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 31, 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
Ron Preston – Vice President
Lisa S. McKenzie – Secretary
Corey Newhouse – Assistant Secretary
Ben Morse – 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, Darald Berger of Inframark, Stephen Jones of Consor and Allen Douthitt of Bott & Douthitt, PLLC.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC, Andrew Boyle of Utilimatics, Makenzi Scales of Crossroads and participant Michael Miller.

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 Lisa McKenzie and seconded by Corey Newhouse to approve the Minutes of the June 26, 2026 meeting as presented. The motion carried unanimously.

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

President Chet Palesko reported on the mandatory suspension of all outdoor watering that was issued by the West Travis County PUA. That suspension lasted three (3) days. It was due to recent flooding across Central Texas. Significant amounts of sediment, silt, and other particulate matter have entered the Highland Lakes system, which meant it took longer to treat the water. District Manager Darald Berger arranged to send out an email blast and the notice was posted on Nextdoor. President Palesko also mentioned that he did not receive an email from the WTCPUA when the suspension was rescinded.

6. LCRA COST-SHARING PROGRAM

This item was not discussed.

7. RECORDING DEVICES FOR FIRE HYDRANTS

President Chet Palesko and Corey Newhouse met with Andrew Boyle to discuss options for new pressure monitors and the related costs. The best option is to purchase the same type of pressure monitors the District had previously, but the better location would be to install them in the vaults verses on the fire hydrants near the master meters. One of the fire hydrants leaks when it is pressurized, so that pressure monitor was removed and installed further into the District. There was discussion of possible issues with placing the pressure monitors in the vaults. One issue is how to connect them and the other is if the monitors will be far enough away from the master meters, so that they will work properly. If this plan does not work out, then the monitors can be placed back on the hydrants as before, which have shown useful results. President Palesko noted that the insurance claim would include the costs for the hydrant repairs, along with the new pressure monitor. Andrew Boyle received a pricing sheet for the new pressure monitor, but it included the data subscription cost. Mr. Boyle will get that fee removed. After further discussion, President Palesko entertained a motion. Motion was made by Lisa S. McKenzie and seconded by Ron Preston to approve the purchase of a new pressure monitor, security cover and activation fee, not to exceed $3,000. The motion carried unanimously.

8. FEES OF OFFICE AND EXPENSE REIMBURSEMENT POLICY

Attorney Bill Flickinger stated that this item is a clean-up measure. Individual members of the Board of Directors are allowed per diems not to exceed $7,200 per fiscal year. That amount per fiscal year has been included in the Policy and was the only change. After discussion, President Chet Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Ron Preston to adopt the Fees of Office and Expense Reimbursement Policy as presented. The motion carried unanimously.

9. ENGINEER'S REPORT ON SOME OR ALL OF THE AGENDA ITEMS
    a. Effluent Irrigation System Improvements
    b. Re-seeding and maintenance of effluent irrigation areas to comply with current permit
    c. Water, Wastewater & Drainage O&M
    d. Fountain(s) for effluent pond

Engineer Stephen Jones reported that the fountains have been operational for one month. One fountain has a tall spray pattern and the other has a short spray pattern. Mr. Jones has reached out to the contractor and they advised that it could be caused by algae. Mr. Jones does not believe that is the case and is more likely caused by a nozzle issue. The contractor is trying to charge a service call to come out and check the fountains. Mr. Jones stated that the fountains are running 24/7 now but that the schedule can be modified. Ben Morse asked why the fountains are running at night. Mr. Jones advised that running the motors 24/7 actually extends the life of the motor instead of causing wearing by turning the motor off and on. Ron Preston suggested getting the fountains spraying correctly and then the Board can discuss changing the schedule.

Ron Preston asked if there have been any updates with preparation of the License Agreement between the HOA and Travis County. Lisa McKenzie reported that the HOA provided changes to the attorney's engagement letter. It is hoped that the engagement letter will be sent back to the HOA soon for execution.

10. CONSTRUCTION PROJECTS WITHIN THE DISTRICT, INCLUDING ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION, ADMINISTRATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND PAY ESTIMATES

This topic was not discussed.

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

Engineer Stephen Jones reported that the MS4 flyer and email were sent to the residents. There have been no responses to date. The Board advised that none of them received the email and District Manager Darald Berger advised that he will check on that.

