

ARMBRUST & BROWN, PLLC

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MEMORANDUM

TO: Board of Directors -
Block House Municipal Utility District

FROM: Denise L. Motal
Legal Assistant

DATE: August 10, 2023

RE: Block House Municipal Utility District -
August 15, 2023 Special Meeting

Enclosed please find the agenda and support materials for the special meeting of the Board of Directors of Block House Municipal Utility District scheduled for Tuesday, August 15, 2023, at 6:30 p.m., at 2600 Block House Drive South, Leander, Texas.

Please let me know if you cannot attend the meeting so that I can confirm that a quorum will be present.

Please do not hesitate to contact me if you have any questions.

Lisa Torres (Crossroads Utility Services, LLC)
Andrew Hunt (Crossroads Utility Services, LLC)*
Taylor Kolmodin (Municipal Accounts & Consulting, L.P.)
Mark Burton (Municipal Accounts & Consulting, L.P.)*
David Gray (Gray Engineering, Inc.)*
Cheryl Allen (Public Finance Group LLC)*
Carol Polumbo (McCall, Parkhurst & Horton L.L.P.)*
Tripp Hamby (Priority Landscapes, LLC)*
Antonio Lovato (Williamson County Sheriff's Dept.)*
Jay Howard (Texas Disposal Systems, Inc.)*

Ja-Mar Prince (Texas Disposal Systems, Inc.)*
Cynthia Magallanez (Texas Disposal Systems, Inc.)*
Chris Swedlund (McCall Gibson Swedlund Barfoot PLLC)*
Brian Toldan (McCall Gibson Swedlund Barfoot PLLC)*
Jan Gibson (McCall Gibson Swedlund Barfoot PLLC)*
Ashlee Martin (McCall Gibson Swedlund Barfoot PLLC)*
Marc Marroquin (Premier Recreation Management Svcs.)*
Sandy Martin (BHC Owners Association)*
Amanda Stanfield (Tidal Waves Swim Team)*

*AGENDA ONLY (via email)

BLOCK HOUSE MUNICIPAL UTILITY DISTRICT

August 15, 2023

TO: THE BOARD OF DIRECTORS OF BLOCK HOUSE MUNICIPAL UTILITY DISTRICT AND ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Block House Municipal Utility District will hold a regular meeting at **6:30 p.m.** on **Tuesday, August 15, 2023**, at 2600 Block House Drive South, Leander, Texas. The following matters may be considered and acted upon at the meeting:

PLEASE NOTE: Public comments will be accepted only during designated portions of the Board meeting. Citizens wishing to address the Board must complete the citizens’ communication form provided at the entrance to the meeting room, so they may be recognized to speak.

The meeting will be preceded by the U.S. Pledge of Allegiance and a moment of silence or prayer.

Board member announcements and agenda prioritization requests may be considered at the beginning of the meeting. The meeting will be recorded via video. The link to the video can be found at <https://www.youtube.com/@blockhousemud>.

Note: Matters on which Board action is anticipated are noted as “Decision”. Matters on which Board action is not anticipated are noted as “Informational”. Such notations are intended as a guide to facilitate the conduct of the meeting based on information available at the time that this agenda was finalized and are not binding. The Board reserves the right to take action on any of the following matters.

<u>AGENDA</u>	<u>ANTICIPATED ACTION</u>
GENERAL	
1. Citizens’ communications;	Informational
BUDGET AND TAX ITEMS	
2. 2023/2024 budget and 2023 tax rate, including:	Informational
(a) Work session on 2023/2024 budget;	Informational
(b) Establish and take record vote on proposed 2023 tax rate;	Decision
(c) Schedule public hearing at which adoption of 2023 tax rate will be considered;	Decision
(d) Authorize publication of Water District Notice of Public Hearing on Tax Rate;	Decision
DISCUSSION / ACTION ITEMS	
3. Future Board meetings/agenda items.	Informational

The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including receiving legal advice from the District's attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices or security audits (Section 551.076); and discussing information technology security practices (Section 551.089). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.

(SEAL)



Attorney for the District

Block House Municipal Utility District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Armbrust & Brown, PLLC at (512) 435-2300 for additional information. Hearing impaired or speech disabled persons equipped with telecommunications devices for the deaf may utilize the statewide Relay Texas program at (800) 735-2988.

