

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

March 18, 2025

THE STATE OF TEXAS §
COUNTY OF HARRIS §
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the “Board”) of Bridgestone Municipal Utility District (the “District”) met in regular session, open to the public, at the Operations and Water Education Center, 19720 Kuykendahl Road, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, March 18, 2025, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Johnny Pack	President
Joe Marks	Vice President
Nancy Woollard	Treasurer
Jeff Gebhart	Secretary
Michael Crayton	Assistant Secretary

All Directors were present except Director Marks, thus constituting a quorum. Also attending the meeting were: Mr. Ron Schkade, General Manager of the District; Ms. Kelley Lamb, Administrative Assistant of the District; Ms. Lisa Bertram, Bridgestone MUD Park Manager; Mr. Jon D. Polley, attorney, and Ms. Alison Miller, paralegal, of Polley Garza PLLC (“PG”), attorneys for the District; Mr. Brian Toldan of McCall Gibson Swedlund Barfoot Ellis (“MGSBE”), auditors for the District; Messrs. David Rowe and Danny Staab of Water District Management Company, Inc. (“WDM”), operators for the District; Ms. Christina Ferguson of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Ryan Schilhab, P.E., of Quiddity Engineering LLC (“Quiddity”), engineers for the District; Mr. Travis Benes of Storm Water Solutions (“SWS”), detention pond maintenance provider for the District; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Sergeant Brian Frasier of Harris County Precinct 4 Constable; Ms. Barbara Nussa of Republic Services, Inc., garbage and recycling service provider for the District; Mr. Merrill Willgrubs of BD Realty Advisors, real estate consultant for the District; and Mr. Justin Waggoner of Touchstone District Services (“Touchstone”), communications consultant for the District. Members of the public and/or residents of the District were also present at the meeting. A copy of the public sign-in sheet is attached as an exhibit hereto.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PLEDGES OF ALLEGIANCE

Director Pack led the meeting attendees in the Pledges of Allegiance to the United States of America and State of Texas flags.

PUBLIC COMMENT

Mr. Schkade stated the following question was received on a public comment card:

- 1) When will District residents receive the \$1.00 fee reduction that the North Harris County Regional Water Authority recently passed for surface water and pumpage fees?

HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Sergeant Frasier reviewed the security report for the month of February, a copy of which is attached hereto.

CONSENT AGENDA

Director Pack reviewed the structure of the consent agenda with the Board and explained that this portion of the agenda deals with routine matters of the Board, and that no separate discussion of such items will occur unless a Board member requests an item be moved to the regular portion of the agenda. Upon motion by Director Gebhart, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to approve the following Consent Agenda items: 1) the minutes of prior meetings, including February 10, 2025 and February 18, 2025, as presented; 2) pay estimates and change orders as follows: a) Water Plant No. 4 Pay Estimate No. 19 in the amount of \$99,497.71; b) Wastewater Treatment Plant ("WWTP") No. 2 Pay Estimate No. 29 in the amount of \$2,756.72; c) Lift Station No. 8 Pay Estimate No. 8 in the amount of \$34,200.90, Pay Estimate No. 9 and Final in the amount of \$86,076.64, and Change Order No. 4 in the amount of \$1,517.15; d) Sanitary Sewer Rehabilitation-Ph II Pay Estimate No. 1 in the amount of \$361,260.00; e) Water Plant & Lift Station Generator Replacement/Additions Pay Estimate No. 1 in the amount of \$72,000.00; 3) the written Detention Facilities Maintenance Report; 4) the written Tax Assessor/Collector's Report, including payment of tax-related checks stated therein; 5) the written Delinquent Tax Attorney's Report; 6) the written Bookkeeper's Report, including payment of bills, issuance of checks, and review of investments; 7) the written Garbage and Recycling Collection Service Report; 8) the written Communications Report; 9) the written Operations Report; 10) the written Engineering Report; 11) Consent to Encroachment for the Gosling Retail Center development; and 12) Consent to Encroachment and Water Meter Easement for the Ashton Gray development. Each of the written reports referenced above are attached as exhibits hereto.

