

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 April 19, 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
Ron Preston – Assistant Secretary

thus constituting a quorum. Assistant Secretary Corey Newhouse 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, Allen Douthitt of Bott & Douthitt, PLLC and Missy Roberts of Inframark.

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 28, 2024 meeting as corrected. The motion carried unanimously.

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

This topic will be covered under the Drought Contingency Plan item. Lisa McKenzie inquired about what is being built on Bee Cave Parkway near FM 620. The Community Impact reported that it would be condos, apartments, patio homes, etc.

6. LCRA COST-SHARING PROGRAM

This item was not discussed.

7. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

8. AMENDMENT TO DROUGHT CONTINGENCY PLAN

9. PUBLIC HEARING ON WATER CONSERVATION PLAN

10. AMENDMENT TO WATER CONSERVATION PLAN

12. PRO RATA CURTAILMENT PLAN REQUIRED BY LCRA FOR FIRM WATER CUSTOMERS

Items 7, 8, 9, 10 & 12 were discussed together.

President Chet Palesko opened the public hearings on the Drought Contingency Plan and Water Conservation Plan. Hearing no comments, the public hearings were closed.

President Chet Palesko discussed the draft Drought Contingency Plan. The District is required to be at least as restrictive as the WTCPUA and LCRA Drought Contingency Plans. President Palesko took the District's existing plan and matched it up to the WTCPUA's draft plan. The District must match the proposed hours as provided by the WTCPUA. Lisa McKenzie provided her comments on the wording for the triggering criteria between the WTCPUA and LCRA. The District's plan will now have only four stages and will align with the WTCPUA's plan. President Palesko stated that Stage 1 is the same as the permanent watering restrictions. Attorney Bill Flickinger noted that the WTCPUA in its draft plan added some additional restrictions on new landscaping, irrigation, vehicle washing, water waste and reduces watering by 10%. President Palesko will add that language as appropriate to the District's plan. Stage 2 is where the District's watering restrictions will start on May 1st. The WTCPUA only provides a seven-hour window in two phases for irrigation from 6 a.m. to 10 a.m. and from 7 p.m. to 10 p.m. In this case, the WTCPUA is more restrictive than the LCRA. President Palesko stated that hand watering is allowed at any time in Stage 2. Stage 3 takes away one of the windows for watering and allows for once-a-week watering from 6 a.m. to 10 a.m. only. Hand watering can only be done during that time as well. President Palesko stated that is a pretty drastic restriction. Stage 4 prohibits all non-essential watering. Ron Preston noted that in the draft plan that he is reviewing, it states in Stage 3, that hose-end watering is prohibited at all times. President Palesko advised that is a mistake and he will revise that reference. Lisa McKenzie asked if the WTCPUA has a

prediction of when Stage 3 would be implemented given the current drought conditions. President Palesko stated that he does not know the answer to that and proceeded to discuss the triggers for the stages. Attorney Bill Flickinger noted that the WTCPUA states that in Stage 3, no irrigation with in-ground irrigation systems will be allowed from November through February and this language will need to be inserted into the District's plan. President Palesko stated that is also true for Stage 2. Ron Preston discussed the use of effluent and President Palesko reported that effluent can be used at any time and is not restricted. The HOA has only one area that does not use effluent for irrigation, which as Mrs. McKenzie stated is the amenity center. The HOA will need to follow the same restrictions for irrigation at the amenity center as the rest of the residents in the District. With only a four-hour window for irrigation in Stage 3, most residents will not be able to get through all of their irrigation zones. Lisa McKenzie asked if the WTCPUA does not meet until next week to adopt its plan, how does the District start communicating with the residents and start enforcing the restrictions by May 1st. President Palesko said that the District will start communicating with the residents on May 1st regardless to inform them of the new watering mandate. Obviously, the District will need several weeks to be ready for enforcement. The procedures will be discussed in closed session at the end of the meeting. Attorney Bill Flickinger reported that a summary of the Amended Drought Contingency Plan will need to be published in the newspaper before fines can be assessed. Mrs. McKenzie inquired about if the District is fined \$10,000 for not enforcing the restrictions, how are the residents affected by the fine. President Palesko does not believe that will happen and that the District is fine with the actions being taken. President Palesko would like to be able to continue to tweak the plan through May if need be. After considerable discussion, President Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Ron Preston to approve the Amended Drought Contingency Plan as presented and authorize the committee to make necessary changes subject to the WTCPUA's adopted Drought Contingency Plan to comply with the District's contractual obligations by May 1st. The motion carried unanimously.

