

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

July 22, 2020

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A regular meeting of the Board of Directors of Block House Municipal Utility District was held via telephone conference on July 22, 2020, at 1-888-510-5505; participant code: 199914. The meeting was open to the public and notice was given pursuant to the Texas Open Meetings Act, as modified by Governor Greg Abbott, and the related guidance from the Office of the Attorney General of the State of Texas. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**. An electronic agenda packet for the meeting was provided on-line via the link included in the meeting notice and the meeting was recorded and made available at the same link after the meeting.

All of the Directors were present, as follows:

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

Also present at the meeting were Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Jacquelyn Smith and Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office ("WCSSO"); Tanya Emmons of Pinnacle Texas Management, LLC ("Pinnacle"); Tripp Hamby of Priority Landscapes ("Priority"); Sandy Martin of the Block House Creek Owners Association (the "OA"); Carol Pumbo of McCall Parkhurst & Horton, LLP ("MPH"); David Gray of Gray Engineering ("GE"); Linda Hubble of Public Finance Group LLC; Amanda Wood, David Shoemaker, Amanda Milani, and Stuart McMullen, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:31 p.m. and welcomed those present. She confirmed that the meeting was being conducted via telephone and was being recorded. She requested that each speaker identify themselves when speaking and requested that anyone participating in the call mute their phone when they were not speaking. Director Roberts then stated that the Board would receive citizens' communications. There being none, Director Roberts then stated that the Board would next receive the report from the OA and recognized Ms. Martin. Ms. Martin stated that typical activity of the OA had slowed down a bit due to the COVID epidemic. She stated that the OA had organized a 4th of July parade that was successful and thanked Director Logan for her assistance in organizing the parade. Director Roberts noted that the parade was both patriotic and beautiful.

Director Roberts stated that the Board would next consider the consent items: (i) minutes of the June 17, 2020 special Board meeting and the minutes of the June 24, 2020 regular Board meeting (collectively, the "Minutes"); and (ii) Pool Use Agreement with Block House Creek Swim Team (Tidal Waves) (the "Agreement") attached as **Exhibit "B"**. After

discussion, upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to approve the Minutes and Agreement.

Director Roberts then recognized Ms. Polumbo of MPH to discuss the Park Plan and Park and Recreational Facilities Bond Election. Ms. Polumbo noted that two versions of the Park Plan and two versions of the Order Calling Bond Election had been prepared so that the Board could elect to have a single bond proposition or two separate bond propositions. Director Roberts asked if there were pros and cons to having either a single proposition or multiple propositions. Ms. Polumbo noted that for certain bond issuers, having multiple propositions may be necessary. She then noted that the District's bond propositions related to the same subject matter, so a single proposition would work. Ms. Polumbo stated that sometimes projects are distinguishable enough that they should be separated into multiple propositions. Director Roberts asked if there were any differences in costs to the District if multiple propositions were voted. Ms. Polumbo stated that if the propositions were approved and bonds were issued at the same time, the cost would be the same as a single proposition. Director Logan noted that the Park Bond Steering Committee (the "Steering Committee") had advocated for multiple propositions. Ms. Wood and Ms. Milani, who served on the Steering Committee, confirmed a preference for multiple propositions. Upon question from Director Roberts, Ms. Polumbo confirmed that the Board needed to decide whether to have a single or two propositions on the ballot. Ms. Polumbo noted that if the propositions were voted separately, the funds allocated to each project would need to be kept separated once bonds were issued.

Director Roberts then asked Ms. Polumbo about ballot language relating to the bonds. Ms. Polumbo referred to **Exhibit "C"** and explained the ballot language to the Board of Directors. Director Logan invited Mr. Shoemaker and Mr. McMullen, members of the Steering Committee, to offer comments on having multiple propositions. Mr. Shoemaker confirmed his support for multiple propositions, based upon financial considerations. Ms. Polumbo noted that various financial projections and assumptions were included in the required language of the Order Calling Bond Election, including the Voter Information Document. Upon a question from Director Roberts, Ms. Polumbo confirmed that there would likely be no cost difference in having a single proposition or multiple propositions. Director Roberts then asked Ms. Polumbo about the timing of bond issuances and how that might affect interest rates. Ms. Polumbo confirmed that the current interest rate environment was very favorable and could continue into the near future. Mr. McMullen stated his preference for having multiple bond propositions and noted that he did not want the District's debt service tax rate increased, but simply desired to extend the term of the existing debt service tax rate. Upon motion by Director Logan and second by Director Horak, the Board voted unanimously to have two have two distinct park projects with separate bond propositions.

