

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

November 17, 2021

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on November 17, 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 roll of the members of the Board of Directors was called, as follows:

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

All of the Directors were present, thus constituting a quorum. Also present at the meeting were Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Jacquelyn Smith, Patricia Rinehart, and Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Sandy Martin of the Block House Creek Owners Association (the "OA"); David Gray of Gray Engineering; Tripp Hamby of Priority Landscapes ("Priority"); Deputy Gripenrog of the Williamson County Sheriff's Office ("WCSO"); Brian Sparks and Jasmine Torres of Triton Consulting Group; Lucian Gaudet and Robert Young, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:30 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 Roberts then stated that the Board would receive citizens' communications. Mr. Gaudet stated that Director Logan had been making things difficult in the divorce proceedings with his wife and that she had tried to get him fired from his job. He added that he had been investigated and that Director Logan had contacted both his family and his attorney. He further stated that he was in one of the District's parks and had stopped to talk to his son and that Director Logan began video recording him with her phone. Mr. Gaudet stated that the WCSO had requested that he leave a disc golf event in the District and that he believed Director Logan was connected to their request. He then accused Director Logan of using her office with the District to influence the WCSO to investigate him. He then requested that the Board investigate whether Director Logan was improperly using her influence with the WCSO in an attempt to institute an investigation.

Mr. Young then addressed the Board and stated that Mr. Gaudet had attempted to intimidate Director Logan at the aforementioned disc golf event. He stated that calling the authorities was the proper action to undertake in such situations. He also noted that he had

witnessed Mr. Gaudet with a camera at a public restaurant and that he believed that Mr. Gaudet was intentionally attempting to harass and record Director Logan with said camera.

Director Roberts stated that the Board would next receive a report from the OA and recognized Ms. Martin. Ms. Martin reported that OA activities were winding down for the year. She stated that the OA's disc golf event went well and that the District's disc golf course was beautiful. She confirmed that the OA's annual meeting would occur on Saturday, November 20, 2021, and that neighborhood issues would be discussed. Ms. Martin concluded by stating that the OA would begin undertaking holiday decorations soon.

Director Roberts stated that the Board would next consider approving the minutes of the October 27, 2021 regular meeting. Director Logan noted that she had directed CAM to update certain language in their report to clarify that areas in the District where the OA enforced restrictive covenants were not "non-MUD" properties. She requested that the minutes be amended to reflect the directive. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve the minutes, as amended.

Director Roberts then stated that the Board would consider the proposal from Triton Consulting Group, LLC ("Triton") for the District's website, social media and newsletter, attached as **Exhibit "B"**. Director Roberts asked the members of the Board what sort of assistance the District needed with communication efforts. She noted that Triton had been in the communications business for over 20 years and that they represented numerous water districts. She further noted that they would be able to provide support for any communication-related service that was necessary for the District. Mr. Sparks confirmed that Triton could be very flexible in terms of the services it could provide to the District. Upon question from Director McMullen, Mr. Sparks stated that monthly fees would simply depend on the services requested. He noted that Triton had clients that spent anywhere from \$12,000 to \$80,000 a year on communications services. Director Logan opined that the District could likely budget approximately \$1,500 per month for Triton's services. Discussion ensued about management of the District's website. Director Logan then stated that Triton would primarily be utilized to communicate with residents through newsletters, alerts, and social media. Mr. Sparks noted that Triton could also assist in ensuring that the District's website was in compliance with all applicable state laws and regulations. Director Roberts then requested that Mr. Sparks provide references for some of the work that Triton had undertaken on behalf of water districts. After further discussion, the Board agreed to table the consideration of Triton's proposal until a special meeting could be scheduled to more specifically address communications issues.

Director Roberts stated that the Board would next receive a report from the WCSO and recognized Deputy Gripenrog. Deputy Gripenrog briefly reviewed the WCSO's recent activity in the District and noted that additional information was included in the report.

Director Roberts stated that the Board would next receive the bookkeeper's report and recognized Ms. Kolmodin. Ms. Kolmodin presented the check register, attached as **Exhibit "C"**. She noted that there were three fund transfers and recommended approval. After discussion, upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to approve the payment of the bills and invoices, and the fund transfers. Ms. Kolmodin then presented the Secretary's Certificate and Resolutions Regarding Lock Box Clearing Account (the "Secretary's Certificate and Resolutions") attached as **Exhibit "D"**. Upon motion by Director Logan and second by Director Roberts, the Board voted unanimously to approve the Secretary's Certificate and Resolutions.

