

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 February 28, 2025 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
Corey Newhouse – Assistant Secretary
Ron Preston – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Jeniffer Concienne of Willatt & Flickinger, PLLC, Jason Baze of Murfee Engineering, Katie May and Missy Roberts of Inframark and Allen Douthitt of Bott & Douthitt, PLLC.

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 January 27, 2025 meeting. The motion carried unanimously.

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

President Chet Palesko stated that last month he reported on the WTC PUA's adopting a 50% impact fee to be split between new and existing customers. President Palesko reported there have been no further updates.

President Palesko discussed the WTC PUA's moving to Stage 2 drought restrictions which he believes was driven by the LCRA. Manager Katie May reported that the signage within the District was updated to Stage 2 drought restrictions. Ms. May also noted that the TCEQ has been notified that the District moved to Stage 2 drought restrictions. President Palesko drafted an email to the customers regarding the watering schedule for Stage 2 and the reasons why watering at night is prohibited. Lisa McKenzie reported that there was an error in the watering schedule in the draft, which President Palesko got off the District's web site. The notice will be corrected and posted on the District's website. Inframark will send out the email when it is finalized.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that the LCRA held a symposium on water conservation. President Palesko was asked to sit on a panel and report on the District's work with Utilimatics. Both Andrew Boyle and Chris Kite attended as well. The discussion was interesting and well received. There were different approaches on how other entities conserved water. President Palesko's panel discussed non-revenue water, which was basically leaks. Other entities are also using smart meters to aid in enforcement of watering restrictions. At next month's board meeting, President Palesko will discuss the District's approach to enforcement of watering restrictions. This summer will most likely be very restrictive. Manager Katie May wanted to say that she is impressed with Utilimatics as they are a great overwatch for leaks within the District. President Palesko also reported that he received the LCRA grant check in the amount of \$14,609.00 in connection with the Cost-Sharing Program and it was forwarded to Allen Douthitt for deposit into the District's account.

7. HOA IRRIGATION SYSTEM IMPROVEMENTS

Engineer Jason Baze reported on the irrigation system improvements. The committee met between the board meetings to discuss available funding, design options and the original intent for this project in detail. Mr. Baze is still working with a landscape designer on the best design for the system layout and what the effluent use will be. Mr. Baze believes that the easiest way to move forward is with a dedicated line from the WWTP to the west side, similar to how the east side system is set up. However, they still need to figure out what the overall effluent use will be. There are several options under consideration, including sourcing the water directly from the pond. The electrical side of the project is still being worked through as well. Mr. Baze wants to determine if there will be enough effluent in the basin at the WWTP to supply the water as needed, if the District has dual mains and two controllers running at the same time. Ron Preston asked about going under the roadway and Mr. Baze stated that all options will include that path. David I. Perl inquired about taking effluent from the basin to the pond and from the pond back to the basin. Mr. Baze is

still trying to confirm if there will be enough effluent and what the daily flows are over a nighttime period. There is a limit to the amount of effluent that can be used per the District's permit. Lisa McKenzie discussed the need for a License Agreement with the County if anything is installed in the right-of-way. Currently, the HOA does not have a License Agreement for the plantings and existing irrigation. This is likely due to the fact that the County has not accepted Sections 5B & 6 for maintenance. If a License Agreement is needed, Mrs. McKenzie would like to run parallel processes with the system design to get the appropriate License Agreement with the County before all the new irrigation lines are ready to be installed. Attorney Bill Flickinger confirmed that the HOA does not have a License Agreement with the County as discussed by Mrs. McKenzie. The risk of not having a License Agreement and installing improvements in a right-of-way is that the County can remove the improvements if needed. Mr. Baze pointed out that there will be a significant amount of construction with this project, including a lot of dirt work, and will need to be figured into the required County permitting process. With all this information, Mrs. McKenzie stated that it appears that the project will not be finished in 2025 as hoped. Mr. Baze noted that the summer of 2025 would be a nice target, but probably 2026. Once the County accepts Sections 5B & 6, the HOA can move forward with obtaining a License Agreement with County for the ROW along Senna Hills Drive. Mrs. McKenzie stated that the HOA and the County are finalizing a License Agreement under which the County will accept Sections 5B & 6. David I. Perl asked if the HOA would be responsible for the sidewalks under that License Agreement which it will be. The County will be responsible for sidewalks in the rest of the subdivision.

