

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

January 25, 2023

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 January 25, 2023, 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 roll of the members of the Board of Directors was called, as follows:

Ursula Logan	-	President
David Shoemaker	-	Vice President
Robert Young	-	Secretary
Cecilia Roberts	-	Assistant Secretary
David Johnson	-	Treasurer

All of the Directors were present, thus constituting a quorum. Also present at the meeting were: Taylor Kolmodin of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres of Crossroads Utility Services, LLC ("Crossroads"); Tom Davis of Lifeguard4Hire ("L4H"); Deputy Boggs of the Williamson County Sheriff's Office ("WCSO"); Matthew McCracken of BGE, Inc.; Tripp Hamby of Priority Landscapes ("Priority"); Nancy Olson of McCall Gibson Swedlund Barfoot PLLC; Sandy Martin of the BHC Owners Association ("OA"); Lauren Smith of Public Finance Group, LLC; David Gray of Gray Engineering; Steve Bennett, Roger Moeller, Terri Hutton, Ashley Musso, Michelle Peters, Callie Logan, Caleb Chandler, and Jonathan Huffman, residents of the District; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Logan called the meeting to order at 6:30 p.m. and welcomed those present. She announced that public comments were taken during designated portions of the meeting only and asked that anyone who wished to address the Board complete a Community Comment form. 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. She noted that the meeting was being videotaped.

Director Logan then stated that the Board would receive citizens' communications. Director Roberts noted that she had received an email from a resident, Brian Wood, expressing concern about the modification of the District's park hours. She noted that the email expressed concern about the potentially improper behavior of individuals in the District's parks after dark. She then stated that Mr. Wood had opined that longer park hours would invite problems, particularly in the winter months.

Director Roberts then reviewed an email from Beverley Stone, who stated that she was opposed to the District's parks being open after dark. Ms. Stone also noted that she thought such a proposal would compromise safety and provide for additional mischief and noise. She further stated that everyone in the District should be considered when contemplating such an issue. Ms. Stone then questioned whether the District's parks would require additional lights if they were to be open after dark and who would pay for such expenditures. She also noted that additional lights

would contribute to additional light pollution. She concluded her email message by stating that she was opposed to the District's parks being open after dark.

Ms. Hutton addressed the Board and confirmed that she had owned her home in the District since 2005. She stated that she had once received a purported restrictive covenant violation over a ladder in her yard that had been left out. Ms. Hutton noted that she experienced issues with a restrictive covenant issue when she was repainting her home and that A&B had called her on her personal phone regarding the violation. She confirmed that she did not appreciate the call and that she never received an apology for the call being made. Ms. Hutton then stated that the District's current restrictive covenant enforcement company, Community Association Management, had sent a letter which she believed to be arbitrary and capricious enforcement. She also stated that she thought the letter represented retaliation and that the District's efforts lacked transparency. She requested that the District "back off" and that she was ready to engage in legal efforts against the District, as necessary.

Mr. Bennett then addressed the Board and noted that jogging at night in a park wasn't a good idea. He noted that visibility would be difficult and that the District would likely need to pay for lighting, which he noted would be expensive. He then noted that the proposals from Priority relating to the community garden path were too expensive and urged the Board to evaluate them carefully. Mr. Bennett brought up the District's "perimeter fencing" and noted that the fence was in dire need of being restrained. He then suggested that the fence, because of its condition, would likely be written up for a restrictive covenant violation if it belonged to a private resident.

Mr. Moeller addressed the Board and stated that he was concerned that the District's "contact us" button had not been working effectively. He stated that there appeared to be abandoned vehicles in his section of the District, though he noted that one of them had recently been moved. He also confirmed that some of his neighbors had not been properly storing their garbage cans. Deputy Boggs then advised Mr. Moeller to contact the WCSO and that the County could tow abandoned cars away if they met certain criteria.

Director Logan stated that the Board would next discuss BGE Spyglass Asset Management Application presentation and recognized Mr. Gray, who stated that Gray Engineering had records of all of the District's water and wastewater facilities in electronic formats. Mr. Gray noted that Crossroads routinely queried his office for pertinent information and that his office was always able to expeditiously respond to such requests. He stated that his office retained the utility information in auto-CAD, not in GIS format. He further noted that he intended to add the recent park surveys into the auto-CAD files his office maintained. Upon question from Director Roberts, Mr. Gray stated that Crossroads had never had any difficulty locating utility facilities with the guidance provided by his office.

Mr. McCracken then stated that his firm provided a technological solution that would provide a way for the District to track all of its assets, which would include everything from underground lines, valves, and manholes to park equipment like playscapes and basketball goals. He noted that the tool utilized functionality that was similar to google maps and that it was very user friendly. He noted that annual inspections could be logged for all District assets, including park assets and pools. Mr. McCracken confirmed that the map functionality was automated and utilized "dashboard" functionality to provide data to users. He confirmed that the inclusive approach to data tracking of maintenance issues was automated and would assist all District consultants, including the operator and engineer.

