

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF HARRIS §
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

I, the undersigned Secretary of the Board of Directors (the "Board") of Bridgestone Municipal Utility District (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on the 20th day of September, 2011, at the regular meeting place thereof, and the roll was called of the members of the Board, to-wit:

Adrian E. Steffes	President
Jim Marks	Vice President
Linda D. Theiss	Secretary
Ronald W. Schkade	Assistant Secretary
Skip Warren	Treasurer

All members of the Board were present except the following: NONE, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:


RESOLUTION ADOPTING AN AMENDED DROUGHT CONTINGENCY PLAN

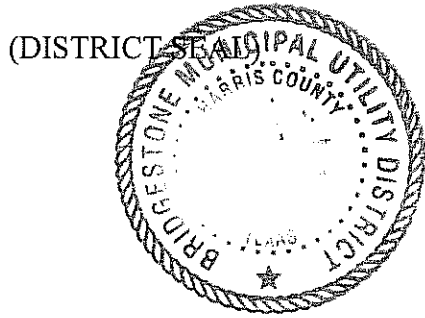
was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 5 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Resolution has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Resolution would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED the 20th day of September, 2011.


Secretary, Board of Directors



RESOLUTION ADOPTING AN AMENDED DROUGHT CONTINGENCY PLAN

STATE OF TEXAS §
COUNTY OF HARRIS §
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

WHEREAS, the Board of Directors (the "Board") recognizes that the amount of water available to the Bridgestone Municipal Utility District (the "District") and its water utility customers is limited and subject to depletion during periods of extended drought;

WHEREAS, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, Section 11.1272 of the Texas Water Code and Chapter 288, Subchapters B and C of the rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to either adopt or amend its drought contingency plans;

WHEREAS, the District is a public water supplier providing water service to 3,300 or more connection;

WHEREAS, as authorized under law, and in the best interests of the customers of the District, the Board deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies; and

WHEREAS, the Board desires to amend the District's Drought Contingency Plan to include language pertaining to the request for and handling of requests for variances to any provision of the Drought Contingency Plan.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BRIDGESTONE MUNICIPAL UTILITY DISTRICT, THAT:

SECTION 1. That the Amended Drought Contingency Plan attached hereto as **Exhibit "A"** and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of the District.

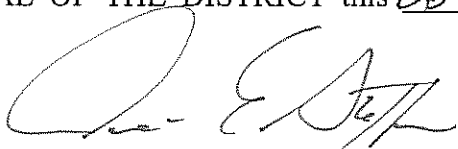
SECTION 2. That a copy of the Amended Drought Contingency Plan will be filed with the Texas Commission on Environmental Quality as soon as is practically possible.

SECTION 3. That the General Manager of the District is hereby directed to implement, administer, and enforce the Amended Drought Contingency Plan.

SECTION 4. That this Resolution shall take effect immediately upon its passage.

(EXECUTION PAGE FOLLOWS)

WITNESS OUR HANDS AND THE SEAL OF THE DISTRICT this 20th day of September, 2011.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

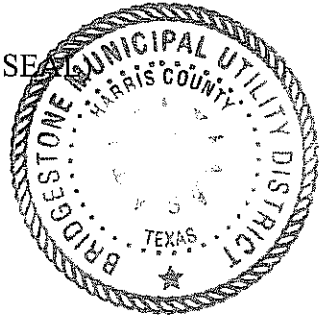


EXHIBIT "A"

**AMENDED DROUGHT CONTINGENCY PLAN
FOR
BRIDGESTONE MUNICIPAL UTILITY DISTRICT**

**AMENDED DROUGHT CONTINGENCY PLAN
BRIDGESTONE MUNICIPAL UTILITY DISTRICT**

September 21, 2011

**ARTICLE I.
DECLARATION OF POLICY, PURPOSE AND INTENT**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the District hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Plan are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section VI of this Plan.

