

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 June 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
Ron Preston – Assistant Secretary

thus constituting a quorum. Assistant Secretary Corey Newhouse was absent.

Also present at the meeting were Greg Szuman and Allison Nix of Willatt & Flickinger, PLLC, Anand Patel and Jason Baze of Murfee Engineering, Allen Douthitt of Bott & Douthitt, PLLC, Makenzi Scales 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 May 17, 2024 meeting as presented in the agenda package. The motion carried unanimously.

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

President Chet Palesko reported that the WTCPUA held the impact fee committee meeting and they will do a full study and look at changing the impact fees. It appears that the WTCPUA is not collecting nearly as much money as they expected from new development. The WTCPUA fiscal year ends in September, and they said their collections are only about 40% of what they thought they would be. If the WTCPUA is not collecting enough from the impact fees and is still spending money, then the shortfall will eventually hit the current customers. President Chet Palesko reiterated the timing of collection of the impact fees. Now, it is collected when service is requested, whereas before it was collected at the time the lot was platted.

In other news, the WTCPUA decided to move to Stage 1 watering restrictions. President Chet Palesko will discuss this matter further under the Drought Contingency Plan enforcement item. Ron Preston discussed the change in watering hours. President Palesko noted that not only were the watering hours changed, so were the watering days between Stages 1 and 2.

6. LCRA COST-SHARING PROGRAM

This item was not discussed.

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

President Chet Palesko reported that the pro rata curtailment is not yet in place. The District submitted information on the District targets if asked to go into curtailment. Due to currently being in Stage 1 watering restrictions, it is unlikely the LCRA will move into curtailment. President Palesko stated that he has been tracking the District's water use and if the District has to deal with curtailment, it is already well below 15% savings, which the curtailment plan would require.

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
- 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.

There are no new updates to the Senna Center Office site.

In regard to the force main relocation project, as the Board will recall, when excavation started, the contractor hit some wires. MEC did a final walkthrough with Engineer Travis Robinson last month and he stated that all issues were repaired and should be in order. Mr. Patel

reached out to Manager Makenzi Scales to be sure all the irrigation zones were working. A test run was completed and some of the zones were in fact not working. MEC recommended holding final payment until the electrical issues can be figured out and repaired. David I. Perl asked in those areas where the zones are not working, does it make sense that it was affected by the construction. Manager Makenzi Scales stated that it is hard to say but could have been. Inframark has been tracing the area where the contractor hit the lines and working back to the system controller. Some of the zones where the drying beds are located have been affected. However, the District has not been irrigating over there during the pond liner replacement project. Inframark has been out there making adjustments and believes they are almost done. Mr. Patel will reach out to Engineer Travis Robinson regarding the last payment.

Mr. Patel reported on the pond liner replacement project. They had a visit from a TCEQ compliance investigator who directed them to be in compliance with the stormwater pollution. As part of that, they were asked to prepare a stormwater pollution prevention plan. They are working with Synagro to prepare the plan for submission. As the Board is aware, it rained again a couple weeks ago, so Synagro will do cleanup in the area. The review process for the screen is complete and the contractor is working on the underdrain system. When that has been completed, they will move forward with the liner replacement. There was discussion of TCEQ compliance and Lisa McKenzie asked if that was on the contractor or the District. Engineer Jason Baze stated that it was on the contractor to be sure they are in compliance with the TCEQ. Due to the contractor's dewatering process, they drew attention from the TCEQ. The contract states restoration includes compliance with TCEQ. Mrs. McKenzie asked if anyone has been fined and Mr. Baze advised that no one has been fined, however, they will be if they do not get into compliance. The contractor has material on site to redo the underdrain. Mr. Baze reported that Synagro changed out their entire crew, so MEC reexplained everything about the expectation of the streets, bulldozers and leaving gates locked. Mr. Baze understands that the liner installation crew has been scheduled for July 15th. Mrs. McKenzie asked Mr. Patel to make note that the last time she visited the pond area, there were deep bulldozer tracks inside the fence and before you get to the first residence on the left side. The lawn in that area slopes toward an area inlet and moves stormwater from behind homes. In the past, the first house on the left had issues with standing water and mosquitos. She asked to make sure that water still drains in that area. David I. Perl asked how big the screen for the underdrain is. Mr. Baze stated it is 22¹/₂' in diameter. They have coordinated with a good screen manufacturer for a better product material than the screen that is being replaced now. The screen is sized appropriately for the pump. The underdrain is located below liner. Mr. Patel discussed Change Order No. 2 from Synagro for purchase and installation of a replacement screen for the irrigation intake structure in the amount of \$11,156.95. The total contract price will increase to \$1,168,996. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve Change Order No. 2 as submitted. The motion carried unanimously.

