

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

October 23, 2019

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District was held on October 23, 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
Rayan Horak	-	Secretary
Byron Koenig	-	Treasurer

Director Ursula Logan was absent. Also present at the meeting were Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MAC"); Jacquelyn Smith of Crossroads Utility Services, LLC ("Crossroads"); Bill Brooks of Lifeguard4Hire; Tripp Hamby of Priority Landscapes, LLC ("Priority"); Luanne Miller of the Block House Creek Owners Association (the "OA"); Sergeant Chuck Kelley of the Williamson County Sheriff's Office; Jim and Nancy Dillon of Texas Trades; and Sean Abbott of Armbrust & Brown, PLLC ("A&B").

Director Roberts called the meeting to order at 6:31 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.

Director Roberts then stated that the Board would first receive citizens' communications. Mr. Dillon addressed the Board regarding work that Texas Trades had performed for the District. He indicated that the District had short paid an invoice and that the remainder of the invoice was due. Director Roberts advised Mr. Dillon that the Board had directed Andrew Hunt from Crossroads to correspond with Mr. Dillon and inquired whether Mr. Dillon had engaged with Mr. Hunt regarding the matter. Mr. Dillon responded that Mr. Hunt had left him a voicemail and he needed to return the call. Director Roberts requested that Mr. Dillon follow up with Mr. Hunt and he agreed to do so.

Director Roberts then stated that the Board would receive the OA report. Ms. Miller stated the OA's shredding day on October 12th was very well received. Ms. Miller also confirmed that the lantern parade had occurred on October 19th and was also very well received. Director Roberts indicated she'd like to have a meeting with the OA to facilitate Ms. Smith providing materials to the OA to post on the OA website. Ms. Miller responded that she was amenable to the idea and would discuss it with the OA and report back to the Board.

Director Roberts then stated that the Board would consider approving the minutes of the September 25, 2019 Board meeting. Upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve the minutes.

Director Roberts stated that the Board would next discuss District security. Sergeant Kelley reported that Detective Pena of the Williamson County Sheriff's Office had responded expeditiously to investigate a burglary in process and was able to apprehend the perpetrator. Sergeant Kelley reported that the perpetrator lived within a block of where the crime was committed. Sergeant Kelley indicated that the deputies had provided extra patrols for the lantern parade and planned to have extra patrols for Halloween. Ms. Smith advised that she'd like to provide access to security card software utilized by the District to the deputies. Director Roberts directed Ms. Smith to work with Sergeant Kelley to provide such access to the Sheriff's department. Ms. Smith advised Sergeant Kelley that the District's security badge report indicated numerous forced entries into the basketball courts. Director Bennett suggested the District might need additional signage advising residents how to gain proper access to the courts. Director Roberts requested that Ms. Smith follow up on the reports of forced entry and investigate providing additional signage, and requested that the Security Subcommittee conduct additional discussions relating to security at the basketball courts. Sergeant Kelley advised there would be a lot of package theft in the holiday season and Director Roberts requested that Sergeant Kelley provide written information on the topic to Ms. Emmons for inclusion in the District's newsletter. Sergeant Kelley mentioned a RING security alert that the police could use to help apprehend package thieves. Director Roberts requested that such information be included in the newsletter as well.

Director Roberts stated that the Board would next discuss restrictive covenant enforcement, including pending and contemplated litigation; watering restrictions; and District communications. Director Horak advised that the Restrictive Covenant Subcommittee was culling through outstanding issues, including discussions with Andrew York at A&B. Director Roberts inquired about certain properties listed on the report and directed Mr. Abbott to have further discussions with Ms. Smith regarding restrictive covenant issues. Director Roberts expressed a desire to receive more efficient reporting from Pinnacle on matters relating to restrictive covenants.

Director Roberts then stated that the Board would discuss drought management and water use restrictions. Ms. Smith advised that there were no issues requiring Board action relating to drought management or water use restrictions.

Director Roberts then stated that the Board would discuss the newsletter, water bill inserts, website and District-wide calendar. Director Roberts expressed frustration with the most recent newsletter, particularly with graphics that had been inserted on top of information relating to the recent tax levy by the District. Director Bennett echoed Director Roberts' sentiments and added that residents had called him regarding the issue. The Board agreed that the formatting of the graphics made reading the tax rate information confusing. Ms. Smith indicated she had asked for a final draft of the newsletter prior to distribution but did not receive a copy before it was distributed. Mr. Abbott confirmed that the contract with Pinnacle expressly provided for review of newsletters prior to publication. He also reported that Pinnacle's executed signature page to Amendment No. 1 to Media and Website Services Agreement had not yet been received.