Director Roberts next stated that the Board would discuss the Resolution Accepting Park Plan (the "Park Plan Resolution") attached as **Exhibit "D"**. After discussion, upon motion by Director Logan and second by Director Horak, the Board voted unanimously to approve the Park Plan Resolution and to approve the Park Plan (labeled as "Park Master Plan No. 1") that recommended two separate bond propositions for the facilities included in the Park Plan. **Director Logan then requested that the Park Plan be posted on the District website and directed Mr. Abbott to assist in posting the Park Plan.** Director Roberts noted that the Park Plan should only be posted to the District website. Ms. Polumbo confirmed that educational materials could be provided to the public by the Board of Directors but that the District could not engage in advocacy relating to the passage of the bonds. She also noted that the members of the Steering Committee could independently undertake advocacy of the passage

of the bonds. Ms. Polumbo also confirmed that District resources could not be utilized to provide for advocacy of the bonds.

Director Roberts then stated that the Board would next consider the calendar and schedule for November 3, 2020 elections and would take up all of the items on the supplemental agenda for election items. Mr. Abbott first directed the Board's attention to the Order Calling Director Election (the "Order") of the supplemental agenda, a copy of which is attached hereto as **Exhibit "E"**. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted unanimously to approve the Order. Mr. Abbott next directed the Board's attention to the Order Calling a Park and Recreational Facilities Bond Election (the "Park and Recreational Facilities Order"), a copy of which is attached hereto as **Exhibit "F"**. After discussion, upon motion by Director Bennett and second by Director Horak, the Board voted unanimously to approve the Park and Recreational Facilities Order. Mr. Abbott then directed the Board's attention to the Resolution Approving Joint Election Agreement and Contract for Election Services (the "Resolution"), including the Joint Election Agreement and Contract for Election Services, a copy of which is attached hereto as **Exhibit "G"**. After discussion, upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to approve the Resolution. Mr. Abbott next directed the Board's attention to the Notice of Deadline to File Applications for Place on the Ballot (the "Notice"), a copy of which is attached hereto as **Exhibit "H"**. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve and direct the District's attorney to give notice of the election. Lastly, Mr. Abbott called the Board's attention to the Resolution Establishing Locations for Posting Bond Election Order (the "Resolution Establishing Locations"), a copy of which is attached hereto as **Exhibit "I"**. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted unanimously to approve the Resolution Establishing Locations and authorize the District's legal counsel to post notice of the November 3, 2020 elections.

Director Logan then requested that the Board discuss agenda item 17(b) relating to the distribution of election packets to candidates wanting to file an Application for a Place on the Ballot. She noted that, in the past, potential candidates could pick up a packet of information from the Walker House. Director Roberts stated that election packets could be mailed to prospective candidates after they expressed an interest in running. Director Logan then suggested a statement could be placed on the District's website to instruct candidates how to obtain a packet of election materials and an electronic copy could also be posted on the website. After discussion, upon motion by Director Logan and second by Director Roberts, the Board voted unanimously to place a statement on the District's website offering instruction on how to obtain an election packet via U.S. Mail and to also make an electronic copy available on the District's website.

Director Roberts then stated that the Board would discuss the emergency coronavirus preparedness and protocols ("Coronavirus Protocols"), including: (i) reopening of certain District facilities and related health and safety restrictions for use of such facilities; (ii) recreation activity and related matters; (iii) utility operations and related matters; and (iv) authorizing General Manager to take further action in response to evolving conditions, and recognized Ms. Smith. Ms. Smith stated that she did not recommend opening any District facilities that were currently closed.

Director Roberts next stated that the Board would receive a report from the WCSO and recognized Sgt. Kelley. Sgt. Kelley stated that the District's bulk trash day on June 27, 2020 went well and that extra patrols were in place on July 4th. He also noted that July 4th "went fine" from a law enforcement perspective.

