

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
May 15, 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, May 15, 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, thus constituting a quorum. Also attending the meeting were: Mr. Michael Crayton, resident of the District and candidate for a Director of the Board; Lieutenant Charles Hoover of Harris County Precinct 4 Constables' office; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Mr. Josh Lee, P.E., and Ms. Kendall Chattman, 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; Mr. Todd Johnson of Caldwell Companies; Messrs. Colin Muirhead and Doug Rogers of Northside Christian Church; Mr. Carles Webb, Vice President of the Bridgestone Homeowners Association; Mr. Donald Callender, resident of the District; Mr. Lathan Johnson, resident of the District; and Mr. Jonathan D. Polley, attorney, Ms. Monica Garza, attorney, and Ms. Alison A. Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC, 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

Lieutenant Hoover reviewed the Constable's Report for the month of April, a copy of which is attached hereto, and noted that 423 citations had been issued during the month. Upon motion by Director Draper, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Constable's Report.

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 reported that the minutes of the special meeting of May 8, 2018 are not ready for approval. Mr. Polley also reported that the Interlocal Agreement with Harris County for maintenance of the box culverts for the Upper Seals Gully Phase III(B) project is ready for approval. Mr. Polley then requested approval of the aerial easement to CenterPoint Energy to provide electricity to the FIG Parkway Lakes development. Upon motion by Director Draper, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the consent agenda, including: 1) the minutes of the regular meeting of April 17, 2018, as written; 2) the Interlocal Agreement; and 3) the aerial easement to CenterPoint Energy.

REGULAR AGENDA

REVIEW AND APPROVE DETENTION POND MAINTENANCE AGREEMENT WITH CALDWELL COMPANIES ("CALDWELL") AND NORTHSIDE CHRISTIAN CHURCH ("NORTHSIDE") FOR 4.798-ACRE TRACT

Mr. Polley reminded the Board that Northside would like to take over maintenance of the detention pond from Caldwell in exchange for an access easement to Gosling Road. Mr. Polley stated that a term sheet as been prepared, a copy of which is attached hereto. Mr. Polley then reviewed the term sheet with the Board. Mr. Polley stated that Northside would assume all maintenance responsibilities, with periodic inspections by Storm Water Solutions. Mr. Polley also stated that Northside would like to continue to have an access road off of Gosling Road and would be required to keep the access closed unless a peace officer was present directing traffic. Mr. Polley then reminded the Board that one concern with allowing the access road was the extreme event swale. Mr. Polley stated that Northside would be required to construct a structure across the current extreme event swale to accommodate for increased car traffic. Mr. Polley noted that the plans for the structure would need to be approved by Jones & Carter. 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 authorize preparation of a detention pond maintenance agreement with Northside in accordance with the terms described on the term sheet.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall reviewed the Tax Assessor/Collector's Report for April 2018, a copy of which is attached hereto. Ms. Hall reported that the District has collected 97.9% 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 Schkade, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Delinquent Tax Attorney's Report.

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 \$83,360.79, for the District's share of sales tax revenue for the month of February 2018, in connection with the District's Strategic Partnership Agreement with the City. Ms. Cole also stated that she has new bank signature cards for execution. Upon motion by Director Steffes, 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

Ms. Nussa reviewed the Garbage and Recycling Collection Service Report with the Board, a copy of which is attached hereto. 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 Garbage and Recycling Collection Service Report.

DIRECTOR'S INSPECTION REPORT

Director Marks then gave the Director's Inspection Report for the month of May, a copy of which is attached hereto. Director Marks reported that all of the District's facilities are in good working order. Director Marks also reported that the radiator on the generator at Lift Station No. 5 is being replaced. 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 April, a copy of which is attached hereto. Mr. Staab reported that the District currently serves 6,270 active connections. Mr. Staab then reported that two (2) accounts had been written off in the amount of \$18.58, five (5) accounts had been sent to collections in the amount of \$357.90 and 32 accounts had been terminated due to non-payment.

Mr. Staab next reported that a request was received from Parkside Apartments for a bill credit due to a leak from a frozen line. Mr. Staab stated that a payment plan was offered.

Mr. Staab then reported that a complaint was received from a resident at 5322 Ringneck Glen regarding an automatic withdrawal on his account when he had a payment agreement. Mr. Staab explained that the resident had a payment plan set up, but his account was set up for an automatic withdrawal which brought the account current.

Mr. Staab next reported that replacement parts were ordered for the DO analyzer probe, in the amount of \$4,900. Mr. Staab then reported that the trough liner on Helix Press No. 1 is worn out and needs to be replaced, at a cost of \$8,520. Mr. Staab also reported that the Tensioner Rig on Screen No. 3 needs to be replaced, at a cost of \$1,500. Mr. Staab then reported that the radiator on the generator at Lift Station No. 5 has developed holes in it and needs to be rebuilt with brass parts, at a cost of \$5,500.

Mr. Staab next reported that the District's 2017 Consumer Confidence Report ("CCR") is ready for distribution. Mr. Staab stated that a link to the CCR will be included in the next water bill. Mr. Staab then reported that Mueller has started installing the version 4 equipment for the Mi.Net System. Mr. Staab stated that there will now be 11 repeaters throughout the District, instead of 59 repeaters.

