

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

June 24, 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 June 24, 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. Certain Members of the Board participated in the telephone conference at 2600 Block House Drive South, Leander, 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 and Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Lieutenant T.A. Lowthrop of the Williamson County Sheriff's Office ("WCSO"); Tanya Emmons of Pinnacle Texas Management, LLC ("Pinnacle"); Tripp Hamby of Priority Landscapes ("Priority"); David Johnson, Rob Milani, and Amanda Stanfield of the Block House Creek Swim Team ("Tidal Waves"); Lu Ann Miller of the Block House Creek Owners Association (the "OA"); Carol Polumbo of McCall Parkhurst & Horton, LLP; David Gray of Gray Engineering; Linda Hubble of Public Finance Group LLC; Jim and Nancy Dillon of Texas Trades; Robert Young and Stuart McMullen, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:35 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. 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, November, and December 2019 and February 2020 meetings of the Board of Directors on what he perceived to be monies owed under Texas Trades Invoice No. 284. Mr. Dillon stated that he was short paid and did not agree with why the invoice was short paid, but acknowledged that he had executed a Contractor's Affidavit that confirmed he had been properly and finally compensated for all of the work Texas Trades had undertaken on behalf of the District. Director Roberts stated that the District's attorney had sent a letter to Mr. Dillon that stated the District's position on his comments and

served as a response to all of his inquiries. Mr. McMullen stated that he had attempted to utilize the District's tennis courts and was unable to gain entry. Director Roberts stated that an "electronic door fob" was necessary to gain entrance to the courts and instructed Mr. McMullen on how to obtain a fob.

Director Roberts then stated that the Board would receive the OA report. Ms. Miller stated that the OA had conducted its monthly meeting via Zoom and that residents had joined the meeting. She also stated the OA was working with Jason's Deli to hold a "neighborhood night" and that no delivery fees would be charged to District residents on Friday, June 26, 2020.

Director Roberts stated that the Board would next consider the consent items: (i) minutes of the May 27, 2020 regular Board meeting (the "Minutes"); and (ii) Amendment No. 2 to Pool Use Agreement with Block House Creek Swim Team (Tidal Waves) (the "Amendment") attached as **Exhibit "B"**. After discussion, upon motion by Director Bennett and second by Director Horak, the Board voted unanimously to approve the Minutes and Amendment.

Director Roberts stated that the Board would next receive a report from the Park Improvements Steering Committee, including: (i) Bond Proposal Package 1 – Parks & Trails; and (ii) Bond Proposal Package 2 – Fence Replacement (the "Proposals"), attached as **Exhibits "C" and "D"**, respectively. Mr. McMullen stated that the steering committee had met on several occasions and eventually narrowed its list to the items included on the Proposals, noting that there was a "park and trail" package and a "fence" package. He then stated that he appreciated that the Board was cognizant of the upcoming election deadlines. Director Roberts thanked Mr. McMullen and the rest of the steering committee for their efforts in assembling the Proposals.

Director Roberts then requested that Ms. Hubble provide an update on financial considerations relating to the issuance of park bonds. Ms. Hubble stated that Public Finance Group LLC had run financial projections in December 2019 and noted that early estimates from the Williamson Central Appraisal District suggested that the overall assessed value of the District would decrease in 2020. She stated that the District could likely consider the issuance of a \$6,500,000 park bond. Ms. Hubble then stated that, given current projections, the issuance of a \$6,500,000 park bond would likely extend the District's debt service payments for an additional five years. Director Roberts asked Ms. Hubble whether the District could levy the same tax rate, given the projected drop in assessed value. Ms. Hubble confirmed that the District should be able to levy the same tax rate in 2020, even with the reduced assessed value.

Director Roberts then asked Ms. Polumbo whether it was prudent to call a park bond election for the November 2020 election. Ms. Polumbo stated that there were pros and cons to a November 2020 election, noting that presidential elections often result in higher voter turnout and that predicting elections in presidential years cannot be done with certainty. She also stated that predicting May elections can be just as challenging, depending on how many jurisdictions have called bond elections. Ms. Polumbo further stated that, while interest rates are low, that should not be the driving force for consideration in calling a bond election. She concluded by reiterating that predicting elections results, regardless of whether an election is held in May or November, is difficult and that each uniform election date has both pluses and minuses.

