

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

August 16, 2022

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District was held on August 16, 2022, 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, except Director Logan, thus constituting a quorum. Also present at the meeting were: Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres and Amy Earls of Crossroads Utility Services, LLC ("Crossroads"); Sandy Martin of the BHC Owners Association ("OA"); Trent Rush of Hitchcock Design Group; Deputy Bartlett of the Williamson County Sheriff's Office ("WCSO"); David Gray of Gray Engineering; Lauren Smith of Public Finance Group LLC; Christopher Minns, Tracy Norris, Rick and Pam Mia, and David Johnson, 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. Minns addressed the Board and requested that the Board consider having Board meetings accessible to residents either via Zoom or telephone conference. He then noted that he had observed sprinkler systems watering common areas of the District in the middle of extremely hot and dry days. He noted that such watering times were not optimal or effective. Mr. Minns then stated that he had been made aware of some issues at the women's restroom at Apache Pool. He stated that the restroom was not being cleaned to a proper standard and that the shower was backed up. The Board thanked Mr. Minns for his comments and requested that he alert the District to such issues if he observed them again.

Director Roberts then stated that the Board would discuss the 2022/2023 budget and 2022 tax rate, including: (i) work session on 2022/2023 budget; (ii) establish and take record vote on proposed 2022 tax rate; (iii) schedule public hearing at which adoption of 2022 tax rate will be considered; and (iv) authorize publication of Water District Notice of Public Hearing on Tax Rate. Director Roberts recognized Ms. Smith, who reviewed the 2022 tax rate analysis

attached as **Exhibit “B”**, including the certified assessed valuation for the District. She then reviewed each of the proposed tax rate scenarios provided in the analysis, including the components of the District’s proposed tax rate: \$0.3383 for operations and maintenance, \$0.1127 for fire tax, and \$0.2085 for the debt service tax rate—a combined tax rate of \$0.6595 per \$100 of valuation. Discussion ensued. Ms. Smith then briefly reviewed the tax rate classifications instituted by Senate Bill 2 and stated that the Board would need to establish a proposed tax rate and set a date in September for the public hearing on the tax rate. Ms. Smith recommended that the Board adopt a tax rate of \$0.6595 per \$100 assessed valuation.

Director Roberts then recognized Ms. Kolmodin, who handed out a fiscal year end 2022/2023 draft budget, attached as **Exhibit “C”**, for the Board’s review. The Board discussed various expense line items and the impact that the limitation on the maintenance and operations tax rate component of the total tax rate would have on the budget. No action was taken on the draft budget.

After further discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted to: confirm the District’s designation as a “developed district” and approve and publish a total proposed tax rate of \$0.6595 per \$100 assessed valuation, with Directors Roberts, Bennett, Koenig, and McMullen present and voting “aye” and Director Logan absent and not voting.

Upon motion by Director McMullen and second by Director Koenig, the Board voted 4-0 to schedule a public hearing on the tax rate for September 7, 2022 at 6:30 p.m. at 2600 Block House Drive South, Leander, Texas, 78641 and to authorize publication of the Water District Notice of Public Hearing on Tax Rate in the Hill Country News.

Director Roberts then stated that the Board would discuss the Parks Master Plan and recognized Mr. Rush. Mr. Rush stated that he had solicited significant feedback from the Board, which he had integrated into the draft Parks Master Plan, attached as **Exhibit “D”**. Mr. Grey then noted that the Board may consider financing certain park facilities with a bond issuance and briefly reviewed the bond issuance process with the Board. Upon question from Director Roberts, Ms. Smith confirmed that rising interest rates would raise the costs associated with the bond issuance and that she would report back to the Board with an updated cost estimate. Mr. Rush then confirmed that the majority of the Parks Master Plan had been finalized. He further noted that he still wished to solicit additional feedback from the Board on the prioritization of park expenditures in future years. He stated that the Parks Master Plan would serve as a “playbook” for park improvements in the future and that costs could ultimately go up or down. Mr. Rush then reviewed the costs included for the facilities included in the Parks Master Plan. Discussion ensued. Upon question from Director Roberts, Mr. Rush recommended that, if the Board wished to build a new community center in Jumano Park, they consider compiling a “request for quote” for an architect to design the facility. He also confirmed that project management costs would also needed to be included in a budget for a new facility.

Director Roberts stated that the Board would next discuss the Board’s future meeting schedule and agenda items. Director Roberts confirmed that the next meeting of the Board of Directors would occur on August 24, 2022.

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

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[SIGNATURE PAGE TO AUGUST 16, 2022 MINUTES]

Stuart McMullen, Assistant Secretary
Board of Directors

Date: 9-28-22