

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 1, 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 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

Lisa McKenzie reported that she has volunteered to help the HOA get Sections 5b and 6 accepted by Travis County. The HOA retained Attorney Terry Irion’s firm to work on getting Travis County to accept the roads within those sections, but not the sidewalks. Travis County has provided a punch list that is being worked through. Travis County has pointed out that there are asphalt repairs needed around several manholes, which they may require be fixed prior to acceptance. As the Board will recall, this project was discussed several years ago when Jesse Kennis was the District’s Manager. At that time, there was money set aside in the budget for repairs. Mrs. McKenzie stated that she may come back to the Board with a proposal on road repairs around the manholes, since that was the District’s work and is an issue now. Corey

Newhouse asked if the repairs are the District's responsibility and Mrs. McKenzie stated that she believes so but is not sure. Travis County has not mentioned anything about placements of the fire hydrants or storm drains. President Chet Palesko does not believe that should be a problem.

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 January 26, 2024 meeting as presented. The motion carried unanimously.

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 he sent off the final report on the District's Cost-Sharing Program to the LCRA. Stacy Pandy with the LCRA was pleased with the District's results. Essentially, the District spent what it reported that it was going to spend and actually used less water in 2023 than it did in 2022. President Palesko noted that the District will need to track its savings for the next five years as required by the Cost-Sharing Program.

President Palesko reported that Lake Travis is 38% full, which means it is almost certain that one day a week watering will be implemented this summer. As the Board is aware, the LCRA and WTCPUA are updating their Drought Contingency Plans. The District will then need to implement changes in the District's plan to match what is done by the LCRA and WTCPUA. President Palesko stated that he provided some feedback to the LCRA on its draft Drought Contingency Plan and asked for better enforcement mechanisms. There was discussion on the possible penalties for not complying with the watering restrictions. Both the District's Drought Contingency and Water Conservation Plans will be discussed at its April board meeting. The residents need to be provided with information on the possibility of one day a week watering as soon as possible, so they can plan accordingly. President Palesko stated that it is also possible that no watering will be allowed this summer if the drought worsens. Corey Newhouse inquired about increasing the water rates for the higher tiers. Ron Preston favors that idea because it is up front and known ahead of time. The deadline for the District to implement the LCRA's changes is May 1st. David I. Perl asked if the LCRA still sends water to the rice farmers. President Palesko indicated that he does not believe so. Ron Preston noted that Serene Hills has already gone to a one day a week watering schedule. It was noted that if the LCRA curtails water usage, the WTCPUA will be financially hit.

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.

Once again, 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. David I. Perl stated there is a new office site sign that advertises for single tenants. It appears that Rip Miller is representing the project himself. Corey Newhouse mentioned the leasing market is not good right now. About 70% of the office buildings in Austin currently have space open for lease.

Mr. Patel reported on the status of the force main relocation project. A Notice to Proceed will be issued on Monday and a pre-construction meeting will be held on Tuesday. Murfee Engineering will be making site visits to inspect the construction. David I. Perl asked if the project should be completed quickly. Engineer Jason Baze stated it is not a large project and is contracted for final completion no later than May 11th.

Engineer Jason Baze discussed the status of the effluent pond liner replacement. The pond sediment and old liner have been removed. The contractor is still dewatering the pond. The pond liner will be installed once the bottom of the pond is completely dry. It has not been confirmed that the underdrain system is in good repair. The intake will be inspected prior to the new liner being installed. David I. Perl inquired about the berms and President Chet Palesko inquired about the appearance of three artificial lakes near the plant, which have silt fencing around them. Mr. Baze explained that those areas are holding the sediment in place. Once the project is completed, that sediment will be spread out. There was also discussion of where the rocks in the sediment came from. Mr. Baze reported that the sediment was so wet, the road base material was used to contain the water so that it could dry more quickly. Once the project is completed, the road base material will be removed, and the sediment will be spread out.

There were no updates in regard to the MS4 permit renewal. As previously stated, TCEQ has pushed the deadline to August 2024.

There were no new updates in connection with the lead and copper service line inventory. As stated previously, Murfee Engineering is continuing to enter the relevant information in the TCEQ forms, which is 85% complete. The due date is in October 2024.

