

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

June 26, 2019

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on June 26, 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"); Nur Labardini of Municipal Accounts & Consulting, L.P. ("MAC"); Lisa Torres, James Wills, and Jacqueline Smith of Crossroads Utility Services, LLC ("Crossroads"); Paul Hanson, Vaughn Stockton and Bill Brooks of Lifeguard4Hire; Tripp Hamby of Priority Landscapes, LLC ("Priority"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office; Pam Oakes of the Block House Creek Owners Association (the "OA"); David Gray of Gray Engineering, Inc.; Joshua Stowers of the Tidal Waves Swim Team ("Tidal Waves"); Stu McMullen and Robert Young, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:30 p.m. and welcomed those present. She asked that anyone who wished to address the Board complete a Community Comment form and state his or her full name for the record before making comments. She added that public comments are taken only during designated portions of the meeting and not during the business portion of the meeting.

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. Director Roberts then asked for agenda prioritization requests and the Board agreed to move several items up on the agenda.

Director Roberts then recognized Mr. Young, who stated that he wished to discuss disc golf course repairs and maintenance. He stated that he loved the disc golf course, but wanted to point out several repairs that were needed and offer his help in addressing them. He stated that he would like to help put up posts and put concrete tees in muddy areas, noting that he was interested in donating time and supplies. Director Roberts stated that there was an item regarding this on the meeting agenda and the Board would follow up with him after it discussed the item. Director Horak stated that she believed she had heard parts of the course referred to

as pads and asked for clarification. Mr. Young responded that concrete tees would last indefinitely while pads would have to be replaced.

Director Roberts then recognized Mr. Stowers, who stated that he was present regarding parking during the Tidal Waves swim meets. He added that he was the Vice-President of the organization, and thanked the Board for its time. He stated that there usually were some concerns about parking during the meets and, while the Tidal Waves had been meeting their contractual agreements, he understood they were not properly addressing concerns of residents and so had come up with additional plans for the last meet of the year. He distributed the plan attached as **Exhibit "B"** and explained that he was planning to stop meet participants from parking along Susan Lane and Armstrong Drive as well as to ensure that fire hydrants, bridges, and mailboxes were not blocked off. He stated that this effort was intended to show the residents the Tidal Waves' desire not to inconvenience them. Director Roberts stated that it had been recommended that the Tidal Waves buy some larger cones. Mr. Stowers stated that the Tidal Waves had a variety of sizes and would put cones out and he would also send out a graphic to the Tidal Waves and the visiting team about the no-parking areas. He stated that he was also planning on doing a walk-through the morning of the meet and that, during the meet, they would call out license plate numbers of any cars parked in the no-parking areas and ask that those vehicles be moved. Director Roberts stated that the County had also provided some parking regulations and Mr. Stowers confirmed that the Tidal Waves was complying with those requirements. Director Koenig requested that Mr. Stowers ensure that visitors park further from the driveway. Director Roberts asked that larger, more visible cones be used. Director Logan added that the Sheriff's department had recommended standard construction cones. Director Bennett suggested that there might be an option for parking on a triangular shaped piece of property near the pool. Director Roberts expressed concern that this could result in blocking the sidewalk. Director Logan pointed out that, in the email from Crossroads, Crossroads had acknowledged that the Tidal Waves was doing a great job. Director Roberts then mentioned that it would also be nice if the Tidal Waves could lower the decibel level of the PA system, noting that she had been able to hear the announcements while she was in the park during the prior meet. Mr. Stowers stated that an issue was ensuring that the visiting team could hear the announcements. Director Horak stated that the issue Director Roberts mentioned might have been due to the direction of the wind, as she lived close to the pool and couldn't hear the announcements. Director Logan added that another recommendation that had been made was using a "pop up sign" that announced there was a special event. Mr. Stowers stated that they did put these up at the entry the day before the meet. Ms. Torres stated that it would be good to have this signage so it was visible when drivers approached Apache Pool. Mr. Stowers stated that another issue he was aware of was interference with resident pool hours during the Tidal Waves' stroke clinics. He confirmed that the Tidal Waves were only using the pool during the contract hours.

