

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

April 3, 2012

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, April 3, 2012, 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; Mr. Brad Dill of BD Realty Advisors, L.L.C., on behalf of Mr. Paul Pease, owner of The Body Shop located at Kuykendahl Road, south of Spring Cypress Road; Messrs. Erich Peterson, P.E. and Joshua Lee, P.E. of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Mr. David Rowe of Water District Management Company, Inc. ("WDM"), operators for the District; Mr. Stephan Selinidis of Harrison, Bettis, Staff, McFarland & Weems, LLP; and Mr. Jonathan D. Polley of Johnson Radcliffe Petrov & Bobbitt PLLC, attorneys for the District. A copy of the sign-in sheet for those in attendance at the meeting is attached hereto.

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.

CONSIDER PROPOSED EXTENSION OF DISTRICT FACILITIES ALONG WEST SIDE OF KUYKENDAHL ROAD AND SOUTH OF SPRING CYPRESS ROAD

Mr. Peterson reported that Jones & Carter had been asked at the regular March 20th meeting to prepare calculations for the extension of water and sanitary sewer facilities to serve The Body Shop automotive body works tract and The Trailer Man tract, both of which are located on Kuykendahl Road. Mr. Peterson then distributed copies of the Preliminary Cost Estimate for Construction of Sewer and Water Extension to Proposed 38-Acre Development

prepared by Jones & Carter for the Board's review, a copy of which is attached hereto. Mr. Peterson explained that Jones & Carter had updated the feasibility study that was prepared in June of 2010 for The Trailer Man property, which is adjacent to The Body Shop. Mr. Peterson reported that it would cost \$1,181,000 to extend the District's facilities to the two (2) tracts.

Director Steffes then entered the meeting at 6:10 p.m.

Director Marks stated that the Board really needs to consider extending the water and sanitary sewer lines to these properties since the owners have been paying ad valorem taxes to the District for years without the benefit of receiving utility service from the District. Director Marks inquired what it would cost to connect the two (2) tracts to the extended facilities. Mr. Peterson responded that they would each pay a percentage of the cost of the project based on current usage. Director Steffes then asked Mr. Dill what was the chance that Bilma Public Utility District ("Bilma") would allow temporary sanitary sewer service to the tracts. Mr. Dill reported that he has not approached Bilma yet and added that he thought it would be better for this Board to approach Bilma. Director Steffes responded that Mr. Dill should contact Director John Chamberlain of the Bilma Board. Mr. Dill stated that he would talk to Director Chamberlain. Mr. Dill then noted that other tracts located on that portion of Kuykendahl Road may be interested in participating to offset the cost for the extension of the utilities.

Mr. Dill thanked the Board and exited the meeting at 6:40 p.m.

REVIEW AND DISCUSS ENGINEER'S ANNUAL WATER PLANT INSPECTION REPORT, PRELIMINARY COST ESTIMATE FOR CONSTRUCTION OF WATER PLANT IMPROVEMENTS AND PRELIMINARY COST ESTIMATE FOR WASTEWATER TREATMENT PLANT ("WWTP") AND LIFT STATION REHABILITATIONS

Mr. Peterson noted that this item was deferred at the March 20th meeting due to Mr. Conner's absence. Mr. Peterson then reported that the focus for tonight is to 1) determine the scope of work and, 2) whether to move forward with the previously obtained bid for the WWTP rehabilitation. A discussion ensued regarding whether to proceed with all of the items recommended by Jones & Carter or whether various components can be removed from the list and addressed at a future date. Mr. Conner briefly discussed the immediacy for repairs to the hydro pneumatic tanks and ground storage tanks. Director Steffes commented that he only identified a few items that could be delayed to a future date and asked if the funding for these projects had already been included in the District's Capital Improvement Plan. Mr. Conner responded in the affirmative.

Director Schkade stated that he would further review the cost estimates and be prepared to make recommendations at the Board's April 17th meeting.

Mr. Conner was asked to email Jones & Carter's report and cost estimates to the Board.

RATIFY AUTHORIZING WDM TO FINALIZE AND FILE THE ASSOCIATION OF WATER DIRECTORS ("AWBD") WATER SMART APPLICATION

Upon motion by Director Warren, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to ratify authorizing WDM to finalize and file the AWBD Water Smart Application.

AUTHORIZE EXECUTION OF SANITARY SEWER EASEMENTS TO SERVE THE CHILDREN'S UNIVERSE OF SPRING KLEIN ("CHILDREN'S UNIVERSE")

Upon motion by Director Warren, seconded by Director Theiss, after full discussion and the question being put to the Board, the Board voted unanimously to accept and authorize execution documents conveying two (2) sanitary sewer easements to the District in connection with extending utilities to serve Children's Universe.

REVIEW BID TABULATION AND AWARD CONTRACT FOR CONSTRUCTION OF WATER WELL NO. 4 REWORK PROJECT (THE "PROJECT")

Mr. Peterson then reported that three (3) bids were received for the Project on March 6, 2012. Mr. Peterson stated that the base bids ranged from \$219,851.00 to \$261,047.00 and recommended that the Project be award to the low bidder, Weisinger Inc. Mr. Peterson noted that the contractors also were asked to include a supplementary bid to cover unanticipated complications that might arise during the construction period. A copy of the bid tabulation is attached hereto. Upon motion by Director Warren, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to award the contract for construction of the project to Weisinger Inc. in the base bid amount of \$219,851.00.

EXECUTIVE SESSION

Director Steffes then adjourned the regular meeting at 8:00 p.m. and announced that the Board would convene in executive session pursuant to Section 551.071, Texas Government Code, as amended, to consult with the District's attorney regarding attorney-client privileged matters and pending or contemplated litigation. The persons present in the executive session were: Directors Steffes, Marks, Theiss and Warren; Messrs. Conner, Peterson, Lee, Selinidis and Polley. Director Schkade monitored the meeting by conference call.

RECONVENE IN OPEN SESSION

Director Steffes then reconvened the meeting in open session at 8:32 p.m., at which time the Board took the follow action: Upon motion by Director Theiss, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Director Steffes to testify on behalf of the District in connection with the discovery requests received in relation to Cause No. 2011-53723; Bridgestone Lakes Community Improvement Association, Inc. vs. Bridgestone Lakes Development Company, Inc., et al.; In the 152nd Judicial District Court of Harris County, Texas.

MISCELLANEOUS MATTERS

Mr. Polley then stated that the next regular meeting of the Board is scheduled for Tuesday, April 17, 2012, at 6:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 19th day of June, 2012.


Secretary, Board of Directors

(DISTRICT SEALS)

