

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

September 13, 2011

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, September 13, 2011, at 6:00 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; Ms. Juanita Orsak, Land Development Manager of D.R. Horton-Texas Ltd., builder in The Sanctuary Veritas subdivision ("The Sanctuary"); Mr. Steve Gryscska of Water Utility Services, Inc. ("WUS"); Mr. Erich Peterson, P.E. of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Mr. Danny Staab of Water District Management, operators for the District; and Mr. Jonathan D. Polley of Johnson Radcliffe Petrov & Bobbitt 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.

DISCUSS ODOR NEAR THE WASTEWATER TREATMENT PLANT

Ms. Orsak addressed the Board and stated that she wished to discuss the problem of the odor at the Wastewater Treatment Plant (the "WWTP") with the Board. Ms. Orsak stated that the odor was extremely strong in The Sanctuary and noted that it could adversely affect home sales. Mr. Gryscska responded that WUS had been monitoring the effects of Thioguard (a magnesium hydroxide chemical) on the District's sanitary sewer system to abate the odor. Mr. Gryscska stated that 80 gallons per day of Thioguard has proven to control the odors. Mr. Gryscska estimated that it would cost \$58,000 per year for that amount of Thioguard. Mr. Gryscska noted that Thioguard would also reduce the amount of corrosion of the sanitary

sewer system pipes. Mr. Gryscka reported that Thioguard will not eliminate all of the odor problem, but will control it.

Director Marks then commented that he did not know where the District would get the money for the Thioguard treatment. Director Marks stated that the District is paying so much to the North Harris County Regional Water Authority for surface water and he cannot see paying \$58,000 each year on Thioguard.

Director Steffes responded that he did not think the cost for odor abatement was an issue. Director Steffes pointed out that the District recently paid over \$1 million to replace and several hundred thousand dollars to rehabilitate wastewater lines. Director Steffes noted that there had been plans to replace additional wastewater lines, but it was not necessary since they were in satisfactory condition. Director Steffes further stated that the District receives a lot of sales tax revenues from the commercial development at the corner of Kuykendahl Road and FM 2920 and it is the District's responsibility to protect and maintain the sanitary sewer system. Director Theiss commented that she believes the hot and dry weather has had a lot to do with the increased odors. Director Warren then stated that the Board has been given the results of the odor abatement testing and they need to study the results and discuss the matter further at the September 20th meeting.

Mr. Gryscka and Ms. Orsak then exited the meeting at 7:00 p.m.

REVIEW AND DISCUSS CENTERPOINT ENERGY'S PROPOSED ROUTING OF AN ELECTRIC TRANSMISSION LINE THROUGH NORTHERN HARRIS COUNTY AND SOUTHERN MONTGOMERY COUNTY

The Board next reviewed a letter from CenterPoint Energy, dated August 15, 2011, inviting the residents of the District to an "open house style" public meeting on Tuesday, September 6, 2011, from 5:00 p.m. to 8:00 p.m., at the Klein United Methodist Church located at 5920 FM 2920, Spring, Texas 77388, to review information about the line routing and alternate substation sites for a transmission line in northern Harris and southern Montgomery Counties. A copy of the letter is attached hereto. Director Steffes noted that he and Director Marks attended the meeting and that he did not think the District would be significantly impacted by the proposal.

DISCUSS POTENTIAL INTERCONNECT WITH BILMA PUBLIC UTILITY DISTRICT ("BILMA")

Mr. Peterson reported that the Board had received a request from the Bilma Board to determine if they were interested in sharing the cost for the construction of an emergency water supply interconnect with Bilma. Upon motion by Director Warren, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted three (3) in favor, with Director Theiss abstaining, to authorize Jones & Carter to prepare a preliminary cost estimate for the potential interconnect with Bilma.


REVIEW AND DISCUSS STATUS OF PROPERTY ACQUISITIONS FOR THE DISTRICT'S LOWER BONDS GULLY DRAINAGE PROJECT

Mr. Polley then briefly reviewed the status of the acquisition of the drainage easements for Lower Bonds Gully. Mr. Polley informed the Board that the District now owned two (2) of the three (3) tracts required for this project. Mr. Polley noted that his office is still negotiating with Mr. Tom Manis to acquire the third (3rd) tract.

Upon motion by Director Marks, seconded by Director Warren, after full discussion and the question being put to the Board, the Board directed Mr. Polley to send a letter to Mr. Manis restating the District's offer and demanding a response by October 4, 2011.

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

PASSED, APPROVED AND ADOPTED this 18th day of October, 2011.


Secretary, Board of Directors

