

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

October 15, 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, October 15, 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
Nancy Woollard	Secretary
Michael Crayton	Assistant Secretary
Jeff Gebhart	Director

All Directors were present, thus constituting a quorum. Also attending the meeting were: Mr. Ron Schkade, General Manager of the District; Ms. Jon D. Polley, attorney, and Ms. Kathryn Cain, 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; 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; Sergeants Brian Frasier and Brett Lewis, Harris County Precinct 4 Constable; Mr. John Howell of The GMS Group, LLC, financial advisors for the District; Ms. Tara Klein of Four and One Landscape Architects, landscape architects for the Bridgestone MUD Park; Ms. Sarah Wheeler of Triton Consulting Group, communications consultant for the District; Ms. Barbara Nussa of Republic Services, Inc., garbage and recycling service provider for the District; and 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 of America and State of Texas flags.

HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Sergeant Frasier introduced Sergeant Lewis as the new officer patrolling the night shift. Sergeant Frasier reviewed the security report for the month of September, a copy of which is attached hereto.

PUBLIC COMMENT

A resident of the District addressed the Board regarding the North Harris County Regional Water Authority's ("NHCRWA") reduction in surface water rates and groundwater pumpage fees. The resident then reminded the Board that it previously approved service to the developer of the Spring Stuebner Business Park Development subject to acquisition of an easement from the Gosling Pines Homeowners Association ("Gosling Pines") and noted that Director Crayton subsequently attended a meeting of the Gosling Pines Board of Directors, which she believed was a conflict of interest.

Ms. Priscilla Trejo and her daughter, Ms. Abbey Trejo, next addressed the Board regarding a proposed community service project to install a book-sharing library at Bridgestone MUD Park. Ms. Priscilla Trejo explained that the library will consist of a box filled with a variety of books where the public can take and/or deposit books and stated that her daughter will fund the library and restock the books as needed. Director Pack requested that Ms. Abbey Trejo submit a written request to the Board for consideration.

Mr. Schkade stated two (2) public comment cards were received and proceeded to read such comments aloud to the Board. Mr. Schkade noted tonight's public comments/questions and answers will be posted on the District's website.

APPOINTMENT OF NEW DIRECTOR TO FILL VACANCY ON THE BOARD

Director Pack explained that there is a vacancy on the Board and stated that the Board is considering appointing Mr. Jeff Gebhart to fill the position. Mr. Gebhart introduced himself to the public and explained that he is a resident of the District and has served as a Board member on the Senterra Lakes Homeowners Association since 2017. 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 appoint Mr. Gebhart to fill the vacant position on the Board. Mr. Polley then administered the Oath of Office to Mr. Gebhart and noted that the oath will be filed with the Secretary of State as required by law. Mr. Polley also reported to the Board that Mr. Gebhart has completed and executed the Statement of Appointed Officer, Affidavit of Director, and Confidentiality of Certain Personal Information form.

REGULAR AGENDA

2024 TAX RATE

Mr. Howell reminded the Board that the Notice of Hearing and the proposed tax rate for 2024 of \$0.49 per \$100 assessed valuation was published as required by law. Mr. Howell then recommended that the District adopt a debt service tax rate of \$0.28 per \$100 of assessed valuation for the calendar year ending December 31, 2024, and an operations/maintenance tax rate of \$0.21

per \$100 of assessed valuation for the calendar year ending December 31, 2024, for a total 2024 tax rate of \$0.49 per \$100 of assessed valuation. Mr. Howell then stated that it will not be necessary to transfer funds from the General Fund to the Debt Service Fund.

Mr. Polley then declared the public hearing open to discuss the District's proposed tax rate for 2024 and invited any members of the public to address the Board concerning same. No members of the public expressed a desire to address the Board regarding the 2024 tax rate. Mr. Polley then closed the public hearing.

Mr. Polley next presented for the Board's approval and adoption an Order Setting Rate and Levying Tax for 2024 (the "Order"). 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 adopt the Order, thereby levying a debt service tax rate of \$0.28 per \$100 of assessed valuation for 2024, and an operations/maintenance tax rate of \$0.21 per \$100 of assessed valuation for 2024, for a total 2024 tax rate of \$0.49 per \$100 of assessed valuation. A copy of the Order is attached hereto as an exhibit.

Mr. Polley then explained that pursuant to Section 49.455 of the Texas Water Code, as amended, the District is required to amend its District Information Form any time information on such form changes. Mr. Polley informed the Board that because the District's 2024 tax rate has been adopted, an Amendment to District Information Form reflecting such tax rate is required. 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 the execution of the Amendment to District Information Form, and to authorize PG to file such amendment in the Harris County Real Property Records and with the Texas Commission on Environmental Quality, as required by law.