Director Roberts then requested that Mr. Gray provide an update on the current status of the District's Park Plan, including the construction costs contained therein. Mr. Gray stated that he had been working with the steering committee in estimating the costs contained in the Proposals. He noted that construction costs in the Austin area have risen in the past few years and will likely continue to do so. Mr. Gray further noted that most contractors are extremely

busy and, as a result, will “bid up” projects to project higher profit margins. He also noted that fuel, labor, and soft costs were all up from a comparative perspective.

Director Roberts stated that the Board would next review the schedule of events, including election schedule, and opened up the discussion of the park bond election to the Board. Director Bennett stated that he was concerned about the assessed value of the District dropping and opined that a failure to undertake improvement projects, such as those contained in the Proposals, could further cause the assessed value of the District to drop. He further noted that there will always be financial burdens on the District. Director Roberts then asked Ms. Hubble to confirm that, if a park bond proposition was approved, the Board would have discretion to decide when to issue the bonds and that the bonds could be issued in tranches. Ms. Hubble confirmed that the Board would have discretion as to when the bonds would be issued and that the bonds could be issued in tranches. Director Logan asked Ms. Polumbo to explain what sort of flexibility the Board would have regarding what the bonds could be issued for. Ms. Polumbo explained that any educational materials or communication issued by the Board could affect what the bonds could be issued for, as well as the specific wording of the bond proposition considered by the voters. She also noted that bond propositions are generally drafted to provide some flexibility to issuers for projects that are financed by bonds.

After discussion, upon a motion by Director Horak and second by Director Bennett, the Board voted unanimously to approve the Addendum to Engagement Letter with McCall Parkhurst & Horton, LLP, attached as **Exhibit “E”**. **The Board directed Mr. Abbott to include all necessary items on the agenda for the Board’s regular meeting in July to consider calling a park bond election in November. The Board then directed Mr. Gray to update the District’s Park Plan to include the Proposals and to have a final draft in place by July 6, 2020 for the Board’s consideration at its regular July meeting.**

Director Roberts stated that the Board would next discuss the 2020/2021 budget and 2020 tax rate, including (i) preliminary assessed values from Williamson Central Appraisal District; and (ii) schedule for adopting the 2020/2021 budget and setting the 2020 tax rate, attached as **Exhibit “F”**. She noted that the Board had already discussed the preliminary assessed values in its deliberation relating to the Proposals. Director Logan stated that having flexibility relating to the schedule for adopting the 2020 budget and tax rate would be optimal. Director Roberts confirmed that the contemplated schedule provided flexibility and could be amended as they moved forward, as necessary. Upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to adopt the proposed schedule for adopting the 2020/2021 budget and setting the 2020 tax rate.

Director Roberts then stated that the Board would discuss the emergency coronavirus preparedness and protocols (“*Coronavirus Protocols*”), including: (i) reopening of certain District facilities and related health and safety restrictions for use of such facilities; (ii) recreation activity and related matters; (iii) utility operations and related matters; and (iv) authorizing General Manager to take further action in response to evolving conditions, and recognized Ms. Smith. Ms. Smith stated that she did not recommend opening any District facilities that were currently closed. She noted that most jurisdictions still have not opened basketball courts or playgrounds. Ms. Smith then noted that, because proper disinfection could not be ensured, she could not recommend reopening the Jumano Community Center or the Walker House. The Board briefly discussed reopening the playground and decided that the playgrounds should remain closed. Mr. Abbott reported that American Fireworks had obtained all necessary approvals and permits to put on the July 4th fireworks display. Director Roberts confirmed that the District would not be holding an official event in conjunction with

the display. Director Logan confirmed that the Communications Subcommittee had undertaken communication relating to the fireworks display.

