

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
June 1, 2010

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 1, 2010, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

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| 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. Erich Peterson, P.E. and Josh Lee of Jones & Carter, Inc., engineers for the District; and Ms. Robin S. Bobbitt 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 EXCHANGE OF EXISTING 400-KILOWATT ("kW") GENERATOR FOR A MOBILE 80-kW GENERATOR

Mr. Conner reported that Neil Technical Services Corporation ("NTS"), the electrical subcontractor for the Wastewater Treatment Plant (the "WWTP") expansion project, had offered to exchange the old 400-kW generator at the District's WWTP for a mobile 80-kW generator. Mr. Conner further reported that the entity that was going to use the District's old generator is no longer interested in the equipment, and NTS does not have a location at which to store the 400-kW generator. Mr. Conner further explained that he did not recommend mounting the old generator on a mobile trailer, because it would take a full day to move it and another day to connect it during an emergency situation. Director Warren then asked what it would cost to purchase a new mobile generator unit. Mr. Conner responded that Mr. David Rowe of Water District Management Company, Inc. ("WDM"), operators for the District, had recently priced an 80-kW unit for another district at a cost of \$40,000. Director Marks then stated that in his opinion, if it would take two (2) days to get the 400-kW unit moved and running, it would not be

of much benefit to the District during a power outage. Director Steffes further stated that it would not take two (2) days to get a mobile 80-kW unit connected and running. Mr. Conner explained that the mobile 80-kW generator could operate one (1) pump at the WWTP and the lift stations, but could not operate the water well pumps and booster pumps. Director Steffes asked if the quick-connects at all of the District's facilities are standardized. Mr. Conner responded that there are no quick-connects installed at any of the District's facilities. Mr. Conner further explained that he had been waiting to see how the Board decided to move forward before proceeding with installation of quick-connects at each of the District's facilities. Director Steffes stated that the District should immediately proceed with getting standardized quick-connects installed. Mr. Conner stated that he would obtain quick-connect cost estimates for the Board's review at the June 15th meeting.

REVIEW AND DISCUSS PROPOSED FIRST AMENDMENT TO THE GROUNDWATER TRANSFER AGREEMENT – BUYER (THE "FIRST AMENDMENT") WITH THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "NHCRWA")

Director Steffes then explained that the proposed First Amendment would: 1) allow the District to purchase surface water from the NHCRWA on an ongoing basis to compliment the District's water production capabilities; 2) add another delivery point at the District's elevated storage tank (the "EST") site; and 3) formalize relevant issues detailed in the Joint Cooperative Agreement, previously approved by the Board on November 21, 2006, concerning the booster pump station which is to be used in consort with the EST. Director Steffes further noted that with the Board's approval of the First Amendment, the NHCRWA will allow the District to receive a depreciated asset credit totaling \$0.38/1,000 gallons (comprised of \$0.34 credit for the EST and \$0.04 credit for maintenance and operation costs of the pump station). Director Marks then inquired whether other districts are receiving depreciated asset credits. Ms. Bobbitt responded that the NHCRWA has done away with allowing depreciated credits, with the exception of the chloramine disinfection systems being installed by the districts located in the 2010 surface water conversion area.

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 approve and authorize execution of the First Amendment, a copy of which is attached hereto.

Mr. Conner noted that the District may start taking surface water from the NHCRWA as early as tomorrow.

MISCELLANEOUS MATTERS

Mr. Conner then briefly updated the Board regarding surface water issues recently experienced by Bilma Public Utility District. Mr. Conner noted that WDM has been testing the District's chloramine disinfection system since December 2009, and has been closely monitoring the District's water system for many months in preparation for the District's conversion to surface water.

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

PASSED, APPROVED AND ADOPTED this 17th day of August, 2010.


Secretary, Board of Directors

(DISTRICT SEAL)

