

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

November 30, 2022

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on November 30, 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:

Ursula Logan	-	President
David Shoemaker	-	Vice President
Robert Young	-	Secretary
Cecilia Roberts	-	Assistant Secretary
David Johnson	-	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"); Lisa Torres and Andrew Hunt of Crossroads Utility Services, LLC ("Crossroads"); Sandy Martin of the BHC Owners Association ("OA"); Tom Davis of Lifeguard4Hire ("L4H"); Deputies Boggs and Lovato of the Williamson County Sheriff's Office ("WCSO"); David Gray of Gray Engineering; Lauren Smith of Public Finance Group LLC; Tripp Hamby of Priority Landscapes ("Priority"); Yuri Castelar and Dave Wood, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Logan 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 Logan then stated that the Board would receive citizens' communications. Mr. Wood confirmed that he represented Cub Scout Pack 171 and that the Pack had requested the use of Apache Pool to undertake a swim defense training course. He confirmed that the course would take about eight hours, that there would likely be eight to ten participants, and that they'd like to conduct the course in April. Director Logan noted that the request had been included on the meeting agenda under item 22(a)(1) and stated that the Board could entertain the request while Mr. Wood was available for questions. Ms. Torres confirmed that she had been in communication with Mr. Wood and suggested that April 26, 2023 would be an optimal day for consideration. Mr. Wood confirmed that the proposed date would work for his Pack and that they were flexible. Upon question from Director Roberts, Mr. Wood stated that the training would only be available to qualified members of the Cub Scouts organization and would not be open to residents of the neighborhood who were not affiliated with the Scouts. Ms. Torres and Mr. Wood confirmed that the participants were willing to execute waivers. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the request for use of Apache Pool on April 26, 2023.

Ms. Castelar addressed the Board and expressed concern for speeding traffic on Scottsdale Drive. She requested additional traffic monitoring from WCSO in the mornings and afternoons. Deputy Lovato suggested that flashing lights or a digital sign monitoring speed may be beneficial. **Director Roberts directed Ms. Torres to contact Williamson County about the possibility of adding additional signage.**

Director Logan stated that the Board would next consider approving the minutes of the October 10, 2022 special meeting and the October 26, 2022 regular meeting. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the minutes, as presented.

Director Logan then stated that the Board would discuss subcommittee assignments and offered a brief overview to the new Board members about the functionality and organization of the subcommittees. Each Board member, in turn, offered their preferences for service on specific subcommittees. Upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to adopt new subcommittee assignments, as described on the attached **Exhibit “B”**.

Director Logan stated that the Board would next consider revised account resolutions and signature cards for existing bank accounts. Mr. Abbott presented the Secretary’s Certificate and Resolutions Regarding Manager’s Account attached as **Exhibit “C”**; the Secretary’s Certificate and Resolutions Regarding Operating Account attached as **Exhibit “D”**; the Secretary’s Certificate and Resolutions Regarding Capital Projects Fund Checking Account attached as **Exhibit “E”**; and the Secretary’s Certificate and Resolutions Regarding Lock Box Clearing Account attached as **Exhibit “F”**. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Resolutions.

Director Logan then stated that the Board would receive a report from the OA and recognized Ms. Martin. Ms. Martin noted that the OA was “winding down” a bit operationally until early 2023. She noted that the OA’s budget committee and planning group would be doing a budget in early 2023. She stated that the OA would be conducting their annual decorating contest and that they would need judges. Director Roberts offered to serve as a judge. Ms. Martin then noted that the OA had heard from a development group who would be undertaking development on a parcel of land in the vicinity of Block House and stated that it might be prudent for the District to touch base with the group. She then offered to provide relevant information regarding the development to the District’s General Manager.

Director Logan stated that the Board would receive a report from WCSO and recognized Deputy Lovato. Deputy Lovato stated that things in the District were “normal” and that there were no particular incidents to report. He confirmed that he looked forward to working with the new Board members and that he would continue to correspond with the District’s General Manager on a day-to-day basis, as needed.

Director Logan then stated that the Board would discuss the consideration of District policy or procedures regarding reporting of contact with WCSO officers. Director Logan stated that she felt that it was important for the Board to keep an internal record of when Board members correspond directly with the WCSO on law enforcement matters in the District. Upon question from Director Johnson, Director Logan noted that there was no current process for tracking such information. She confirmed that she was suggesting the establishment of an internal reporting process and suggested that, if and when a Board member contacted the WCSO, they simply report such contact to the District’s General Manager for tracking purposes. Deputies Lovato and Boggs recommended that the Board consider a “victim exception,” so that a Board member was not

required to file such a report if they were the victim of a crime or other matter requiring attention from law enforcement. Director Roberts stated that she did not think that such a policy was necessary. After discussion, upon motion by Director Logan and second by Director Shoemaker, the Board voted 4-1, with Director Roberts voting “no,” to require Board members to report contact with the WCSO to the General Manager of the District for tracking purposes.

