

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 June 27, 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 Allison Nix of Willatt & Flickinger, PLLC, Stephen Jones of Consor, and Missy Roberts and Darald Berger of Inframark.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Allen Douthitt of Bott & Douthitt, PLLC, Katie May 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. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the May 30, 2025 meeting as presented. The motion carried unanimously.

President Chet Palesko moved to Item No. 12 at this time.

12. BOOKKEEPER'S REPORT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS; BUILDER DEPOSITS AND QUARTERLY INVESTMENT REPORTS

Bookkeeper Allen Douthitt discussed the financials through May. Mr. Douthitt reported that the District is down on water sales for the month, however right on target for year-to-date. There was a cost for an effluent pump on Inframark's invoice this month, but he was not sure if that had something to do with the effluent pond. Ron Preston noted he had the same question. Manager Darald Berger stated that the pump is for the lift station behind the pond and has been reported on for the last few months. The work was completed in late April or early May, but the invoice is just now hitting. This new pump replaced the original pump and Mr. Douthitt thinks it should be tagged as a capital outlay instead of routine wastewater maintenance due to costs. President Chet Palesko asked about depreciation and Mr. Douthitt discussed it along with the capitalization policy in audit. Typically, unless an item is over \$10,000 the District does not capitalize it. If the item adds function or if it extends the life of item, then you depreciate it. If not, then it is just recorded as a maintenance item. Mr. Douthitt also reported that the District's tax collection stands at 99.5%.

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 the fund transfer as presented. The motion carried unanimously.

President Chet Palesko moved back to Item No. 5 at this time.

5. COMMUNITY SERVICE PROJECT (LIBRARY STAND) REQUESTED BY WESTLAKE HIGH SCHOOL RESIDENT

Lisa McKenzie reported that a high school student needs to build something in the neighborhood for a school project. The student would like to install a free library box for books at the Lemon Mint Park. Mrs. McKenzie asked Inframark if anyone would have a concern about placement of this project and noted the location would most likely be on a post that does not block any access and is close to the street. Corey Newhouse thinks it is fine, as well as President Chet Palesko. Ron Preston's only concern is related to past issues down at the park, such as kids doing things they should not be doing and lighting issues. President Palesko said if it becomes a problem then it can be taken down. Attorney Bill Flickinger suggested formal approval. After discussion, motion was made by President Palesko and seconded by Lisa McKenzie to grant permission for the student to construct the library box which the student must properly maintain and if any problems occur, the library box will be removed by the District. 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

This item was not discussed.

8. HOA IRRIGATION SYSTEM IMPROVEMENTS

This item was not discussed.

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

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

Engineer Stephen Jones discussed the Engineer's Report as included in the agenda package.

Engineer Stephen Jones is covering for Engineer Jason Baze, who is at the CASE conference. Mr. Jones has several items in the report worth discussing. The median irrigation at Senna Hills Drive project is still being worked on with the third-party irrigation designers. Ecoland Design Group has provided some volume calculations and a basic plan but does not have a design yet to share. Once the design is received, Engineer Jason Baze will reach out for comments from the District and HOA. The design will include the distribution line route, which has not been finalized, and they hope to have the design plan by early July.

In regard to the MS4 permit renewal, Consor will be tied at the hip with Inframark on the permit requirements. They are working on general inspection and maintenance guidelines and year one goals to comply with the new permitting requirements from EPA. President Chet Palesko noted that the District has been doing this for years now. Mr. Jones explained that with the renewal process, there are new requirements. The TCEQ administers the permit on behalf of the EPA. The District's previous permit was only good for five years. The Notice of Intent is still inactive on the EPA's website. They are continuing to follow up with TCEQ on the new requirements and details.

Consor is also working with Inframark on the water/wastewater drainage for a 5-year outlay plan for infrastructure. They are considering using the InfraSmart system to help with this task.

Engineer Stephen Jones reported on an issue around the top rim of the pond liner where grass is growing between the rock wall and liner. They are looking at options that avoid damaging the new liner and compromising its integrity. The initial estimates for a fix are around \$70,000. President Chet Palesko reiterated that he wants a solution to eliminate the grass growth as opposed to it being a maintenance item. Ron Preston noted a typo in the engineering report and stated that 'permitter' should be 'perimeter'.

