

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

April 24, 2019

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on April 24, 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, Regan Ashford and Kim McKee of Pinnacle Texas Management Services ("Pinnacle"); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Paul Hanson of Lifeguard4Hire; Luanne Miller of the Block House Creek Owners Association (the "OA"); and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B"). Tripp Hamby of Priority Landscapes, LLC ("Priority") arrived later.

Director Roberts called the meeting to order at 6:30 p.m. Director Roberts then welcomed those present and reminded them that public comments were taken only during designated portions of the meeting. She asked that anyone present who wished to address the Board complete a Community Comment form and state his or her full name for the record before making comments.

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. There being no residents present wishing to address the Board, Director Roberts recognized Ms. Miller, who reported that the OA's Shred-away Day had been held despite the rain and had still had a pretty good turnout. She reported that an end of school bash was scheduled for May 31st.

Director Roberts then stated that the Board would consider approving the consent items on the Board's meeting agenda: the minutes of the March 27, 2019 and April 3, 2019 Board meetings and the Resolution Adopting Standards for Recreational Facilities attached as **Exhibit "B"**. Ms. Emmons requested a correction of the April 3rd minutes, noting that she had actually been directed to provide information about the sign inventory. Ms. Littlefield agreed to make the correction. Upon motion by Director Bennett and second by Director Koenig, the Board voted 3-0 to approve the consent items, including the April 3rd minutes as corrected.

Director Roberts noted that Sergeant Kelley was in training and would not be present at the meeting, but the security patrol report was in the Board's meeting packet.

Director Roberts stated that the Board would next receive a report on District operations and recognized Ms. Torres. Ms. Torres stated that she had received a directive to get a cover for the new backflow preventer and had done so. She added that, if the Board preferred something more aesthetically pleasing, she would provide some additional options and pricing. The Board directed that she do so. Ms. Torres called the Board's attention to her report, attached as **Exhibit "C"**, and reported that the water loss was 1.73% in March. She stated that she had one write-off in the amount of \$100.32 to present and requested approval. Upon motion by Director Bennett and second by Director Koenig, the Board voted 3-0 to approve the write-off.

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 "D"**, the supplemental check register attached as **Exhibit "E"**, and the fund transfers. She stated that nothing outside of the ordinary was being presented for approval, although she was presenting an additional check for a transfer into the bookkeeper's account due to increased maintenance items and patrol fees that were being paid out of that account. Director Koenig confirmed that the Financial Subcommittee recommended approval of the payments as presented. Ms. Emmons stated that the payment for Chris Hill for renovation of the guard room at Tumlinson Pool was being presented in advance of completion of the project and that she would not release the check until the work was complete. Director Roberts asked that conditions before and after work of this type be documented and Ms. Emmons agreed to do so. Ms. Kolmodin then reviewed the District's investments and the budget comparison and also pointed out that a bond payment had been made earlier in the month. Director Roberts asked if Ms. Kolmodin could provide an update on the amount of the District's outstanding bonds and she agreed to do so. She reported that the District was about 98% collected on taxes through March and still had about \$55,000 in surplus bond funds available. Director Roberts stated that she anticipated an increase in the District's assessed valuation based on the higher appraisals she and other residents were receiving. After discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted 3-0 to approve the payment of the bills and invoices and the transfers, with the per diem to Director Logan being voided due to her absence and the per diem to Director Horak being approved conditioned upon her arrival at the meeting.

Director Roberts then recognized Ms. Emmons for the purpose of receiving the manager's report. Ms. Emmons stated that Mr. Hamby was on his way to the meeting, but had been delayed. She called the Board's attention to the On-Site Manager's Report Supplement for Maintenance Issues handout attached as **Exhibit "F"**, noting that it was substantially the same as what had been included in the meeting packet. Director Roberts requested more detail on District property, including serial numbers. Ms. Emmons responded that this was just a project report and not the inventory that had been requested. Ms. Emmons then reported that the doors for the Walker House should arrive any time, but the guard room had been assigned a higher priority which was why Mr. Hill was working on this project. She reviewed her report, attached as **Exhibit "G"**. Ms. Emmons pointed out that both the Maintenance and Engineering Subcommittee and the Pools Subcommittee had authorized time-sensitive expenditures in accordance with prior Board delegation.

Director Bennett stated that the first creek project was scheduled for the coming weekend and that he needed a protocol to provide the volunteers with access. Director Roberts stated that the volunteers should not be provided with a master key. After discussion, the Board agreed that the volunteers just needed the combination to the main gate. Ms. Emmons agreed to provide the combination to Director Bennett.

