

ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

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DENISE L. MOTAL
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MEMORANDUM

TO: Board of Directors -
Block House Municipal Utility District

FROM: Denise L. Motal
Legal Assistant

DATE: August 12, 2021

RE: Block House Municipal Utility District -
August 18, 2021 Special Meeting

Enclosed please find the agenda and support materials for the **telephone conference special meeting** of the Board of Directors of Block House Municipal Utility District scheduled for **Wednesday, August 18, 2021, at 6:30 p.m.** **The dial-in information for the meeting is included on the meeting agenda.** Members of the Board of Directors may participate in the telephone conference at 2600 Block House Drive South, Leander, Texas. Members of the public are entitled to participate in and to address the Board of Directors during the meeting via telephone or at 2600 Block House Drive South, Leander, Texas, where standard health protocols published by Governor Greg Abbott relating to COVID-19, including social distancing, will be observed.

Please let me know if you cannot attend the telephone meeting so that I can confirm that a quorum will be present.

Please do not hesitate to contact me if you have any questions.

Jacquelyn Smith (Crossroads Utility Services, LLC)
Lisa Torres (Crossroads Utility Services, LLC)
Andrew Hunt (Crossroads Utility Services, LLC)*
Taylor Kolmodin (Municipal Accounts & Consulting, L.P.)
Mark Burton (Municipal Accounts & Consulting, L.P.)*
David Gray (Gray Engineering, Inc.)*
Cheryl Allen (Public Finance Group LLC)*
Carol Pumbo (McCall, Parkhurst & Horton L.L.P.)*
Tripp Hamby (Priority Landscapes, LLC)*
Charles Kelley (Williamson County Sheriff's Dept.)*

Jay Howard (Texas Disposal Systems, Inc.)*
Ja-Mar Prince (Texas Disposal Systems, Inc.)*
Barbara Graves (Texas Disposal Systems, Inc.)*
Chris Swedlund (McCall Gibson Swedlund Barfoot PLLC)*
Brian Toldan (McCall Gibson Swedlund Barfoot PLLC)*
Jan Gibson (McCall Gibson Swedlund Barfoot PLLC)*
Ashlee Martin (McCall Gibson Swedlund Barfoot PLLC)*
Tom Davis (Lifeguard 4 Hire, L.L.C.)*
Sandy Martin (BHC Owners Association)*
David Johnson (Tidal Waves Swim Team)*

*AGENDA ONLY (via email)

BLOCK HOUSE MUNICIPAL UTILITY DISTRICT

August 18, 2021

TO: THE BOARD OF DIRECTORS OF BLOCK HOUSE MUNICIPAL UTILITY DISTRICT AND ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Block House Municipal Utility District will hold a special meeting at **6:30 p.m. on Wednesday, August 18, 2021.**

THIS MEETING WILL BE HELD VIA TELEPHONE CONFERENCE CALL PURSUANT TO SECTION 551.125, TEXAS GOVERNMENT CODE, AS MODIFIED TEMPORARILY BY GOVERNOR GREG ABBOTT, AND THE RELATED GUIDANCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL, IN CONNECTION WITH THE GOVERNOR'S COVID-19 DISASTER PROCLAMATION. MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE TELEPHONE CONFERENCE AT 2600 BLOCK HOUSE DRIVE SOUTH, LEANDER, TEXAS.

MEMBERS OF THE PUBLIC ARE ENTITLED TO PARTICIPATE IN AND TO ADDRESS THE BOARD OF DIRECTORS DURING THE MEETING VIA TELEPHONE OR AT 2600 BLOCK HOUSE DRIVE SOUTH, LEANDER, TEXAS, WHERE STANDARD HEALTH PROTOCOLS PUBLISHED BY GOVERNOR GREG ABBOTT RELATING TO COVID-19, INCLUDING SOCIAL DISTANCING, WILL BE OBSERVED. THE TOLL-FREE DIAL IN NUMBER FOR THE MEETING IS 1-888-510-5505, AND THE PARTICIPANT CODE IS 199914. PLEASE FOLLOW THE INSTRUCTIONS PROVIDED BY THE SYSTEM TO ACCESS THE MEETING.

AN ELECTRONIC AGENDA PACKET FOR THE MEETING IS AVAILABLE AT THE FOLLOWING LINK:

<https://abaustin.sharefile.com/share/view/sd538f44a2d14aa28/fo095c57-73f7-4955-ba1c-c1ea257bde61>

THIS MEETING WILL BE RECORDED AND, FOLLOWING THE MEETING, THE RECORDING WILL BE MADE AVAILABLE AT THE SAME LINK SPECIFIED ABOVE.

