

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

February 20, 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, February 20, 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 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; 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; 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; Mr. Sean Passler 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. Justin Jenkins and Ruben Flores of McCall Gibson Swedlund Barfoot PLLC ("MGSB"), auditors 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.

Several 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.

PUBLIC COMMENT

Mr. Reagan Booth with Trammel Crow Residential ("TCR"), developer of property within the District, addressed the Board regarding the status of completion of Wastewater Treatment Plant ("WWTP") No. 2 and the impact to TCR's development. Director Berry stated the project would be discussed during the engineer's report.

## HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Sergeant Frasier reviewed the security report for the month of January, a copy of which is attached hereto. Upon motion by Director Guttierrez, seconded by Director Velazquez, 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.

Director Velazquez requested a revision to the January 16<sup>th</sup> regular minutes to reflect her attendance via telephone.

Upon motion by Director Draper, seconded by Director Velazquez, 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 Pay Estimate No. 16 in the amount of \$12,366.00 and Change Order No. 7 in the amount of \$145,161.75 and 122 calendar days for constructing underground power instead of overhead power to service the facility; and b) Lift Station No. 8 Change Order No. 3 in the amount of \$1,138.00 for additional funds necessary to install the new power service from CenterPoint Energy; 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 minutes of the November 9, 2023 meeting, the January 16, 2024 meeting, the January 29, 2024 meeting and the January 31, 2024 meeting, as revised. Each of the written reports referenced above are attached as exhibits hereto.

## REGULAR AGENDA

### REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONSTRUCTION, ENGINEERING AND RELATED COST REIMBURSEMENTS ("AUP REPORT")

Mr. Polley reported the District's Series 2024 Bonds closed last week, and a portion of the proceeds will fund a reimbursement to Caldwell for projects related to the CC Gosling MF II project. Mr. Polley explained the Texas Commission on Environmental Quality requires the preparation of an AUP Report, which has been prepared by MGSB.

Mr. Jenkins reviewed the AUP 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 AUP Report.

### AGREEMENT WITH KLEIN ISD REGARDING ROTH ELEMENTARY PTO DONATION

Mr. Polley stated he prepared a draft agreement between the District and Klein ISD

regarding the District's donation to Roth Elementary PTO for playground equipment. Ms. Polley then stated the agreement was recently sent to Klein ISD and he is awaiting their feedback on the agreement. 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 agreement with Klein ISD.

#### STRATEGIC PARTNERSHIP AGREEMENT ("SPA") AUDIT REPORT

No SPA audit report was given.

#### 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

Mr. Passler reviewed the report on construction of the Bridgestone MUD Park with the Board. Mr. Passler then presented Pay Application No. 12 in the amount of \$618,944.22 and Change Order No. 8 for 19 additional days due to weather.

Mr. Passler next presented a bid tabulation for park signage and recommended award of the bid to Sparq 1200, in the amount of \$31,366.00.

Upon motion by Director Draper, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor and one (1) vote opposed, with Director Velazquez voting in opposition, to: 1) approve Pay Estimate No. 12 in the amount of \$618,944.22; 2) approve award of the bid for park signage to Sparq 1200 in the amount of \$31,366.00; and 3) approve Change Order No. 8 for 19 additional days due to weather.

Mr. Passler then stated a proposal from Zaladium for security cameras in the amount of \$231,000.00 is included with the written report. Mr. Polley suggested reviewing the proposal in closed session if the Board would like to discuss the type or location of the security cameras and system. Upon motion by Director Draper, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor and one (1) vote opposed, with Director Velazquez voting in opposition, to approve the proposal from Zaladium for security cameras in the amount of \$231,000.00.

#### DETENTION FACILITIES REPORT

Mr. Benes presented the following proposals: 1) Springbrook Plaza Pump Station repair in the amount of \$15,820.00; 2) Mueller Ditch outfall repair in the amount of \$61,750.00; 3) Spring Terrace/Bella Sera detention pond outfall pipe repair in the amount of \$64,716.00; 4) Bridgestone Lakes detention pond nutria removal in the amount of \$3,795.00; and 5) addition of Bridgestone Lakes Section 1 and 2 detention ponds to the District's contract for monthly maintenance, in the amount of \$32,220.00 annually. Upon motion by Director Gutierrez, seconded by Director Berry, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposals outlined above.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2024 TAX YEAR  
(THE "RESOLUTION")

Mr. Polley reminded the Board that last year, the Board granted a \$35,000 exemption for individuals who are disabled or 65 years of age or older and a 20% general residential homestead exemption. Mr. Polley noted that the 20% general homestead exemption is the maximum exemption that the District is allowed to grant. Mr. Polley then stated that if the Board is interested in increasing the exemption for individuals who are disabled or 65 years of age or older, then Mr. John Howell, the District's financial advisor, can prepare an exemption analysis for the next Board meeting. 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 adopt the Resolution, granting a \$35,000 exemption for individuals who are disabled or 65 years of age or older and a 20% general residential homestead exemption.