Attorney Bill Flickinger reported that the District's Amended Drought Contingency Plan will be attached to the Water Conservation Plan, and he does not see that any other provisions in the Water Conservation Plan need to be amended at this time. President Palesko agreed as well. President Palesko would like to hold off on publishing the District's Amended Drought Contingency Plan and Water Conservation Plan to the LCRA until June 1st. The District's Amended Drought Contingency Plan has water conservation goals in each stage.

President Palesko discussed the LCRA curtailment plan with the Board. This is a plan that the LCRA may enforce in the event of a drought worse than the drought of record. If in Stage 2, it will include a 20% reduction compared to the District's baseline amount of water use. The water use is based on billed amounts in the billing periods, not calendar month usage. The reference year that the LCRA will go by is June 2022 through May 2023. According to the reference year, the Baseline Annual Water Use Amount is 252.59 acre-feet. President Palesko stated that the baseline amount can be challenged, but he does not see that is necessary, as he is not concerned with the targets. The LCRA will review the usage quarterly and if necessary, assess fines at the end of the year. It looks like curtailment might be a possibility come October. Currently the District is down 15% in water use from its target amount, so President Palesko believes the District is in good shape. The once-a-week watering restriction that begins May 1st will continue to

improve the amount of water conservation. President Palesko stated that the LCRA and WTCPUA are serious about water conservation.

13. 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, there have been no construction updates for the office site project. Mr. Patel will continue to coordinate with SHL Engineer Travis Robinson to stay current on the schedule. It was noted that Mr. Robinson did not respond to the request for an update on the project this month.

Mr. Patel reported on the status of the force main relocation project. The modified point of connection has been finalized for the 6" effluent line and the connection was completed yesterday. When the field connections were being done and the system was shutdown, the contractor encountered some issues. Inframark had to provide for more wastewater hauling than was anticipated. The system was shut down for several hours. Attorney Bill Flickinger asked if the project has been completed and Mr. Baze stated the pipes have been relocated and the project will be completed once the area is backfilled and restored. Engineer Jason Baze reported that the first and final pay estimates will be presented next month for consideration. David I. Perl asked if the additional costs from Inframark will be added to the running tab for SHL and if the amounts will be reconciled from what needs to be paid versus what is still owed. Mr. Patel will update the Board when more information is available.

Anand Patel reported on the status of the effluent pond liner replacement. When the contractor located the underdrain system, it was determined that the existing pipes were damaged. A change order will be submitted for the underdrain system and replacement screen. The pond liner installation will not begin until those tasks are taken care of. Mr. Baze has been in contact with the committee on all issues regarding this project and is working with the contractor to get the project finished. Lisa McKenzie noted that there is pond sediment on the HOA's trails. Mr. Baze advised that the contractor will get the sediment cleaned up. David I. Perl asked if the contractor damaged the existing pipes in the underdrain system, and the answer was yes. Anand Patel will get an updated schedule for completion and send it to the committee.

Anand Patel reported on the overseeding of the median at Senna Hills Drive and the irrigation fields. He still needs to contact an agronomist regarding this project. Lisa McKenzie stated that the District needs to get moving on this project to get it done. Zane Furr previously stated that the best time for overseeding was in March, which has passed.

14. 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.

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

This item was not discussed.

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

Bookkeeper Allen Douthitt reported that Ron Preston needs to be added to the District's bank account signature cards. Mr. Douthitt requested a copy of all directors' driver's licenses.

