

# ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300  
AUSTIN, TEXAS 78701-2744  
512-435-2300

FACSIMILE 512-435-2360

DENISE L. MOTAL  
(512) 435-2345  
dmotal@abaustin.com

## MEMORANDUM

TO: Board of Directors -  
Block House Municipal Utility District

FROM: Denise L. Motal  
Legal Assistant

DATE: September 2, 2021

RE: Block House Municipal Utility District -  
September 8, 2021 Special Meeting

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Enclosed please find the agenda and support materials for the special meeting of the Board of Directors of Block House Municipal Utility District scheduled for **Wednesday, September 8, 2021, at 6:00 p.m. at 2600 Block House Drive South, Leander, Texas.**

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)	Jay Howard (Texas Disposal Systems, Inc.)*
Lisa Torres (Crossroads Utility Services, LLC)	Ja-Mar Prince (Texas Disposal Systems, Inc.)*
Andrew Hunt (Crossroads Utility Services, LLC)*	Barbara Graves (Texas Disposal Systems, Inc.)*
Taylor Kolmodin (Municipal Accounts & Consulting, L.P.)	Chris Swedlund (McCall Gibson Swedlund Barfoot PLLC)*
Mark Burton (Municipal Accounts & Consulting, L.P.)*	Brian Toldan (McCall Gibson Swedlund Barfoot PLLC)*
David Gray (Gray Engineering, Inc.)*	Jan Gibson (McCall Gibson Swedlund Barfoot PLLC)*
Cheryl Allen (Public Finance Group LLC)*	Ashlee Martin (McCall Gibson Swedlund Barfoot PLLC)*
Carol Polumbo (McCall, Parkhurst & Horton L.L.P.)*	Tom Davis (Lifeguard 4 Hire, L.L.C.)*
Tripp Hamby (Priority Landscapes, LLC)*	Sandy Martin (BHC Owners Association)*
Charles Kelley (Williamson County Sheriff's Dept.)*	David Johnson (Tidal Waves Swim Team)*

\*AGENDA ONLY (via email)

**BLOCK HOUSE MUNICIPAL UTILITY DISTRICT**

**September 8, 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 **6:00 p.m.** on **Wednesday, September 8**, at 2600 Block House Drive South, Leander, Texas. The following matters may be considered and acted upon at the meeting:

**PLEASE NOTE: Public comments will be accepted only during designated portions of the Board meeting. Comments from the floor will not be accepted during the business portion of the Board meeting. Citizens wishing to address the Board must complete the citizens' communication form provided at the entrance to the meeting room, so they may be recognized to speak.**

**The meeting will be preceded by the U.S. Pledge of Allegiance and a moment of silence or prayer.**

*Board member announcements and agenda prioritization requests may be considered at the beginning of 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>
<b>GENERAL</b>	
1. Citizens' communications;	Informational
<b>BUDGET AND TAX ITEMS</b>	
2. Public Hearing on 2021 tax rate;	Informational
3. Budget for fiscal year 2021/2022, including Resolution Adopting Budget;	Decision
4. Record vote on 2021 tax rate and Order Levying Taxes;	Decision
5. Amended and Restated Information Form ( <i>if necessary for tax rate changes</i> );	Decision
<b>DISCUSSION / ACTION ITEMS</b>	
6. Temporary Access Easements to Pedernales Electric Cooperative, Inc.;	Decision
7. Authorize the District's attorney to negotiate form of agreement for the provision of off-duty patrol services between District and individual deputies of Williamson County Sheriff's Office and authorize execution of agreements with individual deputies;	Decision

8.	City of Cedar Park cost of service study relating to water and wastewater service;	Decision
9.	Proposal from Trinity AV Solutions, LLC for Annual System Service Agreement;	Decision
10.	Proposal from Trinity AV Solutions, LLC for installation of equipment to transition to cloud storage;	Decision
11.	Proposal from Trinity AV Solutions, LLC for repairs to/replacement of damaged equipment;	Decision
12.	Proposal from Gray Engineering, Inc. for preparation of Bond Application Report;	Decision
13.	Disc golf, including grand opening ceremony and volunteer compensation;	Decision
14.	Review of Meeting Notes;	Informational
15.	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.




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Attorney for the District

(SEAL)



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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.

