

**BLOCK HOUSE MUNICIPAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS' MEETING**

May 24, 2023

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on May 24, 2023 at 2600 Block House Drive South, Leander, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**.

The roll of the members of the Board of Directors was called, as follows:

Ursula Logan	-	President
David Shoemaker	-	Vice President
Robert Young	-	Secretary
Cecilia Roberts	-	Assistant Secretary
David Johnson	-	Treasurer

All of the Directors were present, except Director Johnson, thus constituting a quorum. Also present at the meeting were: Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Erik Diesner of Lifeguard4Hire ("L4H"); Deputies Lovato and Boggs of the Williamson County Sheriff's Office ("WCSO"); Amanda Stanfield of Tidal Waves; Karel Kozuh of Violet Crown Management; Michael Theon of CEC Austin; Sandy Martin of the BHC Owners Association ("OA"); David Gray of Gray Engineering, Inc.; Tripp Hamby of Priority Landscapes ("Priority"); Chris Stanfield, David Wood, and Gerald Brush, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Logan called the meeting to order at 6:31 p.m. and welcomed those present. She announced that public comments were taken during designated portions of the meeting only and asked that anyone who wished to address the Board complete a Community Comment Form. Following the Pledge of Allegiance to the U.S. flag, the Board and those present at the meeting observed a moment of silence or prayer. Director Logan noted that the meeting was being videotaped and requested that Board members and consultants limit "side discussions" as they diminished the quality of the recording.

Director Logan then stated that the Board would receive citizens' communications. Mr. Wood thanked the Board for use of District facilities for the April 22, 2023 Cub Scout event. He noted that the scouts picked up trash and branches in the District's parks. He also noted that the OA's Eco Fair was being held on the same day and that the scouts helped with "set up" efforts for that event.

Director Logan stated that the Board would next consider approving the consent items on the Board's meeting agenda: the minutes of the April 26, 2023 Board meeting and the Amended and Restated Resolution Authorizing Transfers of Funds and Payment of Expenses, attached as **Exhibit "B"** (the "Payment of Expenses Resolution"). After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve the minutes. The Board then considered the Payment of Expenses Resolution and, upon motion by Director

Roberts and second by Director Shoemaker, the Board voted 4-0 to approve the Payment of Expenses Resolution.

Director Logan then recognized Ms. Martin for purposes of receiving a report from the OA. Ms. Martin stated that the OA was hard at work planning the Fourth of July celebration. She confirmed that the OA's disc golf tournament would be held on May 27, 2023 at Jumano Park and that the "Back to School Bash" would be held on August 12, 2023. She then requested that the District install a "split in ground two faucet" near the water fountain in Tonkawa Park. Ms. Torres recommended the Board's favorable consideration of the request. The Board then approved the request **and directed Ms. Torres to move forward with the installation of the "split in ground two faucet."**

Director Logan then stated that the Board would discuss easement and drainage considerations relating to Creek Run Drive and Nebraska Furniture Mart ("*NFM*") considerations. Director Logan noted that she and Director Shoemaker had met with representatives from NFM relating to drainage considerations on the NFM tract on the south side of the District. Mr. Kozuh addressed the Board and confirmed that approximately one-third of the NFM tract naturally drained towards the District. He noted that the District owned and operated a drainage facility on Creek Run Drive and that it would be optimal for water from the NFM tract to drain into the District's facilities. He then stated that NFM would like to work with the District to coordinate access for their use of the District's facilities. Mr. Kozuh then noted that, in exchange for capacity in the District's drainage system, NFM would be willing to improve a vacant lot on Creek Run Drive, currently owned by the District, that is next to the drainage facilities. He reviewed several potential options for improvements, including installation of trees, nature trails, workout areas, or a playground. Mr. Theon then addressed the Board and stated that light and sound considerations that could affect the District would be improved if NFM did not need to undertake on-site detention on their site. Mr. Gray confirmed that the District's facilities were designed to handle the water from the NFM tract. He also confirmed that NFM would be responsible for providing water quality measures on the water that would drain from their tract. Upon question from Mr. Abbott, Mr. Gray confirmed that the District owned all of the affected land in the District in fee. Director Young then noted that he'd like to see additional ideas for potential park improvements, including a potential skate park. Upon question from Director Roberts, Ms. Kozuh confirmed that grading on the NFM site would likely start in the fourth quarter of 2023 and that utilities would likely be scheduled for installation in early 2024. Director Roberts then requested that NFM be mindful of school calendars when scheduling construction. Director Logan then stated that Board members could contract Ms. Torres or Mr. Gray with any questions that they had about the development of the NFM tract going forward.