Director Logan stated that the Board would next receive a report from the PR/Communications Subcommittee. She noted that the annual Cocoa Christmas event would be held soon and that there was significant excitement in the community about the event. Director Logan then stated that the Board would discuss newsletter distribution. She stated that she was in favor of the District’s newsletter being distributed exclusively on an electronic basis. Director Roberts stated that she favored printed newsletters, adding that she felt printed newsletters add to District transparency efforts. She also stated that printed newsletters helped distinguish the District from the OA, bringing clarity to residents. Director Young stated that he was in favor of electronic distribution, but noted that he’d like to understand community preference on the issue. Director Shoemaker stated that there might be value in continuing printed newsletters and eventually transitioning to electronic. Director Logan noted that she was concerned about sustainability issues implicated with printed newsletters as well as the related costs. Ms. Torres noted that, currently, printed newsletters were being included with District utility bills, which was fairly cost effective. She noted that, if the District were to separately send printed newsletters to certain residents, costs would likely increase dramatically. Director Young suggested that surveying District residents would be advantageous in evaluating the issue. **The Board then directed the PR/Communications Subcommittee to work on a survey to evaluate local opinion on the matter.**

Director Logan then stated that the Board would discuss the District’s social media policy. She noted that the draft included in the meeting packet, attached as **Exhibit “G”**, was a working draft, which was originally drafted by Mr. Abbott and contained comments she had provided. Discussion ensued, with the Board agreeing that it would be prudent for the District to establish such a policy. Mr. Abbott invited Board members to provide comments to the proposed policy.

Director Logan then stated that the Board would discuss transparency at Board meetings, including utilizing video conferencing or telephonic technology. She noted that there were a few water districts streaming their meetings or recording meetings and later posting the meetings online. She noted that live streaming meetings was a work in progress, but noted that she would like to see the District stream meetings as soon as possible. After discussion, upon motion by Director Logan and second by Director Roberts, the Board voted unanimously to direct **Ms. Torres to purchase two Owl Systems, not to exceed \$3,000 in cost, for the purpose of livestreaming District meetings.** Ms. Torres noted that the internet capabilities had recently been tested at the Walker House and that, unfortunately, the capabilities rated very poorly. She confirmed that she was engaged with AT&T on the issues and hoped to report back to the Board soon on options. She noted that the line to the Walker House may need to be replaced. Director Roberts noted that only AT&T and Suddenlink were available in the District and that the Board may desire to try service with Suddenlink if AT&T could not provide a quality connection. Director Shoemaker stated that it was absolutely necessary for the Walker House to have proper bandwidth to facilitate the streaming of meetings. Director Johnson agreed and noted that he also wanted to get live streaming in place as soon as possible. Director Young noted that it would be a process to get to the point where livestreaming was possible and suggested that it was important for the Board to envision the desired goal. He also suggested that it would be beneficial for the Board to simply undertake audio recordings and make such recordings publicly available after Board meetings. Mr. Abbott noted that, during the height of the COVID-era when the Texas Open Meetings Act was suspended, that the Board had utilized various forms of video

and audio streaming, with mixed results. He opined that it would be important for the District to ensure that proper technical capabilities were in place before attempting to livestream meetings. **Director Roberts directed Ms. Torres to establish a Zoom account for the District.**

Director Logan stated that the Board would next discuss restrictive covenants. She suggested that the new Restrictive Covenants subcommittee liaise with Community Association Management, Inc. and Will Cardwell of A&B to get up to speed on the enforcement of restrictive covenants in the District.

Director Logan then stated that the Board would receive the bookkeeper's report and recognized Ms. Kolmodin. Ms. Kolmodin presented the check register, attached as **Exhibit "H"**, and the supplemental check register, attached as **Exhibit "I"**. Director Logan requested that her per diems be voided on a go forward basis. Ms. Kolmodin then reviewed two proposed fund transfers and recommended approval. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve payment of the bills and invoices and the fund transfers, as presented.

Director Logan then stated that the Board would receive a report from L4H and recognized Mr. Davis, who stated that there was very little to report, given the season. Ms. Torres noted that there had been a leak at the Tumlinson Pool Pump House. Mr. Davis confirmed that L4H would continue to address any issues with the District's pools and that he would report back to the Board with any concerns.

Director Logan then stated that the Board would receive a report from Priority and recognized Mr. Hamby. Mr. Hamby confirmed that Priority continued to undertake its typical maintenance around the District. He then presented Proposal #1799 for the BMX Park bike trails revegetation attached as **Exhibit "J"**. Mr. Gray recommended approval. After discussion, upon motion by Director Roberts and second by Director Logan, the Board voted unanimously to approve the proposal.

Director Logan stated that the Board would next consider a proposal from SunTech Electric, Inc. relating to the tennis (sports) court lighting, attached as **Exhibit "K"**, and recognized Ms. Torres. Ms. Torres reviewed the proposal with the Board and recommended approval. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the proposal.