Director Roberts then stated that the Board would receive a report from Pinnacle and discuss restrictive covenant enforcement, including 609 Gabriel Mills Drive, and referred the Board to her report and the supplemental materials distributed in advance of the meeting, all attached as **Exhibit G**". Ms. Emmons addressed the property at 609 Gabriel Mills Drive and stated that several documented violations of restrictive covenants had been referred to A&B for further enforcement. She also noted that several violations at the property had been addressed. Ms. Emmons added that she expected a letter to be sent to the property relating to the outstanding violations by Friday, June, 26, 2020.

Director Roberts then inquired with Ms. Emmons about a bus that had been parked on Block House Drive. Ms. Emmons confirmed she was aware of the bus and that Pinnacle had reason to believe that the owner of the bus was not a District resident. She noted that the bus had been legally parked during the time it had been in the District, so there were no violations for WCSO to enforce. Ms. Emmons confirmed, however, that continuing to park the bus within the subdivision did violate deed restrictions. Unfortunately, despite due diligence, Pinnacle could not determine which resident in the District the owner of the bus was visiting. Ms. Smith confirmed that she had conducted due diligence and determined the name and address of the owner of the bus in Arizona. **Director Roberts directed Pinnacle to send a letter to the owner in Arizona to detail the deed restrictions that had been violated.**

Director Roberts stated that the Board would next discuss the Media and Website Services Agreement, including the 60 day written notice of termination received from Pinnacle Texas Management, LLC d/b/a Pinnacle Texas Management Services, LLC, attached as **Exhibit "H"**. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted unanimously to accept Pinnacle's notice of termination. **The Board directed Pinnacle and Ms. Smith to work together to ensure a smooth transition of the hosting of the District's website. The Board directed Ms. Smith to take any actions necessary relating to the temporary hosting of the website and to present options to the Board at its regular July meeting regarding hosting of the website going forward. Director Logan requested that the Communications Subcommittee be included on all communications relating to the change in hosting of the District's website.**

Director Roberts stated that the Board would next receive the bookkeeper's report and recognized Ms. Kolmodin. Ms. Kolmodin presented the check registers attached as **Exhibit "I"** and the supplemental check register attached as **Exhibit "J"**. She reviewed the District's investments and budget comparison, and requested approval of three fund transfers. Ms. Kolmodin stated that she had received an invoice from HouckDesign and was working with them on a request for the payment to be sent to a different address than noted on the invoice. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve payment of the bills and invoices, and the fund transfers, as presented.

Director Roberts stated that the Board would next discuss pool operations, maintenance, repairs, and management, including a report from the Pools Subcommittee. Ms. Smith provided an update to the Board on pool operations, noting that the opening of the pools had been relatively smooth. She stated that she had recently heard from Williamson County Health District regarding their pending pool permits and that she expected the matter to be finalized soon. Director Logan noted that, pursuant to recent proclamations of Governor Abbott, the

pools could now be opened up to 50% of their allowed capacities. She stated, however, that the Pools Subcommittee and Lifeguard Hire felt comfortable keeping pool capacities at 25%. Director Logan added that Tumlinson Pool had reached capacity a couple of times, but that there had not been long lines to get into the pools. She also noted that most District residents had respectfully kept their pool visits to 90 minutes or less. Director Logan then stated that other pools had implemented a reservation system and that she was open to exploring such a possibility for the District's pools. Director Roberts stated that she had received an email from a resident questioning the rules in place relating to utilizing the slide facilities at Tumlinson Pool. Director Logan confirmed that the "slide rules" had been implemented based upon the recommendation of the manufacturer of the slide. Director Roberts suggested that it might be beneficial to communicate the genesis of the rule to ensure transparency and fairness.

