

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

August 19, 2020

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District was held via telephone conference on August 19, 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
Ursula Logan	-	Assistant Secretary
Byron Koenig	-	Treasurer

Director Horak arrived later. Also present at the meeting were Jacquelyn Smith of Crossroads Utility Services, LLC ("*Crossroads*"); Taylor Kolmodin of Municipal Accounts and Consulting, L.P.; Lauren Smith of Public Finance Group LLC; and Sean Abbott of Armbrust & Brown, PLLC ("*A&B*").

Director Roberts called the meeting to order at 6:00 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 Horak joined the meeting at 6:02 p.m.

Director Roberts stated that the Board would receive citizens' communications. Director Koenig stated that he had corresponded with a District resident who was in the process of excavating his backyard for a pool installation. He indicated that the resident had several large boulders which would be beneficial for the District's use in rehabilitating the District's Bike Trails. Director Koenig stated that the resident was willing to donate the boulders to the District and **directed Ms. Smith to help coordinate the delivery.**

Director Roberts then stated that the Board would discuss the 2020/2021 budget and 2020 tax rate, including: (i) Work session on 2020/2021 budget; (ii) status of receipt of information regarding fire tax rate from City of Cedar Park; (iii) establish and take record vote on proposed 2020 tax rate; (iv) schedule public hearing at which adoption of 2020 tax rate will be considered; and (v) authorize publication of Water District Notice of Public Hearing on Tax Rate. Director Roberts recognized Ms. Lauren Smith, who explained the 2020 tax rate analysis

attached as **Exhibit “B”**, including the certified assessed valuation for the District. Ms. Lauren Smith reviewed each of the proposed tax rate scenarios provided in the analysis, including the components of the District’s proposed tax rate. She reviewed the tax rate classifications instituted by Senate Bill 2 and stated that the Board would need to establish a proposed tax rate and a set a date in September for the public hearing on the tax rate. Ms. Lauren Smith recommended that the Board adopt a tax rate of \$0.8085/\$100 valuation. She noted that for every \$0.01 reduction in the operations and maintenance tax rate, the dollar amount of tax revenue received by the District would decrease by \$48,530. The Board discussed the four scenarios provided by Ms. Lauren Smith. Director Logan stated that she was in favor of levying a \$0.7800 tax rate. Upon a question from Director Horak, Ms. Lauren Smith confirmed that Public Finance Group LLC recommended a levy of \$0.8085/\$100 valuation. Ms. Horak stated that the Board had previously discussed that residents may have financial difficulties paying taxes this year due to COVID considerations and reiterated her support for such considerations. Directors Koenig and Bennett stated that they supported a \$0.7800 tax rate. Director Roberts also stated support for the \$0.7800 tax rate and asked Ms. Kolmodin how the reduced tax rate would affect the FYE 2020/2021 budget. Ms. Kolmodin stated that existing portions of the budget would need to be reduced or the District would need to utilize funds that were currently held in reserves.

Director Roberts then recognized Ms. Kolmodin, who handed out a FYE 2020/2021 draft budget for the Board’s review. The Board discussed various expense line items and the impact the limitation on the maintenance and operations tax rate component of the total tax rate would have on the budget. Upon question from Director Logan, Ms. Kolmodin noted that the number in the budget for Crossroads had been updated. Discussion ensued. Ms. Kolmodin noted that she anticipated receiving revised budget information from Lifeguard4Hire. Director Bennett recommended that the Board consider utilizing funds in reserve as opposed to cutting existing services. Upon question from Director Roberts, Ms. Kolmodin noted that water districts typically have at least 12 months of operations funds in reserve and noted that the District would likely have reserves available to utilize in balancing the budget. Director Logan stated that by lowering the tax rate, the Board could take action to benefit the residents of the District during the COVID pandemic. Director Bennett agreed and noted that it was also important to provide the same level of services, to the extent possible. No action was taken on the draft budget.

After further discussion, upon motion by Director Logan and second by Director Bennett, the Board voted to approve and publish a total proposed tax rate of \$0.7800/\$100 valuation, with Directors Roberts, Bennett, Horak, Koenig and Logan all present and voting “aye”.

Upon motion by Director Logan and second by Director Bennett, the Board voted unanimously to schedule a public hearing on the tax rate for September 9, 2020 at 6:30 p.m. via telephone conference call pursuant to 551.125, Texas Government Code, as modified temporarily by Governor Greg Abbott and the related guidance from the Office of the Texas Attorney General.

Upon motion by Director Logan and second by Director Horak, the Board voted unanimously to authorize publication of the Water District Notice of Public Hearing on Tax Rate in the Hill Country News.

Director Roberts then reviewed the meeting notes attached as **Exhibit “C”**.

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

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[SIGNATURE PAGE TO AUGUST 19, 2020 MINUTES]

(SEAL)



Rayan Horak

Rayan Horak, Secretary
Board of Directors

Date: 9-23-20
