

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
June 19, 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, June 19, 2018, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jim Marks	President
Mikuel K. Draper	Vice President
John "Skip" W. Warren	Secretary
Ronald W. Schkade	Assistant Secretary
Michael Crayton	Director

All members of the Board were present, except Director Marks, thus constituting a quorum. 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; 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; Messrs. Todd Johnson and Trey Villagran of Caldwell Companies; Mr. Chris Stimac of Stimac Enterprises; Mr. Lane Lackey, P.E., representing Trinity Lutheran Church ("Trinity Lutheran"); Messrs. Jim Kellerman and Joel Eisenbraun of Trinity Lutheran; Mr. Carles Webb, Vice President of the Bridgestone Homeowners Association; Mr. Donald Callender, 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 ("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

Lieutenant Hoover reviewed the Constable's Report for the month of May, a copy of which is attached hereto, and noted that 264 citations had been issued during the month. Upon motion by Director Warren, 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.

## PUBLIC COMMENT

Mr. Stimac addressed the Board and requested a reduction to the commercial tap fee amount he is being charged for a property being subdivided along FM 2920. Mr. Stimac explained that there is currently a tap to serve the property, but the property will now need an additional tap because half of the property has been sold. Mr. Stimac further explained that he paid the commercial tap fee for the original tap to service the property. Mr. Staab stated that he is following the District's Rate Order for commercial tap fees. Mr. Polley further stated that the District's policy regarding tap fees has been in place for a long time, and he recommended the Board consider the policy as a whole rather than granting a one-time exception. Director Draper stated that the Board would consider the request at the next Board meeting.

## CONSENT AGENDA

Director Draper then reviewed the items reflected on the Consent Agenda with the Board. Director Draper 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 Cost Sharing Agreement with Meadowhill Regional MUD, Klein ISD and Champion Forest Baptist Church is ready for approval and will become effective as of July 10, 2018, upon Klein ISD's approval. Mr. Polley also requested approval of the following easements and public dedications: 1) Water Meter Easement – 0.0160-acre tract – CC Gosling MF I, LP; 2) Sanitary Sewer Easement – 0.2130-acre tract – OLI Holdings, L.L.C.; 3) Water Meter Easement – 50 square feet – Spring Crossings 1758, LLC; 4) Water Line Easement – 0.3326-acre tract – Champion Forest Baptist Church; 5) Water Line Easement – 0.3634-acre tract – Klein ISD; 6) Sanitary Sewer Easement - 0.3853-acre tract – Educational Foundation, Inc.; 7) Sanitary Sewer Easement – 0.9755-acre tract – Educational Foundation, Inc.; 8) Public Dedication of Storm Sewer Easement – Spring Terrace Section 1 – Restricted Reserve H – 11.606 acres; 9) Public Dedication of Storm Sewer Easement – Spring Terrace Section 4 – Restricted Reserve E – 0.180 acres; 10) Public Dedication of Storm Sewer Easement – Spring Terrace Section 4 – Restricted Reserve C – 2.408 acres. Upon motion by Director Warren, 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 May 15, 2018, and the special meetings of May 8, 2018, June 2, 2018 and June 5, 2018, as written; 2) the Cost Sharing Agreement with Meadowhill Regional MUD, Klein ISD and Champion Forest Baptist Church; 3) Sanitary Sewer System Cleaning & Televising (Maintenance Program) Phase I Pay Estimate No. 1, in the amount of \$25,869.10, to Source Point Solutions, LLC; and 4) the ten easements and public dedications as outlined above.

## REGULAR AGENDA

### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall reviewed the Tax Assessor/Collector's Report for May 2018, a copy of which is attached hereto. Ms. Hall reported that the District has collected 98.2% of its 2017 taxes to date. Upon motion by Director Warren, seconded by Director Schkade, 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. Ms. Hall reported that the Delinquent Tax Attorney is requesting approval to remove account no. 2216155 from the report as uncollectable. Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Delinquent Tax Attorney's Report and authorize removal of account no. 2216155 from the report as uncollectable.

#### 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 \$123,678.47, for the District's share of sales tax revenue for the month of March 2018, in connection with the District's Strategic Partnership Agreement with the City. Upon motion by Director Warren, seconded by Director Crayton, 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. Ms. Nussa then requested a temporary increase of \$0.24 per home to the current recycling rate. Ms. Nussa explained that this increase is due to new stricter regulations on recyclables in China, which has caused a surplus recyclables throughout the United States. Director Warren stated that he is not opposed to the \$0.24 increase, but that he would like to revisit the garbage and recycling rates in six (6) months. Ms. Nussa then stated that Republic will also become stricter on the recycling guidelines and contaminants in recyclable materials. Ms. Nussa also stated that if the recycling rate increase is approved, she will send a contract amendment to RBAP for approval at the next Board meeting. Upon motion by Director Warren, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Garbage and Recycling Collection Service Report and approve a \$0.24 increase per home for recycling service pending approval of an amendment to the District's contract to that effect.

