

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 January 27, 2023 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 (Via Zoom)
Joe Szoo – Assistant Secretary (Via Zoom)
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 and Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, PLLC and Ashlee Martin of McCall Gibson Swedlund Barfoot, PLLC.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Board Secretary Lisa McKenzie 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 Corey Newhouse to approve the Minutes of the January 6, 2023 board meeting as presented. The motion carried unanimously.

5. ANNUAL AUDIT SUBMITTED BY MCCALL GIBSON SWEDLUND BARFOOT

Ashlee Martin presented the District's annual audit. The District received a clean unmodified audit, which is the best given. Ms. Martin discussed the District's financials and assets and noted that the District has a healthy fund balance. The water accountability came in at 96.2% for the year and the tax rate collection is at 99.8%. There were no disagreements or misstatements with management in preparing the audit. President Chet Palesko thanked Allen Douthitt and Ashlee Martin for their hard work. After discussion, motion was made by President Chet Palesko and seconded by David I. Perl to approve the audit as presented and authorize the execution and filing of the Annual Filing Affidavit with the TCEQ and Comptroller. The motion carried unanimously.

6. OWNER INTEREST IN BUYING A PORTION OF DISTRICT PROPERTY

As discussed at the last board meeting, Attorney Bill Flickinger reported that the owner has now retained an attorney to look at the possibility of buying a portion of the District's property. The owner's property backs up to the edge of the Lemon Mint Park, and that is where the portion that they are interested in buying is located. The owner's attorney reached out to Mr. Flickinger on the process and he advised him that the burden of putting together a written proposal for the Board to review would be on him and his client. Once that is submitted, the Board can review it. As of today, Mr. Flickinger has not heard back from him. No action is required at this time.

7. POSSIBLE CONVEYANCE OF DISTRICT PROPERTY TO SENNA HILLS HOA

This item was not discussed.

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

This item was not discussed.

9. LCRA COST-SHARING PROGRAM

This item was not discussed.

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

- a. TCEQ Permit amendment; removal of Senna Hills, Ltd. as co-permittee
- b. Site Plan for SHL Offices; Status of construction
- c. Relocation of wastewater and effluent lines under SHL shed
- d. Effluent Pond Liner Replacement

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

Mr. Patel is still waiting to obtain the HOA's original documentation so that he can file the application to remove SHL from the permit.

Mr. Patel discussed the Taylor Lake pond liner project. The project will be bid in April with construction to start in May and completion in September. Mostly likely, the boulders around the pond will be a challenge for the contractor performing the work.

In regard to the office site plan review, SHL has not yet provided the contractor with a notice to proceed. Mr. Patel will coordinate with the contractor regarding the official construction schedule. MEC will observe the construction process in conjunction with the City of Austin inspectors.

There was discussion on the possibility of rerating the wastewater treatment plant. Mr. Patel confirmed with the TCEQ that if there is no further development within the District, it can get a waiver and the plant will not need to be expanded/rerated. President Chet Palesko stated that the District will most likely still want to rerate the plant. Engineer Jason Baze discussed the capacity of the membranes at the plant and Manager Makenzi Scales stated that the District may want to consider changing out some of the equipment at the plant. After discussion, the Board decided that they will reassess the flows after construction of the SHL office buildings. David I. Perl stated that he wants the committee to be notified of key activities and would like for the committee to attend the construction meetings.

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

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the updated cash activity report with the Board, as well as the financials, invoices, per diems, fund transfers and upcoming bond payments. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the invoices, per diems, bond payments and authorize the fund transfers 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/cabana/sports court construction on Straw Flower
- i. Request from Senna Hills HOA to refill community pool from fire hydrant

Manager Makenzi Scales reported on the executive summary.

Mrs. Scales reported that there were 2.64 million gallons of wastewater treated in December, with an average daily flow of 88,000 gallons. The plant is running at 88% capacity.

The driveway project on Gaillardia has been completed.

As discussed at the last board meeting, Mrs. Scales reported on an additional quote in connection with a more affordable alternative to the pump replacement at the lift station. The new quote came in at \$6,146.50, which is an adapter for the pump instead of a replacement pump. President Chet Palesko is still concerned with the original quote of \$15,000. It appears that Inframark's supplier might be price gouging. After discussion, motion was made by President Palesko and seconded by Corey Newhouse to accept the new quote of \$6,146.50 for the adapter to the grinder pump at the lift station. The motion carried unanimously.

The water accountability was 98.2% for December. Mrs. Scales reported that three delinquent letters were mailed out, two door tags were hung and there was one disconnect. However, the past due account was paid and service was restored.

The remote shut-off meter has been installed at the residence on Rivina.

There was discussion of the pool/cabana project regarding the exposed pipes running down the retaining wall. Inframark is not sure if the exposed pipes are up to code. They have contacted a couple of plumbers, but they are not willing to provide an opinion without being able to review the pipes both externally and internally. After further discussion, Inframark will send a notice to the owner on the pipes to confirm they are up to code prior to any service being connected.

The monthly HOA effluent irrigation inspection reports are still not being received as required. Lisa McKenzie was notified during the meeting that the HOA reported a leak on Senna Hills Drive and Rivina. Inframark will turn the effluent irrigation off until it has been fixed.

Mrs. Scales reported that the strap on meters located in the PUA vaults have been installed. The project is approximately 70% complete. They are still waiting on the solar panels and brackets as well as material from the electricians. Mrs. Scales will inform President Palesko when the project has been completed so that he can track the master meter usage.

President Palesko reported on the status of the project with Utilimatics. The committee met with them and they are proceeding on their end with the project. They have requested the District's flow information. Attorney Bill Flickinger advised that there is no issue with sharing that information.

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

This item was discussed above and can now be removed from the agenda.

16. RATE ORDER

This item was not discussed.

17. ELECTRONIC METERS

This item was not discussed.

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 above.

20. DATES FOR FUTURE BOARD MEETINGS

26th. The next Board meeting dates are as follows: February 24th, March 31st, April 28th and May

21. REPORT FROM SENNA HILLS, LTD. REPRESENTATIVE ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

No representatives were present.

22. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC.; SENNA HILLS, LTD. AND THE SENNA HILLS TRUST; IMPLEMENTATION OF MEDIATED SETTLEMENT


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. 10c and 22. The Board went into closed session at 8:22 a.m.

At 8:47 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 David I. Perl and seconded by Corey Newhouse to approve the Agreement for the Provision of Limited Professional Services by Murfee Engineering Co., Inc. in connection with wastewater/effluent force main relocation design and construction administration per the SHL contract. The motion carried unanimously.

23. ADJOURN

President Chet Palesko adjourned the meeting.


Chet Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]