REGULAR AGENDA

AUDIT REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2024

Mr. Toldan then reviewed the draft audit report for the fiscal year ended December 31, 2024 (the "Audit") with the Board, a copy of which is attached hereto. Mr. Toldan reported that MGSBE has issued a clean audit opinion for the District. Upon motion by Director Gebhart, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Audit after a seven (7) day review period, and to authorize filing the Audit with the appropriate governmental authorities.

CONTINUING DISCLOSURE

Mr. Polley explained to the Board that the District has an obligation to update certain financial information on an annual basis, which will serve to keep bondholders and other interested parties apprised of the financial condition of the District, and requested the Board's authorization to prepare and file such materials with the appropriate agencies. Upon motion by Director Woollard, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize PG and The GMS Group, LLC, the District's financial advisor, to prepare and file the required continuing disclosure materials.

STRATEGIC PARTNERSHIP AGREEMENT (“SPA”) AUDIT, INCLUDING UPDATE SPA BUSINESS LIST

No report was given.

REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs reported the final Sanitary Control Easement related to Water Well No. 5 at the Water Plant No. 4 site has been acquired. Mr. Willgrubs next reported that he also continues to coordinate with property owners regarding the remaining Water Line Easements and Sanitary Sewer Easements needed for the All Seasons Plaza Retail Development Utility Extension project.

Mr. Willgrubs then stated the District is under contract for the sale of the 2.78-acre tract of land on Gosling Road and Kuykendahl Road.

DETENTION FACILITIES MAINTENANCE REPORT

Mr. Benes stated he had nothing further to add to his written report.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall stated she had nothing further to add to her written report.

BOOKKEEPER'S REPORT

Ms. Ferguson stated she had nothing further to add to her written report.

In response to a question from Director Crayton, Ms. Ferguson reviewed the park budget line item.

GARBAGE AND RECYCLING COLLECTION SERVICE REPORT

Ms. Nussa stated the District's document shred event will be held on April 5th from 9:00 a.m. to 12:00 p.m. Ms. Nussa also stated she will be providing Ms. Ferguson with Republic's semiannual park donation check.

COMMUNICATIONS REPORT

Mr. Waggoner provided an update on the District's website, news posts and statistics. Director Woollard stated she would like the link for water and sewer problems to be more prominent on the District's website. Mr. Waggoner stated he would add it to the top of the contact page.

OPERATIONS REPORT

Mr. Staab reviewed various repair and maintenance items throughout the District and presented the list of delinquent accounts and uncollectable accounts to the Board.

Mr. Staab reported the cost for sulfur dioxide will increase by \$50.00 per 2,000-pound cylinder.

Mr. Staab then reported Ezee Fiber has damaged several District service lines while installing fiberoptic lines in the District. Mr. Staab stated WDM will be billing Ezee Fiber on the District's behalf to recoup the repair costs.

Mr. Staab next reported that several NHCRWA fee refund checks have been returned by the United States Postal Service and he is working with the District's bookkeeper to have the checks voided and reissued.

Upon motion by Director Woollard, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) authorize the write-off of uncollectable accounts listed on the Operator's Report; and 2) authorize termination of delinquent accounts in accordance with the District's Rate Order.

GENERAL MANAGER'S REPORT

Mr. Schkade presented the General Manager's Report to the Board, a copy of which is attached hereto. Mr. Schkade reported on the status of various District projects.

Mr. Polley presented a Resolution Authorizing Credit Card to the Board, which will allow Mr. Schkade to obtain a credit card in the District's name to be used pursuant to his existing expenditure authority. Director Park stated there have been many park-related expenses that Mr. Schkade has taken care of on his personal credit card and then has to receive reimbursement from the District. Director Pack further stated the District credit card will allow Mr. Schkade to take care of those expenses with District funds. Mr. Schkade stated a Central Bank bank account has also been opened to handle park and building rental deposits and fees. Upon motion by Director Crayton, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Authorizing Credit Card.

