

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 September 19, 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 and Gerald Connell 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 August 22, 2025 meeting as presented. The motion carried unanimously.

5. PUBLIC HEARING ON TAX RATE

President Chet Palesko opened the public hearing on the tax rate. Hearing no comments, President Palesko closed the public hearing.

6. ORDER APPROVING BUDGET FOR 2025/2026

7. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2025

Items 6 and 7 were discussed together.

Bookkeeper Allen Douthitt presented the draft budget for discussion. This budget is the same as last month's with the exception of the SB 3 line item, which is no longer needed. Mr. Douthitt also discussed the tax scenarios provided by Attorney Greg Szuman. The District published a proposed rate of \$0.2735 with a split of \$0.0847 for M&O and \$0.1888 for debt. Lisa McKenzie discussed reducing the debt rate even further. President Chet Palesko and Corey Newhouse agree as well. Lisa McKenzie would also like to take a cent off of the M&O rate. Mr. Douthitt noted that he is seeing the taxable values going back down and if that is the case, next year the debt rate will need to be increased if it is reduced too much. The Board agreed to a debt rate of \$0.1750 and M&O of \$0.0847 for a total tax rate of \$0.2597. After discussion, motion was made by President Palesko and seconded by Corey Newhouse to adopt the Order Approving Budget with the change to the debt service rate as discussed. The motion carried unanimously. Motion was then made by President Palesko and seconded by Lisa McKenzie to adopt the Order Approving the District Appraisal Roll and Setting the District's Tax Rate for 2025 including the insertion of the rates as follows: \$0.0847 for M&O and \$0.1750 for Debt for a total rate of \$0.2597. The motion carried unanimously.

8. AMENDED INFORMATION FORM

Due to a change in the District's tax rate, the Amended Information Form needs to be updated, as well as the Notice to Purchaser. The Amended Information Form will be filed with the Travis County Clerk and TCEQ as required. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to adopt the Amended Information Form with the updated tax rate. The motion carried unanimously.

9. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

Corey Newhouse thanked Attorney Greg Szuman for his help with the District's annual insurance renewal. Mr. Newhouse reported that the premium has increased \$800 from last year but recommends the renewal. President Chet Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to approve the District's annual insurance renewal with AJ Gallagher as presented. The motion carried unanimously.

10. HOT DOG MARKETING WEBSITE CONTRACT WITH SENNA HILLS MUNICIPAL UTILITY DISTRICT; APPROVAL FOR ADDITIONAL CHARGES

Attorney Bill Flickinger reported that this item was included on the agenda because during tax season, there are numerous website postings which have caused additional costs related to the District's website. The contract covers \$200 per month, which is an hour of time. Jeniffer Concienne explained the circumstances with the additional postings and the extra charges. There was also discussion on postings that need to be posted within 24 hours. David I. Perl stated that if there is something that needs to be posted quickly, to reach out to him and he will see if it can be expedited. Hot Dog Marketing will also allow the District to post documents if needed. After discussion, President Chet Palekso entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to authorize Willatt & Flickinger, PLLC to incur additional charges up to \$500 for website postings as needed. The motion carried unanimously. Corey Newhouse asked that Jeniffer Concienne find out how to make updates to the website if needed.

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

David I. Perl stated that there were multiple WTCPUA trucks on the ridge and asked about what they could have been doing. Operations Manager Gerald Connell stated that they were replacing one of the master meters. President Chet Palesko advised that that he was concerned with the accuracy of one of those meters. Mr. Connell reported that meter had issues and was not reading for a period of time. Corey Newhouse asked Andrew Boyle if this caused any impact on him and Mr. Boyle stated that he is not relying on those meters, so it would not be an issue. President Palesko wants to be sure that this work has not caused any issues with the District's strap on meter and Mr. Connell stated that he will check on that. President Palesko noted that the east side master meter was replaced, which is the one that barely gets any water.

12. LCRA COST-SHARING PROGRAM

President Chet Palesko stated that the LCRA has requested an interim update, which he will provide and state that Utilimatics has done a great job for the District in identifying leaks.