Director Roberts then recognized Ms. Oakes for purposes of receiving a report from the OA. Ms. Oakes reported that the OA's end of school bash was a big success and reminded the Board that there would also be a big July 4th fest from 12:00 noon to 3:00 p.m. in the Park. She stated that it would include a rock climbing wall, a "euro bungee", a water slide, and a bounce house, as well as hamburgers, hot dogs, drinks, and watermelon, and that there would also be a BBQ truck. She added that the fireworks show sponsored by the District would follow the fest. Director Logan stated that the OA maintenance and safety subcommittee would be lining the loop with flags. Director Roberts stated that she had a box of flags and would help putting them out. Director Logan stated that she thought the flags should be put up the morning of the 4th and added that the OA planned to keep the flags up throughout the weekend.

Director Roberts stated that the Board would next discuss District security. Sergeant Kelley reported that the Memorial Day special events had been covered with no problem, and that he was working on scheduling for the 4th of July, including deputies to monitor parking. He stated that the deputies had found another campfire pit in Jumano Park and were monitoring this as well. He stated that the window of the lifeguard shack had been left unsecured and Ms. Torres agreed to remind the lifeguards to check the window before leaving. Sergeant Kelley stated that there had been one arrest the prior month, noting that he had observed a suspicious vehicle with expired tags at Apache Pool and, when he had stopped the vehicle, he found the driver was driving with a suspended license, was in possession of marijuana and had a stolen street sign in the back of the vehicle. Director Logan reported that there had been a drunk individual who had interfered with the locking of the gate to Jumano Park. The Board discussed the street address for the building at Jumano and Sergeant Kelley stated that the building address in the County system was 1301 Block House Drive and not Black Kettle Drive. The Board directed Ms. Torres to post this address at the building. Ms. Torres stated that she not heard back from the postal inspector regarding the mailbox kiosk break-ins.

Director Roberts stated that the Board would next discuss restrictive covenant enforcement and pending and contemplated litigation. Ms. Emmons reported that there was nothing active on the properties on the list. She confirmed that, for 606 Gabriel Mills, the homeowner had submitted the architectural control committee ("ACC") approval request, so that violation was closed pending action by the ACC. Director Logan asked if the request addressed all of the violations and Ms. Emmons responded that it just addressed the painting. She reported that, for the house on English River Loop, she was still working on making contact with the adult daughter/owner and that the goal was to reach the owner and encourage her to make some effort or to put the property up for sale. Ms. Emmons stated that the conditions were not such that it was an active violation because Mr. York felt, if it went to litigation, the District's position would not be a strong one. The Board directed Ms. Emmons to ask for a recommendation from Mr. York on how to proceed.

Ms. Emmons stated that she had nothing to report on monitoring for violations of the watering restrictions due to the rain. She then reported that the July newsletter should be ready for review by the Communications Subcommittee by July 2nd. Director Logan requested that Ms. Emmons leave space for a photo or two from the 4th of July and Ms. Emmons agreed to do so. Ms. Emmons then reported there would need to be some changes to the District's website once hours for the Walker House and other details were worked out with Crossroads. Director Bennett asked if there had been any conversations with Mr. York about the trucks on Jacqueline Drive. Ms. Emmons confirmed that one of the addresses had already gotten a letter and the other had gotten a reminder, which she hoped would spur the owner to move the truck into the garage or get it registered.

Director Roberts then stated that the Board would receive the landscape report. The Board agreed to defer consideration of Proposal No. 3103 and 3104 until the July Board meeting. Mr. Hamby then presented the proposal for the removal of the Vitex at Block House Drive South and Tumlinson Fort Drive (Estimate #3144) attached as **Exhibit "C"**. Mr. Hamby stated that there were two trees at this location and recommended that the smaller one be removed, as it was being overshadowed by the larger one. Director Horak moved approval of the proposal and, upon second by Director Koenig, the motion was unanimously adopted. Mr. Hamby then presented the proposal for mosquito treatment (Estimate #3145). Director Roberts asked how long the mosquito treatment would last and Mr. Hamby responded that it had a 30-day guarantee. Director Horak stated that doing this had been raised at the last meeting. Director Roberts agreed, but added that it was more expensive than she had anticipated.

