

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

December 18, 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 December 18, 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
Ursula Logan	-	Assistant Secretary
Byron Koenig	-	Treasurer

Also present at the meeting were Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Jacquelyn Smith, Lisa Torres, and Andrew Hunt of Crossroads Utility Services, LLC ("Crossroads"); Bill Brooks of Lifeguard4Hire ("L4H"); Tripp Hamby of Priority Landscapes, LLC ("Priority"); Heike Santiago of the Block House Creek Owners Association (the "OA"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office; Jim and Nancy Dillon of Texas Trades; August Peters, a resident of the District; and Sean Abbott 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 stated that the Board would then receive citizens' communications. Mr. Dillon addressed the Board regarding work that Texas Trades had previously undertaken on behalf of the District, generally restating the comments he had made at the October and November meetings of the Board of Directors on what he perceived to be monies owed under Texas Trades Invoice No. 284. Mr. Dillon indicated he was short paid and that he was given a "phony explanation" on why the invoice was short paid. Further, he indicated that his execution of a Contractor's Affidavit on March 27, 2019 was an illegal action. Director Roberts stated that Mr. Abbott had drafted a letter to Mr. Dillon on behalf of the District on December 12, 2019, and noted that the letter outlined the District's position on Mr. Dillon's inquiries — that Mr. Dillon's execution of the Contractor's Affidavit confirmed that he had been properly and finally compensated for all of the work Texas Trades had undertaken on behalf of the District and that the District could not and would not make any additional payments to Texas Trades for that work. Mr. Dillon confirmed that he had received the letter and stated that the District would hear from his legal counsel.

Mr. Peters addressed the Board regarding issues he had experienced at his home on Tumlinson Fort Drive, across from the disc golf course in Tumlinson Park. He indicated that it was a common occurrence for Frisbees (or “discs”) to enter his property and that damage had occurred to three of his vehicles, including door dings. Mr. Peters stated that, while he was happy to live in close proximity to the Park, he did not appreciate the invasion of his property and property damage that disc golf participants had repeatedly caused. Mr. Peters added that several of his neighbors felt the same way. Director Roberts voiced concerns about Mr. Peters’ anecdotes and directed Mr. Abbott to add an agenda item for the January Board of Directors meeting for further Board discussion and consideration.

Director Roberts then stated that the Board would receive the OA report. Ms. Santiago stated that the OA had completed its annual holiday decoration contest. She indicated that there were numerous instances of exceptional decorations and encouraged everyone to visit the OA’s Facebook page or the OA’s website to see photographs of the winners.

Director Roberts then stated that the Board would consider approving the minutes of the November 20, 2019 Board meeting. Upon motion by Director Horak and second by Director Bennett, the Board voted unanimously to approve the minutes.

Director Roberts then stated that the Board would receive the operations report and recognized Ms. Torres and Mr. Hunt, who presented the report attached as **Exhibit “B”**. Ms. Torres and Mr. Hunt reviewed Voice Over Internet Protocol (VOIP) proposals that had been obtained by Crossroads with the Board, offering specific information relating to each proposal. Mr. Hunt opined that it would be more cost effective over time for the District to purchase the necessary VOIP equipment as opposed to leasing such equipment. Mr. Hunt then recommended that the District accept the proposal from TC Tech Systems, attached as **Exhibit “C”**, which he stated included all of the necessary hardware to create the ESI phone system. Director Roberts then stated that she would entertain a motion to approve the proposal from TC Tech Systems and the required 50% deposit upon acceptance. Upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve the proposal from TC Tech Systems and authorize the related deposit. Director Bennett expressed a preference for having the VOIP system implemented by February and Mr. Hunt confirmed that that was a realistic goal.

Director Logan departed the meeting at 7:00 pm.

Ms. Torres then continued the operations report. She stated that an issue had occurred with the booster station, causing an alarm to go off, and that an electrician had visited the site and corrected the issue. She also stated that an issue had arisen with a compressor at the pump station, which had been repaired. Ms. Torres reported that the District had experienced 4.45% water loss during the month of November. She then provided an update relating to repairs to the District fire hydrants, indicating that the contractor was awaiting the delivery of all of the parts and that the work should be completed soon after receipt of the parts. She also reported that the City of Cedar Park had conducted a backflow prevention assembly test and maintenance report and that the District facilities had earned a passing grade. Ms. Torres then advised the Board that she had earned a certification relating to America’s Water Infrastructure Act (AWIA) New Risk Assessment and Emergency Response Plan Requirements for Community Water Systems and was ready to serve as a resource to the District on such matters.

