

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 October 28, 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, Anand Patel and Jason Baze of Murfee Engineering, Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt and Courtney Foré of Hurst Creek Capital.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC and multiple District residents.

3. PUBLIC COMMENTS

President Chet Palesko noted that due to the number of residents wishing to provide public comments on the SHL Office site development, each person will be allowed one minute to speak.

Wiwy Wudjud stated that this development would be a negative impact for the residents. The District residents do not want an office building within the District and are concerned with safety in the neighborhood. She pleaded for the District to stop the process.

Peiyu has lived in the District since 2009. There have been broken promises from the developer, the plan has changed and there is no playground.

Maria is a new resident within the District, and she is just learning about the office building. She does not feel like this should be built within the District and the process should be revisited. There are no benefits from this office building, just crime and traffic issues.

Sri has lived on Gilia since 2007. There are concerns about the office building, along with crime and traffic. Please reconsider the project as the whole neighborhood will be impacted.

Neil has lived in the District since 2008. The neighbors were all misled as many promises have changed.

Hilary has lived in the District since 2009. The HOA President did not realize the closeness of the office site to the Gilia homes. Her home is 40' from the parking lot and there is no buffer or fence. She is concerned with safety of her children and traffic issues.

Erwin expressed his concerns with traffic and safety of the residents in the neighborhood.

Vandana asked the District's Board of Directors to come see the issues that the Gilia residents are facing. The property line is 46' from the office site.

Raj lives on Gilia. The Exhibit A to the contract that the District signed has changed. The District has the ability to pull the contract. This office site will also increase the LUEs in the District.

Daowei has lived in the District since 2008. The contract has changed, is in violation and is misleading. There are concerns with the project and safety of the residents in the neighborhood, including safety of the children at the bus stops.

Carolyn lives on Allium. She would like to reiterate the concerns of Raj.

Heidi commented that the office site plan is very dangerous for the children at the bus stops.

Rashid asked that the project be reconsidered due to the changes and what will the residents get out of it.

Yanming is strongly against the office site and parking situation and the District should deny the plan.

#### 4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. Motion was made by Lisa McKenzie seconded by David I. Perl to approve the Minutes of the September 23,

2022, September 30, 2022 and October 14, 2022 board meetings as presented. The motion carried unanimously.

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

Lisa McKenzie inquired about PUA pump issues. Manager Makenzi Scales had nothing to report regarding that matter.

6. LICENSE AGREEMENT BETWEEN SENNA HILLS MUD AND WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

Attorney Greg Szuman discussed the License Agreement between the District and West Travis County PUA. The agreement was sent to the PUA for comments and those comments have been incorporated into the agreement. This agreement will allow the District to install, access, operate, maintain, and repair the District's meters located in the PUA's vaults. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the License Agreement as presented. The motion carried unanimously.

7. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that Stacy Pandey with the LCRA reached out on the extension of the LCRA grant. President Palesko submitted the required information to extend the grant schedule to November 2023. At the end of the contract, the District will need to monitor the water savings for five years. There was discussion that 65 residents have now downloaded the EyeOnWater app. This will be relevant next summer when water usage is higher. Corey Newhouse stated that the District needs to get the word out on the EyeOnWater app.

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

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

Mr. Patel reported that the public comment period for the notice of the permit amendment application and the preliminary decision ended on October 2<sup>nd</sup>. Mr. Patel expects to receive the final permit from TCEQ in the next couple of weeks. The costs related to the permit have been presented to Rip Miller. The attorneys are working on finalizing an agreement with the developer for payment of those costs.

Horizon Environmental Services collected samples from the pond on August 30, 2022 and are still in the process of testing the residue. There was discussion of contacting them to push the process along, as it is taking too long for the results.

Mr. Patel reported that the TCEQ still has not provided any comments to the District's Emergency Preparedness Plan that was filed on March 1, 2022. Manager Makenzi Scales reported that she received approval on another district's plan, so they are working on the plan, it is just taking a bit time to get through them all.