There were no updates to the MS4 permit renewal. In August, the TCEQ will start working on permits and at that time MEC will begin preparing the MS4 permit renewal.

Lead and Copper Service Line inventory is due in October. MEC is 90% complete and is waiting for any other instructions from TCEQ before submitting the inventory.

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 discussed under the Manager's Report.

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

This item was discussed under the Engineer's Report.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. Typically, the District sells more water in May, but with all the rain we received, we did not this time around. The District is still seeing favorable returns due to the interest rates. The per diem for Corey Newhouse will be pulled due to his absence. Manager Makenzi Scales inquired about the AT&T bills and apparently Bookkeeper Allen Douthitt was not receiving all the bills. There were several phone lines at the lift stations that were disconnected for nonpayment. Payment has now been made and service will be reinstated today. AT&T was sending the invoices to the wrong P.O. Box, but not sure whose it was nor how it happened. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to approve payment of the vendor invoices and per diems and authorize three 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. Gaillardia stormwater system inspections
- i. Gate security

Manager Makenzi Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of May. There were 2.43 million gallons of wastewater treated, showing an average daily flow of 80,900 gallons, which puts the wastewater treatment plant at 81% capacity. Manager Makenzi Scales reported that the first set of membrane

replacement was complete, and the Board approved the second set last month. After delivery of the membranes, the replacement should be completed within the next month or two. As discussed earlier, the contractor is coming to trace the irrigation wires today. More than half of the irrigation zones are not working. President Chet Palesko asked if this was putting the District at risk since there is no pond. Manager Makenzi Scales does not think so. Engineer Jason Baze stated that the electrical wires that were hit were not in conduit. Rip Miller's team indicated that those wires were old and not being used anymore. Mr. Baze is not sure how they would know that and does not believe that is correct. Mrs. Scales stated during the pre-construction meeting, Mr. Miller's team knew the lines were there as they talked about them. The contractor will provide a quote on the repairs before any work is started.

Engineer Jason Baze asked if the HOA is continuing with continuous irrigation of the median. Manager Makenzi Scales believes so as she asked them to do so before the seeding took place. The median is a large area and can take a lot of water. President Chet Palesko noted that the area does not seem as wet as it was when the District first started the pond liner project. He is not sure that the HOA is watering 24-hours per day as requested. Mrs. Scales made it clear to the HOA that they needed to irrigate as much as possible. Lisa McKenzie asked her to follow-up with the HOA to make sure.

Manager Makenzi Scales reported that the water accountability is getting back to where it was before. The water accountability this month was 94.2%.

The check valve replacement project has been completed. Andrew Boyle noted that the system has tightened up considerably. He estimated a 4 gpm that is not accounted for per month.

Manager Makenzi Scales reported that the Gaillardia storm water system and the area that was inquired about from Lisa McKenzie. That area was inspected and appears to be fine. This inspection is done on a quarterly basis.

Manager Makenzi Scales reported that a couple of residents are claiming that the water alerts on the meters are falsely reporting usage. The Board committee met with Manager Makenzi Scales and Missy Roberts on this issue. President Chet Palesko discussed this matter in detail. There are a handful of residents that say their meter is not reading correctly. The committee has come up with a method to determine if the meter reading is incorrect or if there is in fact a slow leak on the residents' side of the meter. President Palesko stated that they are in the process of experimenting on one of the houses that had a complaint. The good news is if the District's valve is turned off, the meter still monitors and reports. To check the meter, the valve will be turned off for a couple hours to see if the low flow goes away. This house had constant 1.4-gallon flow. Once the valve was turned off, it appears the flow went to zero, but not 100% sure we have all data yet. It was recommended that Inframark not replace meters when there are complaints, instead do this process first. Information can also be sent to the homeowners, so they can turn off the valve to check the meter themselves. Lisa McKenzie asked if the District has talked to the neighbors to let them know that the District is not watching for residential leaks. David I. Perl stated that not everyone has signed up for Eye on Water. Ron Preston said the District needs to publicize that if a resident does not have Eye on Water, the District will not consider a leak adjustment. At that time, it might be helpful to say that the District does not monitor at that level. It will then be on