Proposed Budget

Block House MUD - Fiscal Year Ending 09/2024

	Nine Month Actuals 10/2022 - 06/2023	Twelve Months Annualized FYE 09/2023	Approved 2023 Budget	Proposed 2024 Budget
Revenues				
14101 · Water -Customer Service Revenue	437,956	768,956	715,000	765,000
14104 · Basic Service - Water	374,582	558,582	560,000	560,000
14105 · Connection Fees	1,721	2,582	1,500	1,500
14201 · Wastewater-Customer Service Rev	258,526	408,526	450,000	408,000
14204 · Basic Service - Wastewater	374,582	558,582	560,000	560,000
14301 · Maintenance Tax Collections	2,278,706	2,278,706	2,272,335	1,917,355
14303 · Property Tax Penalty & Interest	5,694	5,694	5,000	5,000
14601 · Park Revenue	172,380	258,570	260,000	260,000
14604 · Facility Rental	598	897	1,000	1,000
14605 · Pool Contract Rental -TW & LISD	5,675	16,800	16,800	16,800
14702 · Penalties & Interest	23,128	23,128	20,000	20,000
14704 · Fire Protection Tax	759,369	759,369	757,258	794,628
14706 · Delinquent Tax Attorney Collect	1,256	1,675	2,000	2,000
14801 · Interest Earned on Checking	319	425	500	425
14802 · Interest Earned on Temp. Invest	173,763	231,684	260,000	230,000
15801 · Miscellaneous Income	1,073	1,610	2,000	2,000
15802 · Insurance Reimbursement-Damage	17,730	17,730	17,730	0
15901 · Assigned Surplus	0	0	760,646	
15902 · Transfer From Surplus/Capital	29,306	29,306	29,306	0
Total Revenues	\$4,916,364	\$5,922,821	\$6,691,075	\$5,543,708

Expenditures

16102 · Operations - Water	117,670	156,893	157,000	157,000
16104 · Purchase Water	501,458	668,611	650,000	675,000
16110 · Utility - Booster Station	12,664	16,885	17,000	17,000
16115 · Meter Replacement	16,528	22,037	25,000	25,000
16116 · Permit Expense - Water	5,205	5,205	8,000	5,500
16121 · Storage Tank Utilities	323	431	500	500
16122 · Maintenance & Repairs- Water/BS	34,716	46,288	300,000	50,000

Proposed Budget

Block House MUD - Fiscal Year Ending 09/2024

	Nine Month Actuals 10/2022 - 06/2023	Twelve Months Annualized FYE 09/2023	Approved 2023 Budget	Proposed 2024 Budget
16123 · Leak Detection	4,434	5,912	6,000	6,000
16202 · Operations - Wastewater	117,064	156,085	157,000	157,000
16204 · Purchase Wastewater Service	245,911	327,881	330,000	330,000
16205 · Maint & Repairs - Wastewater	22,469	29,959	40,000	40,000
16211 · Utilities - Lift Station	810	1,080	1,200	1,200
16301 · Garbage Expense	575,025	766,700	770,000	770,000
16406 · Trails Access Project (MS4)	0	0	15,000	0
16407 · MS4-Stormwater Program	14,242	21,363	36,000	25,000
16602 · Landscape Maintenance	344,124	458,832	455,000	475,000
16605 · Pool Maintenance	49,129	65,505	153,000	75,000
16607 · Chemicals - Pool	17,076	22,768	25,000	25,000
16608 · Utilities - Park	24,769	33,025	44,000	40,000
16609 · Utilities - Pool	3,540	4,248	6,000	6,000
16610 · Electrical/Light Utility (PEC)	12,524	18,786	15,000	20,000
16611 · Utilities - Pool Gas	7,968	11,952	12,000	12,000
16612 · Supplies & Phone - Pool	17,108	18,663	25,000	25,000
16613 · Fence Maintenance	31,053	31,053	55,000	100,000
16615 · Park & Walker House Maintenance	41,341	49,609	50,000	50,000
16616 · Park Administration/Cleaning	17,108	20,530	25,000	25,000
16617 · Park Equipment Maintenance	10,617	15,926	15,000	17,000
16618 · Storm Cleanup	260,410	260,410	360,410	0
16619 · Pool Cleaning	17,705	23,607	35,000	35,000
16620 · BMX Track Reconstruction	2,930	2,930	5,000	3,000
16621 · Special Pool Programs	0	0	5,000	0
16622 · Mgmt/Lifeguards	246,363	326,363	445,397	480,000
16623 · District Signage - Outdoor	1,131	1,697	2,500	2,500
16625 · Pool & Park Tag System	0	0	6,400	0
16626 · Apache Pool Maintenance	36,351	36,351	80,000	0
16629 · Disc Golf	0	0	4,000	0
16701 · Administrative Expenses	0	0	5,000	0
16703 · Legal Fees	178,009	237,345	250,000	250,000