Director Logan stated that the tool would provide for a single database to track all operation and maintenance considerations for all District assets. She noted that such a tool would be extremely helpful from a planning and budgetary perspective. She also noted that much of the

local knowledge of the District's facilities were held by Directors and, upon completion of Board service, such knowledge was lost. Upon question from Director Roberts, Mr. McCracken confirmed that there were approximately 30 water districts in the State of Texas utilizing the tool, most of which were in the Houston area.

Director Roberts then stated that it would be more effective for Crossroads to undertake the purchase of the tool. Ms. Torres noted that having all maintenance information in a single tool would be extremely beneficial to the District. Director Roberts then questioned what the District's return on such an investment would be. Director Logan stated that the District would save money by timely undertaking all necessary maintenance. Director Roberts stated that routine maintenance could be undertaken more efficiently, noting that the District needed to be conservative in how it spent its funds.

Director Shoemaker stated that the District had significant reserves and confirmed that the District would not need to raise taxes if the Board desired to purchase the tool. Discussion ensued relating to the methods utilized to track the maintenance needs of the District. Director Shoemaker then confirmed that the proposed tool would provide a single integrated solution for all District maintenance.

Director Young stated that the District needed a tool that could provide real time solutions for when problems arose. He opined that the cost savings for the District would be recognized by understanding District needs in real time and not having to inquire with District consultants. Director Johnson noted that he would like to see a quantified number that estimated a return on invested capital relating to the tool.

Upon question from Director Roberts, Mr. McCracken confirmed that the tool had been in use since 2008 and that BGE contracted with a third party for GIS data in the tool. Upon question from Director Roberts, Mr. Gray confirmed that the proposed tool tracked data more expansively than what his firm currently tracked. The Board then agreed to table the item for further consideration in the future.

Director Logan stated that the Board would next consider the audit of the District's financial statements for fiscal year ended September 30, 2022, including the report from McCall Gibson Swedlund Barfoot PLLC, approval of the audit report, and authorizing filing of the audit report. Ms. Olson addressed the Board and reviewed the audit report attached as **Exhibit "B"** with the Board, including a summary of (i) the Independent Auditor's Report, which she explained contained an unqualified, "clean" opinion; (ii) the Management's Discussion and Analysis, which she explained was a summary of District operations prepared by the District's bookkeeper on behalf of District management; (iii) the basic financial statements and the notes thereto; (iv) the required Supplementary Information; and (v) the Texas Supplementary Information. She confirmed that no significant difficulties were encountered in connection with the audit, that no misstatements were detected, and that there had been no disagreements with management. Ms. Olson then reviewed the client representation letter attached as **Exhibit "C"**. She concluded by requesting that the Board approve the audit report and the client representation letter, and authorize filing of the District's audit with the Texas Commission on Environmental Quality (the "**TCEQ**") and the City of Cedar Park (the "**City**"). Upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to do so.

Director Logan stated that the Board would next consider approving the minutes of the December 21, 2022 regular meeting. After discussion, upon motion by Director Young and second by Director Shoemaker, the Board voted 4-0 to approve the minutes, as presented, with Director Roberts abstaining.

Director Logan then recognized Ms. Martin for purposes of receiving a report from the OA. Ms. Martin noted that the E-sign was devoid of original content and stated that the OA was happy to include any reminders from the District on the E-sign. She then noted that the OA was encouraging residents to testify regarding the consideration of the Nebraska Furniture Mart when items were being heard in public meetings by the City. Director Logan noted that the City would likely be receptive to issues relating to noise and light pollution.

Director Logan stated that the Board would next receive a report from WCSO and recognized Deputy Boggs. Deputy Boggs noted that everything had been running smoothly. He noted that WCSO had discovered a leak at the Tumlinson Pool. He also confirmed that there was an instance of "swatting" in the District, whereby a fraudulent call was made to the WCSO to report a fake emergency situation. Director Boggs noted that, unfortunately, the occurrence of such events were growing in number. **Director Logan suggested that the District organize a town hall event with WCSO and directed the PR/Communications Subcommittee to assist in organizing the event.**

Director Logan then stated that the Board would discuss the District's social media policy. Mr. Abbott noted that several Directors had provided comments to the original draft of the social media policy. Director Roberts noted that the proposed Section 6 of the policy was confusing. **The Board directed Mr. Abbott to assemble an updated draft of the proposed social media policy and to provide clean and redlined versions for the Board's consideration at their next regular meeting.**

Director Logan stated that the Board would next discuss transparency at Board meetings, including utilizing video conferencing or telephonic technology. She confirmed that the Board had begun to record all Board meetings, with the goal of posting all meetings within 48 hours of completion of each meeting. The Board then discussed internet capabilities at the Walker House and Ms. Torres confirmed that AT&T had yet to provide a solution for optimal internet connectivity at the Walker House.

