

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

January 28, 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, January 28, 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, 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; Mr. Jon D. Polley and Ms. Tabitha Valverde, attorneys, and Ms. Kathryn Cain, paralegal, of Polley Garza PLLC (“PG”), attorneys for the District; Messrs. David Rowe and Danny Staab and Ms. Therese Eisenhour 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; Messrs. Travis Benes and David Stuhlmiller 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; Captain Danny Garza, Lieutenant Chad Hight, Sergeant Brian Frasier and Corporal Cowan 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; Messrs. Justin Waggoner and Simon Van Dyk of Touchstone District Services (“Touchstone”), communications consultant for the District; Ms. Lisa Bertram, Bridgestone MUD Park Manager; Mr. Ryan Fortner of Revenue Management Services; and Mssrs. Reed Roberts and Matt Morris of Forney Construction, LLC’s (“Forney”). 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 that one (1) public comment card was received and invited such member of the public to address her comments to the Board. Ms. Martha Gutierrez requested information regarding the recently hired Park Manager. Mr. Schkade stated tonight's public comments/questions and answers will be posted on the District's website.

## 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. Captain Garza then introduced himself and explained that he is taking over the position previously held by Captain Jonathan Zitzmann.

## 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 Marks, seconded by Director Gebhart, 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 December 9, 2024, and December 17, 2024, as presented; 2) pay estimates and change orders as follows: a) Wastewater Treatment Plant ("WWTP") No. 2 Pay Estimate No. 27 in the amount of \$14,052.81; b) Sanitary Sewer Rehabilitation – Phase I Pay Estimate No. 8 & Final in the amount of \$148,329.10; c) Sanitary Sewer Rehabilitation – Phase I Change Order No. 1 in the deduct amount of \$15,411.50; d) Sanitary Sewer Cleaning and Televising – Phases 13-16 Pay Estimate No. 1 & Final in the amount of \$83,886.90; and e) Sanitary Sewer Cleaning and Televising – Phases 13-16 Change Order No. 2 in the deduct amount of \$2,205.53; 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; and 10) the written Engineering Report. Each of the written reports referenced above are attached as exhibits hereto.

## REGULAR AGENDA

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

Mr. Fortner reviewed the SPA Audit Report with the Board, a copy of which is attached hereto. Mr. Fortner then presented the Sales and Use Tax Report for the first (1<sup>st</sup>) quarter of 2025. 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 approve the SPA Audit Report and authorize submittal to the City of Houston.

### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall reviewed the Tax Assessor/Collector Report with the Board, a copy of which is attached hereto. Ms. Hall reported that the District’s 2024 taxes were 17.5% collected at the time the report was printed; however, as of today’s date, they are approximately 75% collected. 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 approve the Tax Assessor/Collector Report, including payment of tax-related checks stated therein.

Ms. Hall exited the meeting at this time.

### GARBAGE AND RECYCLING SERVICE REPORT

Ms. Nussa explained the changes to the recycling collection schedule due to the recent freezing temperatures. Ms. Nussa stated that the garbage collection schedule was unaffected.

Ms. Nussa next reminded the Board that the District’s document shredding event will be held on April 5, 2025. It was the consensus of the Board to post notice of the event on the District’s website, send a text alert, and include an insert in customers’ next water bill.

### REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs reported that he continues to coordinate with property owners regarding the Sanitary Control Easements related to Water Well No. 5 at the Water Plant No. 4 site. 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.

Director Pack stated that the District received an offer to purchase the 2.78-acre tract of land on Gosling Road and Kuykendahl Road, but the potential buyer later backed out.

### DETENTION FACILITIES MAINTENANCE REPORT

Mr. Benes presented three (3) proposals for repair of erosion at certain detention facilities located on Sunrise Brook Lane, Kingston Terrace, and at the Bella Sera Detention Pond in the amounts of \$7,415.08, \$9,008.88, and \$28,348.52, respectively. Copies of each of which are attached as an exhibit hereto. Upon motion by Director Gebhart, seconded by Director Marks,

after full discussion and the question being put to the Board, the Board voted unanimously to accept the three (3) proposals from SWS for the repair of erosion at the District's detention facilities.

#### BOOKKEEPER'S REPORT

Ms. Ferguson stated she had nothing to report that is not included in her written report. 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 approve the Bookkeeper's Report, including payment of bills, issuance of checks, and review of investments.

#### COMMUNICATIONS REPORT

Mr. Waggoner discussed the District's new website. Director Crayton requested that Touchstone acknowledge Federal holidays on the District's website and on the marquee sign in front of the District's Administration Building. Discussion then ensued regarding the EyeOnWater mobile application and promotion of same to District customers. Mr. Van Dyk stated that Touchstone will coordinate with Director Crayton and the Operator regarding a strategy for informing the public about EyeOnWater.

#### 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. 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.

Mr. Polley then presented the Resolution Authorizing Submittal of Water Smart Application (the "Resolution") for Board approval and stated that the Operator will submit the application to the Association of Water Board Directors – Texas ("AWBD") prior to the deadline of March 5, 2025. Upon motion by Director Marks, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution.

#### 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 that construction of the fences around Water Plant No. 4 and WWTP No. 2 were delayed due to weather. Mr. Schkade further reported that he is obtaining bids for installation of a fence at the elevated storage tank.

Mr. Schkade presented proposed rental rates for the District's Administration Building. Upon motion by Director Marks, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to approve the new rental rates effective February 1, 2025.