Proposed Budget

Block House MUD - Fiscal Year Ending 09/2024

	Nine Month Actuals 10/2022 - 06/2023	Twelve Months Annualized FYE 09/2023	Approved 2023 Budget	Proposed 2024 Budget
16705 · Auditing Fees	18,750	18,750	18,750	18,750
16706 · Engineering Fees	16,748	22,331	30,000	30,000
16707 · Engineering Fees - Special	7,760	10,347	15,000	15,000
16708 · Financial Advisor Fees	2,810	2,810	3,000	3,000
16709 · Election Expense	5,898	5,898	10,000	7,500
16710 · Website Hosting	17,084	20,501	25,000	25,000
16712 · Bookkeeping Fees	81,003	108,004	105,000	115,000
16714 · Printing & Office Supplies	6,691	8,029	10,000	10,000
16715 · Filing Fees	0	0	500	500
16716 · Delivery Expense	2,282	2,738	30,000	10,000
16717 · Postage	12,812	15,374	25,000	18,000
16718 · Insurance & Surety Bond	23,063	23,063	25,000	25,000
16722 · Bank Service Charge	3,446	4,595	5,000	5,000
16723 · Travel Expense	1,017	1,048	1,000	1,250
16724 · Publication Expense (SB 622)	1,980	1,980	2,500	2,500
16725 · Tax Assessor/Appraisal	23,297	23,297	25,000	25,000
16726 · Delinquent Tax Attorney Fee	1,256	1,675	2,000	2,000
16728 · Record Storage Fees	1,702	2,269	0	2,500
16731 · Arbitrage Analysis	500	500	500	500
16734 · District Management Fees	128,101	170,801	222,000	200,000
16735 · Telephone Expense (TC Tech)	0	0	400	800
16737 · Legal Fees - PIRs	5,383	7,177	10,000	10,000
16738 · Legal Fees - Restrictive Cov	11,430	15,240	30,000	25,000
16739 · Rate Analysis	23,363	23,363	25,000	0
16740 · Seminar Expense	6,028	6,028	5,000	7,000
16741 · Communications	8,263	8,263	15,000	10,000
16742 · Printing & Publicity	23	31	2,500	2,500
16743 · Restrictive Covenants	22,800	30,400	35,000	35,000
16744 · IT Maintenance & Cyber Security	10,298	11,234	25,000	15,000
16745 · Parks Master Plan	52,983	52,983	55,000	0
16801 · Patrol Service	99,573	119,488	135,000	135,000

Proposed Budget

Block House MUD - Fiscal Year Ending 09/2024

	Nine Month Actuals 10/2022 - 06/2023	Twelve Months Annualized FYE 09/2023	Approved 2023 Budget	Proposed 2024 Budget
16803 · Surveillance/Security Maint.	21,313	21,513	40,000	40,000
16804 · Surv/Security Mnth(Trinity)	10,909	13,091	17,500	15,000
16901 · Fire Protection	759,369	759,369	757,258	794,628
17101 · Payroll Expenses	10,500	11,500	15,000	15,000
17103 · Payroll Tax Expense	6,409	7,409	11,000	8,000
17408 · Facility Maintenance (HVAC)	0	0	10,000	10,000
17805 · Other Office Expenses	4,374	5,832	10,000	7,500
17806 · District Functions	4,384	5,845	5,000	7,500
17901 · Capital Outlay	53,990	71,987	71,760	570,000
17907 · Walker House Improve/Rehab	28,788	28,788	27,000	10,000
17909 · Right-of-Way Improvements	0	82,000	82,000	0
17912 · Courts Resurfacing	0	0	5,000	1,000
17913 · Tumlinson Pool Project	18,730	18,730	20,000	0
17995 · BGE Spyglass Asset Management	0	135,000	135,000	10,000
Total Expenditures	\$4,502,885	\$5,744,211	\$6,691,075	\$6,145,128
Net Excess Revenues <Expenditures>	\$413,479	\$178,610	\$0	(\$601,420)

AV	679,099,260
M&O Tax Rate	0.2881
Debt Tax Rate	0.2035
Fire Tax Rate	0.1194
Total Tax Rate	0.611

