

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 October 31, 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 Stephen Jones and Jack Miller 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. David I. Perl provided a correction to the Minutes. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve the Minutes of the September 19, 2025 meeting as revised. The motion carried unanimously.

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

President Chet Palesko discussed the recent water rate increase by the WTCPUA. The District's base charge was increased by 15.5% and the volumetric charge was increased by 27.5%. President Palesko would like to add a line item on the water bills for the WTCPUA charges. Corey Newhouse asked if the District's water rates to the customers should be increased and President Palesko advised he believed so. The District's rates will be reviewed and a recommendation will be provided at the November board meeting. The Board discussed which tiers should be increased. President Palesko will work with Corey Newhouse on proposed water rates for the next board meeting. It appears that the WTCPUA is not being transparent on what they are doing because now all the existing customers are having to pay for the new infrastructure that they do not need.

Lisa McKenzie noted that the WTCPUA extended Stage 2 watering restrictions through at least November 15th.

6. LCRA COST-SHARING PROGRAM

President Chet Palesko stated there is nothing new to report.

7. 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. Water, Wastewater & Drainage O&M
- e. Amendment No. 4 to Engineering Services Agreement between Consor and the District
- f. Fountain(s) for effluent pond

Engineer Stephen Jones filled in for Engineer Jason Baze. Mr. Jones discussed the engineer's report as included in the agenda package.

Engineer Stephen Jones stated that the Senna Center office site was pulled out of Austin's ETJ. Attorney Bill Flickinger advised this topic will be discussed in closed session toward the end of the meeting.

In regard to the effluent irrigation improvement project, Consor is working with EcoLand Design Group on the design. Once the final plans are prepared, Consor will coordinate with the HOA liaison on the License Agreement between the HOA and Travis County. President Chet Palesko asked about what happens if the HOA does not obtain a License Agreement with Travis County and Attorney Bill Flickinger explained that if the District installs improvements in the right-of-way and a License Agreement is not obtained, Travis County can come in and rip out the improvements if that area is needed. Mr. Flickinger advised that the HOA needs the License Agreement in place prior to installation of the irrigation improvements.

Lisa McKenzie stated that the HOA is conducting an election next week, and there are three positions available, with four candidates applying for those positions.

Engineer Stephen Jones stated there were no changes on the Water, Wastewater and Drainage O&M topic since last month's reporting.

Engineer Stephen Jones presented a handout on Kasco water fountains for the effluent pond. The Board advised that they do not want a lighted fountain. Mr. Jones advised that they were just looking at this option and the prior fountain proposal that was approximately \$36,000. Consor is still looking at all the electrical components necessary to power the fountain(s). President Chet Palesko stated that they need to know about all the infrastructure related to the fountain(s) and Mr. Jones replied that they will come back with details at the November board meeting.

President Chet Palesko discussed the proposed Consor amendment. After review of the three-month cost evaluation provided by Engineer Jason Baze, it appears that there will be a 9% increase to the District. President Palesko stated that the Board will need to review and discuss the proposed rate amendment and has the right to agree or not agree to the rate amendment and Consor has the right to do the same. Another option would be to reach out to another engineering company. The District entered into a contract with Murfee Engineering, not Consor. Engineer Stephen Jones understands the Board's concern and is seeing the same concerns from other Districts. President Palesko will forward the information on the three-month cost evaluation to Jeniffer Concienne so that it can be forwarded to the Board for review. After discussion, the committee of President Palesko and Ron Preston will review the proposed rate amendment and come back to the Board at the November board meeting with a recommendation.

8. 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.

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

Engineer Stephen Jones reported on the MS4 permit. Annual reporting is due on March 31, 2026. President Chet Palesko asked that Consor spend as little money as possible on this project. However, be sure to comply with the requirements. In other words, if it has to be done, do it, but if not, do not.

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

Bookkeeper Allen Douthitt discussed the financials through September, which is the end of the fiscal year. Year-to-date, the District had a net surplus. President Chet Palesko inquired

about the interest rates at Logic. Mr. Douthitt discussed the updated Cash Activity Report. The District's annual audit will be presented at the January board meeting. The District's quarterly investment report was included in the report. 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. Motion was then made by President Chet Palesko and seconded by Lisa McKenzie to approve the Quarterly Investment Report as presented. The motion carried unanimously.