Director Logan stated that, if the District got a lot of rain, the treatment might not last for 30 days. Director Bennett stated that he felt the Board should at least treat Tonkawa Park, where the fireworks would be held. Director Horak then moved approval of the treatment for Tonkawa Park, if it could be done by July 2nd. Director Koenig seconded the motion. Director Logan stated that she would also like to see the District treat Tumlinson Park as there would also be events held there. Director Bennett concurred that, if the District was inviting people to the Park, the Board should do this. Director Roberts inquired if this cost was included in the budget and the Board generally agreed that the cost would come out of the landscaping line item in the budget. Director Horak then amended her motion to include the treatment of Tumlinson Park and approval of the modified proposal attached as Exhibit "D" and Director Koenig concurred with the amendment. Upon being put to a vote, the amended motion was unanimously adopted.

Mr. Hamby stated that his crews were on hold on the webworm treatment. Director Roberts inquired why and Director Koenig responded that the webworms didn't hurt the trees although they did eat the leaves, so the Parks Subcommittee had determined not to treat except in areas where there was a large aesthetic impact. Director Logan suggested including an article in the newsletter about this as the District had been receiving some calls. Mr. Hamby then apologized that one of his crew had backed into the District's limestone sign in Comanche Park. Ms. Torres stated that the sign was not in good condition to begin with and she was working on a plan to get the sign redone. Mr. Hamby stated that the irrigation system would be turned off before the 4th and that, generally, all work approved over the past few months had been completed, except the planting of additional trees and the work on the pergola and new bed by the Walker House that had been started earlier in the day. He stated that his plan was to be done with this work before the 4th, depending on weather. Director Roberts suggested including weep holes in the base of the flower bed by the Walker House and Mr. Hamby agreed to look into that suggestion. Director Bennett stated that he felt things looked great and Director Logan concurred.

Director Roberts then stated that the Board would consider approving the minutes of the May 16, 2019 and May 22, 2019 Board meetings. Upon motion by Director Bennett and second by Director Horak, the Board voted unanimously to approve the minutes.

Director Roberts then stated that the Board would receive the manager's report and recognized Ms. Torres, who introduced James Wills, Crossroads' Vice President of Operations, and Jacqueline Smith, whom she explained Crossroads hoped to bring on to provide on-site services to the District. Ms. Torres confirmed that Pinnacle had provided all of the information needed for the management transition and then reviewed her report, attached as Exhibit "E". She called the Board's attention to the requests for use of District facilities included in her report, and stated that she had received a request from the OA asking for a change in the dates for its use of the pavilion from Monday-Wednesday to Tuesday-Thursday, and that the OA had also advised her it was having a camp that would be added to the reservation list. Ms. Torres then reviewed her directives. She stated that she had been meeting with the Board's various subcommittees. Director Roberts asked about the status of the new towing agreement. Ms. Torres responded that she had contacted several companies and recommended that the District contract with Triton Towing, which had a very high rating. She explained that there were rules relating to the signs that had to be posted in order to tow vehicles and that Triton Towing was willing to provide and post the necessary signs and to ensure the signs stayed in compliance. She added that this would be at no extra cost to the District. Ms. Littlefield recommended that the Board assign finalization of this contract to the Security Subcommittee. Director Logan then moved that the Security Subcommittee be authorized to work with the District manager and Ms.

Littlefield to finalize the contract with Triton Towing. Upon second by Director Koenig, the motion was unanimously adopted.

Ms. Torres then presented a proposal from Crossroads for general management services. Ms. Littlefield suggested that a subcommittee be authorized to negotiate and execute an agreement in general conformity with the proposal. Director Roberts stated that she would like to serve on this subcommittee and Director Logan asked if this could be assigned to the Management Transition Subcommittee. Director Horak then moved that the Board authorize the Management Transition Subcommittee to negotiate and execute the proposed General Management Services Agreement with Crossroads. Upon second by Director Logan, the motion was unanimously adopted.

Ms. Torres stated that she still had not received information on the fireworks and added that there could be some issues relating to rain. She stated that she would coordinate any notice to the residents regarding the fireworks through Pinnacle. Director Roberts suggested encouraging people to walk to the fireworks show due to the limited parking and the Board agreed.

