

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

March 19, 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, March 19, 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; Mr. Brian Toldan 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

A member of the public addressed the Board regarding the proposed veterans memorial. Director Crayton stated that item would be discussed later in the meeting.

Ms. Carmen Soto and Ms. Tracy Perez then addressed the Board regarding sponsorship of

Mr. Tony Coleman addressed the Board regarding the park bond election, the park budget and the District's tax rate.

HARRIS COUNTY PRECINCT 4 CONSTABLE'S SECURITY REPORT

Sergeant Frasier reviewed the security report for the month of February, a copy of which is attached hereto. 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 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.

Upon motion by Director Berry, seconded by Director Gutierrez, 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. 17 in the amount of \$157,311.89; b) Lift Station No. 8 Pay Estimate No. 6 in the amount of \$116,332.50; 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 the bills, issuance of the checks and review of investments contained herein; 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 February 20, 2024 meeting, as written. Each of the written reports referenced above are attached as exhibits hereto.

REGULAR AGENDA

AUDIT REPORT FOR FISCAL YEAR ENDING DECEMBER 31, 2023

Mr. Toldan then reviewed the draft audit report for the fiscal year ended December 31, 2023 (the "Audit") with the Board, a copy of which is attached hereto. Mr. Toldan reported that MGSB has issued a clean audit opinion for the District. Upon motion by Director Berry, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Audit after a seven (7) day review period, and to authorize filing the Audit with the appropriate governmental authorities.

CONTINUING DISCLOSURE

Mr. Polley explained to the Board that the District has an obligation to update certain financial information on an annual basis, which will serve to keep bondholders and other interested parties apprised of the financial condition of the District, and requested the Board's authorization to prepare and file such materials with the appropriate agencies. 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 PG and The GMS Group, LLC, the District's financial advisor, to prepare and file the required continuing disclosure materials.

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

Mr. Polley stated adjustments were made to the reimbursement calculation worksheet for the CC Gosling MF II reimbursement after the last Board meeting and he is very close to being in agreement with Cadwell on the reimbursement amount. Mr. Polley then stated using the January 31, 2023 certified value for the reimbursement calculation provides Caldwell with 96% reimbursement and Caldwell has asked that since the certified value is nearly 16 months old, the Board consider granting 100% reimbursement for the project. Mr. Polley noted the AUP Report has been updated to contemplate the updated reimbursement calculation.

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: 1) approve the updated AUP; and 2) authorize reimbursement to Caldwell at 100%.

STRATEGIC PARTNERSHIP AGREEMENT ("SPA") AUDIT REPORT

Mr. Fortner reviewed the SPA audit report with the Board, a copy of which is attached hereto.

GARBAGE AND RECYCLING SERVICE REPORT

Ms. Nussa stated the District's document shred event is scheduled for April 27th and she will be sending the information out to the HOAs to distribute to residents. Director Crayton asked the Triton send an email and text blast to District residents with the document shred event information.

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: 1) Pay Application No. 13 in the amount of \$788,125.23; 2) Change Order No. 9 for no cost change and no increase in days for additional electrical work, removal of surface fountain, changes in the pavilion, elimination of seat walls and decorative paving; and 3) Change Order No. 10 in the amount of \$45,114.92 and no increase in days for repairs needed due to the addition of the concrete wall along the east perimeter.

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: 1) Pay Application No. 13 in the amount of \$788,125.23; 2) Change Order No. 9 for no cost change and no increase in days for additional electrical work, removal of surface fountain, changes in the pavilion, elimination of seat walls and decorative paving; and 3) Change Order No. 10 in the amount of \$45,114.92 and no increase in days for repairs needed due to the addition of the concrete wall along the east perimeter.

Mr. Steve Khan with Texon Solar then gave a presentation regarding installation of solar panels at the park and the use of solar energy. Discussion ensued regarding the use of solar panels at the park.

DETENTION FACILITIES REPORT

Mr. Benes provided an update on various detention pond maintenance items throughout the District.

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

No further bookkeeper's report was given.

COMMUNICATIONS REPORT

Ms. Bradley stated she will refresh the park information on the District's website with new photos and updated information.

OPERATIONS REPORT

Mr. Staab reported on various repair and maintenance items throughout the District.

GENERAL MANAGER'S REPORT

Mr. Schkade asked the Board if they would like to move forward with construction of the Aber fence project at Lift Station No. 6. 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 construction of a concrete fence at Lift Station No. 6.

Director Berry exited the meeting at this time.

DIRECTOR'S INSPECTION REPORT

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

ENGINEERING REPORT

Mr. Schilhab reviewed the feasibility study for the 2.60-acre Lin's International Buffet, a copy of which is attached hereto. Mr. Schilhab stated the tract is not currently within the boundaries of the District and would require annexation. Mr. Schilhab then stated a public water line extension and a private sanitary sewer line will be required to serve the tract.

Mr. Schilhab next stated Gosling Spring Properties, LLC has requested a feasibility study for a tract of land located at Gosling Road and Spring Stuebner Road.

Upon motion by Director Crayton, seconded by Director Gutierrez after full discussion and

the question being put to the Board, the Board voted unanimously to: 1) approve the feasibility study for Lin's International Buffet; and 2) authorize preparation of a feasibility study for Gosling Spring Properties, LLC.

