

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 March 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 Greg Szuman and Jeniffer Concienne of Willatt & Flickinger, PLLC, Jason Baze of Murfee Engineering and Katie May and Darald Berger of Inframark.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Andrew Boyle of Utilimatics and Allen Douthitt of Bott & Douthitt, PLLC.

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 February 28, 2025 meeting as corrected. The motion carried unanimously.

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

President Chet Palesko reported that the WTCPUA received a similar cost sharing agreement with the LCRA as did the District. The WTCPUA will move toward 100% smart meters for all retail meters.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko and Chris Kite with Utilimatics attended a photo-op with the LCRA and posed with the grant check. President Palesko also reported that he completed the LCRA survey on water conservation.

7. HOA IRRIGATION SYSTEM IMPROVEMENTS

Engineer Jason Baze reported that since last month's board meeting, he has worked with ECO Land Design to get an updated and refreshed proposal and has reviewed the historical data on daily use of the irrigation system and how much effluent the HOA currently uses. Inframark has provided a spreadsheet of all the outflowing and internal effluent at the WWTP, which is very helpful. When the pond was taken off-line, the HOA was asked to maximize its effluent use by irrigating all the time. Review of the information from that time period shows that the HOA would be able to use a lot more effluent than it has in the past. The plan is to bring a proposal back to the April board meeting to expand the irrigation system at the WWTP with a dual main. President Chet Palesko asked what percentage of the irrigation zones are working and Mr. Baze is not sure. Once all the zones are fixed and working, the HOA would be able to use even more effluent. Mr. Baze stated that the intent is to bring a dual main from both directions, east and west, to supply effluent to Senna Hills Drive and the median, which are on the Permit. The new west line will be the same size and extend all the way around the main. There is still discussion on how to get from median to median and across the road. Meter data provided by Inframark shows the WWTP can supply additional effluent to the HOA's system above the current average. Ron Preston asked if the HOA's dedicated effluent basin is big enough to cover the additional flow and Mr. Baze explained the process of managing the levels in the basin.

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.

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

Mr. Baze discussed the status of the effluent pond liner replacement project. Most of the close out items have been completed, and they are prioritizing the final punch list to close out the

project. The effluent began to flow into the pond in February. Corey Newhouse appreciated the photo of the pond showing the approximate volume. Mr. Baze reminded the Board that the Change Order and Contract Amendment were approved last month and will be delivered to Synagro. The final pay estimate should be submitted for the April board meeting. Once the final pay application is approved, the project can be accepted for operation and maintenance and then the 2-year maintenance period will begin. President Chet Palesko asked if when summer comes the District will ask the HOA to cut back on effluent irrigation to allow the pond to fill up. Mr. Baze stated that it does not appear to be necessary because the HOA is not using a lot of effluent, just normal use.

Engineer Jason Baze reported on the overseeding and irrigation. Mr. Baze stated that Inframark will exercise the pump and check zones so when the pond is full, the District can start irrigating in the irrigation fields. Manager Katie May will report on the status of the overseeding.

In connection with the District's MS4 permit, MEC will begin coordination with Inframark on the year-one goals and measures. No action is needed at this time.

Engineer Jason Baze advised he added a new section to his report for Wastewater O&M, however, there are no ongoing items at this time.

Bookkeeper Allen Douthitt reported that he met with Engineer Jason Baze on the amounts owed to Synagro after the last board meeting and has confirmed the amounts with President Chet Palesko. All amounts have been verified and the payment application presented at last month's board meeting was paid.

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 February. The maintenance invoice from Inframark was not received this month. The pond liner replacement budget has now been exhausted. The District is ahead of budget again for the month and year-to-date, \$50,000 ahead of budget. The District's tax collection is 98.4%. 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 three fund transfers as presented. The motion carried unanimously. Due to Bookkeeper Allen Douthitt not being at the meeting in person, motion was made by President Chet Palesko and seconded by Corey Newhouse to allow the foregoing payments to be made through the bookkeeper's account. 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 reported that she has been communicating with Lisa McKenzie on her questions related to Inframark's invoices. The WWTP is required by the Permit to be checked on a five (5) day basis. Inframark has been checking seven (7) days a week. This has been the norm for a while now and the District is incurring additional charges as a result. Ms. May asked if the Board wishes to continue having the WWTP checked on the weekend or only during the week. There are auto-dialers at the WWTP that will trigger alerts if there is an issue. Ms. May stated that Inframark was going above and beyond due to historical issues, in particular the bar screens, and was trying to be proactive. President Chet Palesko asked Inframark to pull back on the seven (7) day checks and immediately go to five (5) days. Ms. May said it will stop this weekend.

Inframark has been doing weekly irrigation run-off inspections. Previously, it was done on a monthly basis. Manager Katie May noticed some of the related charges were billed at an overtime rate, which will be credited to the District. The weekly inspection reports will be included in the operations report. Ms. May will do a full audit on the overtime credits.

Manager Katie May discussed the quarterly outfall inspections. Previously, the outfalls were inspected, and work orders were automatically generated. Now, she proposes that after inspection, the board will have the option for the maintenance to be done by Inframark or the District's landscaper. Ms. May will review the prior invoices to be sure no overtime was charged and will then provide a credit if necessary. Ron Preston asked if the work is done by the District's landscaper, will Inframark still have to inspect the work and Ms. May said probably not.

Manager Katie May said there is some work to be done on the number of people that are doing certain tasks for the District and Ms. May will review past invoices and make it right. Next month, she will come back with a credit memo for review. The Board thanked her for looking into all of this.

Manager Katie May then discussed the Executive Summary with the Board.

