

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 May 26, 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
Joe Szoo – Assistant Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Bill Flickinger, Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Evan Parker of Murfee Engineering, Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, PLLC and Rip Miller of SHL.

3. PUBLIC COMMENTS

There were no public comments.

President Chet Palesko took up Item No. 17 at this time.

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

Rip Miller stated that he was not prepared to give a report but was attending for observation purposes. Mr. Miller reported that bids are tough in this market, but prices are starting to come down so they are waiting for that time. Supply chain issues no longer seem to be a problem. Mr. Miller has two leases pending. Mr. Miller is also waiting for a substantial tenant base, before

getting too far along. Currently, they are working with two very large tenants. One should be secured within the next couple of weeks and the other in about a month or so. Those two tenants should make up half of the site. David I. Perl inquired about the tenants. Mr. Miller reported that they are a medical research company and a large Fortune 500 company. President Chet Palesko asked if the medical research company accepts patients for appointments. Mr. Miller stated that they do not.

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 April 28, 2023 board meeting as presented at the meeting. The motion carried unanimously.

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

This item was not discussed.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that the final report to the LCRA is due in November. David I. Perl asked if they would review the Eye On Water data. President Palesko discussed the main points of the program, being the District is most likely conserving water and the electronic metering project was completed and the grant was spent for that purpose. The District will need to provide water saving data for a five-year period. Lisa McKenzie noted that 47% of the residents are signed on to Eye On Water. David I. Perl asked to put out additional sign-up information on Eye On Water on the TownSquare app. Lisa McKenzie asked Manager Makenzi Scales to include the sign-up information on the water bill as well. Manager Makenzi Scales reported on a new billing system that will have the ability to contact residents by phone, text and emails. This new system will be launched in October.

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

- a. Site Plan for SHL Offices; Status of construction
- b. Relocation of wastewater and effluent lines under SHL shed
- c. Effluent Pond Liner Replacement

Evan Parker introduced himself to the Board. He is filling in for Engineer Jason Baze and Anand Patel. Mr. Parker discussed the engineer's report as included in the agenda package.

In connection with the effluent pond liner replacement project, the Notice of Award was submitted to Synagro. The contract will be signed today so that the Notice to Proceed can be issued. The addition of the frac tank and fountain will need to be added to the work order. Murfee Engineering is working with Inframark on this matter. The project will likely commence in July. President Chet Palesko asked if the cost estimate for the 24-hour of storage capacity has been received and Mr. Parker stated that he has not yet received that information. President Palesko

noted that he and David I. Perl will be meeting with the residents closest to the pond to inform them of the project. They will also notify the HOA about the pond liner replacement schedule.

Mr. Parker stated that Murfee Engineering has started the design effort and has begun assembling the plans for the force main relocation. Capital Surveying started staking the site yesterday and they are scheduled to visit the site again to perform additional survey work.

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

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials through April with the Board. The District looks good in connection with its monthly budget. However, there have been some additional maintenance charges. Year to date looks good as well. There was discussion of the property tax collection. There is still \$11,000 left in tax collection for the year. If there are penalties, the District gets to keep that money. After discussion, motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve payment of the invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously. President Chet Palesko stated he received the preliminary assessed valuation and it appears to be approximately 5% higher than last year. The District can expect the values to keep increasing for a while. David I. Perl inquired about the proposed law to reduce the cap on homestead property. Attorney Bill Flickinger advised that his office is just starting to look into the new legislation.

11. 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. Storm Clean-up Efforts; Proposal from Happy Tree

Manager Makenzi Scales reported on the executive summary as included in the agenda package.

Mrs. Scales reported that there were 2.256 million gallons of wastewater treated in April, with an average daily flow of 75,200 gallons. The plant is running at 75% capacity.

Mrs. Scales followed up with Austin Energy on reimbursement of costs related to the blown transformer fuse, however, she still has not received a response. Mrs. Scales discussed the Kubota quote for purchase of a new membranes. Inframark has performed some cleaning of the membranes, which is still not allowing the system to work properly. The District does not have any membranes on hand. Kubota is the original supplier and will provide the best price for replacement membranes. There was discussion of the process of cleaning/replacing the membranes. Ideally, the District should have 100 membranes on hand. The system provides for 400 membranes. Bookkeeper Allen Douthitt informed the District that they have a budgeted membrane reserve of \$15,000. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the quote of \$8,330.00 submitted by Kubota for additional membranes. The motion carried unanimously.

