

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 28, 2026 at Willatt & Flickinger, PLLC, 12912 Hill Country Boulevard, Suite F-232, Austin, Texas 78738, pursuant to notice duly given in accordance with law.

****This meeting was not recorded due to technical difficulties.**

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, Allen Douthitt of Bott & Douthitt, PLLC and Ashlee Martin of McCall Gibson Swedlund Barfoot Ellis, PLLC.

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 July 31, 2026 meeting as presented. The motion carried unanimously.

5. BUDGET FOR FY 2026-2027

6. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2026 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Items 5 and 6 were discussed together.

Bookkeeper Allen Douthitt discussed the District's draft budget. The District's assessed valuation decreased by \$50M. If the values continue to drop, next year, the District will need to increase the debt rate. Travis County provided a debt rate of \$0.213288, but he is recommending keeping the rate at \$0.1750 and increasing the M&O to \$0.0959 for a total rate of \$0.2709. The proposed total tax rate is higher than the current overall tax rate, however, with the decreased values, the average tax bill will decrease by approximately \$253 or 7.9%. Ben Morse explained the purpose of the debt service rate. That rate is needed for the District's bond payments and the security if a bond election is needed. Even though the District has issued all its authorized bonds, a bond election could be held if catastrophic repairs to the wastewater treatment plant were ever needed. Corey Newhouse asked if the irrigation improvements are covered in the budget. The Board continued to discuss the draft budget. President Chet Palesko likes to see a lean budget. Lisa McKenzie stated that she does not want the District to sit on a lot of reserves. Mr. Douthitt will continue to work on the budget and proposed tax rate with President Palesko and possibly be able to lower the M&O rate. The budget will be approved at the September board meeting. After further discussion, President Palesko entertained a motion. Motion was made by Lisa McKenzie and seconded by Ron Preston to adopt the Order Setting the District's Proposed Tax Rate for 2026 and Providing for Publication of Notice Thereof by inserting the M&O rate as \$0.0959 and the Debt Service rate as \$0.1750 for a total tax rate of \$0.2709 per \$100 of taxable value. The motion carried unanimously.

7. AUDIT ENGAGEMENT LETTER SUBMITTED BY McCALL GIBSON SWEDLUND BARFOOT ELLIS, PLLC

Ashlee Martin discussed the regulatory requirement for the District's annual audit. The audit must be finalized and filed with the TCEQ 135 days after the end of the fiscal year. The engagement letter covers the next two fiscal years at a cost between \$15,000 to \$17,000. Ms. Martin explained that Bookkeeper Allen Douthitt will no longer prepare the audit report for the District and going forward that will be done by the auditors at a price not to exceed \$3,500, which is the amount the District paid Bott & Douthitt for that work. Ron Preston inquired about the Fraud Questionnaire for the Board and Ms. Martin explained that is not to be submitted but rather if the Board is aware of any, to contact her. After discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the audit engagement letter as submitted. The motion carried unanimously.

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

This item was not discussed.

9. LCRA COST-SHARING PROGRAM

President Chet Palesko reported that he has been asked to appear in a LCRA promotional video regarding the cost sharing grant and its savings to the District for water conservation.

10. 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 on the status of the fountains in the effluent pond. One fountain was shut off after the parts burnt up. Mr. Jones is coordinating the repair with the contractor. Mr. Jones also noted that final payment is still being withheld.

Engineer Stephen Jones had no further updates regarding the District.

11. 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.

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

Engineer Stephen Jones reported on the MS4 permit and information that is required to be posted on the District's website. He would like to supplement the information that is currently posted. The Board discussed the required information to be posted per the District's permit and the link to anonymously report illicit dumping in the District, as well as the related costs. After further discussion, President Chet Palesko advised Mr. Jones and District Manager Darald Berger to move forward with this task.

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

Bookkeeper Allen Douthitt reported on the financials through July. There are only two months left in the fiscal year. Mr. Douthitt stated that water sales are down again this period, most likely due to the wet weather pattern. Maintenance expenses were also down this period. Mr. Douthitt discussed the updated Cash Activity Report. The District's insurance premium was included in the financials, but the actual renewal will be considered at next month's board meeting. Corey Newhouse stated that he will review the policies. After discussion, President Chet Palesko entertained a motion. Motion was made by Ron Preston and seconded by Corey Newhouse to

approve payment of the vendor invoices and per diems and to authorize the fund transfers as presented. The motion carried unanimously.

14. 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

District Manager Darald Berger discussed his manager's report.

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

Current enrollment for EyeOnWater is 61%.

District Manager Darald Berger reported that the District's water accountability was 94.9% for July. The water accountability continues to trend down for the past several months. There were 2.121 million gallons of wastewater treated, showing an average daily flow of 68,419 gallons, putting the wastewater treatment plant capacity at 68%.

