

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

August 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, August 20, 2024, 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
Martha Velazquez	Treasurer
Nancy Woollard	Secretary
Michael Crayton	Assistant Secretary

All Directors were present, except Director Velazquez, thus constituting a quorum. Also attending the meeting were: Mr. Jon Polley, attorney, and Ms. Alison Miller and Ms. Kathryn Cain, paralegals, 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; Mr. 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; Mr. Merrill Willgrubs of BD Realty Advisors, real estate 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 and Texas flags.

PUBLIC COMMENT

Mr. Schkade stated two (2) public comment cards were received.

Ms. Tomi Burgess, resident of the District, reviewed a letter sent by Harris County Pollution Control Services regarding construction of a proposed concrete batch plant on Gosling Road, north of the District.

Ms. Martha Gutierrez, resident of the District, addressed the Board regarding the status of a WDM billing matter.

Mr. Schkade noted tonight's questions and answers will be posted on the District's website.

HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Corporal Cowan reviewed the security report for the month of July, a copy of which is attached hereto.

Mr. Polley noted Board approval is required for the renewal of the Interlocal Agreement for Law Enforcement Services (the "Interlocal Agreement") between the District and Precinct 4 for 2024-2025. Upon motion by Director Woollard, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Interlocal Agreement.

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 Woollard, 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) Wastewater Treatment Plant ("WWTP") Digester & Blower Improvements Phase I Pay Estimate No. 39 & Final in the amount of \$193,687.13; b) WWTP No. 2 Pay Estimate No. 22 in the amount of \$75,972.84; c) Public Utilities to Serve Lift Station No. 8 Developments – Ph. II Pay Estimate No. 2 & Final in the amount of \$235,370.75 and Change Order No. 1 in the amount of \$39,625.00 and zero calendar days for the addition of fifty linear feet of 20-inch steel casing; and d) Sanitary Sewer Rehabilitation Ph. I Pay Estimate No. 4 in the amount of \$154,954.30; 2) the written Bookkeeper's Report, including issuance of checks and payment of bills stated therein; 3) the written Detention Facilities Maintenance Report; 4) the written the Tax Assessor/Collector's Report, including payment of tax-related checks stated therein; 5) the written Delinquent Tax Attorney's Report; 6) the written Garbage and Recycling Service Report; 7) the written Communications Report; 8) the written Operator's Report; 9) the written Engineer's Report; and 10) minutes of prior meetings, including July 1, 2024 and July 16, 2024. Each of the written reports referenced above are attached as exhibits hereto.

REGULAR AGENDA

STRATEGIC PARTNERSHIP AGREEMENT ("SPA") AUDIT REPORT

No SPA Audit Report was given.

GARBAGE AND RECYCLING SERVICE REPORT

Ms. Nussa reported normal garbage and recycling services have resumed. Ms. Nussa stated she is having the donation check for the Bridgestone MUD Park reissued in the District's name and will provide it to Ron when it is received.

REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs reported an executed Release of Easement and Pipeline Bill of Sale (the "Release") has been received from Enterprise Crude Services, LLC on the District's 2.78-acre tract on Gosling Road. Mr. Willgrubs requested Board authorization and execution of the Release and approval of a payment of \$10.00 to Enterprise Crude Services, LLC.

Mr. Willgrubs then reported another Sanitary Control Easement related to the WP No. 4 site has been executed by a homeowner and is ready for Board execution tonight. Mr. Polley stated he has discussed the remaining two (2) sanitary control easements with Mr. Willgrubs, and he recommends sending an initial offer letter in order to get the homeowners to respond. Mr. Willgrubs stated the last time he spoke to the two (2) remaining homeowners, they seemed more responsive, so he suggested waiting a few more days to see if an agreement can be reached. Mr. Willgrubs then stated he would let Mr. Polley know if and when the initial offer letters are needed.

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 authorize execution of the Release and approve payment of \$10.00.

DETENTION FACILITIES REPORT

Mr. Benes reviewed the Detention Facilities Report, a copy of which is attached hereto. Mr. Benes reviewed the status of various repair items.

