

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 June 30, 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 (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 Rip Miller of SHL.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Makenzi Scales of Inframark, Allen Douthitt of Bott & Douthitt, PLLC and Assistant Secretary Joe Szoo.

3. PUBLIC COMMENTS

No public comments were made.

President Chet Palesko moved to Items 19 & 20 at this time.

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

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

Rip Miller stated that Courtney Foré, his CEO and in house counsel has taken over some of the issues regarding SHL. Ms. Foré would have been in attendance, but she is on vacation. Mr. Miller stated that the communications with Attorney Bill Flickinger have deteriorated and he feels it's fruitless to work through Mr. Flickinger per his last email. Mr. Miller presented an excerpt of Bill Flickinger's email with Courtney Foré. Mr. Miller reported that going forward he will go through the Board. Mr. Miller has four points that he would like to discuss. These items are post contract, because he believes the contract has come to an end. SHL is now in the monitoring phase of the contract. Mr. Miller will begin coming to the board meeting to work through the issues one on one and try to get away from working with the attorneys. However, Courtney Foré will attend as an SHL representative, not legal counsel. If there are any issues, Mr. Miller asks that the Board members pick up the phone and/or send an email to him. Mr. Miller stated that he is very responsive. Mr. Miller reported that he has made great progress with the HOA. He has asked a couple of HOA members to attend the meeting today, but they are on vacation. The HOA members will try to attend future board meetings. The issues to discuss are: 1) contract obligations for SHL to pay for moving of the wastewater lines, 2) rate order amendments, 3) paying for legal, engineering and expenses now that the contract is terminated and 4) enforcement of limited use on HOA land and other related contract items. President Chet Palesko asked Mr. Miller why he thought he did not have a contractual obligation to pay for the relocation of the wastewater lines. Mr. Miller stated that he was worried that this had not been brought to his attention and stated that the contract stated that after the governmental approval date and before the conveyance date the MUD at SHL's expense will reroute the lines under the building. That date has long past and SHL is outside of those parameters. SHL made Mr. Flickinger aware of this and he was scared that information had not been passed on to the Board. Lisa McKenzie stated that this is not news to the Board and made it known they have competent legal counsel. Mr. Miller then proceeded to discuss the email chain in regard to the last SHL invoice. SHL put Mr. Flickinger on notice that they did not believe they should pay for legal or engineering regarding relocation of the lines or violation of the easement. SHL reached out to Mr. Flickinger again several days before the invoice was due and Mr. Flickinger made it clear that he did not want to discuss it and disagreed with their assertion. Mr. Miller is willing to pay what is due but certainly not going to hand over money for the rest of their life. Mrs. McKenzie inquired about the status with the HOA. Mr. Miller reported that they have come to what he thinks is an arrangement on the fence. Mrs. McKenzie asked about the elimination of the hammerhead parking lot. Mr. Miller reported that the parking lot was not eliminated, it was reconfigured. David I. Perl asked when will the MUD committee see those plans, as they have not been provided with any information. Mr. Miller has a call into the HOA Attorney Lance Lackey. Mr. Miller will also bring that information to the next board meeting. President Palesko stated that it is good for the MUD committee to monitor what is going on. Corey Newhouse asked Mr. Miller what the point of the quote on his sign was, as there is zero content to go along with it. Mr. Miller wanted to give the Board an idea of what he had been dealing with.

Mr. Newhouse informed Mr. Miller that the Board is aware of what he has been dealing with. Mr. Miller indicated that was in response to not wanting to pay for certain items within the bill. Mr. Flickinger stated that he would not remove those items from the invoice. Mr. Miller stated that since they did not hear back from Mr. Flickinger, they had to assume that the bill was retracted and then Mr. Flickinger replied that the bill would not be retracted and he no longer wanted to discuss it. President Palesko thanked Mr. Miller for his input. Mr. Miller informed the Board that two HOA members, one of whom lives near the pond asked Mr. Miller to ask the MUD when his view would change because for 10 years, he had a great view and then for the last couple of years, the pond has low water and no fountains. President Palesko stated that the pond liner replacement project is ongoing and construction should begin around July 21st. Lisa McKenzie made note that due to the TCEQ contract, the pond will not be full as it is required to be dewatered as much as possible. The reason is to have storage capacity when the District cannot irrigate. President Palesko noted that a tan liner will be installed instead of a black one. The liner will match closely to the rocks around the pond.

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 May 26, 2023 board meeting as presented at the meeting. The motion carried unanimously.