ANYONE SPEAKING DURING THE MEETING SHOULD IDENTIFY THEMSELVES CLEARLY PRIOR TO SPEAKING.

The following matters may be considered and acted upon at the meeting:

Note: Matters on which Board action is anticipated are noted as "Decision". Matters on which Board action is not anticipated are noted as "Informational". Such notations are intended as a guide to facilitate the conduct of the meeting based on information available at the time that this agenda was finalized and are not binding. The Board reserves the right to take action on any of the following matters.

<u>AGENDA</u>	<u>ANTICIPATED ACTION</u>
GENERAL	
1. Citizens' communications;	Informational

DISCUSSION / ACTION ITEMS		
2.	Consent to representation for request for Temporary Access Easements to Pedernales Electric Cooperative, Inc.;	Decision
3.	Proposal from Hitchcock Design Group for Parks Master Plan Update;	Decision
4.	2021/2022 budget and 2021 tax rate, including;	Informational
	(a) Work session on 2021/2022 budget;	Informational
	(b) Establish and take record vote on proposed 2021 tax rate;	Decision
	(c) Schedule public hearing at which adoption of 2021 tax rate will be considered;	Decision
	(d) Authorize publication of Water District Notice of Public Hearing on Tax Rate;	Decision
5.	Review of Meeting Notes;	Informational
6.	Future Board meetings/agenda items.	Informational

The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including receiving legal advice from the District’s attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices (Section 551.076); and discussing information technology security practices (Section 551.089). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.

(SEAL)



Emilie L. Hoff

Attorney for the District

Block House Municipal Utility District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Armbrust & Brown, PLLC at (512) 435-2300 for additional information. Hearing impaired or speech disabled persons equipped with telecommunications devices for the deaf may utilize the statewide Relay Texas program at (800) 735-2988.

ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

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JEFF HOBBS
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July 28, 2021

Pedernales Electric Cooperative, Inc.
Attn: Michael Butler, Corporate Counsel
P.O. Box 1
Johnson City, Texas 78636

Block House Municipal Utility District
Attn: Cecilia Roberts
100 Congress, Suite 1300
Austin, Texas 78701

RE: Consent to Representation for Request for Temporary Access Easements

Armbrust & Brown, PLLC (“Firm”) has been asked by Block House Municipal Utility District (“Block House”) to represent it in connection with the granting of two Temporary Access Easements (the “Easements”) to Pedernales Electric Cooperative, Inc. (“PEC”). As each of you know, the Firm has represented and continues to represent Block House and PEC with respect to other matters unrelated to the Easements.

With your understanding and consent, the Firm will be representing only Block House in connection with the Easements and will not be representing nor rendering any legal advice to PEC with respect to the Easements or any directly related matters.

We are mindful of The Rules of Professional Conduct of the Texas Bar, including Rules 1.06 and 1.07 of the Texas State Bar Rules of Professional Conduct, which governs the Firm’s proposed representation with respect to the Easements. We have considered the implications of the proposed representation and believe that the Firm can represent Block House with respect to the Easements consistent with Rules 1.06 and 1.07 provided Block House and PEC provide written consent after considering the matters disclosed in this letter.

There are potential conflicts of interest with this Firm representing Block House with respect to the Easements. The Firm will not be able to disclose to Block House any confidential information it has previously obtained or obtains in the future from PEC even if such information would otherwise be helpful to Block House. Similarly, the Firm will not be able to disclose to PEC any confidential information it has previously obtained or obtains in the future from Block House, even if such information would otherwise be helpful to PEC. That is a potential conflict of interest. In addition, Block House and PEC each have an additional risk if either party attempts to revoke or challenge the validity of this consent to representation and this Firm withdraws from representing Block House with respect to the Easements. In this instance, Block House may incur time delays and additional expense of engaging other legal representation for the Easements.

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ARMBRUST & BROWN, PLLC

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Finally, we advise that if any legal action arises between PEC and Block House in connection with the Easements, this Firm will not represent either PEC or Block House in such action.

I will not in any way be involved in the representation of Block House in connection with the Easements. Sean Abbott and/or another lawyer in the Firm will be handling that representation. In light of all of the foregoing, we believe that the Firm can represent Block House in connection with the Easements without adversely impacting the Firm's representation of either PEC or Block House on other pending or future matters. If you consent to our representation of Block House in connection with the Easements, please so indicate by signing this letter in the space provided below and return same to my attention. Each of you may have independent counsel review this letter before making a decision as to whether to consent to our representation, and contact us if there are any questions or concerns.

