

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 26, 2024 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
Corey Newhouse – Assistant Secretary
Ron Preston – 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 and ElizaBeth Reeves of Inframark, Allen Douthitt with Bott & Douthitt, PLLC and Ashlee Martin of McCall Gibson Swedlund Barfoot, 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. §49.063(C), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger stated that this notice appears on the first agenda of each year since the Board meets outside the District. If a petition is filed, the District will process it accordingly. No action is needed at this time.

5. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. David I. Perl found a few typos and has given that information to Jeniffer Concienne to revise. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the December 29, 2023 meeting as revised. The motion carried unanimously.

6. ANNUAL AUDIT SUBMITTED BY MCCALL GIBSON SWEDLUND BARFOOT

CPA Ashlee Martin discussed the audit at a high level with the Board. The District received an unmodified/clean audit, which is the best given. Ms. Martin discussed the balance sheet which showed the District is in good shape. The District's net position has increased year over year. Ms. Martin stated that there were no new accounting standards this period. Ms. Martin also reviewed the District's bonded debt and annual budget. It was reported that the District's overall water accountability was 97.2%, which is well within the District's acceptable range. Ron Preston inquired about the water loss and what the loss could be. The District has a strong tax collection at 99.8%. Included in the audit is a five-year lookback schedule, which shows the District is trending well. Ms. Martin reported that there were no difficulties, disagreements or adjustments made in connection with the annual audit. Ron Preston advised that he should not sign the representation letter since he was not on the Board during the fiscal year. President Chet Palesko stated that he understands and has no problem with that. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the audit and authorize the execution and filing of the Annual Filing Affidavit as required. The motion carried unanimously.

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

This item was not discussed.

8. LCRA COST-SHARING PROGRAM

President Chet Palesko stated that he received correspondence from Stacy Pandey at the LCRA indicating that the District's final report is due. President Palesko will work on it and get it submitted. The information shows that there was no improvement year over year on the District's water usage. The District uses its electronic meters to enforce the water restrictions.

9. 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 garage
- 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.

Once again, SHL Engineer Travis Robinson reiterated that there are no construction updates for the office site project. As previously stated, the developer is clearing out bushes and other vegetation from the site and is ensuring that stormwater controls are in place and being maintained. Mr. Patel will continue to coordinate with him to stay current on the schedule.

Mr. Patel reported that they are continuing to coordinate with Fred Tillman Contractors on the force main relocation project. The requested insurance documents were received yesterday, along with the completed Form 1295. Murfee Engineering will issue the notice to proceed and set up a pre-construction meeting once those items are in order. Lisa McKenzie asked to be kept in the loop so that the propane tank can be refilled if needed before the construction commences on the relocation of lines. She is concerned that if the weather gets bad and the propane truck cannot get through the site, the tank would not be able to be refilled.

The lead and copper service line inventory is ongoing and Mr. Patel has no further updates. Murfee is filling out the TCEQ forms with the relevant information. The due date is in October 2024.

In regard to the MS4 renewal, the TCEQ was scheduled to issue the renewed permit instructions this month, however, the website shows that due to a delay in setting up their system, the TCEQ has pushed the deadline to August 2024 and all the existing permittees have continuance of what they hold now.

Engineer Jason Baze discussed the status of the effluent pond liner replacement. Several times, when the contractors get close to moving all the material out of the bottom on the pond, it has rained and caused another delay. As was communicated to the contractor, his situation was predicted during the summer when the start date was delayed. This last rain event caused a huge mess when the contractors tried to work around all the rain. Mr. Baze will meet with the contractors today for an assessment of the project. There is a lot of clean up that needs to occur. The installation of the liner will be several weeks away. A portion of the pond berm will need to be put back in place where the liner was removed, and the rain caused the berm to slide. There was discussion of penalties for exceeding the completion date. President Chet Palesko asked about the disposition of the effluent due to the 5" of rain. Mr. Palesko also asked if any risks had been noted as a result of the rain and not having the pond available for retention. Mr. Baze said they got with Inframark and the contractors before this freeze and made adjustments to the float levels in the frac tanks to allow more reaction time to any potential issues. Manager Makenzi Scales reported that the efforts appeared to have worked well.

David I. Perl asked who owns the broken pipe that caused the ice sculpture on Senna Hills Drive. Lisa McKenzie indicated that she believes it is the District's line. She indicated that a couple of weeks before the freeze, she contacted Inframark to inquire about it. It is near the low retaining wall where you use the main exit at the east side in the District. The sprinkler head had a continual spray of effluent. One reason she believes it is the District's line is because there is a surveyor's stake next to it. Mrs. McKenzie believes the District's sprinkler heads were marked with stakes when Pios made irrigation system repairs. Manager Makenzi Scales stated that the aluminum head is not standard for the District's system. Inframark reached out to the HOA and it appears that the HOA took responsibility. Mrs. McKenzie noted that it apparently still has not been repaired. Mrs. McKenzie advised that when she reached out to the HOA on the continual spray, Cheryl stated that the HOA's system was turned off. Corey Newhouse and President Chet Palesko stated that this needs to be fixed one way or another, as this is breaking the rules pursuant to the District's permit.

President Chet Palesko went back to the pond liner discussion and noted that there is an urgency to get this done. However, he wants it done correctly. Engineer Jason Baze noted that the District needs the volume in the pond for effluent irrigation for the common areas. David I. Perl discussed the re-seeding plan in regard to the new permit. Zane Furr completed the re-seeding of winter rye in the irrigation fields but not along Senna Hills Drive. Lisa McKenzie wants to get with Zane Furr on the locations for re-seeding with Bermuda grass. Mr. Baze stated in about a month and half it will be a good time to re-seed with Bermuda grass.