Engineer Stephen Jones presented a lift station capacity map for review in connection with the District's system. David I. Perl had requested information indicating the size of the District's lift stations, which this provides along with additional information. Ron Preston noted that the numbers in the callout boxes do not match what is in the table. After discussion, President Chet Palesko asked that the information be corrected. Ron Preston asked about the reference to a grinder

pump on the map. President Palesko discussed the maintenance and repair responsibilities. Lisa McKenzie mentioned that Sections 5B & 6 have now been accepted by Travis County. In previous discussions, Engineer Jason Baze indicated there needed to be a License Agreement between the HOA and Travis County in place for the Senna Hills Drive median prior to the District installing the new irrigation system. The License Agreement is separate from the District's effluent agreement with the HOA. Lisa McKenzie thinks that Terry Irion's office will probably draft the License Agreement for the HOA, as they worked on getting Sections 5B & 6 accepted by Travis County.

President Chet Palesko sent a letter to the HOA about their obligations in the Effluent Disposal Agreement with the District. Brian Klaas of the HOA reached out to President Palesko to ask what the HOA was doing wrong. Lisa McKenzie stated that there is overspray on Senna Hills Drive. Inframark provided pictures of the overspray a couple of meetings ago. David I. Perl discussed some of the HOA's obligations, which include to not violate TCEQ rules that the District is subject to, and to take as much effluent as the District asks the HOA to take for irrigation. Mrs. McKenzie stated there is an area of dead foliage by the lift station between the four-way stop at Indigo Broom Loop and Bee Cave Road. President Palesko will contact Brian Klaas and ask the HOA to put effort into not allowing overspray on the streets. Manager Darald Berger will provide President Palesko with the reports and photos. President Palesko stated that the HOA is obligated to do monthly inspections, not the District. Ron Preston discussed the HOA's irrigation history and having to constantly maintain the system.

10. 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.

11. 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.

13. 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 Darald Berger discussed the Manager's Report with the Board.

All facilities are in compliance for the month of May. There were 2.54 million gallons of wastewater treated, showing an average daily flow of 72,710 gallons, putting the wastewater treatment plant capacity at 73%.

Manager Darald Berger reported that an emergency work order was generated at the wastewater treatment plant due to failure of a chemical system pump that controls the amount of chlorine entering the effluent pond. The backup pump was installed, which also failed a couple of days later. The quote for a pump and starter is \$2,115.

For the Distribution system and billing, Manager Darald Berger reported that the water accountability was 85.8%. The water accountability did not improve very much this period because the major water leak repair was completed on the 13th and the last day for calculations is on the 15th, so there was only a two-day impact. Next month, the accountability should look better. Corey Newhouse asked Andrew Boyle to do an interim calculation to be sure that the accountability is moving in the correct direction. Mr. Boyle will provide the interim calculation and send it out by email. President Chet Palesko reported that Mr. Boyle has already provided him the leak rate.

Manager Darald Berger reported that delinquencies for the month included six (6) mailed notices, six (6) door tags hung and two disconnects. Missy Roberts reported that both accounts have been reconnected. President Chet Palesko noted the delinquencies are higher than usual.

As directed previously, the outfall inspections were paused and will start back up in July on a quarterly frequency. The pond inspections were also paused and will start back up in July on a quarterly frequency. As reported last month, Zane Furr's initial estimate for cleanup around the ponds was \$1,700. Mr. Furr went back to look at additional maintenance items and agreed to keep his initial quote of \$1,700 for the work. A new request was sent to Mr. Furr to clean up brush behind Lift Station #3 and clean up trees around Lemon Mint. That quote came in at \$1,000.

Manager Darald Berger reported on a customer request to rework the sidewalk repair from the major water leak repair on Datura. Mr. Berger reported the additional repair was completed last week, but he has not yet gone out to inspect it. President Chet Palesko stated the repair looks fine, but the site does not seem as clean as it should have been. The initial sidewalk repair did not look right and Inframark received a homeowner complaint about the repair. Manager Darald Berger noted that after the initial repair and before the concrete was fully set, it began to rain. Inframark is covering the cost of redoing the initial sidewalk repair.

Manager Darald Berger is still collecting quotes for oak tree maintenance from arborists.