Very truly yours,

ARMBRUST & BROWN, PLLC

Jeff Hobbs

AGREED:

Block House Municipal Utility District

AGREED:

Pedernales Electric Cooperative, Inc.

By: Cecilia Roberts
President, Board of Directors

By: Michael Butler,
As its Corporate Counsel



August 03, 2021

Stuart McMullen
Director
Blockhouse MUD
2600 Blockhouse Drive
Leander, TX 78641

RE: Blockhouse MUD Parks Master Plan Update

Dear Stuart,

Thank you for asking Hitchcock Design Group to submit this proposal for the Blockhouse MUD Parks Master Plan Update project. We appreciate the opportunity to provide our professional services to you and Blockhouse MUD.

PROJECT UNDERSTANDING

Based on our discussions with you and the Blockhouse MUD Board of Directors and parks committee, we understand that Blockhouse MUD would like to update their districtwide parks masterplan that inventories existing parks, incorporates the adopted parks masterplan 01 prepared by Gray Engineering, and then prepares recommendations and concept design for current and future parks and open spaces within the District including associated costs and phasing strategy.

Parks Masterplan 01 includes the following approved park and trail improvements:

PARKS & TRAILS IMPROVEMENTS

Parks & Trails Improvements covers several enhancements to the parks and trails in the community. Descriptions of the projects are included below.

Preliminary Project Descriptions:

1. Tonkawa Park Restroom Facility: Construct a restroom facility in Tonkawa Park. This would be a new community feature.
2. Jumano Park Community Building Renovation:
 - a. Either significantly enhance or rebuild the community building to provide a better space for meetings and events. This would be an enhancement to a current feature.
 - b. Jumano Access Road: Widen and enhance the access road, including bridge, from Block House Dr. to the Jumano Community building. This would be an enhancement to a current feature.
3. Trail Improvements:
 - a. Linking Parks via Trail Enhancements: Upgrade/Add trails throughout the neighborhood to connect the parks where possible, enabling residents to use trails to get to any neighborhood facility. This is largely a new feature, though some paths do exist between some facilities.
 - b. Signage/Waypoints/Trail Markers: Add signage throughout the trail system to enhance the usability and experience of trails. This would be a new feature.
 - c. Low Water Crossings: Enable access to both sides of the creek and continue trail connections. Some areas have been identified but a full list would need to be created. This is an enhancement to a current feature.
4. Dog Park Facility: Identify location and construct a fenced dog park for resident use. This would be a new community feature.



August 3, 2021
Blockhouse MUD – Parks Master Plan Update
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SCOPE OF SERVICES

The following attached scope of services outline describes in detail the process that our team will engage the District to update the Districtwide Parks Master Plan, including all meetings and deliverables.

PROFESSIONAL FEES

Based on the Scope of Services, the fees to complete the Parks Master Plan update are as follows:

ANALYZE: Inventory and Analysis Phase:

ENVISION: Alternative and Preferred Strategies Phase

IMPLEMENT: Final Parks Master Plan Phase

Total: **\$20,600**

Reimbursable expenses (printing and mileage) will be invoiced in addition to the professional service fees. We recommend setting aside \$2,000 for these expenses.

PROJECT TEAM

I will manage our work locally in Austin Texas. Other members of our firm will participate as needed in order to advance the work in a timely way. If you find this proposal acceptable, we will forward our standard contract for your review and signature. We can begin work upon your authorization and anticipate completing our work within 12-16 weeks.

Thank you again for the opportunity to work with you and Blockhouse MUD. If you have any questions or wish to discuss this proposal further, please do not hesitate to call.