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

- An amended Water Supply Agreement has been requested from the North Harris County Regional Water Authority, which seems amenable to the request. Mr. Schilhab then presented Water Well No. 1 Rework project Change Order No. 2 in the deduction amount of \$25,955.00 to convert the water well from a vertical turbine to a submersible pump assembly. Upon motion by Director Crayton, seconded by Director Gutierrez after full discussion and the question being put to the Board, the Board voted unanimously to approve Change Order No. 2.
- Quiddity is working with the contractor for the WWTP Digester & Blower Improvements Phase I project to determine a solution to the clogging in the aeration diffusers. Mr. Schilhab stated another manufacturer has suggested a different product to get the facility back online, in the approximate amount of \$86,000.00. Mr. Schilhab recommended authorizing the purchase of the alternative product in order to get the digester back online and working with PG to determine the best path forward to account for the additional cost. Mr. Schilhab noted the District currently holds approximately \$200,000.00 of the contract price still due to the contractor. 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 purchase of the new digester parts.
- An agreement has been reached with Caldwell to fill the remaining unused area of the WWTP No. 2 site in exchange for the District installing underground power to WWTP No. 2. In addition, Mr. Schilhab informed the Board that Trammel Crow Residential ("TCR") would like to pay for the District to install temporary overhead power to WWTP No. 2 because same can be accomplished more quickly. Mr. Schilhab requested execution of a temporary power easement and authorization to prepare agreements with TCR and an agreement with Caldwell documenting the fill in exchange for underground power. Mr. Polley suggested delegating authority to two (2) Directors to approve and execute the agreements outside of a regular Board meeting. Director Crayton suggested delegating authority to Directors Draper and Gutierrez. 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: 1) authorize execution of a temporary power easement to serve the WWTP No. 2 tract; 2) authorize preparation and execution of an agreement with TCR to fund temporary power and authorize Directors Draper and Gutierrez to approve and execute such agreement; 3) authorize preparation and execution of an agreement with Caldwell to provide fill dirt in exchange for underground power and authorize Directors Draper and Gutierrez to approve and execute such agreement.

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

- WWTP No. 1 inspection has identified \$15,427,000.00 in future improvement projects, which will be placed in the District's CIP and budget.
- The developer web portal will be reviewed at a special Board meeting on March 27th. Mr. Schilhab asked if the Board would like the developer portal to be live before adding a link to the public GIS website to the District's website. The Board concurred to add the public

GIS link to the District's website right now.

RECREATIONAL FACILITIES REPORT

Ms. Garza reported the agreement for design services with AlphiOmega has been finalized and AlphiOmega will be proceeding with design of the veteran honor ring. Director Crayton stated he would like to have a town hall meeting in April to review the design with the public.

Discussion then ensued regarding conveyance of the seven (7) lots located in the Bridgestone subdivision to the Bridgestone HOA.

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 the sale of the District's 15.2-acre tract closed this week. Mr. Polley stated PG will begin working on the annexation documents for the tract.

Mr. Willgrubs stated an update on the sanitary control easements related to Water Well No. 5 would be given in closed session

ATTORNEY'S REPORT

Mr. Polley reviewed the Post Issuance Compliance Policy checklist (the "PICP Checklist") with the Board and stated Arbitrage Compliance Specialists, the District's engineer and the District's bookkeeper have completed and reviewed their respective sections of the PICP Checklist. 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 PICP Checklist.

Mr. Polley next presented the Amended District Information Form ("ADIF") relating to the recent sale of the District's Series 2024 Bonds for approval. 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 ADIF and authorize filing of same.

Mr. Polley asked if there was any additional discussion regarding the implementation of security fees. Director Crayton requested this item be considered next month.

Mr. Polley then reminded the Board a special Board meeting is scheduled for March 27th at 6:00 p.m. to review the developer website portal.

Mr. Polley presented a Rate Order amendment to implement a \$3,000.00 plan submittal fee to cover the District's costs for commercial plan reviews. 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 adopt the amended Rate Order.

Mr. Polley next presented a Resolution Approving and Implementing CIP Projects included in Series 2024 Bonds (the "CIP Resolution") to approve proceeding with the projects included in the District's recent Series 2024 bond issuance. 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 CIP Resolution.

Mr. Polley then presented a Petition for Annexation of Land, Petition for City Consent to Annex Land, Financing Agreement and Annexation and Service Agreement (collectively, the "Annexation Documents") related to the annexation of the All Seasons Plaza development. 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 Annexation Documents.

The Board then considered joining the American Water Works Association and the Texas Rural Water Authority. The Board concurred to further consider this matter at its next regular Board meeting.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Ms. Garza reported the District's sample ballot has been posted to the District's website in all four (4) required languages. Ms. Garza then stated PG has been coordinating with election officials to work during early voting and election day. Ms. Garza noted training for the election officials has been scheduled for April 15th and requested that the Board refrain from visiting the Operations Center that day.

PUBLIC COMMENT

No public comments were given.

EXECUTIVE SESSION

Director Crayton convened the Board in executive session at 8:36 p.m., pursuant to Section 551.072, Texas Government Code, regarding real property matters. Directors Crayton, Draper, Gutierrez, Velazquez, Mr. Schkade, Mr. Dill, Mr. Willgrubs, 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 8:48 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 16th day of April, 2024.

(DISTRICT SEAL)




Secretary, Board of Directors