

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

January 23, 2019

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

A meeting of the Board of Directors of Block House Municipal Utility District was held on January 23, 2019, 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	-	Treasurer

Director Ursula Logan was absent and Director Rayan Horak arrived later. Also present at the meeting were Tanya Emmons and Whitney Killian of Pinnacle Texas Management Services ("Pinnacle"); Tripp Hamby of Priority Landscapes, LLC ("Priority"); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Annalise Zarobin and Kristin Kristinsd, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B"). Sergeant Chuck Kelley of the Williamson County Sheriff's Office arrived later.

Director Roberts called the meeting to order at 6:30 p.m. 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. At this time, Director Horak arrived at the meeting.

Director Roberts reminded those present that public comments were taken only during designated portions of the meeting. She asked that anyone who wished to address the Board fill out a Community Comment form and state his or her full name for the record before making comments. Director Roberts then stated that the Board would receive citizens' communications. She recognized Ms. Zarobin, who stated that she had concerns about Crossroads. She stated that she had been in customer service for over 20 years, and some of her interactions with Crossroads were very poor. Ms. Zarobin stated that she had contacted Crossroads three times recently and only one representative had been pleasant. She acknowledged that she had been late in making her payments but stated that, when she had recently contacted Crossroads when her service had been turned off, she had felt humiliated. She complained that the tag that had been hung on her door about the disconnection was bright orange and stated that she felt it was designed to embarrass her. Ms. Zarobin also stated that Crossroads' Google rating was only 1.3 stars. Ms. Zarobin stated that she believed bad customer service was an overarching issue with Crossroads and requested that the District look at alternatives. She also asked if this request could be placed on the agenda for the future meeting so she could see if there had been any movement. Director Roberts stated that the Board would note and look into her concerns and thanked her for attending and addressing the Board.

Director Roberts stated that the Board would next receive a report from the OA. Ms. Emmons called the Board's attention to the list of dates and information regarding the OA's requests for use of District facilities attached as **Exhibit "B"**. Director Roberts inquired if the adult swim could be a District event, rather than going through the OA, so the entire community could participate at no charge. Ms. Emmons responded that she didn't know if this was to be a specific event. The Board directed Ms. Emmons to follow-up with the OA on the proposed adult swim. Director Horak asked if the list presented was a request for a waiver of fees and Ms. Emmons responded that it was. Director Roberts stated that she would like to see the proposed events presented in a calendar format, which would make it easier to identify any conflicts. Ms. Emmons stated that the only events before the next meeting were the events listed for January and February. After discussion, the Board agreed to consider the OA events proposed for February and directed that Ms. Emmons bring the remaining requests back to the Board at its February meeting. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted 3-0-1 to approve the first three events listed on **Exhibit "B"**, with Director Horak abstaining from the vote.

Director Roberts then stated that the Board would receive a report on the audit of the District's financial statements for the fiscal year ended September 30, 2018, and recognized Ms. Martin. Ms. Martin presented the audit report attached as **Exhibit "C"** and stated that she would review the audit on a very high level, but encouraged the Board members to let her know if they had any questions. She then called the Board's attention to her firm's opinion contained in the audit, which she explained was, once again, a clean or unmodified opinion, which was the highest quality of opinion that the District could receive. Ms. Martin pointed out that the Management's Discussion and Analysis contained in the report was a summary of the audit report and provided a good overview of the District's financial activities for the year. She then reviewed the District's financial statements and the balance sheets for the District's general, debt service and capital projects funds. She stated that the GASB 34 adjustments had been made to convert the balance sheets into a more "for profit" view and took into account accumulated depreciation. Ms. Martin reviewed the District's fund balances and the increases in each of the funds. She then reviewed the statements of activities and reviewed the revenues and expenditures over the course of the year. She called the Board's attention to the notes to the financial statements and pointed out the note relating to the District's long-term outstanding debt of about \$11 Million. She confirmed that the District's bank balances at the end of the fiscal year had been covered by FDIC insurance and pledged collateral. Ms. Martin also reported that all of the District's investments were in compliance with the Public Funds Investment Act. She then reviewed information on the payments on the District's outstanding debt that would be coming due in the current fiscal year. She reviewed the comparison of budget to actual revenue and expenses, noting that the District ended the year with a favorable variance to its budget. Ms. Martin then reviewed the required Texas Supplemental Schedules and pointed out that the District had a water accountability ratio of 94% for the year, which she noted was very good given the age of the District's facilities. She noted that the District had collected 99.46% of the taxes levied for the prior tax year. Ms. Martin then reported that there had been no issues, adjustments or disagreements with management in the course of the audit and inquired if there were any questions. There being no questions about the audit, Ms. Martin presented the Board representation letter attached as **Exhibit "D"** and explained that this letter confirmed that the District had provided all information required to conduct the audit and that this was based on the representations of the District's manager and bookkeeper. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board 4-0 to approve the audit report, the representation letter and the filing of the audit report.