# 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. 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.)*

<b>FOR</b> the proposal:	Directors Roberts, Bennett, Logan, Koenig, and McMullen
<b>AGAINST</b> the proposal:	None
<b>PRESENT</b> and not voting:	None
<b>ABSENT</b> :	None

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.

	<b>Last Year</b>	<b>This year</b>
Total tax rate (per \$100 of value)	\$ <u>0.7600</u> /\$100 Adopted	\$ <u>0.7105</u> /\$100 Proposed
Difference in rates per \$100 of value	( <u>\$0.0495</u> )/\$100	
Percentage increase/decrease in rates (+/-)	<u>-6.51%</u>	
Average appraised residence homestead value	\$ <u>233,798.81</u>	\$ <u>280,079.21</u>
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ <u>5,000 min.</u> <u>2% max.</u>	\$ <u>5,000 min.</u> <u>2% max.</u>
Average residence homestead taxable value	\$ <u>222,121.92</u>	\$ <u>245,786.56</u>
Tax on average residence homestead	\$ <u>1,688.13</u>	\$ <u>1,746.31</u>
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$ <u>58.18</u> <u>-3.45%</u>	

## 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 86<sup>th</sup> Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.**

**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 <sup>(a)</sup>	\$ 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)
	<b>\$ 552,822,312</b>		<b>\$ 552,185,129</b>	

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> .
<b>Rollback Rate</b>	<b>1.080%</b>	<b>1.035%</b>	<b>1.08%</b>

**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 @ 1.00%</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	
			<b>\$ 9,535,477</b>	<b>\$ 37,275</b>		<b>\$ 9,989,325</b>		

(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

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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: Directors Roberts, Bennett, Logan, Koenig, and McMullen  
**AGAINST** the proposal: None  
**PRESENT** and not voting: None  
**ABSENT:** None

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)	<u>\$ 0.7600</u>	/ \$100	<u>\$ 0.7105</u>
	Adopted		Proposed
Difference in rates per \$100 of value		<u>(\$0.0495)</u>	/ \$100
Percentage increase/decrease in rates (+/-)		<u>-6.51%</u>	
Average appraised residence homestead value	<u>\$233,798.81</u>		<u>\$ 280,079.21</u>
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	<u>\$ -</u>		<u>\$ -</u>
Average residence homestead taxable value	<u>\$222,121.92</u>		<u>\$ 245,786.56</u>
Tax on average residence homestead	<u>\$ 1,688.13</u>		<u>\$ 1,746.31</u>
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)		<u>\$ 58.19</u>	<u>3.45%</u>

## 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.**

# WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE

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*(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.)*

<b>FOR</b> the proposal:		D/S Rate:	\$	0.2475
<b>AGAINST</b> the proposal:		M/O Rate:		0.3243
<b>PRESENT</b> and not voting:		<u>Fire Tax:</u>		<u>0.1282</u>
<b>ABSENT:</b>		Total:	\$	0.7000

\* \$0.01 reduction in M/O equals approximately \$55,000

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	\$ 0.7000	/\$100
	Adopted		Proposed	
Difference in rates per \$100 of value			(\$0.0600)	/\$100
Percentage increase/decrease in rates (+/-)			-7.89%	
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		\$ 245,786.56	
Tax on average residence homestead	\$ 1,688.13		\$ 1,720.51	
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)			\$ 32.38	
and percentage of increase (+/-)			1.92%	

## 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.**



# 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 6:30 P.M. The hearing will be conducted in-person at the Walker House, 2600 Block House Drive South, Leander, Texas 78641.

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*(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.)*

<b>FOR</b> the proposal:		D/S Rate:	\$	0.2475
<b>AGAINST</b> the proposal:		M/O Rate:		0.3143
<b>PRESENT</b> and not voting:		<u>Fire Tax:</u>		<u>0.1282</u>
<b>ABSENT:</b>		Total:	\$	0.6900