Sincerely,
Hitchcock Design Group

Trent Rush
Senior Principal



Scope of Services

Parks Master Plan Update
Blockhouse MUD

A. ANALYZE: Inventory and Analysis Phase

1. **[STAFF MEETING #1] Conduct Kickoff Meeting and Park & Facility Tour:**
 - a. **Kickoff Meeting:**
 - i. Team members and roles
 - ii. Goals for the Parks Master Plan
 - iii. Scope of Services and process
 - iv. Online engagement survey questions
 - v. Data needs
 - vi. Capital budget parameters
 - vii. Preliminary schedule
 - b. **Park and facility Tour:**
 - i. Conduct tours of key park and facility assets with Staff representatives
 - ii. Draw preliminary conclusions regarding development history and Staff preferences
2. **Collect and Assimilate Owner provided Data** provided by Staff including:
 - a. Digital Park Inventory matrix (if available)
 - b. Design drawings for existing buildings and parks
3. Inventory and analyze **Demographic Data** (current and projected) to determine resident age and household make-up trends.
4. Prepare **Comprehensive GIS Asset Map** of public land-assets and related information:
 - a. District land assets
 - b. School district land assets
 - c. HOA assets within the District
5. Conduct **Individual Park and Facility Visits**, including:
 - a. Document observations including:
 - i. Physical conditions
 - ii. Functionality and aesthetics
 - iii. Potential issues
 - b. Prepare inventory documentation
 - i. Amenity inventory matrix
 - ii. Representative photograph(s)
 - iii. Brief narrative documenting existing conditions and preliminary recommendations for improvement.
6. Prepare **Mapping and Analysis:**
 - a. **Park and Open Space Inventory Map** (1 map)
 - i. Owned or leased park and open space
 - ii. Other public open space
 - b. **Park Service Area Maps**, including mini parks, neighborhood parks, community parks, and overall with all 3 park-types combined (3 total maps)
 - i. Neighborhood park service area map uses ½ mile



- ii. Community park service area map uses 1 mile
 - iii. Parks or open space that are not classified as mini, neighborhood, or community are not counted on any of these maps for service areas, but will still be shown for context
 - iv. Graphic Service Area analysis
7. Conduct **Level of Service Benchmarking (against NRPA and TPWD standards and Park Metrics)**:
 - a. Park and Open Space Acreage
 - b. Park amenities type and quantity
8. **[STAFF MEETING #2] Meet with Staff** to review the **ANALYZE: Inventory and Analysis Phase** deliverables.

B. ENVISION: Alternative and Preferred Strategies Phase

1. **Develop Conceptual Design for Existing and Future Parks and Open Space Improvements** identifying capital projects that improve current or future parks and facility assets and define land-uses for future parks and open space. Deliverables include:
 - a. Diagrammatic plan view renderings
 - b. Representative photographs
2. **Develop Action Plan**
 - a. Develop **Capital Cost Estimates** for each Strategy, including:
 - i. Order-of-magnitude systems descriptions and estimated costs
 - ii. Phasing strategy
 - b. Create **15-Year Action Plan** outlining prioritized capital improvements, over time, consistent with probably capital expenditure
3. **[STAFF MEETING #3] Meet with Staff** to review the **ENVISION: Alternative and Preferred Strategies Phase** recommendations and deliverables.
4. **[BOARD MEETING #1] Conduct a Board Presentation** to review the **ENVISION: Alternative and Preferred Strategies Phase** recommendations and deliverables.

C. IMPLEMENT: Final Parks Master Plan Phase

1. Develop the draft **Parks Master Plan Update** deliverable by assembling all information from the planning process in a booklet format, including:
 - a. Executive summary (high points of process, references Action Plan)
 - b. Conceptual Designs
 - c. Action Plan
 - d. Support Information
 - i. Demographics analysis
 - ii. Online engagement summary
 - iii. GIS Asset Mapping and analysis
 - iv. Level of Service benchmarking
2. Forward digital copy for review, receive comments from Staff, and make **Final Revisions** to the Parks Master Plan deliverable.



3. Print and deliver **Hard Copies** of the Parks Master Plan to Staff, as requested (as a reimbursable expense), and/or digital copy of the plan (PDF/InDesign), GIS mapping and online community engagement survey results.

DEVELOPED DISTRICTS
UPDATED MEMORANDUM

To: Board of Directors – Block House Municipal Utility District
From: Armbrust & Brown, PLLC
Re: Schedule for Establishing District Tax Rate for 2021
Date: July 28, 2021

Before the Board adopts a 2021 tax rate, it is required to give notice of “*each meeting at which the adoption of the tax rate will be considered.*” The notice must be published at least once in a newspaper of general circulation in the District *at least seven days* before the date of the hearing or the notice may be mailed to each owner of taxable property within the District, at the address for notice shown on the most recently certified tax roll of the District, *at least ten days* before the date of the hearing.

The District’s 2021-2022 budget must be adopted before the 2021 tax rate is set. A timetable for adopting the District’s tax rate, which will require **three** special meetings and only one publication, follows:

- July 25** Williamson County Chief Appraiser to certify tax rolls (several appraisal districts indicated they may only have certified estimates at this time due to delays in the certification process from COVID-19).
- August 11** **Special Meeting.** Budget work session.
- August 18** **Special Meeting.** Discuss any proposal to set tax rate, take a record vote on proposed tax rate, and announce the date, time, and place of the **September 8, 2021 special meeting** at which the Board will hold a public hearing, vote on, and adopt the 2021 tax rate.
- August 25** **Regular Meeting.**
- August 31** Deadline for publication of the Water District Notice of Public Hearing on Tax Rate (**the District will publish its Notice of Hearing in the Hill Country News on August 26, 2021**).
- September 8** **Special Meeting.** Adopt the District’s 2021-2022 budget. Hold a public hearing on the District’s tax rate, take a record vote on the District’s tax rate, adopt an Order Levying Taxes, and authorize filing of the Order Levying Taxes with Williamson County Tax Assessor-Collector.
- September 15** Deadline to submit tax rates to Williamson County Tax Assessor-Collector.

