

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 December 20, 2024 at Willatt & Flickinger, PLLC, 12912 Hill Country Boulevard, Suite 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 Jeniffer Concienne of Willatt & Flickinger, PLLC, Jason Baze and Jose Murga of Murfee Engineering, Makenzi Scales of Inframark and Kirsten Baze.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Allen Douthitt of Bott & Douthitt, 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 November 22, 2024 meeting as presented. The motion carried unanimously.

**\*\*At this time, President Chet Palesko moved to Item No. 16.\*\***

16. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; HOA'S EFFLUENT IRRIGATION SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA

Engineer Jason Baze reported that he met with the committee and the District attorneys to discuss the final close out items on the effluent pond project. The contractor, Synagro, is working on an extensive punch list. Some of the items include the wrought iron fence and columns that were not properly repaired, as pointed out by Ron Preston. During the construction, the existing underdrain system was damaged and has been replaced. Now that the new liner has been installed, Mr. Baze wants to be sure that the underdrain system is working as intended. There is a bit of water under the liner, which is not uncommon for these projects. However, we have not observed water cycling through the underdrain collection system. The contract has a 100% one-year maintenance bond, which provides for the contractor to come back and fix issues that arise. If the contractor does not fix the issues, the bonding company will step in to pay for them to be fixed. There has been discussion of extending the maintenance bond for two years so that the underdrain system can be monitored to be sure it is working, as well as to make sure that there are no issues with the pond liner. President Chet Palesko noted that MEC reported that they do not know if the underdrain system is working or not working. It is not critical to see the underdrain working prior to filling the ponds, however, the District wants surety extended to allow the District to maintain performance. Attorney Bill Flickinger reported that there is a substantial amount of retainage still being held on this project. Lisa McKenzie asked about the late fees that could be charged to the contractor due to the late completion date. President Palesko stated that the committee has reviewed the information and advised that the District would be fair and not punitive if it was decided to assess late charges to the contractor.

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

President Chet Palesko reported on the recent WTCPUA impact fee committee meeting. The committee finalized its recommendation to the WTCPUA board. The impact fee is used to build new infrastructure. If the impact fee percentage to customers is set at 100%, that means the new customers will pay for 100% of new infrastructure. If the percentage is set at 50%, that means current customers will pay for half of the new infrastructure and new customers will pay for the other half. The committee was not tasked with coming up with the amount of money needed for new infrastructure. It was tasked with coming up with the percentage amount to charge new and/or existing customers. The committee settled on 70% to new customers and 30% to existing customers. President Palesko stated that there are four people on the impact fee committee, including himself. The vote was 3 to 1, with President Palesko dissenting. President Palesko read his dissent so that it will be on public record. President Palesko stated, "While the majority of the impact fee committee voted for an impact fee of 70%, I felt that was too low and dissented. The message to current customers with a 70% impact fee is 'we are raising your water rates by roughly 18% to pay for new infrastructure that you do not need.'" This new infrastructure is necessary to support new development but provides no benefit to existing customers. Current customers will pay 30% of the cost of this infrastructure and new development will only pay 70% of the costs. I believe this is unfair and violates the philosophy of the impact fees." President Palesko stated that

WTCPUA Manager Jennifer Riechers advised him that she would provide his statement to the WTCPUA board. The WTCPUA board met this week and did not make a decision on the percentage rate. Lisa McKenzie inquired about the committee members. President Palesko advised that the impact fee committee consists of two developers, one retail customer and one wholesale customer. The WTCPUA's service area is divided into two areas, being Hwy. 71 and Hwy. 290.

#### 6. LCRA COST-SHARING PROGRAM

President Chet Palesko discussed the proposed Cost-Share Funding Program Agreement with the LCRA. Attorney Greg Szuman reviewed the agreement and was concerned with the reporting requirements. President Palesko changed the language but now wants to go back to the LCRA language as originally drafted, which stated that the District agrees to track and report annual water savings resulting from the Utilimatics project for a minimum of five (5) years. After discussion, President Palesko entertained a motion. Motion was made by David I. Perl and seconded by Lisa McKenzie to authorize the Board President to execute the Cost-Share Funding Program Agreement and send it to LCRA. The motion carried unanimously. President Palesko stated that he will need Inframark to report any leaks and the amount of flow prior to fixing the leak to him, so that he can provide the information to the LCRA during his annual reporting.

#### 7. HOA IRRIGATION SYSTEM IMPROVEMENTS

This item will be discussed under the Engineer's Report.

#### 8. ENGINEER'S REPORT ON SOME OR ALL OF THE AGENDA ITEMS

- a. Site Plan for SHL Offices; Status of construction
- b. Effluent Pond Liner Replacement
- c. Re-seeding and maintenance of effluent irrigation areas to comply with current permit

Jose Murga discussed the Engineer's Report as included in the agenda package.