Mr. Schkade next reminded the Board of the Bridgestone homeowners association's ("HOA") requests regarding a tap fee and bill adjustment due to a leak. Director Pack stated according to the District's Rate Order, the Bridgestone HOA would be charged the commercial tap fee but the Board can allow them to be charged for a residential tap fee. Director Pack then stated he would like to amend the District's Rate Order to allow HOAs to be charged the residential

tap fee rate. Mr. Polley suggested including HOAs under the current governmental entity tap fee rate, which would charge the District's actual cost. Upon motion by Director Gebhart, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve charging the Bridgestone HOA tap fee at the District's cost.

The Board then discussed Bridgestone HOA's request for waiving of sewer fees due to a recent leak. Mr. Polley stated it is not abnormal for utility districts to grant a waiver of sewer fees when dealing with a leak since the leaked water did not make it into the District's sewer system. The Board requested a Rate Order amendment to allow WDM to handle similar requests on a case by case basis. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize a waiver of the Bridgestone HOA's sewer charges attributable to the leak.

Mr. Polley stated he will include a Rate Order amendment on the April agenda to incorporate the changes for HOA tap fees and leak adjustments.

ENGINEERING REPORT

Mr. Schilhab reported bids were received for the Trinity Grove water, sewer and drainage project. Mr. Schilhab reminded the Board the developer will be entering into the construction contract, but the project will be eligible for reimbursement by the District due to public utilities being included in the project. Mr. Schilhab recommended Board concurrence with awarding the contract to Texas KB Utilities, LLC in the amount of \$2,223,000.00. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to concur with award of the contract for the Trinity Grove water, sewer and drainage project to Texas KB Utilities, LLC in the amount of \$2,223,000.00.

Mr. Schilhab then reported approval has been received from the City of Houston to proceed with the relocation of the emergency interconnect with Bilma Public Utility District. Mr. Schilhab reminded the Board this project is necessary to proceed with the ONM Living development. Mr. Schilhab requested authorization to proceed with advertising the project for bids. Upon motion by Director Crayton, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Quiddity to proceed with design of the interconnect relocation project.

Mr. Schilhab next requested authorization to proceed with design of the Water Well No. 5 project. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Quiddity to proceed with design of the Water Well No. 5 project.

Mr. Schilhab then requested authorization to proceed with design of the waterline extension to serve the Lin's International Buffet development. Mr. Schilhab stated the project will require easement acquisition as well as a pipeline easement crossing. Mr. Schilhab noted this project will be funded by the developer and will not be subject to reimbursement from the District. Upon motion by Director Gebhart, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Quiddity to proceed with design of the waterline extension to serve the Lin's International Buffet development.

Mr. Schilhab next reported the developer of the Cadence Creek cottages development has requested a Consent to Encroachment Agreement to allow for paving, landscaping, irrigation and a dog park in the District's buffer zone easement. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize preparation of a Consent to Encroachment Agreement.

JAE'S ALL SEASONS MARKET, INC. ("ALL SEASONS") ANNEXATION

Mr. Polley reported the All Seasons annexation has been formally approved by the City of Houston and presented the Order Annexing Land and Redefining Boundaries (the "Order Annexing Land") to the Board for approval. Mr. Polley stated Quiddity has also prepared an updated District boundary map and metes and bounds. Upon motion by Director Gebhart, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Annexing Land.

DIRECTOR'S REPORT

Director Gebhart reviewed his inspection report with the Board. Mr. Staab stated he has been asked to prepare a checklist to be used during Director inspections which he will be providing to the Board via email.

PARK MANAGER'S REPORT

Ms. Bertram reviewed the Park Manager's Report with the Board and reported on various park related items. Discussion ensued regarding changes to the park rules regarding hours and dog-related rules.

Mr. Polley presented a Resolution Amending Rules and Regulations Governing Use of Park and stated the rule changes discussed tonight can be incorporated. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Amending Rules and Regulations Governing Use.