Director Logan then stated that the Board would discuss the resident survey and recognized Director Roberts, who stated that Board members should not be drafting questions for a District-wide survey. She suggested that an experienced third party be hired for such purposes. Director Shoemaker opined that certain questions could be complicated to draft, while others might be relatively simple to draft. Director Logan noted that there were different forms of surveys and that the Board should have input on the surveys. She noted, however, that it was essential that the survey be well-constructed and that the objectivity of a third party would likely be necessary.

Director Young stated that it would be beneficial to solicit input from residents on what topics should be included in the survey. He noted that the survey was very important and that he would like to see 90% of residents participate in the survey. Director Johnson suggested that the Board initially draft questions, then solicit feedback from residents, and ultimately receive guidance from a third party consultant to finesse the questions to ensure credible responses. **The Board directed Ms. Torres to query the availability of the Board for a special meeting to discuss the District-wide survey.**

Director Logan then stated that the Board would discuss restrictive covenants. Ms. Torres reviewed the report provided by Community Association Management. She noted that the subcommittee would continue to review restrictive covenant issues, including the property at 15361 English River Loop.

Director Logan 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"**, and the supplemental check register, attached as **Exhibit "E"**. Ms. Kolmodin reviewed the three proposed fund transfers and recommended approval. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve payment of the bills and invoices and the fund transfers, as presented.

Director Logan then stated that the Board would receive a report from L4H and recognized Mr. Davis, who stated that L4H had worked diligently to repair the leak discovered at Tumlinson Pool. He then noted that L4H would be hiring lifeguards soon for the summer season and that they would like to advertise for such positions on the E-sign. Upon question from Director Roberts, Mr. Davis confirmed that L4H usually hired at least 20 kids from the District to work as lifeguards at the District's pools. Upon question from Director Roberts, Ms. Torres confirmed that she was in contact with Texas Municipal League Intergovernmental Risk Pool regarding the leak at Tumlinson Pool. Further, she noted that a plumber would be on site soon to conduct due diligence on why the leak had occurred.

Director Logan then stated that the Board would receive a report from Priority and recognized Mr. Hamby. Mr. Hamby confirmed that Priority continued to undertake its typical maintenance around the District. He then presented Proposal #1991 for the community garden path renovation – area 1, attached as **Exhibit "F"**; Proposal #1992 for community garden path renovation – area 2, attached as **Exhibit "G"**; and Proposal #1993 for cut back of Primrose Jasmine due to the freeze, attached as **Exhibit "H"**, and recommended approval. Director Roberts questioned whether the work contemplated under Proposals #1991 and #1992 could be accomplished by volunteer groups. Mr. Young agreed and suggested that the users of the community garden may be interested in such an opportunity. The Board then agreed to table Proposals #1991 and #1992. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve Proposal #1993, as presented.

Ms. Torres then requested the Board's authorization to purchase two Pickle Ball nets for the tennis courts, which she noted would cost approximately \$420 each. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the purchase of the Pickle Ball nets.

Director Logan stated that the Board would next discuss the Order Establishing Rules and Regulations Governing Recreational Facilities and Related Fees and Charges (the "**Park Rules**"). Director Logan then reviewed a memorandum prepared by the Amenities Subcommittee, attached as **Exhibit "I"**, and proposed redlines to the Park Rules, attached as **Exhibit "J"**. Director Roberts noted that the proposed revisions to the Park Rules had just been received and requested that the item be tabled so that the Directors each had ample time to study the suggested revisions. Director Johnson noted that there were two categories of changes included in the proposed changes—substantive changes and clerical changes to remove duplicative language. Director Logan noted that it was important that the Park Rules were enforced in the same way that they were drafted. Director Shoemaker agreed and stated that the Park Rules needed to be updated to match all the current policies of enforcement. He also noted that he disagreed with the provision of the Park Rules that required residents to be "in good standing" in order to use certain District park facilities. He noted that other penalties were utilized to address such issues and that the enjoyment of parks should not be removed from District residents, even if they were not in good standing. **The Board then directed Ms. Torres to query the availability of the Board for a special meeting to discuss the Park Rules.**

Director Logan stated that the Board would next receive a report from the Amenities Subcommittee. Ms. Torres stated that a welder would be on site soon to undertake repairs to the

Tumlinson Park playscape. Director Young noted that the Luther Chance Practice Field was currently in disrepair and badly needed attention. Director Shoemaker suggested that improvements to the Field could be added to the District survey. Director Roberts suggested that the coaches of teams that practiced at the Field could assist with such issues. Ms. Torres opined that the entire infield needed to be reworked. She then noted that she had inspected the observation deck and that it needed significant work. **Director Roberts directed Ms. Torres to solicit a proposal to renovate the observation deck.**