Attorney Bill Flickinger advised that the District will need to look at re-seeding areas within the District on a monthly basis to stay proactive with this task. Manager Makenzi Scales reported that re-seeding Senna Hills Drive and all of the irrigation areas will be approximately \$22,000. The best time to re-seed with Bermuda will be in March. There was discussion of breaking up the project to re-seed Senna Hills Drive now and the irrigation fields later. President Palesko agreed with that schedule. However, Engineer Jason Baze advised that 75% of the irrigation fields could be re-seeded now if the District wishes to move forward. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to authorize Zane Furr to apply oversee to the irrigation fields and Senna Hills Drive as soon as possible, at a cost not to exceed

\$22,000. The motion carried unanimously. David I. Perl asked if the District needs to get an agronomist involved with the overseeding. Mr. Baze stated that he will check into that matter. Mrs. Scales will 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

Bookkeeper Allen Douthitt reported that there seems to be a disconnect with the contractor regarding payment for the pond liner replacement project. Mr. Douthitt advised that his office is being contacted for payment on the project and the contractor is expecting a payment to be approved today, which will not happen. The first payment estimate was recently approved by the Board and when Mr. Douthitt's office sent it in, they received a call from the contractor's office asking how the payment should be applied. The contractor also sent invoices to Mr. Douthitt that have not been received or reviewed by Engineer Jason Baze. There appears to be a lot of confusion within their company. Mr. Baze advised that he will review the invoices prior to recommending approval at the April board meeting.

9. 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.

10. AMENDMENT TO BOTT & DOUTHITT PLLC BOOKKEEPING SERVICES AGREEMENT

Bookkeeper Allen Douthitt reported that it has been five years since the Bookkeeping Services Agreement was amended. Mr. Douthitt wishes to extend the contract, allow for a \$250 monthly increase and inclusion for drive time and attendance at the District's board meetings. Corey Newhouse discussed the proposed increases to the contract. After discussion, motion was made by President Chet Palesko and seconded by David I. Perl to approve the Bookkeeping Services Agreement as presented. The motion carried unanimously.

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

Bookkeeper Allen Douthitt discussed the District's financials with the Board. The District is continuing to experience favorable variances, mostly due to the high interest rates being earned on the reserves. The District is 96.59% collected on property taxes through January and should wrap up collections in February. Mr. Douthitt reported that overall, the District is trending well. After discussion, motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve payment of the vendor invoices and per diems and authorize four 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/Water Conservation Plan

Manager Makenzi Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of January. There were 2.829 million gallons of wastewater treated, showing an average daily flow of 94,300 gallons, which puts the wastewater treatment plant at 94% capacity. Mrs. Scales reported that is a bit high. Ron Preston asked about the plant's capacity once the office site comes online. Mrs. Scales reported that the District is not normally at 94% capacity. President Chet Palesko advised that if there was a capacity issue, the plant could be rerated without having to change things and spend a lot of money. Mrs. Scales reported on a lift station that is going into high levels often and that could be the issue, but it has not yet been confirmed. An issue that occurred with the pond liner project could also be a cause as well. Lisa McKenzie explained to Ron Preston that the plant has more capacity than what it is currently rated for. Anand Patel noted that the office site should not cause any capacity issues. The office site will require 17 LUEs, as calculated by the WTCPUA. Mrs. Scales stated that she attended a site visit on the pond liner project. In full disclosure, the construction observer at Murfee Engineering is her husband. She asked the contractor to be sure all access and entry points are locked at all times when workers are not on site, as she observed they were open with no workers on site. The AT&T upgrade to the facility lines at the lift stations has been completed. The backflow testing and flow meter calibrations have been completed. All three backflow devices at the three lift stations need to be replaced. TCEQ inspects the PWS on a three-year schedule. Shortly after Inframark's mock compliance inspection, TCEQ came out to do their inspection and no violations were alleged as a result of their investigation. A letter to that effect from the TCEQ was included with the Manager's Report.

The water accountability was 92.8% for January. There were 11 delinquent letters mailed, eight door tags hung, and one disconnect. David I. Perl inquired about the no water call in the work orders. Mrs. Scales reported that the resident's neighbor had inadvertently turned off their water during the freeze. These residents share a meter box. Mrs. Scales reported that the District's broken irrigation head that caused the ice sculpture during the freeze has been repaired. Mr. Perl discussed inaccurate figures in the historical wastewater flow chart. Mrs. Scales will contact Missy Roberts on the figures. Lisa McKenzie noted that this report has consistently had issues since she has been on the Board. Mrs. McKenzie noted the inaccurate information for January 2024 as well.

