

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 July 26, 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, Jason Baze and Jose Murga of Murfee Engineering, Allen Douthitt of Bott & Douthitt, PLLC and Makenzi Scales and Missy Roberts of Inframark.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Andrew Boyle of Utilimatics and resident Bill Marsh.

3. PUBLIC COMMENTS

President Chet Palesko advised that resident Bill Marsh is in attendance via Zoom to address the Board to request a credit adjustment on his water bill. The Board of Directors have been provided with Mr. Marsh's written request including photos of his water meter.

Resident Bill Marsh addressed the Board to request a credit adjustment due to a leak that he feels occurred after the District replaced his meter around April 23rd. Mr. Marsh stated that he was not aware of the leak until July 23rd when his neighbor brought it to his attention. Mr. Marsh has provided documentation to Inframark and the District regarding his requested credit adjustment. There are two items that he would like to reiterate regarding his request. 1) he contends that the leak was caused due to replacement of his meter on or about April 23rd. The

plumber who inspected the leak indicated that a copper-to-copper compression fitting on his side of the meter was knocked out of alignment. He contends the meter replacement caused a leak on one side of the fitting, which then became progressively worse until it was discovered. At that time, it was repaired. Mr. Marsh would like to note that the person installing the meter was probably not used to seeing that type of service setup. Mr. Marsh states his service setup is different than most setups because it is completely buried. The service setup was reworked back in 2021 after a small leak was discovered on his main service and showed up on his driveway. Mr. Marsh explained that his service setup is a floating setup where the shutoff valve and pressure regulator are in a box, and therefore floating, and if pushed against or pulled on, can cause the compression fitting to move and possibly leak. He believes that is the cause of the recent leak due to replacement of the meter. Mr. Marsh had a separate issue in May, as he received a \$2,300 water bill because the meter had not yet been registered or reset in the metering system. Mr. Marsh did not have any Eye On Water data from April 23rd through the beginning of June. Since the beginning of June through present time, he has been consumed with personal matters which can be shared in closed session. 2) Mr. Marsh stated that he never received a leak notification from Eye on Water. As everyone is aware, there are three ways to discover a leak with the District's current system, which are by: physical observation/inspection, by logging into the Eye On Water web site or by receiving a notification from the Eye On Water app. Mr. Marsh is surprised by the amount of water that leaked out and did not surface on his driveway and that he did not physically see the water leak. The day that the leak was repaired, it was leaking at a rate of 350 gph. Mr. Marsh is unsure where the water went, as it did not present itself on the surface. As previously stated, Mr. Marsh did not log into Eye On Water due to having other personal priorities. Lastly, he states he never received a leak notification from Eye On Water despite having received an email and text notification. After the leak was discovered, Mr. Marsh went into Eye On Water to review any details and realized that his notifications were turned off. At that point, he turned the notifications back on and exited Eye On Water. When he went back into Eye On Water, his notifications were again turned off. Mr. Marsh is unsure of why that glitch occurred. The foregoing information is what Mr. Marsh wanted to bring to the Board to consider his credit adjustment for the leak. Mr. Marsh concluded his request and asked if there were any questions by the Board or Inframark. President Chet Palesko advised that the Board would discuss this request in closed session later in the meeting. Mr. Marsh thanked the Board and left the meeting at this time.

4. MINUTES OF PRIOR MEETINGS

President Chet Palesko entertained a motion for approval of the Minutes. David I. Perl had additional revisions to the minutes that were provided to Jeniffer Concienne. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the June 28, 2024 meeting as revised. The motion carried unanimously.

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

This item was not discussed.

6. LCRA COST-SHARING PROGRAM

This item was not discussed.

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

Engineer Jason Baze discussed the Engineer's Report as included in the agenda package.

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

Manager Makenzi Scales and Engineer Jason Baze noted that the amount of the payment due for the wastewater force main relocation project will be worked out by the next board meeting.

