

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 September 23, 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
Joe Szoo – Assistant Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Robert Ferguson and Anand Patel of Murfee Engineering, Makenzi Scales of Inframark and Allen Douthitt of Bott & Douthitt.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC and Nancy Olson of McCall Gibson Swedlund Barfoot PLLC.

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 August 26, 2022 board meeting as presented. The motion carried unanimously.

5. ENGAGEMENT OF MCCALL GIBSON FOR ANNUAL AUDIT

Nancy Olson with McCall Gibson Swedlund Barfoot PLLC addressed the Board on the audit engagement letter. As in the past, the engagement letter is for a two-year period. The fee range will be \$11,000 to \$13,000 to prepare the District's audit. They will work with Bookkeeper Allen Douthitt on all the financials and will be prepared to present the audit at the January board meeting. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the audit engagement letter as presented. The motion carried unanimously.

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

Manager Makenzi Scales reported that Curtis Jeffrey at the WTCPUA indicated that they will be fine with the District installing the strap-on meters in the WTCPUA's meter vaults. However, the WTCPUA will require an agreement with the District. The agreement should include clauses that the District will not interfere with the WTCPUA's access nor should the WTCPUA be liable if someone gets hurt in the vaults while performing District duties. Attorney Bill Flickinger advised that his office will prepare that agreement. There was discussion on the power supply for the meters. Mrs. Scales stated it will mostly likely be solar panels.

Mrs. Scales also noted that all meters, lids, and endpoints have been installed in the District. The only item left is for residents to sign up to EyeOnWater. Missy Roberts of Inframark will be sending out an eblast on sign-up information. Lisa McKenzie stated that the HOA can send out an eblast with sign-up information as well.

7. 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. The District has done a good job on the project and will do a better job of reporting next year.

8. 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

Engineer Robert Ferguson addressed the Board and reiterated that he will be retiring, and his last day will be September 30th. The Board wished him well.

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

Mr. Patel reported on the mapping of the irrigation fields. PIOS has not been responsive, so Lisa McKenzie and Engineer Jason Baze met with Lupton Irrigation to discuss if it is interested in handling the remaining irrigation field repairs and other related work to the spray fields.

In connection with the TCEQ permit amendment application, a second round of newspaper publications for the notice were made. The end of the comment period will be October 1st and 2nd.

Mr. Patel stated Horizon Environmental Services has not yet received the results of the soil sample from the effluent pond.

Once again, there has been no response from the TCEQ on the District Emergency Preparedness Plan. Mr. Ferguson noted that the TCEQ has responded to another district's plan, so they are reviewing them, it is just taking time to get through them all.

The SHL office site plan is still being reviewed. The Board will discuss this further in closed session.

President Chet Palesko discussed the proposed LCRA Raw Water Contract Rules. He has reviewed them, and they appear innocuous, however, he would like the engineers to take a quick look at it and get back with him. Attorney Bill Flickinger noted that the comments are due October 14th, which is before the next meeting. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to authorize the Board President to work with the District's engineers to file comments by October 14th if necessary. The motion carried unanimously.

9. ENGINEERING CONTRACT AMENDMENT NO. 2

Engineer Robert Ferguson discussed the Engineering Contract Amendment. The overall increase will be 13% and will become effective October 1st if approved. The last increase was five years ago. David I. Perl advised that they are requesting to switch from a fixed amount to time and material. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the Murfee Engineering Contract Amendment No. 2 as submitted. The motion carried unanimously.

10. 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.

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

Manager Makenzi Scales reported that she is getting ready for the annual reporting, and she may have something to review by next month. Mrs. Scales inquired if the Board has a MS4 committee. Lisa McKenzie and Corey Newhouse will serve as that committee. Mrs. Scales reported the committee is required to have two meetings per year.

12. PUBLIC HEARING ON TAX RATE

President Chet Palesko opened the public hearing on the tax rate. Hearing no public comments, the public hearing was closed.

13. ORDER APPROVING BUDGET FOR 2022/2023

14. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2022

Item Nos. 13 and 14 were discussed together.

