

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

September 11, 2024

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District (the "District") was held on September 11, 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, thus constituting a quorum. Also present at the meeting were: Lisa Sandoval of Crossroads Utility Services, LLC ("Crossroads"); Lauren Smith of Public Finance Group; Christ Stanfield, District IT Consultant; and Sean Abbott of Armbrust & Brown, PLLC ("A&B"). Director Johnson and Tyler Wilson of Municipal Accounts & Consulting, L.P. ("MAC") participated in the meeting via video conference.

Director Logan called the meeting to order at 5:30 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 discuss 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 System attached as **Exhibit "B"** (the "Rate Order"). Mr. Abbott noted that the District had undertaken minimal increases to the rate over the previous seventeen years. He confirmed that the current base rate in the Rate Order was \$52.66. Discussion ensued. Director Young expressed a preference for increasing the base rate. Director Shoemaker suggested that the Board consider increasing the base rate to \$57.66.

Director Logan stated that the Board would next discuss the 2024/2025 budget and 2024 tax rate. Ms. Smith discussed budgetary considerations with the Board and reminded the Board that the required publication relating to the tax levy had provided notice of a proposed tax rate of \$0.5605. She then reviewed the rollback considerations for developed districts in the Tax Code. Ms. Smith then reviewed the 2024 Tax Rate Analysis, attached as **Exhibit "C"**, including the debt

service, fire, and operations and maintenance tax. She reminded the Board that the District did not have the flexibility to lower the proposed debt service or fire tax rates. She then recommended that the Board adopt the tax rate, as published. Discussion ensued. Director Roberts expressed a preference for levying the tax rate recommended by Ms. Smith.

Director Logan then opened the public hearing on the District's 2024 tax rate. She asked if there was anyone present who wished to address the Board on the matter of the District's tax rate. A resident addressed the Board, stating that he had heard that the Board members intended to increase their per diems relating to Board service. Director Logan noted that the directors individual per diem and total compensation for service were capped by statute and that the Board members did not have the ability to change their rates of compensation. There being no other comments, Director Logan closed the public hearing.

Mr. Wilson then reviewed the proposed fiscal year 2024/2025 budget, attached as **Exhibit "D"**, noting the changes that had been made since the Board's last discussion about the budget. Discussion ensued relating to possible expenditures that could be curtailed or reduced. Director Roberts reiterated her preference for levying at the tax rate that was published to support the budget. She noted that the District needs to build up its financial reserves. Director Shoemaker noted that he understood the District's fiscal responsibilities and that he wanted to strike a balance between taxes and the base rate assessed pursuant to the Rate Order. Director Logan stated that she favored an increased base rate, noting that it had not been significantly adjusted over the past several years.

Upon motion by Director Shoemaker and second by Director Young, the Board voted 4-1, with Director Roberts voting "no", to approve the Resolution Adopting Budget, attached as **Exhibit "E"**, incorporating the fiscal year 2024/2025 budget with an operation and maintenance tax rate of \$0.2484.

Director Johnson then made a motion to adopt a \$0.5504 tax rate, allocated with \$0.1875 debt service, \$0.2484 operations and maintenance, and \$0.1145 fire tax components, and to approve the Order Levying Taxes, attached as **Exhibit "F"**. Upon second by Director Shoemaker, the Board voted 4-1, to approve the Order and adopt a tax rate of \$0.5504, with Directors Logan, Young, Shoemaker, and Johnson voting "yes" Director Roberts voting "no".

Director Logan then stated that the Board would consider approving an Amended and Restated Information Form reflecting the District's 2024 tax rate. After discussion, upon motion by Director Johnson and second by Director Young, the Board voted 4-1, with Director Roberts voting "no", to approve the Amended and Restated Information Form attached as **Exhibit "G"**.

Director Logan stated the Board would next consider amending the District's Rate Order. Upon motion by Director Roberts and second by Director Shoemaker, the Board voted unanimously to approve amending the Rate Order, including an increase to the base rate in Section III.B.1.a. to \$57.66 and an increase to the gallonage charged for water rates in Sections III.B.2. and III.B.4., as proposed in the attached **Exhibit "H"**.

Director Logan then stated that the Board would consider the election-related items on the Board's supplemental meeting agenda. Mr. Abbott reported that, as there were no additional candidates who had filed for a position on the Board, the District's 2024 election was uncontested and that the election could, therefore, be cancelled and the District could declare Ursula Logan and Amanda Stanfield to be elected to four-year terms beginning in November. He then presented the Certification of Unopposed Status of Candidates for the November 5, 2024 Director Election

(“*Certification*”) attached as **Exhibit “I”**. Upon motion by Director Shoemaker and second by Director Young, the Board voted 5-0 to approve the Certification. Mr. Abbott then reviewed the Order Declaring Election of Unopposed Candidates and Canceling November 5, 2024 Director Election (“*Election Order*”), attached as **Exhibit “J”**. After discussion, upon motion by Director Shoemaker and second by Director Young, the Board voted unanimously to approve the Election Order.

Director Logan confirmed that the next regular meeting of the Board was scheduled for September 25, 2024.

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

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[SIGNATURE PAGE TO SEPTEMBER 11, 2024 MINUTES]

(SEAL)



Cecilia Roberts, Assistant Secretary
Board of Directors

Date: 10-29-24