Current Cash Balance 7/26/2023	5,965,305.46
Less Assigned Surplus Above	-
1 Month of Expenses Based on Proposed Budget	512,093.97
# of Months in Reserves Based on Proposed Bud	11.65

BLOCK HOUSE MUNICIPAL UTILITY DISTRICT

2023 Tax Rate Analysis

**2023 Certified
Assessed Valuation**

Assessed Valuation & Tax Rate						
Year	Assessed Valuation	Debt Service	M&O	Fire Tax	Total Tax Rate	
2023	\$ 679,099,260 ^(a)	\$ 0.2035	\$ 0.2881	\$ 0.1194	\$ 0.6110	
2022	677,473,802	0.2085	0.3383	0.1127	0.6595	
2021	551,909,293	0.2475	0.3243	0.1282	0.7000	
2020	489,519,981	0.2925	0.3218	0.1457	0.7600	
2019	492,843,293	0.2875	0.3841	0.1369	0.8085	
2018	475,898,878	0.2950	0.3545	0.1315	0.7810	
2017	446,052,551	0.3238	0.3411	0.1361	0.8010	
2016	411,201,609	0.3465	0.3157	0.1388	0.8010	
2015	380,862,878	0.3820	0.3057	0.1393	0.8270	
2014	347,635,208	0.4154	0.2819	0.1450	0.8423	
2013	317,086,804	0.4747	0.2349	0.1564	0.8660	
2012	306,695,345	0.4905	0.2213	0.1542	0.8660	
2011	313,959,858	0.4835	0.2439	0.1386	0.8660	
2010	316,119,310	0.5190	0.1886	0.1384	0.8460	
2009	315,828,556	0.5193	0.1928	0.1339	0.8460	

(a) Includes:	\$ 672,086,144	Certified	\$ 672,086,144	Certified
	11,688,526	Uncertified	7,013,116	Uncertified Amount (Owner's Opinion)
	\$ 683,774,670		\$ 679,099,260	

Classification of Districts included in Senate Bill No. 2			
	Special Taxing Units	Developed Districts	Developing Districts
	Special Taxing Units have levied a M&O Tax Rate of \$0.025 or less.	Districts that have financed, completed and <i>issued bonds</i> to reimburse the cost of utility facilities necessary to serve at least 95% of the projected buildout of the District.	Districts which do not fall under Special Taxing <i>Districts</i> or <i>Developed District</i> .
Rollback Rate	1.080%	1.035%	1.08%

Block House Municipal Utility District
Projection of Income and Expenses - Debt Service Fund

No-Growth

prepared by Public Finance Group LLC

<u>Year</u>	<u>Projected Assessed Valuation</u>	<u>Tax Rate Per \$100 A.V.</u>	<u>Tax Collections @ 99%</u>	<u>Investment Income @ 2.50%</u>	<u>Total Available for Debt</u>	<u>Total Outstanding Debt</u>	<u>Cumulative Debt Fund Balance</u>	<u>Percentage of Subsequent Year's Debt</u>
2022	677,473,802 (a)	0.2085					\$ 602,168 (b)	
2023	679,099,260 (a)	0.2035	1,398,408	15,054	2,015,630	1,464,600	551,030	39.01%
2024	679,099,260	0.2035	1,368,147	13,776	1,932,953	1,412,550	520,403	36.46%
2025	679,099,260	0.2035	1,368,147	13,010	1,901,560	1,427,400	474,160	32.36%
2026	679,099,260	0.2035	1,368,147	11,854	1,854,162	1,465,350	388,812	25.52%
2027	679,099,260	0.2035	1,368,147	9,720	1,766,679	1,523,600	243,079	
			\$ 6,870,997	\$ 63,414		\$ 7,293,500		

(a) Certified Assessed Values as of January 1, 2022, as provided by Williamson Central Appraisal District ("WCAD").

