

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

January 22, 2025

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Block House Municipal Utility District (the "District") was held on January 22, 2025 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
Amanda Stanfield	-	Assistant Secretary
David Johnson	-	Treasurer

All of the Directors were present, thus constituting a quorum. Also present at the meeting were: Ben Ingallina of Crossroads Utility Services, LLC ("Crossroads"); Deputy Lovato of the Williamson County Sheriff's Office ("WCSO"); George Green, District IT Consultant; Ashlee Martin of McCall Gibson Swedlund Barfoot Ellis PLLC; Sandy Martin of the Block House Creek Owners Association (the "BHC Owners Association" or the "OA"); Jim Cicchini of Violet Crown Management, LLC ("Violet Crown"); and Sean Abbott of Armbrust & Brown, PLLC ("A&B"). Lisa Sandoval of Crossroads; Clint Welch of Priority Landscapes, LLC ("Priority"); Marc Marroquin of Premier Recreation Management Services LLC ("Premier"); Crystal Hall of Gray Engineering; and Tyler Wilson of Municipal Accounts & Consulting, L.P. ("MAC") participated in the meeting via video conference.

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. Director Logan noted that the meeting was being videotaped and requested that Board members and consultants limit "side discussions" as they diminished the quality of the recording.

Director Logan stated that the Board would next receive citizens' communications. Ms. Martin stated that she was in attendance to make a complaint about Director Young based upon what she had seen at recent Board meetings. She stated that she was disappointed in Director Young and thought that he would make a difference. She then noted that he seemed to be texting during meetings, playing games on his laptop during meetings, and didn't seem to be participating or voting during meetings. She encouraged him to do his job and earn his stipend. She then requested that he consider resigning his seat.

Director Logan stated that the Board would next receive a report from the BHC Owners Association and recognized Ms. Martin who stated that the OA had conducted its annual budget

meeting. She confirmed that planning had started on community events, but no calendar had been finalized.

Director Logan then stated that the Board would consider the election of officers. She confirmed that the District was not required to have a Treasurer. Discussion ensued. Director Logan then suggested the following slate: Logan/President, Shoemaker/Vice President, Johnson/Secretary, Stanfield/Asst. Secretary; and no office designation/Young. Director Young stated that he was opposed to Director Logan continuing as Board President. Upon motion from Director Johnson and second from Director Shoemaker, the Board voted 4-1, with Director Young voting “no,” to confirm that the officers be appointed as follows: Logan/President, Shoemaker/Vice President, Johnson/Secretary, Stanfield/Asst. Secretary; and no office designation/Young.

Director Logan next stated that the Board would consider amending the District Registration Form. Upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to update the District Registration Form with the new slate of officers.

Director Logan stated that the Board would next consider the audit of the District’s financial statements for fiscal year ended September 30, 2024, including the report from McCall Gibson Swedlund Barfoot Ellis PLLC, approval of the audit report, and authorizing filing of the audit report. Ms. Martin 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. Martin 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 Shoemaker and second by Director Stanfield, the Board voted unanimously to do so.

Director Logan then recognized Mr. Cicchini from Violet Crown to offer an update on the development of the Nebraska Furniture Mart Tract (“*NFM Tract*”). Mr. Cicchini stated that development of the tract was progressing well. He confirmed that both Shields Sporting Goods and Nebraska Furniture Mart were on track with their planned building and development. He noted that the 30-foot buffer at the back of the NFM Tract would have trees and irrigation in place soon.

Director Logan stated that the Board would next consider approving the minutes of the December 6, 2024 special Board meeting and the December 12, 2024 Board meeting. Ms. Stanfield suggested that the December 12, 2024 minutes be amended to confirm that the annual polar plunge event would be conducted by the Tidal waves. Upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the December 6, 2024 minutes, as presented, and the December 12, 2024 minutes, as amended.

Director Logan then stated that the Board would receive a report from the WCSO and recognized Deputy Lovato, who provided a brief overview of recent patrols in the District. He noted that things continued to “run smoothly” in the District. Director Young then noted that one of the WCSO deputies had been locking the gates at District parks before the parks had officially

closed. Deputy Lovato confirmed that he was aware that the gates had been locked early on a few instances. Director Young then requested that an agenda item be included on the agenda for the regular February meeting for additional discussion.