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.

District Manager Darald Berger reported on a failed anoxic pump. The spare pump in storage had been bought over a year ago. It is possible that the pump may fall under the warranty. There was discussion about warranties on parts and that the warranty should start when the part is installed rather than going out while it sits on a shelf in storage. Mr. Berger will inquire about warranty provisions.

The inspections of the outfalls and inlets as well as the ponds have been completed. The reports will be submitted for the September board meeting.

The Stage 3 Watering Schedule signs have been erected in the District. The Board noted that the emails that were sent out on the Stage 3 Watering Schedule were confusing as they were sent from an email address that did not indicate it was from Inframark/Azuria. The email address is hard to recognize that it is coming from the District's management company.

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 is still underway. One side is complete and they are now working on the other side. This project should be done by mid-September. Ron Preston stated that this project has been dragging along

for some time now. 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 completed. The spare mixer for the wastewater plant has been ordered but has not yet been received. Zane Furr is about 95% complete on cutting the grapevine and removing the limbs from the Strawflower pond and near Lift Station #1 on Senna Hills Drive. Mr. Furr will finish hauling off the debris the week of September 21st.

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

1. Cleanout of Lift Station #6 located behind the effluent pond in the amount of \$1,440.00. The lift station has not been cleaned since last year.
2. Purchase and spreading winter rye seed in early October in the amount of \$8,840.00.
3. Annual calibration of five meters, consisting of influent and irrigation meters for a cost of \$1,375.00, which is a TCEQ permit requirement.
4. Purchase of a spare Guardian-3 Phase overload relay for Lift Station #6 in the amount of \$1,404.05.

President Chet Palesko asked how many quotes were received for the spare 3 Phase overload relay and Mr. Berger advised there was only one. President Palesko instructed Mr. Berger to acquire more quotes before this item will be considered.

After further discussion, President Chet Palesko entertained a motion on the above items for consideration. Motion was made by Lisa McKenzie and seconded by Ben Morse to approve the expenditures for Items 1, 2 and 3 above. The motion carried unanimously.

Ron Preston inquired about the District's website issues pertaining to the GoDaddy account. District Manager Darald Berger and President Chet Palesko are still working on the specific contact information and recovery. The website is still up and running, but no one knows how or who paid the renewal fee.

Ben Morse asked about what happened at the entrance to the subdivision where a large pump truck was present. District Manager Darald Berger advised that he was aware of a pump truck parked at the nearby lift station. President Chet Palesko asked that he gather additional information on this matter.

District Manager Darald Berger reported that there were no issues reported from the recent power outage. The power outage lasted two hours and the District's facilities were reset and restarted by Inframark.

Lisa McKenzie reported on an HOA electrical issue in the roadway to the wastewater treatment plant at the west entrance and presented a photo showing an electrical box in the ground with exposed wires. They may need to trench across the driveway to the wastewater treatment

plant for repairs. The HOA is having lighting issues in that area. President Chet Palesko stated that the HOA will need to coordinate any construction activity in that area with the District.

15. 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.

16. 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: September 25th, October 30th, November 20th and December 18th.

President Chet Palesko and Vice President Ron Preston will not be able to attend the October 30th board meeting.

17. DIRECTORS ELECTION

- a. Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election
- b. Any and all other actions that are necessary or appropriate related to the Directors' Election

Attorney Hunter Hudson reported that the directors' election can be cancelled due to no contest. President Chet Palesko and Ben Morse will be elected to office for a four-year term. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Directors' Election. The motion carried unanimously.

18. 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.

19. 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.

20. 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.

21. REQUEST FOR PROPOSALS FOR MANAGEMENT AND OPERATION SERVICES

President Chet Palesko advised that he has not had the time to work on this matter but that the committee will work on this now and have something for review at the September board meeting.

22. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko reported that water usage for irrigation was up in August. The District has been sending warnings and has assessed four (4) fines for watering violations. The District is currently in Stage 3 Watering Restrictions. Residents are allowed to water once per week from 6 a.m. through 10 a.m. on their designated day. No night watering is allowed. There are another four (4) official warnings pending for night watering. There was discussion about the amount of night watering within the District that is occurring between 10 p.m. and 6 a.m. There was additional discussion regarding the number of resident emails the District has, which is about 90%. Ben Morse asked if the EyeOnWater app can push notifications out to users, but after further discussion, that is unlikely. Corey Newhouse noted that the District may need to mail notices instead of emailing them.

22. ADJOURN

President Chet Palesko adjourned the meeting at 8:50 a.m.


Chet A. Palesko, President

ATTEST:


Lisa S. McKenzie, Secretary

[SEAL]

1\Senna\Minutes\08-28-26
9/17/26