\* \$0.01 reduction in M/O equals approximately \$55,000

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)	<u>\$ 0.7600</u>	/\$100	<u>\$ 0.6900</u>	/\$100
	Adopted		Proposed	
Difference in rates per \$100 of value			<u>(\$0.0700)</u>	/\$100
Percentage increase/decrease in rates (+/-)			<u>-9.21%</u>	
Average appraised residence homestead value	<u>\$233,798.81</u>		<u>\$ 280,079.21</u>	
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	<u>\$ -</u>		<u>\$ -</u>	
Average residence homestead taxable value	<u>\$222,121.92</u>		<u>\$ 245,786.56</u>	
Tax on average residence homestead	<u>\$ 1,688.13</u>		<u>\$ 1,695.93</u>	
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)			<u>\$ 7.80</u>	
and percentage of increase (+/-)			<u>0.46%</u>	

## 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)	\$	34,293
9.	2021 average taxable value of residence homestead (line 7 minus line 8)	\$	245,787
10.	<b>Highest 2021 M&amp;O Tax Rate</b> (line 6 divided by line 9, multiply by 100)	\$	0.3010
11.	<b>2021 Debt Tax Rate</b>	\$	0.2475
12.	2021 Fire Tax Rate	\$	0.1282
13.	<b>2021 Voter-Approval Tax Rate</b> (add lines 10,11 and 12)	\$	<b>0.6767</b>

# 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
<b>Revenues</b>				
<b>91000 · Operating Revenue</b>				
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
<b>Total 91000 · Operating Revenue</b>	<b>1,859,307</b>	<b>2,613,901</b>	<b>2,571,500</b>	<b>2,642,773</b>
<b>92000 · Other Operating Revenue</b>				
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
<b>Total 92000 · Other Operating Revenue</b>	<b>2,280,907</b>	<b>2,292,432</b>	<b>2,249,404</b>	<b>2,530,035</b>
<b>93000 · Non-Operating Revenue</b>				
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
<b>Total 93000 · Non-Operating Revenue</b>	<b>14,427</b>	<b>19,236</b>	<b>65,060</b>	<b>22,400</b>
	<b>4,154,641</b>	<b>4,925,569</b>	<b>4,885,964</b>	<b>5,195,208</b>
<b>Total Revenues</b>	<b>\$4,154,641</b>	<b>\$4,925,569</b>	<b>\$4,885,964</b>	<b>\$5,195,208</b>
<b>Expenditures</b>				
<b>94000 · Expenditures - Water</b>				

# 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
16125 · Purchase Water	371,279	617,279	620,000	625,000
16130 · Maintenance & Repairs- Water/BS	59,869	79,825	246,000	100,000
16180 · Utility - Booster Station	8,245	10,993	20,000	15,000
<b>Total 94000 · Expenditures - Water</b>	<b>439,393</b>	<b>708,097</b>	<b>886,000</b>	<b>740,000</b>
<b>95000 · Expenditures - Wastewater</b>				
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
<b>Total 95000 · Expenditures - Wastewater</b>	<b>301,980</b>	<b>402,012</b>	<b>461,500</b>	<b>461,500</b>
<b>95100 · Expenditures - Storm Water</b>				
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
<b>Total 95100 · Expenditures - Storm Water</b>	<b>22,413</b>	<b>29,884</b>	<b>85,000</b>	<b>150,000</b>
<b>96000 · Expenditures - Parks</b>				
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
<b>Total 96000 · Expenditures - Parks</b>	<b>64,382</b>	<b>85,843</b>	<b>225,000</b>	<b>122,000</b>
<b>96100 · Expenditures - Pools</b>				
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

# 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
17515 · Special Pool Programs	0	0	5,000	5,000
17560 · Mgmt/Lifeguards	219,900	293,200	285,000	295,000
<b>Total 96100 · Expenditures - Pools</b>	<b>289,220</b>	<b>385,627</b>	<b>434,500</b>	<b>437,500</b>
<b>96200 · Expenditures - Landscaping</b>				
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 & Replacements	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
<b>Total 96200 · Expenditures - Landscaping</b>	<b>232,065</b>	<b>309,420</b>	<b>377,000</b>	<b>435,000</b>
<b>97000 · Expenditures - Administrative</b>				
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

# 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
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
<b>Total 97000 · Expenditures - Administrative</b>	<b>704,685</b>	<b>925,484</b>	<b>951,775</b>	<b>1,033,450</b>
<b>98000 · Expenditures - Other</b>				
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
<b>Total 98000 · Expenditures - Other</b>	<b>1,347,524</b>	<b>1,535,018</b>	<b>1,509,141</b>	<b>1,542,743</b>
<b>99000 · Expenditures - Special Projects</b>				
17475 · District Functions	350	350	0	7,500

