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 25, 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, Allen Douthitt of Bott & Douthitt, PLLC, Andrew Boyle of Utilimatics and Makenzi Scales and Dennis Hendrix of Crossroads Utility Services.

Participating in the meeting via Zoom were Bill Flickinger of Willatt & Flickinger, PLLC 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 Ron Preston approve the Minutes of the August 28, 2026 meeting as presented. The motion carried unanimously.

5. PUBLIC HEARING ON TAX RATE

6. ORDER ADOPTING BUDGET

7. ORDER APPROVING DISTRICT'S APPRAISAL ROLL AND SETTING DISTRICT'S TAX RATE FOR 2026/2027

Items 5, 6 and 7 were discussed together.

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

Bookkeeper Allen Douthitt discussed the District's draft budget. There were no changes from last month's version. Mr. Douthitt reported that the WTCPUA did not increase the District's water rates. However, the LCRA's rate increase was incorporated in the budget. Mr. Douthitt is recommending the proposed tax rate of $0.2709, which is what he used for the budget. Ben Morse inquired about the District's tax collection rate, which is 99%. Even though the overall tax rate is proposed to be increased, due to the reduced assessed valuation, the proposed tax rate will provide a 7.9% reduction on the annual tax bill. Lisa McKenzie asked about keeping the same tax rate as last year, which was $0.2597. After further discussion, President Chet Palesko stated that he is comfortable with Bookkeeper Allen Douthitt's recommendation of a total tax rate of $0.2709 with M&O at $0.0959 & Debt at $0.1750.

After further discussion, President Chet Palesko entertained a motion. Motion was made by Ron Preston and seconded by Lisa McKenzie to approve the Order Adopting Budget. The motion carried unanimously. Motion was then made by President Palesko and seconded by Corey Newhouse to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2026 including the insertion of the rates as follows: $0.0959 for M&O and $0.1750 for Debt for a total rate of $0.2709. The motion carried unanimously.

8. AMENDED INFORMATION FORM

Attorney Bill Flickinger reported that since the District's tax rate changed, the Amended Information Form will need to be updated, along with the Notice to Purchaser. After discussion, motion was made by Lisa McKenzie and seconded by Ron Preston to approve the revised Amended Information Form and authorize its filing with the TCEQ and Travis County Clerk. The motion carried unanimously.

9. ANNUAL INSURANCE RENEWAL WITH GALLAGHER

Corey Newhouse reviewed the District's annual insurance renewal and recommends the renewal. The District's umbrella policy was increased. Ron Preston noted that the increased insurance premium was not reflected in the budget. After discussion, motion was made by Ben

Morse and seconded by Ron Preston to approve the annual insurance renewal as presented. The motion carried unanimously.

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

There was WTCPUA discussion about recent boil water notices, a new tank being installed and an upcoming plant expansion. President Chet Palesko stated that there has been no indication when Stage 3 Watering Restrictions will be lowered.

11. LCRA COST-SHARING PROGRAM

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

12. 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 both of the fountains in the effluent pond are not working. One fountain has spray/nozzle issues and is still in the shop for repairs and it now appears that the other fountain is experiencing the same issues. Mr. Jones confirmed that final payment is still being withheld.

There was discussion regarding the status of the District's GoDaddy account, which maintains the website domain. District Manager Darald Berger and President Chet Palesko are still working on the recovery information. Once it has been finalized, the account ownership will be transferred to Hot Dog Marketing.

13. 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.

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

Engineer Stephen Jones discussed the recommended MS4 website updates. Jeniffer Concienne reported that Hot Dog Marketing can update the District's website with the new information for $300.00. After discussion, motion was made by Lisa McKenzie and seconded by

Corey Newhouse to authorize the MS4 updates to the District's website, not to exceed $300. The motion carried unanimously.

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

Bookkeeper Allen Douthitt reported on the financials through August. There is only one month left in the fiscal year. Mr. Douthitt stated that water sales are down again this period. Mr. Douthitt discussed the updated Cash Activity Report. 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.

16. 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 13 mailed notices, 11 door tags hung and one disconnect. The Board noted that the delinquencies appear to be high.

Current enrollment for EyeOnWater is 61%.

District Manager Darald Berger reported that the District's water accountability was 93.9% for August. The water accountability continues to trend down for the past several months. 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%.

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 that the failed anoxic pump was replaced with the one from storage.

The inspections of the outfalls and inlets as well as the ponds have been completed. The reports were submitted for review and have been sent to Landscaper Zane Furr for a quote on the maintenance work.

