

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 January 30, 2026 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, Darald Berger and Cameron Robinson of Inframark, Stephen Jones and Grace Banks of Consor, Ashlee Martin of McCall Gibson Swedlund Barfoot Ellis, PLLC, Rip Miller of SHL, Allen Douthitt of Bott & Douthitt, PLLC and Makenzi Scales and Dennis Hendricks of Crossroads.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Andrew Boyle of Utilimatics and Senna Hills HOA Representative David Kuperman.

3. PUBLIC COMMENTS

President Chet Palesko discussed the protocols for public comments. This will be a one-way communication. The Board will listen to the presentations but will not act or engage in the discussion. President Palesko will not impose a time limit for today's presentations.

Makenzi Scales, District Manager with Crossroads addressed the Board. Mrs. Scales stated that she did not give the Board a proper goodbye when she left Inframark last year as the District's

Manager. She was here today to say hello and to see if they can support the District in any way. Mrs. Scales introduced Dennis Hendricks, a District Manager with Crossroads.

Rip Miller with SHL reported on his 11.73-acre tract which is known as the SHL office site. Mr. Miller stated that he is the original developer of the District. Mr. Miller's tract is located on the corner of Senna Hills Drive and Bee Cave Road. Mr. Miller stated that he went through a lot of discussion and time to determine the best use of that tract, which was decided to be commercial development. After COVID, the market hit bottom. Mr. Miller thought he had a solid tenant to lease the office, but it fell through. Mr. Miller is now looking at multifamily development and is in talks with Parkspring Multifamily. Mr. Miller reported that he removed the 11.73-acre tract from the City of Austin's ETJ back in September. Mr. Miller stated that he has a Letter of Intent from Parkspring Multifamily on the proposed multifamily development. The next step is to vet the utilities that will serve the proposed development. The proposed development will consist of approximately 320 units, which will equate to 160 LUEs, however the plan shows 315 units. The WTCPUA's Rate Order shows that each unit is .5 LUEs. Mr. Miller is wanting direction from the Board on how to proceed with this service request to the proposed multifamily development. Mr. Miller feels that this should be positive for the District as it will create a higher customer base and assessed valuation. Mr. Miller thanked the Board for their time.

4. §49.063(c), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger advised there is no action on this item. This is an annual notice on the first agenda of each year since the Board meets outside of the District. If a petition is filed, it will be dealt with.

5. ANNUAL AUDIT SUBMITTED BY MCCALL GIBSON SWEDLUND BARFOOT

CPA Ashlee Martin discussed the District's annual audit with the Board at a high level. The District received a clean, unmodified opinion, which is the best given. The Management's Discussion and Analysis is a good tool which provides financial highlights as well as an overview of the District. Ms. Martin's discussion started with the balance sheet and moved through the District's outstanding debt and budget to actual. Once again, the District has a strong tax collection rate and year over year, the District is continuing to lower its tax rate for the residents. Ms. Martin then reported on the audit summary letter which shows there were no difficulties, disagreements with management or adjustments made in connection with the annual audit. Overall, the District had a clean audit process and clean audit opinion. The Board thanked Allen Douthitt for his work. David I. Perl noted a higher increase in net position. Ms. Martin explained that this is due to the District nearing the end of the debt cycle. After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Corey Newhouse to adopt the audit as presented and authorize the execution and filing of the Annual Filing Affidavit as presented. The motion carried unanimously. The Board thanked Ashlee Martin for her work on the audit.

6. 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 December 19, 2025 meeting as presented. The motion carried unanimously.

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

This item was not discussed.

8. LCRA COST-SHARING PROGRAM

President Chet Palesko stated that he will prepare a report to the LCRA on the District's Cost-Sharing Program at the appropriate time.

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
- d. Water, Wastewater & Drainage O&M
- e. Fountain(s) for effluent pond

Engineer Stephen Jones introduced Grace Banks, Student Intern at Consor, to the Board.

Engineer Stephen Jones discussed his engineering report as included in the agenda package.

Engineer Stephen Jones provided an update on the effluent irrigation improvement project (median irrigation expansion). Consor provided comments on the irrigation plan to EcoLand Design Group. EcoLand Design Group incorporated those comments and will be submitting the final plan this afternoon. Before proceeding further, the License Agreement between the County and HOA will need to be obtained.

Lisa McKenzie asked if it was time to order Bermuda grass seed for the spring planting and District Manager Darald Berger advised he would coordinate with Zane Furr.

Consor is coordinating with Inframark on the effluent pump control valve maintenance and potential VFD modifications. Engineer Stephen Jones reported that all questions have been answered in regard to the VFDs. Mr. Jones is in favor of the plan moving to VFDs instead of using the Cla-Vals. Mr. Jones is working with Inframark and wants to be sure that Alterman understands that the system is not to maintain constant pressure so that there are no tailwater issues when the system is off. The VFDs will be protected in the control panel. President Chet Palesko inquired about the warranty that Alterman provides. District Manager Darald Berger stated the devices have a one-year warranty. The updated proposal for the project is now \$40,604.00.