Mr. Benes then reported he has let Klein ISD know multiple times there are repairs needed to the Mueller ditch. Mr. Schkade suggested having PG send a letter outlining the necessary repairs and costs. Mr. Polley stated his office will work with Mr. Benes on the details and prepare a letter to Klein ISD regarding the necessary repairs to the Mueller ditch.

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 stated the District's financial advisor will review his tax rate recommendation for 2024 at the September 17th Board meeting.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Hall reported Perdue Brandon is requesting authorization to send termination letters to 2023 delinquent tax accounts as outlined in the Delinquent Tax Report and set a public hearing for the September 17th Board meeting to take action on the delinquent tax accounts. 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 authorize termination letters to the 2023 delinquent tax accounts and schedule the public hearing for the September 17th Board meeting.

BOOKKEEPER'S REPORT

Ms. Ferguson stated she has nothing further to report.

PREPARATION OF FY2025 BUDGET

Director Woollard stated she sent an email to Quiddity and WDM requesting budget information and capital budget items to be included in the 2025 budget. The Board concurred to keep this item on future agendas for discussion.

COMMUNICATIONS REPORT

Ms. Bradley reviewed the analytics for the District's website.

OPERATIONS REPORT

Mr. Staab reviewed various repair and maintenance items throughout the District. Mr. Staab requested approval for the replacement of chlorination regulators at all water plant facilities, at a cost of \$4,000.00 per location, for a total of \$12,000.00. Mr. Staab then requested approval for the rehabilitation of booster pump no. 3 at WP No. 2 in the amount of \$9,011.00.

Mr. Staab next reported Summerton Homes is requesting the District waive sewer fees due to WWTP No. 2 not being online.

Mr. Staab then reported the North Pine Business Park development at 4409 Spring Cypress has a private lift station and water well and is billed off their lift station usage, but the equipment is not functioning properly. Mr. Staab stated the development has been billed based on average billing, but the equipment needs to be repaired so that the billing is accurate. Mr. Staab recommended PG send a letter requiring them to fix their equipment or WDM can install a meter at the WWTP where the lift station discharges to monitor the flow from the lift station to the District's facilities. Mr. Polley stated he would review the development's contract with the District and prepare a letter.

Mr. Staab next requested Board authorization for Triton to send a message to individuals on the termination list in addition to the delinquent letters that are already sent out. Ms. Bradley stated the messages would likely cost approximately \$55.00 per month, and no more than a few hundred dollars.

Mr. Staab then reported the resident at 20919 Moor Lily is requesting the waiver of a \$15.00 delinquent fee. Mr. Staab noted the delinquent letter fee and termination fee was already waived the previous month. 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 deny the delinquent letter fee refund request.

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: 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; 3) authorize Polley Garza to prepare a letter to North Pine Business Park regarding equipment repair; 4) authorize Triton to send out monthly bill payment messages to delinquent accounts; 5) approve replacement of chlorine regulators in the amount of \$12,000.00; 6) authorize the rehabilitation of booster pump no. 3; and 7) authorize the waiver of sewer fees for Summerton Homes.

Mr. Staab next reviewed the proposed changes to the District's Rate Order. Mr. Staab stated the after hours new service connection fee can be removed but the after hours delinquent reconnection fee in the amount of \$100.00 needs to remain in the Rate Order. Mr. Staab noted various other billing changes have been included as requested by WDM and previously discussed with the Board. 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 adopt the amended Rate Order, effective immediately.

GENERAL MANAGER'S REPORT

Mr. Schkade presented the General Manager's Report to the Board, a copy of which is attached hereto.

Mr. Schkade introduced representatives from Convergentz to review their proposal regarding virtual meeting attendance options. Mr. Ricardo Olvera reviewed the proposal, in the amount of \$62,000.00, with the Board, a copy of which is attached hereto. Mr. Schkade noted he received three (3) proposals in total for a virtual meeting setup and the Convergentz proposal was his recommendation. Director Crayton stated he would like to see the additional proposals. Discussion ensued regarding the proposal for the virtual audio/visual conferencing system. Upon motion by Director Woollard, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, with Director Crayton abstaining, to approve the proposal from Convergentz for the virtual audio/visual conferencing system in the amount of \$62,000.00, subject to review and approval of the contract by Mr. Polley.

