

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

October 23, 2024

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District (the "District") was held on October 23, 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 Shoemaker, who arrived later, thus constituting a quorum. Director Young left the meeting early. Also present at the meeting were: Ben Ingallina and Lisa Sandoval of Crossroads Utility Services, LLC ("Crossroads"); Deputies Antonio Lovato and Billy Boggs of the Williamson County Sheriff's Office ("WCISO"); Sandy Martin of the BHC Owners Association ("OA"); Clint Welch and Tripp Hamby of Priority Landscapes, LLC ("Priority"); Chris Stanfield and George Green, District IT Consultants; Marc Marroquin of Premier Recreation Management Services LLC ("Premier"); Trent Rush of Hitchcock Design Group; Jim Cicchini of Violet Crown Management; David Gray and Crystal Hall of Gray Engineering, PLLC; Sean Abbott of Armbrust & Brown, PLLC ("A&B"); and Steve Bennett, Stuart McMullen, and Steve Overcashier, residents of the District. Tyler Wilson of Municipal Accounts & Consulting, L.P. ("MAC") 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 Shoemaker arrived at the meeting at 6:32 p.m.

Director Logan then stated that the Board would receive citizens' communications. Mr. Bennett then addressed the Board. He noted that it was Director Roberts' last meeting as a member of the Board of Directors. He thanked Director Roberts for her 40 years of service and complimented her on how she had served the community over the years. He noted that Director Roberts "seen it all" during her time, including District bond issuances, negotiating with cities,

operating and maintaining pools, and levying taxes. He concluded by stating that Director Roberts would be missed.

Mr. Overcashier then addressed the Board and stated that the District had failed to complete the fence project. Ms. Sandoval noted that funds were not included in the District's budget to undertake additional fence work during the 2024/2025 fiscal year. Director Young opined that the District should finish replacing and/or re-staining the fence, as needed. Mr. Overcashier offered several examples of fencing that needed to be re-stained in the District. He then thanked Director Roberts for her years of service on the Board of Directors.

Mr. McMullen addressed the Board and stated he wanted to recognize and celebrate Director Roberts. He stated that Director Roberts had shown wisdom with her hard work on behalf of the District over the years. He then suggested that the Board consider naming a park facility in the District after Director Roberts to commemorate her longtime service on the Board.

Director Roberts thanked the citizens for their comments. She then reflected on her incredible journey of service to the District that started in 1984. She stated that she had embraced principles of integrity, trust, honesty, and transparency in serving the residents of the District. She then thanked numerous consultants that she had the pleasure of working with during her tenure. She then reminded Board members that they may not always agree, but encouraged them to be respectful to each other and always think about the best interests of the community.

Director Logan stated that the Board would next consider approving the minutes of the August 15, 2024 special Board meeting, August 21, 2024 special Board meeting, September 11, 2024 special Board meeting and the September 25, 2024 regular Board meeting. Upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the minutes.

Director Logan then stated that the Board would hear an update regarding the development of the Nebraska Furniture Mart tract (the "*NFM Tract*"). Mr. Cicchini addressed the Board, noting that grading on the NFM Tract was almost done. He then confirmed that vertical construction had started on the tract. He noted that tie-in's with the District's storm sewer were ongoing and should be completed before the end of the year.

Director Logan then stated that the Board would receive the engineer's report and recognized Mr. Gray. Mr. Gray reviewed his report, attached as **Exhibit "B"**, with the Board. He then thanked Director Roberts of her years of service to the Board.

Director Logan stated that the Board would next discuss park bonds and the consideration of plans for the Tumlinson Park Playscape. Mr. Gray noted that initial plans for the playscape had been completed. He then confirmed that it was likely that the Texas Commission on Environmental Quality would likely conclude their review of the bond application in November and then he reviewed the anticipated schedule relating to the issuance of the bonds, attached as **Exhibit "C"**, that had been prepared by the District's financial advisor. **Director Logan then directed Ms. Sandoval to organize a meeting with Directors Roberts and Logan to review the plans and specifications of the playscape.**

Director Logan stated that the Board would next receive a report from the OA and recognized Ms. Martin, who stated that planning for the OA's pumpkin patch was proceeding well. She reminded the Board that the OA would be having their annual meeting on November 9th.

Director Logan then stated that the Board would receive a report from the WCSO and recognized Deputy Lovato, who provided a brief overview of recent patrols in the District. He noted that things had been “running smoothly” in the District. He stated that WCSO would have a presence at District events going forward and would be accepting donations for the Brown Santa charity at such events. He then confirmed that there had been no recent issues with gate locking in the District.