**ARTICLE II.
DEFINITIONS**

SECTION 2.1: DEFINITIONS

- A. The following terms shall have the meaning assigned to them below:
1. "Conservation" means those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.
 2. "Customer" means any person, company, or organization using water supplied by the District.
 3. "Domestic water use" means water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.
 4. "Landscape areas" means areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

5. "Non-essential water use" means water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:
- a. irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
 - b. use of water to wash any motor vehicle, motorbike, boat trailer, airplane or other vehicle;
 - c. use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - d. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - e. flushing gutters or permitting water to run or accumulate in any gutter or street;
 - f. use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
 - g. use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
 - h. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - i. use of water from hydrants for construction purposes or any other purposes other than fire fighting.

ARTICLE III. IMPLEMENTATION

SECTION 3.1: PUBLIC INPUT

Opportunity for the public to provide input into the preparation of the Plan was provided by the District by means of scheduling and providing notice of a public meeting to accept input on the Plan.

The District shall make information available through its public participation program for plumbers and customers to utilize when purchasing and installing plumbing fixtures; lawn watering equipment or water using appliance. Information regarding retrofit devices, such as low flow shower heads or toilet dams, that reduce water used by replacing or modifying existing fixtures or appliances shall be provided.

SECTION 3.2: PUBLIC EDUCATION

The District will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of 1) direct mailing of brochures, water bill inserts or newsletters to water users regarding the District's water conservation program; 2) public meetings and events; and 3) posters or public displays.

SECTION 3.3: COORDINATION WITH REGIONAL WATER PLANNING GROUPS

The service area of the District is located within Region H and the District has provided a copy of this Plan to Region H water planning group.

SECTION 3.4: AUTHORIZATION

The Board is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Board shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

SECTION 3.5: APPLICATION

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the District. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

**ARTICLE IV.
CRITERIA FOR INITIATION AND TERMINATION
OF DROUGHT RESPONSE STAGES**

The Board shall monitor water supply and/or demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on system capacity limits, and the water levels in the District's well.

SECTION 4.1: STAGE 1 TRIGGERS - MODERATE WATER SHORTAGE CONDITIONS

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section V. of this Plan when the average run time for the District's wells are at or above 18 hours for three (3) consecutive days.

B. Requirements for Termination. Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

C. Goal. Achieve a 10 percent reduction in daily water demand.

SECTION 4.2: STAGE 2 TRIGGERS - SEVERE WATER SHORTAGE CONDITIONS.

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan when the average run time for the District's wells are at or above 20 hours for three (3) consecutive days.

B. Requirements for Termination. Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

C. Goal. Achieve a 16 percent reduction in daily water demand.

SECTION 4.3: STAGE 3 TRIGGERS - CRITICAL/EMERGENCY WATER SHORTAGE CONDITIONS

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when the average run time for the District's wells are at or above 22 hours for three (3) consecutive days or when any of the water plant facilities cannot meet the water supply demand.

B. Requirements for Termination. Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

C. Goal. Achieve a 25 percent reduction in daily water demand.

**ARTICLE V.
DROUGHT RESPONSE MEASURES**

SECTION 5.1: IMPLEMENTATION

The Board shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section IV of this plan, shall determine that a moderate, severe, or critical/emergency condition exists and shall implement the following notification procedures.

SECTION 5.2: NOTIFICATION

A. Notification of the Public. The Board shall notify the public by means of any of the following:

1. publication in a newspaper of general circulation;
2. direct mail to each customer;
3. public service announcements; or
4. signs posted in public places.

B. Additional Notification. The Board shall notify directly or cause to be notified directly the following individuals and entities as deemed necessary by the Board of Directors:

1. County Judge & Commissioner(s);
2. TCEQ (required when mandatory restrictions are imposed);

3. Major water users;
4. Critical water users, i.e. hospitals; or
5. Parks/Street Superintendents & public facilities managers.

SECTION 5.3: STAGE 1 RESPONSE - MODERATE WATER SHORTAGE CONDITIONS

A. Supply Management Measures. The District shall reduce the system pressure at the water plant or plants to 55 psi.

B. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

C. 1. Irrigation of landscaped areas, including esplanades, with hose-end sprinklers or automatic or manual irrigation systems shall be limited to Sundays and Thursday for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system. For purposes of this paragraph, esplanade sprinklers shall be deemed to have an odd numbered address.