Director Young then stated that he would like to organize a District leaf/tree trimming event to provide mulch to residents of the District. **Director Logan directed the Amenities Subcommittee to work with Ms. Torres to organize the event.**

Director Logan stated that the Board would next receive a report from Gray Engineering and recognized Mr. Gray. Mr. Gray reviewed the operations report attached as **Exhibit “K”**. He confirmed that he had no update regarding Pedernales Electric Cooperative’s construction work in the District. He then stated that he continued to assist in coordinating the park survey work in the District and that Jumano Park was almost complete. Mr. Gray then stated that work on the proposed park and recreational facilities bonds continued to be on hold. Discussion ensued and the Board expressed a preference for further discussion about the issuance of a park and recreational facilities bond at a special meeting.

Director Logan then stated that the Board would receive a report from Crossroads and recognized Ms. Torres. Ms. Torres reviewed the operations report attached as **Exhibit “L”**. She stated that all lab results were satisfactory and added that the water loss for the month of November was 15.23%, which, she noted, was up almost double from last month. She added that she had no write-offs to present. Ms. Torres then reviewed the stormwater runoff insert proposed to be included in the District’s February utility bills. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to include the proposed stormwater runoff insert in the District’s February utility bills. **Director Logan directed Ms. Torres to also post the insert on the District’s website.** Ms. Torres then continued her operations report, noting the backflow preventers in the District had recently been tested. Director Young questioned whether backflow preventers were required on every home in the District or whether only for homes utilizing an irrigation system. Director Roberts stated that the City of Cedar Park required all homes to have backflow preventers.

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”. She reported that Crossroads had confirmed that the District’s identity theft prevention program continued to be effective and there had been no incidents of identity theft in the District. She stated that Crossroads did not recommend any updates to the program. Mr. Abbott presented the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit “M”**. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Resolution.

Director Logan next stated that the Board would receive a report from the General Manager and recognized Ms. Torres who reviewed the general manager’s report, attached as **Exhibit “N”**. She noted that she had not received any recent requests for use of District facilities. She also confirmed that Crossroads had hired a new individual, Travis, to undertake work in the District’s parks and that Travis was bringing positive energy to the parks.

Ms. Torres then confirmed that she had been working with Trinity AV Solutions for District access control upgrades and additions. She noted that the proposed solution, the Brivo system, would replace the old “Rec Desk” and “fob” system that had previously been utilized for

entering the District's park and pool facilities. Ms. Torres confirmed that District-wide implementation of the Brivo system would cost less than \$50,000 and Ms. Kolmodin confirmed that District funds had been budgeted for such purposes. After discussion, the Board directed Ms. Torres to move forward with the implementation of the Brivo system, not to exceed a total expenditure of \$50,000.

Director Logan then recognized Ms. Smith to review the MSRB Rule G-10 and Rule G-42 disclosures. Ms. Smith reviewed a letter, attached as **Exhibit "O"**, relating to Rules G-10 and G-42 and confirmed that her firm was in full compliance with the cited federal standards. She then reviewed the list of her firms' clients attached to the letter.

Mr. Abbott then reviewed the Resolution Confirming Annual Review of Code of Ethics, Travel, Professional Services Policies and Financial Investment Policy and Adopting Updated List of Qualified Brokers attached as **Exhibit "P"**, noting that no changes were recommended other than the update of the list of qualified brokers contained in the District's financial policies. After discussion, upon motion by Director Roberts and second by Director Shoemaker, the Board voted unanimously to approve the Resolution.

Mr. Abbott then called the Board's attention to the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit "Q"**. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the Resolution.

Director Logan then stated that programming for the CASE Conference to be held in the summer of 2023 was being undertaken by the CASE Board of Directors. She encouraged the Directors to send suggestions for topics to CASE's general manager.

Director Logan stated that the Board would receive a report regarding issues relating to District rekeying. At 9:00 p.m., Director Logan announced that the Board would convene in executive session to receive legal advice from the District's attorney, as authorized by Section 551.071 of the Texas Government Code.

At 9:18 p.m., the Board reconvened in open session, and Director Logan stated that no action had been taken in executive session. **The Board then directed Mr. Abbott to draft a letter to all individuals who were in possession of a key to the gate at Jumano Park to confirm proper use of such a key.**

Director Logan stated that the Board would next review meeting notes and the Board reviewed decision items discussed during the meeting.


Director Logan then stated that the Board would next discuss the Board's future meeting schedule and agenda items. Mr. Abbott confirmed that the Board's next regular meeting was scheduled for February 22, 2023.

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

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[SIGNATURE PAGE TO JANUARY 25, 2023 MINUTES]



Robert Young, Secretary
Board of Directors

Date: 2-22-23