Director Logan stated that the Board would next receive the general manager's report and recognized Ms. Torres, who reviewed the general manager's report, attached as **Exhibit "C"**. Ms. Torres noted that she had received one request for use of District facilities from the Boy Scouts of America (North Shore District) Membership Team to use the Jumano Park on September 9, 2023 from 9:00 a.m. to 4:00 p.m. for Scouting Adventure Day. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve the request.

Ms. Torres then reviewed her directives and provided the Board with various updates. She confirmed that she researched whether or not other local government entities were charging for the use of ballfields and confirmed that other local government entities were not charging for such use. She then confirmed that several dead squirrels had been found under the Walker House and that the situation had been completely remediated. Ms. Torres then confirmed that key fobs for the new BRIVO security system at the pools had been issued to many residents and that the Walker House would be open on Saturday, May 27, 2023 for further distribution. Upon question

from Director Young, Ms. Torres confirmed that one fob was being issued per household. Director Logan then confirmed that the Amenities Subcommittee would evaluate a process for a single household obtaining more than one fob.

Director Logan stated that the Board would next receive a report on the GIS Asset Management Kick-Off Meeting, attached as **Exhibit “D”**. Ms. Torres confirmed that she had met with BGE relating to the creation of utility layers in the GIS Asset Management System. She confirmed that Mr. Gray was gathering various documents for integration into the system.

Director Logan then stated that the Board would receive a report from the CD&P Kick-Off Meeting for Future District Surveys and Newsletters, attached as **Exhibit “E”**. Ms. Torres confirmed that she had met with CD&P to preliminarily discuss the District survey, with the goal of getting the District survey out to residents by late June. Director Logan thanked Ms. Torres for her efforts **and directed Ms. Torres to query availability of Board members for a special meeting to discuss the survey at length with CD&P.**

Director Logan stated that the Board would next receive a report from WCSO and recognized Deputy Lovato. Deputy Lovato noted that a new Deputy, Case Winkler, was set to begin service to the District. Director Logan noted that, as Deputies Lovato and Boggs were present at the meeting, that the District would likely be best served if only one deputy attended the meeting. Deputy Lovato noted that he may be absent in future meetings and that having Deputy Boggs observe interactions with the Board was beneficial from a training perspective.

Director Logan then stated that the Board would receive a report from Community Association Management, Inc. (“CAM”). Director Shoemaker requested that the item be tabled and there was no objection.

Director Logan stated that the Board would next receive the bookkeeper’s report and recognized Ms. Kolmodin. Ms. Kolmodin presented the check register, attached as **Exhibit “F”**, and the supplemental check register, attached as **Exhibit “G”**. She then reviewed the three proposed fund transfers and recommended approval. Ms. Kolmodin then confirmed that registration for all Directors attending the CASE conference had been finalized. Upon question from Director Logan, Ms. Kolmodin noted that it was her understanding that L4H had not worked all of their hours for the month of May and that a credit would likely be taken in August. She also requested that an “hours backup” be included with their monthly invoices on a go-forward basis. After discussion, upon motion by Director Young and second by Director Shoemaker, the Board voted 4-0 to approve payment of the bills and invoices, the fund transfers, and the payment to the CASE Conference, as requested.

Director Logan stated that the Board would next consider the final arbitrage rebate review and compliance summary from BLX Group for the District’s \$5,840,000 Unlimited Tax Refunding Bonds, Series 2014. Mr. Abbott reviewed the letter from BLX, attached as **Exhibit “H”**, and noted BLX’s finding that the Bonds did not incur an arbitrage rebate or yield restriction liability. He also confirmed that no additional arbitrage monitoring would be required for the Bonds.