2. Irrigation of common areas including esplanades, greenbelts and sports fields shall be limited to Mondays and Fridays.

3. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

SECTION 5.4: STAGE 2 RESPONSE - SEVERE WATER SHORTAGE CONDITIONS

A. Voluntary Supply Management Measures. The District shall reduce the system pressure at the water plant or plants to 50 psi.

B. Water Use Restrictions. All requirements of Stage 1 shall remain in effect during Stage 2 except:

1. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

2. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

3. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

4. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.

5. Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the District, the facility shall not be subject to these regulations.

6. All restaurants are prohibited from serving water to its patrons except when requested.

7. The following uses of water are defined as non-essential and are prohibited:

a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

b. use of water to wash down buildings or structures for purposes other than immediate fire protection;

c. use of water for dust control;

d. flushing gutters or permitting water to run or accumulate in any gutter or street; and

e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

SECTION 5.5: STAGE 3 RESPONSE - CRITICAL/EMERGENCY WATER SHORTAGE CONDITIONS

A. Voluntary Supply Management Measures. The District shall reduce the system pressure at the water plant or plants to 45 psi.

B. Water Use Restrictions. All requirements of Stage 1 and 2 shall remain in effect during Stage 3 except:

1. Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

2. The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.

3. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

SECTION 5.6: IMPLEMENTATION

Without limitation to specific actions stated in this Plan to be taken by the District's operator, the District's operator will administer and enforce this Plan, and will oversee and be responsible for the execution and implementation of all elements of this Plan. The operator shall keep adequate records for plan verification. The District's operator shall report to the Board, at meetings of the Board, regarding actions taken and which need to be taken under this Plan. Without limiting the foregoing, the District's operator shall advise the President of the Board (or if the President is unavailable to receive notification, another member of the Board) as soon as reasonably practical when conditions require implementation of particular stages of this Plan.

ARTICLE VI. ENFORCEMENT & PENALTIES

SECTION 6.1: PENALTIES

The following penalties shall apply to any customer violating the terms of this Plan:

A. First Violation. Any customer who violates this Plan shall receive written notification of such violation, which notice shall set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Drought Response Measures then in effect, and (iv) the penalties applicable for any further violations of this Plan; provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth in Subsection B below, may, in the discretion of the Board, be imposed.

B. Subsequent Violations.

1. Monetary Penalties for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then, the Board of the District may impose a penalty pursuant to the provisions of the District's Rate Order regarding penalties for violations. Each day that a breach of any provision of this Plan continues shall be considered a separate violation. This penalty shall be in addition to any other legal rights and remedies of the District as may be allowed by law.

2. Disconnection for Noncompliance. If any person or entity violates any provision of this Plan more than two (2) times (which violation shall constitute an unauthorized use of District services and/or facilities), then in addition to any other remedies, penalties, sanctions and enforcement procedures provided for herein, the District shall have the right to terminate water service to such person or entity after notice and any other procedural requirements in the District's Rate Order are satisfied.

3. Payment of Expenses. Any person or entity that violates any provision of this Plan shall reimburse the District for any and all expenses incurred by the District, including reasonable attorneys' fees, in enforcing the terms of this Plan.

SECTION 6.2: REMEDIES CUMULATIVE

All rights, remedies, sanctions, penalties and enforcement procedures provided for in this Plan are cumulative. In addition, the District shall have and may exercise and enforce any and all rights and remedies provided by law or in equity.

ARTICLE VII. VARIANCES

If an entity or individual desires to obtain a variance to any provision of this Drought Contingency Plan, a written request must be submitted to the District's General Manager. Each variance will be reviewed and acted upon by the Board of the District on a case-by-case basis; however, the General Manager may take interim action on a variance request prior to the next scheduled meeting of the Board, as may be appropriate and necessary.

(EXECUTION PAGE FOLLOWS)

ADOPTED the 20th day of September, 2011.

/s/ Adrian E. Steffes
President, Board of Directors

ATTEST:

/s/ Linda Theiss
Secretary, Board of Directors

(SEAL)