

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

August 28, 2019

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 August 28, 2019, 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"**.

All of the Directors were present, as follows:

Cecilia A. Roberts	-	President
Steve Bennett	-	Vice President
Rayan Horak	-	Secretary
Byron Koenig	-	Treasurer
Ursula Logan	-	Assistant Secretary

Also present at the meeting were Tanya Emmons of Pinnacle Texas Management Services ("Pinnacle"); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Jacquelyn Smith, Lisa Torres, and Andrew Hunt of Crossroads Utility Services, LLC ("Crossroads"); Vaughn Stockton and Bill Brooks of Lifeguard4Hire; Tripp Hamby of Priority Landscapes, LLC ("Priority"); Luanne Miller of the Block House Creek Owners Association (the "OA"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office; Jim Dillon and Rena LaVance, residents of the District; and Jenn Scholl of Armbrust & Brown, PLLC ("A&B").

Director Roberts 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 Roberts then stated that the Board would first receive citizens' communications. Mr. Dillon addressed the Board and stated that he received the final check for the fence project on January 5, 2018 but later realized that there was a substantial discrepancy in the final invoice. He requested that the discrepancy be resolved and that the District pay the remaining amount due for the project. He then presented the invoice attached as **Exhibit "B"**. Director Roberts stated that the matter would need to be investigated and discussed at the next Board meeting.

There being no further citizens' communications, Director Roberts stated that the Board would receive the OA report. Ms. Miller reported that Pam Phillips had resigned from the OA Board in order to recover from a recent surgery. Ms. Miller then reported that 4th Bash had been successful, Zumba classes would begin in October, a lantern parade would be held in October, and the Block House Creek campout would take place in November. She noted that the OA was also discussing the possibility of an additional shred day.

Director Roberts then stated that the Board would consider approving the minutes of the July 16, 2019, July 24, 2019 and August 14, 2019 Board meetings. Upon motion by Director Horak and second by Director Bennett, the Board voted unanimously to approve the minutes.

Director Roberts stated that the Board would next discuss District security. Sergeant Kelley reported that the K9 unit had alerted to a stopped vehicle and numerous types of drugs were found in the vehicle. He reported that dove hunting season would begin on September 1st. He stated that he did not have any additional information on the postal kiosk break-ins but would continue to reach out to the postmaster for more information. Director Roberts stated that new stickers had been placed on the mailboxes and noted that she felt that this was a step in the right direction.

Director Roberts then stated that the Board would receive the landscape report. Mr. Hamby called the Board's attention to Priority's report, attached as **Exhibit "C"**, noting that he was working to fine-tune irrigation and replace valves. He reported that barrels that were refilled every third day had been placed around the trees. He reported that the controllers for the irrigation system in Tonkawa Park would need to be replaced and he was waiting on an electrician to provide an estimate. Director Roberts stated that it might be confusing to residents to see the District watering outside of the permitted water days and requested that the Communications Subcommittee issue a statement informing residents that such watering was pursuant to valid exceptions to the mandatory water use restrictions. Mr. Hamby then reminded the Board that the end of the fiscal year was approaching and not all of the funds that had been budgeted for new trees for the year had been used and so he would bring additional proposals for new trees to the next meeting. Director Roberts stated that she had noticed several sprinklers that were oscillating in the streets and several that appeared to have low water pressure. She requested that Mr. Hamby ensure that no sprinklers were oscillating into the streets and investigate any issues with water pressure. Mr. Hamby confirmed that he would look into these issues. Mr. Hamby then presented the proposal for the modification of the drain outlet north of the Walker House and south of the pool fence (Estimate #3103) and the proposal for the Tumlinson Park drainage improvements (Estimate #3104), and recommended that the Board postpone taking action on the proposals to allow him to look into additional issues since there was a pipe that ran underneath the areas.

Mr. Hamby then presented the proposal to remove fallen limbs and one leaning tree behind 2821 South Walker Drive (Estimate #3192), attached as **Exhibit "D"**, and the proposal to remove a fallen tree and limbs/tree debris behind 2700 North Walker Drive (Estimate #3193), attached as **Exhibit "E"**. The Board stated that Estimate #3192 indicated that it was for work on South Walker Drive but Estimate #3193 did not clearly indicate that it was for work on North Walker Drive and requested that Mr. Hamby revise the proposals to clearly distinguish between the two areas. Mr. Hamby confirmed that he would make this change. After discussion, upon motion by Director Horak and second by Director Bennett, the Board voted unanimously to approve the proposals subject to the requested revision.

Mr. Hamby then presented the proposal for improvement of the dry creek bed/parking lot runoff between the Walker House and Pavilion (Estimate #3211), attached as **Exhibit "F"**. Director Koenig recommended approval of the proposal, noting that there were exposed tree roots in the area that could be a tripping hazard for children. After discussion, upon motion by Director Koenig and second by Director Horak, the Board voted unanimously to approve the proposal.