(b) Audited Debt Service Fund Balance as of September 30, 2022 - \$ 602,168

Block House Municipal Utility District
Projection of Income and Expenses - Debt Service Fund

No-Growth

\$3,150,000 Unlimited Tax Park Bonds, Series 2024

prepared by Public Finance Group LLC

Year	Projected Assessed Valuation	Tax Rate Per \$100 A.V.	Tax Collections @ 99%	Investment Income @ 2.50%	Total Available for Debt	Prior Outstanding Debt	Proposed Series 2024 @ 4.25%	Total Outstanding Debt	Cumulative Debt Fund Balance	Percentage of Subsequent Year's Debt
2022	677,473,802 (a)	0.2085							\$ 602,168 (b)	
2023	679,099,260 (a)	0.2035	1,398,408	15,054	2,015,630	1,464,600	-	1,464,600	684,905 (c)	46.73%
2024	679,099,260	0.2210	1,368,147	17,123	2,070,175	1,412,550	52,972	1,465,522	604,653	38.61%
2025	679,099,260	0.2210	1,485,801	15,116	2,105,570	1,427,400	138,663	1,566,063	539,508	33.64%
2026	679,099,260	0.2210	1,485,801	13,488	2,038,797	1,465,350	138,450	1,603,800	434,997	26.18%
2027	679,099,260	0.2210	1,485,801	10,875	1,931,673	1,523,600	138,238	1,661,838	269,836	44.75%
2028	679,099,260	0.2210	1,485,801	6,746	1,762,383	-	603,025	603,025	1,159,358	192.25%
2029	679,099,260	0.2210	1,485,801	28,984	2,674,143	-	603,050	603,050	2,071,093	343.91%
2030	679,099,260	0.2210	1,485,801	51,777	3,608,672	-	602,225	602,225	3,006,447	500.62%
2031	679,099,260	0.2210	1,485,801	75,161	4,567,409	-	600,550	600,550	3,966,859	657.83%
2032	679,099,260	0.2210	1,485,801	99,171	5,551,832	-	603,025	603,025	4,948,807	825.58%
2033	679,099,260	0.2210	1,485,801	123,720	6,558,328	-	599,438	599,438	5,958,891	
			\$ 16,138,766	\$ 457,216	\$ 34,884,611	\$ 7,293,500	\$ 4,079,634	\$ 11,373,134	\$ 23,511,476	

(a) Certified Assessed Values as of January 1, 2023, as provided by Williamson Central Appraisal District ("WCAD").

(b) Audited Debt Service Fund Balance as of September 30, 2022 - \$ 602,168

(c) Capitalized Interest (1 yr @ 4.25%) included in Series 2024 bond proceeds. \$ 133,875

WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE

The Block House Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2023 on _____ at 6:30 P.M. The hearing will be conducted in-person at the Walker House, 2600 Block House Drive South, Leander, Texas 78641.

Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in taxable value of all other property determines the distribution of the tax burden among all property owners.

Visit <https://www.texas.gov/living-in-texas/property-tax-transparency/> (Texas.gov/PropertyTax) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year Adopted	This Year Proposed
Total tax rate (per \$100 of value)	\$ 0.6595 /\$100	\$ 0.6110 /\$100
Difference in rates per \$100 of value		(\$0.0485) /\$100
Percentage increase/decrease in rates (+/-)		-7.35%
Average appraised residence homestead value	\$ 428,017.98	\$ 366,459.44
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	4% Max or \$5,000 Min.	4% Max or \$5,000 Min
Average residence homestead taxable value	\$ 262,131.70	\$ 292,664.34
Tax on average residence homestead	\$ 1,728.76	\$ 1,788.18
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)		\$ 59.42 3.44%

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Block House Municipal Utility District Board of Directors proposes to use the tax increase for the purpose of district operations.

NOTICE OF VOTE ON TAX RATE

If the District adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the growth of property taxes in the state.

WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE

The Block House Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2023 on _____ at 6:30 P.M. The hearing will be conducted in-person at the Walker House, 2600 Block House Drive South, Leander, Texas 78641.

Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in taxable value of all other property determines the distribution of the tax burden among all property owners.

Visit <https://www.texas.gov/living-in-texas/property-tax-transparency/> (Texas.gov/PropertyTax) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

D/S:	\$	0.2030
M/O:		0.2786
Fire:		0.1194
Total:	\$	0.5915

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	<u>Last Year</u>	<u>This Year</u>	
Total tax rate (per \$100 of value)	\$ 0.6595 /\$100 Adopted	\$ 0.5915 /\$100 Proposed	PARITY
Difference in rates per \$100 of value		(\$0.0680) /\$100	
Percentage increase/decrease in rates (+/-)		-10.31%	
Average appraised residence homestead value	\$ 428,017.98	\$ 366,459.44	
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	4% Max or \$5,000 Min.	4% Max or \$5,000 Min	
Average residence homestead taxable value	\$ 262,131.70	\$ 292,664.34	
Tax on average residence homestead	\$ 1,728.76	\$ 1,731.11	
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$ 2.35	0.14%	

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the Block House Municipal Utility District Board of Directors proposes to use the tax increase for the purpose of district operations.