Director Roberts stated that the Board would next receive the bookkeeper's report and recognized Ms. Colondres. Ms. Colondres presented the check register attached as **Exhibit "B"** and the supplemental check register attached as **Exhibit "C"**. She discussed a blank check to

the Office of the Attorney General relating to its review of the District's pending refunding bonds to be issued and confirmed the amount could be entered once the review fee was determined. Director Koenig confirmed that the Financial Subcommittee recommended approval of the payments as presented. Ms. Colondres then reviewed the District's investments and a budget comparison. She reported that the District was about 99.5% collected on 2018 taxes through September. After discussion, upon motion by Director Bennett and second by Director Koenig, the Board voted 4-0 to approve the payment of the bills and invoices, as presented. Ms. Colondres then requested approval of the fund transfer and investment activity indicated in her report. Upon motion by Director Bennett and second by Director Koenig the Board voted 4-0 to approve the transfers and investments.

Director Roberts stated that the Board would next discuss pool operations, repairs, and management. Ms. Smith indicated that cars had been illegally parked on a bridge near the Tumlinson Pool during a swim meet. She indicated she had followed up with a Leander Independent School District representative and requested that the school district utilize cones during its next swim meet to ensure the situation was not repeated. Director Bennett questioned whether the District could put a stencil on the bridge to indicate that parking on the bridge was illegal. Ms. Smith reported that Pedernales Electric Cooperative had replaced a transformer that had recently failed. She also confirmed that a circulating pump had failed and had been replaced by an electrician. Mr. Brooks confirmed that the summer pool season had been very successful from his perspective. Director Roberts inquired about the total number of active pool memberships and why there were more active pool memberships than residents in the neighborhood. Mr. Brooks indicated there might be duplicate tags or perhaps residents had left the neighborhood and kept their tags. Director Roberts directed Mr. Brooks to evaluate the current list of active pool memberships; to revise the list, as necessary; and report back to the Board.

Director Roberts then stated that the Board would receive the landscape report. Ms. Smith presented Priority's report, attached as **Exhibit "D"**, and reviewed it with the Board. She indicated that wildflower seeds had been sown in the District earlier in the week. She then presented the proposal for replacement of the crape myrtle in Comanche Park (Estimate #3273), attached as **Exhibit "E"**; the proposal for Christmas lighting, wreaths and garland (Estimate #3312), attached as **Exhibit "F"**; and the proposal for updating the landscape beds in front of the Walker House (Estimate #3313) attached as **Exhibit "G"**. Director Koenig indicated the Parks Subcommittee recommended approval of the proposals and Director Horak confirmed there were funds available in the budget to pay the related costs. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted 4-0 to approve Estimate #3273, Estimate #3312 and Estimate #3313.

Ms. Smith then stated that the landscape maintenance contract would expire on October 31, 2019 and requested approval of the renewal of the Landscape Maintenance Agreement, attached as **Exhibit "H"**, which would continue the contract through October 31, 2020. Mr. Hamby opined that the new contract ought to work well for both the District and Priority. Director Roberts inquired about the revisions to Item "f" of the Hardscapes Section of Exhibit "A" to the Landscape Maintenance Agreement, relating to decomposed granite cover, specifically asking about the granite cover being applied on an "as needed" basis and with a 10 yard annual limitation. Mr. Hamby estimated that 10 yards ought to be sufficient to adequately address the District's needs. Director Roberts requested that Priority monitor the application of decomposed granite closely to ensure that the modification to the Agreement was successful. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted 4-0 to approve the Landscape Maintenance Agreement.

Director Roberts then stated that the Board would receive the operations report and recognized Ms. Smith, who presented the report attached as **Exhibit “I”**. She reported that, as of the end of September, the District had 2,205 occupied single-family connections and that all lab results had been satisfactory and there had been a water loss of 7.91% for the prior reporting period. Ms. Smith then presented the write-off reflected in the operations report, noting that there was one account totaling \$34.03, and requested approval. Upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to approve the write-off. Ms. Smith then reported that the District fire hydrants had non-standard threads. She further advised that Cedar Park Fire Chief James Mallinger encouraged the District to replace and standardize the fire hydrants. Ms. Smith then presented the proposal from Capital Hydrant LLC, attached as **Exhibit “J”**, for fire hydrant repairs and recommended approval. After discussion, upon motion by Director Bennett and second by Director Horak, the Board voted 4-0 to approve the proposal.

Director Roberts inquired about the grinder pump cover behind the Walker House, indicating that the current cover was intended to be a temporary solution and was not properly insulated. She suggested that the District needed a permanent solution. Director Koenig agreed. The Board directed Ms. Smith to investigate the pump cover and propose a permanent solution to the Board.

