

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

August 26, 2020

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A regular meeting of the Board of Directors of Block House Municipal Utility District was held via telephone conference on August 26, 2020, at 1-888-510-5505; participant code: 199914. The meeting was open to the public and notice was given pursuant to the Texas Open Meetings Act, as modified by Governor Greg Abbott, and the related guidance from the Office of the Attorney General of the State of Texas. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**. An electronic agenda packet for the meeting was provided on-line via the link included in the meeting notice and the meeting was recorded and made available at the same link after the meeting.

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, Andrew Hunt, and Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office ("WCSO"); Whitney Killian of Pinnacle Texas Management, LLC ("Pinnacle"); LuAnn Miller and Carolyn Patrick of the Block House Creek Owners Association (the "OA"); Carol Polumbo of McCall Parkhurst & Horton, LLP ("MPH"); David Gray of Gray Engineering ("GE"); Tom Davis of Lifeguard 4 Hire, LLC; Linda Hubble of Public Finance Group LLC; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Robert Young, Amanda Milani, Ken Soule, and Roger Moeller, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:01 p.m. and welcomed those present. She confirmed that the meeting was being conducted via telephone and was being recorded. She requested that each speaker identify themselves when speaking and requested that anyone participating in the call mute their phone when they were not speaking. Director Roberts then stated that the Board would receive citizens' communications. Mr. Young stated that he would like to see some temporary baskets for disc golf somewhere in the District and expressed a preference that the baskets be located in Comanche Park. He stated that any temporary baskets should be installed with the safety standards noted in the report from HouckDesigns. Mr. Young then offered to assist in any efforts by the District to bring disc golf to Jumano Park.

Mr. Moeller then inquired of the Board about a home in the District on Kathleen Cove that had recently had a significant fire. Director Roberts noted that there was a restrictive covenant on the property that related to the required remediation of the property and added that Pinnacle may be able to speak about the property in their report. Mr. Moeller then stated that he had attempted to contact the District through the District's website and had yet to hear

back. **Director Roberts directed Ms. Smith to follow up on whether Mr. Moeller's attempts to contact the District were received.**

Mr. Soule inquired about the reopening of certain District facilities, including the pavilion at Tumlinson Park. He stated that he was confused as to why it was still closed as other similar facilities at other parks had been opened. Mr. Soule then inquired about how notice of the current meeting had been posted. Director Roberts confirmed that the notice had been posted on the District website and in accordance with all applicable laws and regulations.

Director Roberts then stated that the Board would receive a report from the OA and recognized Ms. Miller. Ms. Miller stated that the OA desired to resume Zumba classes and had submitted a waiver of fee request to the District's General Manager. Director Logan asked Ms. Miller about the annual "Pumpkin Patch" event coordinated by the OA. Ms. Patrick confirmed that a request had been made to the District relating to the Pumpkin Patch event and advocated for limited use of the pavilion for Zumba.

Director Roberts stated that the Board would next consider the consent items: (i) minutes of the July 22, 2020 regular meeting and July 29, August 5, and August 12, 2020 special meetings (collectively, the "Minutes"); and (ii) proposal from McCall Gibson Swedlund Barfoot PLLC for audit services for fiscal year ending September 30, 2020 attached as **Exhibit "B"**. After discussion, upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to approve the Minutes and proposal. Mr. Abbott then referred the Board to the questionnaire relating to fraud included in the audit proposal and encouraged the Directors to contact Ms. Martin, as necessary. Ms. Martin then briefly reviewed the proposal for audit services with the Board.

Director Roberts then stated that the Board would next consider the election-related items on the Board's supplemental meeting agenda. Mr. Abbott reviewed the Amendment to Order Calling Director Election for November 3, 2020 attached as **Exhibit "C"**. After discussion, upon motion by Director Logan and second by Director Horak, the Board voted unanimously to approve the Amendment to Order Calling Director Election for November 3, 2020.

