

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
January 23, 2018

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 Jerry Thomas Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, January 23, 2018, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jim Marks	President
Adrian E. Steffes	Vice President
John "Skip" W. Warren	Secretary
Ronald W. Schkade	Assistant Secretary
Mikuel K. Draper	Director

All members of the Board were present, except Director Schkade, thus constituting a quorum. Director Schkade monitored the meeting by conference call. Also attending the meeting were: Lieutenant Charles Hoover of Harris County Precinct 4 Constables' office; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Messrs. Erich Peterson, P.E., and Josh Lee, P.E., and Ms. Sherry Grant, P.E., of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Mr. Danny Staab of Water District Management Company, Inc. ("WDM"), operators for the District; Ms. Christina Cole of Myrtle Cruz, Inc., bookkeepers for the District; Ms. Barbara Nussa of Republic Services, Inc., garbage and recycling service provider for the District; and Mr. Jonathan D. Polley, attorney, and Ms. Alison A. Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District.

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.

HARRIS COUNTY PRECINCT 4 CONSTABLE'S REPORT, INCLUDING REVIEW AND APPROVAL OF INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH HARRIS COUNTY (THE "INTERLOCAL AGREEMENT")

Lieutenant Hoover reviewed the Constable's Report for the month of December, a copy of which is attached hereto, and noted that 211 citations had been issued during the month. Upon motion by Director Warren, 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.

Mr. Polley next reported that the District has received the execution copies of the Interlocal Agreement from Harris County, a copy of which is attached hereto, and that the 2018 cost will increase to \$796,597 from \$773,391 in 2017. Upon motion by Director Warren,

seconded by Director Steffes, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Interlocal Agreement.

CONSENT AGENDA

Director Marks then reviewed the items reflected on the Consent Agenda with the Board. Director Marks 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. Mr. Polley noted that the minutes of the special meeting on January 9, 2018 are not ready for approval. Upon motion by Director Draper, seconded by Director Steffes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the consent agenda, including the minutes of the regular meeting of December 19, 2017, as written.

REGULAR AGENDA

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall reviewed the Tax Assessor/Collector's Report for December 2017, a copy of which is attached hereto. Ms. Hall reported that the District has collected 99.5% of its 2016 taxes and 18.4% of its 2017 taxes to date. Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report and the checks reflected therein.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Hall next reviewed the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Upon motion by Director Draper, seconded by Director Steffes, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Delinquent Tax Attorney's Report.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2018 TAX YEAR (THE "TAX RESOLUTION")

Mr. Polley then reported that last year, the Board granted a \$25,000 exemption for individuals who are disabled or who are 65 years of age or older and a 10% general residential homestead exemption. Mr. Polley informed the Board that the Tax Resolution had been prepared to maintain these same exemptions for the 2018 tax year. Mr. Polley stated that if the Board wants to change any exemptions, the matter could be deferred until the February Board meeting. Director Steffes asked Mr. Polley to research exemptions available for disabled veterans. Adoption of the Tax Resolution was deferred until the February Board meeting.

ADOPT RESOLUTION IMPLEMENTING PENALTY ON 2017 DELINQUENT TAXES AND CONTRACTING WITH ATTORNEYS TO COLLECT DELINQUENT TAXES (THE "DELINQUENT TAX RESOLUTION")

Mr. Polley then explained that pursuant to Sections 6.30, 33.07, 33.08 and 33.11 of the Texas Property Tax Code, as amended, the District may levy an additional 20% penalty on 2017

real property taxes that remain delinquent as of July 1, 2018 and an additional 20% penalty on 2017 personal property taxes that remain delinquent as of April 1, 2018, if the Board has entered into an agreement with an attorney for the collection of delinquent taxes and if adequate notice of such penalty is provided to property owners. Mr. Polley further explained that the Delinquent Tax Resolution would implement these penalties. Upon motion by Director Steffes, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Delinquent Tax Resolution, a copy of which is attached hereto.

