

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 22, 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:

David I. Perl – Vice President
Lisa S. McKenzie – Secretary
Joe Szoo – Assistant Secretary
Corey Newhouse – Assistant Secretary

thus constituting a quorum. President Chet Palesko was absent.

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 and Allen Douthitt of Bott & Douthitt, PLLC.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC and Andrew Boyle of Utilimatics.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

Vice President David I. Perl entertained a motion for approval of the Minutes. Motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the Minutes of the August 25, 2023 board meeting as presented. The motion carried unanimously.

5. PUBLIC HEARING ON TAX RATE
6. ORDER APPROVING BUDGET FOR 2023/2024
7. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2023

Items 5, 6 and 7 will be discussed together.

Vice President David I. Perl opened the public hearing on the tax rate and hearing no comments, the public hearing was closed.

Bookkeeper Allen Douthitt discussed the proposed budget with the Board. The only change from last month is the addition of the irrigation upgrades for the HOA in the amount of \$100,000. Mr. Douthitt discussed the different scenarios for the tax rate and how it will affect the District's budget. There was discussion of the calculation for the debt rate. The green column will allow the District to collect the same amount of tax revenue in the operating fund as last year. Mr. Douthitt recommends the green column as the safest option. Lisa McKenzie would like to go lower than that. Corey Newhouse discussed the differences between the scenarios. Vice President Perl agrees that the green column is the safest and still passes along a tax break to the homeowners. Mrs. McKenzie asked about the manhole project after the pond liner replacement is completed. Engineer Jason Baze discussed the cost for this study and that the District should not have a lot of expense as there are only a few manholes that accept wastewater from the lift stations. Mr. Baze believes the wastewater treatment plant should be the main concern for potential future large budget items with the new office site coming on line. Vice President Perl indicated he would like to have a bit of a cushion in the budget, as he was on the Board when the District had very little money. The Board continued to discuss the proposed tax rates and what is best for the District. Currently the District has a \$2.4 million reserve. Mr. Douthitt informed the Board that some aging districts create a capital reserve along with the operating reserve. Mr. Douthitt stated that Inframark can conduct a study on the District's assets and schedule needed maintenance and then build a reserve for those items. Manager Makenzi Scales reported on the process for the study and purchasing spare parts for the District's facilities. After discussion, the Board decided to move forward with the green column. Vice President Perl entertained a motion. Motion was made by Joe Szoo and seconded by Corey Newhouse to adopt the Order Approving Budget as outlined in the green column. The motion carried unanimously. Vice President Perl inquired about the District's appraisal roll and the process of approving it. Attorney Bill Flickinger stated that the Travis County certifies the appraisal roll and provides that value to the District. After discussion, motion was then made by Lisa McKenzie and seconded by Corey Newhouse to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2023, inserting \$0.0980 for M&O and \$0.2183 for debt service for a total tax rate of \$0.3163 per \$100 of taxable value. The motion carried unanimously.

8. AMENDED INFORMATION FORM

Due to the change in the District's tax rate, the Amended Information Form will need to be revised, which includes the Notice to Purchaser. The form will be filed with the Travis County

Clerk and TCEQ. The Notice to Purchaser will be posted on the District's website. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the Amended Information Form with the updated tax rate. The motion carried unanimously.

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

Engineer Jason Baze and Bookkeeper Allen Douthitt reported that on October 1st, the new impact fee for WTCPUA for any new connection will be the current impact fee in effect at the time payment is due. As of October 1st, it will be \$4,600 per LUE. Mr. Baze stated the District should revisit its rate order to be sure that we are all on the same page regarding the rates/connections. There was discussion of the impact fees needed for the office site.

10. PUBLIC HEARING ON WATER CONSERVATION PLAN

11. WATER CONSERVATION PLAN

Vice President David I. Perl reported that President Chet Palesko is working with the LCRA on the District's Water Conservation Plan. Due to President Palesko's absence, this item will be considered at the October board meeting.

12. ENFORCEMENT OF DROUGHT CONTINGENCY PLAN

Vice President David I. Perl discussed the committee's conservative approach to enforcement of the District's Drought Contingency Plan. The committee has been working with Inframark on enforcement. Fine notices have been sent to four residents that included the \$100 fine. Manager Makenzi Scales reported that she has not yet received any responses from those residents regarding the fines. Lisa McKenzie asked if it appeared that the residents' watering schedule was changed after the notice and fine and Mrs. Scales reported that she believes so. Vice President Perl reported that most people who received warnings cut back from watering twice a week to once a week, which was the primary goal of the District's enforcement at this time. However, half of those residents still water on the wrong day. After reviewing the daily water usage, it is trending in a straight line and no watering spikes are being shown on the reports. At this time, it appears that the District is saving water with its efforts. The purpose of the Drought Contingency Plan is to save water and the District has done that. The committee has discussed being more aggressive if the drought carries on. There was discussion about hanging more door tags to get the word out on the watering schedule. Mrs. Scales reported that the fines have not yet been billed to the residents. Vice President Perl is not proposing any change other than a continued approach using common sense to try to change behavior and conserve water. Joe Szoo inquired about increasing the fines for high-water users. Mrs. McKenzie stated that the water rates can be increased for the high-water users in the District's rate order. Vice President Perl stated this matter is only a reporting item and no action is required at this time.