## ENGINEERING REPORT

Mr. Schilhab reported that the contractor provided all data to Quiddity regarding the Sanitary Sewer Cleaning & Televising – Phases 13-16 project. Mr. Schilhab reviewed the recommended repairs and recommended that the District's Operator perform the grade 4 & 5 repairs.

Next, Mr. Schilhab reminded the Board that Trinity Grove is a proposed single-family development located on Spring Cypress Road and added that the developer's engineer advertised the Trinity Grove Detention and Amenity Pond project last month. Mr. Schilhab explained that the developer is requesting the Board's concurrence in awarding the project to the fourth (4<sup>th</sup>) lowest bidder, DC Contracting Services, LLC ("DC Contracting") because such bid included a completion date 25 days earlier than the other bids. Mr. Schilhab noted that DC Contracting's bid was \$605,410.00, which is \$154,112.79 higher than the lowest bid. Mr. Schilhab explained that the project will be funded by the developer and that the developer is eligible for reimbursement of only 35.62% of their total cost; therefore, awarding the contract to the higher bidder will not affect the amount the District owes to the developer for reimbursement.

Mr. Schilhab then requested authorization from the Board to begin designing Phases 1 & 2 of the Asset Management Program for the District's lift stations.

Upon motion by Director Crayton, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) authorize WDM to complete the grade 4 & 5 repairs for the Sanitary Sewer Cleaning & Televising – Phases 13-16 project; 2) concur with the developer's award of the contract for the Trinity Grove Detention and Amenity Pond to DC Contracting in the amount of \$605,410.00; and 3) authorize Quiddity to proceed with designing Phases 1 & 2 of the Asset Management Program for the District's lift stations.

## DIRECTOR'S ITEMS

Director Pack reported that he toured the District's facilities in January with the Operator.

Next, Director Pack presented a proposed policy relating to the timeliness of submittal of consultants' reports and invoices to their respective Director-liaisons. Director Pack stated that consultants should submit their monthly invoices to their Director-liaison and the General Manager for approval prior to submitting the invoice to the Bookkeeper. Discussion ensued and it was the consensus of the Board that consultant's invoices should be submitted to the appropriate Director-liaison and the General Manager by the 10<sup>th</sup> day of each month and that monthly reports be submitted by the Friday prior to the Board meeting. Director Crayton suggested that each consultant upload their invoice to the District's share drive every month so that all Directors are able to access them. Director Pack stated that he will revise the proposed policy and present same to the Board next month for adoption.

## BRIDGESTONE MUD PARK

Ms. Bertram presented the Park Manager's Report to the Board, a copy of which is attached hereto. Ms. Bertram reported that she is coordinating with Forney regarding the outstanding items related to the Bridgestone MUD Park.

Ms. Bertram next presented proposed rental rates for the park pavilions. Director Crayton stated that rates should be increased for District residents and should be significantly higher for out-of-district renters. Director Pack requested that Ms. Bertram provide revised rates for the Board's consideration next month.

## ATTENDANCE AT AWBD – TEXAS ANNUAL CONFERENCE AND SPRING SEMINAR

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 attendance at the AWBD Annual Conference and Spring Seminar.

## ATTORNEY'S REPORT

Mr. Polley reminded the Board that it previously discussed the Luxury Warehouse Phase II development ("Luxury Warehouse"), which consists of separate tenants that will be managed by a single community association and such community association will be the sole customer of the District in relation to the entire development. Mr. Polley presented a proposed amended Rate Order that clarifies non-taxable commercial users, like the Luxury Warehouse community association, shall be billed as commercial customers rather than non-taxable users. Upon motion by Director Marks, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the amended Rate Order.

## DISCUSSION REGARDING DISTRICT'S RATES FOR WATER, WASTEWATER, SECURITY, AND SOLID WASTE COLLECTION

Director Woollard explained that the District's Financial Advisor confirmed that the District's revenue is sufficient to cover the District's annual expenses; however, the rates charged to customers for water and wastewater do not cover the District's cost to produce water and treat the influent received at the District's WWTP. Director Pack further noted that the security fee charged to customers does not cover the expense incurred by the District for the Constable's services. Director Woollard presented data related to the District's water, wastewater, security, and solid waste collection revenue and expenses. Discussion ensued and the matter was tabled until the next regular Board meeting.

EXECUTIVE SESSION

Director Pack convened the Board in executive session at 7:22 p.m., pursuant to Section 551.072, Texas Government Code, regarding matters of attorney-client privilege relating to: 1) appeal of security fees by the Abbey at Spring Town Center; 2) appeal to the Texas Commission on Environmental Quality of Resolution Removing Director Pursuant to Texas Water Code Section 49.052(g); and 3) Bridgestone MUD Park. Directors Pack, Woollard, Marks, Crayton, and Gebhart; Messrs. Schkade and Polley; Ms. Valverde and Ms. Cain attended the executive session.

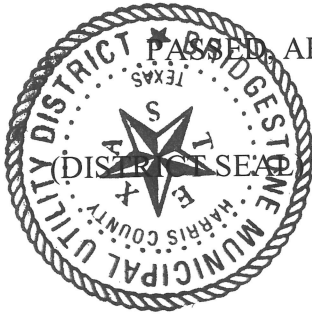
RECONVENE IN OPEN SESSION

Director Pack then reconvened the meeting in open session at 7:57 p.m.

Upon motion by Director Gebhart, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, with Director Crayton voting in opposition, to approve the Settlement and Release Agreement with the Abbey pursuant to the terms discussed in executive session.

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

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of February 2025.



  
Secretary, Board of Directors