There were no updates in regard to the Senna Center Office site.

Mr. Murga discussed the overseeding and irrigation. Murfee Engineering Company ("MEC") is coordinating with Inframark on an overseeding schedule for the winter cropping plan in the staging area used by Synagro. MEC has also scheduled an on-site meeting with a landscape architect for the irrigation improvements planned for the west median. They will discuss alternative routes and a phased-plan approach so that a proposal for the costs can be prepared. Mr. Murga is talking with the HOA irrigation coordinator, Cheryl Napier, on this project as well.

The MS4 permit renewal will be submitted to the TCEQ before the February deadline.

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 not discussed.

10. 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.

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

Bookkeeper Allen Douthitt discussed the financials through November with the Board. The District is ahead of budget due to additional water and sewer sales. Mr. Douthitt discussed the updated Cash Activity Report and stated he reviewed the District's tax report and the budget for O&M is spot on. There was discussion of the last payment made to Synagro in connection with the pond liner project and the \$430,000 retainage being held. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve payment of the vendor invoices, per diems and authorize five 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

Manager Makenzi Scales discussed the Executive Summary with the Board.

All facilities are in compliance for the month of November. There were 2.13 million gallons of wastewater treated, showing an average daily flow of 71,033 gallons, putting the wastewater treatment plant capacity at 71%.

Mrs. Scales reported that the AC system for Lift Station #1 has been purchased and Inframark is awaiting shipping notification. As the Board will recall, the AC system is needed to keep the control panel from overheating.

The 55-gallon drums that are stored at the wastewater treatment plant containing chemicals have been scheduled for removal.

Mrs. Scales reported on the prior purchase of a new pump for the effluent pond lift station. That pump has not yet been installed. Mrs. Scales stated that the pump station has two pumps in it and now the other pump is bad. Next month, a proposal will be submitted for the second pump. Lisa McKenzie asked if the warranty is running on the new pump and Mrs. Scales advised it is not because it has not yet been placed into service.

The water accountability for November registered at 106.5%, which is likely due to timing of the meter reads. This read was a shorter timeframe than usual. President Chet Palesko noted a high spike on November 25<sup>th</sup>. Mrs. Scales stated it could have been due to irrigation use or flushing of the waterlines.

Delinquencies for the month included five (5) mailed notices, two (2) door tags and zero disconnects.

Work orders were generated for maintenance needed in connection with the pond inspections and the 4<sup>th</sup> Quarter outfall survey.

Mrs. Scales reported on a situation whereby a resident reported a leak that was apparently going on for about three months and wanted clarification of how to determine the leak adjustment. Recently, the District updated its policy on leak adjustments. After discussion, it was noted that the leak adjustment request will be determined by using the data from EyeOnWater. President Chet Palesko will review the information as provided by Inframark.

### 13. RATE ORDER

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

### 14. ELECTRONIC METERS

Lisa McKenzie asked how long the District has had the electronic meters in place. It is believed to have been about four years now.

### 15. BILLING ADJUSTMENTS

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

### 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 above.

### 17. UTILIMATICS CONTRACT

This item was not discussed.

18. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: January 31<sup>st</sup>, February 28<sup>th</sup> and March 28<sup>th</sup>.

19. 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.

20. AGREEMENT CONCERNING PAYMENT OF SHL COSTS EFFECTIVE OCTOBER 31, 2022 BY AND BETWEEN SENNA HILLS MUD AND SHL

21. FIRST AMENDED AND RESTATED CONTRACT EFFECTIVE MAY 23, 2018 BY AND AMONG SENNA HILLS MUD, SENNA HILLS HOMEOWNERS ASSOCIATION, INC., SHL AND THE SENNA HILLS TRUST, AS AMENDED BY THE FIRST AMENDMENT TO AMENDED AND RESTATED CONTRACT EFFECTIVE APRIL 30, 2020 AND AS FURTHER AMENDED BY THE MEDIATED SETTLEMENT AGREEMENT DATED AUGUST 24, 2021

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 13, 20 and 21.

The Board went into closed session at 8:01 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.

President Palesko entertained a motion. Motion was made by Ron Preston and seconded by Lisa McKenzie to authorize the Board President to approve and execute the Rate Order with the changes presented contingent upon payment of Invoice #56 to SHL in the amount of \$86,698.42 with funds confirmed. The motion carried unanimously.

22. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

This item was not discussed.

23. ADJOURN

President Chet Palesko adjourned the meeting at 8:30 a.m.

  
Chet A. Palesko, President

ATTEST:

  
Lisa S. McKenzie, Secretary

[SEAL]