****NOTE:** *If the District adopts a combined tax rate that would impose more than 1.035 times the amount of tax imposed by the District in the preceding year on a home appraised at the average appraised value of the homes within the District in that year (disregarding disabled and over-65 exemptions) plus the “unused increment rate” (defined below), an election must be held to determine whether to approve the adopted tax rate. If the adopted tax rate is not approved at the election, the District’s tax rate will be reduced to the “voter-approval tax rate,” which is the current year’s debt service and contract tax rate, plus the operation and maintenance tax rate that would impose 1.035 times the amount of operations and maintenance tax imposed by the District in the preceding year on a home appraised at the average appraised value of the homes within the District that year (disregarding disabled and over-65 exemptions) and the “unused increment rate”. The “unused increment rate” means the amount, if any, that the adopted tax rate was below the “voter-approval tax rate” (less the unused increment rate) for the prior three years.*

BLOCK HOUSE MUNICIPAL UTILITY DISTRICT

2021 Tax Rate Analysis

**Certified Assessed
Valuation**

Assessed Valuation & Tax Rate					
Year	Assessed Valuation	Debt Service	M&O	Fire Tax	Total Tax Rate
2021	\$ 552,185,129 ^(a)	\$ 0.2475	\$ 0.3348	\$ 0.1282	\$ 0.7105
2020	489,519,981	0.2925	0.3218	0.1457	0.7600
2019	492,843,293	0.2875	0.3841	0.1369	0.8085
2018	475,898,878	0.2950	0.3545	0.1315	0.7810
2017	446,052,551	0.3238	0.3411	0.1361	0.8010
2016	411,201,609	0.3465	0.3157	0.1388	0.8010
2015	380,862,878	0.3820	0.3057	0.1393	0.8270
2014	347,635,208	0.4154	0.2819	0.1450	0.8423
2013	317,086,804	0.4747	0.2349	0.1564	0.8660
2012	306,695,345	0.4905	0.2213	0.1542	0.8660
2011	313,959,858	0.4835	0.2439	0.1386	0.8660
2010	316,119,310	0.5190	0.1886	0.1384	0.8460
2009	315,828,556	0.5193	0.1928	0.1339	0.8460

(a) Includes:	\$ 540,078,643	Certified	\$ 540,078,643	Certified
	12,743,669	Uncertified	12,106,486	Uncertified Amount (Owner's Opinion)
	\$ 552,822,312		\$ 552,185,129	

Classification of Districts included in Senate Bill No. 2			
	Special Taxing Units	Developed Districts	Developing Districts
	Special Taxing Units have levied a M&O Tax Rate of \$0.025 or less.	Districts that have financed, completed and <i>issued bonds</i> to reimburse the cost of utility facilities necessary to serve at least 95% of the projected buildout of the District.	Districts which do not fall under Special Taxing <i>Districts</i> or <i>Developed District</i> .
Rollback Rate	1.080%	1.035%	1.08%

Block House Municipal Utility District
Projection of Income and Expenses - Debt Service Fund

No-Growth

prepared by Public Finance Group LLC

<u>Year</u>	<u>Projected Assessed Valuation</u>	<u>Tax Rate Per \$100 A.V.</u>	<u>Tax Collections @.99%</u>	<u>Investment Income @.100%</u>	<u>Total Available for Debt</u>	<u>Total Outstanding Debt</u>	<u>Cumulative Debt Fund Balance</u>	<u>Percentage of Subsequent Year's Debt</u>
2020	489,519,981 (a)	0.2925					\$ 678,632 (c)	
2021	552,185,129 (b)	0.2475	1,417,527	6,786	2,102,946	1,433,750	669,196	46.55%
2022	552,185,129	0.2475	1,352,992	6,692	2,028,879	1,437,450	591,429	40.90%
2023	552,185,129	0.2475	1,352,992	5,914	1,950,335	1,446,075	504,260	36.37%
2024	552,185,129	0.2475	1,352,992	5,043	1,862,294	1,386,325	475,969	34.03%
2025	552,185,129	0.2475	1,352,992	4,760	1,833,721	1,398,850	434,871	30.64%
2026	552,185,129	0.2475	1,352,992	4,349	1,792,211	1,419,088	373,124	25.42%
2027	552,185,129	0.2475	1,352,992	3,731	1,729,846	1,467,788	262,059	
			<u>\$ 9,535,477</u>	<u>\$ 37,275</u>		<u>\$ 9,989,325</u>		

(a) Certified Assessed Values, as provided by Williamson Central Appraisal District ("WCAD").

