

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 August 30, 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 Kathy Martire 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. David I. Perl provided additional changes to the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the July 26, 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. BUDGET FOR FY 2024/2025

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

Items 7 and 8 were discussed together.

Bookkeeper Allen Douthitt discussed the District's proposed budget, along with the proposed tax rate with the Board. For several years the District has decreased its tax rate. The District's current tax rate is \$0.3163. The proposed budget is based off of a proposed tax rate of \$0.2940, which is the parity rate. There was discussion of the District's reserve analysis. The District is sitting on a \$3.1 million fund balance. President Chet Palesko agrees that he does not want to go above a \$0.2940 tax rate. The split between M&O and debt will be \$0.0919 and \$0.2021. Attorney Bill Flickinger discussed the procedures for adopting the budget next month and adopting the proposed tax rate at this meeting and setting the public hearing. The public hearing on the tax rate will be held at the next board meeting on September 20<sup>th</sup>. After discussion, motion was made by David I. Perl and seconded by Lisa McKenzie to adopt the Order Setting the District's Proposed Tax Rate for 2024 and Providing for Publication of Notice Thereof. The motion carried unanimously.

9. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

Corey Newhouse stated that he has reviewed the insurance renewal documentation and thanked Attorney Greg Szuman for pointing out the differences between last year and this year's coverage. In 2023, Texas had the biggest loss in its history despite having no hurricanes. There were 23 storms with over \$1 billion worth of claims. Mr. Newhouse discussed the additions and exclusions with AJ Gallagher and informed the Board that under the section for Mobile Equipment Schedule, coverage now included a mobile generator. There were two exclusions added dealing with Perfluoroalkyl and Polyfluoroalkyl substances. Mr. Newhouse stated that apparently this is a nationwide issue, and all carriers are moving to exclude this because it's everywhere in the soil, which is most likely from household chemicals. This was prompted in part by the EPA addressing the issue and carriers anticipating lawsuits. The insurance has a 10% increase overall, which is not bad. Engineer Jason Baze also spoke with AJ Gallagher on the District's facilities and equipment. After discussion, Mr. Newhouse recommended renewing the District's insurance as presented. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the insurance renewal with AJ Gallagher. The motion carried unanimously.

10. 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. Ron Preston noted that brush is still being burned around the Senna Center Office site.

Engineer Jason Baze reiterated that the wastewater force main relocation project is complete. Mr. Baze still needs a corrected pay application including the required affidavits. Mr. Baze stated that there may be a change order as well. Hopefully this will be resolved by next month.

There was discussion on the status of the effluent pond liner replacement project. Since last month, the contractor has mostly performed dewatering exercises following the heavy rainfall and groundwater intrusions. The new crew working on the pond liner has done a great job. The third-party inspector will be out this week to inspect the berm placement and anchor trench. In a week or two they should mobilize to inspect the liner installation. There was discussion of the groundwater intrusion and what modifications will need to be made to correct that issue. David I. Perl asked about the reason why the underdrain system is not collecting the groundwater. Mr. Baze advised that the contractor will be installing pipe extensions to collect the groundwater and filter through the underdrain system. The force main location was discussed as well. There is significant flow coming from the force main. The contractor will excavate around the force main and install a collar to stop the flow coming in and to protect the berm and the area under the liner. It is too hard to determine the source of the flow. David I. Perl asked if the berm can be treated to keep it from shifting. Mr. Baze stated that a roller is on site, but installing the pond liner is the best way to keep the berm in place. Manager Makenzi Scales stated that she had a conversation with the contractor, and they asked if they could cap the two hoses that run into the box near the frac tanks. Mrs. Scales advised him that they could, but they will be responsible for any issues that relate to the valves. Mrs. Scales explained that as the box fills with rainwater, rock and silt go in the box and when the pumps come back on, all the rocks and silt are sucked into the frac tanks and is pushed out through the system, which in turn damages the valves. Inframark has pictures of rocks in the valves. Mrs. Scales stated that these valves are brand new and have been having issues with them. Recently, Inframark received a callout that the pumps were not working, and water was running down the hill. At least four valves have been full of rocks and another one is being repaired now. President Chet Palesko asked about the status of water pooling in a resident's backyard. Mr. Baze reported that the dewatering operation was moved to a different location near the area inlet. President Palesko summarized the dewatering operation and the fact that it was not effluent, just rainwater or groundwater, which made the resident feel better about the situation. Mr. Baze reported it should no longer be an issue. David I. Perl and Mr. Baze

discussed the process for installation of the pond liner. Once the installation begins, it should be completed within five or six days.