There was discussion on the status of the effluent pond liner replacement project. After last month's board meeting, Mr. Baze went out to the site and observed standing water at the bottom of the pond. The contractor is working to mitigate that issue. The underdrain system has been installed. Mr. Baze reported that there were some corrections needed and those adjustments have been made. After inspection, there was a 2.5" deluge, followed by an additional 7" of rain. Mr. Baze and the contractors were on site recently and looked at some dewatering plans that will help get the water out of the pond and utilize the underdrain system. David I. Perl asked if the underdrain system was actually buried or just under water. Mr. Baze reported it was underwater. The dry periods are being used up by having to dewater the pond. President Chet Palesko inquired about the next steps. Once the water is out and the underdrain system is buried, then the contractor will work the berm back up and regrade the area. Mr. Baze stated the contractor is focused on getting the job done. Lisa McKenzie asked if the contractor was in good shape from when the mud ran down the hill due to not using the dewatering bags correctly. Mr. Baze advised that the contractor is working with the TCEQ and going forward will be using the correct method. Mr. Baze will follow up on this matter, however he was advised that the TCEQ had no further issues.

There were no updates to the MS4 permit renewal.

Lead and Copper Service Line inventory is due in October. Inframark has provided some additional information, and the inventory will be sent to the TCEQ within the next couple of months.

Mr. Baze introduced Jose Murga, who will be helping out with District matters.

Mr. Baze reported that they have received a request from a contractor with Austin Energy to remove vegetation near the power poles/lines around the pond site. Jose Murga discussed the request to access the pond area to remove/prune the vegetation near the power poles/lines. The

Board also discussed how the truck will actually access that area. That location is near the Dell side of the pond. There is already a lot of activity in the pond area and storage of equipment for the pond liner replacement project. Mr. Baze has concerns about additional vehicles in that area and no decision needs to be made at this time. Lisa McKenzie noted that the HOA will probably have issues with a vehicle accessing through the trails in that area. That is a very steep area. Corey Newhouse inquired if any damage is caused by this maintenance, who will fix it. President Chet Palesko does not want this maintenance done until the pond liner replacement project is fully completed, tested and filled. Mr. Baze concurred and will notify the contractor so that a schedule can be coordinated at a later date.

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 not discussed.

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

Bookkeeper Allen Douthitt discussed the financials with the Board.

There was discussion of the maintenance charges and water sales for the month. Water sales have been down across the board. Year-to-date, the District is doing well financially. Corey Newhouse inquired about the current watering schedule. President Chet Palesko reported that the District is currently in Stage 1 of the Drought Contingency Plan. Mr. Douthitt discussed the process of adopting the budget and tax rate beginning at next month's meeting. The District's certified values were recently received. There was a total taxable value increase of approximately 6.6% and the average taxable homestead value was increased approximately 7.6%. President Palesko discussed the addition of new property within the District, which may be the office site improvements. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the vendor invoices, per diems and three bond payments and authorize two fund transfers as presented. The motion carried unanimously.

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

Manager Makenzi Scales discussed the Executive Summary with the Board.

Mrs. Scales discussed the elevated Inframark expenditures this month. The cost of the check valve replacement and membrane cassette #1 replacement came in at the same time, among other items. The good news is that those two projects came in under budget and the District spent about \$7,000 less than the Board approved. President Chet Palesko acknowledged that the check valve replacement was done with no disruption. Mrs. Scales reported on the effluent pump that was approved over a year ago at a cost of \$26,000. The pump has been ready but since it has not been needed until the pond liner is installed, the contractor was just storing it. Now, the contractor has asked for the District to pay for the pump and take possession of it. Lisa McKenzie inquired about the warranty. Mrs. Scales indicated that the contractor will come out and install the pump at the appropriate time and believes the warranty will start after installation.

All facilities are in compliance for the month of June. There were 2.19 million gallons of wastewater treated, showing an average daily flow of 73,100 gallons, which puts the wastewater treatment plant at 73% capacity.

Manager Makenzi Scales reported on the status of the second set of membrane replacement. This round will be more expensive than the first. The bottom of the basins will be cleaned out and will be considered as a confined space entry. The estimated completion cost is not to exceed \$24,000.

During the July 4th weekend, it was reported that water was running down the hill near the effluent pond. Synagro was contacted and came out and got the frac tank pump running again. David I. Perl asked why or how the hose came off the frac tank. Engineer Jason Baze does not think the hose came off. Manager Makenzi Scales stated that apparently neither pump had a hose hooked up.