13. HOA IRRIGATION SYSTEM IMPROVEMENTS

Engineer Jason Baze discussed the progress on the HOA's irrigation system improvements. Yellowstone has some outstanding questions for the HOA. It is key to be sure that the HOA will be able to operate and maintain the infrastructure in good working order. Mr. Baze stated that he is coordinating the alignment for the supply pipe from the treatment plant's irrigation system, that supplies the HOA's system to the east, to extend water supply directly the west side of Senna Hills Drive loop. The route will be along the access drive from the WWTP to the west side of Senna Hills loop. Mr. Baze will be meeting with Inframark to walk in alignment to identify the existing water lines and controllers as well as any electrical lines. These will all need to be marked so that they can be identified to prevent them being damaged when installing the new irrigation system. They will also coordinate to be sure that any future improvements from the office center will not overlap with or damage the new irrigation system. After the last meeting, Mr. Baze found plans

for the west side, which identified the location of the sleeves in that area. Mr. Baze is waiting to hear from the HOA if they can confirm those locations. The sleeves are not large so the line size will need to be reduced, which may cause a bit of pressure loss, but should be insignificant. President Chet Palesko asked whose court this project is in, and Mr. Baze stated that the HOA and Yellowstone both have action items that need to be addressed. There was discussion of the status of the License Agreement. Lisa McKenzie advised that she would follow-up with the HOA. Attorney Bill Flickinger reported that the HOA will most likely need the final design plan before moving forward with the County on the License Agreement. David I. Perl believes that several of the sleeves were installed when the road was put down and there is a patch going across the street, so it should be fairly simple to locate them. President Palesko asked how many sleeves were on the plans and Mr. Baze reported nine. Lisa McKenzie asked about how close the new improvements will be installed to Rip Miller's land, as he has a water well in that area and a water line that goes around the perimeter of the office complex in the area where the new system will be installed. The sleeves are located between Rivina and Bee Cave Road. Lisa McKenzie mentioned that there are green lids on the water boxes near the well water lines.

14. 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
- d. Amendment No. 4 to Engineering Services Agreement between Consor and the District

Engineer Jason Baze discussed his engineer's report as included in the agenda package.

There are no updates in connection with the Senna Center Office site.

Engineer Jason Baze noted a correction regarding the overseeding and stated that the seed mix is overseeded, rather than sowed as mentioned in his previous report.

There was discussion on the Consor rate amendment as included in the agenda package. President Chet Palesko stated that he reviewed the prior rate amendments and is not sure how to interpret this amendment. David I. Perl stated that he reviewed the proposed amendment and believes the increase is similar to what others are doing. President Palesko is not up for another increase this year as the rates were just increased at this time last year. Engineer Jason Baze understands and reported that the reason for the rate change is that Consor has pulled other engineers from various Consor offices and their rates may be different than the Austin office. This increase is more of a rate alignment for classifications and roles at Consor rather than an increase. There was discussion about pricing for Austin and Consor's other locations. President Palesko would like Mr. Baze to go over the last three months of invoicing and titles and show how they match up. David I. Perl would also like to know which titles/roles will be working for the District. This item will be tabled until the October board meeting after which further information is received.

Lisa McKenzie asked about the type of fountain(s) that would be appropriate for the effluent pond. Engineer Jason Baze stated that he will refresh the discussion with Aquatic Features and come back with details and options. Ron Preston noted that due to the proximity of houses near the pond, the design of the fountain is important as he would not want effluent blowing in his yard. President Chet Palesko noted that the fountain's pressure should be able to be adjusted on windy days. Ron Preston stated that they will need to understand the fountain's design before choosing the appropriate one for the effluent pond. Further discussion will be had at next month's board meeting.

15. 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.

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

Engineer Jason Baze reported that he is coordinating with Inframark on the updated MS4 milestones and general guidelines for inspection and maintenance and new requirements in connection with the MS4 permit. The Board noted that they have already been doing these items for years.

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

Bookkeeper Allen Douthitt discussed the financials through August and reported that there were no bank statements available at the time he sent his report out for the meeting package. Next month's discussion will include the end of the fiscal year. 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.

18. 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. Resident landscaping that obscures fire hydrant

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

All facilities are in compliance for the month of August. There were 2.646 million gallons of wastewater treated, showing an average daily flow of 85,355 gallons, putting the wastewater treatment plant capacity at 85%.

District Manager Darald Berger discussed the effluent irrigation fields. There are 21 working zones and 17 that need to be repaired. David I. Perl discussed the slope requirements. Attorney Bill Flickinger suggested checking the District's permit on the requirements. President Chet Palesko stated that the slope requirements were changed to allow application of effluent to more land. David I. Perl stated that the map should be updated in that regard.

Operations Manager Gerald Connell reported that the effluent pump #1 Cla-Val has failed. It will need to be replaced with the same model or replaced with a check valve and VFD (variable frequency drive). The Board inquired about the Cla-Val and Mr. Connell explained that it controls the pressure. The valve sits open about three feet off the ground. This should be installed in the ground so that it can be winterized. Mr. Connell also noted that the control panel, which is most likely the original, should be replaced. That quote is approximately \$13,000. In Mr. Connell opinion, the perfect option would be to eliminate the Cla-Val and install VFDs. Overall, VFDs are a better product. Mr. Connell wanted the Board to be aware that the control panel and other Cla-Val could fail, and the District will incur another large expense. The better option would be to replace it all now. Engineer Jason Baze confirmed that all the equipment is original. Lisa McKenzie recalled the District replacing a control panel but must have been another one. President Chet Palesko discussed the \$37,000 quote from Alterman and asked if any other quotes can be obtained. Mr. Connell stated he will attempt to get other quotes.