David I. Perl stated that he noticed a dump truck coming up and down Lemon Mint and asked if someone was building pool or excavation. Ron Preston also noted a number of water trucks delivering water. Lisa McKenzie stated that if someone is building a new pool, they must submit the required application to the District to make sure it is plumbed in correctly. President Chet Palesko stated that a resident asked about filling an existing pool about a month ago and President Palesko advised him that he would need a water truck to fill the pool, and the resident

advised that is what he would do. Mr. Perl said that the trucks he saw were not water trucks. Manager Darald Berger will drive down Lemon Mint to look for evidence of construction.

Manager Darald Berger discussed the invoices included in the agenda package. President Chet Palesko asked about the invoices for the sidewalk repair and wanted to be sure that the District only pays for either the initial repair or the second repair, but not both. Lisa McKenzie noted that Bookkeeper Allen Douthitt pulled one of the invoices. Mr. Berger will double-check with Mr. Douthitt on which invoice was pulled, and which one should be paid for by the District.

Resident participation with EyeOnWater is holding steady at 60%. President Chet Palesko will work on material, with help from Corey Newhouse, to provide to the residents to encourage more residents to participate. President Palesko will bring this information to the next board meeting.

Manager Darald Berger wanted to discuss Inframark's overall work orders and back charges to residents. He believes that a communication solution could be in the form of a permanent message on the water bills, an email blast and/or information on the District website that informs residents of possible back charges for certain types of work performed by Inframark. Lisa McKenzie discussed recent charges to the District instead of back charging customers as indicated in the Rate Order. A resident had an issue whereby their neighbor's plumber turned off their water as well as the water meter he was working on and did not turn theirs back on before he left. That resident called Inframark and explained the situation and asked them to turn it back on. For doing that, the District was charged \$225. President Chet Palesko said the most important way to inform residents of a possible back charge is to tell them before any work is done. Manager Darald Berger said there is a special note for the District on this issue and that the District is one of very few districts that they manage that backcharges their customers for certain service calls. Attorney Bill Flickinger stated that the District's Rate Order is very specific about work done on sewer blockages and provides for written notice to the resident. However, if the resident does not sign the notice, it does not relieve them of the obligation to pay for the services received. After discussion, it was determined that the Rate Order may need to be revisited. This can be done at a committee level. Mrs. McKenzie advised that she would review the Rate Order for possible amendments. Manager Katie May noted that the Rate Order talks specifically about sewer blockages but questioned whether it repeats the same language for water leaks. Attorney Bill Flickinger stated that the special procedure is only for sewer blockages. President Palesko thinks that a statement on the bill would be a good idea.

Missy Roberts reported that the invoice to the pool contractor for refilling of the HOA's pool has been paid.

Manager Darald Berger discussed the quote for quarterly lift station cleaning in the amount of \$4,320. Provided in the current quote are Lift Stations 4, 5 and 6. The other lift stations are not included as they do not have buildup yet. President Chet Palesko wants to make sure inspections done that frequently are really necessary. Manager Katie May stated the inspection is a visual inspection and she can provide examples of the buildup. Lift stations are always going to have buildup of some sort but they are looking for solids and grease buildup when they inspect. Inframark will provide pictures at the next meeting showing lift stations that need to be cleaned

and lift stations that do not need to be cleaned. After discussion, President Palesko wants to delay this cleaning until there are visuals made.

Manager Darald Berger asked for consideration or ratification of the chlorine system pump purchase which was done as an emergency expenditure. Motion was made by President Chet Palesko and seconded by Lisa McKenzie to ratify and confirm the purchase replacement pump and start for \$2,115. The motion carried unanimously.

Manager Darald Berger asked for consideration of Zane Furr's quotes as discussed above in the amount of \$1,700 and \$1,000 for outfall cleanups and brush pile behind Lift Station #3 and Lemon Mint cleanup. Motion was made by Lisa McKenzie and seconded by David I. Perl to approve the quotes as submitted. The motion carried unanimously.

Lisa McKenzie discussed the reverse flow issue on two residential meters. Inframark's invoice showed that there were two residential callouts that noted water flowing in the wrong direction through the meter. This appears to be happening around the time they are irrigating, and both residents are on the west side of the District. There was discussion of backflow prevention devices. Ron Preston said it has to be something other than the backflow prevention device as the District has not lost pressure in the system. Andrew Boyle asked about the total volume that went back through the meter. There were two houses that had more than 2,000 gallons. President Chet Palesko said it is probably a meter issue. There are approximately 30-40 other meters that show small amounts of backflow. Mr. Boyle's theory is that if there is a minor surge event, false readings could occur. Mr. Boyle also believes something might be wrong with the meters. Manager Darald Berger went out and checked the two meters, and they have been replaced and sent to Badger for testing. David I. Perl said that a neighbor turned off their water at the street and the meter continued to run. Inframark will replace that meter as well if directed by the Board. President Palesko is not worried about the 30-40 other meters with small backflows and thinks Mr. Boyle's surge theory is possible.