Mr. Hunt then discussed credit and debit card and electronic utility bill payment processing services. He confirmed that Crossroads has been dealing with a ransomware issue but advised that no sensitive information of any customers had been breached. He then

described the Merchant Application and Merchant Services Program Terms and Conditions with Bluefin Payment Systems LLC attached as **Exhibit “D”**, the Addendum to Card Services Agreement with Bluefin Payment Systems LLC attached as **Exhibit “E”**, the Service Agreement with T-Tech, LLC attached as **Exhibit “F”**, and the Addendum to Service Agreement with T-Tech, LLC attached as **Exhibit “G”** (collectively, the “*Credit Card Processing Agreements and Addenda*”), and discussed the fees relating to credit card payments. Mr. Hunt indicated that the District could consider absorbing the fees and Director Roberts suggested the Board could deliberate on the matter at its January meeting. Mr. Hunt then explained that the services performed pursuant to the Credit Card Processing Agreements and Addenda would replace the payment processing services currently utilized by the District, which would require termination of existing agreements with Pace Payment Systems, Inc., Global Payments Director, Inc., Wells Fargo Bank, N.A., AVR, Inc., and T-Tech Inc. (collectively, the “*Existing Credit Card Agreements*”). Mr. Abbott confirmed that A&B had reviewed and approved the proposed Credit Card Processing Agreements and Addenda. Director Roberts then stated that she would entertain a motion to approve the Credit Card Processing Agreements and Addenda and to terminate the Existing Credit Card Agreements. Upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to approve the Credit Card Processing Agreements and Addenda and terminate the Existing Credit Card Agreements.

Director Roberts directed Mr. Abbott to request that Pinnacle Texas Management, LLC (“*Pinnacle*”) provide Ms. Smith with access to the deed restriction database, the District’s Twitter account, the District’s website, the electronic sign, General Manager files held by Pinnacle, the District’s web calendar, District email addresses on Google, and a list of all keys distributed, detailing who had received each key. Director Roberts stated it was her desire that all of these items be provided to Ms. Smith before the District’s January Board of Directors Meeting.

Director Roberts stated that the Board would next receive the monthly security report from the Williamson County Sheriff’s Office. Sgt. Kelley addressed Mr. Peters’ concerns relating to disc golf and indicated reckless damage could be charged in such instances. He further stated that, if the Williamson County Sheriff’s Office could determine the perpetrators, the deputies could potentially write tickets. Sgt. Kelley then reported that, on December 5, 2019, K9 Officer Johnson had made a traffic stop in the District and seized some marijuana and related drug paraphernalia, and noted that the perpetrators were not District residents. Director Roberts noted that a resident on Nextdoor had complained about Sheriff’s deputies sleeping in their cars, that she had sent a link to the information to Sgt. Kelley, and that she thought the Nextdoor comment was hyperbolic. Sgt. Kelley responded that Sheriff’s deputies often wrote their reports in the District’s parks. Ms. Smith requested that she be notified if any of the deputies discovered doors or gates that were left unlocked. Sgt. Kelley confirmed that the Jumano gates weren’t being locked properly. Sgt. Kelley then stated that deputies would be conducting extra patrols on New Year’s Eve.

Director Roberts stated that the Board would next discuss restrictive covenant enforcement, including pending and contemplated litigation. Director Horak stated that the subcommittee was still reviewing issues relating to restrictive covenant enforcement and was not yet ready to make a recommendation to the Board of Directors on proceeding with potential litigation.

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 “H”** and the supplemental check register attached as **Exhibit “I”**. Director Horak confirmed that the Financial Subcommittee recommended approval of payment of the bills and invoices as

presented. After discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted 4-0 to approve payment of the bills and invoices, as presented.

Director Roberts stated that the Board would next discuss pool operations, repairs, and management. Mr. Brooks reported on the broken Americans With Disabilities Act ("ADA") chair at Tumlinson Pool. He stated that the ADA chair was repairable and that L4H would cover all costs relating to the repair. He then reported that he was not aware of any other issues relating to the operation of the pools. Director Roberts stated that she did not like the storage of pool covers next to the fence. Mr. Brooks agreed and stated that he would ensure that the covers were not stored next to the fence going forward. Director Koenig stated that it was great that L4H would be covering the costs relating to repairing the existing ADA chair and added that such chairs did not typically stay in service for long periods of time. He then stated that it was possible to redesign the pool so that an ADA chair was not necessary. Director Koenig further stated that, while the ADA did not require such a chair, once an ADA improvement was made at a pool, it could not be eliminated.

Director Roberts then stated that the Board would receive the landscape report. Ms. Smith presented Priority's report, attached as **Exhibit "J"**, and reviewed it with the Board. She noted that new shrubs and winter flowers had been installed in the beds in front of the Walker House. She then presented Priority Estimate 3378, for raising District tree canopies throughout the District-owned main thoroughfares to accommodate public safety vehicles, attached as **Exhibit "K"**. Ms. Smith stated that Estimate 3378 could be undertaken pursuant to Section K, relating to "Included Tree Care Services", of the District's contract with Priority. The Board expressed a preference for being invoiced separately for the work performed pursuant to Estimate 3378. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to approve Estimate 3378.