Director Roberts then stated that the Board would discuss pool operations, maintenance, repairs and management. Director Bennett stated that the heater had failed at Apache Pool and that the root cause of the failure had yet to be identified. He noted that supply chain issues were affecting the availability of heaters and recommended ordering a replacement as soon as possible. He added that the Board should consider ordering two heaters, which would provide for redundancy and safeguard against future operation issues. Director Bennett then presented two proposals from 360 Aquatics (Lifeguard 4 Hire) relating to the issue—Estimate #5077, attached as **Exhibit “E”**, for a single pool heater and Estimate #5078, attached as **Exhibit “F”**, for two pool heaters. He confirmed that the existing heater could be put back in service, but that there was no guarantee on how long it would be effective. Ms. Kolmodin then confirmed that funds were available in the budget to fund either estimate provided by 360 Aquatics. Director Bennett recommended the approval of Estimate #5078 for two pool heaters. Upon question from Director Logan, Director Bennett confirmed that two heaters would fit within the space dedicated for such purposes. After discussion, upon motion by Director McMullen and second by Director Logan, the Board voted unanimously to order the heaters included in Estimate #5078 directly from the manufacturer, as well as a rack to accommodate the heaters, in an amount not to exceed \$43,000. Upon question from Director Koenig, Director Bennett confirmed that the District would continue to run the existing heater until the new heaters could be installed.

Director Bennett then stated that some cracks had developed in Tumlinson Pool. He then presented Proposal #5079 from 360 Aquatics (Lifeguard 4 Hire), attached as **Exhibit “G”**, and noted that certain portions of the pool would need to be replastered. He then recommended tabling the item until a future meeting.

Mr. Abbott then presented the amended Application to Reserve Pool for Private Party attached as **Exhibit “H”**. Mr. Abbott noted that this was Exhibit “A-1” to the Order Establishing Rules and Regulations Governing Recreational Facilities and Related Fees and Charges (“*Park Rules*”). After discussion, upon motion by Director Roberts and second by Director McMullen, the Board voted unanimously to approve the amended Application.

Director Roberts then stated that the Board would discuss landscape maintenance, including the report from Priority attached as **Exhibit “I”**. Mr. Hamby presented Proposal #741 for disc golf trail improvements between #4 basket and #5 tee, attached as **Exhibit “J”**. After discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted unanimously to approve Proposal #741.

Director Roberts stated that the Board would next discuss engineering matters, including the District right-of-way improvements, and recognized Mr. Gray. Mr. Gray reviewed his report, attached as **Exhibit “K”**, and noted that he had met with the Fence Subcommittee to discuss the right-of-way improvements. He stated that he would seek the opinion of Trent Rush and would work with the Fence Subcommittee to make recommendations to the full Board in January. He then stated that he had accompanied Trent Rush to inspect certain park facilities, including the Jumano Community Center. Mr. Gray stated that they were considering all options in evaluating the existing structure, including demolition, rebuild, and other available options. He concluded by stating that there was nothing new to report regarding the development of the Knight Tracts that were adjacent to the District.

Director Roberts then stated that the Board would discuss District operations and recognized Ms. Torres. Ms. Torres reviewed the operations report attached as **Exhibit “L”**. She stated that all lab results were satisfactory and noted that water loss for the month of October was 2.91%. She then reviewed the list of write-offs included in her report and requested approval.

After discussion, upon motion from Director Bennett and second by Director Koenig, the Board voted unanimously to approve the write-offs.

Director Roberts stated that the Board would next discuss general management items, and recognized Ms. Smith. Ms. Smith reviewed her report, attached as **Exhibit “M”**. She recommended that the Board consider consolidating some of the District’s subcommittees and directed the Board’s attention to a memorandum she had prepared on the topic, attached as **Exhibit “N”**. She noted that the consolidation of subcommittees would create efficiencies in operations and streamline the District’s approach to managing certain functions. Director Roberts stated that she was in favor of the consolidation of subcommittees. She then stated that such a topic merited significant contemplation and suggested that each member of the Board consider the proposal. The Board agreed to table the matter and discuss at a future meeting.

Director Roberts stated that the Board would next discuss District parks and facilities. Ms. Smith reviewed a memorandum, attached as **Exhibit “O”**, relating to proposed changes to the District’s Park Rules relating to the Jumano Disc Golf Course. She confirmed that she had reviewed rules for disc golf courses operated by other local government entities and that the District’s existing Park Rules already addressed the most common concerns at disc golf courses. She also confirmed that the District had posted general “Rules and Safety” standards at the Jumano Disc Golf Course. Ms. Smith then recommended that the Board consider adding additional rules relating to trash and vegetation. Regarding the latter, she recommended that the Board consider a rule to specifically prohibit trimming or clearing of vegetation in District parks. **The Board then directed Mr. Abbott to review the proposed rules for the Jumano Disc Golf Course and make recommendations to the Board on amending the District’s Park Rules.**

