

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 July 25, 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 Hunter Hudson and Jeniffer Concienne of Willatt & Flickinger, PLLC, Allen Douthitt of Bott & Douthitt, PLLC, Darald Berger and Katie May of Inframark, and Jason Baze of Consor.

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 June 27, 2025 meeting as presented. The motion carried unanimously.

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

President Chet Palesko reported that West Travis County PUA intends to stay in Stage 2 drought restrictions through October 1<sup>st</sup> even after all the recent rainfall and the increased lake levels. Their reasoning is due to their limited plant capacity.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that when he does the annual reporting for the LCRA Cost-Sharing program, the recent water leaks will be noted and he will provide the estimate of saving.

\*\*President Palesko moved to Item 11 at this time.

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

Bookkeeper Allen Douthitt discussed the financials through June. Mr. Douthitt reported that the District's budget looks steady. The monthly invoice from Consor was not received, as they are still working on their new billing system. Mr. Douthitt reported that the District's tax collection is holding at 99.5%. There are three bond payments due on the District's outstanding bonds. After discussion, motion was made by David I. Perl and seconded by Corey Newhouse to approve payment of the vendor invoices, per diems and bond payments and authorize the fund transfer as presented. The motion carried unanimously.

President Chet Palesko discussed the upcoming budget preparations as the designated committee. Mr. Douthitt will work up a proposed budget and provide it to President Palesko ahead of the next board meeting for his use. President Palesko and Mr. Douthitt discussed the District's certified values. The appraised value went down, but the taxable amount increased. Mr. Douthitt stated that the average values increased this year.

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
- h. New billing system; JP Morgan Chase Bank Merchant Attestation and Amendment of Agreement and ECP Addendum Terms & Terms and Conditions Merchant Services Processing

Manager Darald Berger discussed the Manager's Report as included in the agenda package.

All facilities are in compliance for the month of June. There were 2.10 million gallons of wastewater treated, showing an average daily flow of 67,903 gallons, putting the wastewater treatment plant capacity at 68%.

A new vendor will be disposing of the six (6) drums filled with chemicals and has quoted an amount less than was originally quoted from a prior vendor.

Manager Darald Berger reported that the water accountability was 88.9%. There was discussion of another possible leak in the system. Andrew Boyle believes a leak is occurring on Lemon Mint. Corey Newhouse asked about the estimated size of the leak compared to the recent one on Datura. Mr. Boyle stated it could be bigger. Mr. Berger discussed the cost estimate for excavation and restoration of the street to locate the leak. The water main is located outside of the sidewalk area in the street. President Chet Palesko asked the Board if the District should pull the trigger on the excavation or wait another month. The Board agreed to wait another month, but a couple members were conflicted.

David I. Perl inquired about the Discharge Monitoring Report that was included in the agenda package, as he has not seen that report before. Manager Katie May explained that it is a monthly testing report and sent to the State. Ms. May will be happy to meet with Mr. Perl to discuss it in more detail.

Manager Darald Berger reported that delinquencies for the month included nine (9) mailed notices, six (6) door tags hung, and one disconnect. Once again, the delinquencies are higher than usual. President Chet Palesko asked about the timing of when a customer's water is turned off for non-payment.

Managers Darald Berger and Katie May discussed the required Chase Bank documentation in connection with Inframark's new billing system. Due to the billing conversion, customer account numbers and auto-pay information will change. Inframark will provide communication to the customers on the change. After discussion, the Board does not want to make this change until after the fiscal year, which will end on September 30. Ms. May will schedule this changeover after October 1<sup>st</sup>. Corey Newhouse inquired about the fees and the District's costs related to this conversion. Ms. May advised that the District will not incur any billing conversion costs. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Chase Bank documents as presented. The motion carried unanimously.

The outfall inspections were completed on July 10<sup>th</sup> and pond inspections were completed on July 15<sup>th</sup>. The reports for those inspections will be included in the August agenda package.

There was discussion of a customer disputing the Board's recent decision to deny a leak adjustment due to that customer not being subscribed to EyeOnWater and the leak being in the irrigation system per the District's Rate Order. The customer asked the Board to reconsider their

decision because they were unaware of the requirement to subscribe to EyeOnWater. After discussion, the reconsideration request was denied.