13. LCRA COST-SHARING PROGRAM

This item was not discussed.

14. 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
- d. Lead and Copper Service Line Inventory and Testing

Anand Patel discussed the Engineer's Report as included in the agenda package.

Mr. Patel reported that SHL Engineer Travis Robinson of Optimized Engineering stated that there is no new update on this project. However, he is ensuring that the stormwater controls are in place and being maintained. Corey Newhouse inquired about the stormwater controls and Engineer Jason Baze advised that it is silt fencing, etc. around the site to help contain runoff. Mr. Baze reported that Travis Robinson asked Anand Patel to stop checking in on the project as the District will be notified when movement begins. Vice President David I. Perl noted that people are on site every day. There was also discussion of the large burn pile on site and the possible fire hazard it poses to the District.

The design for the WWTP force main relocation has been completed. Mr. Patel would like to get Board approval to move the project to the advertising and bidding phase once the contract documents are finalized. Vice President Perl wanted to confirm that there has not been any new development from SHL regarding tearing down the building before the Board decides to advertise this project. Attorney Bill Flickinger advised that was correct. Mr. Flickinger asked the District's engineers to coordinate with the committee on the bid package. Once work begins, Murfee Engineering will coordinate with Inframark on shutting the system down for about two to three hours to tie the lines in. Mr. Baze reported that the bids should be received in November. After discussion, motion was made by Vice President Perl and seconded by Lisa McKenzie to authorize the District's engineer to proceed with bidding the WWTP force main relocation project. The motion carried unanimously.

Mr. Patel discussed the pond liner replacement project. The construction process has begun. The temporary frac tanks and pumps have been installed. Tap-ins to the effluent and irrigation lines were a success. Murfee Engineering met the Inframark engineer and contractor on site this week. Vice President Perl stated that there has not been a lot of progress on this project. Mr. Baze agrees that the progress has been slow. The contractor removed one side of the liner, which was not a problem. However, there were issues with dewatering the pond. The contractor is now getting some water trucks and other pumps to help with the dewatering of the pond. Some of the boulders around the pond have been removed to allow for equipment access. Mr. Baze reported that the irrigation pumps were leaking into the drainage field, however he did not see any runoff from the leak. Vice President Perl reported that since the last meeting, the HOA has been watering around the clock, but clearly some of sections of the HOA's irrigation system do not work. This watering helps keep the basins drawn down, which sends less water to the frac tanks for disposal. Mr. Baze confirmed the current irrigation is operating well. Manager Makenzi Scales stated that Inframark will be checking the pumps for leaks as well. Lisa McKenzie asked if the District was at the point where the extra watering is making the grass grow tall enough for the District's landscaper to have to do add another mow. Mrs. Scales advised not to her knowledge.

Mr. Baze noted that the drainage fields appear to have not been used much nor had any disposal on them for months.

Corey Newhouse advised that he has a hard stop at 8:30 a.m. today.

Mr. Baze discussed the required lead and copper testing. The TCEQ has modified the rules on service lines. There will be data collection and an inventory done on the service lines. All the District's connections were completed after 1988 so he is not expecting any issues. This project will be coordinated with Inframark. The inventory is required to be submitted by October 16, 2024. Vice President Perl would like to know when the first house was built in the District.

15. 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.

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

This item was not discussed.

17. ANNUAL INSURANCE RENEWAL

The committee of Corey Newhouse and Joe Szoo has reviewed the insurance renewal proposal. Vice President David I. Perl asked about the new assets that were not being included in the property schedule, such as the lift station fences that were recently constructed after the freeze. Engineer Jason Baze and Anand Patel advised that after their review of the coverage, it was determined that the coverage is sufficient to cover those items. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the District's insurance renewal as submitted. The motion carried unanimously.

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

Bookkeeper Allen Douthitt discussed the financials through August. Lisa McKenzie inquired about the renewal contract from AT&T for the land lines to the District's lift stations. This is a big cost at \$2,100 per month for these land lines. There was discussion on land lines versus wireless for the auto-dialers. Manager Makenzi Scales will reach out to AT&T to see if she can get the cost down. Mr. Douthitt discussed the updated Cash Activity Report. Vice President David I. Perl noted that he might be missing a per diem from the end of August. Both Jeniffer Concienne and Mr. Douthitt will look into it. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve payment of the invoices and per diems and authorize the fund transfers as presented. The motion carried unanimously.