Mr. Schkade then reviewed a proposal to construct a sidewalk on Bridgeview Lane to connect the neighborhood to the Bridgestone MUD Park, in the amount of \$18,865.00. Mr. Schkade stated Mr. Brad Dill researched the tract on which the sidewalk would be constructed and the ownership entity listed in the Harris Central Appraisal District records has been dissolved and no other owner can be determined or located. Director Woollard stated she could research the matter further to attempt to determine an owner of the tract. Mr. Polley stated he cannot give any assurance that the sidewalk would not have to be torn out if the property owner ever requested. Upon motion by Director Woollard, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the construction of a sidewalk from the District's driveway on Bridgestone Lane to Fern Hollow, in the amount of \$18,865.00.

Mr. Schkade next reviewed a proposal from Convergentz for security cameras at the District's eight (8) lift stations and three (3) storm pump stations, in the amount of \$63,000.00.

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 approve the proposal for installation of security cameras at the facilities as outlined above, in the amount of \$63,000.00.

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 then presented Pay Application No. 18 in the amount of \$600,860.57 and Change Order No. 15 for no change in cost and Change Order No. 16 for an increase of 22 days due to rain and Harris County approvals. Discussion ensued regarding the final completion date of the Bridgestone MUD Park.

Director Pack stated he has not seen construction workers on the park site lately and he would like to see more activity. Ms. Klein explained most of the construction work is done and the project is in the grass growing stage because Harris County requires the grass to be 90% established in order to receive final approvals.

Ms. Klein then introduced Mr. Richard Eagan and Mr. David Boggs from Woodcreek Landscape Company ("Woodcreek"). Ms. Klein explained landscaping services were originally included in the contract with Forney, but Forney has since changed landscaping subcontractors to Woodcreek and the landscaping amount has increased. Ms. Klein stated the landscaping item has been pulled from Forney's contract and Woodcreek will provide a proposal for the new landscaping cost, in the amount of \$112,000.00. Ms. Klein stated she will provide the contract from Woodcreek to PG for review.

Director Pack stated the rest of the park items can be included on a special Board meeting agenda.

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 approve Pay Application No. 18 in the amount of \$600,860.57, Change Order No. 15 for no change in cost, and Change Order No. 16 for an increase of 22 days due to rain and Harris County approvals.

ENGINEERING REPORT

Mr. Schilhab reported a request for feasibility was received from Angel Noor Enterprises to service a tract located at the northeast corner of Spring Stuebner and Gosling Road for a food truck park.

Mr. Schilhab then reported submittal of the bid tabulation for the Sanitary Sewer Rehabilitation – Ph. II project is on hold until next month due to requests from multiple bidders for additional time to procure quotes.

Mr. Schilhab next requested authorization to proceed with advertising for bids for the Water Plant & Lift Station Generator Replacement/Additions project.

Mr. Schilhab then reviewed the bid tabulation for the SCADA project and recommended

award of the contract to W.W. Payton Corporation ("W.W. Payton") in the amount of \$1,750,000.00. Mr. Schilhab noted W.W. Payton is not the lowest bidder, but Quiddity has always had a great experience with them and they are being recommended over the low bidder.

Mr. Schilhab went on to report the Asset Management Program has been completed for all Water Plant facilities. Mr. Schilhab requested authorization to proceed with design for all Lift Station facilities.

Mr. Schilhab then noted that the District's website portal for developer services is now online.

Mr. Schilhab stated the Board previously approved a feasibility study for Spring BTR Development for a 300 unit townhome development. Mr. Schilhab then stated the developer has requested to revise their landplan to include a seven (7) acre reserve. Mr. Schilhab recommended the Board require a new feasibility study in order to take the new land use into consideration. Mr. Schilhab noted the annexation of the tract has not started and suggested putting any annexation or facility extensions on hold until the updated feasibility study is completed.