Upon motion by Director Schkade, 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, authorize termination of service to the delinquent accounts in accordance with the provisions of the District's Rate Order, and authorize the following maintenance items: 1) parts for the DO analyzer probe, in the amount of \$4,900; 2) replacement of the trough liner on Helix Press No. 1, in the amount of \$8,520; 3) replacement of the Tensioner Rig on Screen No. 3, in the amount of \$1,500; and 4) repair of the radiator on the generator at Lift Station No. 5, in the amount of \$5,500.

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 a copper limit is being added to the TPDES Permit. Mr. Lee stated that he will not know what the copper limit is until the final TPDES Permit has been issued. Director Steffes asked if the testing is already being done. Mr. Lee stated that the District already has samplers testing influent, so the samplers will just need to be moved to test for the effluent copper limit.

Mr. Lee next reported that Jones & Carter and WDM continue to collect and review influent sampling data. Mr. Lee stated that as has been the case in prior years the testing is showing a seasonal increase in the influent loading. Mr. Lee stated that he is continuing to work with Mr. Staab to monitor the data and attempt to locate the cause.

Mr. Lee then presented a cost estimate to construct a building over the booster pump at the Elevated Storage Tank site. Mr. Lee reported that the total estimated cost for a CMU building would be \$498,000, which is in line with the amount in the District's Capital Improvement Plan ("CIP"). Director Schkade stated that \$210,000 just for the CMU building seems high. Mr. Lee recommended that he will obtain competitive bids for the building and then

the Board can decide to move forward with the project or not. The Board concurred with Mr. Lee's recommendation.

Mr. Lee next reviewed the preliminary CIP schedule with the Board.

Mr. Lee then reported that Phase 1 of the sanitary sewer cleaning and televising project is currently underway. Mr. Lee explained that after each section is cleaned and televised, Jones & Carter will separate any damaged lines into the following categories: 1) emergency repairs to be conducted immediately; 2) minor repairs to be conducted by WDM; and 3) major repairs or repairs requiring cured in place pipe.

Upon motion by Director Schkade, 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 AND OLI HOLDINGS, LLC – 6.3571-ACRE ANNEXATION

Mr. Polley reported that the District's petitions for the City of Houston's consent to the annexations are still pending with the City of Houston.

Mr. Polley next reported that the District's petition for the City of Houston's consent to the annexation is still pending with the City of Houston.

ATTORNEY'S REPORT

Mr. Polley reported that he received an email update from Pogach & Trachtenberg PLLC regarding the R&B Group dispute matter, which will be forwarded to the Board.

Ms. Garza then presented and reviewed a memorandum regarding the AT&T damage to District facilities. Ms. Garza reported that she has made progress with AT&T regarding payment for damages, and that she continues to follow up with AT&T twice a week.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

ORDER CANVASSING DIRECTORS ELECTION

The Canvassing Board acknowledged that the Election had been held in the District on Saturday, May 5, 2018, for the election of two (2) Directors of the District. The Canvassing Board then examined the results of the Election as submitted by the Presiding Judge as follows:

Adrian E. Steffes	54 votes
Skip Warren	69 votes
Michael Crayton	70 votes

Based on the returns of the Election, it was determined that Skip Warren and Michael Crayton have been elected as Directors of the District to serve until the biennial Directors Election in 2022. Upon motion by Director Schkade, seconded by Director Draper, after full discussion and the question being put to the Board, the Canvassing Board voted unanimously to adopt an Order Canvassing Returns and Declaring Results of 2018 Directors Election, a copy of which is attached hereto.

Director Marks then executed the Certificates of Election for Directors Warren and Crayton, copies of which are attached hereto. Directors Warren and Crayton then executed their oaths of office and official statements of elected officers. Upon motion by Director Schkade, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to accept the executed oaths of office and official statement of elected directors from Directors Warren and Crayton. Mr. Polley noted that the oaths of office will be filed with the Secretary of State, as required by law.

Director Schkade then then nominated the following slate of officers for the Board's approval:

President	Jim Marks
Vice President	Mickey Draper
Secretary	Skip Warren
Assistant Secretary	Ron Schkade
Director	Michael Crayton

Upon motion by Director Schkade, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposed slate of officers outlined herein.

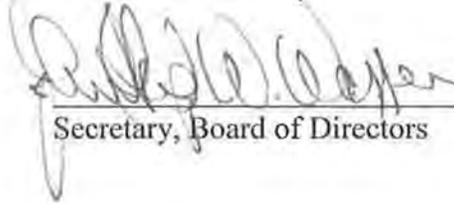
Director Steffes then thanked the Board and consultants for all of their hard work over the years that he has been on the Board. Mr. Polley stated that it has been an honor to work with Director Steffes.

MISCELLANEOUS MATTERS

Director Draper then requested that the Board enter a closed session in order to discuss personnel matters. Mr. Polley informed the Board that the personnel exception to the Texas Open Meeting Act does not allow closed sessions to discuss terms of hiring an independent contractor of the District. Director Draper then stated he would like to request an item be placed on a future meeting agenda to allow the Board to discuss engagement of Mr. Steffes as a consultant of the District. The Board concurred with the request and Mr. Polley acknowledged that his office would include the item on the next meeting agenda.

Mr. Polley noted the next regular meeting will be held on June 19, 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 19th day of June, 2018.



Secretary, Board of Directors

