

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 August 26, 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 Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Anand Patel and Jason Baze of Murfee Engineering and Allen Douthitt of Bott & Douthitt.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC and Makenzi Scales of Inframark.

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 29, 2022 board meeting as presented. The motion carried unanimously.

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

Manager Makenzi Scales reported that she has contacted the PUA to inquire about the meter vaults located in the District. President Chet Palesko noted that it looks like there is enough room in the vaults for the District's two new large electronic meters. President Palesko believes the PUA will work with the District. The power requirements are currently under review.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko reiterated that he needs to prepare a report on the District's status of the electronic metering system to send to the LCRA in connection with the Cost-Sharing Program.

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

- a. TCEQ Permit amendment
- b. Approval of Site Plan for SHL Office
- c. Effluent Pond Liner Replacement

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

Mr. Patel reported that he did not have an update to the mapping of the irrigation fields since Efrain from PIOS did not visit the irrigation fields as scheduled.

In connection with the TCEQ permit amendment application, MEC is working on newspaper publication of the notice.

Mr. Patel stated that the pond level is now low enough to collect the sediment for testing. Horizon Environmental Services will conduct the tests next week.

As stated previously, the 90-day review period ended on June 1st for TCEQ comments on the Emergency Preparedness Plan. No comments were received.

Mr. Patel discussed the status of the SHL site plans and development activity. MEC responded to a new set of comments provided by the SHL engineer. MEC is conducting a lift station capacity analysis to check if the existing lift station capacity is appropriate for the office building's added flows. Mr. Patel presented a preliminary memo on same. Mr. Patel will work with Inframark on the actual flow data, after which the information can be sent to the SHL engineer. There was discussion of the possibility of needing to expand the wastewater treatment plant. If that is needed, SHL will need to pay for that per the contract. Mr. Patel also reported that storm water from SHL's office complex will flow to the detention pond across Senna Hills Drive from the development and fronting on Bee Cave Road. SHL will pay for any improvements needed to the detention pond. David I. Perl asked if there was any concern with the stormwater piping under Senna Hills Drive. Engineer Jason Baze mentioned there are some general notes on

that issue. Mr. Patel presented a draft copy of the letter to the SHL engineer on the plan review comments. Attorney Bill Flickinger noted that a more detailed discussion on all SHL matters will be in closed session as the end of the meeting.

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 HOA AMENITY CENTER DRAINAGE FACILITIES

Lisa McKenzie inquired about the due date for the annual reporting in connection with the MS4 permit. Manager Makenzi Scales believes it is toward the end of the year.

10. BUDGET FOR FY 2022-2023

Bookkeeper Allen Douthitt discussed the proposed budget with the Board and presented three scenarios for the tax rate. Mr. Douthitt reported on the debt service amount as provided by Financial Advisor Doug Whitt. There was discussion of lowering the debt service amount since the District will not be issuing new bonds. Mr. Douthitt discussed the reserve analysis. The budget will be brought back to the Board next month for approval.

11. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2022 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Attorney Bill Flickinger discussed publishing the maximum rate and then the Board can adopt a lower rate at the next meeting if the Board chooses to do so. The maximum tax rate will be \$0.3780, with a split of \$0.1280 for O&M and \$0.2500 for debt service. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by David I. Perl to adopt the Order Setting the District's Proposed Tax Rate for 2022 and Providing for Publication of Notice Thereof as presented with the above-stated rates. The motion carried unanimously.

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

Bookkeeper Allen Douthitt discussed the financials, invoices, per diems and two fund transfers with the Board. The District's budget looks good. Lisa McKenzie inquired about the high sewer service fees. Mr. Douthitt noted that it could be the new homeowners who do not have a winter average yet. Engineer Jason Baze noted that it could also be the drier winters, if homeowners irrigated during winter months. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve payment of the invoices, per diems and authorize the fund transfers as presented. The motion carried unanimously.

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

Manager Makenzi Scales reported on the executive summary.

Mrs. Scales reported that all facilities are in compliance for July. 2.47 million gallons of wastewater was treated, with an average daily flow of 82,433 gallons. The plant is running at 82% capacity. Mrs. Scales does not have an update on the blown transformer fuse caused by Austin Energy. Ms. Scales reported on an emergency repair needed for the blower and motor at the plant. The repair should be completed soon, if not already.

The water accountability is 96.1% for June. There are no updates on the grinder station policies and procedures. Mrs. Scales provided President Chet Palesko with several contacts he can reach out to on grinder stations repairs. President Palesko will suggest modifications to the Rate Order for authorized vendors. The Board can take this item up next month. Inframark conducted a drive-thru on August 7th and found eight watering violations between 6:15-6:35 AM. All those homeowners were notified of the violation. During the second drive-thru on August 21st around the same time, no violations were noted. Mrs. Scales discussed the costs of additional drive-thrus for watering violations, construction, landscaping, etc. After discussion, the Board decided that additional drive-thrus are not needed at this time.

Lisa McKenzie would like to get with Mrs. Scales to discuss overall inspections so that issues can be caught sooner.

There was discussion of a requested variance to install new landscaping. The committee was previously notified of this request and denied it but decided to bring it to the Board for review. The homeowner wants to install new trees, remove bushes and change the irrigation from spray to drip and use hand-watering. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to deny the variance request. The motion carried unanimously.

Mrs. Scales stated that 11 delinquent letters were mailed out, five door tags hung and no disconnects this period.

During the process of lowering the pond level, Inframark discovered that repairs need to be made to the pond liner. The estimated cost is \$8,403.19. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the repairs to the pond liner at a cost not to exceed \$9,000. The motion carried unanimously.