Mrs. Scales reported that several residents contacted Inframark to review issues they were having with EyeOnWater. The residents received leak alerts but did not believe that was the case and were unable to locate any leaks. Inframark consulted Accurate Meter and they reviewed the information. Accurate Meter explained how to set up leak alerts and it appeared that some

residents had that option set incorrectly. The residents were getting leak alerts because of how they had the low flow setting programmed. It appears that for the most part, the issues have been resolved. Lisa McKenzie mentioned that if the District goes to once-a-week watering in May, there should be a push on getting all residents signed up for EyeOnWater. Mrs. Scales stated she can add a line to the water bill blurb on signing up for EyeOnWater. President Chet Palesko looked at the information for one resident and they actually had half a gallon leak per hour. President Palesko asked about the timing of calibrating the residential meters. Mrs. Scales stated that residents can request calibration of their meters as described in the District's Rate Order. Low flow appears to register well on the electronic meters. Attorney Bill Flickinger mentioned it could probably be a leak from toilet a that is not used regularly.

Manager Makenzi Scales reported that the check valve in the east entrance vault needs to be repaired or replaced. It appears to be causing turbidity issues. This will be a lengthy job and water will need to be cut to the entire District during the repair. Inframark will coordinate with the WTCPUA on this matter. It will also be a confined entry job, so there will be more people on site. Inframark is not sure at this time if the valve can be repaired or will need to be replaced until they start the work. Also, due to the spacing between the valve and strap-on meter, there will always be issues with turbidity. Lisa McKenzie wants a price for a new check valve instead of the repair costs, due to the amount of work which is needed and anticipated impact on the District's customers. Andrew Boyle discussed the issues with the check valve closing occasionally. The check valve is malfunctioning and needs to be replaced so that it will work when needed. Mrs. Scales reported that the check valve allows low flow to pass through it when closed. Inframark will proceed with pulling costs for this project. David I. Perl asked if there was anything else in the vault that needed repair. President Chet Palesko does not believe so, since the vault is owned by the WTCPUA. Andrew Boyle and Mrs. Scales discussed the possibility that the District's other meter on the west side might be able to serve all of the District but may not be rated to actually handle that much flow. Mrs. Scales stated that the turnoff will occur during the night, so as to be during the lowest flow. However, Ron Preston mentioned that the District is going into irrigation season soon and midnight to 6:00 a.m. will be high irrigation usage. When the time comes, Inframark will notify residents and provide a door tag with the appropriate information.

Manager Makenzi Scales reported that the VFDs (variable frequency drives) are bad at Lift Station #1 and are not operating any longer. Inframark was continuing to receive high level alarms and sending out technicians to investigate the issue. The technicians found that the levels were in fact not high. The VFDs are 14 years old, and the shelf life is 10 years. The proposal from Alterman to replace the VFDs is \$8,975.00. This is the only lift station at this time with these issues. Lisa McKenzie asked Mrs. Scales to inventory the rest of the VFDs at the other lift stations. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the proposal submitted by Alterman in the amount of \$8,975.00 to provide and install new VFDs at Lift Station #1. The motion carried unanimously.

There was discussion on how to push the residents to sign up for EyeOnWater. President Chet Palesko wants to couple that push with information on the possibility of a once-a-week watering schedule. Inframark can now do an eblast and the HOA can send out an email as well. Nextdoor, Facebook and TownSquare can also be communication options. Mrs. McKenzie noted the area on the water bills where a message can be placed. Ron Preston liked that idea because if

a resident is protesting a fine, the District can advise that the information was on their water bill. Mrs. Scales stated that other Districts place signs around the subdivision advising residents to read their water bills for important information. Ron Preston mentioned that the information can be placed by the pool where the Board meeting agendas are posted. President Chet Palesko stated that most residents have email addresses on file with Inframark. The District can also encourage residents to update their email addresses with the District. David I. Perl stated that the District could do a door tag campaign. President Palesko stated that at the April board meeting, the Board can discuss the upcoming enforcement plan.

13. ELECTRONIC METERS

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

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: Thursday, March 28th, April 19th and May 17th.

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 8:50 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]