Director Roberts then stated that the Board would receive a report from Pinnacle and discuss restrictive covenant enforcement, including 609 Gabriel Mills Drive, and referred the Board to the report attached as **Exhibit “J”**. Ms. Emmons addressed the property at 609 Gabriel Mills Drive and stated that Pinnacle had yet to receive any follow-up correspondence from A&B regarding escalations at 609 Gabriel Mills Drive. She noted that correspondence went out shortly after the Board’s June regular meeting. After an inquiry from Director Roberts, Ms. Emmons confirmed that covenant enforcement was back to normal after a cessation due to the COVID pandemic.

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 “K”** and the supplemental check register attached as **Exhibit “L”** (collectively the “*Report*”). She reviewed the District’s investments and budget comparison, and requested approval of the three fund transfers. Director Roberts stated that the Board would need to schedule a budget workshop as soon as possible and Ms. Kolmodin suggested that the workshop could occur on August 12, 2020. After discussion, upon motion by Director Horak and second by Director Bennett, the Board voted unanimously to approve payment of the bills and invoices, the fund transfers, and the investments as presented in the Report.

Director Roberts stated that the Board would next discuss pool operations, maintenance, repairs, and management, including a report from the Pools Subcommittee. Director Koenig stated that the Pools Subcommittee had discussed extending pool hours during the month of August. Director Logan then noted that, because the District pools had opened later due to the COVID epidemic, the pools had stayed open later when compared to the historical schedule. She then requested that the Board provide increased funding for the District pools to stay open later in the season and noted that the Pools Subcommittee had had discussions with Mr. Davis regarding the proposal. Discussion then ensued regarding extended pool hours. After discussion, upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to approve 357 additional hours to be provided by Lifeguard4Hire at \$22/hour for a total of \$7,854 to keep the District pools open for additional hours through August 12, 2020. **The Board then directed Mr. Abbott to prepare an amendment to Lifeguard4Hire’s contract with the District for the Board to consider at the special meeting on July 29, 2020 to reflect the approved additional hours, and directed Mr. Davis to provide a proposed schedule to Mr. Abbott.**

Director Roberts stated that the Board would next discuss landscaping in the District and noted that Priority’s report, attached as **Exhibit “M”**, had been included in the electronic meeting packet provided to the Board. Ms. Smith reviewed Priority’s report and noted that Priority had completed the drainage project next to Tumlinson Pool.

Director Roberts then stated that the Board would receive the operations report and recognized Ms. Torres, who presented the report attached as **Exhibit “N”**. Ms. Torres stated that she had no write-offs included in her report and that water loss for the previous month had been 4.67%. She confirmed that an MS4 letter had been mailed to the residents of the District. Mr. Abbott then updated the Board on the status of the wastewater easement with the City of Leander. He confirmed that he had reviewed the easement and that the City of Leander was not responsible for the maintenance of the easement. Ms. Torres then called the Board’s attention to the request for reimbursement to a District resident for a plumbing repair on District equipment, as described in her report, and recommended approval. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted unanimously to approve the reimbursement to the District resident, as described in Ms. Torres’s report. Ms. Torres then presented and recommended approval of several proposals relating to District water

facilities: (i) Pump Solutions, Inc. for the replacement of the steel bolts on all pumps at ground storage tank, attached as **Exhibit “O”**; (ii) Streamline Commercial Painting for sandblasting all pumps inside pump house at ground storage tank, attached as **Exhibit “P”**; and (iii) Sundek proposal and contract summary for installation of epoxy flooring inside pump house at ground storage tank, attached as **Exhibit “Q”**. She confirmed that funds were available in the District’s budget to cover the proposed repairs and upgrades. After discussion, upon motion by Director Bennett and second by Director Roberts, the Board voted unanimously to approve the proposals as presented. Mr. Abbott then requested an update from Ms. Torres relating to the fire hydrant repairs that Ms. Torres had recommended at the Board’s regular June Meeting. Mr. Torres confirmed that the work was completed for well under the estimated costs and that all health and safety issues had been resolved.

