

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

September 7, 2022

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District was held on September 7, 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 McMullen, who arrived later, thus constituting a quorum. Also present at the meeting were: Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres 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 ("WCSSO"); Lauren Smith of Public Finance Group LLC; Robert Young, Tracy Norris, and David Shoemaker, 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 McMullen arrived at the meeting at 6:35 p.m.

Director Roberts then stated that the Board would receive citizens' communications. She noted that comments relating to the levy of the District's 2022 tax rate had been submitted to the District via the Williamson County Tax Office Portal, attached as **Exhibit "B"**, and she reviewed the comments with the Board. She then recognized Mr. Shoemaker. Mr. Shoemaker addressed the Board regarding the District's proposed tax rate. He suggested that the Board levy a \$0.2598 per \$100 valuation operations and maintenance tax rate, adding that the operations and maintenance tax rate should be reduced given that appraised values had increased. Mr. Shoemaker then cited to macroeconomic considerations that were affecting residents of the District. He reiterated that he would like to see the Board levy a much lower operations and maintenance tax rate than what had been proposed.

Ms. Norris addressed the Board and noted that she recently started attending Board meetings and that she thought the Board was doing a good job. She then stated that Mr. Young

and Director Logan had approached her and some of her neighbors to discuss District matters. She noted that she felt like she had been attacked. Ms. Norris then stated that she would like to participate in the affairs of her neighborhood without being disparaged.

Director Roberts noted that the District had published a proposed tax rate of \$0.6595 for the 2022 tax year. Director Roberts then opened the public hearing on the District's 2022 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. Smith confirmed 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 2022 Tax Rate Analysis, attached as **Exhibit "C"**, 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 2022-2023 budget, attached as **Exhibit "D"**, 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. Upon question from Director Roberts, Ms. Smith stated that the District's credit rating would not suffer if the District maintained less than twelve months of reserves. Director Roberts noted that the District had significant maintenance obligations for its water and wastewater system and its park facilities. She noted that the proposed budget represented a conscientious effort to responsibly maintain District facilities. She further noted that the Board endeavored to preserve the value of homes in the District and that it took its role very seriously. Director Roberts then stated that the District's fire tax provided for quality fire and emergency services through the City of Cedar Park.

Director McMullen reminded all those present that the Board had increased the District's homestead exemption as well as the disabled or 65 and older exemption.

Director Logan then suggested that the Board reduce the amounts allocated in the proposed budget dedicated to the right-of-way project and to the pool tag system. Director McMullen confirmed that the dollars allocated in the budget to the pool tag system had been offered as an estimate of the expected expense.

After discussion, Director Bennett moved to approve the Resolution Adopting Budget incorporating the fiscal year 2022-2023 budget, as presented. Director Koenig seconded the motion. Director Logan then moved to amend the existing motion and reduce the proposed expenditures in the budget by \$150,000. Upon second by Director McMullen, the Board voted 1-4 against the amendment of the motion, with Directors Bennett, Koenig, McMullen, and Roberts voting "no". After further discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted 4-1, with Director Logan voting "no", to approve the Resolution Adopting Budget attached as **Exhibit "E"**, incorporating the fiscal year 2022-2023 budget, as presented.

Mr. Smith next reviewed the District's published proposed tax rate of \$0.6595 and noted the \$0.2085 debt service, \$0.3383 operations and maintenance, and \$0.1127 fire tax components. She recommended that the Board consider an "all in" tax rate of \$0.6595. Director Bennett then moved that the Board adopt a \$0.6595 tax rate, with \$0.2085 debt service, \$0.3383 operations and maintenance, and \$0.1127 fire tax components, and approve the Order Levying Taxes attached as **Exhibit "F"**. Upon second by Director Koenig, the motion was adopted, with

Directors Koenig, Bennett, McMullen, and Roberts present and voting “yes” and Director Logan present and voting “no”.

Director Roberts then stated that the Board would consider approving an Amended and Restated Information Form reflecting the District’s 2022 tax rate. After discussion, upon motion by Director Logan and second by Director Roberts, the Board voted unanimously to approve the Amended and Restated Information Form attached as Exhibit “G”.

Director Roberts stated that the Board would next discuss bike trails. Director Bennett then reviewed the proposed design plan to rebuild the District’s Bike Trails, attached as Exhibit “H”. After discussion, upon motion by Director Roberts and second by Director Logan, the Board voted to approve the proposed design to rebuild the District’s Bike Trails and to approve up to \$5,000 in expenditures relating to accomplishing the rebuilding of said trails.

Director Roberts then stated that the Board would discuss the Board’s future meeting schedule and agenda items. Mr. Abbott confirmed that the Board was scheduled to conduct a special meeting on September 12, 2022.

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

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[SIGNATURE PAGE TO SEPTEMBER 7, 2022 MINUTES]

Stuart McMullen, Assistant Secretary
Board of Directors

Date: 9-28-22