

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

May 14, 2019

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 special 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 14, 2019, at 5:30 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 Schkade, thus constituting a quorum. Director Schkade monitored the meeting by conference call. Also attending the meeting were: Mr. Danny Staab of Water District Management Company, Inc., operators for the District; Mr. Josh Lee, P.E., and Ms. Kendall Longbotham, of Jones & Carter, Inc. ("JCI"), engineers for the District; Mr. Todd Johnson of Caldwell Companies ("Caldwell"); and Mr. Jonathan D. Polley, attorney, and Ms. Alison 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.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF BOND ELECTION ("ORDER CANVASSING RETURNS"); AUTHORIZE PAYMENT TO HARRIS COUNTY FOR JOINT ELECTION COSTS

The Canvassing Board acknowledged an election was held on Saturday, May 4, 2019, regarding whether to authorize the District to issue bonds in the aggregate amount of \$75,000,000. The Canvassing Board then examined the results of the election as submitted by the Presiding Judge as follows:

FOR	34 votes
AGAINST	25 votes

Based on the returns of the election, the Canvassing Board determined the District has been authorized to issue additional bonds in the aggregate amount of \$75,000,000.

Mr. Polley then stated the Board would need to authorize the final payment to Harris County for expenses related to the joint election conducted by Harris County. Mr. Polley noted the final invoice has not yet been received from Harris County.

Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Canvassing Board voted unanimously to: 1) adopt the Order Canvassing, a copy of which is attached hereto; and 2) authorize payment to Harris County for expenses related to the joint election conducted by Harris County.

WATER AND WASTEWATER SERVICE OPTIONS FOR TRACTS ALONG SPRING STUEBNER CORRIDOR

Mr. Polley stated that he met with Directors Draper and Crayton and Mr. Lee regarding the options to provide service along the Spring Stuebner corridor. Mr. Polley further stated that Directors Crayton and Draper asked that the matter be brought to the Board for discussion. Director Crayton stated he believes there is an opportunity to annex property along the north side of Spring Stuebner if the District figures out a solution to provide service to the tracts. Mr. Polley reminded the Board that they had previously approved feasibility studies to provide service to the Caldwell tract and the Northwoods tract that will both require costly lift station improvements.

Mr. Lee then reviewed with the Board, a cost analysis for construction of an interim wastewater treatment plant ("WWTP"), a copy of which is attached hereto. Mr. Lee explained that he has identified a possible site for the proposed WWTP that would allow the WWTP to be expanded to serve the area. Mr. Lee stated the proposed WWTP would require a new Texas Pollutant Discharge Elimination System ("TPDES") permit, which has a lead time of 12-14 months and would cost the District approximately \$50,000. Mr. Lee then stated that he recommends constructing a package plant to start with, which would consist of steel containment basins that would allow the WWTP to grow to accommodate the District's needs. Mr. Lee further stated that a permanent plant would be constructed at some point in the future once the ultimate size and use of the WWTP has been determined. Mr. Lee noted the WWTP would be sized for the first phase of development of .25 million gallons per day, which would be able to serve the Caldwell tract, the Northwoods tract and the Fontenot tract. Mr. Lee stated the cost for the proposed WWTP would be approximately \$1.8 million, plus the lease costs of the package plant, for a total of approximately \$3.7 million. Mr. Lee explained that these costs are in line with the lift station improvements that would be required to serve the Caldwell tract, the Northwoods tract and the Fontenot tract, but the proposed WWTP gives the District the ability to serve other tracts in the area. Director Draper asked if the District would be able to pass any of the costs on to the developers. Mr. Lee suggested moving forward with the TPDES permit process and then the cost sharing for the construction of the proposed WWTP can be negotiated between the District and the developers while the permit is in process. Discussion ensued regarding potential service to the tracts in the area.

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 JCI to apply for the TPDES permit.

Mr. Johnson then requested the District investigate a temporary wastewater service solution so that Caldwell can begin development of their tract. Mr. Polley stated that JCI can research temporary options to serve the Caldwell tract until the proposed WWTP is up and running. Mr. Lee stated he will look into the temporary service options.