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. Effluent Irrigation System Improvements
- d. 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.

Mr. Baze discussed the status of the effluent pond liner replacement project. Since the last board meeting, an agreement was reached with the contractor on costs and Change Order No. 3, including the Amendment to the contract to allow for a 2-year maintenance bond starting February 5, 2025. Therefore, if any issues arise, the contractor will fix it or if the contractor is no longer around, the District will fall back on the maintenance bond to get the issues fixed. David I. Perl asked if the completion date was extended in regard to the liquidated damages. Mr. Baze advised it was not, but the District's costs were itemized and deducted from the contract price in the amount of \$47,237.00. Lisa McKenzie thought there was going to be a discussion on the liquidated damages vs. the District's actual costs. The Board discussed the liquidated damages vs. the District's actual costs. President Chet Palesko acknowledges that the contractor started late, but that they tried to do a good job and starting late cost the District \$47,237.00. Corey Newhouse asked if the project was done yet. Mr. Baze advised that on February 5th the WWTP was shut down, the pipes connecting it to the pond were re-established, and the temporary storage and pumping system were removed by the contractor, and the effluent started flowing into the pond. Bookkeeper Allen Douthitt noted that the recommendation letter does not reference Change Order No. 3. Mr. Baze advised that Pay Application No. 3 has nothing to do with Change No. 3 and

should be considered as-is, following consideration of Change No. 3. There are still small items left to do to complete the project and that will all be considered in the final pay application at a later date. Mr. Douthitt is still not on the same page with the amounts due, so he and Mr. Baze will review the numbers in detail after the meeting. Mr. Douthitt and President Palesko are concerned about overpaying. Mrs. McKenzie and Mr. Newhouse revisited the liquidated damages vs. the District's hard costs of \$47,237.00 and the contractor's cost for the additional bond. Mrs. McKenzie stated that if the District is going to waive over \$190,000 in damages it should be noted in a motion. After discussion, President Palesko prefers not to seek damages. Mr. Perl noted the project was challenging and not perfect, but the goal was to complete the project and cover the District's hard costs. Attorney Bill Flickinger recommended that the Board not make a decision on the liquidated damages at this time and keep the formal decision for the final payment if needed. After discussion, the following motions were made:

Motion was made by David I. Perl and seconded by Ron Preston to authorize President Chet Palesko to execute Change Order No. 3 when the amounts are confirmed by the District's bookkeeper and engineer. The motion carried unanimously.

Motion was then made by David I. Perl and seconded by Ron Preston to authorize President Chet Palesko to execute the Amendment to the Professional Services Agreement for the Effluent Storage Pond Liner Replacement Project when the amounts are confirmed by the District's bookkeeper and engineer. The motion carried unanimously.

Lastly, motion was then made by David I. Perl and seconded by Ron Preston to authorize President Chet Palesko to execute Pay Application No. 3 when the amounts are confirmed by the District's bookkeeper and engineer. The motion carried unanimously.

Lisa McKenzie asked if the HOA is still irrigating all the time, whether the District's irrigation fields have been turned back on and are working properly, and when the landscaping around the pond needs to be replaced. She noted that some of the drip irrigation lines around the pond were dug up during the liner replacement construction. Lastly, she asked about fountains in the pond. President Chet Palesko stated he believes the District is now in a position to consider the fountains. Engineer Jason Baze addressed Mrs. McKenzie's questions. The contractor was not required to redo the landscaping around the pond and attempted to repair the irrigation lines. Inframark will need to confirm if those lines are working properly. Possibly the landscaping and irrigation lines around the pond can be looked at during the irrigation improvements project. Now that the effluent is flowing into the pond, is the HOA's irrigation taking a lot of it? President Palesko asked if the District should ask the HOA to cut back on its irrigation at this time to allow for the filling of the pond. Mr. Baze advised that the HOA should irrigate in its typical manner but not max out irrigation to avoid tailwater. There was discussion of timing and testing the pumps for irrigation of the drip fields and the balance to allow for filling of the effluent pond. Mr. Baze has already discussed this with Inframark. Mrs. McKenzie inquired about the purchase and installation of Bermuda seeds. This application should be done in March/April. Mr. Baze will coordinate with the HOA and landscaper on optimal irrigation time for Bermuda.