Attorney Greg Szuman discussed the Gaillardia driveway extension. The initial demand letter was sent to the homeowners advising that the meter box and cleanout need to be moved or the driveway can be restored to its original condition. The estimate from Inframark for relocating the meter box and cleanout is in the amount of \$20,530.48. The homeowners asked if their contractor can make the repairs. The homeowners submitted a quote for \$5,000. The Board discussed concerns with other contractors working on the District's system. Attorney Bill Flickinger discussed the process and the submitted proposals. After discussion, the Board agreed that Inframark should handle the repairs and Mr. Flickinger's office will advise the homeowners of such.

Mrs. Scales reported on a homeowner's request for poison ivy removal on Rivina. Inframark advised the homeowner that they are allowed to clear up to 6 feet behind their fence. The Board stated that area is not owned by the District. It is owned by Rip Miller.

Inframark is still waiting on the fence quote to modify the fence so that the meter at a residence on Rivina is accessible from outside the fenced area. Mrs. Scales has now reached out for additional quotes. Lisa McKenzie asked if the homeowner has been notified of the need to relocate the fence. Mrs. Scales advised that they have not yet been notified. This homeowner will also have a fine included on their current water bill for dumping on District property.

It was noted that the irrigation repair reports were not received by Brightview, the HOA's irrigation management company, even though it was requested and required to be submitted.

All the electronic meter lids have arrived and are being installed. It is hoped that all the lids and endpoints can be installed by the September board meeting. President Chet Palesko now has access to all the water data for the District, which is very helpful. Lisa McKenzie asked about the adoption rate for signing up for EyeOnWater. Mrs. Scales reported it was 20%. There was also discussion of doing away with leak adjustments once the District is fully operating with the electronic meters, as the homeowners can see any leaks on the EyeOnWater app.

Mrs. Scales discussed the billing adjustment request from a homeowner on Rivina. The homeowner had a couple of large irrigation leaks. Inframark has received all the documentation that the leaks have been repaired. The total leak adjustment is \$4,240. The homeowner is elderly and had repairs to her irrigation system, but there was more than one problem. The landscaper had to come back out after another large water bill was received. All the water was going into the trails area at the end of the cul-de-sac, so it was hard to notice. The adjustment is for a two-month period. There was discussion of maybe changing the Rate Order on leak adjustments to not include irrigation leaks. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the leak adjustment in the amount of \$4,240 as presented. The motion carried unanimously.

There was discussion of the pool and cabana project on Straw Flower. A CSI inspection still needs to be done. Mrs. McKenzie asked if the pool has been filled and Mrs. Scales stated that she did not believe so. Mrs. Scales confirmed that Inframark conducted the pre-inspection. The exposed pipe on the retaining wall will need to be covered to comply with plumbing code

requirements. The homeowner indicated that he would submit a plan to the Board for consideration, but nothing has been received. It was noted that the HOA will also need to approve this.

Lisa McKenzie discussed the new sod that was installed at a property on Indigo Broom Loop. It was also reported that there are watering violations. Attorney Bill Flickinger discussed the definition of significant violations. At this time, the Board can skip the notice to the homeowner and assess a fine if they feel this is a significant violation. This fine is up to \$2,000 per the Drought Contingency Plan. President Chet Palesko feels that is a large fine. Corey Newhouse discussed the violations in detail and feels that a \$500 fine is appropriate. On a related noted, President Chet Palesko said that the District bumped up against the daily water max, which is a reason in itself to emphasize water conservation to all customers. After discussion, motion was made by President Chet Palesko and seconded by David I. Perl to fine the homeowner \$500 under the Drought Contingency Plan for installation of new landscaping when it was not allowed. The motion carried unanimously.

In regard to the pool installation on Pluchea Cove, Inframark asked for all the approvals for the homeowner's pool. The HOA had no record of this approval. The homeowner provided the HOA approval from November 2021 to Inframark for review. The homeowner stated that he was not aware that he needed District approval. Mrs. Scales reported that the pool was filled in May 2022. The homeowner has provided Inframark with the pool specs on drains and installation. Inframark is reviewing the pool specs in detail. If need be, the lines can be televised, at the homeowner's expense.

Lastly, Mrs. McKenzie asked Inframark to look at the amenity center irrigation. The potable water usage on the tracking meter is high again this month. President Chet Palesko advised that he will look at it, to see if the HOA's meter is connected to EyeOnWater.

14. 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 the Manager's Report above.

15. RATE ORDER (grinder pumps)

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

16. ELECTRONIC METERS

This item was not discussed.

17. BILLING ADJUSTMENTS

This item was not discussed.

18. 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.

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

Attorney Bill Flickinger advised that review of the District's Investment Policy and Investment Strategies is done on an annual basis. There are no recommended changes. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.

David I. Perl inquired about the open records request. Mr. Flickinger advised that Save Our Springs requested information on the wastewater plant. Attorney Hunter Hudson responded to the request and provided the information to Saving Our Springs.

20. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: September 23rd, October 28th, November 18th and December 30th.

21. DIRECTORS ELECTION

- a. Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election

Attorney Bill Flickinger reported the election was uncontested. Chet Palesko and David I. Perl are elected to another four-year term. After discussion, motion was made by Corey Newhouse and seconded by Lisa McKenzie to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election. 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; SITE PLAN APPROVAL

** 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 No. 23. The Board went into closed session at 9:02 a.m.

At 9:40 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.

24. ADJOURN

President Chet Palesko adjourned the meeting.



Chet Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]