Director Roberts stated that the Board would next discuss general management items and recognized Ms. Smith. Ms. Smith reviewed her report, attached as **Exhibit “K”**, and reported on her directives. She reported on air conditioning maintenance issues, including work conducted at the Apache Pool under warranty. She also confirmed that Mr. Greenwood would replace the A/C filters every three months going forward. Ms. Smith reported that electrical issues at Tumlinson Pool had also been addressed and repaired. She also reported that a check had been received from USAA for damage to the District’s flag pole and that the flag pole had been replaced.

Ms. Smith then discussed the proposed GaGa Ball pits and presented information for purchase of the materials, attached as **Exhibit “L”**, noting she wasn’t sure if the Board desired standard treated lumber or composite lumber. Director Koenig expressed a preference for treated lumber and Director Bennett agreed. Director Koenig confirmed that an Eagle Scout candidate had requested approval to coordinate and undertake the labor relating to installation. The Board expressed a preference for purchasing the materials for two Gaga Ball pits, locating one at Tonkawa Park and another at Jumano Park. Ms. Smith indicated that the District could install two pits for under \$3,000. After discussion, upon motion by Director Horak and second by Director Roberts, the Board voted 4-0 to approve the purchase of materials for two pits using treated lumber.

Director Roberts directed Ms. Smith to develop a different system for reservations for the Luther Chance Practice Field in Tumlinson Park and the Practice Fields in Tonkawa Park, and expressed a preference for a lottery system. She indicated that local sports teams often reserved the fields and regular District residents did not have the opportunity to utilize the fields.

Ms. Smith then discussed the proposed website update and reviewed the qualifications of Granicus. She presented the proposal from Granicus for the design, implementation, maintenance, hosting and licensing of the District’s website, attached as **Exhibit “M”**, and recommended approval. After discussion, upon motion by Director Koenig and second by Director Horak, the Board voted 4-0 to approve the proposal for website design and implementation from Granicus, subject to Mr. Abbott’s final review of the Master Subscription

Agreement for the proposal. Director Roberts directed that Ms. Smith work with Granicus to obtain a timeline of when a beta version of the updated website would be available for review and further directed Ms. Smith and Mr. Abbott to work together to determine when the new District website would be live and to compile all relevant District considerations relating to updates to the District website.

Ms. Smith then reported that the District's Survey Monkey subscription was about to expire. Director Roberts directed Ms. Smith to renew the subscription.

Ms. Smith recommended that the Board obtain a ".gov" extension for the District's website. The Board supported the recommendation. Ms. Smith reported that there was a process to undertake to apply for the extension and that Granicus could assist with the process. The Board directed Ms. Smith to obtain the extension, so long as the cost was less than \$5,000.

Director Roberts then inquired about the District's email addresses. Ms. Smith indicated that a new email system would be implemented with the transition to Granicus. Director Roberts directed Ms. Smith to obtain additional details relating to the functionality of District email after the Granicus transition was completed.

Ms. Smith inquired with the Board about obtaining a new District logo, opining that a re-branding could be timely. She indicated she had corresponded with Hot Dog Marketing and it had estimated that several choices could be developed for the District for around \$6,000. Director Roberts directed Ms. Smith to check the budget and bring back a proposal if the budget would allow for such an expenditure. The Board also expressed a desire for District-branded business cards.

Director Roberts then stated that the Board would discuss engineering matters. Ms. Smith presented the engineer's report attached as **Exhibit "N"** and reviewed it with the Board. Ms. Smith indicated Crossroads had completed its camera work relating to the backwash water project and was currently meeting with vendors to review the conditions and request proposals, which she expected to receive in November.

Director Roberts stated that the Board would next discuss the Walker House. Director Koenig directed Ms. Smith to undertake repairs to certain hinges at the Walker House.

Director Roberts then stated that the Board would receive a report from the Maintenance and Engineering Subcommittee. Director Bennett stated that he had conducted some research relating to replacing some of the water fountains in the District and shared that research, attached as **Exhibit "O"**, with the Board. After discussion, Director Bennett directed Ms. Smith to conduct further research relating to the water fountains. Director Bennett provided an update on the Tonkawa Park fence, indicating it needed significant maintenance. Ms. Smith stated that she had obtained a proposal to sandblast and maintain the fence for \$3,200. Director Roberts opined that the fence maintenance needed to be undertaken in a professional manner. The Board directed Ms. Smith to undertake the work with funds from the Maintenance and Engineering Subcommittee monthly maintenance account.

Director Roberts then stated that the Board would discuss solid waste services. Ms. Smith reviewed the report from Texas Disposal Systems, Inc. attached as **Exhibit "P"**, and the "calls for service" log from the Cedar Park Fire Department attached as **Exhibit "Q"**. Ms. Smith reported that there were noxious odors reported at the lift station, similar to rotten eggs or gas. She reported the City of Cedar Park had utilized peroxide to neutralize the odors, but it may be necessary to add additional peroxide filters to the lift station. Director Roberts noted

that there were questions from residents about obtaining additional trash carts and directed Ms. Smith to contact Texas Disposal Systems to resolve the questions.