In regard to the SHL office site, the developer's engineer has added a separate fire flow meter per MEC's request. The residents within the District are working with the HOA to resolve concerns they have on the site plan.

Mr. Patel updated the Board on the HOA amenity center MS4 compliance. MEC has finalized a proposal to the HOA to install a filtration system on-site to improve the quality of stormwater discharging into the District's system. MEC will be meeting with the HOA soon to review the proposal.

Mr. Patel also discussed the LCRA proposed Raw Water Rules. MEC met with President Palesko to discuss the revisions to the LCRA agreement. MEC is working with Inframark to determine the annual water demands. There was discussion of requesting a lower reservation for water. Bookkeeper Allen Douthitt stated that the District's current reservation is 404-acre feet per year. If the District lowers its demand and goes over the reservation, it will pay the LCRA 2 times the amount.

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 HOA AMENITY CENTER DRAINAGE FACILITIES

Manager Makenzi Scales has nothing to report at this time.

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. The District crushed it in connection with its budget. Mr. Douthitt is working on the year end accruals and will begin the audit process. The audit will be presented to the Board in January. After discussion, motion was made by Corey Newhouse and seconded by David I. Perl to approve payment of the invoices, per diems and authorize the fund transfers as presented. The motion carried unanimously.

12. 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 September. There was 2.48 million gallons of wastewater treated, with an average daily flow of 82,800 gallons. The plant is running at 83% capacity. Mrs. Scales updated the Board on repairs. Mrs. Scales discussed her recommendation to place a fence around the lift stations for added security. Engineer Jason Baze agrees with that recommendation. After discussion, Mrs. Scales will come back to the Board with pictures of fencing, and they will consider the matter at that time.

The water accountability is 94.6% for September.

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

Mrs. Scales noted that the pond liner repairs were completed. The effluent pond meter has been ordered and is scheduled to arrive soon. The fence around the Milagro Pond is in need of repair. It appears to have been hit by the mowers. Sierra Fence has submitted a proposal for \$780.00. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the proposal to replace two fence panels and one post around the Milagro pond. The motion carried unanimously.

Mrs. Scales updated the Board on the status of the remote shut-off meter, wherein the meter is located within the resident's fence. The meter has been ordered, but they do not have an estimated time of arrival yet.

Mrs. Scales discussed the billing adjustment request from a homeowner on Lemon Mint. The resident submitted the required repair documentation, and the leak adjustment will be in the amount of \$178.00. After discussion, motion was made by David I. Perl and seconded by Joe Szoo to approve the foregoing adjustment as presented. The motion carried unanimously.

Joe Szoo inquired about the wastewater plant running at 93% capacity last period and 83% this period. The difference is most likely due to school starting and not as many people at home during the day. There was additional discussion on what appears to be high water usage on Sundays. That usage could be late Saturday night watering.

Lisa McKenzie discussed the need to prune the trees adjacent to Milagro and at the corner of the District's lot before they fall and damage the District's fence. The Board agreed to this maintenance.

There was discussion of the exposed water and wastewater pipes running down the retaining wall at the Strawflower Pool/Cabana project. The Board asked if anyone knew what the HOA approved. The homeowner has installed a decorative painted sleeve over the pipes. There was discussion if that installation is up to code and Inframark has requested a letter from the plumber that it is in compliance. Manager Makenzi Scales stated that the owner advised that the project was approved by the HOA in January 2021. The project is not yet complete and Inframark still have inspections to perform.

President Chet Palesko and Attorney Bill Flickinger advised that the Utilimatics Contract is ready for consideration. President Palesko has no issues with the contract and recommends approval. Motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the Utilimatics Contract as presented. The motion carried unanimously. President Palesko will provide the redline and clean version to Utilimatics. David I. Perl asked what the District is going to get out of this program. President Palesko stated they will provide the District data information that helps identify potential leaks within the District.