Mr. Abbott then reviewed a draft of the Joint Use Agreement for Community Electronic Sign, attached as **Exhibit “P”**, with the Board. Discussion ensued. Upon motion by Director Roberts and second by Director Logan, the Board voted unanimously to approve the Agreement, as amended, to include: 1) revisions to confirm that all requests be submitted via email; and 2) that all requests must be submitted at least 48 hours in advance. **The Board then directed Mr. Abbott to amend the Agreement and, subject to approval by the BHC OA Subcommittee, provide the draft Agreement to the OA.**

Director Roberts then recognized Mr. Abbott who reviewed his directives. Director McMullen stated that he had contacted CAM regarding additional drives in the District. He confirmed that CAM thought that the timing of the current drives was optimal and that an additional drive per month would cost an additional \$950. Mr. Abbott then confirmed that all other directives were in process or complete.

Director Roberts then stated that the Board would consider the renewal of general liability, automobile liability, errors and omissions (public officials) liability, law enforcement liability, workers’ compensation, real and personal property, boiler and machinery, mobile equipment, and cyber liability insurance. After discussion, upon motion by Director McMullen and second by Director Bennett, the Board voted unanimously to approve the renewal of the insurance policies, as presented.

Director Roberts then stated that the Board would discuss telephonic or video streaming of District Board meetings. Mr. Abbott stated that he had contacted Cliff Avery and that Mr. Avery was no longer able to offer such services to the District. The Board then decided to table consideration of the matter and expressed a preference of undertaking a survey of residents on the topic.

Director Roberts then stated that the Board would discuss cell phones for directors for District use. Mr. Abbott confirmed that strict protocols must be developed by the Board to confirm that Director cell phones paid for by the District were used exclusively for District purposes. He further stated that failure to follow such protocols could be cause for investigation by the Internal Revenue Service. After discussion, upon motion by Director McMullen and second by Director Bennett, the Board voted 4-1, with Director Logan voting “no”, to approve the purchase of a cell phone for any Director who desired a phone.

Director Roberts next stated that the Board would consider the Information Technology Services Agreement. Mr. Abbott then reviewed the Agreement, attached as **Exhibit “Q”**. He confirmed that the contractor, Elite Computing, LLC, had been providing information technology services to the District for several months via a subcontracting arrangement with Crossroads. After discussion, upon motion by Director Roberts and second by Director Bennett, the Board voted 4-0, with Director McMullen abstaining, to approve the Information Technology Services Agreement.

Director Roberts stated that the Board would next conduct consultant evaluations – General Manager, including review of General Management Services Agreement. The Board agreed to table the item until a future special meeting of the Board.

Director Roberts left the meeting at 8:03 p.m.

At 8:04 p.m., Director Bennett stated that the Board would convene in executive session to receive legal advice from the District’s attorney, as permitted by Section 551.071 of the Texas Government Code.

At 8:40 p.m., the Board reconvened in open session, and Director Bennett stated that no action had been taken during executive session.

Director Bennett then stated that the Board would discuss restrictive covenant enforcement, including pending or contemplated litigation, and recognized Director McMullen. Director McMullen reviewed CAM’s report, including the repeated violations at 16302 Spotted Eagle and 15361 English River Loop. He confirmed that Will Cardwell of A&B had sent letters to the addresses to express concern about the unresolved restrictive covenant violations. After discussion, the Board voted 4-0 to direct A&B to send a letter threatening litigation to each address if the violations had not been cured at the time of CAM’s next drive of the District and, further, if the outstanding violations were not finally resolved by January 4, 2022, to move forward with litigation to enforce the applicable restrictive covenants. **The Board then directed Mr. Abbott to contact CAM and request their presence at the Board’s regular January meeting for a consultant evaluation and review of the Restrictive Covenant Enforcement Services Agreement between the parties.**

Director Bennett stated that the Board would next discuss the Board’s future meeting schedule and agenda items. The Board expressed a preference for considering the 360 Aquatics Proposal #5079 and the consideration of the reorganization of District subcommittees at the District’s next regular Board meeting, which Mr. Abbott confirmed was scheduled to occur on December 15, 2021. The Board then expressed a preference for holding a special meeting on January 12, 2022 to undertake a consultant evaluation of the General Manager and a review of the General Management Services Agreement.

There being no further items to come before the Board, upon motion by Director McMullen and second by Director Koenig, the Board voted 4-0 to adjourn the meeting.

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[SIGNATURE PAGE TO November 17, 2021 MINUTES]

Stuart McMullen, Assistant Secretary
Board of Directors

Date: 1-26-22