

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

January 16, 2024

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, January 16, 2024, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Michael Crayton	President
Martha Gutierrez	Vice President
David Berry	Secretary
Mikuel K. Draper	Assistant Secretary
Martha Velazquez	Treasurer

All Directors were present, except Director Velazquez, thus constituting a quorum. Also attending the meeting were: Mr. Jon Polley and Ms. Monica Garza, attorneys, and Ms. Alison Miller, paralegal, of Polley Garza PLLC ("PG"), attorneys for the District; Mr. Danny Staab of Water District Management Company, Inc. ("WDM"), operators for the District; Ms. Christina Ferguson of Myrtle Cruz, Inc., bookkeeper for the District; Messrs. Josh Lee, P.E., and Ryan Schilhab, P.E., of Quiddity Engineering LLC ("Quiddity"), engineers for the District; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Ms. Tara Klein of Four and One Landscape Architects, landscape architects for the Bridgestone MUD Park; Ms. Megan Bradley of Triton Consulting Group, communications consultant for the District; Ms. Barbara Nussa of Republic Services, Inc., garbage and recycling service provider for the District; Messrs. Brad Dill and Merrill Willgrubs of BD Realty Advisors, real estate consultant for the District; and Mr. Travis Benes of Storm Water Solutions, detention and drainage facility maintenance contractor for the District. Director Velazquez monitored the meeting via telephone conference.

Several members of the public and 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.

PUBLIC COMMENT

No public comments were given.

HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Sergeant Frasier reviewed the security report for the month of December, a copy of which is attached hereto. Sergeant Frasier also provided a recap of the security stats for 2023. Upon motion by Director Draper, seconded by Director Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Constable's Report.

CONSENT AGENDA

Director Crayton 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.

Mr. Polley requested approval and execution of two (2) sanitary sewer easements and buffer zone easement related to the sale of the remainder of the Wastewater Treatment Plant ("WWTP") No. 2 tract.

Upon motion by Director Draper, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously, to approve the following Consent Agenda items: 1) pay estimates and change orders as follows: a) WWTP No. 2 Change Order No. 6 in the amount of \$15,848.72 for relocating electrical facilities for the automatic gate; and b) Lift Station No. 8 Pay Estimate No. 5 in the amount of \$125,011.20 and Change Order No. 2 in the amount of \$11,671.67 and 10 calendar days for lowering the influent manhole rim elevation, adding steps to the wet well slab and changing site paving elevation; 2) the written Detention Facilities Maintenance Report; 3) the written the Tax Assessor/Collector's Report, including payment of tax-related checks; 4) the written Delinquent Tax Attorney's Report; 5) the written Bookkeeper's Report, including payment of bills reflected therein, issuance of checks reflected therein, and review of investments; 6) the written Garbage and Recycling Service Report; 7) the written Communications Report; 8) the written Operations Report; 9) the written Engineer's Report; 10) the written Landscape Architect's Report; and 11) the minutes of the December 19, 2023 meeting, as written. Each of the written reports referenced above are attached as exhibits hereto.

BOND AGENDA – SERIES 2024 BONDS

Mr. Howell distributed a summary of the six (6) bids for the purchase of the District's Series 2024 Bonds, a copy of which is attached hereto. Mr. Howell recommended the Board accept the bid of Robert W. Baird & Co., Inc. ("Baird") for the Series 2024 Bonds at a net effective interest rate of 4.050760%. Mr. Howell also presented a debt service report, a copy of which is attached hereto. Mr. Howell explained there would be no threat of the District's tax rate increasing by selling these bonds.

Upon motion by Director Draper, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) authorize and award the sale of the Series 2024 Bonds to Baird at a net effective interest rate of 4.050760%; 2) authorize execution of the Order Authorizing Issuance of Series 2024 Bonds; 3) authorize execution of the Paying Agent/Registrar Agreement; and 4) authorize execution of all other documents for, and authorize the District's attorneys, financial advisor and underwriter to take any necessary actions in connection with, the sale and issuance of the Series 2024 Bonds.

Upon motion by Director Draper, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to authorize preparation of an Agreed-Upon Procedures Report related to the developer reimbursements included in the Series 2024 Bonds.

REGULAR AGENDA

ROTH ELEMENTARY PARENT TEACHER ORGANIZATION ("PTO") DONATION REQUEST

Director Crayton stated he would like the Board to decide on a donation amount to donate to the Roth Elementary PTO for playground equipment. Mr. Polley stated the law states the District cannot gift public funds but the District can contribute toward the purchase of playground equipment as long as there will be a public benefit. Mr. Polley then stated an agreement would be needed between the District, the PTO and Klein ISD outlining the terms of the purchase of the equipment and requiring that such equipment remain available for public use. Upon motion by Director Draper, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to contribute \$25,000.00 toward the purchase of playground equipment for Roth Elementary and to authorize PG to prepare a letter agreement with Klein ISD and the Roth Elementary PTO regarding same.

