

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 November 17, 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 Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Anand Patel and Jason Baze of Murfee Engineering, Makenzi Scales of Inframark, Andrew Boyle of Utilimatics and resident Ron Preston.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC and Rip Miller of SHL.

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 Lisa McKenzie to approve the Minutes of the October 27, 2023 board meeting as revised. The motion carried unanimously.

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

President Chet Palesko reported that he attended a WTCPUA impact fee meeting recently. As the Board is aware, President Palesko is on the impact fee committee. Last year, the WTCPUA set a new impact fee and projected a certain amount of money to be collected. However, they only collected about 40% of what was expected this year. The WTCPUA has a \$100 million capital plan. Next year, the WTCPUA will conduct another impact fee study and most likely increase the impact fee again. The WTCPUA wants to fund the capital plan with new development, but if it does not collect the money it expects, it will go to the developed entities to help make up the difference. That means for the District, there could be water rate increases. The impact fee used to be based on when the plat was recorded, but now it is paid when service is requested. President Palesko also reported that the LCRA is being conservative with water use and may implement a one day a week watering for all of summer 2024.

6. ENFORCEMENT OF DROUGHT CONTINGENCY PLAN

President Chet Palesko stated that he had nothing to report in regard to enforcement matters.

Before next summer, President Palesko has some new ideas on water conservation. This year, some things worked very well and others need some improvement. This item will be revisited at a later time.

7. LCRA COST-SHARING PROGRAM

President Chet Palesko stated that he needs to prepare a final report to the LCRA on the District's Cost-Sharing Program. The District did everything it said it was going to do with the grant. However, he does not feel that the District reduced water consumption. President Palesko will continue to work through the details.

8. 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; bidding of wastewater line and effluent line relocation project
- 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 stated that SHL Engineer Travis Robinson reported that they are clearing out bushes and other vegetation from the office site and are ensuring that stormwater controls are in place and being maintained.

In regard to the wastewater treatment plant force main relocation, the bid opening was held on November 9th. Engineer Jason Baze provided the bid tabulation for review. Two bids were received, however only one qualified as the other was bid incomplete. Mr. Patel and Mr. Baze had a meeting with the committee as there was a significant price difference between the bidders. Fred Tillman Contractors, Inc did not provide all the required documentation and has now submitted additional documents for review. The Board discussed the bids from both G Creek Construction and Fred Tillman Contractors. Attorney Bill Flickinger suggested that Rip Miller be allowed to provide information on the bid from Fred Tillman Contractors. Rip Miller stated that he checked with several companies due to the simple nature of the relocation of the wastewater force main lines. Those companies did not want to bid due to past relationships. Mr. Miller reached out to a friend of his at Fred Tillman Contractors and asked him to bid on this project at cost. Mr. Miller stated that this project should be simple as it is only a few hundred feet of wastewater line. The project should take eight days to two weeks tops to complete. Mr. Miller will also help with equipment needs to keep costs down. The supplies should cost around \$12,000 to \$15,000. Mr. Miller would like this project completed in the cheapest manner possible, no matter who is responsible for paying for it. Mr. Miller would like to have the project completed by the middle of December. David I. Perl asked if Mr. Miller is past not wanting to pay for this project. Mr. Miller, reiterated regardless who pays for it, he wants it done as cheaply as possible. Mr. Perl indicated that if the District is paying for this project, it does not make sense to go this route. President Palesko indicated that no matter which route is taken, the next step will be a specific contract on the project. Mr. Baze stated that there was a bidding process and Tillman Contractors was deficient in that process. The options are to reject all bids and then can go to negotiated installation and get a contract in place. The bid form was incorrect the second round, so there are contractual issues that need to be corrected. President Palesko does not want to pay extra money for formatting issues. The District has a financial obligation to take the lowest bid if it will work. President Palesko is in favor of awarding the contract to Tillman Contractors or the other option would be to reject them both. Corey Newhouse asked if the Board needs to decide now or wait until it is figured out as to who is paying for this project. Attorney Bill Flickinger outlined the options, being delay bids for 60 days and give direction to the committee and engineers to work with Tillman on any remaining issues and then come back next month and make a decision or as Mr. Baze said, the Board can reject all bids. The committee can work with Tillman since the bid will be under \$25,000, no publication is needed. If all fails, the Board will need to solicit at least three bids. Mr. Perl discussed limitations on the options above and the District's protection in the event that something comes up that was not expected or an issue that did not get fixed. In terms of risk, President Palesko addressed the design of the line routed in a "C" formation. The tie-in needs to be coordinated per Mr. Baze. Also, irrigation equipment such as control wires and piping are within that area and should not be disturbed. Murfee would like to have a formal process of reviewing the project as it begins and wants to be sure that no wastewater spills occur. President Palesko said the contract should be very specific. Mr. Miller stated that all piping and fittings are on site and Murfee can review the materials at any time. The plan should either be to get it done in early December due to the holidays or by the end of January. Mr. Baze noted that there is a separate job going on near the plant (pond liner project) and in no way can there be any issues with the contractor getting into the irrigation wires and controls. After discussion, the Board is fine with moving forward with Tillman Contractors so long as the District is protected. Motion was then made by President Palesko and seconded by Corey Newhouse to accept the low bid from Tillman Contractors for relocation of the force main lines, not to exceed \$23,975 and authorize the

committee and engineers to finalize the contract once it is acceptable and authorize the Board President to execute the contract. The motion carried unanimously.

