

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

August 14, 2019

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Block House Municipal Utility District was held on August 14, 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
Byron Koenig	-	Treasurer
Ursula Logan	-	Assistant Secretary

Also in attendance at the meeting were Andrew Hunt and Jacquelyn Smith of Crossroads Utility Services, L.L.C.; Cheryl Allen of Public Finance Group LLC; and Taylor Kolmodin of Municipal Accounts & Consulting, L.P.

Director Roberts called the meeting to order at 6:30 p.m. and stated that the Board would first receive citizens’ communications. There were no citizens present for comment.

Director Roberts stated the Board would next conduct a work session on the 2019/2020 budget and the proposed 2019 tax rate. Director Roberts recognized Ms. Allen, who handed out the 2019 tax rate analysis attached as **Exhibit “B”**. Ms. Allen reviewed each of the proposed tax rate scenarios provided in the analysis. She 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. Smith handed out the revised schedule for establishing the District’s tax rate attached as **Exhibit ‘C’**. The Board discussed the three scenarios provided by Ms. Allen. Director Roberts asked Ms. Allen to update the Board on the new tax rate laws that would become effective for 2020. Ms. Allen updated the Board on the changes in the law pertaining to property tax rates. Director Horak asked Ms. Allen for clarification on the debt service component within the total tax rate and its effect on the rollback calculation. Ms. Allen explained that the debt service component of the tax rate was not subject to the rollback calculation. **Ms. Allen agreed to confirm if the fire tax component was subject to the rollback calculation.**

Director Roberts then recognized Ms. Kolmodin, who handed out a FYE 2019-2020 draft budget for the Board’s review. Ms. Kolmodin reviewed the changes that had been made to the budget based on the Board’s discussion at its July 16, 2019 special meeting, including items from the District’s consultants. 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. **Director Roberts asked Ms. Kolmodin to update the proposed budget to include the scenarios proposed by Ms. Allen.** No action was taken on the draft budget.

After further discussion, upon motion by Director Logan and second by Director Horak, the Board voted to establish a total proposed tax rate of \$0.8085/\$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 25, 2019 at 6:00 p.m., at 2600 Block House Drive South, Leander, Texas.

Upon motion by Director Horak and second by Director Logan, 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 stated that Board would consider an asset management plan for the District. Director Logan stated that she had asked that the Board consider implementing an asset management plan, but no work on a plan had been done. She explained that she had located a guide published by the American Water Works Association as a good reference for a plan. Mr. Hunt stated that he and Ms. Smith had discussed beginning a simple plan that would incorporate the District’s current assets. **The Board directed Mr. Hunt and Ms. Smith to work on development of a draft asset management plan for the Board’s review at a future meeting.**

Director Roberts then suggested that the Board review the meeting notes. Mr. Hunt stated that Items 2(d), (e), and (f) had all been approved unanimously and that he would update the meeting notes.

Upon motion from Director Logan and second by Director Roberts, the Board voted unanimously to adjourn the meeting at 7:28 p.m.



[SIGNATURE PAGE TO AUGUST 14, 2019 MINUTES]

Rayan Horak, Secretary
Board of Directors

Date: 8-28-19