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

The Notice of Intent for the MS4 permit renewal was submitted. President Chet Palesko had to electronically submit it to the EPA, which was a very challenging process. President Palesko stated that Roberto Ferreira at Murfee Engineering was very helpful and appreciated his help. This filing requirement was new this year. Engineer Jason Baze reported that they have coordinated with Inframark on the updated Stormwater Management Program.

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

a. Quarterly Investment Report

Bookkeeper Allen Douthitt discussed the financials through January. The District is ahead of budget for the month. The maintenance portion of the budget took a hit again. Mr. Douthitt reported that as of January, the District's tax collection is 97%. There was a brief discussion of possible legislation regarding investment pools, requiring that they be managed by the State Comptroller. Currently, Logic is not managed by the State Comptroller, however TxPool is. 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 four fund transfers and one wire to Synagro (when the amount is confirmed) 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 Katie May discussed the Executive Summary with the Board.

All facilities are in compliance for the month of January. There were 2.40 million gallons of wastewater treated, showing an average daily flow of 80,267 gallons, putting the wastewater treatment plant capacity at 80%.

Ms. May discussed a recent unauthorized discharge of 8,000 gallons of effluent that leaked from a contractor's temporary frack tank at the WWTP. The contractor repaired the pumps and pumped down the tank. Inframark self-reported the discharge to the TCEQ and no fine was assessed.

Previously, the Board asked Inframark to obtain an additional estimate for the second pump at the pump station near the effluent pond. The additional estimate was higher than the one provided by Advanced Water Well Technologies. After discussion, motion was made by President Palesko and seconded by Lisa McKenzie to approve the purchase of the second pump at the pump station near the effluent pond from Advanced Water Well Technologies in the amount of \$27,727.26. The motion carried unanimously.

The 55-gallon drums that are stored at the WWTP containing chemicals are scheduled to be removed. However, the contractor advised that they have to be permitted to remove the chemicals, which caused a delay in removal.

Water accountability for January was 84.5%. Manager Katie May stated that she is impressed with Utilimatic's program to discover anomalies and possible leaks. President Chet Palesko stated that 84.5% is low. Andrew Boyle indicated it could possibly be a leak and provided a location to Inframark. Ms. May advised that something else to take into consideration is that the District's flushing of the system is a flow estimate. Mr. Boyle will be present going forward when Inframark is flushing the lines so that he can attempt to measure the flow when it comes out of the system. President Chet Palesko asked Inframark to direct the operator to read the two master meters close to the same time and make a note of the actual time those are read. President Palesko would like that information so that he and Mr. Boyle can review the manual reads vs. the reads for the strap-on meters to check the accuracy. Mr. Boyle reported back in November when the WTCPUA replaced their billing meter, they saw odd data when the eastern entry point went offline and at that time, he was unsure if it was a leak or not. Now, with another round of data, he believes a leak is between Senna Hills Drive and Indigo Broom Loop and Datura Court, which also includes the Lemon Mint Court area. Chris Kite with Utilimatics is working on a visualization tool to show the location and will turn it over to Inframark. As previously discussed, Mr. Boyle stated that once the new flow testing equipment is received, he will participate in the District's flushing of the system so they can dial in the entry point meters a little better along with the daily reads. David I. Perl asked for clarification on the location of the leak. Lisa McKenzie noted that in the past the District had some large leaks near the bottom of Lemon Mint Court.

Manager Katie May reported that delinquencies for the month included six (6) mailed notices, four (4) door tags and zero disconnects.

Pond inspections were conducted on January 15th and work orders were generated based on those reports. The Q-1 outfall survey was conducted on January 7th and work orders were general based on those reports.

