. There was discussion of the SHL costs related to the permit. After the permit is issued, and the pressurized lines are removed from underneath the largest garage, Rip Miller will be removed from the permit. Engineer Jason Baze has a list of costs related to the permit and is working through them.

Mr. Patel reiterated that they are working with Inframark on getting the pond level low enough to determine the pond residue quantity. Manager Makenzi Scales reported that this is taking longer than expected. Mrs. Scales also reported that door tags were hung regarding the pond work and Inframark did not receive any responses from the neighboring residents. President Chet Palesko stated that he would like to see this project progress before the rain starts.

The 90-day review period ended as of June 1st for TCEQ comments on the Emergency Preparedness Plan. No comments were received. David I. Perl asked if the plan is approved at this time. Manager Kay Olsen noted that the TCEQ meets on a quarterly basis and reviews the plans in batches.

Mr. Patel discussed the status of the SHL site plans and development activity, which is a slow process.

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 HOA AMENITY CENTER DRAINAGE FACILITIES

Engineer Jason Baze reported on the merits of the HOA's water quality pond, what alternative solutions would be available and whether it would be compliant with TCEQ. This item will be discussed further in Executive Session.

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

Bookkeeper Allen Douthitt discussed the financials, invoices, per diems and fund transfer with the Board. The District's budget shows savings across the board. Mr. Douthitt discussed the proposed budget for discussion at next month's meeting. Per the District's financial advisor, the debt service rate will be decreased. Lisa McKenzie stated that since the District does not have any further bonds, there is no need to have a higher rate than needed. This topic will be discussed further at next month's meeting on what is recommended versus what is required in the bond documentation. Mr. Douthitt provided an analysis on all costs incurred on the electronic meters for the LCRA Cost-Sharing Program. President Chet Palesko thanked him for that information. The LCRA is aware of the supply issues for the electronic meters. President Palesko will provide a status report on the project to the LCRA. There was discussion of the rollback rate. There are approximately 56 homes that are not homesteaded in the District. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve payment of the invoices, per diems and upcoming bond payments and authorize the fund transfer as presented. The motion carried unanimously.

14. 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 Straw Flower
- i. Utilimatics, LLC discussion on pressure & flow monitoring; Agreement with Utilimatics, LLC

Manager Makenzi Scales reported on the executive summary.

In regard to the wastewater treatment plant, Inframark received the invoices in connection with the blown transformer fuse due to the power loss caused by Austin Energy. She is working on getting those costs sent to them and will report back at the next board meeting. Purchase orders have been processed for a new bleach tank replacement and WWTP permeate pump. They are now awaiting shipment. Missy Roberts reported that the last of the lids for the meter boxes have been ordered and a ship date is scheduled for August. At that time, all the remaining lids will be installed.

Mrs. Scales reported that water accountability is 96.1% for May. The committee will work on the grinder pump procedures and will bring it back to the next board meeting. Due to the WTCPUA mandatory watering restrictions, new signs have been ordered and will be installed after consideration of the Drought Contingency Plan. There were 11 delinquent letters sent, 3 door tags hung and 3 disconnects.

There was discussion of the resident driveway extension on Gaillardia and the cleanup on Rivina. The owners of these residences were sent letters from District counsel regarding the issues. The owners on Rivina did not clean up the debris as instructed, and therefore Inframark arranged for the cleanup. Per the District's Rate Order, the owners will be charged \$664.86. It was also noted that the meter box at this residence is located within the owner's fence. There was discussion of installing a special meter or having the owners move the fence to make the meter readily accessible. The meter is actually in the PUE. This is the only house in the District that has the meter located within the fenced area. President Chet Palesko noted that the District must be allowed access to the meter at all times. This is not a District cost, rather an owner's cost. President Palesko noted that all rules should be enforced and both these issues need to be addressed. Mrs. Scales will arrange for a fence quote. The cleanup charge will be included on the owner's next water bill. After further discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to authorize District counsel to send a letter to the owners on Rivina regarding access to the water meter. The motion carried unanimously.

The HOA effluent irrigation inspections were included in the agenda package, which show that all HOA irrigation repairs have been completed, including the median repair where algae was growing in the street.