Director Logan stated that the Board would next receive a report from L4H and recognized Mr. Diesner, who stated that L4H was “staffed up” and “ready to go” for the 2023 swim season. Ms. Torres noted that construction on the Tumlinson guard shack had been completed. Director Young noted that there had been various issues at the District’s pools and Ms. Torres stated that she would continue to work with L4H to resolve any pending issues. Ms. Torres then reviewed the letter from Texas Municipal League Intergovernmental Risk Pool relating to the water slide at

Tumlinson Pool, attached as **Exhibit “I”**. She noted that there were outstanding maintenance items noted in the letter that still needed to be addressed.

Director Logan then noted that she had engaged in discussions with L4H regarding certifications of lifeguards at the District’s pools and, more specifically, was attempting to confirm the certifications of all lifeguards working at the District’s pools. Mr. Diesner noted that many of the L4H’s lifeguards were transitioning from a Red Cross certification to a certification from Starguard, which he noted was the same certification utilized by the City of Austin. Director Logan noted that the District had received a list of lifeguard names from L4H that would be working at the District’s pools, but that she felt that it was important for L4H to specifically demonstrate that all such lifeguards had current, valid certifications from either Red Cross or Starguard, as required in the District’s contract with L4H.

Director Logan then stated that the Board would next consider the Amendment No. 1 to Pool Services Agreement with L4H, attached as **Exhibit “J”**. Mr. Abbott reviewed the Amendment and noted that the Amendment would simply provide that L4H would provide confirming lifeguard certification information to the District, upon request, and confirmed the updated administrative rules recently enacted by the Texas Department of State Health Services. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve the Amendment.

Director Logan then stated that the Board would discuss the Letter Agreement with Tidal Waves at BHC, attached as **Exhibit “K”**. Mr. Abbott reviewed the Agreement with the Board, noting that the Agreement would recognize Tidal Waves recent name change and the updated administrative rules recently enacted by the Texas Department of State Health Services. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve the Letter Agreement, subject to final review and approval by the District’s Attorney and General Manager.

Director Logan stated that the Board would next discuss landscaping issues and recognized Mr. Hamby who reviewed the report from Priority, attached as **Exhibit “L”**, and confirmed that Priority Landscaping continued to undertake its typical maintenance around the District. He presented Proposal #2471 for St. Augustine Take All Patch treatment, attached as **Exhibit “M”**. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve Proposal #2471.

Mr. Hamby then reviewed Proposal #2472 for the front entry aeration, attached as **Exhibit “N”**. After discussion, upon motion by Director Roberts and second by Director Shoemaker, the Board voted 4-0 to approve Proposal #2472.

Mr. Hamby next presented Proposal #2473 for shaded out turf under the trees from Certified Arbor, attached as **Exhibit “O”** and Proposal #2474 for additional tree pruning due to Certified Arbor’s updated survey results, attached as **Exhibit “P”**. Director Logan suggested that Proposal #2473 be tabled and directed Mr. Hamby to bring back an updated quote to utilize the District’s mulch being stored in Jumano Park. Director Shoemaker then suggested that Proposal #2474 be tabled until the District’s tree survey had been completed. The Board concurred in the tabling of proposals #2473 and #2474.

Mr. Hamby then presented Proposal #2477 for the irrigation wire issue at Tumlinson Park, attached as **Exhibit “Q”**. After discussion, upon motion by Director Shoemaker and second by Director Roberts, the Board voted 4-0 to approve Proposal #2477.

Mr. Hamby next presented Proposal #2478 for additional tree pruning, attached as **Exhibit “R”**. He noted that the work included in Proposal #2478 was preventative. Discussion ensued and the Board collectively decided to table Proposal #2478. Relating to Proposal #2478, Director Young noted that some of the wood from the tree trimming that may be undertaken would be desirable to District residents that enjoyed woodworking. He suggested that once the proposed tree trimming occurred that the Board consider making such wood available to residents, if desired.

Director Logan then recognized Mr. Gray in order to receive the engineer’s report. Mr. Gray reviewed his report attached as **Exhibit “S”** with the Board. He then reviewed a letter, attached as **Exhibit “T”**, from his firm to the District relating to his firm potentially accepting work for engineering services on a tract of land adjacent to the District. He noted the inclusion of two provisions from the Texas Engineer’s Practice Act relating to potential conflicts of interest between existing clients. He confirmed that his firm had not yet accepted any work on the project and that he was merely disclosing the possibility of such work to the Board in an effort to be transparent. Director Logan thanked Mr. Gray for his letter.