Bookkeeper Allen Douthitt discussed the budget and tax rate with the Board. The maximum tax rate was published at \$0.3780. There was discussion of the recommended debt service rate from Financial Advisor Doug Whitt. Mr. Whitt suggested a rate of \$0.27 but the District can go as low as \$0.25. Mr. Douthitt indicated with a total tax rate of \$0.3550, the residents will see approximately \$100 reduction in taxes if their residence is considered homestead. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to adopt the Order Approving Budget as presented in the new revenue column which is the orange column. The motion carried unanimously. Motion was then made by Joe Szoo and seconded by Corey Newhouse to approve the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2022 as \$0.3550, with a split of \$0.2500 for debt service and \$0.1050 for O&M. The motion carried unanimously.

15. AMENDED INFORMATION FORM

Attorney Bill Flickinger stated that the District's Amended Information Form will need to be revised to include the new tax rate. The Amended Information Form will be filed with Travis County Clerk and the TCEQ. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the Amended Information Form and authorize the filings as presented. The motion carried unanimously.

16. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

President Chet Palesko discussed the District's annual insurance renewal. Attorney Bill Flickinger reminded the Board that they switched from TML to AJ Gallagher last year, as such the premium was increased. Corey Newhouse advised that the renewal is the same coverage as last year and he is fine with the proposal as presented. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the annual insurance renewal with AJ Gallagher as presented. The motion carried unanimously.

17. 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, and the District has done well with general maintenance at the wastewater plant. After discussion, motion was made by David I. Perl

and seconded by Corey Newhouse to approve payment of the invoices, per diems and authorize the fund transfers as presented. The motion carried unanimously.

18. DROUGHT STAGE

President Chet Palesko reported that WTCPUA pulled back to Stage 1 of the Drought Contingency Plan. The District mirrored them and went to Stage 1, which is two days a week of watering. The watering hours are expanded in Stage 1. Joe Szoo inquired about winter averaging. President Palesko stated that next year, he would like to find a way to communicate better with the residents on watering restrictions and enforcement. When all the residents are online with EyeOnWater, you will be able to see when irrigation is occurring and if there are any leaks. Lisa McKenzie noted that maybe the District should no longer provide leak adjustments. David I. Perl discussed the aging PRVs in the District. Lisa McKenzie stated the District sends annual correspondence to the residents on the PRVs.

19. 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 August. There was 2.79 million gallons of wastewater was treated, with an average daily flow of 92,833 gallons. The plant is running at 93% capacity. Mrs. Scales updated the Board on repairs. Inframark received a proposal from Hamilton Electric to repair the blower that is down at the wastewater treatment plant. That quote is \$1,100.00. Corey Newhouse asked if the prices are negotiated with the vendors. Mrs. Scales stated that they use vendors that have provided good prices and services in the past.

The water accountability is 100.2% for August.

Mrs. Scales and Lisa McKenzie discussed a request by a resident for a variance on new landscaping and additional watering days. The resident was instructed to fill out the variance form but as of today, the variance request has not been received.

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

Mrs. Scales noted that the pond liner repairs will be taking place within the next two weeks. Inframark discovered that the effluent pond meter needs to be replaced as it is no longer reading accurately. Inframark presented a quote for \$7,680.00. This meter is located closest to the pond and reads flow of irrigation out of the pond. Motion was made by Lisa McKenzie and seconded David I. Perl to replace the effluent pond meter as discussed. The motion carried unanimously. At this time, motion was also made by David I. Perl and seconded by Corey Newhouse to approve the blower repair in the amount of \$1,100.00. The motion carried unanimously.

Mrs. Scales updated the Board on the relocation of the resident's fence around their meter. The fencing contractor indicated the relocation of the fence would not be the best option due to a stone wall in that area and the meter located in a mulch bed. This is a poor location for the meter. After discussion, the best option would be to install a remote shut off e-meter so that the fence will not need to be relocated. The e-meter will be approximately \$550. After additional discussion, motion was made by Joe Szoo and seconded by Corey Newhouse to replace the current meter with an e-meter at a cost not to exceed \$1,000.00. The motion carried unanimously.

As previously stated, there are 42 residents accessing EyeOnWater at this time.

