

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

April 3, 2019

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 April 3, 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"**.

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 Tanya Emmons of Pinnacle Texas Management Services ("*Pinnacle*"); David Gray of Gray Engineering, Inc.; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("*A&B*").

Director Roberts called the meeting to order at 6:30 p.m. There being no citizens' communications or Board member announcements, Director Roberts stated that the Board would discuss the District's five-year plan. Director Bennett presented the memorandum attached as **Exhibit "B"** and stated that the main reason he had wanted to get back on the Board was because the District had matured and he felt it needed a face lift and that it was important to keep the community in good repair. He explained that the memorandum was from his perspective and that his goal was to preserve the value of the community for current and future residents. He also pointed out that the District only had about \$15 million in debt outstanding and so could soon become a potential annexation target. Director Bennett proposed that the District get a plan in place to ensure that the amenities that were important to the residents were provided and well-maintained. He stated that this would require a lot of things, but that probably the first was for the Board to decide what was important and that this should also include consideration of what amenities were offered by some of the other communities in the area. He acknowledged that this would have both physical and financial aspects. Director Bennett suggested that the format would be to assign tasks to various Board members and decide what the priorities were and then move into how to get the District's goals accomplished. Director Roberts suggested that all Board members identify their priorities and mentioned that hers included an upgrade of the District's website and signage.

Director Bennett stated that the District needed to locate all of its signs. Director Logan stated that the District already had this information. Director Bennett stated that the Board also had to consider what was going to happen when the Wong property was sold as this would affect the monuments at the entryway. Director Roberts asked if there was a way to get an easement or ownership of the monument location. The Board discussed ownership of the tracts at the 183 frontage and asked Ms. Littlefield to check on this information.

Director Bennett then suggested that all of the Board members review and develop a list of their priorities and see if they could get buy-in from the entire Board. Director Logan stated that, during the two years that Director Bennett had been gone, the Board had gone over quite a bit of this information and had talked about having a five-year plan. It was mentioned that there had been a good presentation at the CASE conference a few years previously, but the five-year plan had not materialized. Director Logan stated that the Board did go through some of this with Mike Murray and suggested bringing some of that information back to the Board so it didn't have to try and reinvent the wheel. The Board agreed that Ms. Emmons should forward the sign inventory to the Board members and she agreed to do so. Director Horak asked if anyone remembered who had done the CASE presentation and whether that district had a consultant assisting it with the plan. Director Roberts responded that she believed the district did have a consultant and added that, in the past, a survey of the residents had been done to identify their priorities. Director Logan stated that she thought a survey was important as the residents had changed since that was last done. Director Roberts noted that the District's situation had also changed because it no longer had a developer or developer funding. Director Logan stated that she felt the landscaping and pools looked good and there were a lot of good things that had happened, but acknowledged that the District was an aging community. Director Bennett stated that there was a lot of deferred maintenance and he would like to address that and have a plan to keep things in good condition for the next generation. He stated that the entryway monument looked aged, was falling apart with mortar falling off, and needed work. Director Bennett stated that he would like to move forward with addressing some of these issues. Director Roberts stated that the committee structure was requiring a lot of the Directors' time and that the Board needed to have a process in place to allow some of these maintenance items to be addressed without the Board acting on each one. Director Roberts mentioned that the fence, the right-of-way, and the irrigation system in the park were some items that needed to be addressed.

The Board then discuss potential funding sources for fence improvements. Director Bennett noted that Mr. Gray was present and suggested getting a proposal to put something like this together. Mr. Gray stated that he had previously been involved on fence projects for Vista Oaks and also Anderson Mill West. He added that these were both CMU fences, but there were infinite varieties. He stated that these districts had installed the fences along the main drives, within the right-of-way, and had license agreements with the County. He stated that his firm had designed and bid the fences with input from the boards. He added that they had not done any Fencconcrete projects. After discussion of the pros and cons of the various fence types, Mr. Gray stated that he didn't see wooden privacy fences in any of the newer subdivisions. He added that, if he could be of help, he would be happy to be a resource. Director Roberts stated that she did see the value of hiring a consultant to oversee the process. Mr. Gray stated that there were technical issues, including preparing the bid specifications, bidding the project and handling any right-of-way issues. Director Roberts then called the Board's attention to the preliminary schedule for a November election that would be needed if the Board wished to finance the fence project out of bonds. Ms. Littlefield pointed out that the District would be required to have a park plan to support the bond proposition and agreed to provide a couple of examples of park plans that included fences for the Board's review. The Board requested that Ms. Emmons calendar the various deadlines related to an election. After further discussion, the Board requested that the fence-related items be placed back on the next meeting agenda, as well as an item related to a park plan.

Director Roberts then asked if the Board wished to discuss management services provided by Crossroads and Pinnacle. Director Bennett requested that the Board convene in executive session to receive legal advice regarding management services. Director Roberts then

legal advice regarding operations and management services pursuant to Section 551.071, Texas Government Code. At 7:22 p.m., the Board reconvened in open session and Director Roberts announced that no action had been taken in executive session.

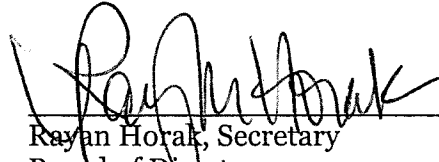
The Board then discussed the consultant/contractor review process and how to simplify the process, while still documenting the input/reviews that were given. The Board directed that a consultant review of Pinnacle be placed on the next meeting agenda in order to discuss strengths, weaknesses and areas in which improvement was needed.

There being no further business to come before the Board, upon motion by Director Logan and second by Director Koenig, the Board voted unanimously to adjourn the meeting at 7:27 p.m.

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[SIGNATURE PAGE TO APRIL 3, 2019 SPECIAL MEETING MINUTES]



Rayan Horak, Secretary
Board of Directors

Date: 4-24-19