Engineer Stephen Jones reported on the status of fountains at the effluent pond and provided a map of the layout. The concern is with power to the fountains and the limitation of the cord length that supplies the fountains. The cord length limitation is 500'. If the District wants both fountains, a subpanel will need to be installed, and a supply cord can then be run from that subpanel to supply power to both fountains. The fountains will spray 9' high and have a throw diameter of 39'. Aquatic Features provided a quote for installation and Kopatheat Electric provided a quote for the electrical system modification to support the fountains. Corey Newhouse asked about the cost for one fountain versus two. Mr. Jones estimated the cost for two fountains to be in the range of \$40,000. The District has budgeted for the fountains and if the cost stays under \$50,000 all will be good. President Chet Palesko polled the Board on wanting one fountain or two. The Board's consensus was to install two fountains in the effluent pond. President Palesko asked Mr. Jones to bring a proposal for all costs related to installation of two fountains to the February board meeting. Attorney Bill Flickinger advised that if the project is over \$25,000, the District will need to solicit three bids and Mr. Jones confirmed that they will solicit three bids.

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

Engineer Stephen Jones reported that Consor continues to coordinate compliance with Inframark on the District MS4 permit.

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

Bookkeeper Allen Douthitt reported on the financials through December. The District's financials are tracking well for the year. As of December, the District is 57% collected on its taxes. Mr. Douthitt discussed the updated cash activity report. After discussion, President Chet Palesko entertained a motion. 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 five (5) fund transfers as presented. The motion carried unanimously.

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

Regional Manager Cameron Robinson introduced himself to the Board. He has been with Inframark for about nine years and stated that he is moving to Austin full-time. The Board welcomed him to Austin.

District Manager Darald Berger discussed his manager's report.

All facilities are in compliance for the month of December. There were 2.209 million gallons of wastewater treated, showing an average daily flow of 66,939 gallons, putting the wastewater treatment plant capacity at 67%.

Some of the zones in the irrigation field are not operating again. There appears to be a leak in one of the main lines. Mr. Berger has not been updated on this matter, but more information will be forthcoming. District Manager Darald Berger reported that the water accountability was 96.7%.

The delinquencies for the month included 176 mailed notices and 51 door tags hung. Ron Preston noted this is what happens when billing systems are changed. The new billing system was initiated by Inframark, not the District. This change provided no benefit to the District and the Board would like to discuss the fees and charges incurred by the District. Manager Darald Berger noted that due to the delinquent notices that were sent out, most of the residents are now aware of the change and have got their accounts set up. Next month should look much better.

District Manager Darald Berger asked the Board what message they would like to see on the bills. Last month, it was notification of the new billing rates due to the WTCPUA increase. The Board agreed to leave that message on for another two billing cycles.

District Manager Darald Berger reported on the operational items previously approved and the status of each. The Lift Station #5 pump repair was completed in December. As previously stated, the fire hydrant with isolation valve survey was completed and the final report is pending. There are some maintenance items needed in connection with the fire hydrants.

District Manager Darald Berger reported that he received two quotes last night on work needed to replace a permeability pump that cracked over the weekend, possibly due to the hard freeze. This pump pumps the effluent through the plant. The quote is in the amount of \$6,356.40. Mr. Berger reported on failure of a mixer that keeps the effluent mixed before it enters the membranes. That quote came in at \$11,630.00. David I. Perl asked if this was the original mixer and Mr. Berger will look into it and find out. Attorney Bill Flickinger advised that if the pump failure was weather related, it may be covered under insurance.

The following are items for Board consideration:

1. Updated proposal from Alterman in the amount of \$40,604.00 for replacement of the effluent Cla-Vals with check valves and VFDs, along with control panel updates as needed.

2. Proposal to replace the permeability pump as discussed above.
3. Proposal to purchase a new mixer as discussed above.

After discussion, President Chet Palesko entertained a motion. Motion was made by David I. Perl and seconded by Lisa McKenzie to approve all three (3) proposals above as presented. The motion carried unanimously.

Going back to the discussion on Inframark's new billing system, Lisa McKenzie reported that the District was charged \$2,380.07 in connection with the delinquencies and disconnections made in error due to the new billing system. President Chet Palesko agreed with Mrs. McKenzie and noted that the delinquent letters should not have been sent until after at least two months as a grace period. Regional Manager Cameron Robinson understands the concern and advised that Inframark will provide a credit to the District to make it whole. Corey Newhouse inquired about the ACH fee of \$6.00 that he was charged to pay his water bill. The ACH fees were waived in the past, which was \$1.00 at that time. District Manager Darald Berger and Regional Manager Cameron Robinson will review this charge and provide a response. The Board agreed that a credit card fee is understandable.

14. 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.

15. DATES FOR FUTURE BOARD MEETINGS

After discussion, the District's board meeting schedule will be as follows: February 27th, March 27th, May 1st and May 29th. The April board meeting will instead be held on May 1st.

16. 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 will be discussed in Closed Session.

17. 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.

18. 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; REMOVAL OF SHL PROPERTY FROM AUSTIN ETJ

This item was not discussed.

19. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko did not have anything to report on in regard to the District's Drought Contingency Plan or enforcement procedures.

**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. 13, 16, 17, and 18.

The Board went into closed session at 8:15 a.m.

At 9:06 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 8:18 a.m.



Chet A. Palesko, President

ATTEST:



Lisa S. McKenzie, Secretary

[SEAL]