Mr. Patel discussed the status of the pond liner replacement project. The temporary bypass system has been installed and is operational. The contractor has begun the dewatering and sediment removal in the pond. The project should be completed on schedule. President Palesko asked if there were any penalties if the project is not completed by the end of the year. Mr. Baze advised there is liquidated damages for going beyond the completion deadline, which is January 18, 2024. President Palesko asked if the process of getting rid of the effluent is working well. Mr. Baze said that is the process that has worked the best. The sediment is being stored near the site and was creating a mess. As the sediment dries, it will be spread out and put in areas that are deficient of soil. Rip Miller informed the Board that one of the men from the contractor came over and asked if they could put some of the "sludge" in the burn pile hole. They told Mr. Miller's guys that the place where they were dumping the dirt was filled and they needed somewhere else to dump it. Mr. Miller declined as he did not know what it was and wanted to speak to Board. Mr. Miller stated that he would help the District but wanted to know more details. David I. Perl stated that the sediment is not sludge, as it was tested and determined to only be silt/dirt. Nothing in it is considered sludge. Mr. Baze will discuss this with the contractor, as they should not have done that. The contractor is storing the dirt in a controlled space in the irrigation area until the dirt dries out enough that it can be spread around.

The lead and copper testing are ongoing.

Attorney Bill Flickinger asked about the third-party inspections for the pond liner. President Palesko informed the Board that the committee met to review the discrepancy between testing and inspections within the contract. There was some ambiguity in the contract about who pays for the third-party inspections. Unfortunately, the contract shows in one section that the contractor is responsible and the other shows the District is responsible for inspections. The contractor claims that they did not include the inspection costs in their bid because they did not see where they were responsible for it. The cost is \$27,000. Once the committee looked at it, had it been correct in the contract, it would have included a markup on top of the cost. Mr. Baze said it was his intention for the inspections to be part of the contractor's scope. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to authorize Murfee Engineering to engage an inspector as a subcontractor with no markup to the District. The motion carried unanimously.

9. 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

Lisa McKenzie asked when the annual report is due. Manager Makenzi Scales and Anand Patel advised in January 2024. The changes in the stormwater management plan will be included in the report.

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

Bookkeeper Allen Douthitt reported that since the board meeting date was moved up to accommodate the Thanksgiving holiday, there are no financials to discuss. Mr. Douthitt discussed the current invoices, per diems and one fund transfer for Board consideration. After discussion, motion was made by David I. Perl 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.

12. 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 updated the Board on the District's AT&T account for the auto-dialers at the lift stations. The monthly bill will now be \$840, reduced from the \$2,200 that was the result of a recent price increase. AT&T will also be researching for some possible refunds to the District. Missy Roberts worked on this issue and got it accomplished, after about 3 hours of dealing with AT&T.

Mrs. Scales reported that all facilities were in compliance for October. There were 2.303 million gallons of wastewater treated, with an average daily flow of 76,767 gallons. The wastewater plant is running at 77% capacity.

Mrs. Scales reported on the effluent pond pump station replacement. Inframark is working with Murfee Engineering to get precise measurements for the pump can depth. It was presumed that the depth was 10' but it appears to be deeper. Mr. Baze reported that the pump is submersible and sits in a can and the rep was trying to get a good depth, which has now been determined to be about 13'. The pump is set for delivery in December and then it can be installed.

Water accountability for October was 92.4%, due to timing. It also appears that some of the gallons used for flushing were missed.

The District had 10 delinquent letters mailed, six door tags hung and one disconnect. The disconnected account was reinstated the same day.

Mrs. Scales reiterated to the Board that Inframark has started pricing out the fire hydrant and valve survey and the pricing should be ready in December or January.

13. RATE ORDER

This item was not discussed.

14. ELECTRONIC METERS

This item was not discussed.

15. BILLING ADJUSTMENTS

This item was not discussed.

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

23rd. The next Board meeting dates are as follows: December 29th, January 26th and February

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.

Rip Miller advised that he has nothing new to report.

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 has nothing new to report.

20. ADJOURN

President Chet Palesko adjourned the meeting at 8:14 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]