Director Roberts then stated that the Board would next consider the emergency coronavirus preparedness and protocols, including: (a) reopening of certain District facilities and related health and safety restrictions for use of such facilities; (b) recreation activity and related matters; (c) utility operations and related matters; and (d) authorizing General Manager to take further action in response to evolving conditions. Ms. Smith stated that the District's pools are still operating at 25% of total capacity and that the Luther Chance Practice Fields are open and limited to 10 individuals at a time. She stated that all individuals utilizing the Luther Chance Practice Fields need to wear masks and practice social distancing. Ms. Smith noted that the tennis and volleyball courts were open and but that the Jumano Community Center and Walker House were still closed. She further stated that the pavilion in Tumlinson Park was still closed. Ms. Smith added that all playground equipment was still closed and noted that this was also the case at all Williamson County parks. She also noted that the District's basketball courts, water fountains, and public restrooms were still closed. **Director Roberts asked Ms. Smith if the "dog water fountain" could be turned on and operate independently from the other District water fountains. Ms. Smith stated that she would investigate and confirm.**

Ms. Smith then stated that she had received a request for use of the pavilion and fee waiver from the OA for Zumba classes. Director Roberts asked Ms. Patrick about what sort of

standards would be used during Zumba classes. Ms. Patrick confirmed that masks would be required and that social distancing protocols would be followed. Ms. Horak stated that the OA had typically collected liability waivers from participants in the past for certain events. Upon question from Director Roberts, Ms. Smith recommended that the OA's request for use of the pavilion and fee waiver for Zumba classes be approved, so long as masks are worn by all participants and social distancing practices are utilized ("Coronavirus Conditions"). After discussion, upon motion by Director Logan and second by Director Horak, the Board voted 4-1, with Director Bennett voting "no", to conditionally approve the OA's request for use of the pavilion and waiver of fees for Zumba, subject to the Coronavirus Conditions and any other regulatory considerations that are applicable at the time of use.

Ms. Smith then confirmed that she received a facilities request and waiver of fees relating to the OA's Pumpkin Patch event. She stated that the event would be held on Fridays, Saturday, and Sundays for the first three weekends of October. Ms. Smith further stated that it would be important to recognize social distancing standards when conducting the event and recommended having hand sanitizer available to all participants. Director Logan then discussed plans for the event, including that masks and hand sanitizer would be available. She stressed that safety would be a priority for the event. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted 4-1, with Director Bennett voting "no", to approve the OA's request for use of District facilities and fee waiver for the Pumpkin Patch event.

Director Roberts then asked Ms. Miller whether the OA had organized the annual "shredding day". Mr. Miller confirmed that the event was being planned for October and that the OA would likely submit a formal request for the event soon. **Director Roberts directed Mr. Abbott to include the request on the agenda for the Board of Directors regular September meeting.**

Ms. Smith then stated that she had received a request from Leander Independent School District ("LISD") regarding scheduling practices and swim meets at Apache Pool pursuant to its contract with the District. She stated that LISD expressed a preference for starting its season on September 8, 2020 and that they had yet to define when the season would end. Ms. Smith confirmed that the pool would be used each weekday from 7 a.m. to 9 a.m. She noted that the District is responsible for providing cleaning supplies pursuant to the contract and that the current maximum capacity at Apache Pool is 34 people. Director Bennett requested that Mr. Davis provide feedback to the Board. Mr. Davis stated that he was happy to participate in a plan to accommodate LISD and that designing a system to work with the maximum capacity limitation would need to be developed. Director Logan stated that she would like for the Pools Subcommittee to be involved. Ms. Smith stated she was concerned about procuring the proper supplies and ensuring that maximum capacity numbers are followed. **The Board then directed Ms. Smith, the Pools Subcommittee, Mr. Davis, and Mr. Abbott to work with LISD to address the concerns of the Board regarding use of the pool during the current term of LISD's contract with the District, including establishing a practice schedule.**