District Manager Darald Berger and the Board discussed the email that was sent in regard to the MS4 Stormwater Survey. The email appears to be SPAM because the email address is not recognizable. Mr. Berger reported that Inframark cannot send it from an alternative address but

can send it from the billing system at a cost of $0.10 per email, which would be approximately $36.20. President Chet Palesko was not concerned about the survey but did not want to use that email address for other District notices. Lisa McKenzie stated that he could use the original email address but change the display name. After further discussion, Mr. Berger will inquire about the display name. Ben Morse suggested making the subject line recognizable to Senna Hills residents.

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 should be done by the end of the month. The spare mixer for the wastewater plant has been ordered but has not yet been received. Zane Furr completed cutting and removing the grapevine and removing the limbs from the Strawflower pond and near Lift Station #1 on Senna Hills Drive. The cleanout of Lift Station #6 located behind the effluent pond has been scheduled. Zane Furr ordered the winter rye seed and plans to spread it in early October. Lastley, the annual calibration of five meters, consisting of influent and irrigation meters has been scheduled.

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

1. Purchase of a spare Guardian-3 Phase overload relay for Lift Station #6 in the amount of $1,404.05.

2. Purchase of a spare anoxic pump from Pumps of Texas in the amount of $1,143.42, plus shipping and handling.

3. Purchase of a spare Ebara pump/motor from Pumps of Texas in the amount of $1,221.87 plus shipping and handling.

4. Zane Furr quote of $9,100.00 for the maintenance items listed in the pond and outfall inspection report plus a few additional maintenance items.

Lisa McKenzie asked if Zane Furr's recommend maintenance work would be held off for another month due to the anticipated rain coming in October. District Manager Darald Berger reported that the risk of waiting is that the overgrowth and sediment will not allow the rainfall to flow as designed. Mrs. McKenzie noted that the Milagro maintenance is the only item that seems to be an issue. President Chet Palesko is fine either waiting a month or doing it now. The consensus was to wait a month on Item 4 above.

After further discussion, motion was made by President Chet Palesko and seconded by Lisa McKenzie to approve the expenditures for Items 1, 2 and 3 above. The motion carried unanimously.

Lisa McKenzie inquired about a list of critical parts in storage.

Ron Preston inquired about the bacteriological testing and monitoring sample sites and District Manager Darald Berger stated that they were standard testing and locations.

Lisa McKenzie reported that Travis County is applying sealcoat to the streets in the District, except on Senna Hills Drive. After applying two coats on the road it will need to cure for 24 hours before cars can drive on it. Travis County advised that the project would take two weeks to complete. Mrs. McKenzie noticed that they are protecting the manhole covers with a round piece of carpet and asked if Inframark should look at them and make sure they are accessible once the project has been completed. President Chet Palesko believes they should be fine.

17. TAYLOR LAKE EFFLUENT POND, THE DISTRICT'S EFFLUENT DISPOSAL SYSTEM; HOA'S EFFLUENT IRRIGATION SYSTEM; EFFLUENT DISPOSAL CONTRACT BETWEEN THE DISTRICT AND HOA

Lisa McKenzie reported that the HOA's attorney has not been paid the requested retainer.

18. DATES FOR FUTURE BOARD MEETINGS

The Board meeting dates have been scheduled through January, 2027. After discussion, the District's board meeting schedule is as follows: October 23rd, November 20th, December 18, 2026 and January 29, 2027.

19. DIRECTORS ELECTION
    a. Any and all other actions that are necessary or appropriate related to the Directors' Election

Attorney Bill Flickinger advised there is no action necessary at this time.

20. 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.

21. 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.

22. 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.

23. REQUEST FOR PROPOSALS FOR MANAGEMENT AND OPERATION SERVICES

President Chet Palesko advised the committee completed the Statement of Qualifications and will present it to the Board for review in closed session.

24. ENFORCEMENT PROCEDURES IN CONNECTION WITH DROUGHT CONTINGENCY PLAN

President Chet Palesko stated that he will provide a brief update to the Board on water restriction violation enforcement 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. 23 and 24.

The Board went into closed session at 8:18 a.m.

At 8:40 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.

Motion was made by Corey Newhouse and seconded by Ron Preston to authorize the committee to proceed with presenting the Statement of Qualifications for operations services as written to the parties as discussed. The motion carried unanimously.

22. ADJOURN

President Chet Palesko adjourned the meeting at 8:41 a.m.

Ron Preston, Vice President

ATTEST:

Lisa S. McKenzie, Secretary

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