Director Logan re-joined the meeting at 7:43 p.m.

Director Roberts stated that the Board would next discuss general management items and recognized Ms. Smith. Ms. Smith reviewed her report, attached as **Exhibit "L"**, and reported on her directives. She confirmed that the District's annual Polar Bear Plunge would occur at Apache Pool on January 4, 2020. She stated that she was working with the project manager at Granicus on the District's new website and that certain data was needed from Pinnacle in order to populate the new site. Ms. Smith also reported that she was in the process of completing the process to obtain the "BlockhouseMUD.gov" URL through the applicable federal authorities.

Ms. Smith then provided an update relating to pool maintenance, stating that a water leak had been repaired in the men's bathroom at Apache Pool and that air conditioning maintenance would be performed at facilities in the near future. She then stated that canopy repairs and fence painting were in process at Tonkawa Park and additional fence repair was scheduled in the District during December.

Director Horak departed the meeting at 7:53 p.m.

Director Roberts then stated that the Board would receive a report from the Maintenance and Engineering Subcommittee. Director Bennett presented the Subcommittee report attached as **Exhibit "M"**, including multiple proposals, and reviewed them with the Board. Director Bennett reported that a contractor had made an error when rebuilding Tumlinson Pool, causing issues with the backwash system that required remediation. He also confirmed that replacement of the backwash filter at Tumlinson Pool was necessary. Director Bennett stated

that it would be preferable to bid the two jobs separately. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted 4-0 to approve the proposal from Utility Specialist, Inc., attached as **Exhibit “N”**, to install a new sanitary line to improve the backwash system. Director Bennett then agreed to draft a complete proposal relating to the replacement of the backwash filter and solicit the required number of bids for the job pursuant to the Texas Water Code.

Director Roberts then stated that the Board would discuss engineering matters. Ms. Smith presented the engineer’s report attached as **Exhibit “O”** and reviewed it with the Board. Ms. Smith stated that Gray Engineering had assisted the Maintenance and Engineering Subcommittee on efforts to correct the Tumlinson Pool backwash discharge issue, and was continuing to work on the District’s Park Plan, including addressing recently received requests and comments.

Director Roberts then stated that the Board would discuss issues relating to fire service and the Cedar Park Fire Department. Ms. Smith reviewed the Department’s “calls for service” log and reported that there had been 27 calls for service in the District in November. She noted that the Cedar Park Fire Department’s Quint 5 truck had been damaged by tree limbs when providing service in the District. She confirmed that she had contacted Williamson County and prepared a letter from the District to request that the County trim trees that might impair safety vehicles along streets in the District.

Director Roberts stated that the Board would next receive a report from the Water/Environmental Subcommittee. Ms. Smith discussed the Storm Water Management Program (SWMP) under TPDES General Permit TXR040000, noting that the Texas Commission on Environmental Quality (“*TCEQ*”) had requested that a Board Member from the District undertake annual training on storm water issues. She reported that Cathy Mitchell from Jones and Carter Engineering had indicated that her firm offered a webinar each year that would satisfy TCEQ’s requirements. Director Roberts directed Ms. Smith to send the webinar information to the entire Board of Directors once it was available.

Director Roberts stated that the Board would next receive a report from the Park Improvements Steering Committee. Ms. Smith reported that the Steering Committee had met on December 3, 2019 and focused its discussion on the financing of park projects. Further, Ms. Smith confirmed that there was a preference to vote on any proposed bond propositions on the November uniform election date in 2020. Ms. Smith then noted that the next Steering Committee meeting would occur on January 15, 2020.

Director Roberts then stated that the Board would receive the attorney’s report and recognized Mr. Abbott. Mr. Abbott reviewed pending directives to A&B. He reported that there were no legal constraints that would affect the District’s ability to designate the Tumlinson Park pergola as a memorial or remembrance area. He recommended that the Parks Subcommittee consider and investigate practical considerations relating to the proposal for the Board to consider before moving forward with the project.

Director Roberts then stated that the Board would next discuss the Association of Water Board Directors (AWBD) Mid-Winter Conference. Director Roberts stated that she found the AWBD conferences to be beneficial and, while it was too late to register for the Mid-Winter Conference in January of 2020, she suggested that the Directors consider attending an AWBD conference in the future.

Director Roberts then stated the Board would review the meeting notes attached as **Exhibit "P"**. Director Logan reviewed the notes and the Board concurred that no changes to the notes were necessary.

There being no further items to come before the Board, upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to adjourn the meeting at 8:11 p.m.

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[SIGNATURE PAGE TO DECEMBER 18, 2019 MINUTES]

Rayan Horak, Secretary
Board of Directors

Date: 1-22-20