Ms. Torres then called the Board's attention to the operations report, attached as **Exhibit "F"**, and reported that the water loss was 5.68% in May. She stated that she had four write-offs in the total amount of \$325.51 to present and requested approval. Director Logan requested that, in the future, the individual amounts be presented to the Board and Ms. Torres agreed to do so. Upon motion by Director Koenig and second by Director Bennett, the Board voted unanimously to approve the write-offs. Ms. Torres then presented the proposal for hydrant inspections attached as **Exhibit "G"**, noting that there were 191 hydrants in the District and, when Crossroads went in to paint, they would also test the hydrants by performing three different tests: static, demand and residual. She stated that Crossroads would also generate a report and provide a copy to the Fire Department. Director Roberts asked whether this cost was included in the budget. Ms. Torres stated that she understood it was. After discussion, upon motion by Director Bennett and second by Director Logan, the Board voted unanimously to approve the proposal, subject to confirming the cost was included within the budget. Director Logan inquired how often the fire hydrants should be tested. Director Bennett recommended that this be scheduled regularly. Director Roberts noted that she understood there were flow meters that could do this more efficiently.

Ms. Torres then reported that there had been a water break on Tumlinson Fort Drive which Crossroads had repaired overnight and that quite a bit of water had been lost.

Director Roberts stated that the Board would next receive the bookkeeper's report and recognized Ms. Labardini. Ms. Labardini presented the check register attached as **Exhibit "H"** and the supplemental check register attached as **Exhibit "I"**. She stated that she had no fund transfers to present. She reported that the District was about 98.81% collected on taxes through May. After discussion, upon motion by Director Horak and second by Director Logan, the Board voted unanimously to approve the payment of the bills and invoices, as presented.

Director Roberts stated that the Board would next discuss arbitrage rebate matters, including the compliance summary from BLX Group, LLC for the District's \$5,840,000 Unlimited Tax Refunding Bonds, Series 2014. The Board accepted the report provided and no action was taken.

Director Roberts then stated that the Board would receive a report on the Walker House. Ms. Torres stated that she had met with the Maintenance and Engineering Subcommittee

regarding purchasing a mini-split air conditioning unit for the Tumlinson Pool pump room. She added that she had obtained one proposal, but it was very high, **so she was getting a second bid**. Ms. Torres stated that some signage at the water fountains had needed to be replaced due to a misspelling and that she had done this. She also reported that Crossroads had cleaned up the debris at the Comanche Park sign that had been damaged and posted a sign so it would be visible. She stated that the Board could look at a permanent fix when it was ready to do this.

Director Roberts asked if any members of the proposed bond steering committee were present. She stated that she would like to propose that Mr. McMullen be included on the committee as its chairman. Director Logan suggested that the committee should choose its chairman. After discussion, the Board directed Ms. Littlefield to assemble a list of all of the names that had been proposed at the prior two meetings, as well as by Director Logan in an email to Ms. Scholl, and to include Mr. McMullen, and provide it to Ms. Torres so she could contact them and arrange a meeting.

The Board then discussed the Fire Department's request that residents trim low hanging trees that would interfere with its equipment. Director Roberts stated that she wanted to encourage the residents to trim them properly and added that this information had been included in the newsletter. Director Bennett stated that, if the residents did not address the issue, the District might need to reach out to the County. Director Logan suggested contacting the affected residents directly. After discussion, the Board agreed that the Communications Subcommittee should craft a notice to the affected residents.

Director Roberts stated that the Board would next consider items related to solid waste services. Ms. Torres stated that the Solid Waste Subcommittee had not received the completed survey about quarterly clean-up days and curbside bulk trash pickups from Texas Disposal Services. Ms. Torres agreed to provide the final survey when she received it from Mr. Prince and added that she hoped to receive it the following day.

Director Roberts stated that the Board would next discuss pool operations, repairs, and management. Mr. Hanson introduced Vaughn Stockton, the North Aquatics Director for Lifeguard4Hire, and Bill Brooks, whom he explained was new to Lifeguard4Hire and would be handling customer relations and sales. Mr. Hanson reported that he inspected the new exterior lighting and it was fabulous, very pleasing and gave good coverage, but he had noticed that lighting inside the pool was not as bright as it once was and so had provided a quote to replace three of the interior lights, attached as **Exhibit "J"**. After discussion, upon motion by Director Logan and second by Director Horak, the Board voted unanimously to approve the proposal, subject to receipt of the required Form 1295.