STRATEGIC PARTNERSHIP AGREEMENT ("SPA") AUDIT REPORT

Mr. Fortner reviewed the SPA Audit Report with the Board, a copy of which is attached hereto. Upon motion by Director Draper, seconded by Director Gutierrez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the SPA Audit Report.

GARBAGE AND RECYCLING SERVICE REPORT

Ms. Nussa provided an update on the garbage and recycling service transition.

LANDSCAPE ARCHITECT'S REPORT, INCLUDING ADDITIONAL BRIDGESTONE MUD PARK CONSTRUCTION UPDATES

Ms. Klein reviewed the report on construction of the Bridgestone MUD Park with the Board. Ms. Klein stated she would schedule a site visit for the Directors when the site is dry if anyone is interested. Ms. Klein then presented Pay Application No. 11 in the amount of \$937,749.90. Upon motion by Director Berry, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. 11 in the amount of \$937,749.90.

DETENTION FACILITIES REPORT

Mr. Benes stated he had nothing to report.

TAX ASSESSOR/COLLECTOR'S REPORT

No further Tax Assessor/Collector's Report was given.

DELINQUENT TAX ATTORNEY'S REPORT

No further Delinquent Tax Attorney's Report was given.

BOOKKEEPER'S REPORT

Ms. Ferguson stated the checks that were approved under the Consent Agenda will be delivered to the Operations Center tomorrow for execution.

COMMUNICATIONS REPORT

Ms. Bradley reported she met with her liaisons to discuss adding a contact form to the District's website that will allow submission of questions to the Board that can then be placed on a future Board meeting agenda if needed. Ms. Bradley stated she will include an item in her report with any topics received via the form and responses to the questions can be discussed at the Board meeting. Upon motion by Director Draper, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposal to add the form to the District website.

OPERATIONS REPORT

Mr. Staab reported the District's system has operated well during the recent freezing weather event and WDM has been addressing any line breaks that have occurred.

Mr. Staab then reported the generator at Water Plant ("WP") No. 2 had a hard time starting yesterday morning due to the freezing temperatures and the generator maintenance company has suggested installing a block heater to keep the generator warm during cold temperatures. Mr. Staab stated he discussed the matter with his liaisons and the block heater will be installed next week. Mr. Staab reminded the Board that Quiddity is in the process of designing new generators for WP Nos. 1, 2, 3 and 5 and Lift Station Nos. 2, 3, 5 and 7. Mr. Schilhab stated the new generators are included in the upcoming bond issue and the timeline will likely be two (2) years until the new generators are installed.

Mr. Staab next stated this could be a good time to send out more information to residents regarding the EyeOnWater mobile application.

Mr. Staab then presented the Resolution Authorizing Water Smart Application (the "Resolution") for Board approval.

Upon motion by Director Berry, seconded by Director Draper after full discussion and the question being put to the Board, the Board voted unanimously to: 1) authorize termination of delinquent accounts in accordance with the District's Rate Order; 2) authorize the write-off of uncollectable accounts listed in the Operator's Report; and 3) adopt the Resolution.

GENERAL MANAGER'S REPORT

Mr. Schkade stated he would like to commend Mr. Staab and the WDM staff for their hard work during the recent freezing weather event.

DIRECTOR'S REPORTS

Director Draper reviewed his Director's Inspection Report with the Board, a copy of which is attached hereto.

Mr. Polley stated he forwarded the implementation plan from Flock Safety to Mr. Schkade. Mr. Schkade stated he would obtain a quote from Flock Safety and bring it back to the Board at a later Board meeting.

Mr. Polley then asked if the Board was still interested in hybrid meeting options. Director Gutierrez stated Mr. Schkade was supposed to obtain a proposal from Convergence for hybrid meeting options to compare to Triton's proposal. Director Crayton stated the matter could be discussed at the February Board meeting.

ENGINEERING REPORT

Mr. Schilhab reported a request for feasibility study was received from Lin's International Buffet. Upon motion by Director Crayton, seconded by Director Berry after full discussion and the question being put to the Board, the Board voted unanimously to authorize preparation of the feasibility study.

Mr. Schilhab then presented an electrical easement between the District and CenterPoint Energy related to WWTP No. 2. Mr. Polley requested that Quiddity not return the easement to CenterPoint Energy until it is reviewed by the purchaser of the remainder of the WWTP No. 2 property.

Mr. Schilhab next recommended waiting on the permanent Aber fence product around WWTP No. 2 until Caldwell brings in fill for their adjacent property to ensure the grading is consistent. Mr. Schilhab requested Board authorization to work with Mr. Schkade to procure temporary fencing for the site until the grading issues are addressed.

