

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 August 22, 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, Allen Douthitt of Bott & Douthitt, PLLC, Darald Berger 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 July 25, 2025 meeting as presented. The motion carried unanimously.

5. BUDGET FOR FY 2025/2026

6. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2025 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Items 5 and 6 were discussed together.

Bookkeeper Allen Douthitt presented the draft budget for discussion. Key assumptions in the budget are based off of a total tax rate of \$0.2735. There was discussion of the effluent irrigation improvements and funds available from SHL for that project. President Chet Palesko expressed some concern over the Senna Hills Drive improvements. Mr. Douthitt will work on the proposed budget with President Palesko and present a final version at the September board meeting for approval. Attorney Bill Flickinger discussed setting the District's proposed tax rate and providing for publication of notice. The Board reviewed several tax rate scenarios. After discussion, motion was made by President Palesko and seconded by Corey Newhouse to adopt the Order Setting the District's Proposed Tax Rate for 2025 and Providing for Publication of Notice Thereof and inserting the following: \$0.0847 for O&M and \$0.1888 for Debt for a total rate of \$0.2735. The motion carried unanimously.

7. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

Attorney Greg Szuman discussed the annual insurance renewal with the Board. Corey Newhouse advised that he has not yet reviewed the coverage but will have his recommendation ready for consideration at the September board meeting. No action was taken.

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

President Chet Palesko had nothing to report.

9. LCRA COST-SHARING PROGRAM

President Chet Palesko had nothing to report.

10. HOA IRRIGATION SYSTEM IMPROVEMENTS

Engineer Jason Baze discussed the draft plan for the HOA irrigation system improvements. Mr. Baze reported that he met with Inframark and Yellowstone Landscape on the review of the design plans but has not received a lot of feedback from them. It will be important to have the correct number of zones so that the system will operate correctly. Mr. Baze asked Yellowstone Landscape to provide a proposal for location of irrigation sleeves and data collection and that proposal was forwarded to the HOA for consideration. Mr. Baze advised that they are continuing to design the route. As previously discussed, the HOA will need to secure a License Agreement with Travis County. A 3" main will be needed based on irrigation usage by the HOA and Inframark's records. There was discussion of the office site using effluent for irrigation. Mr. Baze noted that there is no 210 Reuse Agreement in place for the office site.

11. 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.

Inframark will be presenting a quote from Zane Furr for overseeding the drip fields with winter rye.

In regard to the MS4 permit, Mr. Baze stated there has been no update.

There are no action items needed on the Water, Wastewater and Drainage O&M project at this time. Engineer Jason Baze noted that the pond improvements to handle unwanted growth of weeds between the pond liner and the surrounding boulders and fountain expenses will be included for 2025 budgeting purposes.

12. 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.

13. MS4 PERMIT; MAINTENANCE OF DRAINAGE EASEMENTS AND PONDS; ISSUES WITH HOA AMENITY CENTER DRAINAGE FACILITIES

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials through July. Mr. Douthitt reported that the District's water sales are down due to all the recent rainfall. After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to approve payment of the vendor invoices, per diems and authorize the fund transfer as presented. The motion carried unanimously.

15. 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 as included in the agenda package.

All facilities are in compliance for the month of July. There were 2.412 million gallons of wastewater treated, showing an average daily flow of 77,806 gallons, putting the wastewater treatment plant capacity at 78%, which is up a bit from last month.

Manager Darald Berger reported that the water accountability was 90.1%. President Chet Palesko discussed another possible leak in addition to the leak at Lemon Mint close to the cul-de-sac. Andrew Boyle advised that it could be that the Lemon Mint leak has gotten bigger and/or an additional leak has come up. Mr. Boyle noted that on August 9th, the moving water average jumped. There was discussion on what to do now or next month in regard to the Lemon Mint leak and the possibility of a new leak. After discussion, Andrew Boyle will go back out and try to hone in on the location of the leak(s). By waiting one more month to take action, the District may have better information. Manager Darald Berger asked about the down time if the water is cut off on Lemon Mint to check the system. President Chet Palesko asked that Inframark check the location for all working valves. Mr. Boyle advised that there is a valve south of the Lemon Mint cul-de-sac, which would affect eight or nine customers.