BOOKKEEPER'S REPORT

Ms. Cole reviewed the Bookkeeper's Report, including the revenues and expenses of the District, the budget comparison, the investment report and the checks being presented for payment, a copy of which is attached hereto. Ms. Cole reported that the District received payment from the City of Houston (the "City"), in the amount of \$93,053.78, for the District's share of sales tax revenue for the month of October 2017, in connection with the District's Strategic Partnership Agreement with the City.

Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, the Investment Report and payment of the checks reflected therein.

GARBAGE AND RECYCLING COLLECTION SERVICE REPORT AND DISCUSSION ON JANUARY 13, 2018 PAPER SHREDDING EVENT

Ms. Nussa reported that the shredding event held on January 13th was a success, and the District recycled two (2) tons of recyclable material. Ms. Nussa also reported that garbage service was suspended on Tuesday, January 16th and Wednesday, January 17th due to ice, and was completed on Thursday, January 18th.

CONSIDER APPOINTING CONSULTANT/BOARD LIAISONS FOR 2018

Mr. Polley reviewed the Consultant/Board Liaisons for 2017 and stated that the liaisons can remain the same for 2018 if the Board wishes. Director Schkade recommended leaving the liaisons the same for 2018 as they were in 2017.

REVIEW AND APPROVE CONSENT TO EASEMENT WITH SOUTHWESTERN BELL TELEPHONE COMPANY IN CONNECTION WITH SPRING CROSSINGS 1758, LLC

Mr. Polley reminded the Board that AT&T is requesting an easement to place utility lines directly in an existing District easement. Mr. Polley stated that RBAP has sent their comments regarding the easement to AT&T for review, but the finalized easement has not yet been agreed upon.

DIRECTOR'S INSPECTION REPORT

Director Warren then gave the Director's Inspection Report for the month of January. Director Warren reported that all of the District's facilities are in good working order. Upon motion by Director Draper, seconded by Director Steffes, after full discussion and the question

being put to the Board, the Board voted unanimously to approve the Director's Inspection Report.

OPERATOR'S REPORT

Mr. Staab next reviewed the Operator's Report for the month of December, a copy of which is attached hereto. Mr. Staab reported that the District currently serves 6,260 active connections. Mr. Staab then reported that two (2) accounts had been written off in the amount of \$35.66, 7 accounts had been sent to collections in the amount of \$1,698.67 and 42 accounts had been terminated due to non-payment.

Mr. Staab next reported that a request was received from a resident at 4510 Aspen Brook requesting a refund of the \$100 termination fee due to hospitalization when the water bill was due. Mr. Staab stated that he refunded the resident the \$100 termination fee.

Mr. Staab then reported that a request was received from a customer at 5250 FM 2920 requesting a credit on a high water bill due to an irrigation leak. Mr. Staab stated that he offered the customer a payment plan for repayment of the water bill.

Mr. Staab next reported that the camera system at the Elevated Storage Tank ("EST") has failed, and recommended new cameras for the EST and Water Plant No. 2, at the cost of \$1750 per site. Mr. Staab stated that he would purchase the cameras and install them himself. Upon motion by Director Steffes, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the purchase of two (2) cameras for the EST and Water Plant No. 2.

Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and authorize termination of service to the delinquent accounts in accordance with the provisions of the District's Rate Order.

ADOPT RESOLUTION AUTHORIZING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE ASSOCIATION OF WATER BOARD DIRECTORS – TEXAS (THE "AWBD") WATER SMART PARTNERS PROGRAM (THE "RESOLUTION")

Mr. Polley reported that WDM will be preparing the District's Application for AWBD's Water Smart Partners Program and noted that the AWBD has requested a resolution from the Board authorizing the submittal. Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to authorize WDM to prepare the application and to adopt the Resolution, a copy of which is attached hereto.

ENGINEER'S REPORT

Mr. Lee then reviewed the Engineer's Report, a copy of which is attached as an exhibit hereto. Mr. Lee reported that the SCADA report will be ready in February, and suggested scheduling a special Board meeting to discuss the findings. Mr. Lee then reported that all of the

samplers for the wastewater sampling plan have been installed and are currently sampling for influent loading trends.