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 reported the Series 2024 bond funds have been deposited into the District's capital projects fund.

Mr. Polley stated there is one issue related to Caldwell's reimbursement related to conveyance of storm sewer easement. Mr. Polley recommended withholding a portion of the reimbursement until the storm sewer easement is conveyed and authorize release of the withheld amount upon the conveyance. Mr. Johnson stated he does not agree with the calculations included in the AUP Report. Mr. Polley stated the District can hold the reimbursement to Caldwell until the issues can be discussed.

COMMUNICATIONS REPORT

Ms. Bradley reported she has been in contact with the Community Impact News regarding an article on the District's park. Ms. Bradley then provided an overview of the District's communication plan for the Cleaning & Televising project.

OPERATIONS REPORT

Mr. Staab reported the billing service provider transition has gone well but there has been an issue with letters being returned due to incorrect addresses. Mr. Rowe stated WDM's office manager found email addresses for any customer that had not yet made the switch if their letter was returned.

Mr. Staab then reported that termination of service to delinquent accounts was not done this month due to the billing service transition.

## GENERAL MANAGER'S REPORT

Mr. Schkade reported the contract for the rental fence at Water Plant No. 4 expired on January 31<sup>st</sup> and has converted to month to month. Mr. Schkade asked the Board if they would like to continue paying month to month or enter into a new contract. Mr. Polley suggested entering into a new contract for a 6-month period and the cost can be passed on to the surety for the project. Upon motion by Director Gutierrez, seconded by Director Velazquez after full discussion and the question being put to the Board, the Board voted unanimously to approve a six (6) month contract for the rental fence around Water Plant No. 4.

## DIRECTOR'S INSPECTION REPORT

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

Director Velazquez exited the meeting at this time.

## ENGINEERING REPORT

Mr. Schilhab reviewed the feasibility study for ONM Living, LLC ("ONM"), a copy of which is attached hereto. Mr. Schilhab stated the ONM tract is located at 5201 Spring Cypress Road, outside the boundaries of the District, and will require annexation. Mr. Schilhab then stated the developer intends to develop the property into 61 single family homes. Mr. Schilhab reported the ONM tract can be served as long as the connection occurs before the District reaches its 10,000-connection limit and after Water Plant No. 4 is in service. 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 feasibility study for ONM and to authorize preparation of the annexation documents, pending receipt of the annexation deposit.

Mr. Schilhab next reviewed the feasibility study for On Time Gas Station ("OTGS") development, a copy of which is attached hereto. Mr. Schilhab stated the OTGS tract is located at 2018 Spring Cypress Road, within the boundaries of the District. Mr. Schilhab stated the OTGS tract can be served under the terms outlined in the feasibility study, and no utility extensions will be required. 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 feasibility study for OTGS.

Mr. Schilhab then reported on the following ongoing District projects:

- The contractor for the Water Well No. 1 Rework project pulled the well piping and conducted the survey of the well. Mr. Schilhab stated it was determined that changes will need to be made to the application of the well and extensive wire brushing will be necessary. Mr. Schilhab then stated he has a meeting with WDM and the project contractor tomorrow to discuss the project. Mr. Schilhab requested Board authorization to allow the engineering liaisons to make a decision on the project assuming the cost impact is not substantial. Mr. Schilhab noted the last rework of this well was done in 2004 and funds are allocated in the District's Capital Improvement Plan ("CIP") for this project. 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 the engineering liaisons to work with Mr. Schilhab to determine and approve a path forward for the project.

- There is an issue with the diffusers at the WWTP Digester & Blower Improvements Phase I project, which is being discussed with the contractor and diffuser manufacturer. Mr. Schilhab explained the diffusers are clogging, the cause of which has not yet been determined. Mr. Schilhab stated he will bring the matter back to the Board when a proposed solution has been identified.

Mr. Schilhab next reported on the following District projects that are currently in design:

- The potential lead galvanized service lead identified in Bridgestone West was determined to be a galvanized coupling and not a service lead, which boycotts the District's need to prepare a replacement plan.
- The developer portal will be ready for beta testing at the end of March and a special Board meeting will likely need to be scheduled to review the portal.