Manager Darald Berger stated that after last month's board meeting wherein David I. Perl reported seeing a dump truck going up and down Lemon Mint, Inframark found that a pool was being constructed. The owner submitted a pool application and the design showed the pool equipment in the 5' building setback line. President Chet Palesko stated it was not the District's job to enforce this issue, it's the HOA's responsibility. The District's concern is if there is construction within the easement. Engineer Jason Baze pulled the plat and did not see an easement specific to that lot. Lisa McKenzie asked if there were any plumbing concerns noted and Mr. Berger advised that the District will inspect the plumbing at the end of construction. Attorney Bill Flickinger advised that the District will inspect for any cross-connections and for backflow issues. President Palesko advised that the HOA needs to be aware of this issue. Mrs. McKenzie stated that she would contact the HOA on this matter. There was also discussion of filling the pool when it is completed and that the District is still in Stage 2 drought restrictions, which will mean that the resident will need to either get a variance to fill it or have water hauled in. The owner will need to be informed of this stipulation as well. The Board directed Inframark to update their inspection policy for pools to only include District responsibilities for plumbing and easements.

There was discussion on several residential faulty meters. Manager Darald Berger stated that a meter was replaced for a customer that showed reverse flow without consumption. President Chet Palesko will come up with a credit for another customer once he determines the length of time for the credit. The meter was sent to Badger for inspection and Badger was able to see the issue.

The District's landscaper, Zane Furr, is seeking approval for an additional mow of the irrigation fields if needed to keep the grass height in compliance with the TCEQ. The cost of the additional mow and weed eat will be \$2,700.00. The grass limit is 16" per the District's permit. Lisa McKenzie advised it is probably needed after the heavy rainfall the District received. After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to approve the additional mow and weed eat around the sprinkler heads by Zane Furr in the amount of \$2,700.00. The motion carried unanimously.

Manager Darald Berger discussed a couple of Inframark repair estimates. Inframark discovered a leak in the main valve box #5 in the irrigation fields. The crew will need to dig to expose the leak and determine whether it is on the 3" or 4" line. Lisa McKenzie is surprised with all the repairs needed since the system has not been used in about 18 months. The District's landscaper has all the sprinkler heads marked so that they are not damaged when he mows. Manager Katie May stated that since the system has been dormant and is now being exercised, they are discovering issues in the system. Corey Newhouse does not like all the repairs but they need to be fixed. After discussion of the two Inframark quotes, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Ron Preston to approve repair of the main valve box #5 in an amount not to exceed \$4,032.00 and repair several sprinkler heads in the irrigation fields, consisting of zones 1-13 and 24-29 in the amount of \$3,216.00. The motion carried unanimously.

Before moving on, Engineer Jason Baze noted that years ago, the former operator did not have isolation valves in some of the valve boxes that were being repaired, so if it is one of the valve boxes that does not have an isolation valve, one needs to be put in.

Manager Darald Berger discussed the invoices included in the agenda package.

Resident participation with EyeOnWater is holding steady at 60%. President Chet Palesko is working on information to be included on a door hanger but he would like someone else to take a look at the information too. Corey Newhouse stated that he will work with President Palesko on this task. Lisa McKenzie discussed sending an email to all residents versus a door hanger. President Palesko believes Inframark has about 90% of the residents' email addresses, but not sure how many are still good. There was discussion of moving in that direction. Mrs. McKenzie worked on language to go on the water bills regarding EyeOnWater. The two items that President Palesko wants the customers to know is if they are not on EyeOnWater, they will not receive a leak adjustment and if an issue is not the District's fault, the customer will pay for the cost, not the District. Manager Darald Berger noted that he worked with dispatch and they added an extra step in their process with residents calling in that do not have a true emergency, that they will contact Mr. Berger first and then he will contact the customer to discuss the issue and of any possible charges that they may incur.

Manager Darald Berger provided photos of the lift stations recommended for cleaning. Mr. Berger stated that there is also sediment at the bottom of the tank that is not visible. All the sediment stresses the equipment and should be cleaned out. After discussion, motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the cleaning of Lift Stations #4, 5 & 6 as recommended at a cost of \$4,320.00. The motion carried unanimously. President Chet Palesko asked how often the lift stations should be cleaned and Manager Katie May stated the rule of thumb is to clean them quarterly.

\*\*President Chet Palesko moved back to Items 7 & 8 at this time.

