

2008-6  
MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
June 10, 2008

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, June 10, 2008, at 7:00 p.m.; whereupon, 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 Director Schkade, thus constituting a quorum. However, Director Schkade monitored the meeting by conference call. Also attending the meeting was Mr. Gene Conner, General Manager 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.

MISCELLANEOUS MATTERS

The Board first reviewed ideas for the proposed beautification of the District's fences around the lift stations and Water Plant sites. After considering the cost for the installation of brick or stone corner and line posts, the Board decided to table further discussion on the matter until construction of the elevated storage tank is near completion, and then revisit the topic and consider landscaping and other beautification measures around the District.

The Board next considered changing the key pads at the Sewage Treatment Plant ("STP") to key pads that can be programmed for individual pass codes to be used in conjunction with data logging software to record the individuals' entry and exit times at the STP. It was determined that proposals for a new key pad system would be presented to the Board as soon as the scope of work can be estimated by each vendor. No action on this matter was taken.

## DISCUSSION REGARDING CONSULTANT CONTRACTS

The Board then reviewed the District's list of consultant and service provider contracts. Copies of the contracts reviewed are attached hereto. The Board was updated on the dates of renewal for each of the professional consultants. Next, the service providers were reviewed with comparable rates for those contractors providing sludge hauling services. Director Marks requested, and the other Directors concurred, that each of the District's professional consultants is to provide a written statement to the Board and Mr. Conner outlining the services that they have provided to the District over the last year and stating specifically what they feel that they have contributed to the success of the District. Specifically, the Board is interested in key projects or tasks that the professional has provided that went beyond the call of duty and for which they are especially pleased with the outcome. Each professional is also to address specific areas of concern or displeasure that they have with the District and its operations and/or management. The Board requested that each professional be specific in outlining such concerns.

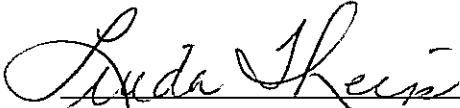
The Board next reviewed the Agreement for General Management Services and asked Mr. Conner to address items that were of particular importance that he had been instrumental in bringing about on behalf of the District. Mr. Conner was also asked about specific issues or concerns he had with the way the District is being operated and/or managed. Mr. Conner responded that he was pleased with the following: 1) that the District had refocused its growth from primarily residential development to more proactive commercial development; 2) that the District had restricted its expansion to areas that could be served with expansion of its existing water system and without the addition of new wastewater treatment plants or new water wells; 3) that the tax rate has been maintained at a stable level to insure that the District can service its present and future debt, and 4) that the size of the District has been doubled without experiencing a corresponding increase in operations costs. Mr. Conner next focused on the thing that is most displeasing about the management of the District. Specifically, Mr. Conner stated that the Board meetings are not conducted in an orderly manner, which allows numerous side discussions to take place, resulting in confusion for all of the Board and consultants, as well as developers and other attendees at the meeting. Mr. Conner stated that this disorder results in the inability to hear clearly and completely understand all the discussions presented to the Board. Mr. Conner added that this confusion is occasionally reflected in differing opinions and/or understandings of what should be reflected in the minutes of the meetings.

The Board accepted Mr. Conner's review and comments and stated that they concur with Mr. Conner regarding the method in which the Board meetings are conducted. The Board generally agreed that they would like for each of the consultants to: 1) send their written reports, either by email or regular mail, well in advance of the Board meeting date and, ideally, mid-week of the week prior to the Board meeting; 2) attend the meeting to answer any questions from the Board, but not make an oral presentation except for those items that are not covered in their written report; 3) submit all items that are to be presented at the Board meeting for a vote by the Board no later than the Friday preceding the Board meeting date, so that it can be distributed to the Board and Mr. Conner for review and consideration.

The Board took no action nor voted on any issues at the meeting.

There being no further business to come before the Board, the meeting was adjourned at 9:20 p.m.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of July, 2008.

  
Secretary, Board of Directors