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 Crayton, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, and with Director Gebhart abstaining, to approve the following Consent Agenda items: 1) the minutes of prior meetings, including September 17, 2024, and September 25, 2024, as presented; 2) pay estimates and change orders as follows: a) Water Plant No. 4 Pay Estimate No. 16 in the amount of \$428,774.37; b) Wastewater Treatment Plant ("WWTP") No. 2 Pay Estimate No. 24 in the amount of \$73,319.94; and c) Sanitary Sewer Rehabilitation – Phase I Pay Estimate No. 6 in the amount of \$396,984.60; 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, CONTINUED

STRATEGIC PARTNERSHIP AGREEMENT (“SPA”) AUDIT REPORT

No SPA Audit Report was given.

GARBAGE AND RECYCLING SERVICE REPORT

Ms. Nussa reported that 117 vehicles disposed of items in the District’s document shredding event on October 12, 2024.

REAL ESTATE CONSULTANT REPORT

Mr. Willgrubs then reported that two (2) of the six (6) Sanitary Control Easements related to Water Well No. 5 at the Water Plant No. 4 site have yet to be signed by the homeowners.

Mr. Willgrubs next reported that he will begin making initial contact next week with the property owners from whom easements are needed for the All Seasons Plaza Retail Development Utility Extension project.

Mr. Willgrubs then presented to the Board a proposed Agreement for Real Estate Services with BD Realty Advisors with a three (3) year term. Director Pack stated that he would like to discuss the agreement further with Mr. Willgrubs. 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 delegate authority to Director Pack to approve and execute the Agreement for Real Estate Services.

Mr. Willgrubs next recommended that the District mow the 2.78-acre tract on Gosling Road and Kuykendahl Road to make the property more appealing to potential purchasers. Mr. Schkade stated that he will obtain quotes for mowing and will proceed with having the property mowed if the cost is under \$5,000.00.

DETENTION FACILITIES MAINTENANCE REPORT

Mr. Benes reviewed the Detention Facilities Maintenance Report, a copy of which is attached hereto. Mr. Benes reviewed the status of various repair items. Mr. Benes reported that the sediment was removed from the trash trooper located in Senterra Lakes.

Mr. Benes then presented to the Board a proposal from SWS in the amount of \$23,750.00 for the construction of on-site swales at the site of WWTP No. 2. Mr. Schilhab explained that the site was filled to raise the grading of the land; however, the installation of swales was not in the scope of the construction project, and they are necessary.

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 approve the Detention Facilities Maintenance Report including the proposal from SWS in the amount of \$23,750.00 for the construction of swales at WWTP No. 2.

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 2023 taxes are 99.1% collected. Ms. Hall reported that the Delinquent Tax Attorney sent final notice to delinquent taxpayers regarding termination of service.

Mr. Polley then explained that the Tax Assessor/Collector's Report was removed from the consent agenda last month and a motion was not made by the Board to approve the report. Mr. Polley requested that the Board approve payment of the checks listed in the prior month's report. 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 written August 2024 Tax Assessor/Collector's Report and payment of the tax-related checks stated therein.

BOOKKEEPER'S REPORT

Ms. Ferguson then reviewed with the Board the draft budget for the fiscal year ending December 31, 2025.

Mr. Polley next stated that the District previously received a \$2,100,000 deposit from Gosling Opportunity Venture, who is not eligible for reimbursement from the District because the development on the tract is non-taxable and therefore does not create any taxable value for the District. Mr. Polley explained that such funds will be transferred to the Debt Service Fund to satisfy the District's debt service requirements instead of transferring funds from the General Operating Fund. The Board concurred with the transfer of Gosling Opportunity Venture's deposit to the Debt Service Fund. Mr. Polley then recommended that in the future, funds paid by developers to the District for the Existing Infrastructure Fee should be deposited into the Debt Service Fund, which would help satisfy the District's future debt service requirements.

COMMUNICATIONS REPORT

Ms. Wheeler reported that Triton is coordinating with Director Woollard regarding modifying the online question submission form on the District's website so that questions are routed to Mr. Schkade or the appropriate consultants. Ms. Wheeler stated that the software used by the District's website already has this capability, but it was not being utilized, and added that there will be no additional cost to the District. Director Crayton requested that each Director be copied on all questions submitted through the District's website.

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 Triton to utilize the capabilities of the District's website to streamline the receipt of questions submitted through the District's website by routing them directly to the appropriate consultant.

OPERATIONS REPORT

Mr. Staab reviewed various repair and maintenance items throughout the District.

Mr. Staab presented a quote to the Board in the amount of \$35,805.00 to paint the District's fire hydrants and install road reflectors to mark the hydrants.

