

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

March 27, 2024

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on March 27, 2024 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, who arrived later, thus constituting a quorum. Also present at the meeting were: Ben Ingallina and Lisa Sandoval of Crossroads Utility Services, LLC ("Crossroads"); Sandy Martin of the BHC Owners Association ("OA"); Tripp Hamby of Priority Landscapes, LLC ("Priority"); Chris Stanfield, District IT Consultant; Amanda Stanfield of Tidal Waves at BHC; David Gray of Gray Engineering, PLLC; Trent Rush of Hitchcock Design Group; Ernie Alvarado from AT&T; and Sean Abbott of Armbrust & Brown, PLLC ("A&B"). Tyler Wilson of Municipal Accounts & Consulting, L.P. ("MAC") and Matt McCracken with BGE, Inc. participated in the meeting via video conference.

Director Logan called the meeting to order at 6:30 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. There being none, Director Logan stated that the Board would next consider approving the minutes of the February 8, 2024 special meeting and the February 28, 2024 regular meeting. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-0 to approve the February 8 and February 28 minutes, as presented.

Director Logan then stated that the Board would receive a report from the OA and recognized Ms. Martin, who stated that the OA was ready for their annual Easter egg hunt. She then confirmed that the OA would conduct their annual shred day at Tonkawa Park. She concluded by reminding everyone that the OA would be partnering with the District on April 13th for Safety Day.

Director Logan then stated that the Board would receive a report from Premier Recreation Management Services, LLC and recognized Ms. Sandoval. Ms. Sandoval then reviewed the report from Premier, attached as **Exhibit "B"**, with the Board.

Director Logan stated that the Board would next receive a report from Priority Landscapes, LLC and recognized Mr. Hamby, who reviewed the report from Priority, attached as **Exhibit "C"**, and the proposal for clearing of the right-of-way between Nebraska Furniture Mart tract and Block House Creek Elementary (Proposal #3578), attached as **Exhibit "D"**, noting that the activities described in the proposal would be undertaken, as needed, through the end of the District's fiscal year. After discussion, upon motion by Director Young and second by Director Shoemaker, the Board voted 4-0 to approve Proposal #3578. The Board then generally discussed irrigation, drought contingency considerations, and the variance process. Director Roberts noted that District residents may be confused about watering due to the issues that the City of Leander had experienced with their water supply. **Director Roberts directed Ms. Sandoval to provide messaging to District residents to provide clarity relating to current water use restrictions in the District.**

Director Johnson arrived at the meeting at 6:41 p.m.

Director Logan then stated that the Board would discuss considerations relating to master swim classes and lifeguards. Mr. Abbott reminded the Board that the State of Texas Department of State Health Services had promulgated revised administrative rules in early 2023 regarding the necessity of lifeguards at public pools. He noted that the rules were fairly nuanced and stated that he would provide a report to the Board relating to lifeguards at master swim classes at the Board's regular April meeting.

Director Logan then stated that the Board would receive a report from the Amenities Subcommittee and recognized Ms. Sandoval, who reviewed the Amenities Subcommittee report and the Amenities/Security meeting report, attached collectively as **Exhibit "E"**.

Director Logan stated that the Board would next receive a report from the PR/Communications Subcommittee, attached as **Exhibit "F"**, and a report on the District resident survey. Director Johnson stated that he was hopeful that the survey would be distributed to residents prior to the next regular Board meeting.

Director Logan stated that the Board would next receive a report from and directives to MAC and recognized Mr. Wilson. Mr. Wilson presented the check register, attached as **Exhibit "G"**, and the supplemental check register, attached as **Exhibit "H"**. He then reviewed payments made since the last Board meeting as well as the three proposed fund transfers, and recommended approval. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the fund transfers and payment of the bills and invoices, as presented.

Director Logan stated that the Board would next receive a report from the Finance/Audit Subcommittee. Director Logan then noted that the District only accepted payment via check for certain items, such as fees associated with reservations of facilities. She recommended that the District consider researching methods by which the District could accept credit card payments.