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. Drought Contingency Plan
- i. Residents blocking District access to District facilities
- j. Customer Service Application

Manager Makenzi Scales reported that all facilities were in compliance for August. There were 2.524 million gallons of wastewater treated, with an average daily flow of 84,133 gallons. The wastewater plant is running at 84% capacity.

Mrs. Scales reported on the ongoing maintenance items at the WWTP including the cleaning of the plant membranes/cassette replacement. MBR1 has been pulled and checked for any replacements that may be needed, however none were found. The contractor is working on the schedule for MBR2 to be pulled and Inframark is also waiting on the contractor to pull the cartridges out. Corey Newhouse inquired about the warranty for this project. It was noted that these were installed back in 2018. Mrs. Scales stated so far, nothing has had to be replaced. Inframark is inspecting the system for checks and balances due to the membranes not being adequately cleaned in the normal cleaning process.

Mrs. Scales discussed the effluent pond pump station replacement. There is a quote included in the Manager's report to replace the vertical turbine pump at the effluent pump station. This evaluation has been in the works for some time. The quote is in the amount of \$26,683.86. The current pump is not identifiable due to corrosion. The vendor has provided two options. Inframark recommends the second option which is slightly cheaper with a resilient motor. Lisa McKenzie asked about an opportunity for a redesign of the system due to this high price point. It is possible that this pump is the original pump to the pond. Mrs. Scales is not sure a redesign is necessary at this time or if it would result in any cost savings. After discussion, motion was made by Vice President David I. Perl and seconded by Joe Szoo to approve the Advance Water Well Technologies proposal as submitted. The motion carried unanimously.

Water accountability for August was 99%. Vice President Perl asked about the running total versus the water accountability total. Mrs. Scales will confirm the numbers were updated.

Corey Newhouse left the meeting at this time.

There were six delinquent letters mailed, four door tags hung and no disconnects.

Mrs. McKenzie asked where the District was on enrollment for EyeOnWater. Mrs. Scales stated that over half of the District had enrolled. Mrs. Scales suggested making signs with

enrollment information on them, as this approach has been successful in other districts. Vice President Perl agreed with this approach and said to do it.

In regard to the strap-on tracking meters in the WTCPUA vaults, Mrs. Scales advised that both meters are now registering 98% accuracy. Andrew Boyle with Utilimatics has a running water balance that is about 22 gpm shy of the reads, but it's consistent.

Attorney Greg Szuman reported there has been no update to the letter sent to the homeowner on their prior/future tenants blocking District facilities. The letter was delivered to the attorney of record for the homeowner.

Attorney Bill Flickinger discussed the updated Customer Service Application. Mrs. Scales reported that the changes consisted of removing the Summit office addresses, emails, mention of the drop-box and several clean-up items. After discussion, motion was made by Lisa McKenzie and seconded by Joe Szoo to approve the revised Customer Service Application. The motion carried unanimously. The new application will be posted on the District's website.

20. RATE ORDER

This item was not discussed.

21. ELECTRONIC METERS

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

22. BILLING ADJUSTMENTS

This item was not discussed.

23. 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.

Vice President David I. Perl discussed the HOA irrigation. It is clear that the HOA's irrigation does not cover all the required areas. It is apparent what areas are being irrigated and what areas are not. Lisa McKenzie stated that apparently the HOA's system goes all the way up to the top of the berm by the SHL pond. That area has a green strip, which could indicate a leak. There is some overlap on watering that area that SHL and the HOA need to clear up. The District also needs to figure out what part of the boulevard and frontage is on the permit. Joe Szoo asked if a pump needs to be added to increase the pressure in that area. Engineer Jason Baze said that should be included in the HOA upgrades that the District has budgeted for. Manager Makenzi Scales noted that the District could consider adding more zone controllers within the system. Vice President Perl discussed the dysfunction of the HOA system as a whole. Yellowstone Landscape

is repairing the system as needed, this period they replaced 11 sprinkler heads as shown on the maintenance report.

24. DATES FOR FUTURE BOARD MEETINGS

The next Board meeting dates are as follows: October 27th, November 17th and December 29th.

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

Vice President David I. Perl stated that there was no report from SHL.

26. CONTRACT BY AND AMONG THE DISTRICT, SENNA HILLS HOMEOWNERS ASSOCIATION, INC.; SENNA HILLS, LTD. AND THE SENNA HILLS TRUST

Vice President David I. Perl 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. 26. The Board went into closed session at 8:43 a.m.

At 9:06 a.m., Vice President Perl 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 Joe Szoo and seconded by Lisa McKenzie to authorize the over-seeding of irrigated areas, at a cost not to exceed \$9,000. The motion carried unanimously.

27. ADJOURN

Vice President David I. Perl adjourned the meeting at 9:08 a.m.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]
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