

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

August 21, 2008

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 21, 2008, at the offices of SWWC Services, Inc., 9511 Ranch Road 620 North, Austin, 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 was called of the members of the Board:

Terence Davis	-	President
Cecilia A. Roberts	-	Vice President
Debra Junk	-	Secretary
Stuart McMullen	-	Assistant Secretary
Steve Bennett	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Williamson County Sheriff Sergeant Donald Foiles; Mark Leatherman and Laura Armendariz of SunTerra Landscape Services, LP; Ron Beck of YMCA of Austin; Gary Spoons of SWWC Services, Inc; and Michael Luft of Municipal Accounts and Consulting, L.P.

Director Davis called the meeting to order at 4:08 p.m. and announced that, there being no citizens' communications, the Board would first discuss the District's operating budget for fiscal year 2008/2009, including a "wish list" of capital improvement projects and operational expenditures proposed for the 2008/2009 fiscal year. Director Davis recognized Mr. Beck, who recommended that the Board consider adding the following items to the budget: a chemical feeder at the cost of approximately \$1,800, a cover for Apache Pool at the cost of approximately \$7,000 and the restringing of the pool lane lines at the cost of approximately \$1,000. He noted that pool management costs for the upcoming year would likely increase by approximately \$4,000-\$6,000.

Director Davis then recognized Sheriff Sergeant Foiles, who indicated that Williamson County anticipated a 35 to 40% increase in costs over the next year and might propose a higher rate for security patrols.

Director Davis next recognized Mr. Leatherman and Ms. Armendariz, who informed the Board that they had compiled a "wish list" of landscape projects with a total cost of approximately \$121,000 and recommended budgeting approximately \$24,000 for tree safety maintenance and \$13,000 for irrigation repairs.

At 6:28 p.m., Director Davis stated that the Board would convene in execution session under 551.074 of the Texas Open Meetings Act to discuss the engagement of a District bookkeeper. At 6:45 p.m., the Board reconvened in open session and Director Davis stated that no action had been taken during executive session.

Director Roberts moved that the Board authorize its attorney to file a notice of appeal of the court's judgment approving the City of Leander's right to proceed with condemnation proceedings against the District and a motion for a stay pending resolution. Upon second by Director Junk, the motion was unanimously adopted.

Director Roberts then moved that the Board authorize Directors Bennett and Junk to negotiate a bookkeeping services agreement with Municipal Accounts and Consulting, L.P. Upon second by Director Bennett, the motion was unanimously adopted.

Director Bennett left the meeting at this time. The Board continued its discussion of the 2008-2009 budget, including several proposed projects.

There being no further business to come before the Board, the meeting was adjourned at 8:00 p.m.

(SEAL)

  
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Debbie Junk, Secretary  
Board of Directors

Date: 9/24/08