Director Logan then recognized Mr. Gray in order to receive the engineer's report. Mr. Gray reviewed his report, attached as **Exhibit "I"**, with the Board. He noted that his office continued to work on matters relating to the issuance of the District's park bond and any matters that arose relating to the development of the Nebraska Furniture Mart tract. Mr. Abbott reminded

the Board that Pedernales Electrical Cooperative (“*PEC*”) had requested an additional easement from the District. He confirmed that he had undertaken preliminary communication with an attorney at PEC regarding the matter.

Director Logan then stated that the Board would consider the Drainage Easement Agreement (Nebraska Furniture Mart) and the related Resolution Approving Drainage Easement Agreement with 121 Acquisition Company, LLC, attached collectively as **Exhibit “J”**. Mr. Abbott reviewed the Agreement and the Resolution with the Board. Mr. Gray confirmed that he had reviewed the same and that he had approved the final versions of the documents. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the Drainage Easement Agreement and Resolution Approving Drainage Easement Agreement **and directed Mr. Abbott to undertake all necessary actions relating to the same.**

Director Logan stated that the Board would next discuss park bond considerations. Mr. Gray briefly reviewed considerations relating to the submission of a bond application to the Texas Commission on Environmental Quality (“*TCEQ*”) relating to park facilities. Mr. Rush then reviewed the proposal from Hitchcock Design Group for the 2024 Park Bond Projects, attached as **Exhibit “K”**. Mr. Gray recommended approval of the proposal, noting that it would assist in the submission and consideration of the bond application by TCEQ. After discussion, upon motion by Director Roberts and second by Director Young, the Board voted unanimously to approve the proposal from Hitchcock. **Director Logan then directed the Amenities Subcommittee (Parks) to meet with Mr. Rush regarding the schematic design phase contained in the Hitchcock proposal. She separately directed all Board members to provide feedback relating to schematic design considerations as soon as possible.**

Director Logan stated that the Board would next receive a report from Crossroads and recognized Mr. Ingallina. Mr. Ingallina reviewed the operations report, attached as **Exhibit “L”**. He stated that all lab results were satisfactory. He then noted that he had no write-offs to present at this time. He stated that the District’s water loss was 15.82%, which he noted was up slightly from last month. Mr. Ingallina then noted that the District was currently in Stage 3 of its drought contingency plan, which limited watering to once a week. Mr. Hamby suggested the consideration of a variance for watering of trees and other plants and shrubs within District parks. After discussion, upon motion by Director Roberts and second by Director Young, the Board voted unanimously to extend a variance to the District in consideration of proper watering of trees and shrubs in District parks.

Mr. Ingallina then presented the proposal from Crossroads for Lead and Copper Rule Revisions, attached as **Exhibit “M”**, and requested approval. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the proposal.

Director Logan then stated that the Board would discuss the Storm Water Management Program (SWMP) for TPDES General Permit TXRo40000 and recognized Ms. Sandoval, who reviewed the proposal from Crossroads for MS4 storm drain cleaning and outfall restoration, attached as **Exhibit “N”**, as well as the proposal from Priority for MS4 Permit Year 5 Service Proposal of Inlets and Outfalls (Proposal #3669), attached as **Exhibit “O”**. She noted that the proposal from Priority was lower and recommended approval. Upon motion by Director Roberts and second by Director Young, the Board voted 0-4, with Director Roberts abstaining, against the approval of the Crossroads proposal, as presented. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-1, with Director Roberts voting “no”, to approve the Priority proposal.

Director Logan then stated that the Board would discuss system and maintenance repairs. She noted that several water lines in the District had been damaged by subcontractors of AT&T as part of the fiber expansion in the neighborhood. Mr. Alvarado then addressed the Board and gave an overview of AT&T's efforts in the District. He admitted that the subcontractors working for AT&T had not done a good job communicating with District residents relating to the project and that he was working with the subcontractors to ensure that communication improved. He then noted that work in the District had been more challenging than expected as the subcontractors had encountered significant deposits of rocks in their boring efforts. Mr. Alvarado emphasized that he would undertake best efforts to improve communication and to work with Ms. Sandoval as they moved forward.