Director Roberts then stated that the Board would consider approving the minutes of the December 19, 2018 Board meeting. Upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to approve the minutes.

At this time Sergeant Kelley arrived at the meeting and Director Roberts stated that the Board would discuss District security. Sergeant Kelley reported that there had been a call-in on January 15<sup>th</sup> for an elderly resident who was taken to the hospital. He stated that there had been extra patrols for New Years, but otherwise everything was normal. Sergeant Kelley stated that he was having shoulder surgery on February 1<sup>st</sup>, but expected to be back on duty by the 14<sup>th</sup>. He stated that, if anything was needed, he would arrange for backup. Director Roberts thanked Sergeant Kelley for his assistance in redirecting traffic at Apache Pool. Ms. Emmons stated that she had received the chart for rekeying the facilities and would be providing that information to the Security Subcommittee for final approval. Ms. Emmons explained that the new key system would be higher security, but a non-duplicable master key would be provided to the deputies. Director Roberts stated that the lock to the gate to the Cedar Park event center was missing. Ms. Emmons responded that the lock had been relocated because another lock was missing. She stated that she would get with Sergeant Kelley to provide the new keys and the old keys could be disposed of.

Director Roberts stated that the Board would next receive a report on District operations and recognized Ms. Torres. Ms. Torres stated that her directive to provide information on heaters was still pending as she was unable to get it done, but that she would provide the information in the next week. She then reviewed her report, attached as **Exhibit "E"**. She pointed out that the District's water loss was 6.19% for the prior reporting period, and noted that she had purchased some small supplies. Ms. Torres reported that there was a manhole on Port Daniel Drive that needed repair, and that she had confirmed that this was the obligation of Williamson County, but that the work had been delayed by the utility locates that Crossroads had called-in before this was determined. She stated that she had confirmed this repair would be done by the County. Director Bennett asked if Ms. Torres had informed the affected residents of the work and Ms. Torres responded that she would coordinate with the County and notify the residents once she had information on the schedule. Ms. Emmons requested that Ms. Torres notify her of the timing so she could put the information on the District's website. Ms. Torres then stated that she had one write-off to present in the amount of \$135.81, which was after the customer's \$200 deposit was applied. Director Bennett moved to approve the write-off. Director Koenig seconded the motion, which was adopted by a vote of 4-0. Ms. Torres then advised the Board that Crossroads' crews had been called out on a sewer backup, which had been on the resident's side, so the resident would be backbilled. In response to a question from Director Roberts, Ms. Torres confirmed that the resident had been notified in advance that, if the damage was on their side, there would be a charge. Ms. Torres stated that Ms. Littlefield had contacted her about concerns regarding Federal employees who might be affected by the shut-down, and stated that she had checked for late payments and would offer customers an extension with no late fees or penalties on a case-by-case basis. She then reported that there had been a problem with the P.O. Box for the District, noting that the individual that had been charged with picking up the mail at both the office and the P.O. Box had not had a key to the P.O. Box and understood there was also an issue regarding payment for the P.O. Box. Ms. Torres confirmed that she would offer extensions to any customers whose payments were affected. Ms. Emmons confirmed that she had completed the necessary information to retain the P.O. Box and had paid the fee for the year, which was about \$130. Ms. Emmons stated that she understood the invoice for the District's P.O. Box would be emailed going forward. Ms. Torres stated that William Greenwood would be checking the P.O. Box daily and would bring anything that needed to go to Crossroads to them. Ms. Torres then reminded the Board that it was

required to conduct an annual review of the District's identity theft prevention program under the Federal government's "red flag rules" which were designed to protect the District's customer information. She reported that the District's identity theft prevention program continued to be effective and there had been no incidents of identity theft. She stated that she had no recommended changes to the program at this time. Ms. Torres then directed the Board's attention to the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit "F"** and requested approval. Upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve the Resolution. Ms. Torres then noted that the MS4 report had been received but Crossroads did not bid on the work and explained that the prior year they had done it on a time and materials, with a not to exceed figure, rather than based on a bid. The Board requested that Ms. Torres bring back a report on the customer complaint regarding customer service at Crossroads and Ms. Torres agreed to do so, noting that it would contain confidential customer information. The Board requested that Ms. Littlefield add an agenda item to the next meeting agenda to discuss this information in executive session.