Mr. Schilhab then reported that District's Drought Contingency Plan ("DCP") and Water Conservation Plan ("WCP") have been updated and are ready for approval. Mr. Schilhab stated PG has prepared the Resolution Adopting Amended DCP and Resolution Adopting Amended WCP for Board adoption.

Mr. Schilhab next presented Quiddity's Engineering Schedule of Hourly Rate Adjustments for Board approval. Mr. Schilhab stated the rate adjustment will become effective January 1st and only one (1) Quiddity engineer will be attending District Board meetings going forward, per the direction of the Board. Director Pack stated he would like Mr. Schilhab to be the primary District engineer with no additional engineer attending meetings, and no increase in Quiddity's rates.

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 authorize preparation of the feasibility study for Angel Noor Enterprises.

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 authorize advertising for bids for the Water Plant & Lift Station Generator Replacement/Additions project.

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 award the contract for SCADA to W.W. Payton in the amount of \$1,750,000.00.

Upon motion by Director Marks, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to authorize proceeding with design for all Lift Station facilities for the Asset Management Program.

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 Adopting Amended DCP and Resolution Adopting Amended WCP.

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 approve Quiddity's Engineering Schedule of Hourly Rate Adjustments, to become effective January 1, 2025.

TAKEOVER AGREEMENT WITH HARCO NATIONAL INSURANCE COMPANY REGARDING WATER PLANT NO. 4 CONSTRUCTION, INCLUDING POSSIBLE CLOSED SESSION TO DISCUSS ATTORNEY-CLIENT PRIVILEGED MATTERS

Mr. Polley provided an overview of the WP No. 4 project history and timeline. Mr. Polley then presented the Takeover Agreement for Board approval. 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 authorize execution of the Takeover Agreement, a copy of which is attached hereto.

DIRECTOR'S ITEMS

Mr. Schkade asked if the Board would like to discontinue the monthly Director's inspections. Director Pack asked Mr. Schkade to prepare a schedule for the inspections and provide it to the Board.

Director Pack stated he would like to continue preparation of meeting minutes as usual for now until after the virtual meeting system is operational.

ATTORNEY'S REPORT

Mr. Polley asked if the Board would like PG to obtain additional insurance proposals or move forward with the District's current insurance broker. The Board concurred to stay with the District's current insurance broker.

Mr. Polley then reviewed a handout regarding Public Funds Investment Act training being offered by McCall Gibson Swedlund Barfoot PLLC if any Board members would like to attend.

APPEAL OF SECURITY FEES BY THE ABBEY AT SPRING TOWN CENTER, INCLUDING POSSIBLE CLOSED SESSION TO DISCUSS RELATED ATTORNEY-CLIENT PRIVILEGED MATTERS

Mr. Polley reported he had a conference call with the attorney for The Abbey at Spring Town Center to relay the Board's message regarding the security fee appeal and a follow up conference call is scheduled for Thursday, August 22nd.

CHARGES FOR NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY FEES, INCLUDING POSSIBLE CLOSED SESSION TO DISCUSS ATTORNEY-CLIENT PRIVILEGED MATTERS

Mr. Polley stated this agenda item would be discussed in closed session.

Director Pack requested a special Board meeting be scheduled to discuss the park items that are on tonight's agenda. The Board concurred to schedule the special Board meeting on

September 4th at 6:00 p.m.

PUBLIC COMMENT

Mr. Marco Montes, P.E., of R.G. Miller, representing the Trinity Grove development, addressed the Board and stated he has submitted the plans for Trinity Grove to Quiddity for review and approval.

EXECUTIVE SESSION

Director Pack convened the Board in executive session at 9:05 p.m., pursuant to Section 551.071, Texas Government Code, regarding attorney-client privileged matters. Directors Pack, Crayton, Woollard, and Marks, Mr. Schkade, Mr. Schilhab, Mr. Polley, Ms. Miller and Ms. Cain remained in the executive session.

RECONVENE IN OPEN SESSION

Director Pack then reconvened the meeting in open session at 9:49 p.m., at which time no further action was taken.

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

PASSED, APPROVED AND ADOPTED this 17th day of September, 2024.

(DISTRICT SEAL)


Secretary, Board of Directors