Manager Darald Berger reported on the delinquencies for the month, which included six mailed notices, five door tags hung, and no disconnects.

Manager Darald Berger reiterated that the outfall inspections were completed on July 10th and pond inspections were completed on July 15th and the reports were included in the agenda package for review.

Manager Darald Berger reported that a pump failed at Lift Station #6 and a quote will be forthcoming.

Customer engagement for EyeOnWater is holding at 60%. President Chet Palesko will work on correspondence to send out on subscribing to EyeOnWater.

As discussed, and approved last month, Zane Furr will provide additional mowing and weed eating as needed. Lift Stations 4, 5 and 6 were scheduled to be cleaned. The irrigation field repairs to replace the damaged sprinkler heads in Zones 1-13 and 24-29 are pending scheduling.

Manager Darald Berger presented the following three action items for consideration:

1. Inframark quote in the amount of \$2,598.00 for the Prickly Poppy fence repair and painting; and
2. Zane Furr quote in the amount of \$2,750.00 to clear debris and vegetation per the outfall report; and
3. Zane Furr quote in the amount of \$8,840.00 for purchase and overseeding the irrigation field with winter rye.

After discussion, motion was made by Lisa McKenzie and seconded by David I. Perl to approve the three action items above. The motion carried unanimously.

Manager Darald Berger discussed an irrigation survey quote for \$5,664.00 that was not included in the agenda package. This irrigation survey will include three technicians for three days that will locate and unscrew sprinkler heads, manually pressurize them and flush them out. After that process has been completed, Inframark will provide repair estimates for consideration. President Chet Palekso asked about fixing the sprinkler heads one at a time versus all at once. Lisa McKenzie suggested repairing several zones at a time. Ron Preston suggested flushing half of the inventory and then checking to see if the flow is good or bad and determining if there is debris in there. At that time, Inframark can report on what else should be done. President Palesko liked that idea. After discussion, Inframark will start the irrigation survey with three technicians for one day and then come back to the September board meeting with those findings and advise how many zones are not working. That cost estimate will be \$1,888.00. Engineer Jason Baze noted that there was a lot of grit in the water pipes before the pond work started.

Lisa McKenzie reported that a resident contacted the HOA because a large tree fell in her backyard from the greenbelt and someone went into her yard and cut it up and left it there. The resident is wondering who cut the tree up and when they were coming to remove it. The HOA advised that they did not do it. Inframark was contacted and advised that they did not do it either. At this point it is a mystery. The Board consensus was to leave this alone as the greenbelt area is HOA land and the District does not provide maintenance on areas that are not irrigated.

16. 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

President Chet Palesko reported that the committee met with Attorney Bill Flickinger after the last board meeting to work on comprehensive changes to the Rate Order. Mr. Flickinger discussed the changes included in the red-lined Rate Order. Those changes include additional language for non-routine work, provisions for using the District's cutoff in case of any emergency, removing the written notification requirement that if a blockage is found on the customer's side, that the District will stop work and the customer will be responsible for hiring a plumber to complete the repairs, wording on locked meters, addition of a meter tampering fee and notification for EyeOnWater and include irrigation systems for consideration of a leak adjustment. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to adopt the Rate Order with the changes as discussed. The motion carried unanimously.

17. CUSTOMER SERVICE AGREEMENT

This item was not discussed.

18. ELECTRONIC METERS

This item was not discussed.

19. BILLING ADJUSTMENTS

This item was not discussed.

20. 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.

21. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: September 19th, October 31st, November 21st and December 19th and January 30, 2026.

22. 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.

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

This item was not discussed.

24. 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

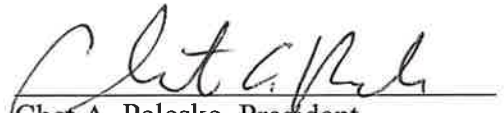
Attorney Bill Flickinger reported at the September board meeting there will be discussion on the annual SHL costs.

25. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko reported on the enforcement procedures in connection with the District's ongoing drought management. There were five courtesy notices sent out for night water and two notices for excessive watering hours. The biggest concern is watering at night.

25. ADJOURN

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


Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]