Mr. Hamby then presented the proposal for installation of limestone "bull rock" in the dry creek bed between the Pavilion and basketball court (Estimate #3212), attached as **Exhibit**

“G”. Ms. Torres stated that the area had become difficult for residents to access and recommended approval. Upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve the proposal.

Mr. Hamby then presented the proposal for replacement of limestone on the northwest corner of Meritage Drive and the southwest corner of Creek Run Drive and Block House Drive (Estimate #3213), attached as **Exhibit “H”**. Upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve the proposal.

Director Roberts then stated that the Board would discuss engineering matters. Ms. Smith presented the engineer’s report attached as **Exhibit “I”** and noted that one proposal for the pool backwash had been received but it was substantially greater than the engineer’s original cost estimate so additional proposals would be obtained.

Director Roberts stated that the Board would next discuss restrictive covenant enforcement, including pending and contemplated litigation; watering restrictions; and District communications. Ms. Emmons reported that the issues with the property on Gabriel Mills Drive had been resolved. She stated that one of the homeowners on Kathleen Lane had responded to the notice they had received and indicated that the violation would be resolved soon and she had been informed that the other homeowner on Kathleen Lane was asking other residents to support a petition that would allow more time to resolve the violation. Ms. Emmons then reported that she had been doing watering restriction drives and that there were no issues to report.

Director Roberts then stated that the Board would discuss the newsletter, water bill inserts, website and District-wide calendar. Ms. Emmons stated that the deadline for the September newsletter was August 25th and she was currently working on revisions to the newsletter. Director Roberts stated that she would like the notice of public hearing on tax rate to be included in the next issue. Ms. Emmons stated that the public hearing would take place before the next newsletter was issued and recommended that the notice be provided to residents through an e-blast. Director Roberts pointed out that this was the 28th year that the newsletter had been published. Director Logan noted that she had received an article from the Girl Scouts about energy efficiency that she felt was very educational and that she recommended Ms. Emmons include the article in the newsletter.

Director Roberts stated that the Board would next discuss general management and management transition and recognized Ms. Smith. Ms. Smith reviewed her report, attached as **Exhibit “J”**, and reported on her directives. She reported that all of the contact information for the park project committee had been updated except for Mr. Pope’s contact information. Director Logan agreed to forward Mr. Pope’s contact information to Ms. Smith. Ms. Smith then reported that she had prepared a draft email for the park project committee and was investigating the process to reserve a room at the school for a meeting. Ms. Smith inquired if the District’s attorney could review the draft email. Ms. Smith then reported that an inspector had visited 13352 English River Loop and determined that the work being done did not involve any changes to plumbing and was only sheetrock work so a permit was not required. She reported that over 120 door hangers requesting that residents trim low-hanging tree limbs in order to accommodate fire trucks had been hung. Director Bennett asked if there was any deadline for residents to trim the trees. Ms. Smith stated that she wanted to allow one month for residents to trim the trees before she inspected the areas, noting that she would also provide a reminder on the website. Director Bennett asked if it was possible for Williamson County to come back and request the trees be trimmed again in the future. Ms. Smith stated that she was not sure but she would find out. Director Roberts stated that oak trees could only be trimmed during certain

time frames in order to avoid oak wilt and asked if any of the trees that needed to be trimmed were oak trees. Ms. Smith stated that she had access to a tree survey and would look into whether or not any trees that would need to be trimmed were oak trees. Ms. Smith then reported that she had obtained a quote from the current security contractor to resolve issues with the basketball court gates, but the gates would also need to be repaired and the current contractor could not complete all of the work. She recommended that the District obtain a proposal from a contractor that could repair the gate and fix the security issues, such as Compound Security Systems. After discussion, the Board directed Ms. Smith to obtain a proposal from a contractor that could perform all of the work and present the proposal, along with the proposal from the current contractor, at the next Board meeting. Ms. Smith then reported that all of the damage caused by vandalism in Tonkawa Park had been repaired and she was working with the two insurance companies to resolve the claims for damage to the fence. Director Roberts directed Ms. Smith to work with the Maintenance and Engineering Subcommittee to finalize the repairs and complete the claim. Ms. Smith then stated that she had received a report that air conditioning filters were not being changed at the District's facilities in Jumano Park and recommended that the District consider hiring a company to evaluate all air conditioning units and change the filters on a regular basis. The Board agreed that this was a good idea and requested that an item be placed on the next meeting agenda. Director Bennett then presented the Maintenance and Engineering Subcommittee report attached as **Exhibit "K"** and recommended that a number of old signs be replaced. He stated that there was also a lot of old rubbish and trash adjacent to the Jumano Park perimeter fence and asked if there was a legal process that needed to be followed to dispose of this property. Ms. Scholl stated that there was a process that needed to be followed under certain circumstances and agreed to look into what would be required to dispose of this property. Ms. Smith reported that she had requested a quote to paint the pool deck drains. Director Roberts requested that Ms. Smith revise the scope of work to include painting the areas of the fence that had been damaged. Ms. Torres reported that she was working with a lock company to install automatic locks on the Tumlinson Pool bathrooms.

