

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 September 20, 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 Hunter Hudson and Jeniffer Concienne of Willatt & Flickinger, PLLC, Jason Baze and Jose Murga of Murfee Engineering, Allen Douthitt of Bott & Douthitt, PLLC and Ashlee Martin with McCall Gibson Swedlund Barfoot, PLLC.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Makenzi Scales of Inframark 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. David I. Perl provided an additional change to the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the August 30, 2024 meeting as revised. The motion carried unanimously.

5. MCCALL GIBSON SWEDLUND BARFOOT, PLLC ANNUAL AUDIT ENGAGEMENT LETTER

Ashlee Martin addressed the Board and discussed the annual audit requirements and engagement letter. There are no new pronouncements this year. Ms. Martin stated that the fees have relatively stayed consistent as in previous years. The engagement letter covers the next two fiscal years. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the audit engagement letter as presented. The motion carried unanimously.

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

This item was not discussed.

7. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that Stacy Pandey with the LCRA advised that they are providing another opportunity for a cost sharing program by offering grants for water conservation projects. The due date to apply for the LCRA grant is September 27th. There was discussion if the District moves forward with the Utilimatics contract, whether the District can use the cost sharing funds for that project. There will also be another chance for grants in the spring of 2025.

The Board discussed the proposed LCRA rate increase for raw water from \$155 to \$165 per acre-foot. Per the District's contract, it has 404 acre-feet reserved but only uses around 250-280 acre-feet. President Palesko stated that he is not sure that the District needs that amount of reservation. Engineer Jason Baze advised the District to hold tight with any possible reservation changes until the office center is built out.

8. PUBLIC HEARING ON TAX RATE

President Chet Palesko opened the public hearing on the District tax rate. Hearing no comments, President Palesko closed the public hearing.

9. BUDGET FOR FY 2024/2025

10. ORDER SETTING DISTRICT'S PROPOSED TAX RATE FOR 2024 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Items 9 and 10 were discussed together.

Bookkeeper Allen Douthitt reported that he updated the proposed budget from last month's version. Lisa McKenzie stated that she would like to see a tax cut of more than the proposed rate of \$0.2940. David I. Perl inquired about the District's reserves. President Chet Palesko advised that he is ok with the proposed tax rate cut at \$0.2940 from \$0.3163 last year. Corey Newhouse agrees with that rate as well. Bookkeeper Allen Douthitt noted that he recommends holding off on a bigger tax rate cut until another year or so. After discussion of the proposed budget and tax

rate, President Palesko entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Order Approving Budget as presented. The motion carried unanimously. There was additional discussion on the proposed tax rate of \$0.2940 and the split between M&O at \$0.0919 and debt at \$0.2021. President Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Ron Preston to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2024 as discussed above. The motion carried unanimously.

11. AMENDED INFORMATION FORM

Attorney Bill Flickinger advised that since the District's tax rate was changed, the Amended Information Form will need to be revised to reflect the adopted tax rate. The Notice to Purchaser will also be updated to reflect the adopted tax rate. After discussion, motion was made by David I. Perl and seconded by Ron Preston to approve the Amended Information Form and authorize filing it with the TCEQ and Travis County Clerk. The motion carried unanimously.

12. AMENDMENT NO. 3 TO ENGINEERING SERVICES AGREEMENT BETWEEN MURFEE ENGINEERING COMPANY, INC. AND THE DISTRICT

President Chet Palesko discussed the amendment to the Murfee Engineering contract. There has been no increase to the contract for two years. Engineer Jason Baze discussed the changes in the amended fee schedule to update current staffing classifications and to the changes to the rates that reflect inflation, cost of living and local market conditions. For work relating to the District, it will be an 8% increase. President Palesko stated that the increase is not unreasonable but wished it was presented prior to the budget preparation. Mr. Baze stated that the cost should still come within the adopted budget. Corey Newhouse noted that he always pushes back on cost increases. Lisa McKenzie stated that engineering hours should be less now that some of the bigger projects are being completed. After discussion, President Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve Amendment No. 3 to the Engineering Services Agreement between the District and Murfee Engineering Company, Inc. as presented. The motion carried unanimously.

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

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

There were no new updates to the Senna Center Office site, as he did not even receive a response to his inquiry this month. Ron Preston reiterated that they are just burning brush around the Senna Center Office site.

Mr. Baze reported that the wastewater force main relocation project is complete. Mr. Baze has a change order and pay estimate to present on the project. The pay estimate should be contingent upon receiving all the requested information to close out the project, such as the lien release documentation and one-year maintenance bond. The change order is a decrease of \$2,000 from the original contract amount for the survey that the contractor did not perform. After discussion, motion was made by President Chet Palesko and seconded by David I. Perl to approve Change Order No. 1 in the amount of \$2,000 (decrease) submitted by Fred Tillman Contractors, Inc. The motion carried unanimously. Motion was then made by David I. Perl and seconded by President Chet Palesko to approve Pay Estimate No. 1 in the amount of \$21,975.00 submitted by Fred Tillman Contractors, Inc. for the effluent and wastewater forcemain relocation project, contingent upon receiving all the required documentation to close out the project. The motion carried unanimously.