Director Logan stated that the Board would next receive a report from Premier and recognized Mr. Marroquin. Mr. Marroquin reviewed the report from Premier, attached as **Exhibit “D”**, with the Board and noted that there were no operations issues to report. He then thanked Director Roberts for her service to the District.

Director Logan then stated that the Board would receive a report from Priority and recognized Mr. Welch who stated that Priority had been busy putting down fall fertilizer and fall mulch. He noted that bi-weekly winter services would begin soon. Mr. Hamby then thanked Director Roberts for her contributions to the District and stated that he had enjoyed working with her over the years.

Director Logan then stated that the Board would discuss the Landscape Maintenance Agreement, attached as **Exhibit “E”**. Mr. Abbott briefly reviewed the Agreement with the Board, noting that the Agreement was supported by the current budget. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the Agreement.

Director Logan stated that the Board would next discuss the community garden volunteers and the installation of Christmas decorations in the District. Ms. Sandoval then confirmed that volunteers of the community garden had offered to undertake the installation of holiday decorations throughout the District. She noted that, historically, the District had paid Priority for such efforts and that funds had actually been dedicated in the current budget for such purposes. She then suggested that in exchange for the volunteers undertaking the decorating work that the District could undertake improvements to benefit the community gardens, including additional irrigation improvements. Upon question from Director Roberts, Ms. Sandoval confirmed that the volunteer would install and remove the holiday decorations. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the installation of holiday decorations in the District by community garden volunteers in exchange for the installation of irrigation improvements in Jumano Park.

Director Logan stated that the Board would next receive a report from the PR/Communications Subcommittee and recognized Ms. Sandoval who confirmed that the October newsletter had been distributed to residents. She then confirmed that the November newsletter was substantially complete.

Director Logan then stated that the Board would receive a report from that the Board would receive the report from the Restrictive Covenants Subcommittee and updates from Community Association Management, Inc. (“CAM”). Director Johnson stated that a few of the ongoing violations had been resolved. Director Roberts noted that there were several vehicles that appeared to be inoperable parked on streets within the District and requested that CAM evaluate such vehicles for potential restrictive covenant violations.

Director Logan stated that the Board would next receive a report from MAC and recognized Mr. Wilson. Mr. Wilson presented the check register, attached as **Exhibit “F”**. He

then reviewed payments made since the last Board meeting as well as the three proposed fund transfers, and recommended approval. He noted that a certificate of deposit had been renewed at 4.6% interest rate. He also noted that the check for Contigo included in the check register was no longer needed and would be voided. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the fund transfers and payment of the bills and invoices, as presented, with the void noted.

Mr. Abbott then reviewed the Amended and Restated Agreement for Bookkeeping Services attached as **Exhibit "G"**. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the Amended and Restated Agreement for Bookkeeping Services.

Director Logan stated that the Board would next receive a report from the Finance/Audit Subcommittee and recognized Director Johnson who stated that the subcommittee continued to research methods by which the District could accept electronic payments for rental deposits. He stated that he hoped to have a proposed solution to present to the Board by the end of the calendar year.

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 "H"**. He stated that all lab results were satisfactory. He then stated that the District's water loss was 9.97%, which he noted was down from last month. He stated that he had no write-offs to present.

Director Logan then stated that the Board would discuss the proposal from ALD LLC for meter replacement attached as **Exhibit "I"**. Mr. Ingallina reviewed the proposal with the Board and confirmed that funds had been allocated in the budget for such purposes. After discussion, upon motion by Director Shoemaker and second by Director Roberts, the Board voted unanimously to approve the proposal.

Director Logan stated that the Board would next discuss the Storm Water Management Program (SWMP) under TPDES General Permit TXR040000 including the fines due to MS4 drainage rule violation. Director Logan stated that a resident in the District had parked a trailer with construction spoils on Dillon Lake Bend and that paint had leaked from the trailer into the District's storm sewer system. She noted that several District residents had expressed displeasure about the situation. Mr. Abbott confirmed that he had visited with Cathy Mitchell from Quiddity Engineering who administrates the District's SWMP program. He then reviewed the District's Rules Governing Water, Wastewater, and Drainage Services and Regulating Privileges on Land and Easements Owned by Block House Municipal Utility District (the "Rules"), with a focus on Sections 2.15 and 5.02. He noted that the discharge of paint into the District's drainage system constituted a violation of the Rules and that a penalty could be assessed in such situations. Mr. Abbott then noted that he had worked through similar factual situations with other jurisdictions and, given that the discharge of paint seemed to be an unintentional, negligent act, he recommended that the District provide a letter to the offending resident to document the incident and warn the resident that a fine would be issued in the future for any similar violations. Discussion ensued. **The Board then directed Mr. Abbott to draft a letter to the resident, as described.**

Director Logan then stated that the Board would discuss the AT&T Fiber installation in the District. Mr. Abbott confirmed that his firm had sent a letter to the counsel of the insurer of OKTEX regarding the unpaid invoices relating to damages to the District's utility system. He

advised the Board that his firm would continue to work with said counsel and would provide an update at the next regular Board meeting.