11. 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

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

All facilities are in compliance for the month of September. There were 2.210 million gallons of wastewater treated, showing an average daily flow of 71,290 gallons, putting the wastewater treatment plant capacity at 71%.

District Manager Darald Berger provided an update on the effluent pump. As requested, Inframark reached out to other vendors but did not receive any further quotes. As reported last month, Alterman submitted a quote for \$37,700. Mr. Berger reported that this lift station has two pumps and one is still working. After discussion, President Chet Palesko requested that Inframark try again to seek additional quotes for this work before proceeding. Mr. Berger reported that the inspection of the irrigation fields showed that some sprinkler heads and valves needed replacing, but most cleared when effluent was flushed through the lines. As of now, all zones are operating as intended.

The chemical storage container removal at the WWTP is pending TCEQ approval and scheduling.

District Manager Darald Berger reported that the water accountability was 96.7%. Andrew Boyle advised that the leak on Lemon Mint is still showing up. There also appears to be a small leak in the northern area of the system. Both leaks appear to be small. President Chet Palesko stated that is good news, however, he does not want those small leaks to turn into large leaks and asked that Inframark and Utilimatics keep an eye on them.

District Manager Darald Berger reported on the delinquencies for the month, which included seven mailed notices, four door tags hung, and two disconnects. Both accounts have been reconnected.

District Manager Darald Berger reported on the invoices related to the Datura Court sidewalk repair from the leak. Work Order #4139652 was short paid and the District still owes approximately \$2,600 for that repair. Work Order #4181585 was zeroed out for the sidewalk replacement work. President Chet Palesko asked about the totals for those two invoices. The replacement work was actually a re-do due to a resident complaint about the first sidewalk repair. President Palesko asked Mr. Berger to come to the November board meeting with cost details and a comparison on those invoices. President Palesko stated he would rather pay for the re-do costs than the first repair invoice.

District Manager Darald Berger reported that the quarterly outfall and pond inspections have been completed, and the results will be included in the November board meeting package.

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

District Manager Darald Berger reported that a resident located near the effluent pond contacted Inframark to report that they are bothered by the bugs in their backyard and are unable to use their patio. Lisa McKenzie stated that the installation of fountains may help, however the Board has not had this complaint before. There was discussion about putting mosquito dunks in the pond. President Chet Palesko thanked Mr. Berger for providing this information and the Board will look into it. Mr. Berger asked about the timeline for installing the fountains in the effluent pond and President Palesko advised that they are actively working on it. David I. Perl noted that the last bug complaint was caused by drainage issues on adjacent lots.

District Manager Darald Berger discussed Inframark's new billing system for the District. This new system is now in place and the District's website has been updated and notice provided to the customers. Lisa McKenzie noted that the EyeOnWater account numbers do not match in the new system and will need to be linked up. David I. Perl stated that it is important that all new information is sent to the customers. Mr. Berger is still working on getting all the information sent out and expects a lot of late payments. President Chet Palesko stated that the District should pause late fees for the next two months. President Palesko asked what the new billing system does for the District and Mr. Berger advised that the one of the features allows the online portal to post payments in real-time and has other options as well. President Palesko stated that it appears that the new billing system is better for Inframark and not necessarily for the District. There was discussion of the costs that are incurred by the customers. Corey Newhouse requested that Mr. Berger check on all fees that the customer will incur and report the findings at the November board meeting.

12. 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 advised this item will be discussed at the November 21st board meeting.

13. 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.

14. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: November 21st, December 19, 2025, January 30th, February 27th and March 27, 2026.

15. 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.

16. 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

This item will be discussed in closed session toward the end of the board meeting.

17. 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 will be discussed in closed session toward the end of the board meeting.

18. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

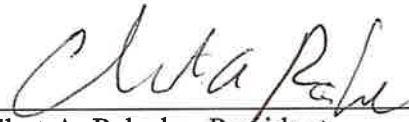
**President Chet Palesko announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item Nos. 16, 17 and 18.

The Board went into closed session at 8:24 a.m.

At 8:46 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.

19. ADJOURN

President Chet Palesko adjourned the meeting at 8:47 a.m.


Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]