Director Roberts stated that the Board would next receive a report from the Water/Environmental Subcommittee. Director Bennett indicated that the District had previously conducted a water quality analysis on water sampled from creeks in the District. He opined that the Board should reinstitute such sampling as it would provide additional data for MS4 considerations. He further indicated that additional development on Highway 183 could add more pollution to District creeks. Director Bennett directed Ms. Smith to determine whether Crossroads could undertake such sampling.

Ms. Smith stated that she and Cathy Mitchell from Jones & Carter had met with an inspector from the Texas Commission on Environmental Quality ("TCEQ") on October 3, 2019 and reviewed the paperwork related to the MS4 permit renewal, noting that the TCEQ had requested additional documentation from the District and that Ms. Mitchell was currently working to provide the documentation to the TCEQ.

Relating to the MS4 permit, Ms. Smith discussed the availability of certain District records on the District's website, indicating there was currently no way to search the website. Additionally, she reported that certain documents on the website were outdated. Ms. Smith indicated that she had addressed all of the deficiencies and that the District would have a stormwater section on the new website. Ms. Smith further stated that Ms. Mitchell would be involved to ensure all necessary compliance documents were available on the District's website.

At 8:17 p.m., the Board recessed.

At 8:20 p.m., the Board continued the meeting. Ms. Smith provided a report about honey bees at the Community Garden, indicating that a beekeeper had removed a hive from the water control box.

Director Koenig indicated there were no Scout items to report.

Director Roberts then indicated that a special meeting would be called after January 1, 2020 to address long-range planning, including the five-year plan/Director priorities, and annexation and directed Ms. Smith and Mr. Abbott to ensure this meeting was properly scheduled.

Director Roberts stated that the Board would next receive a report from the Park Improvements Steering Committee. Director Bennett expressed support for the Right of Way Beautification Project. Director Roberts directed Mr. Abbott to provide detail on what actions the steering committee could undertake. Ms. Smith reported that the Park Improvements Steering Committee would meet on October 30, 2019, and stated that Mr. Gray of Gray Engineering, Inc. would facilitate the discussion and intended to generally discuss capital projects and funding sources, an inventory of existing facilities, and park planning. Ms. Smith reported that she was currently compiling a sample of possible projects to undertake and that the second meeting would be in November. Director Bennett expressed support for erecting certain fencing in the District, but also recognized that residents might have unique ideas for park improvements.

Director Roberts then stated that the Board would discuss the projected park costs and financing options. Mr. Abbott briefly reviewed the mechanics of voting a bond proposition and issuing park bonds, including the schedule of events and election schedule. The Board voiced

concerns about how community messaging would occur relating to the election. Director Roberts directed Ms. Smith to research possible park improvements. The Board directed Ms. Smith and Mr. Abbott to obtain the District's Park Plan and recirculate it to the members of the Board.

Director Roberts then stated that the Board would receive the attorney's report and recognized Mr. Abbott. Director Roberts directed A&B to confirm, in consideration of "walking quorum" considerations, whether the Board could receive email reports from Ms. Smith. The Board collectively expressed approval of the new agenda format. Mr. Abbott then reviewed the proposals from the Texas Municipal League Intergovernmental Risk Pool regarding the renewal of general liability, automobile liability, errors and omissions (public officials) liability, law enforcement liability, real and personal property, boiler and machinery, and workers' compensation insurance. After discussion, upon motion by Director Horak and second by Director Koenig, the Board voted 4-0 to approve the renewal. Director Roberts requested that Mr. Abbott confirm that District property was being properly valued when insurance is procured.

Director Roberts then stated that there were no pending miscellaneous and Board/Subcommittee directives to discuss, nor any meeting notes to review.

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

Director Roberts stated that the Board would next discuss the Board's future meeting schedule and agenda items as well as its November and December meeting dates. Director Roberts proposed that the Board's regular meetings in November and December occur on the third Wednesday of each month and the Board concurred.

At 8:46 p.m., Director Roberts stated that the Board would next convene in executive session in order to receive legal advice regarding the administration of District contracts, as permitted by Section 551.071 of the Texas Government Code. At 9:10 p.m., the Board reconvened in open session and Director Roberts announced that no action had been taken in executive session.

There being no further items to come before the Board, upon motion by Director Horak and second by Director Bennett, the Board voted 4-0 to adjourn the meeting at 9:15 p.m.

* * *

[SIGNATURE PAGE TO OCTOBER 23, 2019 MINUTES]



Date: 11-20-19



Rayan Horak, Secretary
Board of Directors