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

David I. Perl asked about the boil water notice for the Hamilton Pool area. Manager Makenzi Scales stated that the ground storage tank was low which caused low pressure. This notice was not related to the District.

6. LCRA COST-SHARING PROGRAM

This item was not discussed.

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

Anand Patel and Engineer Jason Baze discussed the engineer's report as included in the agenda package.

Anand Patel stated that the application status on the Emergency Preparedness Plan remains the same. They still have not received any comments from TCEQ. This item will be removed from the report until TCEQ comments have been received.

Mr. Patel reported on the relocation of the force main around the SHL building. They have received a survey from Capital Surveying. Mr. Patel presented the design drawing. There are a

lot of trees in the area that they want to avoid. The Board reviewed the design drawing for a general idea of the project. As this project moves forward, he will keep the Board updated.

In regard to the pond liner replacement, a pre-construction meeting was held on June 22nd. There is a change order for consideration on this project. Engineer Jason Baze discussed the pre-construction meeting that was held on site. They are working on a firm schedule of delivery and installation. The contractor is making modifications to the temporary storage and pumping of the effluent. There will be coordination with Inframark to get the pond as low as possible. David I. Perl discussed the process of tying in the liner. The contractor will only have to move a few boulders and no new road will be needed for the installation. Large frac tanks will hold the effluent that would have gone into the pond. These tanks will be stored by the wastewater plant. The Board decided to have additional capacity with another frac tank so a change order is needed for that addition. This will add approximately 25% more capacity. President Palesko entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to approve Change Order No. 1 submitted by Synagro of Texas-CDR, Inc. in the amount of \$8,500.00 for additional items not included in the original contract, being: 1) addition of one 20,000 gallon frac tank to the temporary bypass system and 2) additional time to the number of days for the project to be deemed substantially complete. The motion carried unanimously. Rip Miller stated that if the MUD needs the area in the easement for the frac tank, they can talk about it. He also inquired about any smell issues. Engineer Jason Baze reported that the sediment was tested previously, and it tested only as dirt. President Palesko asked Mr. Baze to reach out to the contractor if they have not heard anything at least two weeks prior to construction to get an update so that the project can stay on schedule.

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 May with the Board. Water sales dipped this period and there were additional maintenance charges. However, the District's budget looks good. Manager Makenzi Scales discussed the Badger invoice for installation of both strap-on meters. David I. Perl inquired about the dip in water sales. This could be from the rain we received or the use of EyeOnWater. After discussion, motion was made by Corey Newhouse and seconded by David I. Perl to approve payment of the invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

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; Zane Furr Landscape Contract Amendment
- g. Inspections of HOA effluent irrigation system
- h. Pool/cabana/sports court construction on Straw Flower
- i. Storm Clean-up Efforts
- j. Drought Contingency Plan

Manager Makenzi Scales discussed the master meter not registering every day in the vault. It appears that it is caused by the distance between the strap-on meter to the master meter. There is not enough distance for it to not be affected by the turbulence of the other master meter. The recommended distance is 7' and this is about 2'. The problem was that the vault would not allow any further distance than how it was installed. Over at the east vault, the distance is about 3' and it is getting more frequent reads. After discussion with the electrician, it may be necessary for the District to consider installing another small meter vault a few feet from the current vault. The east vault does not see as many issues as the west vault. Inframark has requested a calibration to rule out any calibration issues. If calibration comes back fine, Mrs. Scales will get a quote for two small meter vaults. No additional equipment will be needed. Lisa McKenzie stated that this is the first time she has been made aware of distance requirements. How was this not brought to their attention? Mrs. Scales stated that former Manager Kaye Olsen's notes indicate this matter was discussed with the Board. Mrs. Scales apologized if that was not the case. First, the calibration should be verified. Corey Newhouse asked if Inframark took steps to mitigate the fact that it would be installed only two feet away instead of the required seven. Inframark put it as far away as the vault would allow, which was only two feet away from the meter. Mr. Newhouse asked who was going to pay to make this work. Mrs. Scales stated it works; however, it is not catching daily reads. The other master meter is picking up almost daily and the reads appear accurate. The Board will need to decide if the reads that are coming in suffice or if they are looking for additional reads. President Chet Palesko noted that a requirement for distance was missed and that this is the first he has heard of it as well. If they were aware of this in the beginning, the answer would have been no to using the PUA vaults due to the key requirement. Lisa McKenzie also noted that the District may have not purchased the two master meters for approximately \$20,000 had they known this. President Palesko asked about the cost of a small vault. Mrs. Scales will get the information and provide it to him next week. Neither meter is reading 100%. President Palesko wanted this information to find leaks in a timely manner. The Board and Mrs. Scales discussed the reads from the meters and the timing of such. President Palesko is interested in getting the cumulative information on the reads. Mrs. Scales will check with Missy Roberts on the information. David I. Perl asked what are the ramifications of this in connection with Utilimatics. Does the missing data allow the District to address a leak in a timely manner? President Palesko stated there are two issues: 1) does the data show a leak and 2) does the data effect Utilimatics' ability to pinpoint a leak in the system. Mr. Newhouse asked if the data allows the District to do what it has intended