Director Logan then reviewed the report from Texas Disposal Systems, Inc. ("*TDS*"), attached as **Exhibit "J"**. She noted that discussions had occurred with TDS relating to alternative options for bulk pickup within the District that would reduce District costs under the existing agreement with TDS. She noted that she would present an update at the next regular Board meeting.

Director Logan then stated that the Board would next discuss the electricity at Jumano Community Center. Ms. Sandoval noted that she was still in the process of obtaining quotes for the necessary service. The Board then agreed to table the matter until the next Board meeting.

Director Logan then stated that the Board would revisit discussion relating to park bonds and the consideration of plans for Tumlinson Park Playscape. Mr. Rush reviewed the draft plans and specifications and explained several of the design details to the Board. Director Roberts requested that Mr. Rush provide 3D modeling of the playscape to present to the subcommittee. **Director Logan then directed Ms. Sandoval to convene a meeting with Mr. Rush and Directors Roberts and Logan to review the plans and specification with specificity.** She confirmed that she would report back to the Board after said meeting.

Director Logan then stated that the Board would receive a report from the District's general manager and recognized Ms. Sandoval who reviewed her report, attached as **Exhibit "K"**, with the Board. She noted that, in lieu of hiring a third party contractor, Crossroads was willing to undertake some of the staining on District's fences that had yet to be completed. She then reviewed a letter from Crossroads to the Board of Directors, attached as **Exhibit "L"**, relating to the unauthorized use of chainsaws in the maintenance of the Jumano Park disc golf course. Ms. Sandoval then stated that she had conducted an audit of padlocks in the District and provided a copy of the audit to Director Young. Director Young stated that he did not believe the audit was accurate. Discussion ensued. Director Shoemaker then suggested that Director Young provide suggested revisions to Ms. Sandoval for any inaccuracies he believed were present in the audit.

Director Young left the meeting at 8:04 p.m.

Director Logan stated that the Board would next receive the attorney's report and recognized Mr. Abbott. Mr. Abbott reviewed the attorney directives, noting that all directives had been completed or were in process. He then thanked Director Roberts for her service to the District on behalf of all of his colleagues at Armbrust & Brown, PLLC.

Director Logan then stated that the Board would discuss the Jumano Park Disc Golf Maintenance Guide (the "*Guide*"). Mr. Abbott reviewed the Guide, noting that it represented the discussion and direction from the Board from the prior Board meeting. Mr. Abbott then generally reminded the Board that Priority visited the disc golf course six times each year for regular maintenance. He also noted that the Board had established a policy for volunteer maintenance at the disc golf course, whereby all proposed maintenance would be approved by Ms. Sandoval and that all volunteers would be required to execute liability waivers. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted 4-0 to approve the Guide.

Director Logan stated that the Board would next discuss the Utility Easement with Pedernales Electric Cooperative (“*PEC*”). Mr. Abbott noted that he and Mr. Gray continued to work with representatives of PEC and he believed the easement would be finalized soon.

Director Logan stated that the Board would next consider the Information Technology Consultant Agreement with George Green (the “IT Agreement”), attached as **Exhibit “M”**. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted 4-0 to approve the IT Agreement.

Director Logan then stated that the Board would consider the Managed Information Technology Services and Support Agreement with Contigo Technology, LLC. Ms. Sandoval confirmed that the agreement with Contigo was not necessary. The Board tabled further consideration of the agreement.

Director Logan confirmed that the next regular meeting of the Board was scheduled for November 12, 2024.

At 8:18 p.m., Director Roberts assumed the Chair. There being no further items to come before the Board, upon motion by Director Roberts and second by Director Shoemaker, the Board voted 4-0 to adjourn the meeting and Director Roberts gaveled the meeting to a close.

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[SIGNATURE PAGE TO OCTOBER 23, 2024 MINUTES]

(SEAL)




Robert Young, Secretary
Board of Directors


Vesula Logan
President

Date: 11-12-24