Ms. Smith then stated that September 21st was International Peace Day and the Girl Scouts had requested approval to place pinwheels around the flagpole. She stated that the OA had also requested use of the Jumano Community Center to construct lanterns for the lantern festival and had requested a fee waiver. After discussion, upon motion by Director Logan and second by Director Bennett, the Board voted 4-0 to approve the Girl Scouts' request and to grant the fee waiver, with Director Horak abstaining from the vote. Ms. Smith then reviewed a request by the BHC Cub Scout Pack 171 to use the Jumano Community Center for meetings during the 2019-2020 school year. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve the use and grant the related fee waiver.

Ms. Smith then discussed the bulky waste survey results with the Board. Director Roberts asked if it was possible to verify that all individuals who had completed the survey were District residents. Ms. Smith responded that each survey required a unique IPO address, but the survey had been distributed through social media and it was possible that individuals who were not District residents had access to the social media group. Director Horak recommended that, in order to mitigate this issue for future surveys, individuals on the District's customer list receive emails with the surveys and social media only be used to provide a reminder to complete the surveys. Ms. Smith then stated that her current office hours were from 9:30 a.m. to around 5:00 p.m. on Tuesdays, Wednesdays, and Thursdays and there had been very little foot traffic in the last few weeks. She requested that her hours be modified to Tuesday and Thursday between 10:00 a.m. and 2:00 p.m. and on Wednesday by appointment. Director Bennett and Director

Logan pointed out that there was a natural fluctuation in activity depending on the time of year. Director Roberts recommended that Ms. Smith order vinyl letters to post her office hours on the office door, with the understanding that these hours might change. After discussion, the Board directed that Ms. Smith order vinyl letters to post her new office hours. Mr. Hunt then stated that it might be beneficial for the District to purchase a power washer for smaller District projects. Director Roberts recommended that the District also consider purchasing additional water hoses. Mr. Hunt recommended that the District also consider purchasing a “mule” during the next fiscal year, noting that sufficient funds had not been budgeted for this item for the current fiscal year. He stated that, if a “mule” was purchased, Crossroads would handle the related storage and maintenance expenses. After discussion, upon motion by Director Roberts and second by Director Koenig, the Board voted unanimously to authorize Crossroads to purchase a power washer at a cost not to exceed \$1,500.

Director Roberts then stated that the Board would receive the operations report and recognized Ms. Torres, who reviewed her report, attached as **Exhibit “L”**. She reported on her directives, noting that 1,757 paper statements had been mailed to District residents. She stated that, as of the end of July, the District had 2,168 occupied single-family connections and a total of 2,217 accounts. She noted that all lab results had been satisfactory. Ms. Torres also reported that there had been a water loss of 10.32% the prior reporting period. She reported that a number of fire hydrants would need to be repaired and tested. Director Bennett requested that Crossroads ensure that the fire hydrant near Jumano Park was included in the testing. Director Roberts asked if a “boil water” notice would be provided to customers. Mr. Hunt stated that Crossroads would notify customers as soon as the testing was scheduled. Ms. Torres then presented the list of write-offs reflected on page 8 of her report, noting that there were four accounts totaling \$522.82, and requested approval. Upon motion by Director Logan and second by Director Koenig, the Board voted unanimously to approve the write-offs.

Ms. Torres then presented the Towing and Property Sign Agreement with Excellence in Towing, Inc. dba Triton Towing attached as **Exhibit “M”** and stated that the contractor had likely already started installing the signs. The Board stated that the agreement had been approved at the prior Board meeting and no further action was required.

Mr. Hunt then stated that the Operations Services Agreement with Crossroads would expire September 30, 2019 and that he was working with Ms. Littlefield to negotiate a renewal agreement, which he noted would be presented at the next Board meeting.

Ms. Torres next presented the Water/Wastewater Service Application, Customer Service Agreement, and the Checklist for New Applicants and Important Information for New Utility Customers, attached collectively as **Exhibit “N”**. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted unanimously to approve the Application, Agreement, Checklist and Important Information.