Operations Manager Gerald Connell reported that in regard to the chemical storage container removal at the WWTP, TCEQ requires a document signed by the Board President. Once that has been signed and returned, the vendor will begin the process of removal, which should occur soon.

District Manager Darald Berger reported that the water accountability was 97.5%. There was a fire hydrant repair at the east entrance to the District near the master meter. Andrew Boyle stated that they were going to put a recorder on that hydrant in the past but instead put it elsewhere. Now that the hydrant has been repaired, they will put a pressure monitor on it. David I. Perl asked if the Lemon Mint location was checked for a leak and District Manager Darald Berger advised it was not. Mr. Boyle stated that it appears that there is still a leak on Lemon Mint. He reiterated that back on August 8th there was an uptick in water usage, and it has still not gone away with the fire hydrant repair. Operations Manager Gerald Connell cautioned the Board about continuing to wait if in fact a leak is present. President Chet Palesko stated that they are not at a point to start digging up the street.

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

District Manager Darald Berger reported that the quarterly outfall and pond inspections are scheduled for October.

District Manager Darald Berger discussed The Tree Man quote for \$1,575.00 to trim trees at 12 locations within the District. There was also discussion regarding a resident that planted shrubs around the fire hydrant in their yard. City of Austin's requirement is that there needs to be 3' of clearance around the fire hydrant. President Chet Palesko stated that the fire hydrant must be visible and accessible. President Palesko instructed Mr. Berger to send the resident an email notification asking them to clear the area per the requirement and to give them 30 days to do it. If it is not done, Inframark can provide the work and back charge the resident.

Customer engagement for EyeOnWater is 61%.

District Manager Darald Berger went over the operational items approved at last month's meeting and the status of each.

District Manager Darald Berger discussed and presented the following four action items for consideration:

1. The Tree Man quote for \$1,575.00 for tree trimming at 12 locations within the District; and
2. Inframark quote for \$22,156.00 for lift station #5 pump replacement. Mr. Berger cancelled this last month because he thought it was a duplicate; and
3. Inframark quote for \$3,600.00 for the fire hydrant with isolation valve survey; and
4. Inframark quote for \$5,664.00 to conduct the irrigation field flush and survey.

District Manager Darald Berger stated that he is not sure if the District ever had a fire hydrant survey conducted. President Chet Palesko asked if the hydrants get flushed during this process and Operations Manager Gerald Connell stated that the exercise is very detailed. Corey Newhouse asked if this should be put on a schedule and Mr. Connell stated it would be good to do it every three years. David I. Perl is glad this is being done.

Operations Manager Gerald Connell discussed the irrigation survey quote for \$5,664.00. This irrigation survey will include three technicians for three days that will locate and unscrew sprinkler heads, manually pressurize them and flush them out. Mr. Connell advised that if it does not take three days to complete the irrigation survey, the District will not be charged the full amount and if the survey takes longer than three days, the quote of \$5,664.00 will stand. Currently there are 17 zones out of 39 that are not working.

After discussion, of the foregoing action items, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Corey Newhouse to approve the four action items above. The motion carried unanimously.

19. 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

This item was not discussed.

20. CUSTOMER SERVICE AGREEMENT

This item was not discussed.

21. ELECTRONIC METERS

This item was not discussed.

22. BILLING ADJUSTMENTS

This item was not discussed.

23. 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.

24. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: October 31st, November 21st, December 19th, January 30, 2026 and February 27th.

25. 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.

26. AGREEMENT CONCERNING PAYMENT OF SHL COSTS EFFECTIVE OCTOBER 31, 2022 BY AND BETWEEN SENNA HILLS MUD AND SHL; ANNUAL ACCOUNTING OF OVERSEEDING AND ADDITIONAL MOWING

Attorney Bill Flickinger stated that the District will need to work on closing out the accounting for the annual overseeding as it relates to SHL. This year's cost will exceed the \$17,000 deposit by SHL. The District will provide the necessary notice to Rip Miller by the end of the year.

27. 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.

28. 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 No. 28.

The Board went into closed session at 9:14 a.m.

At 9:18 a.m., President Chet 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.

29. ADJOURN

President Chet Palesko adjourned the meeting at 9:18 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]