13. 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

Attorney Greg Szuman discussed the driveway extension project. It turned out that the homeowner's contractor was uninsured. The contractor began work in a small area, but it was stopped immediately upon finding out that he was not insured. The homeowners are now requesting to replace the concrete surrounding the District's utilities with pea gravel. Mr. Szuman advised that they cannot install pea gravel without Board approval. The Board will not approval pea gravel. After discussion, Inframark will provide a quote to remove the driveway to restore it back to the original condition, provide 30-days to complete the project and the cost must be paid in advance. Motion was made by President Chet Palesko and seconded by Corey Newhouse to authorize the District's attorney to send a letter to the homeowners with the conditions outlined as discussed above. The motion carried unanimously.

14. RATE ORDER

Attorney Bill Flickinger discussed the revised Rate Order and the various changes in the redlined version as included in the agenda package. Mr. Flickinger recommends delaying the discussion of the monthly base charge for the fire flow meter until after closed session. President Chet Palesko is fine with the changes as is. Joe Szoo asked about the change to leak adjustments. David I. Perl advised that change needs to be communicated in all ways possible. With the EyeOnWater app, residents should be able to catch the leak faster. Mr. Szoo is not sure that all residents will sign up for the app. There is still the ability for the Board to grant adjustments. Lisa McKenzie asked about doing a leak adjustment for one month only. Attorney Bill Flickinger

provided alternative language for the leak adjustments. After discussion, motion was made by David I. Perl and Lisa McKenzie to change the language for leak adjustments to include a sentence that reads: No Billing adjustments will be considered for leaks unless the customer has subscribed to EyeOnWater prior to the leak to monitor the usage and detect leaks early. The motion carried unanimously. Manager Makenzi Scales discussed increasing the tap and inspection fees. After further discussion, President Palesko entertained a motion for approval of the revised Rate Order. Motion was made by Lisa McKenzie and seconded by Joe Szoo to adopt the revised Rate Order as presented, except for the proposed changes to 8" fire flow meter on page 6. The motion carried unanimously.

15. ELECTRONIC METERS

This item was not discussed.

16. BILLING ADJUSTMENTS

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

17. 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.

18. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: November 18<sup>th</sup>, January 6<sup>th</sup> and January 27<sup>th</sup>.

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

Courtney Foré advised that they are waiting on the District to move forward. All other approvals have been received. Lisa McKenzie asked if they have met with the residents. Ms. Foré stated that they have met with the HOA's attorney Lance Lackey and put together a proposal. Mr. Lackey was going to meet with the residents.

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; SITE PLAN APPROVAL; AGREEMENT FOR PAYMENT OF SHL COSTS

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. 20 and 14. The Board went into closed session at 9:02 a.m.

At 9:58 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 David I. Perl and seconded by Lisa McKenzie to approve the Agreement Concerning Payment of SHL Costs as presented. The motion carried unanimously.

Motion was also made by President Chet Palesko and seconded by David I. Perl to authorize the District's engineer to approve and sign the SHL site plan. The motion carried unanimously.

President Chet Palesko addressed Courtney Foré to state that the District has heard a lot of concerns from the residents and the Board is concerned. The Board is not going to entertain cutting back the fee for the fire flow meter until she works with the residents and the HOA to come to something that is acceptable. The two issues are the hammerhead lot and the landscape plan that will shield the Gilia neighbors. When those issues are addressed, then the Board will look at the fee for the fire flow meter. Ms. Foré advised that she spoke with the residents, and it appears that HOA Attorney Lance Lackey has not communicated their discussion with the residents yet. They will figure out how to address these issues and have a formal HOA meeting within the next week. Hopefully at that time, it will be all be resolved. David I. Perl and Lisa McKenzie is the committee working on SHL matters.

21. ADJOURN

President Chet Palesko adjourned the meeting.

  
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Chet Palesko, President

ATTEST:

  
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Lisa S. McKenzie, Secretary

[SEAL]