Director Roberts then stated that the Board would consider the renewal of the Pool Use Agreement with Block House Creek Swim Team (Tidal Waves) (the "*Agreement*"), including requested revisions from Tidal Waves attached as **Exhibit "K"**. Director Roberts asked Mr. Johnson how many Tidal Waves participants were not District residents. Mr. Johnson stated that there were 82 swimmers who were not District residents ("*non-resident swimmer*"), and 46 swimmers who were District residents ("*District resident swimmers*"). Mr. Johnson confirmed that Tidal Waves was requesting a lower participation fee for non-resident swimmers. He stated that the non-resident swimmer fee had been intended to fund master swim classes for District residents and that the District did not seem to be spending all of said fees collected for that purpose. Director Logan moved approval of the suggested revisions to the Agreement as requested by Tidal Waves. Director Horak seconded the motion. Director Koenig stated that he was not in favor of a five year term for the Agreement. Director Bennett stated that he agreed. Director Horak asked about the ratio of non-resident swimmers to District resident swimmers and whether the current ratio was reflective of the historical norms. Mr. Johnson stated that the current ratio was consistent with recent history. Director Roberts stated that, as a Director of the District, she felt a duty to protect the residents of the District, and desired for more Tidal Waves participants to be District residents. Director Horak asked Mr. Johnson to confirm that the reason they were asking for a lower non-resident swimmer fee was because the fee was not being used to fund the master swim class for District residents. Mr. Johnson confirmed that was the case. Director Logan pointed out that there had been instances where Tidal Waves participants had initially been District residents, but then moved and were permitted to stay on the team. She stated that Tidal Waves was an important part of Block House MUD. Director Logan then amended her motion to state that the terms of the Agreement would stay the same, except that the proposed term would be three years, the non-resident swimmer fee would be reduced to \$25 per swimmer, and that a COVID-19 force majeure clause would be inserted into the Agreement. After further discussion, the Board voted 3-2 to approve the amended motion, with Director Horak and Director Roberts voting "no". Director Roberts then stated that she supported Tidal Waves, but that she does not support the lower non-resident swimmer fee. Director Logan stated that it was important for the District to support Tidal Waves and opined that other municipal utility districts in the area provided similar, if not more, support to their respective swim teams. **The Board then directed Mr. Abbott to finalize the Agreement for ratification by the Board as a consent item at its regular July meeting.**

Director Roberts stated that the Board would next discuss landscaping in the District, and noted that Priority's report, attached as **Exhibit "L"**, had been included in the electronic meeting packet provided to the Board. Ms. Smith reviewed Priority's report and noted that she had removed an item proposed to be included on the agenda relating to plants near the pools. **Director Horak requested that, in the future, Ms. Smith notify the relevant subcommittee if agenda items are going to be removed from an agenda.**

Director Roberts then stated that the Board would receive the operations report and recognized Ms. Torres, who presented the report attached as **Exhibit “M”**. Ms. Torres stated that she had write-offs included in her report for a total of \$249.42. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to approve the write-offs as presented. Ms. Torres stated that water loss for the previous month had been 6.99%. She reported that flyers for the District’s storm water program would be distributed to District residents on July 14, 2020. She noted that twelve welcome packets had been distributed to new District residents in the past month. Ms. Torres stated that a resident had inquired about being reimbursed for a plumbing repair that was undertaken on District equipment. She confirmed that she would include the invoice for the plumbing repair in her report for the regular meeting of the Board of Directors in July.

Ms. Torres then stated that she had just been made aware of a problem with one of the fire hydrants in the District. She reported that the fire hydrant was not operational, due to the lack of an isolation valve, and would present a significant health and safety issue if not repaired as soon as possible. After discussion, upon motion by Director Bennett and second by Director Logan, on the recommendation of Ms. Torres, the Board authorized repairs of up to \$25,000 on the fire hydrant, subject to the review and approval of such expenditures by the Maintenance and Engineering Subcommittee.