President Chet Palesko discussed a current leak adjustment request and Missy Roberts confirmed that the homeowner now has EyeOnWater. The leak adjustment process was discussed and it was asked if there is a renter who cannot get EyeOnWater due to the account not being in their name, would the Board still consider a leak adjustment. Ms. Roberts said the leak developed when the homeowner put service in their name before trying to sell the property but did not have EyeOnWater at that time because it was in transition. The leak was discovered while the house was vacant. Ms. Roberts stated that homeowner's water bill was for over 100k gallons of water. After discussion, Lisa McKenzie is against an adjustment in this case and President Palesko and Corey Newhouse do not have a strong opinion either way. Mrs. McKenzie is concerned about setting a precedent for exceptions. Ms. Roberts indicated the leak was an in-ground irrigation leak. Ms. Roberts advised this homeowner usually rents out this property but in late March transferred service back into their name. The homeowner was not getting the bills and notifications because they were going to the property address, as the homeowner had not updated their mailing address. After further discussion, President Palesko now does not want to open Pandora's box on exceptions. Ron Preston believes the EyeOnWater information and leak adjustment information should be part of the District's welcome packet to new residents/homeowners. Inframark said it could also be part of the Service Application and on the bills as mentioned above. President

Palesko stated the Board will follow the rules and no adjustment will be granted. Therefore, no action is necessary.

14. ANNUAL REVIEW OF DISTRICT'S INVESTMENT AND FINANCIAL MANAGEMENT POLICY AND INVESTMENT STRATEGIES

Attorney Bill Flickinger discussed the annual review of the District's Investment and Financial Management Policy and Investment Strategies. The only recommended change is to Exhibit "C" of the policy. In the past, Bookkeeper Allen Douthitt requested that the list of investment pools and depositories be included. There are no statutory changes needed at this time. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to adopt the Resolution Regarding Annual Review of Investment and Financial Management Policy and Investment Strategies as presented. The motion carried unanimously.

15. RATE ORDER

This item was not discussed.

16. ELECTRONIC METERS

This item was discussed in the Manager's Report.

17. BILLING ADJUSTMENTS

This item was discussed in the Manager's Report. Inframark will figure out the adjustment for the defective meter as well as the legitimate leak adjustment request.

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 under the Engineer's Report above.

19. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: July 25th, August 29th, September 19th, and October 31st.

President Chet Palesko might have an issue attending the July board meeting. Ron Preston advised that he cannot attend any Friday meeting in August.

20. 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.

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

This item was not discussed.

22. 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.

23. LEGISLATIVE UPDATE

Attorney Greg Szuman stated that he sent out the preliminary legislative update earlier this week for review. Mr. Szuman will have a full legislative update with recommended actions at the next board meeting. There was discussion of a bill that passed that requires notice of agendas to be posted three business days in advance instead of the current 72-hour requirement. Also, if the Board will be discussing budget matters, the proposed budget must be posted with the agenda or on the District's website with a tax analysis statement.

24. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko stated that they are having to continue to send out a number of courtesy warnings, 50-70 over last couple of weeks. There were two official notices for major violations. One of the violations was for water use totaling 30 hours in a week outside the set watering window. This resident had not been warned before but the magnitude of the violation warranted an official notice. Another resident who was previously warned about a violation did it again by watering 14 hours outside the set watering window. President Palesko noted that other than that, compliance has been very good. Last week the highest number of hours outside the set window other than the two just discussed was for eight hours. The DCP allows for seven hours of irrigation. President Palesko stated that they will continue with courtesy warnings. At a later date, the threshold may be changed.

David I. Perl asked about how many ways electronic meters can fail. Manager Katie May discussed meter failures and advised that the Houston office will be investigating these types of failures.

25. ADJOURN

President Chet Palesko adjourned the meeting at 8:50 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]