Director Roberts stated that the Board would next discuss bookkeeping matters and recognized Ms. Kolmodin. Ms. Kolmodin presented the check register attached as **Exhibit "G"**, the supplemental check register attached as **Exhibit "H"**, and three fund transfers. She then reviewed the District's investments. Ms. Kolmodin stated that the per diem to Director Logan would need to be voided due to her absence. Ms. Kolmodin stated that the District's taxes were about 79% collected through December. Director Roberts asked for the amount paid to date on Three Mile Loop. Ms. Kolmodin responded that it was \$401,988.50, for a little over 24,000 linear feet. Ms. Emmons stated that the project had started June of 2017. Ms. Emmons stated that she had trued-up the amounts paid and work performed. Director Bennett inquired about a payment to Barcon noted on the check register. Ms. Emmons stated that Barcon had been hired to perform the inspection of the playscape at Tumlinson Park. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve the payment of the bills and invoices, as presented, with the void noted. Upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to approve the transfers and the investment activity.

Ms. Kolmodin stated that she had been in contact with Ms. Emmons on the application for computer fraud coverage. Ms. Emmons explained that the form, attached as **Exhibit "I"**, was not directed to the District because the District didn't have employees etc. Ms. Emmons stated that she understood that the Hartford was rejecting the completed applications, but one District had gotten insurance through Victor O. Shinnerer. She stated that the consultants that handled funds all had fraud insurance that provided coverage. Ms. Emmons also noted that the one district she was aware of that had coverage through Victor O. Shinnerer paid about \$800 a year. Director Roberts recommended that the application be moved forward. Ms. Emmons responded that she had confirmed with Texas Municipal League Intergovernmental Risk Pool that the application was ready to be turned over. Director Roberts pointed out that there was a blank in one section of the application related to the audit. After discussion, the Board directed Ms. Emmons and Ms. Kolmodin to do a final review of the application and to proceed with filing it once they had confirmed it was complete.

Director Roberts then recognized Ms. Emmons for the purpose of receiving the manager's report. Ms. Emmons reviewed her report, attached as **Exhibit "J"**. She stated that the fabrication of the gate for the sport courts had started. Director Roberts asked why it had taken so long, and Ms. Emmons responded that the contractor was delayed because they did not have the appropriate Form 1295. Ms. Emmons stated that Three Mile Loop had now been completed to the entry to Spy Cove. Director Horak reported that, when the flags were lowered

to half-staff for President George H.W. Bush, her father had called about the process to lower the District's flag. She noted that Pinnacle was not available and she didn't know how low it needed to be, and added that the District flag was one of the first to be lowered. Ms. Emmons stated that the Scouts had raised it again. Director Roberts reminded Ms. Emmons that the Board had requested a spreadsheet showing the status of all District projects. Ms. Emmons stated that it was on Google Docs. Director Roberts asked that a copy of the spreadsheet be provided at the Board meetings which would facilitate the Board's review and discussion. Ms. Emmons stated that the spreadsheet changed. Director Horak asked that it be provided in hard copy for the meeting, but dated so it was clear when it was prepared, which would allow discussion at the meeting. Director Roberts asked about the status of the electrical improvements at the Walker House. Ms. Emmons stated that getting an electrician was challenging and that she had used Suntek, but it was difficult to get them to come out. She stated that she was not sure if there would be a resolution of the lighting issue, but said she would discuss this with the Maintenance and Engineering Subcommittee. Ms. Emmons then stated that there had been a request submitted to House Hunters for the District to be on HGTV. She stated that oftentimes they feature the community amenities and that it was likely they would want to show the pool, walking paths, etc. and she wanted to confirm with the Board that this was not objectionable. The Board agreed that it had no objections. Director Roberts then provided Ms. Emmons with the name of the contractor for sport court resurfacing she had previously mentioned, Eddie Orran. Ms. Emmons stated that she had also contacted Dobbs Tennis about the two courts and stated that she expected this project would be included in the next fiscal year budget. Ms. Emmons stated that she had now received several bids for work that had been pending, including replacement of the arbor, which had been forwarded to the Maintenance and Engineering Subcommittee, and a proposal for replacement of two windows in the sunroom at the front of the Walker House that had begun to rot due to water penetration, noting that she had found the original manufacturer, and stated that they could provide the units, but could not install them. Ms. Emmons stated that the contractor that had provided a proposal for the replacement had contacted a local company for fabrication, and would get a price from the original manufacturer and would discuss the prices with the Maintenance and Engineering Subcommittee, but would recommend proceeding with the work. She stated that the amount was over the Subcommittee's authority and recommended that the Subcommittee be authorized to proceed at a cost not to exceed \$6,000. Upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to authorize the Maintenance and Engineering Subcommittee to approve any proposals necessary for the window repair/replacement at a cost not to exceed \$6,000.