Mr. Douthitt then discussed the updated Cash Activity Report and the District's financials through March. The District is ahead of budget for the month and year-to-date. The District continues to experience favorable variances, mostly due to the high interest rates being earned on the reserves. The service revenues are on point and the District is 99% collected on its taxes. Corey Newhouse's per diem will be voided due to today's absence. Mr. Douthitt also reported that there will be an approximate \$2,000 credit on the District's AT&T bill thanks to all of Missy Roberts' work on that issue. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to approve payment of the vendor invoices and per diems and authorize fund transfers as presented. The motion carried unanimously.

17. 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

Missy Roberts, in Manager Makenzi Scales' absence, discussed the Executive Summary with the Board.

All facilities are in compliance for the month of March. There were 2.32 million gallons of wastewater treated, showing an average daily flow of 75,000 gallons, which puts the wastewater treatment plant at 75% capacity. President Chet Palesko stated that is good that the plant capacity decreased. The plant membrane clean/cassette replacement project is still ongoing. The total cost of this project is being presented at a cost not to exceed \$26,000. That cost will provide for several

sheets of the metal roof to be removed, renting a large crane truck and all the manual labor and equipment, as well as sludge hauling to clean out the cassettes on one side only. The other side will need to be revisited, likely in the upcoming budget year. David I. Perl asked about installing a crane on the roof like the other lift station in the District. President Palesko stated that when the roof is replaced, it will not be a permanent roof as it is now. Engineer Jason Baze and Inframark will review the details of a potential bridge crane for this lift station. After discussion, President Palesko entertained a motion. Motion was made by Ron Preston and seconded by Lisa McKenzie to approve the first set of cassette/membrane replacement at a cost not to exceed \$26,000, subject to committee review. The motion carried unanimously.

The District's water accountability was 86.1% for March. Inframark is continuing to investigate the drop in water accountability. Inframark located a small leak on a service line on Rivina Drive and the repair should be made soon. Ms. Roberts thanked Utilimatics for pointing them to this location for the leak. Andrew Boyle stated that he was glad they could help. Mr. Boyle would like to see the leak when the line gets exposed to be able to get more details. In the meantime, he will continue to look for any further water leaks. President Chet Palesko would like to see if they can estimate the number of gallons per minutes. Mr. Boyle is also reviewing the data from Sunday when the usage is the lowest, and the data has not changed. Once the leak is repaired, he will review the data on the next Sunday to see if the data inverts and if so, he will likely be able to determine if that was the main leak or if there are others. Ms. Robert reported that 10 delinquent letters were mailed out, eight door tags were hung and there were no disconnects. There was also discussion on the status of the check valve replacement at the master meter value. As the Board is aware, this project will require coordination with the WTCPUA. The proposal for this project is not to exceed \$17,000. That amount includes a 15% buffer due to the anticipation of having to perform this work during the night when the water demand is at its lowest. Once this project is approved, Inframark will coordinate with the WTCPUA on shutting down one or more of the valves.

David I. Perl left the meeting at 8:07 a.m.

18. RATE ORDER

This item was not discussed.

19. ELECTRONIC METERS

This was not discussed.

20. BILLING ADJUSTMENTS

This item was not discussed.

21. 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.

22. DATES FOR FUTURE BOARD MEETINGS

After discussion by the Board, the District's board meeting schedule will be as follows: May 17th, June 28th, July 26th and August 30th.

23. 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.

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

Attorney Bill Flickinger advised that once the force main relocation project is complete, and he has all the costs available, the committee will approach SHL and attempt to resolve all the financial issues. Bookkeeper Allen Douthitt asked if that amount will include all of Inframark's time. Mr. Flickinger reported those amounts will be included.

**President Chet Palesko moved to Agenda Item 11 at this time.

11. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko 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. 11. The Board went into closed session at 8:11 a.m.

At 8:38 a.m., President Chet Palesko 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 Lisa McKenzie and seconded by Ron Preston to authorize the committee to have discretion to issue courtesy warnings to residents that are found to be in violation of the mandatory watering schedule. The motion carried unanimously.

19. ADJOURN

President Chet Palesko adjourned the meeting at 8:39 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]