The Board then discussed the Maintenance and Engineering Subcommittee recommendations, attached as **Exhibit "H"**. Director Roberts recommend deferring any

projects that were not time-sensitive, so the related expenditures could be planned for in the District's next budget. Director Bennett concurred. At 6:50 p.m., Director Horak arrived at the meeting. The Board directed Ms. Emmons to notify PEC of a missing bolt on one of its electrical pedestals that had been identified by the Subcommittee, as this could potentially be a safety issue. Director Bennett stated that he would look for volunteer opportunities for work on the fence project. Ms. Emmons stated that, since Bill Greenwood had been allocated to District projects, he could and was doing projects such as fence repairs. Director Roberts stated that it was important not to overlay Mr. Greenwood's work over contracted services, such as trimming trees that were the responsibility of the District's landscape maintenance contractor. Ms. Emmons asked for clarification and whether, if there were issues regarding branches that were down, the Board preferred that she have Mr. Greenwood address them or notify Priority. The Board concurred that she should notify Priority.

The Board then discussed proposals to repair or replace the Col. Joseph I. Sonnenreich Memorial Pergola. Director Koenig stated that he and Director Bennett recommended Priority be selected, and pointed out that the contractor would have to cut back the vines on the pergola, and added that more detail about the work was provided in this proposal. Director Koenig moved approval of Priority Estimate #3056, attached as **Exhibit "I"**. Upon second by Director Bennett, the motion was adopted by a vote of 4-0. Director Roberts stated that she did not believe it was necessary to replace the memorial plaque and that she felt it just needed to be cleaned. Ms. Emmons pointed out that the Priority proposal included repair of pedestal for the plaque and cleaning of the plaque.

Ms. Emmons then requested that the Board authorize her to use the District credit card to purchase and install a mini split air conditioning unit in the Tumlinson Pool pump room. After discussion, Director Bennett stated that he would develop specs based on what electrical was available. Ms. Emmons stated that SunTech had come out and confirmed that sufficient electricity was available. After further discussion, the item was tabled until the next Board meeting and Director Bennett stated that he would develop specifications for the unit he recommended.

Director Roberts then stated that the Board would receive the landscape report. Ms. Emmons presented the landscape report, attached as **Exhibit "J"**, and called the Board's attention to the proposal for replacing the existing steel edging in Tumlinson Pool area with wood composite edging (Estimate #3059), attached as **Exhibit "K"**. She stated that this was recommended by the Maintenance and Engineering Subcommittee. Director Koenig stated that this edging was less expensive and safer. After discussion, upon motion by Director Koenig and second by Director Bennett, the Board voted 4-0 to approve the proposal. Director Roberts asked that Ms. Emmons monitor the frequency of Priority's edging the trails and also find out whether there was a warranty on Top Choice Fire Ant control.

Director Roberts stated that the Board would next discuss pool operations, repairs and management and recognized Mr. Hanson, who reported that everything had been received for the new RecDesk program. He stated that Lifeguard4Hire was excited about the program, and that roughly 1,000 or so tags would be issued. He stated that he would be trained the following day and Lifeguard4Hire would be ready to go by May 1st. He added that residents would be able to fill in the application online, and that this would minimize missed information since there were mandatory fields that could not be skipped. He added that residents could also fill in the application at the pools. Director Roberts asked if any private information would be stored on the RecDesk system. Mr. Hanson confirmed that RecDesk included security as part of the program. Director Roberts asked that he provide documentation of this to the attorney's office and he agreed to do so. Mr. Hanson reported that the Tumlinson Pool slide would be inspected

on May 7th and that he continued to train lifeguards and prepare for the swim season. Mr. Hanson then reported that there was a maintenance issue that he wanted to bring forward and explained that there was a leaking gasket at the waterfall and he had obtained a quote to fix it for about \$800. In response to a request from Director Roberts, he agreed to send a copy of the quote or bid to Ms. Emmons. Mr. Hanson stated that the new on-site pool manager would begin soon, that he lived in the community, and that Lifeguard4Hire was very excited about having him involved with the District's pools. He stated that Lifeguard4Hire planned to spend more time overseeing the lifeguards, so they would not think they were in trouble every time the Aquatics Director showed. He added that their goal was to bring the guards up to be even better employees and improve retention. Director Roberts commended him on this positive approach. Ms. Emmons then reviewed the Pools Subcommittee's recommendations, noting that one recommendation was to authorize the Pools Subcommittee to select a vendor for the installation of additional lighting at Tumlinson Pool. Mr. Hanson asked that, if the Board approved additional lighting, he be allowed to be involved to ensure the lighting functioned properly, because lighting of the surrounding area and the tower was important if nighttime events would be held. Director Roberts agreed that Lifeguard4Hire needed to be involved in these discussions. Ms. Emmons stated that the Pools Subcommittee wanted authorization to make the selection due to there being a timing issue. Director Koenig agreed that Mr. Hanson would need to be involved to ensure the lighting was appropriate and didn't result in blind spots. In response to question from Director Roberts, Ms. Emmons stated that the proposals differed, and that one was from Busby Landscapes, for \$13,966, and one was from Delta Outdoor Lighting, for \$12,405.88. She stated that a third proposal had been requested from SunTech, pared down to basic requirements, and this was about \$9,300 to \$9,500, but basically involved floodlights on the pool house, pump house and pole lights. Director Roberts asked what type of lighting was being proposed and whether a specific set of specifications were provided for the basis of the work. Director Koenig responded that the Subcommittee had asked the contractors to tell them what would work. Ms. Emmons confirmed that the lights would be on a timer and not on 24 hours. After discussion, Director Horak moved that the Board authorize the Pools Subcommittee to select a vendor for the additional lighting that was recommended, with Mr. Hanson's involvement and at a cost not to exceed \$15,000. Director Roberts seconded the motion. Director Bennett stated that one of the proposals appeared to include an umbrella light, which was not permanent, and recommended the Pools Subcommittee consider whether this is the best option. Upon being put to a vote, the motion was adopted by a vote of 4-0.