TRAIL MASTER PLAN PREPARATION BY TEXAS A&M UNIVERSITY ("TAMU")

Director Crayton stated not many trails or green spaces exist around the District and that he has talked to Mr. Lee regarding construction of jogging trails. Director Crayton next stated that he has approached Harris County Precinct 4 ("Precinct 4") about potentially sharing the cost of trails within the District, but that Precinct 4 will not partner with the District unless the trails are located close to Precinct 4 facilities. Director Crayton explained that if the Board wishes to pursue potentially partnering with Precinct 4 or pursuing grant funding, then a master park plan will be needed to determine where the trails will be located. Director Crayton stated that Mr. Lee suggested approaching the TAMU landscape architecture department about engaging graduate students to prepare the master park plan.

Mr. Lee stated that he has contacted a landscape architecture professor, and if the Board would like to move forward with the preparation of a master park plan, then graduate students will prepare the master park plan as a class project. Mr. Lee noted the master park plan would cost approximately \$30,000 to \$40,000 if the Board would like to move forward with TAMU. Mr. Lee stated that the master park plan can then be used to apply for grants to construct the trails. Mr. Lee further stated that if the Board is interested in moving forward, then the plan scope for the trail network will need to be defined. Director Warren stated he would like to tread lightly on a master park plan because the District is not in the recreation business, but he would be in favor of the trails if the District can secure grant money and not be the only entity financing the trails. The Board concurred to proceed with discussions with TAMU and Mr. Lee stated he would reach out to his contact to obtain the necessary documents to move forward.

BUDGET AMENDMENTS RELATED TO SIDEWALK REPAIRS AND TRAIL CONSTRUCTION

Director Draper stated he would like to include a line item in the District's budget for sidewalk repairs and have a maintenance plan prepared for yearly sidewalk repairs. Director Crayton suggested adding a sidewalk repair item to the District's Capital Improvement Plan ("CIP"), and then partnering with Precinct 4 on any of the repairs that they will assist with. Director Warren stated that a handful of sidewalk repairs could be completed each month, and that the handicap access to the sidewalks is not very good in the older subdivisions. Mr. Polley stated he recommends a line item in the budget for sidewalk repairs rather than a CIP item. Mr. Lee then suggested also adding a line item to the District's budget for sanitary sewer repairs. Mr. Lee stated that he can start prioritizing and tracking the sewer repairs as they are completed. Mr. Polley stated that the Board will need to determine a dollar amount to spend each year on the

repairs. Director Crayton stated he will reach out to Precinct 4 on any of the sidewalk repairs that they will assist with. Mr. Polley stated the Board can approach Precinct 4 regarding the handicap ramps, but that Precinct 4 is not likely to help with any uneven or damaged concrete sidewalk panels. Director Warren then stated that if the Board approves moving forward with sidewalk repairs, that he would like to start with the sidewalks on Temple Bell because flooding occurs when it rains due to the sidewalks being too low. Mr. Polley stated he will include an item on the next agenda to discuss a budget amendment and asked the Board to be thinking about the dollar amount to include in the budget.

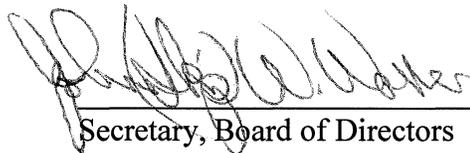
LAW ENFORCEMENT USE OF DISTRICT OPERATIONS AND WATER EDUCATION CENTER (THE "OPERATIONS CENTER")

Mr. Polley next reported that Chief Deputy Donald Steward sent a letter to Director Draper in response to the District's letter regarding Precinct 4's use of the Operations Center. Mr. Polley stated that Chief Deputy Steward's letter states that Precinct 4 is not in a position to commit to using the Operations Center full time. However, Mr. Polley informed the Board that he and Director Draper then met with Captain Jonathan Zitzmann to discuss the matter. Captain Zitzmann said that Precinct 4 will still use the building as a rest stop and location at which to prepare paperwork, but that it will not be used as a full time command center at this time. Mr. Polley stated the Board will need to decide if allowing Precinct 4 part time use of the Operations Center is enough of a benefit to the District, or if the Board would like to seek out other options. Director Warren stated he would like to allow Precinct 4 to use the Operations Center as needed and see if Precinct 4's presence is sufficiently increased in the District and the rest of the Board concurred. Mr. Polley stated he will add an item to the District's annual agenda to revisit the issue discuss the matter in a year.

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

PASSED, APPROVED AND ADOPTED this 21st day of May, 2019.




Secretary, Board of Directors