Mrs. Scales discussed the vault access for the two new large electronic meters the District has purchased. Some other Districts have built their own vaults for this type of equipment. Another option is to contact the WTCPUA for permission to install the equipment inside their existing vault. Attorney Bill Flickinger indicated that if the District's equipment will fit in the WTCPUA's vault, Inframark should ask them for permission. When this was first discussed, vault access was not mentioned due to the meters being strap-on devices. If the District needs its own vault, the cost will be substantial. Mrs. Scales will contact the WTCPUA and update the Board after that discussion. Lisa McKenzie stated that, ultimately, a vault will need to be built for Rip Miller's office building, so maybe at that time it can be a multiuse vault.

Mrs. Scales discussed a billing adjustment on Straw Flower. Three leaks were identified in the resident's irrigation system. The leak adjustment totals \$138.00. The repairs have been made and documentation has been submitted. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the leak adjustment as presented. The motion carried unanimously.

Lisa McKenzie discussed meter reads requested by residents and costs related to that action. The costs will need to be reviewed further and updated in the District Rate Order. It might be easier to charge the meter reads at cost instead of a certain charge. Once the grinder pump procedures are finalized, the Rate Order can be amended for both items.

There was further discussion on the HOA's irrigation. The HOA's watering has increased from 30,000 gallons last year to 104,000 gallons this year. That is a lot of watering. Lisa McKenzie will remind the HOA that irrigation at the amenity center uses potable water and must comply with the watering restrictions that apply to residents. Mrs. Scales will check to see if the tracking meter is electronic now.

Lisa McKenzie discussed various District matters. Inframark will check out the matters on Purslane and send a notification for silt fence if needed. There was discussion of the piping of the water/wastewater connections on the street-facing retaining wall for the pool/casita project on Straw Flower. This does not appear to be an acceptable installation. Inframark has not yet conducted a final inspection of the project and will send a notice to the owners. Lisa McKenzie reported on the dead tree at the Prickly Poppy lift station. The tree is located on the resident's side of the fence but is hanging over. The Board authorized Zane Furr to trim the limbs if he can do the work for less than \$300.00, and if not, to provide an estimate for the work. Lisa McKenzie reported on a tenant blocking one of the access gates to the Prickly Poppy lift station. There are a boat and a trailer parked in front of the gate. This area is in an easement. President Palesko believes this is an HOA issue. David I. Perl said that the HOA should be notified that the boat and trailer are blocking one of the gates to the lift station. Lisa McKenzie advised that she would notify the HOA and asked Inframark to be sure that the lock will open on that gate.

President Palesko briefly discussed the Utilimatics Agreement and asked District counsel to review it at this time.

15. DEMAND LETTERS TO OWNERS REGARDING DUMPING ON DISTRICT PROPERTY AND DRIVEWAY IMPROVEMENTS IMPACTING UTILITY OPERATIONS; CHARGES, FINES AND POSSIBLE LEGAL ACTION IN CONNECTION WITH SAME

This item was discussed in Executive Session.

16. RATE ORDER (grinder pumps)

This item is not yet ready for Board discussion.

17. ELECTRONIC METERS

This matter was discussed briefly under the Drought Contingency Plan and Manager's Report.

18. BILLING ADJUSTMENTS

This item was not discussed.

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

This item was discussed in the Engineer's Report.

20. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: August 26th, September 23rd and October 28th.

21. DIRECTORS ELECTION

- a. Order Calling Directors Election
- b. Election Agreement with Travis County
- c. Joint Election Agreement

Attorney Bill Flickinger discussed the Order Calling Directors Election and the agreements with Travis County. Motion was made by Lisa McKenzie and seconded by Joe Szoo to adopt the Order Calling Directors Election as presented. The motion carried unanimously. Motion was then made by Lisa McKenzie and seconded by Joe Szoo to approve the Election Agreement and Joint Election Agreement as presented. The motion carried unanimously.

22. 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.

23. 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

This item was discussed in the Engineer's Report.

** At this time, 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 Nos. 12 and 15. The Board went into closed session at 9:06 a.m.

At 9:50 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 Lisa McKenzie and seconded by David I. Perl to instruct Inframark to put together an estimate for the costs to relocate the meter box and sewer cleanout out of the

Gaillardia driveway, which would include removing the driveway as needed and restoring it when complete; the District would like to provide the resident 30 days to consider and respond to the estimate as provided by Inframark, which is an extension of the current 30-day deadline that was provided, and to notify the owner that there is not a traffic grade meter so that it is not feasible to leave the meter location as-is. The motion carried unanimously.

Manager Makenzi Scales stated that the quote will take about 10-15 days to prepare.

24. ADJOURN

President Chet Palesko adjourned the meeting.



Chet Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]