# 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
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
<b>Total 99000 · Expenditures - Special Projects</b>	<b>59,101</b>	<b>59,101</b>	<b>110,000</b>	<b>392,500</b>
<b>Total Expenditures</b>	<b>\$3,438,350</b>	<b>\$4,410,602</b>	<b>\$5,039,916</b>	<b>\$5,164,693</b>
<b>Other Revenues</b>				
15950 · Assigned Operating Surplus	0	0	153,952	0
<b>Total Other Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$153,952</b>	<b>\$0</b>
<b>Capital Outlay</b>				
17999 · Capital Outlay	2,890	0	0	0
<b>Total Capital Outlay</b>	<b>\$2,890</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Excess Revenues &lt;Expenditures&gt;</b>	<b>\$713,401</b>	<b>\$514,968</b>	<b>\$0</b>	<b>\$30,514</b>

**RESOLUTION ADOPTING BUDGET**

THE STATE OF TEXAS                   §  
  §  
COUNTY OF WILLIAMSON           §

WHEREAS, the Board of Directors of Block House Municipal Utility District (the “*District*”) has projected the operating expenses and revenues for the District for the period October 1, 2021 through September 30, 2022, and desires to adopt a budget consistent therewith;

IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT THAT:

Section 1.     The Operating Budget attached as **Exhibit “A”** is adopted.

Section 2.     The Secretary of the Board of Directors is directed to file a copy of this Resolution Adopting Budget in the official records of the District.

ADOPTED this 8<sup>th</sup> day of September, 2021.

\_\_\_\_\_  
Cecilia Roberts, President  
Board of Directors

(SEAL)

ATTEST:

\_\_\_\_\_  
Byron Koenig, Secretary  
Board of Directors



## **APPENDIX “1”**

The District’s audited financial statements, bond transcripts, and engineer’s reports required by Texas Water Code Section 49.057(b) are on file at and may be obtained from Denise Motal, Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701, (512) 435-2300, email: [dmotal@abaustin.com](mailto:dmotal@abaustin.com).

**EXHIBIT “A”**

**Budget**

[Attach 2021/2022 budget –  
to be furnished by Municipal Accounts & Consulting, L.P.]

**ORDER LEVYING TAXES**

THE STATE OF TEXAS                   §  
   §  
COUNTY OF WILLIAMSON           §

WHEREAS, the appraisal roll of Block House Municipal Utility District (the “*District*”) for 2021 has been prepared and certified by the Williamson Central Appraisal District; and

WHEREAS, based upon the certified appraisal roll, the employee or officer designated by the Board of Directors of the District has calculated a tax rate to be levied for 2021;

IT IS HEREBY ORDERED BY THE BOARD OF DIRECTORS OF THE DISTRICT THAT:

Section 1. There is hereby levied an ad valorem tax of \$0.7105 on each \$100 of taxable property within the District, allocated as follows:

(a) \$0.3348 to provide funds for maintenance and operating purposes;

(b) \$0.2475 to provide for the payment of principal of and interest and associated obligations on the District’s unlimited tax bonds now outstanding; and

(c) \$0.1282 to provide funds under the Second Amended Plan for the Provision of Fire-Fighting Services Within the District.

Section 2. All taxes collected pursuant to this levy, after paying costs of levying, assessing and collecting same, will be used for planning, maintaining, repairing and operating the District’s facilities and for paying costs of proper services, engineering and legal fees, organization and administrative expenses, for paying principal of and interest on bonds, warrants, certificates of obligation or other lawfully authorized evidences of indebtedness issued or assumed by the District, and for paying authorized costs and expenses under the Second Amended Plan for the Provision of Fire-Fighting Services Within the District.

Section 3. The Williamson County Tax Assessor/Collector is authorized to assess and collect the taxes of the District.

Section 4. The taxes levied by this Order are due presently, and will be delinquent if not paid by January 31, 2022.

Section 5. This Order will be effective from and after its adoption.

Section 6. The attorney for the District is directed to file this Order with the Williamson County Tax Assessor/Collector.

ADOPTED this 8<sup>th</sup> day of September, 2021.