(b) Preliminary Assessed Valuation as of January 1, 2021, as provided by WCAD.

(c) Audited Debt Service Fund Balance as of September 30, 2020

- \$ 678,632

Beginning DS balance	\$	678,632
Capitalized Interest	-	
Tax Revenues	9,535,477	
Interest Income	37,275	
Debt Service Pymts	(9,989,325)	
	\$	262,059
		(262,059)
	\$	(0.00)

WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE

The Block House Municipal Utility District will hold a public hearing on a proposed tax rate for the tax year 2021 on Wednesday, September 8, 2021 at 6:00 P.M. The hearing will be conducted in-person at the Walker House, 2600 Block House Drive South, Leander, Texas 78641.

Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in taxable value of all other property determines the distribution of the tax burden among all property owners.

(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	<u>Last Year</u>	<u>This Year</u>
Total tax rate (per \$100 of value)	\$ 0.7600 /\$100 Adopted	\$ 0.7105 /\$100 Proposed
Difference in rates per \$100 of value		(\$0.0495) /\$100
Percentage increase/decrease in rates (+/-)		-6.51%
Average appraised residence homestead value	\$233,798.81	\$ 280,079.21
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ -	\$ -
Average residence homestead taxable value	\$222,121.92	\$ 245,789.56
Tax on average residence homestead	\$ 1,688.13	\$ 1,746.33
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)		\$ 58.21
and percentage of increase (+/-)		3.45%

NOTICE OF VOTE ON TAX RATE

If the District adopts a combined debt service, operation and maintenance and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the growth of property taxes in the state.

2021

3.50%

Block House MUD Voter-Approval Tax Rate Calculation

1.	2020 average appraised value of residence homestead	\$	233,799
2.	2020 general exemptions available for the average homestead (excluding 65 years of age or older or disabled person's exemptions)	\$	11,677
3.	2020 average taxable value of residence homestead (line 1 minus line 2)	\$	222,122
4.	2020 adopted M&O tax rate (per \$100 of value)	\$	0.3218
5.	2020 M&O tax on residence homestead (multiply line 3 by line 4, divide by \$100)	\$	714.79
6.	Highest M&O tax on average residence homestead with increase (multiply line 5 by 1.035)		739.81
7.	2021 average appraised value of residence homestead	\$	280,079
8.	2021 general exemptions available for the average homestead (excluding 65 years of age or older or disabled person's exemptions)	\$	34,290
9.	2021 average taxable value of residence homestead (line 7 minus line 8)	\$	245,790
10.	Highest 2021 M&O Tax Rate (line 6 divided by line 9, multiply by 100)	\$	0.3010
11.	2021 Debt Tax Rate	\$	0.2475
12.	2021 Fire Tax Rate	\$	0.1282
13.	2021 Voter-Approval Tax Rate (add lines 10,11 and 12)	\$	0.6767

Proposed Budget

Block House MUD - Fiscal Year Ending 09/2022

	Nine Month Actuals 10/20 - 06/21	Twelve Months Annualized FYE 09/21	Approved 2021 Budget	Proposed 2022 Budget
Revenues				
91000 · Operating Revenue				
14110 · Water - Customer Service Revenue	479,884	773,884	700,000	773,884
14140 · Connection Fees	1,251	1,668	1,500	1,500
14150 · Tap Connections	1,200	1,200	0	1,000
14210 · Sewer - Customer Service Fee	339,167	455,167	435,000	455,167
14220 · Inspection Fees	50	50	0	0
14270 · Park Fee	194,890	259,853	260,000	260,000
14280 · Basic Services	842,222	1,121,222	1,145,000	1,121,222
14310 · Penalties & Interest	643	857	30,000	30,000
Total 91000 · Operating Revenue	1,859,307	2,613,901	2,571,500	2,642,773
92000 · Other Operating Revenue				
14320 · Property Tax	1,562,023	1,562,023	1,530,463	1,811,741
14325 · Property Tax Penalty	4,941	4,941	4,500	4,500
14350 · Fire Protection Tax	706,916	706,916	692,941	693,743
14420 · Facility Rental	155	155	3,500	1,750
14440 · Pool Contract Usage (TW & LISD)	5,275	16,800	16,800	16,800
14470 · Delinquent Tax Attorney Collect	1,597	1,597	1,200	1,500
Total 92000 · Other Operating Revenue	2,280,907	2,292,432	2,249,404	2,530,035
93000 · Non-Operating Revenue				
14330 · Miscellaneous Income	909	1,212	5,000	2,000
14370 · Interest Earned on Temp. Invest	13,208	17,611	60,000	20,000
14390 · Interest Earned on Checking	310	413	60	400
Total 93000 · Non-Operating Revenue	14,427	19,236	65,060	22,400
	4,154,641	4,925,569	4,885,964	5,195,208
Total Revenues	\$4,154,641	\$4,925,569	\$4,885,964	\$5,195,208
Expenditures				
94000 · Expenditures - Water				