Mr. Lee next reported that the plat for the 4.39-acre tract in connection with the District's proposed operations/education center is ready for filing with Harris County. Mr. Lee explained that the plat was previously labeled as the "Administrative Building" and if the Board would like to change the name to "Operations and Water Education Center" before the plat is filed with Harris County, the cost will be \$500. Upon motion by Director Steffes, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously for Jones & Carter to revise the name on the plat for the 4.39-acre tract to "Operations and Water Education Center" at a cost of \$500. Mr. Lee also reported that Jones & Carter is currently working on the application for the Texas Water Development Board Drinking Water State Revolving Fund Loan Program. Mr. Lee then reported that Jones & Carter is preparing the Resolution Authorizing Use of Surplus Funds for submittal to the Texas Commission on Environmental Quality for costs associated with the District's proposed building.

Mr. Lee then stated that Jones & Carter is working with CenterPoint Energy and AT&T for removal of the utility boxes in park area owned by the District within the Bridgestone subdivision.

Mr. Lee then reviewed a report on the Rhodes Landing detention pond and pump station with the Board, a copy of which is attached hereto. Mr. Lee reported that the current pump station does not completely drain the basin, so that six (6) inches of water remains in the bottom of the detention pond. Mr. Lee explained that there is a project included in the District's Capital Improvement Plan to widen the inlet structure and install a jockey pump, which would help with the drainage of the detention pond. Mr. Lee next reported that an existing emergency overflow swale connects the detention pond to a roadside ditch maintained by TxDOT. Mr. Lee stated that the TxDOT ditch is not graded properly and currently has large amounts of brush and overgrown vegetation, which prevents water from flowing downstream and draining properly. Mr. Lee then stated that he will reach out to TxDOT regarding the roadside ditch grading and brush issues.

Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

UPDATE ON AND TAKE ACTION RELATED TO DEVELOPER AGREEMENTS AND ANNEXATIONS CONCERNING THE FOLLOWING DEVELOPMENTS:

WE GOSLING, LLC - 8.5758-ACRE ANNEXATION

Mr. Polley reported that the annexation application and annexation package for WE Gosling, LLC is still pending with the City of Houston.

OLI HOLDINGS, LLC – 6.3571-ACRE ANNEXATION

Mr. Polley next reported that the annexation application and annexation package for OLI Holdings, LLC is still pending with the City of Houston.

ATTORNEY'S REPORT

Mr. Polley reported that the Universe Skyhouse trial was held on January 18th and the District won, with the judge ordering that Universe Skyhouse take nothing.

Mr. Polley then stated that there was nothing new to report on the Meadowhill Regional Municipal Utility District drainage matter.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Mr. Polley then reviewed the items regarding the District's upcoming May 5, 2018 Directors Election, a copy of which is attached hereto. Mr. Polley noted that terms of Directors Steffes and Warren expire in May, 2018. Mr. Polley reported that the Jerry Thomas Center is not available for early voting, but that the Spring Baptist Church is available for both early voting and regular voting, at a cost of \$200 for all eight (8) days. Mr. Polley then presented an Order Calling Directors Election for the Board's review and approval. Upon motion by Director Warren, seconded by Director Steffes, after full discussion and the question being put to the Board, the Board adopted the Order Calling Directors Election, a copy of which is attached hereto.

Mr. Polley then asked the Board to set a date between the 3rd through the 11th day after the May 5, 2018 election in order to canvass the election. The Board concurred to hold the canvassing meeting at the May 15th regular Board meeting.

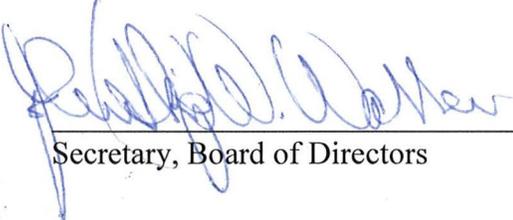
MISCELLANEOUS MATTERS

Mr. Polley noted the next regular meeting will be held on February 20, 2018, at 6:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 20th day of February, 2018.




Secretary, Board of Directors