Director Logan stated that the Board would next consider approving the estimate from Sagamore Fence & Deck for fence staining (Estimate #7536), attached as **Exhibit "P"**. After discussion, upon motion by Director Young and second by Director Johnson, the Board voted unanimously to approve Estimate #7536. Director Young noted that certain residents had expressed an interest in doing their own staining of fences. Directors Logan and Roberts stated that they were opposed to residents undertaking staining and noted that such efforts would provide for inconsistencies.

Director Logan then stated that the Board would receive a report from BGE, Inc. regarding the District Asset Management System (the "System") and recognized Mr. McCracken, who stated that all relevant data had been entered into the System. Director Logan complimented Mr. McCracken on his work and expressed excitement about the benefits for the District going forward.

Director Logan then stated that the Board would receive the general manager's report and recognized Ms. Sandoval, who reviewed the general manager's report, attached as **Exhibit "Q"**. **Director Logan then directed Mr. Abbott to review the District's park rules to confirm and consider providing authority to the General Manager to approve requests for use of facilities.**

Director Logan stated that the Board would next discuss the City of Cedar Park's temporary (Stage 3) water rate increase. Mr. Abbott then reviewed the proposal from NewGen Strategies to conduct a water cost service and rate design study, attached as **Exhibit "R"**. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the proposal.

Director Logan then stated that the Board would consider a policy relating to remote participation in Board meetings by Board members, attached as **Exhibit "S"**. Director Logan reviewed the proposed policy and noted several revisions offered by Director Johnson. After discussion, upon motion by Director Johnson and second by Director Logan, the Board voted unanimously to adopt the remote participation policy, with Director Johnson's revisions, and subject to final review and approval by Mr. Abbott.

Director Logan stated that the Board would next consider renewal of the Jan-Pro Service Agreement, Pricing Agreement, and Addendum Attachments. Ms. Sandoval reviewed the JanPro Contract Revision, Service Agreement, Pricing Agreement, and Addendum Attachments, attached as **Exhibit "T"**, and recommended approval. After discussion, upon motion by Director Johnson and second by Director Young, the Board voted unanimously to approve the Jan-Pro Contract Revision, Service Agreement, Pricing Agreement, and Addendum Attachments.

Director Logan then stated that the Board would discuss the Operations Services Agreement. Mr. Abbott reviewed the Amended and Restated Operations Services Agreement, attached as **Exhibit “U”**. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted unanimously to approve the Amended and Restated Operations Services Agreement.

Director Logan stated that the Board would next discuss the General Management Services Agreement. Mr. Abbott reviewed the Second Amended and Restated General Management and Park Services Agreement, attached as **Exhibit “V”**. Director Roberts stated concerns about Ms. Sandoval’s status as an exempt employee and the presence of certain provisions in the proposed Agreement relating to overtime pay. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted 4-1, with Director Roberts voting “no”, to approve the Second Amended and Restated General Management and Park Services Agreement.

Director Logan then stated that the Board would discuss the fence project/columns. The Board agreed to table such discussion until the next regular Board meeting.

Director Logan then stated that the Board would receive a report from and directives to Community Association Management, Inc. (“CAM”). Ms. Sandoval reviewed the report from CAM with the Board, noting possible litigation for property at 2805 Alexander Drive. At 8:11 p.m., Director Logan announced that the Board would convene in executive session to receive legal advice from the District’s attorney regarding the possible litigation, as authorized by Section 551.071 of the Texas Government Code.

At 8:25 p.m., the Board reconvened in open session, and Director Logan stated that no action had been taken in executive session. After discussion, the Board concluded that violations of applicable restrictive covenants existed at 2805 Alexander Drive and that, in their reasonable judgment, such violations materially affected the property values within the District. Upon motion by Director Johnson and second by Director Roberts, the Board voted unanimously to authorize A&B to proceed with a lawsuit for statutory damages, attorney’s fees, and a court order that the violations be cured.

Director Logan stated that the Board would next discuss the Board’s future Board meetings/agenda items. The Board confirmed that the regular meeting of the Board was scheduled for April 24, 2024.

There being no further items to come before the Board, upon motion by Director Johnson and second by Director Young, the Board voted unanimously to adjourn the meeting.

* * *



[SIGNATURE PAGE TO MARCH 27, 2024 MINUTES]

Robert Young, Secretary
Board of Directors

Date: 4-24-24