All facilities are in compliance for the month of February. There were 2.07 million gallons of wastewater treated, showing an average daily flow of 80,267 gallons, putting the wastewater treatment plant capacity at 69%.

Manager Katie May advised there was an initial delay in the installation of the second pump at the pump station near the effluent pond that was approved last month, but it will be installed next week.

The contractor is still waiting for a TCEQ permit to remove the 55-gallon drums that are stored at the WWTP and which contain chemicals.

Water accountability for February continues to decrease, and was 81.8%. There was a leak discovered in a cul-de-sac, but it was on the customer's side. President Chet Palesko discussed two items that were found during testing, which was water in a meter box and a video showing flow. Manager Katie May will send the address where that leak occurred to President Palesko. However, there is still a large leak that has yet to be found. Lisa McKenzie discussed a resident whose winter average is 84,000 gallons. This account should be looked at in detail. Corey Newhouse asked if anyone knew how long the leak has been going on. President Palesko noted that Andrew Boyle provided information to Inframark on possible areas where the leak could be located. Andrew Boyle addressed the two locations on Datura Court being the meter box issue, which was on the customer's side, and the one at the end of the cul-de-sac where the meters were not registering flow, but he heard the flow himself. Ms. May reported that area was checked, and the feedback was there was no leak. She will double check to see what Inframark checked to make that determination. Mr. Boyle discussed how their equipment determines a leak and how he reviews the data. The model shows Lemon Mint Court and Datura Court with the highest probability of the leak. Lisa McKenzie stated that the last large leak was at the end of Datura Court. Mr. Newhouse asked if this is taking longer than it should to find the leak with the experts that are in place and if this is just a difficult leak to find. President Palesko explained that if there is no water that has surfaced, where do you start digging. President Palesko noted that was a good question but does not want to start randomly digging up areas. Mr. Boyle explained it has taken longer than it should because Utilimatics is not certain on the entry point meters at the front of the subdivision and that is why they joined the flushing events with Inframark to try to get an idea of the amount of water being flushed and the flow rate from the entry point meters. Inframark has advised that they have a construction meter that can be placed on the hydrant during flushing to capture the amount of water used. Inframark will begin using the construction meter next month. As stated previously, back in December the WTCPUA replaced its meter so when odd readings were received, Utilimatics was not certain it was accurate. David I. Perl stated that they should look at the large patch in the road on Datura Court where the last large leak occurred. Mr. Newhouse said to keep hammering down on this issue. President Palesko asked Ms. May to send him and Andrew Boyle the date and time for the master meter reads, so that they can be reviewed for accuracy for the last 90-days. There was discussion of possibly being able to obtain information from the WTCPUA on its meter reads.

Manager Katie May reported that delinquencies for the month included seven (7) mailed notices, five (5) door tags and zero disconnects.

President Chet Palesko discussed the leak adjustment for the resident on Indigo Broom Loop. President Palesko explained the leak adjustment criteria and noted he worked with Missy

Roberts on the adjustments. The adjustment is calculated by taking the lowest hourly flow for a 24-hour period and that is the leak amount. The resident will be issued a \$500 adjustment.

The Rate Order needs to be revised, and President Palesko will work on the changes for next month's consideration. There was discussion of the Eye-On-Water app and its notification capabilities. Corey Newhouse stated that the District probably needs to do another round of communication, such as a one-time door hanger, encouraging residents to sign up. President Palesko said there may be other information the District wants to add to the door hanger. Lisa McKenzie said she is ok with a leak adjustment for a two-month period. David I. Perl agreed.

Manager Katie May discussed the annual overseeding. Zane Furr's proposal came in at \$22,042.20 for the spring overseeding with Bermuda. Overseeding will occur twice a year, now and in October with winter rye. Lisa McKenzie stated the overseeding will be applied to the irrigation fields and along Senna Hills Drive where it is irrigated per the District's Permit. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to authorize the spring overseeding, not to exceed \$25,000. The motion carried unanimously.

Going forward, the Board will be made aware of issues discovered during the pond inspections and given a choice to use Inframark or the District's landscaper for those maintenance items instead of automatic work orders being generated by Inframark. In regard to maintenance work at the lift stations, a proposal will be submitted first instead of immediate repair.

An expense [expenditure?] report on the District's lift stations was included in the agenda package. Manager Katie May will include additional details on the report going forward. Ron Preston advised her not to add too many, as some details can be looked up in other reports. Mr. Preston would like to see details on non-recurring items and the base line for each lift station. Corey Newhouse would like to see the age of the equipment listed.

Inframark and President Chet Palesko worked on updating the grinder pump letter to residents. There are 33 grinder pumps in the District. There was discussion of servicing the grinder pumps and who the resident calls first, Inframark or HydroSource. Manager Katie May believes Inframark goes out and troubleshoots the issue, but she will confirm Inframark's action. Since it is owned by the customer, she is hesitant to say Inframark will repair it. Inframark should alert residents to call HydroSource on issues with their grinder pump.

13. RATE ORDER

President Chet Palesko will work on updating the leak adjustment language for next month's consideration.

14. ELECTRONIC METERS

This item was not discussed.

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. DATES FOR FUTURE BOARD MEETINGS

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

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

David I. Perl stated that the construction fencing has blown down around the proposed office site. Ron Preston stated there was an email sent out advising that the construction fencing was going to be put back up. Mr. Perl inquired about the expiration of the site permit and Engineering Jason Baze stated permits usually expire in three years. Mr. Preston noted that if the site permit expires, it will have to be applied for again.

20. 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.

21. 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 21.

The Board went into closed session at 8:32 a.m.

At 9:02 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.

23. ADJOURN

President Chet Palesko adjourned the meeting at 9:03 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]