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Cecilia Roberts, President  
Board of Directors

(SEAL)

ATTEST:

---

Byron Koenig, Secretary  
Board of Directors

**BLOCK HOUSE  
MUNICIPAL UTILITY DISTRICT  
AMENDED AND RESTATED  
INFORMATION FORM**

THE STATE OF TEXAS                   §

COUNTY OF WILLIAMSON               §

The undersigned, a majority of the members of the Board of Directors of Block House Municipal Utility District (the "*District*"), make and execute this Amended and Restated Information Form in compliance with Section 49.455 of the Texas Water Code. We certify as follows:

1.       The name of the District is Block House Municipal Utility District.
2.       The District consists of 717.35 acres, more or less, more particularly described by the metes and bounds and boundary map in the Amended and Restated Information Form dated December 3, 1997, recorded under Document No. 9807998, Official Records of Williamson County, Texas.
3.       The most recent rate of taxes levied by the District on property located within the District is \$0.7105 on each \$100 of assessed value, based on 100% market value.
4.       The total amount of bonds which have been approved by the voters and which may be issued by the District (excluding refunding bonds and any bonds or portions of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$37,475,000.
5.       The aggregate initial principal amount of all bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portions of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) that has been previously issued is \$25,805,000.
6.       No standby fee is currently imposed by the District.
7.       An election to confirm the creation of the District was held on April 4, 1981.
8.       The District is performing or will perform the following functions: the supply of water for municipal, domestic, commercial and other beneficial uses; the collection, transportation, treatment and disposal of waste; gathering, conducting, diverting and controlling of local storm water or other harmful excesses of water in the District; and the provision of park and recreational facilities for the inhabitants in the District.

9. The Notice to Purchaser form required by Section 49.452 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District is attached as **Exhibit "A"**.

10. The attorney for the District is directed to file this Amended and Restated Information Form with the Texas Commission on Environmental Quality and record it in the Official Public Records of Williamson County, Texas.

This Amended and Restated Information Form supersedes the Amended and Restated Information Form recorded under Document No. 2020123306, Official Public Records of Williamson County, Texas.

WITNESS OUR HANDS this 8<sup>th</sup> of September, 2021.

\_\_\_\_\_  
Cecilia Roberts, President

\_\_\_\_\_  
Steve Bennett, Vice President

\_\_\_\_\_  
Byron Koenig, Secretary

\_\_\_\_\_  
Ursula Logan, Treasurer

\_\_\_\_\_  
Stuart McMullen, Assistant Secretary

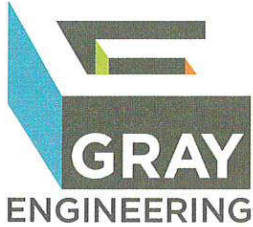
THE STATE OF TEXAS                    §

COUNTY OF WILLIAMSON               §

This instrument was acknowledged before me on \_\_\_\_\_, 2021, by Cecilia Roberts, President, Steve Bennett, Vice President, Byron Koenig, Secretary, Ursula Logan, Treasurer, and Stuart McMullen, Assistant Secretary of the Board of Directors of Block House Municipal Utility District, on behalf of said District.

\_\_\_\_\_  
Notary Public Signature

(seal)



O 512.452.0371 : F 512.454.9933

8834 North Capital of Texas Highway, Suite 140  
Austin, Texas 78759 : [www.grayengineeringinc.com](http://www.grayengineeringinc.com)

TBPE 2946

August 9, 2021

Cecilia Roberts, President  
Board of Directors  
Block House Municipal Utility District  
c/o Mr. Sean Abbott  
Armbrust & Brown, LLP  
100 Congress Ave., Suite 1300  
Austin, Texas 78701

**Re: Block House Municipal Utility District – Recreational Center Bond Issue  
Bond Application Report  
Engineering Services Proposal  
GEI Proposal No. 21052**

Dear Ms. Roberts:

Please let this letter serve as a Proposal by Gray Engineering, Inc. (GEI) to assist Block House Municipal Utility District. (District) in the preparation and submittal of a Bond Application Report to the Texas Commission on Environmental Quality (TCEQ) in support of an application by the District for sale of bonds in 2022 to fund the construction of recreational facilities within the District. The size of the bond issuance is currently proposed at \$3,150,000. The final sizing of the Bond Issue will result from the process of determining the amount of funds needed to fund the recreation improvements, the District's 2021 certified assessed valuation, and the amount of debt service tax the Board sets.