Director Roberts then stated that the Board would discuss disc golf. She stated that she had met with residents to evaluate parkland in the District for future use as a disc golf course, including land in Jumano Park. She recommended working with a subcommittee of residents to assist in formulating prudent policy to bring back disc golf to the District. Director Bennett advocated for working with residents of the District to implement a microcourse and/or temporary disc golf option in either Tonkawa or Jumano Park. Director Logan stated that she was in favor of working with a resident committee but noted that she was not in favor of limiting

the location to Tonkawa Park. She stated that Comanche Park should still be included in the discussion for disc golf in the District. Director Bennett stated there have been too many safety issues implicated in Comanche Park and, thus, he was not in favor of exploring any additional options for disc golf in Comanche Park. Director Horak then asked Director Logan what safety measures could be undertaken at Comanche Park to make the park safe for disc golf. Director Logan stated that the HouckDesigns report provided guidance for improving the existing holes at Comanche Park. She further noted that modifications could quickly be made in Comanche Park. Director Koenig noted that Comanche Park was not a particularly large park and questioned whether the existing course could be credibly modified. He stated that there would be thorough consideration regarding a new disc golf location and that safety would be the primary consideration. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted 4-1, with Director Logan voting “no”, to approve Director Bennett and Director Koenig working with Mr. Young and other residents of the District to evaluate a location for a disc golf micro course and to install temporary disc golf baskets in the District for immediate use.

Director Roberts next stated that the Board would receive a report from the WCSO and recognized Sgt. Kelley. Sgt. Kelley stated that the WCSO had been diligent about suspicious vehicles in the District as a result of an increase in car burglaries in Williamson County. He briefly discussed issues relating to citations issued for failure to wear a mask during the COVID pandemic. Sgt. Kelley noted that the County Attorney’s Office ultimately has discretion on whether or not to press charges relating to such citations.

Director Roberts then stated that the Board would receive a report from Pinnacle and discuss restrictive covenant enforcement, including pending or contemplated litigation. Ms. Killian addressed the property on Kathleen Cove that had recently experienced a fire. She noted that that the home had been sold after the fire and that Pinnacle had corresponded with the new owner regarding the existing restrictive covenant violations. **Director Roberts directed Ms. Killian to provide updates to Ms. Smith regarding the situation.** Ms. Killian then stated that she had been working with A&B regarding pending or contemplated litigation on several properties, including a property on Gabriel Mills Drive.

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 “D”** and the supplemental check register attached as **Exhibit “E”**. She reviewed the District’s investments and budget comparison and recent bills and invoices listed in her report, and requested approval of three fund transfers. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve payment of the bills and invoices and the fund transfers.

Director Roberts then stated that the Board would next discuss the pool operations, maintenance, repairs and management, including: (a) report from Pools Subcommittee; and (b) report from and directives to Lifeguard 4 Hire, L.L.C. (“L4H”). Mr. Davis stated that the updated pool schedule had been posted on the District website and noted that operations had been going smoothly. Director Roberts complimented Mr. Davis for L4H’s recent operation of the pools. Mr. Davis then noted that L4H had been working with Williamson County regarding the permitting of the District’s pools. He stated that he had been working with Ms. Smith to get “9-1-1 phones” installed at the pools in order to comply with the requirements of Williamson County.

Director Roberts stated that the Board would next discuss landscaping in the District and noted that Priority’s report, attached as **Exhibit “F”**, had been included in the electronic

meeting packet provided to the Board. Ms. Smith reviewed Priority's report and a proposal for mowing of an easement off Chardonnay Crossing (Estimate #3651) attached as **Exhibit "G"**. After discussion, upon motion by Director Koenig and second by Director Logan, the Board voted unanimously to approve Estimate #3651. Ms. Smith stated that the work performed pursuant to the approved estimate should be added into Priority's contract for regular maintenance when it is renewed.

Director Roberts then stated that the Board would discuss District operations, including: (a) report from and directives to Crossroads Utility Services, LLC; (b) system maintenance and repairs; and (c) write-offs, and recognized Ms. Torres, who presented the report attached as **Exhibit "H"**. Ms. Torres stated that water loss for the previous month had been 7.64% and presented five write-offs for consideration. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve the write-offs as presented.