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

Bookkeeper Allen Douthitt reported on the financials through June, which is nine months into the fiscal year. The District was down on water sales again this period, most likely due to the weather pattern. Mr. Douthitt noted that water sales will most likely remain low through July. The District is basically 100% collected on its taxes, except for $800 that is outstanding. Mr. Douthitt presented an updated Cash Activity Report. The three bond payments that were approved last month were included in the report. After the discussion above on the fountains, it was decided to hold the final payment to SŌLitude until the spray features are corrected. Engineer Stephen

Jones will notify Mr. Douthitt when the repairs have been made, and the check can be released. Mr. Douthitt reported that the Travis County certified values were released. The budget and tax rate will be discussed at next month's board meeting. The District's Quarterly Investment Report was included for consideration. Ron Preston inquired about the interest rate at Logic and Mr. Douthitt stated it was at 3.8%.

After discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Ron Preston to approve payment of the vendor invoices and per diems but to hold the SŌLitude payment as directed and to authorize the fund transfers as presented. The motion carried unanimously. Motion was then made by Lisa McKenzie and seconded by Corey Newhouse to approve the Quarterly Investment Report as presented. The motion carried unanimously.

13. DISTRICT MANAGER'S REPORT ON OPERATIONS
    a. Wastewater Treatment Plant
    b. Distribution System – Billing & Adjustments
    c. Collection System
    d. Drainage/Ponds
    e. Customer Requests
    f. Landscape Maintenance Contracts; Additional landscaping services
    g. Inspections of HOA effluent irrigation system
    h. District website issues
    i. Inframark merger with Azuria Water Solutions
    j. Service Application and process for requesting service

District Manager Darald Berger reported on the District's website issues pertaining to the GoDaddy account. It was previously reported that the District's website was offline due to not renewing the GoDaddy account. Mr. Berger reported that five years ago, the account was renewed by Inframark. Since that time, employees have come and gone and the email that was associated with the renewal was a past employee's. However, the phone number that is attached to the renewal is not receiving the GoDaddy codes. Mr. Berger has repeatedly called and emailed GoDaddy for assistance in updating the contact information and renewing the account. Mysteriously, the District's website is back up, and no one knows how, why or who paid for the renewal. President Chet Palesko is working on this as well with no luck. President Palesko wants to be added as a recovery contact and then the account should be moved to Hot Dog Marketing for future renewals.

District Manager Darald Berger discussed his manager's report.

The delinquencies for the month included 10 mailed notices, eight door tags hung and zero disconnects.

Current enrollment for EyeOnWater is 61%.

District Manager Darald Berger reported that the District's water accountability was 95.2% for June, which is down from last month. There were 2.247 million gallons of wastewater treated, showing an average daily flow of 74,900 gallons, putting the wastewater treatment plant capacity at 75%.

The chemical drum at the wastewater plant is still waiting to be removed after its contents can be safely moved to a replacement drum that is in better condition.

There was discussion about going ahead and conducting the inspections of the outfalls and inlets as well as the ponds. District Manager Darald Berger reported that the last inspections were done in March/April of this year.

There was discussion about Inframark combining with Azuria Water Solutions. District Manager Darald Berger advised that they now have new email addresses associated with the combination. Ron Preston asked if there were any changes that the Board should be made aware of and Mr. Berger explained that the ownership of Azuria and Inframark remains the same as both companies are owned by the same venture capital group. Attorney Bill Flickinger advised that he will need official legal documentation to analyze to determine if any contract amendments are needed.

President Chet Palesko asked about the process when a meter is no longer working. He also inquired about the number of meters that are not working within the District. President Palesko asked that District Manager Darald Berger come back to the August board meeting with those details.

Attorney Bill Flickinger mentioned that the District's Service Application and process was recently changed. Jeniffer Concienne explained that per Inframark's request, the Service Application was removed from the District's website, and a link was added for new residents trying to establish new water/wastewater service.

District Manager Darald Berger reported on the operational items previously approved and the status of each. The replacement of the effluent Cla-Vals with check valves and a control panel has started but has not yet been completed due to scheduling issues. This project should be completed within the next two to three weeks. The landscape maintenance around the irrigation pond and outside of the fence has been completed. The annual preventative maintenance of the chlorination system at the wastewater plant that chlorinates the reuse water that goes into the HOA's irrigation system has been scheduled for the first week of August. Purchase of an extension kit, traffic repair kit for AVK fire hydrant and a 2.5" nozzle cap for the damaged fire hydrant located at Senna Hills Drive has been completed. District Manager Darald Berger is gathering all the information and invoices in connection with the damaged fire hydrant and will be contacting the driver's insurance company to submit a claim against them.