## 7. HOA IRRIGATION SYSTEM IMPROVEMENTS

Engineer Jason Baze reported that the irrigation designer prepared a preliminary irrigation design plan and it has been sent to the HOA's irrigation contractor for review. The plan will need to be discussed in detail with the HOA's contractor. Mr. Baze stated that they are progressing with the coordination on the route for the effluent supply from the wastewater treatment plant effluent irrigation system to the West side of Senna Hills Drive. Lisa McKenzie inquired about the timing for the HOA to begin work on securing a License Agreement with Travis County. Mr. Baze agreed that process should begin.

## 8. 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 Jason Baze discussed his engineer's report as included in the agenda package. In regard to the MS4 permit, Mr. Baze is coordinating with Inframark on the updated milestones and general guidelines. The District's two-year goals have been provided to Inframark. Lisa McKenzie asked about the timing of the winter rye overseeding. Mr. Baze stated he will look at the permit and cropping plan, but he believes it occurs in October/November.

Engineer Jason Baze stated that the spring Bermuda mix was sowed in the District's irrigation area. His office will continue to coordinate with Inframark on irrigation, maintenance and repair of the drip fields.

There are no action items needed on the Water, Wastewater and Drainage O&M project at this time. They are working on schedules and developing a five-year operations and maintenance outlay for the District's infrastructure.

Engineer Jason Baze reported that his office and Inframark conducted a site visit at the District's effluent pond to observe the performance and to try to determine potential solutions and costs for the perimeter maintenance at the pond's outer edge between the liner and boulders. Mr. Baze is not sure of the best option at this time. President Chet Palesko stated that he has discussed this issue with Mr. Baze at length and is also not sure of the best option and not thrilled about spending \$80,000 to put rocks around the liner. This will take some time to figure out. The consultants also discussed the potential for pond fountains. David I. Perl stated that the pond looks good.

During the upcoming budget preparations, there are several items that will need to be included, which are: costs related to the new irrigation design for the west side of the District, pond fountains and remediation of weeds around the effluent pond's outer edge between the liner and boulders.

\*\*President Chet Palesko moved to Item 13 at this time.

13. ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES, CHARGES AND TAP FEES, AND ADOPTING GENERAL POLICIES AND RULES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS

There was discussion about changes to the Rate Order. Lisa McKenzie discussed an instance where a resident turned their water back on after it was disconnected due to non-payment and charges incurred by the District. There was also discussion of a meter tampering fee. President Chet Palesko does not like requiring customers to have their own shutoff valve, as he prefers the water being turned off at the meter. The Board also discussed locking the meter if a customer is disconnected for non-payment. Some meters are locked with a lock or a zip tie. Attorney Bill Flickinger advised that the District can enforce its rules as written but agrees that there should be additional fees included in the Rate Order. This matter will be discussed in more detail at next month's board meeting. A committee of Lisa McKenzie and President Palesko, along with Attorney Bill Flickinger will work on comprehensive changes to the Rate Order.

#### 14. CUSTOMER SERVICE AGREEMENT

Lisa McKenzie discussed adding additional language in the Customer Service Agreement on EyeOnWater and making sure there is more prominent language regarding customer responsibilities on blockages, grinder pumps, PRVs, etc.

#### 15. ELECTRONIC METERS

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

#### 16. BILLING ADJUSTMENTS

This item was discussed under the Manager's Report.

#### 17. 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.

#### 18. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: August 29<sup>th</sup>, September 19<sup>th</sup>, October 31<sup>st</sup>, November 21<sup>st</sup> and December 19<sup>th</sup>.

Ron Preston advised that he cannot attend the August 29<sup>th</sup> meeting. President Chet Palesko advised that he probably cannot make the December 19<sup>th</sup> meeting. The December meeting dates may not be good for Corey Newhouse either.

#### 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

This item was not discussed.

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. LEGISLATIVE UPDATE

Attorney Hunter Hudson briefly discussed the legislative update with the Board.

23. WILLATT & FLICKINGER, PLLC – NOTICE OF INCREASE IN HOURLY RATES

Attorney Bill Flickinger discussed the notice of increase in hourly rates for the law firm. A letter was sent separately to the Board prior to this meeting. The new rates will not be effective until October 1<sup>st</sup>. The Board agreed that the rates are reasonable. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the increase in hourly rates for Willatt & Flickinger, PLLC as presented. The motion carried unanimously.

24. 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 24.

The Board went into closed session at 9:05 a.m.

At 9:16 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.

25. ADJOURN

President Chet Palesko adjourned the meeting at 9:17 a.m.

  
Chet A. Palesko, President



ATTEST:



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Lisa S. McKenzie, Secretary

[SEAL]