Director Logan then stated that the Board would discuss engineering matters and recognized Mr. Gray. Mr. Gray reviewed his report, attached as **Exhibit "L"**. He confirmed that Pedernales Electric Cooperative ("**PEC**") had completed its restoration work in the District. He noted that he would follow up with PEC if their efforts proved to be unsuccessful. He noted that the park surveys were ongoing and that Jumano Park was currently underway. Mr. Gray then discussed the District's \$3,150,000 Recreational Bond issue, including the cost matrix that was included in his report. He reviewed what the previous Board had voted to include in a park bond application to the Texas Commission on Environmental Quality. He then suggested that it might be beneficial to "circle back" on such inclusions and opined that a "work session" on the topic may be beneficial. Director Logan then suggested that no additional work be done on the bond application until the new the Board members had an opportunity to review the park plan. She then opined that a "work session" in February might be beneficial. Mr. Young noted that interest rates had climbed significantly in recent months and was curious about the effect that rising rates would have on a bond issuance. Ms. Smith noted that the rates of municipal bonds were, indeed, up. She noted that the original interest rate assumed for the park bond was 3% and that she had

adjusted that figure up to 4.75%. Mr. Gray confirmed that he would pause work on the bond application until the Board had an opportunity to undertake a “work session” on the matter.

Director Logan then stated that the Board would receive a report from Crossroads Utility Services, LLC and recognized Ms. Torres. Ms. Torres reviewed the operations report attached as **Exhibit “M”**. She stated that all lab results were satisfactory and added that the water loss for the month of July was 5.20%, which, she noted, was down from last month. She added that she had no write-offs to present. Upon question from Director Johnson, Ms. Torres noted that the water loss figure was a good number and that, generally speaking, any water loss under 10% was considered satisfactory.

Director Logan next stated that the Board would receive a report from the General Manager and recognized Ms. Torres who reviewed the general manager’s report, attached as **Exhibit “N”**. She then reviewed the proposal from GTO Mechanical Insulation for insulation of approximately 105 linear feet of water lines for the ground water storage tank attached as **Exhibit “O”**. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the proposal.

Director Logan then stated that the Board would discuss the expense of dinners at Board meetings. She suggested that dinners no longer be served prior to Board meetings. After discussion, upon motion by Director Logan and second by Director Johnson, the Board voted unanimously to discontinue the practice of purchasing dinners for Board meetings.

Director Logan then requested that an item be included on the Board’s next agenda to discuss potential changes to agendas for District Board meetings. She then directed Ms. Torres to make recommendations to the Board relating to the issue.

Director Logan then recognized Mr. Abbott for purposes of receiving the attorney’s report. Mr. Abbott reviewed the Amendment No. 4 to Amended and Restated Solid Waste Collection and Disposal Services Agreement attached as **Exhibit “P”**. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve Amendment No. 4 to Amended and Restated Solid Waste Collection and Disposal Services Agreement.

Mr. Abbott stated that a complaint had been received under the Code of Ethics, Travel, and Professional Services Policy (generally, the “*Code of Ethics*”) from Director Logan about former Director Koenig. He noted that the matter had been discussed, but had not been finally resolved. Director Logan stated that she did not wish to retract her complaint and that she wanted to move forward with finalizing the complaint. Mr. Abbott confirmed that he had reviewed the Code of Ethics and that the Code of Ethics did not prohibit complaints being considered against former Board members. Mr. Abbott then reviewed the process contemplated by the Code of Ethics for Board members to review a complaint. Director Shoemaker noted that the complaint had interest in the community and that he would like to see it brought to a conclusion. Directors Young and Johnson agreed, noting that they would like to finalize the matter at the Board’s December meeting. Director Roberts expressed concern about the costs to the District relating to the complaint. Director Shoemaker stated that former Director Koenig deserved an opportunity to be present if the Board was to continue consideration of the complaint. **The Board then directed Mr. Abbott to communicate with former Director Koenig to confirm that the Board intended to discuss and consider the complaint at their regular December meeting.**

Director Logan then stated that the Board would discuss resuming the process of keeping meeting notes, including the format and responsibility of such notes. She stated that she was in favor of returning to keeping meetings notes. She noted that it provided an easy way to keep residents immediately informed of actions taken at Board meetings. She also proposed that, in addition to noting whether “decision” items were approved, that votes on such matters also be tracked in the meeting notes. Director Roberts stated that she thought the maintenance and process for compiling meeting notes were an unnecessary expense to the District. After discussion, upon motion by Director Logan and second by Director Johnson, the Board voted to resume the process of undertaking meeting notes and to track the votes on “decision” items within the meeting notes.

Director Logan then stated that the Capital Area Suburban Exchange was supposed to hold a Board member workshop, but that it had been postponed.

Director Logan stated that the Board would next discuss the Board’s future meeting schedule and agenda items. The Board confirmed their desire to hold a regular meeting on December 21, 2022.

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

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[SIGNATURE PAGE TO NOVEMBER 30, 2022 MINUTES]



Robert Young, Secretary
Board of Directors

Date: 12-21-22