District Manager Darald Berger then discussed the following items for Board consideration:

1. Purchase a new mixer in the amount of $11,145.80 for the wastewater treatment plant, which will be stored as a spare.

Due to the mixer being a unique design, District Manager Darald Berger was only able to get one quote. Engineer Stephen Jones stated that he could try to get another quote. After discussion, President Chet Palesko indicated to go ahead with the current quote, rather than considering a system redesign to accommodate a different mixer.

2. Landscape services for cut and haul of the grapevine near the effluent pond and oak tree limb removal at the Strawflower pond and the Senna Hills Drive lift station.

Lisa McKenzie discussed the oak trees that needed to be trimmed at the Strawflower pond. The limbs are impeding the sidewalk access. It was reported that the grapevine is not on the residents' fences, just spread out on the ground. However, once the grapevine gets into the trees, it can become an issue and possibility smother the trees.

District Manager Darald Berger discussed annual calibration of five meters, consisting of influent and irrigation meters for a cost of $1,375.00. Corey Newhouse inquired about the importance of annual meter calibrations. Mr. Berger will check on the benefits and bring back information at the next board meeting. After discussion, action was deferred until it is shown that the meters are not accurate.

After further discussion, President Chet Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by President Palesko to approve Item 1 above. The motion carried unanimously. Motion was then made by Ron Preston and seconded by Ben Morse to approve Item 2 above for cut and haul of the grapevine in the amount of $3,500 and cut and haul oak tree limbs in the amount of $525, totaling $4,025.00. The motion carried unanimously.

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 topic was discussed under the Engineer's Report above.

15. DATES FOR FUTURE BOARD MEETINGS

The Board meeting dates have been scheduled through the end of the year. After discussion, the District's board meeting schedule is as follows: August 28th, September 25th, October 30th, November 20th and December 18th.

The September 25th board meeting will be the public hearing on the tax rate.

It was previously noted that Ben Morse may not be able to attend the September 25th board meeting and President Chet Palesko will not be able to attend the October 30th board meeting.

16. DIRECTORS ELECTION
    a. Order Calling Director's Election
    b. Election Services Agreement
    c. Joint Election Agreement
    d. Any and all other actions that are necessary or appropriate related to the Directors Election

Attorney Bill Flickinger reported that President Chet Palesko and Ben Morse are up for re-election. The deadline to file an Application for Place on Ballot is August 17th. If only two Applications are received, the directors' election can be canceled due to no contest. Attorney Bill Flickinger stated that Travis County runs the election for the District and has provided an Election Services Agreement and a Joint Election Agreement for consideration.

After discussion, President Chet Palesko entertained a motion. Motion was made by Corey Newhouse and seconded by Lisa McKenzie to adopt the Order Calling Directors' Election as presented. The motion carried unanimously. Corey Newhouse inquired about the election costs. Ben Morse discussed the associated fees with Travis County. Motion was then made by Lisa McKenzie and seconded by Ron Preston to approve the Election Services Agreement and Joint Election Agreement as submitted by Travis County and authorize the Board Secretary and Attorney to notify Travis County that they are authorized to appoint the election officials as in the Agreements. The motion carried unanimously.

17. REPORT FROM SENNA HILLS, LTD. REPRESENTATIVE ON PROGRESS OF APPROVALS FOR AND DEVELOPMENT OF THE 11.73-ACRE TRACT OWNED BY SENNA HILLS, LTD.

There was no SHL representative present at the meeting.

18. 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 was not discussed.

19. 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; PROPOSED MULTI-FAMILY DEVELOPMENT

This item was not discussed.

20. REQUEST FOR PROPOSALS FOR MANAGEMENT AND OPERATION SERVICES

This item will be discussed in closed session.

21. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

This item will be discussed in closed session.

** 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. 20 and 21.

The Board went into closed session at 8:14 a.m.

At 8:46 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.

22. ADJOURN

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

Chet A. Palesko, President

ATTEST:

Lisa S. McKenzie, Secretary

[SEAL]

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