NOTICE OF VOTE ON TAX RATE

If the District adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the growth of property taxes in the state.

DEVELOPED DISTRICTS

MEMORANDUM

To: Board of Directors – Block House Municipal Utility District
From: Armbrust & Brown, PLLC
Re: Schedule for Establishing District Tax Rate for 2023
Date: August 11, 2023

Before the Board adopts a 2023 tax rate, it is required to give notice of “*each meeting at which the adoption of the tax rate will be considered.*” The notice must be published at least once in a newspaper of general circulation in the District *at least seven days* before the date of the hearing or the notice may be mailed to each owner of taxable property within the District, at the address for notice shown on the most recently certified tax roll of the District, *at least ten days* before the date of the hearing.

The District’s 2023-2024 budget must be adopted before the 2023 tax rate is set. A timetable for adopting the District’s tax rate, which will require **three** special meetings and only one publication, follows:

- July 25** Williamson County Chief Appraiser to certify tax rolls.
- August 11** **Special Meeting.** Budget work session.
- August 15** **Special Meeting.** Discuss any proposal to set tax rate, take a record vote on proposed tax rate, and announce the date, time, and place of the **September 6 or September 13, 2023 special meeting** at which the Board will hold a public hearing, vote on, and adopt the 2023 tax rate.
- August 23** **Regular Meeting.**
- August 30** **Special Meeting.** Final budget meeting.
- August 30 or September 6** Deadline for publication of the Water District Notice of Public Hearing on Tax Rate (**the District will publish its Notice of Hearing in the Hill Country News on August 24 or August 31, 2023**).
- September 6 or September 13** **Special Meeting.** Adopt the District’s 2023-2024 budget. Hold a public hearing on the District’s tax rate, take a record vote on the District’s tax rate, adopt an Order Levying Taxes, and authorize filing of the Order Levying Taxes with Williamson County Tax Assessor-Collector.
- September 15** Deadline to submit tax rates to Williamson County Tax Assessor-Collector. Williamson County has advised that this is a **firm** deadline and will not allow any extensions.

****NOTE:** If the District adopts a combined tax rate that would cause the overall tax bill for the average home in the District (excluding homestead exemptions only available to persons that are disabled or 65 years or older) (the “Average Home”) to increase by more than 3.5% (plus any “unused increment rate”) from the prior year, an election to approve the adopted combined tax rate must be held unless the adopted operations and maintenance (“O&M”) rate is already equal to or less than the rate that would cause the O&M portion of the overall tax bill on the Average Home to increase by 3.5% (plus any “unused increment rate”) from the prior year (the “Voter-Approval O&M Rate”). If an election is required and the adopted combined tax rate is not approved, the adopted debt service and contract tax rates will remain the same but the O&M rate will be revised to the Voter-Approval O&M Rate. The “unused increment rate” is the amount, if any, that the adopted O&M rate for the prior three years was less than the Voter-Approval O&M Rates (without adding any unused increment rates for those years), which basically allows Districts that did not take advantage of the full 3.5% increase allowance in any one year to carry forward the unused increase allowance and utilize it up to three years later.

WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE

The Block House Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2022 on Wednesday, **September 6 OR September 13, 2023**, at 6:30 p.m. at the Walker House, 2600 Block House Drive South, Leander, Texas 78641. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in taxable value of all other property determines the distribution of the tax burden among all property owners.

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearing of each entity that taxes your property.

(Names of all board members and how each voted on the proposed tax rate)

FOR the proposal: Directors _____
AGAINST the proposal: _____
PRESENT and not voting: _____
ABSENT: _____

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This year
Total tax rate (per \$100 of value)	\$0.6595/\$100 Adopted	\$0.____/\$100 Proposed
Difference in rates per \$100 of value	(\$0.____)/\$100	
Percentage increase/decrease in rates (+/-)	- ____%	
Average appraised residence homestead value	\$428,017.98	\$366,459.44
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$5,000 min. 4% max.	\$5,000 min. 4% max.
Average residence homestead taxable value	\$263,131.70	\$292,664.34
Tax on average residence homestead	\$ ____	\$ ____
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$ ____ ____%	

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate, the Board of Directors of the Block House Municipal Utility District proposes to use the tax increase for the purpose of {W1252062.1}

District operations. **Include only if the proposed tax rate, if adopted would require an election...**

NOTICE OF VOTE ON TAX RATE

If the District adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.