There was discussion of Pay Estimate No. 1 submitted by Synagro of Texas-CDR in the amount of \$280,396.59 for the pond liner replacement project. Bookkeeper Allen Douthitt stated that if approved, he will reach out to Synagro for its wiring instructions. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve the pay estimate as presented. The motion carried unanimously.

10. 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.

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

This item was discussed above in the engineer's report.

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

Bookkeeper Allen Douthitt discussed the financials and updated Cash Activity Report with the Board. The District is reporting three months into its fiscal year and in regard to its budget, it is experiencing favorable variances. Mr. Douthitt pointed out that he needs to adjust his

bookkeeping contract, as he has not done so in five years. This will be added to the February agenda for consideration. The District is 50% collected on property taxes at the end of December. Mr. Douthitt also reported that bond payments are due as well. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve payment of the invoices and per diems and authorize two fund transfers and three bond payments for Series 2014, 2016 and 2020 as presented. The motion carried unanimously.

13. 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

Manager Makenzi Scales introduced ElizaBeth Reeves with Inframark, who is the Director of Account Management. She has been visiting Austin for the last several months and is making her rounds to the Board meetings of Inframark's clients.

Mrs. Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of December. There were 2.486 million gallons of wastewater treated, showing an average daily flow of 82,867 gallons, which puts the wastewater treatment plant at 83% capacity. There were no reported issues during the recent freeze. The District's facilities held up well this round due to the preventive winterization. The plant membrane clean/cassette replacement is tentatively scheduled for spring to pull the MBR 2. The AT&T upgrade to the facility lines at the lift stations is scheduled for January 30th. The backflow testing and flow meter calibrations are on-going. Inframark performed a TCEQ pre-inspection of the system as part of the record requests. The flow meter calibrations are about a month out from being due, so they are doing both at the same time. This testing will be conducted over the next few weeks.

The water accountability was 93.1% for December, which slipped a bit. Mrs. Scales said they will keep an eye on it but does not believe there is any type of leak at this point. There were nine delinquent letters mailed, five door tags hung and zero disconnects. The hydrant and valve survey pricing should be ready in February. David I. Perl asked if a hydrant had been recently replaced and Mrs. Scales stated that it was a gasket leak on a hydrant at the west entrance. Mrs. Scales reported that Andrew Boyle from Utilimatics notified her of the leak. All of the hydrants within the District are old but are exercised regularly.

The first quarter outfall inspections have been completed. Mrs. Scales reported that there may be some work orders generated from the inspections.

The re-use water system and HOA effluent irrigation inspection reports have been included in the package. Lisa McKenzie inquired about the 50,000 gallons used by the HOA and if that was for the pool refill. President Chet Palesko will take a look at the HOA's usage. Mrs. Scales recalls a discussion of the HOA's request to fill the pool and whether or not the District was going to charge them for the water. Mrs. Scales will review this matter and get back to the Board.

Mrs. Scales discussed the request for a leak adjustment in the amount of \$600. The customer was not signed up for EyeOnWater and had a substantial leak. The property has now been sold. After discussion, the Board denied the request for the leak adjustment.

President Chet Palesko and Corey Newhouse met with Andrew Boyle with Utilimatics on the tracking meters. The tracking meters are not accurately reading nor do they read in the same direction. Sometimes the read reports low flow and other times it reports high flow. It is just too hard to confirm a leak with the readings all over the map. President Palesko stated that most inaccuracies are coming from the east entrance meter vault, which houses the low flow meter. It appears to work except when the check valve goes off. Manager Makenzi Scales stated that she spoke with the PUA and they indicated that the issue with the check valve is on the District's side of the meter and therefore it's the District's responsibility to fix. Mrs. Scales thought that since it was in the vault, it was the PUA's responsibility. She asked legal to review the agreement with the PUA to check on responsibility to fix the check valve. Engineer Jason Baze and Mr. Boyle discussed the PUA's system. President Palesko confirmed the prior calibrations worked well, but the check valve will still need to be fixed. Mrs. Scales will get quotes on the repair and will either get it fixed or come back to the Board at the February Board meeting.

14. ELECTRONIC METERS

This item was not discussed.

15. BILLING ADJUSTMENTS

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

16. 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.

17. DATES FOR FUTURE BOARD MEETINGS

Bill Flickinger stated that the February 23rd meeting was moved to March 1st to accommodate Corey Newhouse's schedule. The March 29th meeting date falls on Good Friday. Lisa McKenzie asked to move that meeting so that it could be a holiday as planned. After discussion, the March meeting was moved to Thursday, March 28th. Lisa McKenzie will not be able to attend the April 26th meeting. After discussion, the meeting schedule is as follows: March 1st and March 28th.

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

This item was not discussed.

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

Attorney Bill Flickinger reported that the District refunded SHL part of its annual payment of \$17,200 due to the District's not using all the funds. SHL has already wired the annual payment for 2024 to use this year. The District needs to plan ahead to complete funded activities this year. When the lines under the SHL garage are relocated and complete, it will be the appropriate time to have a discussion with SHL to see if the outstanding issues can be resolved. At that time all the actual costs will be determined, and we will have current balances for all accounts. This can start at the committee level and then come to the Board. President Chet Palesko believes that is a good plan.

20. ADJOURN

President Chet Palesko adjourned the meeting.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]