#### REQUESTS FOR SERVICE AND/OR ANNEXATION AND AUTHORIZE PREPARATION OF FEASIBILITY STUDIES, INCLUDING REQUEST FROM TRINITY LUTHERAN CHURCH ("TRINITY") TO UPDATE FEASIBILITY STUDY

Mr. Lee reminded the Board that a feasibility study was previously prepared for Trinity in February 2016 for a 19.36-acre tract along the northern right-of-way of Spring Cypress Road and several hundred yards West of Kuykendahl. Mr. Lee reported that Trinity has requested an

updated feasibility study that does not include a sanitary sewer extension because the tract will not need sanitary sewer service. Mr. Kellerman explained that Trinity is not opposed to having sanitary sewer service, but that Trinity will not need sanitary sewer service for at least 10 years. Mr. Kellerman also stated that he understands that when and if Trinity requires sanitary sewer service, Trinity will have to pay for the sanitary sewer extension costs. Mr. Lee further stated that Trinity still has feasibility deposit money on file with the District which will cover the cost of the updated feasibility study. Upon motion by Director Warren, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the updated feasibility study for Trinity.

#### DIRECTOR'S INSPECTION REPORT

Director Draper then gave the Director's Inspection Report for the month of June, a copy of which is attached hereto. Director Draper reported that the generator at Water Plant No. 2 had an oil leak and Mr. Staab has arranged to have it inspected. Director Draper then reported that there are pump problems at Water Plant No. 3, which Mr. Staab will cover in his report. Director Draper next reported that the radiator is being replaced on the generator at Lift Station No. 5. Upon motion by Director Warren, seconded by Director Crayton, 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 May, a copy of which is attached hereto. Mr. Staab reported that the District currently serves 6,265 active connections. Mr. Staab then reported three (3) accounts had been sent to collections in the amount of \$415.08 and 33 accounts had been terminated due to non-payment. Mr. Staab next reported that a request for a payment plan was received from the resident at 4303 Piney Creek. Mr. Staab stated that he granted a three (3) month payment plan. Mr. Staab also stated that the packing and shaft alignment of the booster pump at Water Plant No. 3 is currently being investigated for issues. Mr. Staab also reported that there is an oil leak on the generator at Water Plant No. 2 that will be inspected tomorrow. Mr. Staab informed the Board that Mueller has completed installation of the version 4 equipment for the Mi.Net System.

Mr. Staab next reported that WDM is changing billing service providers to First Billing Services. Mr. Staab stated that he provided the new contract with First Billing Services to RBAP for review.

Upon motion by Director Warren, seconded by Director Crayton, 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 approve the contract with First Billing Services.

## 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 he expects to receive the renewed TPDES Permit this month. Mr. Lee stated that Jones & Carter is currently preparing a scope of steps that they recommend the District takes to ensure the Wastewater Treatment Plant is able to comply with the required copper limit testing. Mr. Lee next reported that Jones & Carter and WDM have completed the review of influent sampling data. Mr. Lee suggested scheduling a special Board meeting to review the data. Mr. Lee then reviewed the CIP schedule with the Board. Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

## CONSULTANT/BOARD LIAISONS

Mr. Polley then reviewed the list of consultant/Board liaisons with the Board. Mr. Polley stated that Director Crayton will need to be included on the list. Director Warren suggested assigning Director Crayton to the positions previously held by Mr. Adrian Steffes and revisiting the list again next month. Director Draper stated that he would like to take over as the liaison for the constables and operator. Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the updated consultant/Board liaison list.

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

Mr. Polley next reported that the Detention Pond Maintenance Agreement has been prepared and includes everything contained in the term sheet that was previously reviewed and approved by the Board. Mr. Polley also stated that the Detention Pond Maintenance Agreement has not yet been reviewed by Caldwell and Northside. Upon motion by Director Warren, seconded by Director Crayton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Detention Pond Maintenance Agreement, subject to final review of any revisions by Mr. Polley.

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

### CC GOSLING 14.58, L.P. – 1.1708-ACRE TRACT

Mr. Polley stated that Caldwell Companies has recently purchased a 1.1708-acre tract of land that will need to be annexed into the District. Mr. Polley reminded the Board that they previously approved Caldwell Companies to proceed with the annexation process under a previous feasibility study for a 14.583-acre tract right next to the 1.1708-acre tract. Upon motion by Director Crayton, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to authorize execution of the Petition for City Consent to Annex Land and accept the Petition for Annexation and annexation certificates by CC Gosling 14.58, L.P.

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.

ATTORNEY'S REPORT

Mr. Polley next reviewed the Arbitrage Rebate Calculations Reports from Arbitrage Compliance Specialists, Inc. for the Series 2007 and Series 2008 bonds, copies of which are attached hereto. Upon motion by Director Warren, seconded by Director Schkade, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Arbitrage Rebate Calculations Reports.

Ms. Garza then presented and reviewed a memorandum regarding the AT&T/subcontractor damage to District facilities. Ms. Garza requested authorization to send a demand letter to Superior Telecom Services for payment for damages to the District's facilities. 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 preparation of a demand letter to Superior Telecom Services.

Mr. Polley then reported that there are no updates regarding the R&B Group dispute matter, but that he would include an agenda item on an upcoming special meeting agenda.

MISCELLANEOUS MATTERS

Mr. Polley noted the next regular meeting will be held on July 17, 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 17<sup>th</sup> day of July, 2018.



*[Handwritten Signature]*  
Asst. Secretary, Board of Directors