Director Roberts then recognized Director Bennett for purposes of receiving a report on storm water system and creek maintenance projects. Director Bennett noted that more volunteer groups were being lined up and that two groups had contacted him, including representatives of the tennis and football teams. He presented the public awareness flier attached as **Exhibit "L"**. After discussion, Director Bennett agreed to coordinate with Crossroads to get the flier sent out to the residents in the next utility bills.

Director Roberts then stated that the Board would discuss the perimeter fence project, including repairs and maintenance and the masonry fence project. Director Roberts noted that the proposed District park plan needed to focus on this. After discussion, the Board agreed to hold a special meeting to work on the park plan. Director Roberts stated that the Board needed information on what it could and could not do in connection with the contemplated bond election as she understood the Board could not advocate for the bonds. The Board agreed that it would like to have David Gray at the special meeting and also to have Cheryl Allen to talk about the proposed bond financing. Ms. Kolmodin agreed to provide the Board with an update on the District's bonds, including the outstanding balance, interest rates and maturities. After discussion, the Board agreed to schedule the special meeting for May 1st.

Director Roberts stated that the Board would next discuss restrictive covenant enforcement and pending and contemplated litigation. Ms. Emmons stated that she had nothing to report regarding 612 Kathleen Lane. She updated the Board on 15361 English River Loop, 606 Gabriel Mills Drive, 16901 Black Kettle Drive and 16719 Spotted Eagle Drive. The Board asked that she follow up on the house that had burned on S. Walker. Ms. Emmons reported that the house on English River Loop had been sold and was under contract in seven days. Ms. Emmons stated that the bank had done a fairly massive clean-up before the sale.

Director Roberts then stated that the Board would receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield reviewed her directives. She reviewed the District's existing Resolution Adopting Credit Card Use Policy with the Board, noting that there had been a discussion at the last meeting about revising the policy to allow use of the credit card for authorized subcommittee—approved expenditures. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve a revision to the Resolution authorizing use of the credit card for authorized, subcommittee-approved expenditures.

Director Roberts stated that the Board would next discuss the request for a resolution in support of traffic improvements and traffic-calming. Director Roberts reminded the Board that a resident had requested a resolution in support of his proposed traffic-calming improvements. She expressed concern about the County's response to anything that might be perceived as a request by the District. After discussion, no action was taken.

Director Roberts then noted that Director Logan had experienced a medical emergency and so been unable to attend the meeting, but had requested deferral of the general manager review until she could be present. She asked that the Board consider this request. After discussion, the Board agreed that, as a quorum was present, it would move forward with the review as scheduled. At 7:44 p.m., Director Roberts announced that the Board would convene in executive session, as permitted by Section 551.071 of the Texas Government Code, in order to receive legal advice relating to consultant review of Pinnacle Texas Management Services. At 7:58 p.m., the Board reconvened in open session and Director Roberts stated that no action had been taken in executive session.

At 8:00 p.m., Director Roberts announced that the Board would next convene in executive session pursuant to Section 551.074 of the Texas Government Code in order to discuss personnel matters and conduct a consultant review of Pinnacle Texas Management. At 8:27 p.m., the Board reconvened in open session and Director Roberts announced that no action had been taken in executive session. Director Horak then addressed Ms. Emmons and stated that the Board recognized her disappointment and appreciated the thoughts she had shared during the executive session. She stated that she appreciated all Ms. Emmons had done for the District, but moved that the Board accept the resignation that had been tendered by Ms. Emmons, attached as **Exhibit "M"**, and place the transition of management services on the special meeting agenda. Upon second by Director Koenig, the motion was adopted by a vote of 4-0.

Director Koenig then moved that the Board not revisit the evaluation or the resignation. Upon second by Director Roberts, the Board voted 4-0 to adopt the motion and directed that this item not be placed back on the Board's meeting agenda.

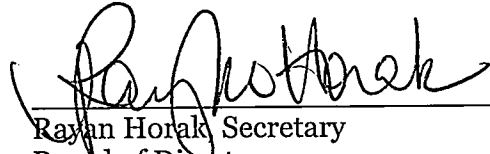
Director Roberts then stated that the Board would review the meeting notes attached as **Exhibit "N"**. Director Horak reviewed the notes and the Board concurred that no changes to the notes were necessary.

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

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[SIGNATURE PAGE TO APRIL 24, 2019 MINUTES]



Ryan Horak, Secretary
Board of Directors

Date: 5-22-19