Director Logan stated that the Board would next receive a report from Premier and recognized Mr. Marroquin. Mr. Marroquin reviewed the report from Premier, attached as **Exhibit "D"**, with the Board and noted that there had been an issue with the electricity at Apache Pool. He noted that the issue had been resolved, but that a warranty was in place if troubles persisted. He concluded by stating that Premier had begun doing early preparation for the summer swim season.

Director Logan then stated that the Board would receive a report from Priority and recognized Mr. Welch who reviewed his report, attached as **Exhibit "E"**. Mr. Welch confirmed that Priority was focused on picking up fallen leaves in the District. He then stated that his firm had "chipped up" numerous Christmas trees. He concluded by confirming that new weathermatic controllers had been installed in most of the District's parks and would provide for remote control of sprinklers.

Director Logan stated that the Board would next consider removal of wood at the Jumano Community Center. Director Young stated that there was an issue with flipping the wood and noted that he would need help in flipping the wood. He noted that he had not heard from any parties that wished to help with such efforts and that he had never composed a memorandum describing the desired assistance from potential volunteers. He then stated that the new members of the Amenities Subcommittee could work on dealing with the wood. Director Young further confirmed that the wood needed to be processed and recommended that the wood be stored indoors.

Director Logan stated that the Board would next consider the Proposal TWE-011525 from Twin Electric for electrical repairs and upgrades for the Jumano Community Center attached as **Exhibit "F"**. Ms. Sandoval confirmed that she had inspected the Community Center and recommended that the building be closed until the electrical issues were resolved. Director Logan agreed and stated that no one should be utilizing the Community Center. Upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the proposal from Twin Electric and to close the Community Center until the repairs were complete. Director Logan then directed Ms. Sandoval to notify the Boy Scouts that they would not be able to use the building until the repairs were complete.

Director Logan then stated that the Board would consider the application for a grant to the Lower Colorado River Authority for parks and trails, noting that the District's park consultant, Trent Rush, had suggested the Board consider applying for such grants. After discussion, the Board created the AD Hoc Park Grant Subcommittee and appointed Directors Johnson and Stanfield to serve on the Subcommittee, and directed the Subcommittee to undertake due diligence on behalf of the District relating to grants for parks and trails that might be available to the District.

Director Logan then stated that the Board would receive a report from the PR/Communications Subcommittee and Ms. Sandoval presented updates relating to the District newsletter.

Director Logan stated that the Board would next receive a report from MAC and recognized Mr. Wilson. Mr. Wilson presented the check register, attached as **Exhibit "G"**. He then reviewed payments made since the last Board meeting as well as the three proposed fund

transfers, and recommended approval. After discussion, upon motion by Director Shoemaker and second by Director Stanfield, the Board voted 4-1 to approve the fund transfers and payment of the bills and invoices, as presented, with Director Logan voting "no."

Director Logan then stated that the Board would discuss the community garden financial account. Mr. Wilson stated that he would establish methodology to track income and expenses specific to the community garden.

Director Logan then stated that the Board would receive a report from Gray Engineering and recognized Ms. Hall. Ms. Hall reviewed her report, attached as **Exhibit "H"**. She noted that her firm was in the process of reviewing bid documents for the District's park bond projects.

Director Logan stated that the Board would next receive a report from Crossroads and recognized Mr. Ingallina. Mr. Ingallina reviewed the Operations Report, attached as **Exhibit "I"**. He stated that all lab results were satisfactory. He stated that he had two write-offs to present. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to approve the write-offs.

Mr. Ingallina then discussed future AT&T Fiber installations in the District. He confirmed that no additional projects had been scheduled for the foreseeable future.

Mr. Ingallina 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". He 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. He stated that Crossroads did not recommend any updates to the program. Mr. Abbott presented the identity theft report from Crossroads and the Resolution Confirming Annual Review of Identity Theft Prevention Program attached collectively as **Exhibit "J"**. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the Resolution.

Director Logan then reviewed the report from Texas Disposal Systems ("**TDS**"), attached as **Exhibit "K"**.