There was discussion on the status of the effluent pond liner replacement project. The contractor reported receiving over 8" of rain since last month. They are also still dealing with groundwater intrusions. The contractor reported that they will be working seven days a week to finish out the project.

Mr. Baze discussed the MS4 permit renewal process. Murfee Engineering will continue to review the new requirements per the TCEQ. The District's application must be submitted by February 11, 2025.

The inventory for the lead and copper service lines will be submitted to the TCEQ in October. As stated previously, this is a requirement for all public water systems and the District does not have any lead service lines.

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 discussed above in the Engineer's Report.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. There was discussion on maintenance costs for the wastewater treatment plant and sludge hauling. The District is also behind on water sales, most likely due to the recent rainfalls. After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to approve payment of the vendor invoices, per diems and authorize four 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

Manager Makenzi Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of August. There were 2.25 million gallons of wastewater treated, showing an average daily flow of 75,100 gallons, which puts the wastewater treatment plant at 75% capacity.

Mrs. Scales reported on an anoxic pump replacement. The pump is 10 years old. The existing pump will be rebuilt and stored as a spare. The cost to replace the pump will be \$6,035.00.

Missy Roberts and Andrew Boyle are looking at the District's water accountability for August, as it registered at 94.5%. Ms. Scales will bring information back to the Board at the October board meeting.

Delinquencies for the month included five mailed notices, five door tags and zero disconnects.

Mrs. Scales reported on a resident's trees encroaching on the Prickly Poppy lift station driveway. Inframark notified the resident that they would be trimming the trees in that area. Zane Furr trimmed one of the trees, however they provided additional notice to the resident to see if they wanted to trim the other tree first before Zane Furr did it. Mrs. Scales will update the Board on that tree maintenance at the October board meeting.

It was noted again that the HOA had no repairs to the irrigation system this month.

Mrs. Scales reported that the West Travis County PUA is temporarily moving from chloramine to free chlorine for its sanitation. The conversion will begin on October 7th and continue through October 28th. Inframark will be providing notice to the customers no later than September 30th. Lisa McKenzie discussed the upcoming conversion and remembered several years ago, there were issues when a change occurred and caused the water to smell horrible. Mrs. McKenzie would like to head off any issues immediately. Mrs. Scales stated that the District will increase its flushing times during October 7th through October 28th. Corey Newhouse noted that the increased flushing will be a cost to the District. President Chet Palesko understands the cost concern, but there is nothing the District can do about it.

Mrs. Scales reported on meter calibrations and the need to replace the influent meter which allows flows to the wastewater plant. Fluid Meter Services provided a quote of \$7,750.00.

After discussion of the manager's report, motion was made by President Chet Palesko and seconded by David I. Perl to approve the expenditures as follows: influent meter replacement at a cost of \$7,750.00 by Fluid Meter Services and replacement of an anoxic pump at \$6,035.00 by Zone Industries. The motion carried unanimously.

David I. Perl reported that there are many areas in the District that have calyocarpus vialis, aka, straggler daisy instead of grass. Mrs. Scales asked Mr. Perl to send her the location of those areas and she will have Zane Furr look at them and reseed that area. Lisa McKenzie noted that the problem is due to lack of irrigation in those areas.

18. RATE ORDER

President Chet Palesko stated that the Rate Order will need to be amended to include language on the updated calculation for leak adjustments. Now that the District has electronic meters, the information from Eye on Water can be used for any adjustments. President Palesko also noted that when the District is in Stage 2 watering restrictions, there will be no watering during the winter months. This language will need to be included in the Rate Order as well.

Corey Newhouse inquired about the recent Willatt & Flickinger invoice and asked if it was in the normal range. Bookkeeper Allen Douthitt reported on the totals for the last several months and advised it looked to be in range.

19. ELECTRONIC METERS

This item was not discussed.

20. BILLING ADJUSTMENTS

This item will be discussed in closed session at the end of the meeting.

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. UTILIMATICS CONTRACT

President Chet Palesko discussed the history with Utilimatics.

This item will further be discussed in closed session at the end of the meeting.

23. DATES FOR FUTURE BOARD MEETINGS

After discussion by the Board, the District's board meeting schedule will be as follows: October 18th, November 22nd, December 20th and January 31st.

24. REPORT FROM SENNA HILLS, LTD. REPRESENTATIVE ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

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

Attorney Bill Flickinger stated that the committee will convene to work on the SHL issues and costs owed to the District.

26. 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 Items 20, 22 and 26. The Board went into closed session at 8:41 a.m.

At 9:16 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 Lisa McKenzie and seconded by David I. Perl to authorize the committee to negotiate a contract with Utilimatics and file a Cost Sharing Application with the LCRA to include the Utilimatics contract costs. The motion carried unanimously.

27. ADJOURN

President Chet Palesko adjourned the meeting at 9:17 a.m.


Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]