Director Roberts asked why Suntek was providing pricing for the repair of streetlights, noting that she understood this was Pedernales Electric's obligation. Ms. Emmons responded that any rewiring was the District's obligation. Director Roberts asked that Ms. Emmons ensure this work be added to the District's property inventory. Ms. Emmons stated that the wiring issue had been attributed to rodents by Pedernales Electric.

Ms. Emmons then presented the landscape report, attached as **Exhibit "K"**, and provided the proposal for the replacement of the backstop board at Luther Chance Field (Estimate #2063) attached as **Exhibit "L"**. Mr. Hamby stated that the sideboards were much worse. He stated that the proposal would include pulling infield soil back, removing the boards, then replacing and securing the fence back where it was supposed to be. Director Roberts stated that she thought, at one point, there had been boards on both sides to secure the fence. Mr. Hamby stated that the proposal included only what was there now but confirmed that there were boards on both sides of the backboard. Mr. Hamby estimated that this work would not exceed \$3,000. Director Horak moved that the Board authorize the Maintenance and

Engineering Subcommittee to approve this work at a cost not to exceed \$3,000. Upon second by Director Bennett, the Board voted 4-0 to do so.

Ms. Emmons then presented the proposal for installation of decomposed granite on the wet and muddy areas of the trails in Tumlinson Park (Estimate #2064) attached as **Exhibit “M”**, the proposal for installation of decomposed granite on the wet and muddy areas of the trails in Comanche Park (Estimate #2065) attached as **Exhibit “N”**, the proposal for installation of decomposed granite on the wet and muddy areas of the trails in Tonkawa Park (Estimate #2066) attached as **Exhibit “O”**, and the proposal for installation of decomposed granite on the wet and muddy areas of the trails in Tumlinson Park, Comanche Park and Tonkawa Park (combined estimate) (Estimate #2068) attached as **Exhibit “P”**, noting that if all of the work was done under the combined estimate it would cost less due to economies of scale. Director Roberts asked when the last time any decomposed granite had been added to the trails and Mr. Hamby stated that it was not done the previous year. Director Roberts pointed out that adding granite to the trails was included in the Priority contract and was to be done two times per year. She stated that Priority’s failure to do this could have contributed to the trail damage. Mr. Hamby stated that he would review the contract and agreed that it was possible that he had missed this provision. Director Roberts stated that she would like to revisit the scope of the trail repair work, in light of the contract terms, and Mr. Hamby concurred. The Board then directed the Parks Subcommittee to re-evaluate the issue in light of this contract oversight. Director Horak noted that there was an error on the agenda, noting that Estimate #2067 was actually the proposal for trees. Ms. Emmons then presented the proposal for transplanting trees and installing new trees in Tonkawa Park (Estimate #2067) attached as **Exhibit “Q”** and reviewed the trees that were being proposed. Director Bennett noted that there were plans for utilities to be installed in the area in the future and asked that Mr. Hamby be sure not to place any trees in those proposed locations. The Board agreed that the field indicated on the exhibit should be relabeled as a “multi-use” field. Director Roberts noted that someone had driven over some District property and damaged it. Director Horak stated that she had seen a contractor who had created ruts in the area. Director Roberts stated that it was a Herzog vehicle and that they were also up on the right-of-way. After discussion, the Board directed Ms. Emmons to send a letter to Herzog regarding the damage and copy Capital Metro. Director Roberts provided Ms. Emmons with photographs of the damage, noting that it had occurred between Thursday afternoon and Friday morning. Ms. Emmons agreed to send the letter. Director Roberts pointed out that the playscape areas also needed to be raked and smoothed. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to approve Estimate #2067, subject to the condition on tree location raised by Director Bennett.