Ms. Bertram then reported two (2) full-time park employees and one (1) part-time park employee are needed in order to staff the park properly. Ms. Bertram stated the pay for each position will be \$15.00 per hour, with 40 hours per week for full-time and 20 hours per week for part-time. Upon motion by Director Crayton, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to authorize hiring two (2) full-time park employees and one (1) part-time park employee.

Ms. Bertram next reported the park will be closed for maintenance on Monday, March 24th. Director Woollard requested that a message be placed on the District's website and marquee and that a text/email blast be sent regarding the closure.

Ms. Bertram went on to report that additional bike racks are needed at each park entrance. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize installation of additional bike racks at a cost not to exceed \$15,000.00.

Director Pack stated a grand opening for the park was scheduled for May 10th. Director Pack asked the Board if there is interest in a large grand opening event, or if the Board preferred to use those funds to purchase additional park amenities. Director Pack stated a smaller ribbon cutting event could still be held on May 10th. Discussion ensued regarding the event. Upon motion by Director Woollard, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor, with Director Crayton abstaining, to forgo a large grand opening event.

EMPLOYEE INSURANCE

Mr. Schkade stated he requested health insurance options for the District's employees from the District's insurance provider. Mr. Polley suggested delegating a committee to work with Mr. Schkade on review and approval of a District health plan for District employees. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Mr. Schkade and Directors Pack and Crayton to review and approve a health insurance plan for District employees.

DISTRICT POLICY AND PROCEDURES REGARDING PUBLIC COMMENT AND POSSIBLE AMENDMENT TO SAME

Director Pack stated he would like to have the public comments from the previous Board meeting answered at the next Board meeting in addition to having questions and answers published on the District's website. Director Pack stated his intention is to foster better communication from the District to residents.

SECURITY FEE, INCLUDING POSSIBLE EXECUTIVE SESSION

Mr. Polley stated this item would be discussed during executive session.

WATER AND SEWER RATE STUDY

Director Pack suggested preparation of a thorough study of the District's water, sewer and security rates in order to determine if rate increases are needed, as well as how to setup customer bills to be transparent to customers. The Board concurred to complete its review of rates within the next 90 days.

ATTORNEY'S REPORT

Mr. Polley reported the Second Amended and Restated Water and Sanitary Sewer Service Agreement (the "Service Agreement") and License Agreement between the District and Harris County Precinct 3 for their Spring Camp property have been prepared. Mr. Polley explained the Service Agreement and License Agreement will add sanitary sewer service to the current agreement and also allow Harris County Precinct 3 to construct a private sanitary line in the District's sanitary sewer easement. Mr. Polley recommended Board approval of the agreements. Upon motion by Director Crayton, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Service Agreement and License Agreement.

Mr. Polley then reviewed the Arbitrage Compliance Specialists (“ACS”) report regarding the District’s outstanding bond issues with the Board, a copy of which is attached hereto. Upon motion by Director Woollard, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the ACS report.

Mr. Polley next stated an update on the removal of a Director pursuant to Texas Water Code Section 49.052(g) would be provided during executive session.

EXECUTIVE SESSION

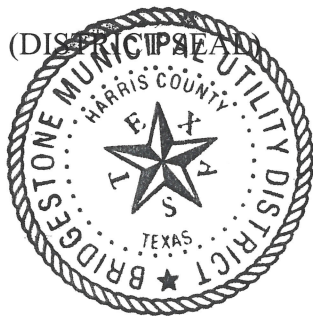
Director Pack convened the Board in executive session at 8:22 p.m., pursuant to Section 551.071, Texas Government Code, regarding matters of attorney-client privilege relating to security fee and Appeal to TCEQ of Resolution Removing Director. Directors Pack, Woollard, Crayton and Gebhart, Mr. Schkade, Ms. Bertram, Mr. Polley and Ms. Miller attended the executive session.

RECONVENE IN OPEN SESSION

Director Pack then reconvened the meeting in open session at 8:41 p.m., at which time no action was taken on the items discussed in the Executive Session.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 15th day of April 2025.





Secretary, Board of Directors