Proposed Budget

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	Nine Month Actuals 10/20 - 06/21	Twelve Months Annualized FYE 09/21	Approved 2021 Budget	Proposed 2022 Budget
16125 · Purchase Water	371,279	617,279	620,000	625,000
16130 · Maintenance & Repairs- Water/BS	59,869	79,825	246,000	246,000
16180 · Utility - Booster Station	8,245	10,993	20,000	15,000
Total 94000 · Expenditures - Water	439,393	708,097	886,000	886,000
95000 · Expenditures - Wastewater				
16166 · Utilities - Lift Station	816	1,088	1,500	1,500
16220 · Purchase Sewer Service	226,884	301,884	310,000	310,000
16230 · Maintenance & Repairs - Sewer	74,280	99,040	150,000	150,000
Total 95000 · Expenditures - Wastewater	301,980	402,012	461,500	461,500
95100 · Expenditures - Storm Water				
17957 · Trails Access Project (MS4)	0	0	15,000	15,000
16384 · MS4-Stormwater Program-Maint	0	0	0	100,000
16385 · MS4-Stormwater Program-Eng	22,413	29,884	70,000	35,000
Total 95100 · Expenditures - Storm Water	22,413	29,884	85,000	150,000
96000 · Expenditures - Parks				
16160 · Utilities - Park	15,989	21,319	18,000	25,000
16445 · Fence Maintenance	3,929	5,239	100,000	5,000
16446 · Facility Maintenance (HVAC)	0	0	0	10,000
17450 · Park Maintenance	26,449	35,265	70,000	45,000
17451 · Park Administration/Cleaning	18,015	24,020	35,000	35,000
17452 · Park Equipment Maintenance	0	0	2,000	2,000
Total 96000 · Expenditures - Parks	64,382	85,843	225,000	122,000
96100 · Expenditures - Pools				
16161 · Utilities - Pool Electricity	7,081	9,441	13,500	13,500
16162 · Utilities - Pool Gas	7,488	9,984	12,000	10,000
16165 · Utilities - Pool Internet & Phone	6,223	8,297	15,000	10,000
16245 · Chemicals - Pool	17,029	22,705	25,000	25,000
17500 · Pool Repairs/Maintenance/Permits	13,733	18,311	50,000	50,000
17510 · Pool Cleaning	17,766	23,688	29,000	29,000

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	Nine Month Actuals 10/20 - 06/21	Twelve Months Annualized FYE 09/21	Approved 2021 Budget	Proposed 2022 Budget
17515 · Special Pool Programs	0	0	5,000	5,000
17560 · Mgmt/Lifeguards	219,900	293,200	285,000	295,000
Total 96100 · Expenditures - Pools	289,220	385,627	434,500	437,500
96200 · Expenditures - Landscaping				
16200 · Landscape Contract	208,401	277,868	255,000	307,000
16205 · Landscape - Out of Contract	9,564	12,752	66,000	0
16415 · Tree Care	0	0	12,500	70,000
16416 · Emergency Tree Care	600	800	5,000	5,000
16417 · New Tree Installation & Replacement	0	0	12,500	28,000
16425 · Irrigation Maintenance	13,500	18,000	19,000	18,000
16427 · Irrigation Improvements	0	0	7,000	7,000
Total 96200 · Expenditures - Landscaping	232,065	309,420	377,000	435,000
97000 · Expenditures - Administrative				
16105 · Water/WW Operations Contract	214,785	286,380	290,000	290,000
16115 · District Management	113,173	150,897	162,000	162,000
16320 · Tax Assessor/Appraisal	22,876	22,876	30,000	25,000
16330 · Legal Fees	111,622	148,829	142,000	142,000
16335 · Legal Fees - Special (PIR's)	37,844	50,459	20,000	50,000
16336 · Legal Fees - Restrictive Cov	19,117	25,489	20,000	25,000
16340 · Auditing Fees	17,250	17,250	18,000	18,000
16350 · Engineering Fees	7,065	9,420	15,000	16,000
16351 · Engineering Fees - Special	10,425	13,900	15,000	17,000
16370 · Election Expense	5,554	5,554	7,500	7,500
16380 · Permit Expense	5,505	5,505	6,000	6,000
16390 · Telephone Expense (TC Tech)	443	591	0	650
16430 · Bookkeeping Fees	35,424	52,000	52,000	57,500
16440 · Seminar Expense	2,240	6,740	10,000	10,000
16455 · SB 622 Legal Notices & Other	2,111	2,111	1,800	2,500
16460 · Printing & Office Supplies	5,373	7,164	7,500	7,500