Ms. Emmons then presented the proposal for the clean-out of inlets, outlets and creek (Estimate #2072) attached as **Exhibit “R”**, noting that she had requested proposals from both Crossroads and Priority, but Crossroads was only willing to do the work on a time and materials basis. She stated that Priority had prepared its proposal after meeting on site with Jones & Carter. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve Estimate #2072.

Ms. Emmons then presented the proposal for installation of a limestone edge along the sidewalks and around “Lookout Tree” (Estimate #2073) attached as **Exhibit “S”** and requested approval. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to approve Estimate #2073, with the directive to Priority to install a curved rather than a rectangle edge.

Ms. Emmons then reported that the Christmas tree mulch had been spread on the native trail and around Jumano Park as well as under the grove of trees. Director Roberts thanked Ms. Emmons for installing the barrier around the mulch. Ms. Emmons stated that there was a small area behind St. Genevieve Drive where Priority had taken care of the brush at no charge. She stated that Priority had completed the aeration at the entry from Highway 183 and that the artificial turf would be installed in February.

Ms. Emmons then stated that the area behind Dayna Cove had some trash and debris that had been dumped behind the lots and adjacent to the railroad tracks. Director Roberts suggested posting signage as well as notifying the residents that no dumping was permitted on District property and that this was also a violation of County ordinances. Director Koenig asked for Mr. Hamby's input on the vines on the arbor that needed to be replaced. Mr. Hamby then asked for clarification on the approval for the work at the ball field and Director Roberts confirmed that the Subcommittee was authorized to approve proceeding at a cost not to exceed \$3,000. Ms. Emmons suggested that Mr. Hamby be invited to the Maintenance and Engineering Subcommittee meeting and that, if he could not attend, he look at the arbor and provide his input for the Subcommittee to consider.

Director Roberts stated that the Board would next discuss pool operations, repairs and management. Ms. Emmons reported that the master swim was underway, the Pools Subcommittee had met with the contractor and discussed the design of the guard room, and the Maintenance and Engineering Subcommittee had also made some suggestions about the design, so the Pools Subcommittee would be meeting again with the contractor. She stated that they were looking at lighting enhancement for both pools because both got quite dark and also had discussed a gate design at the Tumlinson pool to redirect the flow at the front entry by the guard room. Ms. Emmons stated that the master swim instructor would evaluate lighting at Apache for outages and assess the need for additional lights. Director Roberts asked if it was possible to use motion-activated lights and Ms. Emmons responded that this had been discussed and could be evaluated.

Director Roberts then recognized Director Bennett for purposes of receiving a report on storm water system and creek maintenance. Director Bennett provided the subcommittee report attached as **Exhibit "T"**, and explained that it included recommendations regarding building new trails and maintaining existing trails to allow access to the creek for monitoring under the MS4 permit. Director Bennett explained that there were a lot of tributaries to the creek, noting that they were usually dry, and that he wondered if small volunteer groups could monitor those segments. Ms. Littlefield suggested the Board consider an "Adopt-a-Creek" program. After discussion, Director Bennett agreed to look for volunteer groups with a potential interest in participating in an Adopt-a-Creek program. Director Bennett then pointed out that a home adjacent to the creek had a substantial amount of debris behind it that needed to be cleaned up and disposed of. Director Koenig stated that there were three wheelbarrows as well as a new galvanized horse trough behind the house and that it appeared to be some kind of business. Director Horak noted that some of this debris would potentially end up in the creek. Director Bennett requested that this matter be directed to the Restrictive Covenant Subcommittee. Ms. Littlefield suggested handling the issue as a violation of District rules prohibiting dumping on District property. After discussion, the Board requested that Ms. Littlefield provide Ms. Emmons with a letter that she could use as a basis for a letter regarding dumping and that Ms. Emmons send out the letter. Director Bennett stated that there was a lot of other debris adjacent to the creek and that it was sometimes not clear who was responsible. Director Roberts stated that, with the rain, a lot of debris had come down the creek and was hung up in trees, etc. Director Bennett estimated that it would cost about \$1,800 for labor and

materials for items 1-19 on his report. After discussion, Director Bennett agreed to bring back a protocol to the Board for approval at the next Board meeting. Ms. Littlefield agreed to include an item for the review of the protocol as well as action on the items outlined in Director Bennett's memo. Ms. Emmons noted that agenda item 17 incorrectly identified Apache Channel.