Ms. Torres then discussed the District's delinquency and late fee policies for utility bills and reminded the Board that Crossroads had been sending "nice" letters to remind customers of any past due amounts. She stated that the City of Cedar Park had recently resumed normal delinquency and late fee policies. Director Horak then inquired about the current past due balances for the District. Mr. Hunt stated that there were significant past due balances for the District included in the Crossroads report. He noted that that "30 day" past dues were close to historical averages, but that "60 day" and "90 day" past due balances were higher than the historical averages. Mr. Hunt then stated that if typical delinquency policies were not reinstated soon, he would recommend waiting until January 1, 2021 before implementing any policy changes. He then stated that different cities had been taking different approaches to resuming normal policies. Mr. Hunt posited that it would take "several months" to collect the existing past due amounts. Director Logan stated that she was opposed to charging penalties. Director Horak stated she would like to see additional data that reflects what percentage of residents are past due on their utility bills. She further stated that additional communication may assist in getting customers transitioned to payment plans sooner as opposed to later and, thus, would avoid additional hardship. Director Horak noted that it was important to facilitate communication regarding payment options. Mr. Hunt confirmed that Crossroads has a hardship application on its website. Director Logan stated that it was important to understand all the facts of individual cases before making decisions on individual accounts. **The Board directed Crossroads to provide additional data relating to the past due accounts and expressed an intent to discuss further at the regular meeting of the Board of Directors in September.**

Mr. Hunt then stated that a credit card processing error had recently occurred involving Crossroads and District utility customers. He stated that accounts were accidentally duplicated in an account list which led to multiple charges for nine District accounts and resulted in a few overdrafts. Mr. Hunt stated that the error was diagnosed quickly and that the charges were expeditiously reversed. He stated that he had personally corresponded with each customer and provided a gift card to each affected party in consideration of the error.

Director Roberts stated that the Board would next discuss general management items, and recognized Ms. Smith. Ms. Smith stated that she had received a request for use of the pavilion from citizens who had previously served on the park steering committee, along with a fee waiver request. Director Logan asked Mr. Abbott if the waiver of fee was proper, given the District's responsibility to stay neutral on all matters relating to the Park Bonds. Mr. Abbott recounted the advice provided by Carol Polumbo, the District's bound counsel, regarding the District's inability to advocate for the bonds and also stated that COVID concerns may be

applicable to the proposed gathering. Ms. Smith stated that social distancing policies would be required and all individuals would be required to wear masks. Director Logan stated that it would be impossible for the District to monitor the communication of the park steering committee during such an event and Mr. Abbott agreed. **Director Roberts directed Ms. Smith to communicate the Board's concerns to the citizens who had served on the park steering committee.** Ms. Smith then reviewed the proposed District letterhead with the Board. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted unanimously to proceed with the proposed letterhead No. 3, attached as **Exhibit "I"**.

Ms. Smith stated that the District had all necessary rights to properly host, operate, and maintain the District's website. She noted that she had requested a proposal and scope of services for website hosting and IT services going forward. Upon question from Mr. Abbott, Ms. Smith stated that certain functions relating to the website had been undertaken by Crossroads at the conclusion of the Pinnacle IT contract. She noted that Crossroads would be able to determine the amount of IT support that would eventually be needed from the third party IT consultant. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted unanimously to approve the billing of IT expenditures through Crossroads until a professional services agreement has been executed with a third party IT provider. Ms. Smith then confirmed that Microsoft 365 email had been set up for all directors and should be rolled out soon via email.

Director Roberts stated that the Board would next discuss the Storm Water Management Program ("SWMP") under TPDES General Permit TXR040000. Director Bennett stated that he was working with Director Horak to establish a scope of necessary maintenance of District storm water channels that he expected to present to the Board soon.

Director Roberts then stated that consideration of the Crossroads General Management Services Agreement would be considered at the special meeting of the Board of Director's on September 9, 2020.

Director Roberts stated that the Board would next receive the attorney's report and recognized Mr. Abbott. Mr. Abbott reviewed the Attorney directives and noted that they were all complete.

Director Roberts then stated that the Board would next review Pinnacle Texas Management Services. Director Bennett stated that the term of the Pinnacle contract expires at the end of September and he wanted to ensure that all of the Board Members were aware that the term was concluding.

Director Roberts stated the Board would review the meeting notes attached as **Exhibit "J"**. Director Horak reviewed the notes and confirmed that all actions were properly noted.

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

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[SIGNATURE PAGE TO AUGUST 26, 2020 MINUTES]

(SEAL)

Rayan Horak, Secretary
Board of Directors

Date: _____