

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

April 29, 2014

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 29, 2014, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jim Marks	President
Adrian E. Steffes	Vice President
John "Skip" W. Warren	Secretary
Ronald W. Schkade	Assistant Secretary
Mikuel K. Draper	Director

All members of the Board were present, except Director Schkade, thus constituting a quorum. Director Schkade was connected via conference call. Also attending the meeting were: Messrs. Erich Peterson, P.E., and Joshua Lee, P.E., of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; and Messrs. David Rowe and Danny Staab of Water District Management Company, Inc. ("WDM").

WHEREUPON, the meeting was called to order by Director Marks and evidence was presented that public notice of the meeting had been given in compliance with the law.

REVIEW AND DISCUSS THE DISTRICT'S FIVE (5) YEAR CAPITAL IMPROVEMENT PLAN ("2014-2018 CIP")

Mr. Lee then reviewed with the board the updated CIP 2014-2018 and the Summary of the District's 2014 CIP, copies of which are attached as exhibits. Upon motion duly made and seconded, after full discussion and the question being put to the Board, the Board voted unanimously to approve the 2014-2018 CIP.

Mr. Lee next reviewed the 2014 Lift Station Inspections Report, the 2014 Wastewater Treatment Plant (the "WWTP") Inspection Report and the Water Plant Efficiency Analysis, copies of which are attached hereto. Mr. Lee reported that the preliminary construction cost estimate for the Lift Station Rehabilitation Project was \$933,000. Upon motion duly made and seconded, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Lift Station Inspections Report and authorized Jones & Carter to design the Lift Station Rehabilitation Project, in accordance with the Lift Station Inspections Report and CIP.

Concerning the WWTP Inspection Report resulting from the mechanical and electrical inspections conducted at the WWTP, Mr. Lee reported that the preliminary construction cost estimate for the proposed WWTP Rehabilitation Project was \$244,000. Upon motion duly made and seconded, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Jones & Carter to design the WWTP Rehabilitation Project in accordance with the inspection report and CIP and to authorize Jones & Carter to bid the WWTP Rehabilitation Project at the same time as the Decanter Centrifuge Project.

Mr. Lee then recommended that the Board authorize Jones & Carter to proceed with the design of the Water Plant Nos. 1 and 2 Motor Control Center Replacement Project and the Water Plant No. 2 Motor Control Center Building Modification Project. Mr. Lee noted that these projects were included in the 2015 CIP. Upon motion duly made and seconded, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Jones & Carter to proceed with the design of the Water Plant Nos. 1 and 2 Motor Control Center Replacement and the Water Plant No. 2 Motor Control Center Building Modification Project in accordance with the District's CIP.

The Board then requested that special quarterly meetings be scheduled to review and discuss the District's CIP.

#### REVIEW AND DISCUSS MI.NET AMI SYSTEM PROPOSAL FROM MUELLER SYSTEMS AND THE PLAN FOR FUNDING AND IMPLEMENTATION OF THE SYSTEM WITHIN THE DISTRICT

The Board then reviewed and discussed the Sales Quotation received from Mueller Systems in the amount of \$1,134,044.60 for the installation of the Mi.Net AMI System; a copy of the Sales Quotation is attached hereto. Mr. Staab noted that the cost estimate included a one-time credit of \$32 per meter for the replacement of the existing 5/8-inch Elster meters in the District. Mr. Staab then handed out a breakout reflecting Mr. Staab's estimate of costs to convert each subdivision in the District to the Mi.Net system, a copy of which is attached hereto. A discussion ensued regarding the source of funding of the Mi.Net system. Director Warren was in favor of paying for the conversion over two (2) years. Mr. Lee recommended that the project be budgeted in the District's 2014-2018 CIP and paid from operating funds.

Further discussion ensued. Mr. Rowe informed the Board that Harris County Municipal Utility District No. 280 ("HC 280"), another client of WDM, is converting to the Mi.Net System. The Board then concurred that they would postpone the purchase of equipment from Mueller Systems for the time being and asked Mr. Rowe to report back to the Board as to how the HC 280 conversion had progressed.

#### DISCUSS CONSTRUCTION INSPECTION SERVICES FOR FUTURE CONSTRUCTION PROJECTS

The Board then deferred discussion on inspection services until a future meeting.

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

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of July, 2014.

(DISTRICT SEAL)



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Secretary, Board of Directors