Director Logan stated that the Board would next discuss the Storm Water Management Program (SWMP) under TPDES General Permit TXR040000. Mr. Abbott reviewed Quiddity Engineering's proposal for the MS4 Phase II Storm Water Management Program and Engineering proposal for Permit Year 1 Administration attached as **Exhibit "L"**. Director Logan noted that the Services Subcommittee would undertake additional due diligence relating to the historical costs of Quiddity's MS4 proposals. After discussion, upon motion by Director Johnson and second by Director Shoemaker, the Board voted unanimously to approve the proposal, subject to final approval by the Services Subcommittee.

Director Logan stated that the Board would next receive a report from the District's general manager and recognized Ms. Sandoval who reviewed her report, attached as **Exhibit "M"**, with the Board. She noted that Twin Electric had requested payment of half of the total price of the Proposal TWE-011525 (\$7,550) prior to rendering services. After discussion, upon motion by Director Shoemaker and second by Director Johnson, the Board voted unanimously to authorize the payment.

Director Logan then stated that the Board would consider the proposal for a community mural at the Jumano Community Building attached as **Exhibit "N"**, noting that any funds

needed for the mural would be allocated from Community Garden revenues. Director Young questioned whether an aluminum wall was suitable for a mural and Director Logan confirmed that the artist could make it work. The Board directed the Amenities Subcommittee to move forward with the proposal.

Director Logan then stated that the Board would review the MSRB Rule G-10 and Rule G-42 disclosures. Mr. Abbott reviewed the letter on behalf of Public Finance Group, the District's financial advisor, attached as **Exhibit "O"**, relating to Rules G-10 and G-42 and confirmed that the firm was in full compliance with the cited federal standards. He then reviewed the list of the firms' clients attached to the letter.

Director Logan then stated that the Board would receive the attorney's report and recognized Mr. Abbott. Mr. Abbott reviewed the attorney directives, noting that all directives had been completed or were in process.

Director Logan then stated that the Board would discuss the annual review of the Code of Ethics, Travel and Professional Services Policy and Financial Investment Policy and Adopting Updated List of Qualified Brokers. Mr. Abbott then reviewed the Resolution Confirming Annual Review of Code of Ethics, Travel, and Professional Services Policy 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 Johnson 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 Stanfield, the Board voted unanimously to approve the Resolution.

Director Logan stated that the Board would next discuss restrictive covenants, including the receipt of a report from the Community Association Management, Inc. ("**CAM**").

At 7:42 p.m., Director Logan stated that the Board would convene in executive session in order to receive legal advice from the District's attorney relating to restrictive covenants, as permitted by Sections 551.071 of the Texas Government Code.

At 7:53 p.m., the Board reconvened in open session, and Director Logan stated that no action had been taken during executive session. She then stated that the Board would discuss pending or contemplated litigation at 2805 Alexander Drive. After discussion, the District directed Mr. Abbott to not pursue the award of attorney's fees related to litigation at 2805 Alexander Drive as it appeared the issues relating to the restrictive covenants violations at the property were in the process of being resolved.

Director Logan then stated that the Board would discuss Board meeting structure and recognized Director Johnson who confirmed that he had been researching the utility of conducting special Board meetings to deal with policy considerations. He proposed that such meetings would be useful and that such meetings could be called on an ad hoc basis.

Director Logan stated that the Board would next discuss CASE and AWBD 2025 memberships and conferences. Director Logan confirmed that the District had joined AWBD for the 2025 calendar year and recommended that if Directors were interested in attending a conference that they attend the AWBD summer conference.

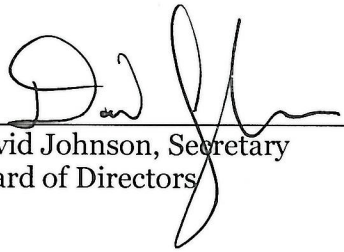
Director Logan confirmed that the next regular meeting of the Board was scheduled for February 26, 2025.

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.

* * *

[SIGNATURE PAGE TO JANUARY 22, 2025 MINUTES]

(SEAL)



David Johnson, Secretary
Board of Directors

Date: February 26, 2025