Upon motion by Director Draper, seconded by Director Crayton after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the electrical easement between the District and CenterPoint Energy related to WWTP No. 2; and 2) authorize Quiddity and Mr. Schkade to procure temporary fencing for WWTP No. 2.

Mr. Schilhab then presented the bid tabulation for the Sanitary Sewer Cleaning & Televising Project – Phases 13-16. Mr. Schilhab recommended award of the contract to Pipe View America. The Board deferred action on this item.

Mr. Schilhab went on to report that one (1) house in Bridgestone West was identified with galvanized pipe on the service line at the water meter. Mr. Schilhab stated he discussed the matter with Mr. Staab and additional increased field verification will be performed at the house to determine if the pipe is galvanized or if just the couplings are galvanized.

Mr. Schilhab then reported All Seasons Plaza development has provided the deposit to begin design of the utility extension needed to serve their property. Mr. Schilhab requested authorization to begin design. Upon motion by Director Gutierrez, seconded by Director Crayton after full discussion and the question being put to the Board, the Board voted unanimously to authorize design of the utility extension to serve the All Seasons Plaza development.

RATE ORDER AMENDMENT REGARDING PLAN REVIEW PROCESS

This item was deferred.

RECREATIONAL FACILITIES REPORT

Director Crayton stated he would like to offer the seven (7) lots located in the Bridgestone subdivision owned by the District to the Bridgestone HOA. Director Gutierrez stated she would like a stipulation in the contract that the Bridgestone HOA would maintain the trees on the property. Director Draper stated he would like to require the property be returned to the District if the Bridgestone HOA ever decided to sell the property. Mr. Polley stated if the Board decides to transfer the property to the HOA, the property would be required to be used strictly for purposes that benefit the public and the Board may also need to adopt a resolution declaring the property surplus property. Director Berry stated he would like to discuss the matter with the HOA to determine if the HOA even wants the property before any further work is done. Mr. Polley asked that the Board let him know what the HOA decides and then he will proceed as necessary.

REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs reviewed a memorandum and provided a status update regarding the sale of the remainder of the WWTP No. 2 tract. Mr. Willgrubs then reported he is trying to get easements released on the District's 2.78-acre tract. Mr. Willgrubs stated he has been unsuccessful so far, but that there has been some movement. Mr. Willgrubs then stated there are two (2) tax issues related to the 2.78-acre tract that he is working on, including payment of approximately \$76,000 in rollback taxes and an additional amount due for the 2023 taxes in excess of the \$10,000 credit provided to the District upon closing. Mr. Willgrubs stated he and Mr. Dill are working through the tax issues and will provide an update at a future Board meeting.

ATTENDANCE AT AWBD – TEXAS ANNUAL CONFERENCE AND SPRING SEMINAR

Upon motion by Director Crayton, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to authorize attendance at the AWBD Annual Conference and Spring Seminar.

ATTORNEY'S REPORT

Mr. Polley stated he had nothing further to report.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Ms. Garza next reported that the District is scheduled to hold a Directors Election on Saturday, May 4, 2024 (the "Election"). Ms. Garza stated that the terms of office of Directors Berry, Draper and Gutierrez are expiring at such time.

Ms. Garza stated Harris County has confirmed they will not be offering joint election services for the Election so the District will be running the Election if it is contested. Ms. Garza then stated she recommends approval of the Election Services Agreement and Joint Election Services Agreement, in the event Harris County offers joint election services for the Election.

Ms. Garza next stated she is not yet ready for the District to call the Election due to too many unknown details at this time. Ms. Garza stated a special Board meeting will need to be held before February 16th in order to call the Election.

Ms. Garza then presented the Verity Master Agreement (the "Agreement") with Hart Intercivic, Inc. for the purchase of election equipment. Ms. Garza stated additional discussion regarding the Agreement would need to be had in closed session.

PUBLIC COMMENT

No public comments were given.

EXECUTIVE SESSION

Director Crayton convened the Board in executive session at 8:13 p.m., pursuant to Section 551.071, Texas Government Code regarding attorney-client privileged matters. Directors Crayton, Berry, Draper, Gutierrez, Mr. Schkade, Mr. Polley, Ms. Garza and Ms. Miller remained in the executive session.

RECONVENE IN OPEN SESSION

Director Crayton then reconvened the meeting in open session at 8:36 p.m., at which time Director Berry made a motion, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Verity Master Agreement with Hart Intercivic, Inc. for the purchase of election equipment; and 2) approve the Election Services Agreement and Joint Election Services Agreement, in the event Harris County offers joint election services for the Election.

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

PASSED, APPROVED AND ADOPTED this 20th day of February, 2024.

(DISTRICT SEAL)




Secretary, Board of Directors