

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

September 8, 2021

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

A special meeting of the Board of Directors of Block House Municipal Utility District was held on September 8, 2021, at 2600 Block House Drive South, Leander, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**.

The following Directors were present, constituting a quorum:

Cecilia A. Roberts	-	President
Steve Bennett	-	Vice President
Byron Koenig	-	Secretary
Ursula Logan	-	Treasurer

Director McMullen arrived later. Also present at the meeting were Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("**MAC**"); Jacquelyn Smith of Crossroads Utility Services, LLC ("**Crossroads**"); Sandy Martin of the Block House Creek Owners Association (the "**OA**"); Deputy C. Piña of the Williamson County Sheriff's Office ("**WCSO**"); Mike McKelvey of Trinity AV Solutions; Lauren Smith of Public Finance Group LLC; Roger Moeller and Robert Young, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("**A&B**").

Director Roberts called the meeting to order at 6:00 p.m. and welcomed those present. She announced that public comments were taken during designated portions of the meeting only and asked that anyone who wished to address the Board complete a Community Comment form. Following the Pledge of Allegiance to the U.S. flag, the Board and those present at the meeting observed a moment of silence or prayer. Director McMullen arrived at 6:07 p.m.

At the request of Director Roberts, Mr. Abbott provided a brief review of the Texas Open Meetings Act (the "**TOMA**") to the Board. He confirmed that in March of 2019, Governor Abbott implemented the TOMA Suspensions, which provided that governments in the State of Texas could conduct meetings via telephone or videoconference. He then stated that the TOMA Suspensions, pursuant to notice provided by the Office of the Attorney General, had expired as of September 1, 2021. Mr. Abbott explained that the net effect of the expiration was that the Board must hold all meetings in compliance with the TOMA. He confirmed that there was very limited capability for a local government to conduct meetings via video conference pursuant to the TOMA and that, under such instances, a majority of the Board must still gather "in-person" to establish a quorum. He also stated that the ability for a local government to conduct teleconferences pursuant to the TOMA required an emergency or public necessity. Mr. Abbott emphasized that if the Board did not meet in accordance with the TOMA, they could jeopardize any actions taken at a Board meeting. He concluded by stating that all local governments in the State of Texas, including cities, counties, and independent school districts were dealing with the ramifications of the expiration of the TOMA suspensions. Director Logan then stated that she would like to investigate considerations relating to the District live streaming meetings for future meetings.

Director Roberts then stated that the Board would receive citizens' communications. Mr. Moeller stated that he had received a tax notification from Williamson County and was curious why the District had yet to levy a tax rate. Director Roberts stated that the levy of the District's tax rate would occur during this meeting. Upon question from Mr. Moeller, Director Roberts confirmed that the District had adopted several tax exemptions and noted that few other water districts in Central Texas had adopted any exemptions. She recommended that Mr. Moeller follow up with Williamson County to learn more about available tax exemptions.

At the request of Director Logan, Mr. Abbott read an email received from David Shoemaker, a resident of the District:

My name is David Shoemaker and I am writing to opppse (sic) the proposed tax rate of 76 cents for Block House Municpal (sic) Utility District.

I am opposed on the grounds that per the MUD's own tax rate calculation worksheets, the average taxable value of a home in the MUD has increased by 10.6%. This increase is only 10% because the state andated (sic) appraisal cap deferred further increases above 10% into next year or even the year after.

This means that even if home values cease to rise next year, many homeowners in BHC will still see an increase in their taxable values. Adopting a tax total tax rate at or below .67 cents will help protect homeowners in BHC from a tax increase.

I am also opposed to the proposed 76 cent tax rate because it would allow the MUD board to override the clear will of the voters with respect to the construction of the wall around the neighborhood. The voters clearly rejected this proposal. The board should not purposefully increase the tax rate in order to build up funds to construct the wall in opposition to the clear will of the residents of the district.

After the reading of Mr. Shoemaker's email, Director Roberts noted that the District had published a proposed tax rate of \$0.7105 for the 2021 tax year and that the \$0.76 rate referenced by Mr. Shoemaker was the District's 2020 tax levy.

Director Roberts opened the public hearing on the District's 2021 tax rate and asked if there was anyone present who wished to address the Board on the matter of the District's tax rate. There being none, Director Roberts closed the public hearing.

Ms. Lauren Smith then stated that the District had published a proposed tax rate of \$0.7105 for the current tax year and noted that the District's assessed value had increased significantly year-over-year, including the average value of a homestead in the District. She then reviewed the rollback considerations for developed districts in the Tax Code. Ms. Smith then reviewed the 2021 Tax Rate Analysis, attached as **Exhibit "B"**, including the debt service, fire, and operations and maintenance tax. She noted that the District did not have the flexibility to lower the proposed debt service or fire tax rates.

Ms. Kolmodin then referenced the proposed fiscal year 2021-2022 budget, noting that there had not been any changes from the proposed budget presented in the prior month. She stated that the budget would be supported by the operations and maintenance component of the

tax rate. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted unanimously to approve the Resolution Adopting Budget attached as **Exhibit “C”**, incorporating the fiscal year 2021-2022 budget, as presented.