Director Roberts then inquired of Ms. Torres about the City of Leander wastewater easements, including possible Municipal Separate Storm Sewer System issues requiring action. Ms. Torres stated that she continued to contact the City of Leander and, unfortunately, had not gotten any sort of response. **Director Roberts then directed Mr. Abbott to locate the documents relating to the easement and to work with Crossroads regarding the pending issues relating to the Municipal Separate Storm Sewer System issues.**

Director Roberts stated that the Board would next discuss general management items and recognized Ms. Smith. Ms. Smith reviewed her report attached as **Exhibit “N”**, with the Board. She stated that an informal poll had been conducted with District residents regarding District logo and branding options and that “Design 2”, depicting a cattail, had won the informal poll. Upon motion by Director Bennett and second by Director Koenig, the Board voted 4-1, with Director Logan voting “no”, to move forward with Design 2 (the cattail) as the District’s logo. **The Board then directed Ms. Smith to move forward with the acquisition of all necessary Microsoft 365 licenses needed for the District.** Ms. Smith then stated that the laptop at Tumlinson Pool had failed and needed to be replaced. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted unanimously to authorize the purchase of new desktop computers for Tumlinson and Apache Pool.

Director Roberts stated that the Board would next receive a report from Texas Disposal Systems, Inc. (“*TDS*”) attached as **Exhibit “O”**. Ms. Smith reviewed the report and noted that the Community Clean-Up Day at Jumano Park would occur on June 27, 2020.

Director Roberts then stated that the Board would discuss District parks and facilities, including disc golf. She stated that she had reviewed the report from HouckDesign and noted that the report cited safety issues throughout the disc golf course and suggested that a town hall meeting should be scheduled to discuss disc golf issues with community stakeholders. Mr. Abbott reviewed the report from HouckDesign and stated that he had spoken with representatives from HouckDesign regarding costs associated with the redesign options noted in the report. He stated that HouckDesign could assist with a “Micro Disc” golf course for approximately \$9,000. This would cover the cost of signage and design relating to the Micro Disc golf course. Mr. Abbott then reviewed HouckDesign’s second redesign option, the

construction of a new disc golf course in the District. He stated that, including design and site visits by HouckDesign, a new 9-hole course would cost approximately \$20,000, not including any construction costs. Director Roberts stated her concerns about risks with the existing course and questioned whether the current course should be completely shut down. Director Logan stated that she liked the idea of a Micro Disc golf course and the consideration of a new course in Jumano Park. She also stated that she supported closing the remainder of the current course and conducting a town hall meeting with community stakeholders to encourage public engagement.

Director Horak left the meeting.

Director Bennett then discussed the ability of the Board to conduct an in-person meeting where citizens could attend. He stated that it would be important for District residents to visit the portions of Jumano Park that might be utilized for a new disc golf course. Director Logan stated it was important for the Board to be inclusive of all affected groups and individuals. Director Roberts suggested a “Zoom” or a “Microsoft Teams” video conferencing meeting. After discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted 3-1, with Director Logan voting “no”, to close down all holes of the existing disc golf course. Director Bennett then agreed to assemble maps to be distributed to interested parties depicting where a newly designed golf course could be located in the District. Upon motion by Director Koenig and second by Director Logan, the Board voted 4-0 to hold a special meeting on July 29, 2020 relating to disc golf.

Director Roberts stated that the Board would next discuss the request from a District resident to purchase a portion of District-owned greenbelt adjacent to his property. Mr. Abbott noted that in order for the portion of land to be sold, the lot would need to be surveyed, re-platted, and declared surplus property. He also noted that the land was in proximity to other property that had been reserved as park land by the District and that stormwater considerations may also affect any consideration relating to the sale of the land. There was no motion made relating to approve the sale of the land.

Director Roberts stated that the Board would next discuss the electronic meeting packet. Director Logan stated she understood the allure of the paper packet, but noted that there were both environmental and fiscal reasons for using electronic meeting packets. She requested the Board consider such reasons when deciding whether to use paper or electronic meeting packets in the future.

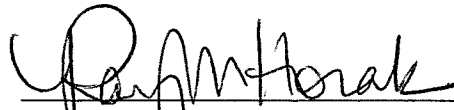
Director Roberts stated the Board would review the meeting notes attached as **Exhibit “P”**. Mr. Abbott reviewed the notes and confirmed that all actions were properly noted.

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

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[SIGNATURE PAGE TO JUNE 24, 2020 MINUTES]



Ryan Horak, Secretary
Board of Directors

Date: 7-22-20