Director Roberts stated that the Board would next receive the bookkeeper’s report and recognized Ms. Kolmodin. Ms. Kolmodin presented the check register attached as **Exhibit “O”** and the supplemental check register attached as **Exhibit “P”**. She stated that nothing outside of the ordinary was being presented for approval. Director Koenig confirmed that the Financial Subcommittee recommended approval of the payments as presented. Ms. Kolmodin then reviewed the District’s investments and the budget comparison, noting that she had updated the budget to include the scenarios proposed by Ms. Allen. She reported that the District was about 99% collected on taxes through July. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve the payment of the bills and invoices, as presented. Ms. Kolmodin then requested approval of the fund transfers. Upon

motion by Director Horak and second by Director Logan, the Board voted unanimously to approve the transfers, as presented. Director Roberts requested that the bookkeeper's report and pools items appear earlier on the next meeting agenda.

Director Roberts stated that the Board would next discuss pool operations, repairs, and management. Mr. Stockton and Mr. Brooks addressed the Board. Mr. Stockton stated that the pool hours would be reduced after September 1st, noting that Apache pool would be open from 9 a.m. to 5 p.m. on Monday, Wednesday, Friday; Tumlinson pool would not be open during the week; and both pools would be open during the normal weekend hours. Mr. Stockton reported that a new lane divider for Apache pool had been ordered. The Board then discussed the use of the District's pool for swim lessons. Director Roberts stated that the District's pool rules prohibited commercial activities or uses, such as private swim lessons. Mr. Hunt recommended that the District consider requiring private swim instructors to enter into an agreement with the District, because this would encourage swim lessons while allowing the District to have more control over activities in the pools, noting that a similar agreement was used by the City of Cedar Park. Mr. Stockton reminded the Board that Lifeguard4Hire had provided swim lessons every year except for the prior year. He stated that he was working on a proposal for swim lessons for the next year that would be presented at the next Board meeting. Director Koenig recommended that swim lessons be restricted to Apache pool because it was better suited for swim lessons.

Ms. Smith stated that there was nothing new to report on the Walker House. Director Bennett reminded the Board that he would like the "Welcome to Block House Creek" sign and all of the old rubbish and garbage near the Jumano Park fence to be disposed of and requested that Ms. Scholl confirm if there were any legal requirements to dispose of District property. Ms. Scholl confirmed that she would look into whether or not there were any legal requirements.

Director Roberts then stated that the report from Texas Disposal Systems, Inc. ("*TDS*"), and the "calls for service" log from the Cedar Park Fire Department were in the Directors' meeting packets. Ms. Torres stated that TDS had not updated customer demographic information, but this problem appeared to have been addressed after she brought it to TDS' attention.

There being nothing to report regarding storm water system and creek maintenance, Director Roberts stated that the Board would next discuss District parks and facilities. Director Logan stated that she and Director Bennett would be meeting soon to discuss potential projects for the fall and recommended that the District consider creating a mural. Director Koenig then discussed obtaining a proposal for the installation for "GaGa ball pits". After discussion, the Board decided to postpone action on this item.

Director Roberts stated that the Board would next discuss Scout items. Ms. Smith reported that she and Director Koenig had discussed having Scouts install markers on the District's storm drain inlets. Director Bennett stated that he had been contacted by an individual looking for an Eagle Scout project and that the inlet marker project might be perfect.

Director Roberts then stated that the Board would discuss the long range planning, including the five-year plan and Director priorities and annexation. Ms. Smith recommended that the Board consider holding a workshop on a Saturday to discuss this item.

There being no report from the park improvement/bond steering committee and no discussion regarding the projected park costs and financing options, Director Roberts stated

that the Board would next review a schedule of events, including an election schedule. Ms. Scholl presented the election schedule attached as **Exhibit “Q”** and reviewed it with the Board.

Director Roberts stated that the Board would next receive the attorney’s report and recognized Ms. Scholl. Ms. Scholl reviewed the directives from the prior Board meeting. Director Roberts then stated that a legislative update would be provided by Ms. Littlefield at the next meeting. Ms. Smith stated that she had received a settlement document for one of the insurance claims for damage to the fence and Ms. Littlefield had indicated that she was authorized to sign the document. Mr. Hunt recommended that Ms. Smith contact the insurance companies to add the painting to the claims before executing any settlement documents.

Director Roberts then stated that the Board would discuss subcommittee membership composition. After discussion, the Board decided to postpone action on the matter until Ms. Smith had an opportunity to make recommendations to the Board.

Director Roberts then stated that the Board would review the meeting notes attached as **Exhibit “R”**. Director Horak reviewed the notes and the Board concurred that no changes to the notes were necessary.

Upon motion by Director Horak and second by Director Logan, the Board voted unanimously to adjourn the meeting at 8:07 p.m.

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[SIGNATURE PAGE TO AUGUST 28, 2019 MINUTES]

Rayan Horak, Secretary
Board of Directors

Date: 9-25-19