Mr. Staab next reported that Pump No. 2 at Lift Station No. 5 failed and added that he is working to obtain a cost estimate to repair the pump.

Mr. Staab then requested approval from the Board to place a three (3) cubic yard dumpster at WWTP No. 2 at a cost of \$113.00 per month.

Next, Mr. Staab reported that Northwest Harris County Municipal Utility District No. 32 ("NWMUD 32") is requesting to open the interconnect with the District to receive 1 million gallons of water per day for 10 days. Mr. Staab stated that Quiddity confirmed the District has the capacity to provide NWMUD 32 with that volume of water.

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) approve WDM's proposal in the \$35,805.00 to paint the District's fire hydrants and install road reflectors; 4) authorize placement of a three (3) cubic yard dumpster at WWTP No. 2 at a cost of \$113.00 per month; and 5) authorize WDM to provide water to NWMUD 32 in accordance with the applicable emergency interconnect agreement.

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 the District continues to lease the temporary rental fencing at WWTP No. 2.

Mr. Schkade next reminded the Board that security cameras were purchased for the Bridgestone MUD Park. Mr. Schkade stated that to store the video from the cameras, the District can pay \$440.00 per month to transmit the data onto a sim card or pay a one-time fee of \$12,600.00 for wireless storage through AT&T. 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 a one-time payment in the amount of \$12,600.00 to AT&T for wireless data storage.

Mr. Schkade stated that the Spring Fire Department will be hosting free CPR classes for the community on October 16th and 19th at the District Administration Building.

Mr. Schkade then reminded the Board that it previously approved a proposal from Convergentz for installation of audio/video equipment at the District's building; however, it was determined that the equipment in the proposal is not sufficient for the District's needs. Mr. Schkade reported that he obtained proposals from two (2) other audio/video vendors and is waiting to receive a third proposal regarding purchase/installation of the necessary equipment. Director Pack requested that Mr. Schkade coordinate with Convergentz to negotiate a lower price for the additional equipment needed by the District.

Mr. Schkade next presented three (3) proposals for holiday lighting at the District Administration Building and at Bridgestone MUD Park and recommended that the Board accept the proposal from Redline Holiday Lighting (“Redline”) in the amount of \$15,700.00. Mr. Schkade stated that if the District accepts Redline’s proposal for this year, Redline has guaranteed that next year’s cost will be \$9,400.00 and added that the District will own the lights rather than rent them. 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 accept Redline’s proposal for holiday lighting at the District Administration Building and at Bridgestone MUD Park, as presented.

HIRING DISTRICT ADMINISTRATIVE STAFF

Director Pack stated that the District intends to hire a full-time administrative assistant and noted that the anticipated pay rate for such position is approximately \$20.00 per hour. Director Pack instructed Mr. Schkade to post the available position on the District’s website, review the applications received and provide the Board with the three (3) – five (5) most qualified applications for review. 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 accept applications for a full-time administrative assistant and to post the available position on the District’s website.

ENGINEERING REPORT

Mr. Schilhab presented the feasibility study for the 1.63-acre Angel Noor Enterprises LLC (“Angel Noor”) Development to be located on Gosling Road north of Spring Stuebner, outside the boundaries of the District. Mr. Schilhab reported that the development will consist of a food truck park containing 12 food trucks, two (2) pickleball courts and an indoor seating area. Mr. Schilhab further reported that District has the capacity to serve the development; however, there are no water lines located near the development. Mr. Schilhab explained that the District’s 12-inch water line on Spring Stuebner Road will need to be extended to the new development at a cost of approximately \$730,000.00 and added that the developer will only be eligible for reimbursement of 2.92% of their costs, or \$21,308.00. A representative of Angel Noor addressed the Board and asked if the Board would consider providing sanitary sewer service and allowing the development to drill a private water well. Director Crayton suggested that the District allow Angel Noor to drill a private water well and as surrounding properties are developed in the future, Angel Noor can share the cost with those developers to extend the District’s water line. Mr. Polley then recommended that the District require Angel Noor to proceed with annexation of its development and authorize PG to prepare an agreement stating that Angel Noor will abandon its water well and participate in the funding of the future water line extension. 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 feasibility study for Angel Noor Enterprises LLC Development, including proceeding with annexation, providing sanitary sewer service, and allowing Angel Noor to drill a private water well.

Mr. Schilhab then presented a proposal in the amount of \$8,000.00 for the preparation of a new feasibility study for Spring BTR Development. Mr. Schilhab reminded the Board it previously approved a feasibility study for Spring BTR Development for a 300-unit townhome

development; however, the developer subsequently revised their landplan to include a seven (7) acre reserve. Mr. Polley recommended that the Board decline to annex the reserve because it may be developed into a non-taxable development; however, he suggested that the Board authorize Quiddity to proceed with preparing the feasibility study for the remaining land. 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) declare the previously approved feasibility study for Spring BTR Development to be null and void because of changes in the planned development; 2) authorize Quiddity to prepare a new feasibility study for Spring BTR Development with the condition that the District may decline annexation if there is a possibility it will become a non-taxable development.