Mrs. Scales discussed the billing adjustment request from a homeowner on Straw Flower. The required repair documentation has been received. The leak adjustment will be in the amount of \$553.00. The leak was occurring for several months under their slab. After discussion, motion was made by Joe Szoo and seconded by Lisa McKenzie to approve the foregoing adjustment as presented. The motion carried unanimously. Mrs. Scales reported on another billing adjustment due to miscommunication by Inframark. Inframark did not disconnect service after a move out which left a balance on the account. Inframark has provided a credit memo in the amount of \$390.50 to the District.

Lisa McKenzie asked if the owner paid the penalty that was incurred due to a Drought Contingency Plan violation for installing new sod when not allowed and if the other owner paid the penalty for dumping waste on District property. Mrs. Scales will confirm and get back with the Board.

Lisa McKenzie questioned the daily water use report. Mrs. Scales indicated that there was a typo in that information.

It was reported the irrigation reports from last month and this month were received from Brightview as required. Those were in the agenda package for review.

President Chet Palesko reported on the grinder pumps. He talked to HydroSource about fielding direct requests from residents on grinder pump repairs. There was discussion of revising the rate order language on grinder pumps. President Palesko recommends including language that states the residents can contact one of the approved vendors on the list in Appendix A of the rate order. Due to this change and other changes needed in the rate order, this item will be brought back to the Board at the October board meeting. Mrs. Scales indicated they can begin redirecting calls on grinder pump repairs to HydroSource. President Palesko believes that is a good idea.

Joe Szoo inquired about the wastewater plant running at 93% capacity.

Mrs. Scales advised that going forward she will be District's Account Manager.

Attorney Bill Flickinger reported that he is working on the Utilimatics contract. There are several items that he does not like in the contract. Primarily the confidentiality clause and the commitment of the District after the initial term of the contract. Mr. Flickinger will have this ready at the October board meeting for review. Next week the committee can meet to review.

20. 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

Attorneys Bill Flickinger and Greg Szuman discussed the driveway extension project. The owners advised that they could not afford the quote from Inframark to do all the work. Mr. Szuman indicated that the owner was going to attend today's meeting with their plumber, but it was discovered that the owner's plumber was unlicensed and uninsured. The owner has now requested to split the work with Inframark. The owners would like to bust out the concrete around the water meter and sewer cleanout and then Inframark will move the equipment. Manager Makenzi Scales advised that this would only be about a \$2,000 savings. The owner's contractor must be licensed and insured and the owners will be responsible for any damage if incurred. The Board discussed the options and issuing another 30-day deadline to complete the work. If the owners continue to drive over the meter box or sewer cleanout, they will be responsible for any damages. After discussion, motion was made by Corey Newhouse and seconded by Joe Szoo to provide options to the owner to allow their contractor to remove the concrete portion of their driveway around the meter box and sewer cleanout so that Inframark can relocate the meter box and sewer cleanout and then allow their contractor to restore their driveway and provide a 30-day deadline. The motion carried unanimously.

21. RATE ORDER (grinder pumps)

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

22. ELECTRONIC METERS

This item was not discussed.

23. BILLING ADJUSTMENTS

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

24. 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 above.

25. DATES FOR FUTURE BOARD MEETINGS

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

Attorney Bill Flickinger would like to say a few words about Engineer Robert Ferguson. Mr. Flickinger has known him since the last century and has done a lot of work with Mr. Ferguson for many years. Mr. Ferguson has always been very professional and friendly, and he has a great deal of appreciation for him. Mr. Flickinger wished Mr. Ferguson well with his retirement.

26. 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.

27. 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. 27. The Board went into closed session at 8:40 a.m.

At 9:35 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.

President Chet Palesko entertained a motion. Motion was made by Joe Szoo and seconded by Corey Newhouse to request information and calculations from Rip Miller to 1) determine the number of stories of the office building and 2) communicate to Rip Miller that the District requires a meter or form of measure on the fire flow line and on receipt of that information authorize the District's engineer to sign the SHL site permit. Lisa McKenzie voted against the motion. The motion carries.

28. ADJOURN

President Chet Palesko adjourned the meeting.



Chet Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]