the residents to look at any leaks that EOW reports. Missy Roberts reported on a request from a resident who is requesting a refund for getting a plumber to investigate a possible leak and also wants reimbursement for the overage water usage. President Palesko asked about the overage. Mrs. Scales reported that Inframark pulled the meter and put in a new one and it did the exact same thing and the same usage pattern existed, regardless of which meter was installed. President Palesko believes the adjustment requests should be denied. Lisa McKenzie agreed with President Palesko. Ron Preston noted that there was some confusion as to all the different meters and the readings. Missy Roberts stated that with the three meters that were put in, the original continued to show low flow, the temporary meter alerted continuous usage but not as consistently, then when the original meter was installed again, the continuous usage with a leak alert resumed. At this point the burden of proof is on the homeowner. Mrs. Roberts also noted that a prior email from April showed a leak alert for a continuance 10 gph flow. At this time, no action was taken on this matter.

Manager Makenzi Scales reported on the need to replace a spare pump from one of the lift stations. The cost will be \$8,836.60 plus freight. This spare will work for both lift stations 3 & 6. Motion was made by David I. Perl and seconded by Ron Preston to approve the purchase of the spare pump as discussed above. The motion carried unanimously.

There was additional discussion on the methods to test the meters for accuracy.

13. RATE ORDER

This item was not discussed.

14. ELECTRONIC METERS

This item was discussed under the Manager's Report.

15. BILLING ADJUSTMENTS

This item was discussed under the Manager's Report.

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

After discussion by the Board, the District's board meeting schedule will be as follows: July 26th, August 30th and September 20th. David I. Perl will not be able to attend the regular October 25th meeting, therefore it has been moved to October 18th.

18. INVESTMENT AND FINANCIAL MANAGEMENT POLICY

Attorney Greg Szuman discussed Items 18 through 21 together. Currently, the policies are all combined in one document. Each year, the District must review its Investment Policy. Now for the sake of efficiency, all of the policies have been separated. The only changes were to the Code of Ethics, which includes new statutory requirements. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to adopt the Resolution Regarding Annual Review of Investment and Financial Management Policy and Investment Strategies. The motion carried unanimously.

19. CODE OF ETHICS POLICY

Motion was made by President Chet Palesko and seconded by Ron Preston to adopt the Resolution Adopting Code of Ethics Policy as presented. The motion carried unanimously.

20. FEES OF OFFICE AND EXPENSE REIMBURSEMENT POLICY

Motion was made by President Chet Palesko and seconded by David I. Perl to adopt the Resolution Adopting Fees of Office and Expense Reimbursement Policy as presented. The motion carried unanimously.

21. PROFESSIONAL SERVICES AND BONDS POLICY

Motion was made by President Chet Palesko and seconded by Lisa McKenzie to adopt the Resolution Adopting Professional Services and Bonds Policy as presented. The motion carried unanimously.

22. AGENDA ITEMS RELATED TO ELECTIONS

- a. Notice of Deadline to File Application for Place on Ballot
- b. Any and all other actions that are necessary or appropriate related to the Directors Election

Attorney Bill Flickinger discussed the upcoming directors' election. Corey Newhouse, Lisa McKenzie and Ron Preston will be up for election. The Notice of Deadline for Filing Application for Place on Ballot has already been posted. The filing period runs from July 20th through August 19th. If any other resident is interested in filing, they will file in that timeframe. If more than three people apply, the election will be contested and will be run by Travis County. Lisa McKenzie asked if four people are running, will the three who get the most votes be elected and Mr. Flickinger advised that is correct. There was discussion of the election costs. Between attorney time, Travis County costs, which are based on participation, he would guess approximately \$10,000. President Chet Palesko received an email several months ago from someone who was interested in serving if there is a vacancy but would not file unless someone wants to leave. President Palesko can reach out to him if needed and noted that he has prior MUD experience.

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

This item was not discussed.

25. 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. 25. The Board went into closed session at 8:09 a.m.

At 8:22 a.m., President 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.

26. ADJOURN

President Chet Palesko adjourned the meeting at 8:23 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]