to do with the information. There was discussion of the strap-on metering information being listed as the tracking meter in the system. The District will need to be careful not to double count these reads. After detailed discussions, President Palesko noted three action items: 1) conduct calibration 2) look at existing data to see the accuracy and 3) Inframark will provide costs for two new vaults.

Mrs. Scales reported that there were 2.475 million gallons of wastewater treated in May, with an average daily flow of 82,500 gallons. The plant is running at 83% capacity.

The plant membrane clean/cassette replacement is underway. Inframark met with the vendor and is working on getting that completed. There was discussion during the pond liner replacement meeting that the irrigation control panel be able to irrigate up to 4 zones at a time. Inframark obtained a quote from Sunscape Landscaping for this new panel. The panel will be good for the pond liner replacement project and after the project is completed since the District has isolation valves. There was discussion of adequate pressure to irrigate four zones at one time. Mrs. Scales stated that there have been no issues with pressure in the past. It will be important to irrigate as much as possible during the pond liner replacement project. Engineer Jason Baze stated that there will need to be coordination with the HOA, as their water is not going to the frac tanks. The boulevard irrigation will go into the plant basin. Mrs. Scales also noted that Zane Furr reached out to her regarding additional mows during the pond liner replacement project since the District will be irrigating the drip fields more frequently. The cost is an additional \$2,700 per month. The grass is already tall due to the dewatering of the pond. The Board will discuss this addition next month. Attorney Bill Flickinger stated that Zane Furr's Amended and Restated Mowing Contract is in the package for consideration today. This additional cost is not included in the amendment. The Board discussed the contract as included in the agenda package. The lift stations were added to the contract, as well as an outfall near Bee Cave Road. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the Amended and Restated Mowing Contract as included in the agenda package. The motion carried unanimously. Motion was then made by Corey Newhouse and seconded by Lisa McKenzie to accept the Sunscape proposal in the amount of \$2,903.45 for the new irrigation control panel. The motion carried unanimously.

The water accountability was 99.7% for May.

There were nine delinquent letters mailed, five door tags hung and no disconnects.

The outfall survey has been completed. Inframark will work with Zane Furr on weeding and mowing some areas. The cost should be minimal and Inframark will work under their authority.

A leak adjustment in the amount of \$72.00 was credited to a resident's account. This did not require Board approval due to the amount being under \$200. Lisa McKenzie discussed another leak adjustment. Inframark charged the District \$140 to check for a leak per the customer's request. Mrs. McKenzie asked if the resident had EyeOnWater and was the resident also charged for that service. Mrs. Scales stated that the PRV had standing water and the water ran back into the meter box. It appeared to be a customer issue. Mrs. Scales will verify that the customer was

charged for this work order. Joe Szoo informed the Board that he will need to leave the meeting in about 5 minutes.

12. RATE ORDER

Attorney Bill Flickinger reported on the change to the Rate Order as requested by Inframark. The Rate Order addresses procedures for delinquent accounts and Inframark has requested that the procedure for mailed notification be revised to remove the certified mail requirements. Inframark also provides a 3-day door tag to the customer before disconnection that is not included in the Rate Order, so that procedure has been added. The changes match what Inframark does so that there are no discrepancies between Inframark's procedures and the Rate Order. In the future, Inframark may be able to send emails in addition to mailed notices. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the Rate Order as revised in that section only. The motion carried unanimously.

13. ELECTRONIC METERS

This item was not discussed.

14. BILLING ADJUSTMENTS

This item was not discussed.

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.

16. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: July 28th, August 25th and either September 22nd or 29th depending on the tax rate adoption schedule.

17. LEGISLATIVE UPDATE

Attorney Bill Flickinger discussed the legislative updates with the Board.

18. AMENDED RESOLUTION AUTHORIZING DIRECTOR'S FEES

Due to recent legislation, the director's per diems were increased to not exceed \$221 per day. After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to adopt the Amended Resolution Authorizing Director's Fees as presented. The motion carried unanimously.

21. ADJOURN

President Chet Palesko adjourned the meeting.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]