The engineering services proposed herein include the preparation of a Bond Application Report in conformance with the format for such reports contained in Section 293.43 of the Commission Rules and Regulations governing issuance of bonds by water districts. This report will be prepared by GEI and submitted to the District's Board of Directors for review and comment. All research and documentation as required by the Commission for each of the projects proposed for funding from the Bond Issue will be provided to the District and the Commission as a part of the report preparation.

Upon approval by the District's Board of Directors, the report will be forwarded, along with the completed application package, to the Commission for their review and comment prior to its placement on the Commission's agenda for approval. GEI will assist the District in responding to engineering-related comments that result from review of the Bond Issue package by the Commission staff. Responses to these comments will be coordinated with the District's Board of Directors and other consultants. GEI will also assist the District's financial advisor in preparation of the Official Offering Statement for sale of the bonds.

Specific items which will be required from the District's other consultants in order to complete the Bond Issue Application process include the following:

1. Certified copy of District's Board resolution authorizing submission of application for bond issuance (prepared by the District's attorney);



Cecilia Roberts, President  
Board of Directors, Block House Municipal Utility District  
August 9, 2021  
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2. Filing fee of \$500.00 plus cost of required notice (paid by the District);
3. Financial information for the District, including historical tax data for the previous five years, cash and investment balances as of date of application, and outstanding bond indebtedness for each bond debt which is still outstanding as of date of application (prepared by District's financial advisor and manager);
4. Financial feasibility information including debt service schedule for the proposed bonds and any and all outstanding bonds, projected cash flow analysis for proposed and existing debt of the District, no growth cash flow analysis for proposed and existing debt of the District, projected cash flow analysis for all overlapping taxing entities, and copies of the latest certified assessed valuations (provided by District's financial advisor); and

The above-enumerated items which are to be provided by others will need to be completed and submitted to GEI for inclusion in the Bond Application Report.

Engineering services in support of the preparation and filing of this Bond Application Report are proposed to be provided on a percentage of completion basis in accordance with the attached Fee Schedule. The proposed lump sum fee for these services is 1.5% of the final bond issue amount plus reimbursable expenses, i.e. reproduction and delivery services will be invoiced in addition to this fee amount.

Subject to receipt of the financial information from the District's other consultants and the project information from the developer, it is anticipated that the Bond Issue Report can be presented to the District's Board of Directors in approximately 60 days. Submission of the Bond Application package to the Commission should be able to follow immediately thereafter.

If this Proposal meets with your approval, please execute in the space provided below authorizing this expenditure and return one executed copy for our files.

Thank you for this opportunity to be of continuing service to you on bond issue projects.

Sincerely,

**GRAY ENGINEERING, INC.**

David W. Gray, P.E.  
Principal

DWG:ad





Cecilia Roberts, President  
Board of Directors, Block House Municipal Utility District  
August 9, 2021  
Page 3

Proposal 21052

cc: Board of Directors; Block House Municipal Utility District (via packet)  
Mr. Sean Abbott; Armbrust & Brown, PLLC

**AUTHORIZATION FOR RECREATIONAL CENTER BOND APPLICATION REPORT**

**Block House Municipal Utility District**

By: \_\_\_\_\_

Date: \_\_\_\_\_



GRAY ENGINEERING, INC. - STANDARD FEE SCHEDULE

Personnel:

Personnel cost is reimbursed based on an hourly rate by position. The hourly rate by personnel classification are as follows:

President	\$300.00
Vice President	\$275.00
Comptroller	\$150.00
Senior Project Manager	\$225.00
Project Manager	\$200.00
Senior Project Engineer	\$175.00
Project Engineer	\$150.00
EIT II	\$125.00
EIT I	\$110.00
Designer II	\$125.00
Designer I	\$100.00
Field Supervisor	\$150.00
Project Representative	\$110.00
Executive Assistant	\$135.00
Administration	\$75.00

Reimbursable Expenses/Purchased Services:

All reimbursable expenses and purchased services are invoiced at actual cost. These include, but are not limited to, costs of reproduction, subcontract services, rented or leased equipment, and expendable supplies. Reimbursable Expenses are not included in project fees proposed unless specifically stated otherwise.