There being no engineer's report and no other items to discuss regarding parks and nature trails, Director Roberts stated that the Board would discuss restrictive covenant enforcement and pending and contemplated litigation. Ms. Emmons stated that she had received some complaints regarding 606 Gabriel Mills Drive. Whitney Killian stated that there was a chandelier and a bike hanging in a tree. Upon motion by Director Koenig and second by Director Horak, the Board voted 4-0 to refer 606 Gabriel Mills Drive to the District's covenant attorney for enforcement action. Director Koenig stated that his understanding was that the children of the owners were taking care of the English River Loop address. Director Koenig asked what had happened last time this was discussed. Ms. Emmons stated that the neighbor was trying to contact the owner's children, as the mother was in a care facility. Director Koenig stated that he would like to determine if the children were taking action to address the problems and agreed to confirm whether or not to proceed. Ms. Emmons then stated that there was a dog boarding business at 16901 Black Kettle Drive. She stated that she had discussed this with the District's covenant attorney and he felt it was clear from the information he had pulled from the internet that this was a violation. After discussion, upon motion by Director Koenig and second by Director Roberts, the Board voted 4-0 to proceed with litigation with regard to the dog boarding business at 16901 Black Kettle Drive.

There being nothing to report on the District's drought management and water use restrictions, Director Roberts then stated that the Board would next discuss communications, media and website matters and asked if there was any information the Board members wanted to contribute to the newsletter. Director Roberts thanked Director Bennett for providing a great newsletter article. Director Roberts asked for an article from Mr. Hamby on spring yard maintenance and the Board discussed hosting a "Spring Fling", including an educational program from TDS for the kids. Director Horak and Director Roberts agreed to coordinate that effort. Director Koenig asked that Mr. Hamby help educate people on how to take care of their yards, noting that he felt this would be very helpful.

Director Roberts then stated that the Board would receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield reviewed her directives. The Board discussed a possible encroachment on the District's greenbelt as well as issues relating to dumping and debris adjacent to the creek. Ms. Emmons agreed to send a letter to the owner of the residence at 2408 Susan Lane on the possible covenant violation relating to the outbuilding. She asked that Ms. Littlefield add an agenda item on a creek clean-up to the next Board meeting agenda. Director Bennett and Director Horak agreed to prepare a scope of work for the proposed creek clean-up project.

Ms. Littlefield then presented the Resolution Confirming Annual Review of Code of Ethics, Travel, and Professional Services Policy and Financial Investment Policy and Adopting Amended List of Qualified Brokers attached as **Exhibit "U"** and the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit "V"**, noting that no changes to the policies and procedures were recommended other than an update of the list of qualified brokers contained in the District's financial policies. Upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to approve the Resolutions.



Director Roberts stated that the Board would next discuss subcommittees. Ms. Emmons asked that the Board consider reestablishing the Restrictive Covenant Subcommittee. Director Roberts asked if there were any volunteers. After discussion, the Board agreed to postpone this item until the February Board meeting. Director Roberts suggested that the Restrictive Covenant Subcommittee have a shorter term than the other Board subcommittees because it was a very challenging position.

Director Roberts asked that a report from the Ad Hoc Subcommittee regarding fire protection service options be brought back for discussion at the February Board meeting.

Director Roberts then stated that the Board would review the meeting notes attached as **Exhibit "W"**. Director Horak reviewed the notes and the Board concurred that no changes to the notes were necessary. Director Koenig then reported that there were no changes to the covenant violation at 15361 English River Loop and, after discussion, the Board directed that the violation be referred to the District's covenant attorney for enforcement.

Director Bennett then asked that the Board convene in executive session in order to receive legal advice relating to the evaluation of Pinnacle Texas Management. At 8:41 p.m., Director Roberts announced that the Board would convene in executive session pursuant to Section 551.071 of the Texas Government Code in order to receive legal advice regarding the evaluation of Pinnacle Texas Management. At 9:07 p.m., the Board reconvened in open session and Director Roberts stated that no action was taken in executive session.

Director Bennett then requested that Ms. Littlefield add an agenda item to the February meeting agenda to discuss a five-year plan, including staffing needs, and an item regarding the District's Code of Ethics.

There being no further business to come before the Board, the meeting was adjourned.

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[SIGNATURE PAGE TO JANUARY 23, 2019 MINUTES]

  
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Rayan Horak, Secretary  
Board of Directors

Date: 2-27-19