The water accountability was 94.5% for April.

There were nine delinquent letters mailed, four door tags hung and two disconnects.

Mrs. Scales reported that Zane Furr notified her that there is an outlet at the pond near Bee Cave Road that he has never maintained. That area needs to be cut and mowed and would like to include it in the mow schedule. This would cost an additional \$70. The Board authorized Zane Furr to get this pond mowed and then come back with a contract amendment at the next board meeting.

Mrs. Scales reported that the HOA requested that the hydrant meter be reinstalled to allow for them to fill a tanker truck with water so that they could use it to pressure wash the HOA fences/walls. This project has been completed and the hydrant meter was removed.

The electronic master meters in the vaults have been installed and the project is complete. Inframark is waiting for the last master meter to come online. There have been some complications with the master meter but it appears to be a software issue and is hoped to be remedied soon. The master meter is not registering on Eye On Water.

The Consumer Confidence Report will be considered at the next board meeting. Mrs. Scales has received comments from Lisa McKenzie.

Lisa McKenzie inquired about the spill last month where raw sewage was running down the trails. Mrs. Scales reported that it was a fuse issue at the lift station behind the pond. It could not be determined whether it was caused by an Austin Energy outage or a District issue. However, the issue has been fixed. Inframark is working on a quote for a surge protector, filter or battery backup for all of the District's lift stations. President Chet Palesko stated that it was most likely a power surge.

Lisa McKenzie discussed the Happy Tree quote for \$2,727.90. This is the arborist that the HOA uses for the trees along Senna Hills Drive. The District has a vacant lot by Gilia and Senna Hills Drive that has a cluster of oak trees. The ice storm caused damage to those trees and Zane Furr cleaned up what he could. However, there are several tree trunks and high hanging limbs that still need to be removed. David I. Perl discussed the cleanup needed around the lift station where the large limb fell on the lift station fence. That limb was removed and the fence was fixed, but there are still broken limbs in the vicinity of that lift station. There was discussion of what is the District's responsibility, HOA's responsibility and whether we should just leave the area as it is for right now. The limbs are not within 5' of the fenced area and are not impeding the lift station operation in any way. The HOA is done with its storm cleanup and has already spent approximately \$20,000. After discussion, motion was made by Joe Szoo and seconded by Lisa McKenzie to approve the Happy Tree quote (minus sales tax) as presented. The motion carried unanimously.

Lisa McKenzie also discussed the fact that when the pond liner is being replaced and not able to be used, that the District will have to irrigate all the time. Mrs. McKenzie asked the HOA to get a quote for reseeding along Senna Hills Drive. The first quote came in at \$75,000 to aerate and reseed Senna Hills Drive, so she asked for a second quote for just Rivina down to the light at Bee Cave Road. That quote came in at \$31,000. After discussion, President Chet Palesko stated that he would rather be reactive than proactive in this situation. President Palesko understands what Mrs. McKenzie is proposing. Evan Parker discussed the District's permit on irrigation. Mr. Parker's review of the quote seems to suggest that YellowStone will be scalping the current turf and then aerating and reseeding the area, which explains the high cost. After further discussion, Mrs. McKenzie will ask for another quote for only aeration and reseeding over the current grass.

12. RATE ORDER

This item was not discussed.

13. ELECTRONIC METERS

This item was not discussed.

14. BILLING ADJUSTMENTS

Lisa McKenzie discussed doing another push for signing up to Eye On Water. She will include a notice on Nextdoor and Townsquare.

15. 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' Report above.

Lisa McKenzie noted that water was still ponding on Senna Hills Drive and asked if Inframark has met with the landscapers to discuss repairs. Manager Makenzi Scales stated that she would contact them again to meet with her. The Board also discussed the street repairs, including the repairs needed in Sections 5B/6.

16. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: June 30th, July 28th and August 25th.

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

This item was not discussed.

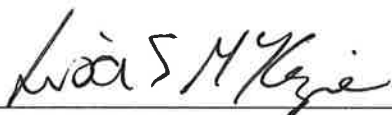
19. ADJOURN

President Chet Palesko adjourned the meeting.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]