Manager Katie May asked about the leak adjustment on Indigo Broom Loop. President Chet Palesko reported that he still needs to review the specific information. The customer was not signed up for EyeOnWater and it appears that a leak occurred for several months at the meter

connection on the customer's side. President Palesko noted that there is another request pending as well. This item was tabled until the next board meeting.

Manager Katie May stated that the District has 60% enrollment participation for EyeOnWater, which is great. Ms. May has added this information to the monthly reports.

Manager Katie May discussed expenses year over year from 2022 to present as requested at the last board meeting. Ms. May pulled all the work orders for the District's lift stations. Ron Preston thanked Ms. May and stated that the information provided was what he was looking for. Ms. May stated that this information is good to use for budgetary planning as well and mentioned that the ponds will be added to the District's asset list.

Lisa McKenzie would like to discuss Inframark's charges to the District with Manager Katie May. Several years ago, Lisa McKenzie and David I. Perl were on a committee to review the Inframark contract regarding base fees vs. additional fees and may want to start that review back up. David I. Perl asked about the list of the District's spare parts. Ms. May advised that currently, the District purchases spare parts ahead of time and then uses those parts from the District's inventory as needed, but in the near future, the Austin area district will go to a warehouse process. Inframark will have a warehouse that contains spare parts so when needed, the District will purchase parts from Inframark's warehouse and will not have to purchase and inventory its own spare parts ahead of time. Mrs. McKenzie stated that hopefully the storage unit at the WWTP is housing the District's spare parts. Ms. May will try to reproduce the spare parts list and bring it back to the next board meeting. President Chet Palesko agrees that now is a good time to review the contract. Mrs. McKenzie noted that there have been several work orders that seem to be very high and/or may not have been needed.

13. RATE ORDER

President Chet Palesko discussed adjusting the leak credit to require that customers be signed up for EyeOnWater and have the leak notification activated. There was discussion of the leak threshold for the leak notification. Maybe a maximum of five (5) gallons per minute is a good threshold to set. President Palesko will work on this for next month's board meeting. No action was needed at this time. David I. Perl stated that the District is only trying to motivate proper conservation, not make money off it.

14. ELECTRONIC METERS

Lisa McKenzie inquired about the battery life of the smart meters. It was reported to be approximately 20 years.

15. BILLING ADJUSTMENTS

This item was discussed under 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 under the Engineer's Report above.

17. UTILIMATICS CONTRACT

President Chet Palesko provided an update on the Utilimatics contract with the District. Attorney Bill Flickinger advised that Andrew Boyle has approved the contract with the District and the contract is ready to be signed. Mr. Flickinger noted that the District will need to be invoiced for the subscription fee and purchase of the pressure recorder. Once the District pays the invoice, Mr. Boyle will need to provide a Bill of Sale for the pressure recorder. Mr. Boyle stated he will arrange to sign the contract, provide an invoice and Bill of Sale to the District as discussed.

18. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: March 28th, April 25th, May 30th and June 27th.

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

Attorney Bill Flickinger reiterated that SHL has paid all amounts owed to the District and there have not been any further activities or updates to report on.

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

This item was not discussed.

22. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko reported that he will work on a proposed approach for enforcement of watering restrictions for next month's board meeting. During the LCRA symposium, there was

discussion about a pending bill in legislation that will make it illegal for HOAs to fine for brown lawns during drought situations. Lisa McKenzie noted that there is already legislation in place that allows residents to Xeriscape their yards regardless of HOA requirements.

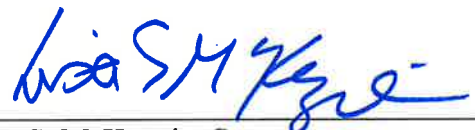
David I. Perl reported that Dell Ranch did a massive fire mitigation, clearing brush on their land and the areas that backed up along Allium and Prezia. They cut down dead Junipers and put them through a woodchipper and did a fantastic job.

23. ADJOURN

President Chet Palesko adjourned the meeting at 9:14 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]