Engineer Jason Baze discussed the electrical work around the effluent pond. After last month's meeting, Mr. Baze contacted Austin Energy to advise them to not start any tree trimming work to access the electrical poles for maintenance needs until further notified. The District did not want anything to delay the pond liner installation. However, it was observed that Renegade Electrical Service was onsite to replace an electrical pole and/or crossarm. This was a different contractor and project that was discussed at last month's meeting. That work slowed down the effluent pond dewatering operation. Mr. Baze asked the workers to pass his contact information along to the Austin Energy project manager for coordination of the tree trimming work so to eliminate any conflicts that may further delay the pond work. There has been no coordination by Austin Energy whatsoever and this is a very frustrating situation.

There were no updates to the MS4 permit renewal. Manager Makenzi Scales stated that the TCEQ came up with new requirements on the 15<sup>th</sup> of this month, however the permit renewal is not due until February 1, 2025. Mrs. Scales will take a deep dive into the new requirements and provide further information at a later time.

11. 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.

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

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. The District was down on its water sales for the month, likely due to the weather pattern. However, the interest revenue is helping cover the difference. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the vendor invoices, per diems and authorize two fund transfers as presented. The motion carried unanimously.

14. 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 July. There were 2.25 million gallons of wastewater treated, showing an average daily flow of 75,133 gallons, which puts the wastewater treatment plant at 75% capacity. The District's flows are holding steady.

Manager Makenzi Scales reported that the second set of membrane replacement has been completed and the project is now concluded.

There was discussion of the need to replace pump 2 at Lift Station 1. Inframark has been having issues with the pump over the last few months. The pump is nearing the end of its operating expectancy. The pump is the original pump and has worked for many years. The pump is repairable, but the District will need to purchase a new pump to put in its place while being repaired. Once the pump is repaired, it will be the spare, as currently there are no spare pumps for Lift Station 1.

The water accountability is back up to 98.5% after the leak was repaired. The Board thanked Andrew Boyle for his assistance in locating the leak.

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

Manager Makenzi Scales is working on sewer system survey costs to survey the District's valves and manholes. This project has not been done in several years. Engineer Jason Baze provided maps of the District's system to Inframark for their use.

The District's landscaper will need to order the winter rye soon so that it can be spread in early October. The total cost came in at \$8,772.00. Manager Makenzi Scales contacted the HOA to advise them that they will need to submit information to the District on any additional mows so that it can be charged to SHL under the District's permit. David I. Perl noted an area where there is no grass at all. Mrs. Scales asked for the location and will have Zane Furr take a look at it and if possible, add some seed in that area.

It was noted that the HOA had no repairs to the irrigation this month. Lisa McKenzie stated that there are some dry areas where the irrigation appears to not be working. Manager Makenzi Scales will notify the HOA.

After discussion of the manager's report, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the expenditure of \$8,772.00 for the purchase and spreading of the annual rye seed and for the purchase of the Xylem pump for Lift Station 1 in the amount of \$25,861.00. The motion carried unanimously.

15. RATE ORDER

President Chet Palesko and David I. Perl would like to revisit the leak adjustment language and the basis for calculation of a leak adjustment as included in the District's Rate Order. It appears that the easiest way to calculate a leak adjustment is to use the information from Eye of Water. This item will be discussed at the next board meeting in September.

16. ELECTRONIC METERS

This item was not discussed.

17. BILLING ADJUSTMENTS

This item was not discussed.

18. 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.

19. DATES FOR FUTURE BOARD MEETINGS

After discussion by the Board, the District's board meeting schedule will be as follows: September 20<sup>th</sup>, October 18<sup>th</sup> and November 22<sup>nd</sup>. Engineer Jason Baze will not be in attendance at the November board meeting.

20. DIRECTORS' ELECTION

a. Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election

Attorney Bill Flickinger reported that the upcoming directors' election can be cancelled due to no contest. Lisa McKenzie, Corey Newhouse and Ron Preston will be declared elected to office. After discussion, motion was made by President Chet Palesko and seconded by David I. Perl to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election as presented. The motion carried unanimously.

21. 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.

22. 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.

23. 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. 23. The Board went into closed session at 8:20 a.m.

At 8:40 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.

24. ADJOURN

President Chet Palesko adjourned the meeting at 8:41 a.m.

  
Chet A. Palesko, President

ATTEST:

  
Lisa S. McKenzie, Secretary

[SEAL]