Director Logan then stated that the Board would consider approving the Order Establishing Rules and Regulations Governing Recreational Facilities and Related Fees and Charges (“*Park Rules*”). Director Young stated that he had reviewed the amended Park Rules and that he did not have any questions or recommended changes. Director Roberts stated that she had concerns with removing provisions that banned illegal substances from District parks. Director Shoemaker noted that the District could rely on existing state law to enforce illegal behaviors and that he did not support duplicative provisions within the District’s rules. Deputy Lovato confirmed that WCSO deputies could rely on state law or county regulations for enforcement, but suggested that it might be beneficial for the District to include language that stated that “any violation of state or federal law” would constitute a violation of the Park Rules. Director Logan agreed and stated that such an addition may resolve any ambiguities relating to the Park Rules.

Director Roberts then noted that language relating to the prohibition of “flying discs” in certain District parks had been removed and that she believed such language was a benefit to public safety. She also noted that parking considerations relating to Tumlinson Park and Luther Chance Practice Field (“*Chance Field*”) had been removed. She stated that the existing provisions relating to parking at Chance Field were intended to address safety issues. Director Logan agreed that it was a safety issue, but noted that the existing provision provided for selective enforcement to individuals using Chance Field. Ms. Torres noted that residents not utilizing Chance Field often parked at the area in question. Director Shoemaker agreed that safety issues were important for consideration and opined that any parking “red zones” should be designated as fire lanes.

After discussion, upon motion by Director Young and second by Director Shoemaker, the Board voted 4-0 to approve the Order Establishing Rules and Regulations Governing Recreational Facilities and Related Fees and Charges, attached as **Exhibit U**”, with the addition of language to confirm that “any violation of state or federal law” would constitute a violation of the Park Rules.

Director Logan then stated that the Board would next receive a report from Crossroads and recognized Ms. Torres. Ms. Torres reviewed the operations report, attached as **Exhibit “V”**. She stated that all lab results were satisfactory and added that the water loss for the month of March was 14.06%, which was up from the previous month. She added that she had no write-offs to present. She then reviewed the proposal from NRW Consulting Services, Inc. d/b/a JBS Associates for leak detection services, attached as **Exhibit “W”**. After discussion, **the Board**

directed Ms. Torres to engage NRW Consulting Services, Inc. for leak detection services on behalf of the District in an amount not to exceed \$11,000.

Ms. Abbott then reviewed the memorandum relating to the Lead and Copper Rule Revisions (“*LCRRs*”), attached as **Exhibit “X”**. He noted that the *LCRRs* applied to all entities providing water utility service to more than ten connections and that the *LCRRs* focused primarily on considerations relating to lead pipe. He then stated that the District would need to undertake various forms of due diligence relating to compliance with the *LCRRs*. Ms. Torres confirmed that Crossroads, as an organization, was well-advised on the *LCRRs* and that they would have staff specifically dedicated to ensuring that water districts were in full compliance with all *LCRR* considerations. Mr. Abbott confirmed that he and Ms. Torres would keep the Board advised on all applicable *LCRR* considerations and important dates moving forward.

Director Logan then recognized Mr. Abbott for purposes of receiving the attorney’s report. Mr. Abbott reviewed the attorney directives, noting that all directives were either complete or in process. Mr. Young noted that illegal dumping of branches kept occurring at Jumano Park and that it was becoming problematic. Deputy Lovato noted that WCSO deputies would monitor the situation and make note of the accumulation of any new branches. Director Roberts opined that Crossroads could assist in such efforts.

Director Young then addressed texting and Texas Public Information Act (“*TPIA*”) considerations. He noted that it would be beneficial for the District to acquire an extra telephone line that could receive texts and that the new number could be copied on any texts with residents to ensure a written record, in case any *TPIA* requests were made that implicate the texts of Board members. Director Logan suggested that Board members could visit with Board members from other districts at the CASE conference to identify best practices.