Ms. Torres then stated that it was brought to her attention that one instructor for Tidal Waves was using the pool outside of the approved hours, but, after investigation, she had determined that the use was actually within the Tidal Waves' approved hours for this season, with the team members arriving between 6:15 a.m. and 6:30 a.m. and leaving at noon. She stated that the issue was about making sure the pool was being properly secured. Director Logan stated that she understood there was a resident giving private swimming lessons which she felt might be part of the confusion. Director Horak stated that she had seen a notice about the private lesson on the neighbors website. The Board agreed that the gate could not be locked while the pool was in use, due to safety issues and that a sign should be posted so residents would know that the pool was not open for general usage during these hours. Director Logan agreed that the Pools Subcommittee would work on this. Mr. Hanson then advised the Board that he was leaving Lifeguard4 Hire and so this would be his last meeting. He stated that he had an opportunity with another district, but assured the Board that there would be no drop-off in

service. Director Logan stated that the Board had enjoyed working with him and wished him well.

Director Roberts then recognized Director Bennett for purposes of receiving a report on storm water system and creek maintenance projects. Director Bennett moved approval of the Storm Water Management Program Notice of Intent and Core Data Form, attached collectively as **Exhibit “K”**. Director Horak seconded the motion, which was unanimously adopted. Director Bennett reported that the creek clean up/trails access project was on hold until the beginning of the school year and cooler weather.

Director Roberts stated that the Board would next discuss District parks and facilities. Director Logan stated that she and Director Bennett would get together to discuss the community garden. She then proposed that the Maintenance and Engineering Subcommittee work on the disc golf course project with Mr. Young and the Board concurred. Ms. Torres presented the proposal from T.F. Harper & Associates, LP for recoating the deck and stair equipment on the playscape in Apache Park (Quote #042319-05TB) attached as **Exhibit “L”** and requested approval. Upon motion by Director Logan and second by Director Horak, the Board voted unanimously to approve the proposal. Ms. Torres then reported that the Tonkawa Park inspection had come out clean.

Ms. Torres then reported that she had asked Pedernales Electric Cooperative to come out and look at a leaking transformer and they had done so, but had not completed the repair because the crew didn't have the proper equipment. She added that, before the repair was made, she would coordinate with Ms. Emmons to provide notice to the residents.

Director Koenig stated that the scouts had completed the repair and repainting of the fence and explained that there was an additional \$325 that had been committed for the repairs which brought the total to \$875. Ms. Labardini confirmed that this payment had been previously approved.

Director Roberts then stated that the Board would discuss the proposed Park Plan prepared by Mr. Gray. Director Logan expressed concern that it appeared to only include the right-of-way beautification project. Mr. Gray acknowledged that this draft primarily included the right-of-way beautification project, but noted that there might be additional improvements added with input from the Board as well as the park improvement/bond steering subcommittee. After a discussion about the Board's concern about the short time to get public input and adopt a Park Plan in advance of calling a November election, the Board agreed to postpone the proposed park bond election until May 2020. The Board agreed that it would combine the budget work session that would be scheduled for early July with a work session on the park plan.

At 8:08 p.m., Director Roberts announced a brief recess. Director Logan left the meeting at this time. The Board reconvened in open session at 8:19 p.m.

Director Roberts stated that the Board would next receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield reviewed her directives. After a brief discussion of the purposes of adopting minimum criteria for the qualification of bidders on District projects, the Board agreed to defer action until the next Board meeting. Ms. Littlefield then stated that the District's current bookkeeping services agreement with Municipal Accounts & Consulting, L.P. would expire on June 30, 2019. Upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to approve the renewal of the Agreement for Bookkeeping Services attached as **Exhibit “M”**. Ms. Littlefield then reviewed the District's preliminary estimate of the 2019 taxable value and the proposed schedule for establishing the District's 2019-2020 budget and

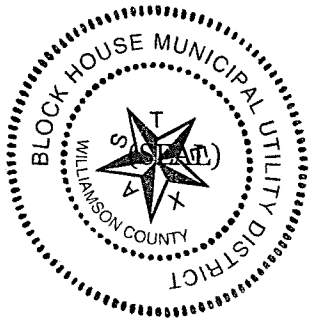
2019 tax rate. She reminded the Board that the August and September Board meetings would be important ones and asked, if any Board member had a conflict on one of those meeting dates, they notify her office. Director Horak stated that she would not be present at the Board's regular July meeting. The Board agreed that Ms. Kolmodin should be directed to schedule a budget work session in early July, on or before July 17th, and that the park plan and any related items be included on the meeting agenda.

The Board deferred discussion of subcommittee membership composition.

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 JUNE 26, 2019 MINUTES]

Steve Bennett, Vice President
Board of Directors

Date: 7-24-19