Mr. Schilhab next presented a proposal in the amount of \$10,000.00 for the preparation of a water and sewer rate analysis. Mr. Schilhab stated that work will be billed at an hourly rate and the analysis will take approximately 90 days to complete. The Board declined to proceed with the analysis at this time.

EXTENSION OF WATER AND/OR SEWER LINES ALONG GOSLING ROAD FROM SPRING STUEBNER ROAD TO STATE HIGHWAY 99 AND ALONG SPRING STUEBNER ROAD FROM GOSLING ROAD TO RHODES ROAD

Mr. Schilhab explained that a significant amount of undeveloped land is located along Gosling Road between Spring Stuebner and State Highway 99 and along Spring Stuebner Road between Gosling Road and Rhodes Road. Mr. Schilhab stated that the cost to extend the District's water lines to that area would likely be cost prohibitive for most developers and asked if the Board would consider extending the water and wastewater lines at the expense of the District. Mr. Schilhab further stated that Quiddity can prepare a feasibility study for approximately \$8,000.00 to determine the economic feasibility of constructing the water line extension. 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 Quiddity to prepare a feasibility study for the extension of water and/or sewer lines along Gosling Road from Spring Stuebner Road to State Highway 99 and along Spring Stuebner Road from Gosling Road to Rhodes Road.

WATER AND SEWER RATES, AND POSSIBLE RATE ORDER AMENDMENTS REGARDING SAME

Director Pack then stated that the water and sewer rates charged by the District are not sufficient to cover the District's cost to produce water and treat wastewater, and the Board is waiting for additional data to consider a potential rate adjustment.

DIRECTOR'S ITEMS

Director Pack reported that he toured several District facilities with Mr. Staab.

BRIDGESTONE MUD PARK

Ms. Klein reviewed the status of construction of the Bridgestone MUD Park with the Board. Ms. Klein then presented Forney Construction, LLC's ("Forney") Pay Application No. 20 in the amount of \$72,972.93. Ms. Klein stated she will coordinate with Forney, Mr. Schkade, and

the park manager (if any) regarding scheduling an inspection of the park to confirm completion of the final punch list items. Director Pack requested that Ms. Klein coordinate with Fournery regarding stormwater flowing underneath the wall at the northeast corner of the park. 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. 20 in the amount of \$72,972.93.

ATTORNEY'S REPORT

Mr. Polley explained that the 2.78-acre tract on Gosling Road and Kuykendahl Road cannot be sold until the Board declares the property to be surplus and that the District must receive fair market value for same. Mr. Polley then presented a Resolution Declaring Surplus Property and Authorizing Sale of Same (the "Resolution"). Upon motion by Director Marks, seconded by Director Woollard, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, and with Director Crayton abstaining, to adopt the Resolution.

DISCUSS DIRECTOR-CONSULTANT LIAISONS

Director Pack presented a handout for a proposed Director/Consultant Liaison Program, which identifies the Director that each consultant is assigned to coordinate with between meetings as necessary. Extensive discussion ensued regarding the proposed program. Upon motion by Director Marks, seconded by Director Gebhart, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, and with Director Crayton abstaining, to approve the Director/Consultant Liaison Program, as written.

PUBLIC COMMENT

Mr. Schkade reported that one (1) additional public comment card was received during the meeting and proceeded to read such comments aloud to the Board. Mr. Schkade reiterated that tonight's public comments/questions and answers will be posted on the District's website.

EXECUTIVE SESSION

Director Pack convened the Board in executive session at 8:11 p.m., pursuant to Section 551.071, Texas Government Code, regarding matters of attorney-client privilege relating to the appeal of security fees by the Abbey at Spring Town Center. Directors Pack, Crayton, Woollard, Marks, and Gebhart; Mr. Schkade; Mr. Polley; and Ms. Cain remained in the executive session.

RECONVENE IN OPEN SESSION

Director Pack then reconvened the meeting in open session at 8:43 p.m.

Mr. Polley then reported that neither PG nor SWS has received a response from Klein Independent School District regarding repairs needed to the intake pipe at the Mueller ditch. Mr. Polley stated that Mr. Benes informed him it will be approximately six (6) months before the eroding intake pipe begins to impact District facilities.

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

PASSED, APPROVED AND ADOPTED this 19th day of November 2024.

(DISTRICT SEAL)



Secretary, Board of Directors