Director Logan then stated that the Board would consider approving the Amended and Restated General Management Services Agreement, attached as **Exhibit “Y”**. Director Logan noted that the increased costs in the amended agreement should fit into the District’s next budget. Director Roberts noted that she was concerned with the increased costs and suggested that the Board consider hiring a General Manager that was employed directly through the District. **Director Logan directed Mr. Abbott to include the item on the Board’s next regular agenda for further consideration.**

Director Logan stated that the Board would next consider approving the Order Establishing Water and Wastewater Service Rates, Charges, Tap Fees and Park Fees, and Adopting General Policies with Respect to the District’s Water, Wastewater and Drainage Systems (“*Rate Order*”). Mr. Abbott reviewed the proposed amendments to the Rate Order with the Board, noting that all of the proposed changes related to the updated administrative rules promulgated by the Texas Public Utility Commission relating to winter weather events. After discussion, upon motion by Director Roberts and second by Director Shoemaker, the Board voted 4-0 to approve the Rate Order, attached as **Exhibit “Z”**, as presented.

Director Logan then stated that the Board would discuss the request for temporary waiver of use restrictions contained in the Declaration of Covenants, Conditions, and Restrictions for Block House Commercial Areas (“*Commercial Covenants*”). Mr. Abbott reviewed the proposal from American Fireworks relating to the Commercial Covenants, attached as **Exhibit “AA”**, and stated that the same request had been considered on four previous occasions by the Board. Mr. Abbott confirmed that he had discussed the proposal with a representative from American Fireworks and that they appreciated the opportunity to work with the District. He also noted that American Fireworks requested that the Board grant a temporary waiver of the use restrictions for

the commercial property within the District for the purpose of operating fireworks sales stands on the property indicated in his proposal, and he confirmed that American Fireworks could provide a fireworks display on July 4, 2023 and July 4, 2024. Director Roberts stated that such shows would benefit all District residents. After discussion, upon motion by Director Roberts and second by Director Young, the Board voted unanimously to approve the permitted temporary use of no more than three fireworks stands at the retail sales areas indicated in the proposal from June 20 to July 8, 2023; June 20 to July 8, 2024; December 16, 2023 to January 5, 2024; and December 16, 2024 to January 5, 2025, with the understanding that the fireworks displays would also be a permitted temporary use, subject to receipt of all necessary permits.

Director Logan stated that the Board would next discuss the Board's meeting schedule for 2023. She noted that the Board would likely hold a special meeting in June to discuss the District's newsletter and survey.

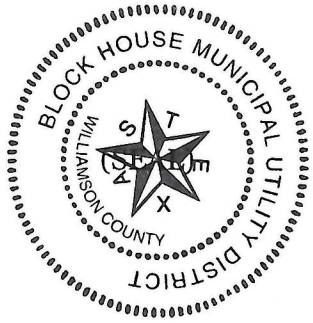
Director Logan then stated that the Board would discuss Subcommittee Assignments. She then suggested that the Board consider rotating subcommittee assignments at a future meeting.

Director Logan stated that the Board would next discuss the Code of Ethics, Travel and Professional Services Policy, including a disclosure statement. Director Roberts noted that she had been invited by TDS to participate in a conference where community trash disposal and recycling issues would be discussed. She then stated that she initially agreed to participate, thinking that her presence had been requested as a result of her professional employment in the real estate market. However, after further consideration, particularly given her role as a Board member and the fact that TDS was contractually engaged by the District, she withdrew from participation in the event. Discussion ensued and the Board collectively agreed that it would be prudent for Directors to disclose such considerations to the full Board in the future, particularly if a contracting partner of the District was involved and/or if any District assets or consultants were implicated with such requests.


Director Logan then stated that the Board would discuss future Board meetings and agenda items. Mr. Abbott stated that the Board's next regular meeting date was scheduled for June 28, 2023, but noted that the Board may call a special meeting in June.

There being no further items to come before the Board, upon motion by Director Shoemaker and second by Director Roberts, the Board voted 4-0 to adjourn the meeting.

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[SIGNATURE PAGE TO MAY 24, 2023 MINUTES]


Robert Young, Secretary
Board of Directors

Date: 6-28-23