Director Roberts stated that the Board would next discuss general management items and recognized Ms. Smith. Ms. Smith reviewed her report attached as **Exhibit “R”**, with the Board. She stated that everything had been finalized relating to the Board’s branding and that the website project was progressing. Ms. Smith stated that new laptops had been installed at the pools and were working properly. She also stated that the community clean-up day had been very successful. The Board then discussed the MS4 and Williamson County tax training that had been made available. After discussion, upon motion by Director Bennett and Second by Director Koenig, the Board approved the typical \$100 per diem reimbursements to Directors who completed the MS4 and Williamson County tax training sessions. Director Logan then asked Ms. Smith to confirm that reservations for District facilities were not currently being accepted. Ms. Smith confirmed that reservations for District facilities were not currently being accepted.

Director Roberts stated that the Board would next discuss property maintenance, repairs, and replacements. The Board discussed the replacement of the fire hydrant on Block House Drive near Autrey Drive. Upon motion by Director Bennett and second by Director Koenig, by the Board approved and ratified expenditures totaling \$12,304.74 relating to the repair and replacement of the fire hydrant.

Director Roberts stated that the Board would next receive the report from the Communications Subcommittee. Director Roberts stated a desire that meetings in the immediate future be conducted via telephone. The Board then discussed the planned review of the Crossroads contract. Director Roberts recommended a special meeting on August 12, 2020 relating to the budget and a special meeting on August 19, 2020 relating to discussion of the District’s tax levy. **The Board directed Ms. Smith to circulate a proposed schedule for special meetings to the Board and the required consultants for those meetings.**

Director Roberts then stated that the Board would discuss District parks and facilities, including disc golf. She stated that a special meeting to address disc golf in the District would occur on July 29, 2020 via Zoom. Director Roberts confirmed that Director Bennett had prepared several exhibits relating to disc golf solutions. Director Logan suggested that the meeting should be a “town hall” style meeting. Director Roberts agreed and stated that the meeting should be interactive. **Director Roberts then directed Mr. Abbott to ensure the report received from HouckDesigns is included in the Board’s packet.**

Director Roberts stated that the Board would next receive the attorney’s report and recognized Mr. Abbott. Mr. Abbott reviewed the attorney’s directives and noted that they had all been completed.

Director Roberts stated that the Board would next discuss the District's 2020/2021 budget and 2020 tax rate. Mr. Abbott called the Board's attention to the District tax rate classifications reflected on **Exhibit "S"** and the preliminary values from Williamson Central Appraisal District attached as **Exhibit "T"**. He stated that the Texas Legislature had dramatically changed how the "rollback" provisions relating to the levying of taxes by a water district had changed and noted that the District should be classified as a "Developed District." After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve the District's classification as a "Developed District". Mr. Abbott then reviewed the memorandum to the Board regarding schedule for establishing District tax rate for 2020, attached as **Exhibit "U"**. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted unanimously to meet on August 19, 2020 to discuss proposals to set the tax rate and to meet on September 9, 2020 to levy the District's tax rate.

Director Roberts stated that the Board would discuss the Code of Ethics, Travel, and Professional Services Policy (the "Code"). She recommended that the Board continue to keep the Code on the agenda of each regular meeting of the Board going forward. Director Roberts then discussed the roles of the Directors and their responsibilities, including District per diems. She noted that it was important for all Board members to work cooperatively with the General Manager of the District to ensure efficient operations. Director Roberts then stated that it was important for Directors to conduct themselves with decorum when interacting with the public in an official capacity. She then reviewed additional provisions of the Code with the Board.

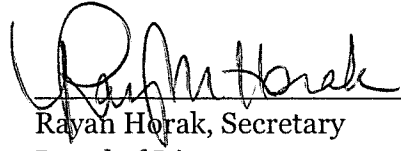
Director Roberts stated the Board would review the meeting notes attached as **Exhibit "V"**. Director Roberts and Horak reviewed the notes and confirmed that all actions were properly noted.

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

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[SIGNATURE PAGE TO JULY 22, 2020 MINUTES]


Rayan Horak, Secretary
Board of Directors

Date: 8-26-20