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Block House MUD - Fiscal Year Ending 09/2022

	Nine Month Actuals 10/20 - 06/21	Twelve Months Annualized FYE 09/21	Approved 2021 Budget	Proposed 2022 Budget
16464 · Restrictive Covenants	13,500	18,000	30,000	45,000
16470 · Filing Fees	83	111	500	500
16480 · Delivery Expense	1,614	2,152	2,000	2,200
16490 · Financial Advisor Fees	2,810	2,810	5,500	5,500
16520 · Postage	11,789	15,719	25,000	25,000
16530 · Insurance & Surety Bond	17,747	17,747	25,000	25,000
16540 · Travel Expense	0	2,000	2,500	2,500
16550 · Bank Fees	223	297	600	600
16600 · Payroll Expenses	8,024	10,699	10,000	10,000
16620 · Communications	273	364	10,000	15,000
16625 · Website	13,300	17,733	3,500	17,000
16630 · Director Fees	23,500	31,333	30,000	36,000
17600 · Printing & Publicity	1,015	1,353	10,375	12,500
Total 97000 · Expenditures - Administrative	704,685	925,484	951,775	1,033,450
98000 · Expenditures - Other				
16352 · Electrical/Lighting Utility (PEC)	15,264	18,317	25,000	20,000
16410 · Solid Waste Expense	461,178	614,904	610,000	620,000
16510 · Other Office Expenses	3,253	4,337	15,000	10,000
16580 · Patrol Service	87,507	116,676	135,000	135,000
16582 · Surv/Security Equip Replace & Maint.	1,150	1,533	0	12,500
16583 · Surveillance/Security Monthly Operati	0	0	0	15,000
16585 · IT Maintenance & Cyber Security	0	0	15,000	20,000
16587 · District Signage - Outdoor	237	316	15,000	15,000
16595 · Delinquent Tax Attorney Fee	1,597	1,597	1,200	1,500
16660 · Winter Storm 2021	70,422	70,422	0	0
17150 · Fire Service Contract	706,916	706,916	692,941	693,743
Total 98000 · Expenditures - Other	1,347,524	1,535,018	1,509,141	1,542,743
99000 · Expenditures - Special Projects				
17475 · District Functions	350	350	0	7,500

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Block House MUD - Fiscal Year Ending 09/2022

	Nine Month Actuals 10/20 - 06/21	Twelve Months Annualized FYE 09/21	Approved 2021 Budget	Proposed 2022 Budget
17478 · Security/Surveillance Project	500	500	0	15,000
17480 · Leak Detection	7,516	7,516	15,000	15,000
17481 · Meter Replacement	2,309	2,309	5,000	5,000
17483 · Volleyball Sand Install	0	0	0	0
17971 · Community Garden Upgrades	2,045	2,045	7,000	5,000
17975 · Server Replacements	1,600	1,600	20,000	0
17985 · Paving Project	0	0	20,000	20,000
17986 · Court Repair	0	0	18,000	70,000
17996 · Disc Golf	44,781	44,781	25,000	5,000
17997 · Right-of-Way Improvements	0	0	0	250,000
Total 99000 · Expenditures - Special Projects	59,101	59,101	110,000	392,500
Total Expenditures	\$3,438,350	\$4,410,602	\$5,039,916	\$5,310,693
Other Revenues				
15950 · Assigned Operating Surplus	0	0	153,952	115,486
Total Other Revenues	\$0	\$0	\$153,952	\$115,486
Capital Outlay				
17999 · Capital Outlay	2,890	0	0	0
Total Capital Outlay	\$2,890	\$0	\$0	\$0
Net Excess Revenues <Expenditures>	\$713,401	\$514,968	\$0	\$0