Mr. Abbott next reviewed the District’s published proposed tax rate of \$0.7105 and noted the \$0.2475 debt service, \$0.3348 operations and maintenance, and \$0.1282 fire tax components. Director Logan then recommended that the Board consider an “all in” tax rate of \$0.69, which Ms. Smith confirmed would represent an \$8 increase in taxes to the average homestead in the District. Ms. Smith noted that each penny (\$.01) of operations and maintenance tax generated \$55,000 of income in the District’s budget. She reminded the Board that emergencies, such as Winter Storm Uri, can bring unplanned expenditures. Director McMullen then suggested that the Board adopt a \$0.70 “all in” tax rate. Director Koenig noted that the District had some aged infrastructure and that maintenance would be necessary over the course of the fiscal year. Director Bennett then moved that the Board adopt a \$0.70 tax rate, with \$0.2475 debt service, \$0.3243 operations and maintenance, and \$0.1282 fire tax components, and approve the Order Levying Taxes attached as **Exhibit “D”**. Upon second by Director Koenig, the motion was adopted, with Directors Roberts, Bennett, Koenig, Logan and McMullen present and voting “aye”.

Director Roberts then stated that the Board would consider approving an Amended and Restated Information Form reflecting the District’s 2021 tax rate. After discussion, upon motion by Director Logan and second by Director McMullen, the Board voted unanimously to approve the Amended and Restated Information Form attached as **Exhibit “E”**.

Director Roberts stated that the Board would next consider approving the Temporary Access Easements to Pedernales Electric Cooperative, Inc. (“**PEC**”), attached collectively as **Exhibit “F”**. Mr. Abbott confirmed that he had worked with PEC to finalize the language in the easements. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted unanimously to approve the easements.

Director Roberts then stated that the Board would consider authorizing the District’s attorney to negotiate the form of agreement for the provision of off-duty patrol services between the District and individual deputies of Williamson County Sheriff’s Office and authorize execution of the agreements with individual deputies. Discussion ensued. After discussion, upon motion by Director Bennett and second by Director McMullen, the Board voted unanimously to authorize the District’s attorney to negotiate a form of agreement for the provision of off-duty patrol services between the District and individual deputies of Williamson County Sheriff’s Office and authorize execution of said agreements with individual deputies.

Director Roberts then stated that the Board would discuss disc golf, including the grand opening ceremony and volunteer compensation. Director Bennett stated that construction of the disc golf course was going well. He stated that it was a “design/build” project and that actual construction of the course had never been included in the District’s budget. He also confirmed that the Board had considered and approved each expenditure undertaken in the construction of the course. Director Bennett then requested that the Board consider approving expenditures relating to the remaining construction of the course and expenditures for the grand opening ceremony. Upon question from Director Roberts, Director Bennett confirmed that the District would need to pay volunteer groups and purchase refreshments and related items for the ceremony. He confirmed that he had asked Texas Disposal Systems to consider donating portable restrooms for use during the ceremony. After discussion, upon motion by Director Bennett and second by Director McMullen, the Board voted unanimously to approve up to \$2,500 in expenditures to pay volunteers to assist in finishing the construction of the disc golf course and fund expenses relating to the grand opening ceremony of the disc golf course.

At 6:50 p.m., Director Roberts stated that the Board would convene in executive session to receive legal advice from the District's attorney regarding security personnel or devices, as permitted by Section 551.076 of the Texas Government Code.

At 7:26 p.m., the Board reconvened in open session, and Director Roberts stated that no action had been taken during executive session.

Director Roberts stated that the Board would next consider the City of Cedar Park's cost of service study relating to wholesale water and wastewater service. Mr. Abbott explained that the City had selected Raftelis Financial Consultants, Inc. to undertake cost of service studies relating to the City's provision of wholesale water and wastewater service. He noted that the District's agreements with the City provided that the District could object to the City's proposed consultant. After discussion, upon motion by Director Logan and second by Director Koenig, the Board voted unanimously to direct Mr. Abbott to confirm with the City that the Board did not object to the City's selection of Raftelis Financial Consultants, Inc. to undertake cost of service studies relating to the City's provision of wholesale water and wastewater service.

Director Roberts then stated that the Board would consider the proposal from Trinity AV Solutions, LLC for Annual System Service Agreement attached as **Exhibit "G"**, the proposal from Trinity AV Solutions, LLC for installation of equipment to transition to cloud storage attached as **Exhibit "H"**, and the proposal from Trinity AV Solutions, LLC for repairs to/replacement of damaged equipment attached as **Exhibit "I"**. After discussion, upon motion by Director Logan and second by Director Koenig, the Board voted unanimously to approve the proposals from Trinity AV Solutions.

Director Roberts stated that the Board would next consider the proposal from Gray Engineering, Inc. for preparation of Bond Application Report attached as **Exhibit "J"**. After discussion, upon motion by Director Logan and second by Director Koenig, the Board voted unanimously to approve the proposal from Gray Engineering.

Director Roberts stated that the Board would next discuss the Board's future meeting schedule and agenda items. Mr. Abbott confirmed that the next meeting of the Board of Directors would occur on September 22, 2021.

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 September 8, 2021 MINUTES]

Date: 10-27-21

~~Byron Koenig, Secretary~~  
Board of Directors

STUART McMULLEN  
ASSISTANT SECRETARY