

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 March 28, 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 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

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 March 1, 2024 meeting as revised. The motion carried unanimously.

**President Chet Palesko moved to Item No. 11 at this time.

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. Drought Contingency Plan/Water Conservation Plan; Enforcement procedures

Manager Makenzi Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of February. There were 2.343 million gallons of wastewater treated, showing an average daily flow of 78,100 gallons, which puts the wastewater treatment plant at 78% capacity. The plant membrane clean/cassette replacement project is still ongoing. The air scouring on MBR2 has been completed and was placed back online. Mrs. Scales reported on the force main relocation project. The contractor hit an effluent line in an area where the plans show no line to be. Inframark immediately repaired the effluent line break.

The District's water accountability was 81.5% for February. Inframark is looking into this with help of Utilimatics. Andrew Boyle with Utilimatics reported that there is not good data from the two master meters. Mr. Boyle found that surge events occurred around Heliotrope Court, which is the highest point in the District's system and possibly caused the leak. The leak is possibly between Heliotrope Court and Milagro Drive. David I. Perl inquired why the surges occur and Mr. Boyle indicated that they could be caused by WTCPUA turning on and off the pumps. Manager Makenzi Scales will send a crew out to find and fix the leak. David I. Perl stated that he reviewed a work order on water running across a yard. Mrs. Scales stated that was a residential irrigation leak and the work was completed back in January. Mrs. Scales reported that she is getting quotes for the pavement repairs around manholes that may be required for Travis County to accept the roars in Sections 5B and 6 for maintenance. Inframark will be checking the manhole seals as well. A manhole survey may be done so that Inframark can check for any other repairs that are needed. President Chet Palesko asked Mrs. Scales to keep on the water loss issue.

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

**President Chet Palesko went back to Item No. 5.

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

6. LCRA COST-SHARING PROGRAM

Items 5 and 6 were discussed together.

President Chet Palesko reported that the LCRA approved its amended Drought Contingency Plan. The District's Drought Contingency Plan will need to match both the LCRA and WTCPUA Plans by May 1, 2024. President Palesko will work with David I. Perl to get the amendments completed by the April board meeting. Public hearings on both the Drought Contingency Plan and Water Conservation Plan will be held at that time.

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 garage
- c. Effluent Pond Liner Replacement
- d. Lead and Copper Service Line Inventory and Testing
- e. Re-seeding and maintenance of effluent irrigation areas to comply with current permit

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

As reported for the last several months, SHL Engineer Travis Robinson reiterated that there are no construction updates for the office site project. Mr. Patel will continue to coordinate with him to stay current on the schedule.

Mr. Patel reported on the status of the force main relocation project. As reported by Manager Makenzi Scales in the Manager's Report, the 6" effluent line location did not match record information which led to the effluent line being struck by the contractor. The line was immediately repaired by Inframark. Mr. Patel reported that they are coordinating with the contractor on the modified point of connection. Mr. Patel will update the Board when more information is available.

Engineer Jason Baze discussed the status of the effluent pond liner replacement. The contractor is currently working on putting together a quote for a replacement intake screen. The pond liner installation will begin once the intake screen matter is sorted out and confirmation that the underdrain system is in good repair. The estimated timeframe for the pond liner installation is late April. The Board reported that there is mud all over the roadway from the contractor's trucks. Mr. Baze reported that the third-party construction team and MEC are coordinating efforts in connection with project. The contractor did not submit an invoice for payment this period. However, Pay Estimate No. 2 was previously submitted and is still being reviewed prior to bringing it to the Board for consideration. Lisa McKenzie asked if it will be June before water is in the pond again. Mr. Baze stated that flow will begin before that time, but substantial completion is expected in June. President Chet Palesko asked if there have been any issues with effluent disposal, and Mr. Baze advised that no issues have occurred. Mrs. McKenzie asked if there have been any resident complaints regarding the pond liner replacement project and all answered there have not been any reported. Mr. Baze stated that MEC had trouble locating the manufacturer for a replacement intake screen. The intake screen rusted and fell apart. The estimated cost for replacement is \$10,000 plus installation. The Board previously approved an expenditure not to exceed \$20,000.

Anand Patel reported that the overseeding of the median at Senna Hills Drive and the irrigation fields is ongoing. Engineer Jason Baze contacted an agronomist regarding this project, but they were not helpful with this particular matter. He will reach out to another agronomist to be sure the irrigation fields and the median at Senna Hills Drive get the right fertilizers applied during the overseeding. Manager Makenzi Scales will also need to coordinate with Zane Furr and the HOA on daily irrigation once the areas have been overseeded.

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 reported on in the Engineer's Report.

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

Bookkeeper Allen Douthitt presented and discussed the updated Cash Activity Report and the District's financials with the Board. The report included in the agenda package listed a payment to the contractor for the pond liner replacement. However, that payment was not made, and the budget was corrected accordingly. The District continues to experience favorable variances, mostly due to the high interest rates being earned on the reserves. Mr. Douthitt reported that due to the high interest rates on the bonds, some districts are starting to bump up against arbitrage, which is not allowed. Arbitrage is not an issue for the District because all of its bond proceeds have been spent. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the vendor invoices and per diems and authorize three fund transfers as presented. The motion carried unanimously.

12. RATE ORDER

Lisa McKenzie discussed her 2023 water usage report in connection with the upcoming watering restrictions due to the drought. Mrs. McKenzie recommends leaving the base rate and the first tier the same and then increasing the remaining tiers. Her goal with the higher water rates is to encourage compliance with the upcoming one-day per week watering schedule. By increasing the higher tiers, the pricing makes water cost more than replacing landscaping that might not thrive with one-day per week watering. If the water rates are high enough, it should encourage the residents to conserve on their own. David I. Perl asked if the WTCPUA and LCRA would accept a pricing regimen as an enforcement measure. President Chet Palesko advised that they would not. President Palesko reported that the District has the ability to enforce better than others due to the electronic metering system through the District. President Palesko reviews the water usage data and has a template to enter the information making it easier to identify any compliance issues.

Mrs. McKenzie advised that Lakeway MUD adopted a regular water rate and a drought rate. President Palesko indicated that the District already has the highest rate in the area. Ron Preston presented and discussed his Water Rate Comparison Report. The base rate would remain the same as well as the first two tiers and then an increase to the rates over 30,000 gallons. Mr. Preston used his water consumption between irrigation and home use as an example. With his proposal, there would be no impact for the typical water user, a small impact for moderately heavy users, but would remain consistent with neighboring districts and heavy users would see an impact, but not excessively punitive compared with neighboring districts. Corey Newhouse asked about the reason to increase the water rates and Mrs. McKenzie advised that it is to discourage excessive water consumption. After discussion, President Palesko prefers not to increase the water rates, but to enforce the water restrictions using the same process that was used last summer. President Palesko would like to hold off on any changes until the LCRA curtails the water before adding a drought rate for water consumption. President Palesko and David I. Perl stated that the District as a whole is doing well on water consumption. Corey Newhouse agrees with President Palesko and prefers to just move forward with enforcement of the watering restrictions.

13. ELECTRONIC METERS

This 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's Report.

16. DATES FOR FUTURE BOARD MEETINGS

After discussion by the Board, the District's board meeting schedule will be as follows: April 19th, May 17th and June 28th.

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.

This item was not discussed.

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

This item was not discussed.

19. ADJOURN

President Chet Palesko adjourned the meeting at 8:04 a.m.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]