Mrs. Scales discussed the wastewater force main relocation project status. Payment can now be released to the contractor. Inframark hired a third-party contractor to verify all the irrigation control wires are working and recommended a waterproof line test. Mrs. Scales has a quote for labor in the amount of \$800 for when the old controller was removed and another controller was temporarily installed that could do multiple zones. Sunscapes actually took the old controller when they were not supposed to, so they will be replacing it with a new one. Inframark already approved the labor to install the controller. Mrs. Scales reported on another proposal from HACH to come out and service several items at the plant. The turbidity meter stopped working and will need to be repaired and calibrated. Inframark would also like the portable meters that are used on site to be calibrated, which includes the colorimeter, ph meter and portable turbidity meter. This quote will also include checking the sensors and any factory repairs for one-year, technical support and additional visits for calibration throughout the year. David I. Perl asked if this will be an annual process. Mrs. Scales advised it might be, if it goes well. HACH can provide this service at a cheaper rate than Inframark.

The water accountability this month was down again to 93.3%. President Chet Palesko advised this is borderline and will need to be watched. Andrew Boyle stated that he will take a closer look at it.

Delinquencies for the month included 10 notices, seven door tags and one disconnect.

There were several leak adjustments to discuss, including the one from last month. The adjustment information and repair invoice were included for review. Missy Roberts stated that the request was submitted by a tenant. The account was in the name of the previous tenant and the homeowner did not change the account into his own name in between tenants. The leak occurred when no one was living at the property. Lisa McKenzie asked if the house was vacant for two months, since that is what the adjustment is being based off. After discussion, motion was made by President Chet Palesko and seconded by Corey Newhouse to approve the leak adjustment in the amount of \$235.00 as presented. The motion carried unanimously.

Lastly, motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve the Inframark expenditure of not to exceed \$24,000 for the second membrane replacement/basin cleaning. The motion carried unanimously. Motion was then made by David I. Perl and seconded by Lisa McKenzie to approve the HACH proposal for \$10,097.00 to repair and calibrate the meters at the wastewater treatment plant including services for one-year. The motion carried unanimously.

President Chet Palesko asked if there were any issues noted within the District due to the recent intense rainfall. Mrs. Scales does not believe so but will pull the numbers and let him know if there are any I&I issues. President Palesko also inquired about the recent sludge haul when a truck was parked on Senna Hills Drive. Mrs. Scales stated that the recent lift station cleanings were the cause for the sludge haul, not an emergency matter.

12. RATE ORDER

This item was not discussed.

13. ELECTRONIC METERS

This item was not discussed.

14. BILLING ADJUSTMENTS

This item was discussed under Public Comments and Manager's Report.

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: August 30th, September 20th, October 18th and November 22nd.

17. AGENDA ITEMS RELATED TO ELECTIONS

- a. Order Calling Directors' Election
- b. Election Services Agreement
- c. Joint Election Agreement
- d. Resolution on Voting Equipment
- e. Any and all other actions that are necessary or appropriate related to the Directors Election

Attorney Bill Flickinger discussed the upcoming directors' election to be held on November 5, 2024. The incumbents are Lisa McKenzie, Corey Newhouse and Ron Preston. Most of the District's directors' elections are uncontested, but the District will still need to go through the process with Travis County. The Applications and Campaign Finance Reports are ready to be filled out and returned. The last day to file an application for a place on the ballot is August 19th. After discussion of the required documentation, motion was made by President Chet Palesko and seconded by David I. Perl to adopt the Order Calling Directors' Election, Election Services Agreement and Joint Election Agreement with Travis County and the Resolution on Voting Equipment as presented. The motion carried unanimously.

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.

This item was not discussed.

19. 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.

20. 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 Nos. 14, 19 and 20. The Board went into closed session at 8:09 a.m.

At 8:37 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.

Motion was made by President Chet Palesko and seconded by Corey Newhouse to follow the District's standard policy and approve a leak adjustment of \$72.00, subject to documentation of the receipt proving leak repair at the Marsh residence. The motion carried unanimously.

26. ADJOURN

President Chet Palesko adjourned the meeting at 8:38 a.m.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]