

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
May 26, 2009

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 26, 2009, 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. Director Schkade monitored the meeting by conference call. Also attending the meeting were: Mr. Gene Conner, General Manager for the District; Messrs. David Rowe and Danny Staab of Water District Management Company, Inc. ("WDM"), operators for the District; Mr. William L. Black, P.E. of Environmental Professionals, Inc. and manufacturer's representative for In-Pipe Technology Company LLC ("In-Pipe"); and Mr. Jonathan D. Polley of Johnson Radcliffe Petrov & Bobbitt PLLC ("Johnson Radcliffe").

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.

REVIEW AND APPROVAL OF SUPPLEMENTAL REPORT ON APPLYING
AGREED-UPON PROCEDURES (THE "AUP") FOR THE REIMBURSEMENT TO
D. R. HORTON – TEXAS LTD ("D. R. HORTON")

Mr. Polley briefly reviewed the AUP prepared by McCall, Gibson & Company, PLLC prepared in connection with reimbursement in the amount of \$213,014.55 to D. R. Horton for its share of drainage and detention facilities to serve the Bella Sera and Spring Terrace developments. A copy of the AUP is attached hereto. Upon motion by Director Theiss, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the AUP and authorize reimbursement of \$213,014.55 to D. R. Horton.

ADOPT RESOLUTION AUTHORIZING THE PRESIDENT TO REQUEST AN ESTIMATED APPRAISAL OF PROPERTY FROM HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

Mr. Polley distributed copies of a Resolution Authorizing the President to Request an Estimated Appraisal of Property from HCAD, a copy of which is attached hereto, and noted that in connection with future bond issues, the District will need to request estimates of appraised value from HCAD. Mr. Polley noted that authorizing the President to make and execute such requests outside of a Board meeting would speed up the process. Mr. Polley also noted that Johnson Radcliffe had prepared a Resolution Requesting HCAD for an Estimated Appraisal of Property as of June 1, 2009, a copy of which is attached hereto. Upon motion by Director Theiss, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to adopt and authorize both resolutions.

REVIEW PROPOSAL FROM IN-PIPE

Mr. Black introduced himself as an environmental engineer and reviewed his past experience and career concerning sanitary sewer system bacteria and odor issues. Mr. Black then explained that bacterial augmentation of the sanitary collection system and the Sewage Treatment Plant (the "STP") actually turns the entire sanitary sewer collection system into part of the treatment process by preventing hydrogen-sulfide from forming and, therefore, preventing odors. Mr. Black noted that he is on the Board of Directors of Northampton Municipal Utility District ("Northampton MUD"), and that they began using the process in April 2007. Mr. Black stated that Northampton MUD has saved approximately \$20,000 to \$25,000 per year in operating costs, sludge hauls and utility costs. The Board reviewed a proposal and contract reflecting a monthly treatment and service charge of \$7,000, a copy of which is attached hereto. Mr. Black recommended that the District "kick-start" their sanitary sewer system with five (5) gallons of bacteria to bring the sanitary sewer system back into compliance. Mr. Black stated that the District has a potential of saving significant money that could exceed the cost of the bacterial augmentation process. Following a lengthy discussion, the Board concurred to defer this matter and discuss it at the June 2, 2009 special meeting.

Mr. Black thanked the Board and exited the meeting at 8:30 p.m.

REVIEW, DISCUSS AND APPROVE OPTIONS AND COST ESTIMATES FOR REPAIR/REPLACEMENT OF STP BLOWERS

Mr. Conner reported that STP Blower Nos. 2 and 4 are down. Mr. Conner stated that he had notified the District's insurance company regarding the blower failures and expects a claims adjuster next week. Mr. Conner noted that there will be a \$5,000 deductible on each blower. Mr. Conner then reported that the estimate to repair/rebuild STP Blower Nos. 2 and 4 is approximately \$10,822 each, compared to a cost of approximately \$15,000 to replace the blowers. Mr. Conner next reported that the District is currently operating STP Blower Nos. 1, 3 and 5 and a rental blower (twice the size of the other blowers) as a standby blower. Mr. Conner stated that the cost of one (1) rental blower is \$24,000 per year. Mr. Conner asked the Board to decide whether they want to rent a blower or repair/rebuild STP Blower Nos. 2 and 4 to use until the STP expansion project is complete. Upon motion by Director Marks, seconded by Director Warren, after full discussion and the question being put to the Board, the

Board voted unanimously to authorize repairs to STP Blower Nos. 2 and 4, and to authorize the rental of a 125-horsepower blower until the repairs are completed.

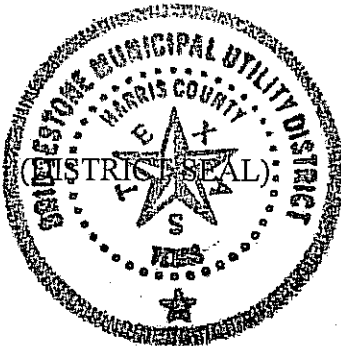
REVIEW ELECTRONIC PAYMENT OPTION AGREEMENTS FROM AVR, INC. ("AVR")
CONCERNING CUSTOMER BILL PAYMENT SERVICES

Mr. Polley reported that WDM is set up to offer electronic payment options with AVR. Mr. Rowe reviewed the three (3) agreements, copies of which are attached hereto. Upon motion by Director Marks, seconded by Director Theiss, after full discussion and the question being put to the Board, the Board voted unanimously to approve the agreements and authorize execution of same. Mr. Polley noted that this item will need to be ratified at the June 2, 2009 special meeting.

Director Steffes stated that he would prepare a President's Message to be printed on the 2008 Consumer Confidence Report for the Board's review and approval at the June 2, 2009 special meeting and requested an agenda item to discuss it.

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

PASSED, APPROVED AND ADOPTED this 21st day of July, 2009.




Secretary, Board of Directors