Mr. Schilhab then explained that Change Order No. 7 for the WWTP No. 2 project is in response to Caldwell's request to install underground electricity instead of overhead electricity. Mr. Schilhab stated Caldwell has been asked if they would be willing to bring in fill dirt to the WWTP No. 2 site to match the grade of the rest of the property in exchange for the underground utility easement and Caldwell is considering the offer. Mr. Johnson stated Caldwell is working with dirt contractors but the timing of the dirt work is still unknown. Mr. Polley stated a Post Closing Agreement will be executed prior to Caldwell closing on the remainder of the WWTP No. 2 property, and the dirt in exchange for the easement can be added to the agreement.

#### RATE ORDER AMENDMENT REGARDING PLAN REVIEW PROCESS

Mr. Polley stated he is working with Quiddity on the Rate Order amendment regarding the plan review process and the Rate Order amendment will be deferred until the plan review portal is online.

#### RECREATIONAL FACILITIES REPORT

Director Crayton stated he spoke with Ms. Mary Jarmon regarding available funds for design of the veterans honor ring and she stated there are funds available. 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 proposal for conceptual design from AlphiOmega, in the amount of \$25,000.00.

The Board concurred to defer discussion of walking trail maintenance and conveyance of the seven (7) lots located in the Bridgestone subdivision.

#### AMERICAN WATER WORKS ASSOCIATION ("AWWA") MEMBERSHIP

Ms. Garza stated membership information for the AWWA was provided to the Board. The Board concurred to defer this item.

#### TEXAS RURAL WATER ASSOCIATION MEMBERSHIP

This item was deferred.

## REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs provided an update on the status of release of various easements across the District's 2.78-acre tract. Mr. Willgrubs then stated an update on the sale of the District's 15.2-acre tract will be provided in closed session.

## ATTORNEY'S REPORT

Mr. Polley reported the District's Series 2024 Bonds closed last week. Mr. Polley stated he will prepare a Resolution Approving and Implementing CIP Projects for any CIP projects included in the Series 2024 Bonds.

Mr. Polley then explained that the District's Amended Post-Issuance Tax-Exempt Debt Compliance Policy requires that the District's Tax Compliance Officer, along with the District's consultants, to annually review and complete post-issuance compliance checklists in connection with outstanding District bonds. Upon motion by Director Gutierrez, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the annual review of the District's policy and completion of the requisite checklists.

Ms. Garza presented the Consent and Waiver of Conflict (the "Consent") to the Board, a copy of which is attached hereto. Ms. Garza stated the Consent is in regard to the District seeking an Amended Water Supply Agreement with the North Harris County Regional Water Authority (the "NHCRWA"), which PG also represents. Ms. Garza explained the Consent evidences the potential conflict of interest and states she will be working on the Amended Water Supply Agreement amendment on behalf of the District, while Mr. Polley will represent the NHCRWA on this matter. Ms. Garza then stated the Consent requires approval from both parties involved, and if one (1) or both parties do not consent, PG will not represent either party on this matter. 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 approve the Consent.

## 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 reported the deadline to file an application for place on the ballot has passed and applications were received and accepted from six (6) candidates, including the three (3) incumbents. Ms. Garza stated the ballot drawing will be held at her office on January 26<sup>th</sup> at 10:00 a.m. Ms. Garza then requested approval of the Notice of Election and stated the Board will need to determine a canvassing date for the Election.

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) adopt the Notice of Election; and 2) set the canvassing date as May 15<sup>th</sup> at 6:00 p.m.

## REGULAR AGENDA, CONTINUED

Mr. Staab requested an item regarding the District's security fees be discussed in closed session in order to maintain the attorney-client privilege.

PUBLIC COMMENT

No public comments were given.

EXECUTIVE SESSION

Director Crayton convened the Board in executive session at 8:06 p.m., pursuant to Sections 551.071 and 551.072, Texas Government Code, regarding attorney-client privileged and real property matters. Directors Crayton, Berry, Draper, Gutierrez, Mr. Schkade, Mr. Dill, Mr. Willgrubs, Mr. Rowe, Mr. Staab, 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 8:46 p.m., at which time Director Crayton made a motion, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) authorize execution of the closing documents in connection with the sale of the 15.2-acre tract; 2) authorize assignment of the real estate contract for the 15.2-acre tract; 3) authorize execution of a Post-Closing Agreement at closing.

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

PASSED, APPROVED AND ADOPTED this 19<sup>th</sup> day of March, 2024.



Asst.   
Secretary, Board of Directors