

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

September 2, 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, September 2, 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 monitored the meeting 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; Mr. Danny Staab of Water District Management Company, Inc., operators for the District; Lieutenant ("Lt.") David Mayes of the Harris County Precinct 4 Constable's Office; and Mr. Jonathan D. Polley, attorney, and Ms. Brooke T. Dold, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP), 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 REQUEST FROM MEADOWHILL REGIONAL MUNICIPAL UTILITY DISTRICT ("MRMUD") FOR STORM SEWER OUTFALL INTO UPPER BONDS GULLY

Mr. Lee reminded the Board that Mr. Teague Harris, P.E., of IDS Engineering Group, engineers for MRMUD attended the August 19th Board meeting to ask permission to discharge storm sewer outfall into Upper Bonds Gully for the proposed Medistar Corporation ("Medistar") development consisting of 24.98 acres on the north side of FM 2920 adjacent to the District. Mr. Lee noted that the Medistar development will consist of 50% multi-family and 50% single family residences. Mr. Lee then reviewed the Summary of Bonds Gully Pro-Rations prepared by Jones & Carter in 2009 and updated for tonight's special meeting, a copy of which is attached hereto. Mr. Lee pointed out that MRMUD had been expected to pay 43% of the Bonds Gully Improvements (\$1,485,172.78), but did not participate in the improvements project. A

discussion ensued regarding the history of the developers' negotiations regarding the Bonds Gully Improvements costs.

Mr. Polley then advised the Board that the District has no obligation to grant the request from MRMUD. Director Steffes stated that he was not interested in helping MRMUD. Director Draper then asked where the Medistar tract will drain if the Board denies the request. Mr. Lee responded that the Medistar tract will need to construct a larger detention facility onsite and decrease the number of buildings. Mr. Peterson explained that the chain of detention ponds in the Bridgestone Lakes development is connected by restrictor pipes that regulate the amount of storm sewer flow. Director Steffes then stated that the Board's obligation is to the District's taxpayers and granting this proposal would not be to the District's advantage.

Mr. Peterson then noted that when the one (1) year turf establishment agreement with Harris County (the "County") ends and the County takes Bonds Gully over for maintenance, the County will make decisions regarding drainage into Bonds Gully and the District would still not receive money from MRMUD. The Board concurred that it may desire to delay turning over maintenance of Bonds Gully to the County to preserve the District's ability to use the additional capacity therein to facilitate development within the District.

Upon motion by Director Steffes, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to grant MRMUD's request to permit the storm sewer flow from the Medistar tract into Bonds Gully subject to receipt of MRMUD's \$1.485 million share for the improvements to same.

CONSIDER PROPOSED EXTENSION OF AGREEMENT FOR RECYCLING COLLECTION SERVICES FROM RESIDENTIAL RECYCLING OF TEXAS, INC. ("RRT")

Mr. Polley then stated that Mr. Jerrell Wolff attend the August 19th meeting and offered to extend his current rate of \$2.10 per connection for either three (3) years or five (5) years, a copy of which offer letter is attached hereto. Mr. Polley also noted that the District's Solid Waste Collection Agreement with Republic Services of Houston ("Republic") expires December 31, 2014. Mr. Polley stated that if the Board wants to solicit proposals for garbage collection and recycling collection services, the process must begin immediately.

Director Warren stated that he did not want RRT to submit a proposal after their failure to disclose Mr. Gene Conner's investment in RRT. Director Steffes then responded that he was not going to argue over Director Warren's statement and added that Director Warren is looking at the wrong person to blame. Director Steffes stated that the Board had decided to honor the RRT agreement if Mr. Wolff severed his relationship with Mr. Conner, which he did. Director Warren then stated that he does not like paying for recycling. Director Marks responded that he does not want recycling, but 99% of the District's customers on his street do recycle. Mr. Staab then noted that 3,600 accounts participate in the District's recycling program.

Upon motion by Director Warren, seconded by Director Draper, after full discussion and the question being put to the Board, the Board voted unanimously to authorize RBAP to solicit bids for garbage collection and recycling collection services for the Board's review in October. Mr. Polley stated that he will request that the providers submit three (3) bids as follows: one (1) for garbage collection services only; a second for recycling collection services only; and third for

both garbage and recycling collection services. The Board concurred that both RRT and Republic should be included in the request for bids.

DISCUSS LETTER FROM WATER USERS COALITION (THE "WUC")

Mr. Polley informed the Board that the WUC is a newly forming group to encourage cooperation and representation among districts within the North Harris County Regional Water Authority. A copy of the WUC letter is attached hereto. Mr. Polley recommended that if the Board chooses to join the WUC, they should appoint a member of the Board as a liaison to be involved with and attend events hosted by the WUC. Mr. Polley also advised the Board that the WUC has asked for the Board to adopt a Resolution Declaring Support for the WUC (the "Resolution"), an example copy of which is attached to the letter. Director Warren expressed interest in joining the WUC. Director Steffes asked Mr. Polley to include a requirement in the Resolution that the WUC must receive the Board's approval before they can put the District's name as supporting any cause and the Board concurred with such suggestion. The Board also concurred that Directors Warren and Draper would serve as liaisons and directed Mr. Polley to prepare the Resolution for the Board's approval and execution at the September 16th meeting.

EXECUTIVE SESSION

Director Marks then adjourned the regular meeting at 6:55 p.m. and announced that the Board would convene in executive session pursuant to Section 551.076, Texas Government Code, as amended, for deliberations about deployment of security personnel. Directors Marks, Steffes, Draper and Warren, Mr. Polley and Ms. Dold remained in the executive session. Director Schkade monitored the executive session by conference call.

RECONVENE IN OPEN SESSION

Director Marks then reconvened the meeting in open session at 7:10 p.m., at which time the Board authorized RBAP to coordinate with Myrtle Cruz, Inc. to obtain data from Harris County Precinct 4 regarding security deployment in the District.

MISCELLANEOUS MATTERS

Mr. Polley stated that Mr. Bob Hudson contacted him to report that Mr. Hudson won the lawsuit brought against him by the Bridgestone Lakes Community Improvement Association (the "BLCIA") and that the court awarded him approximately \$95,000 in attorneys' fees. Mr. Polley informed the Board that Mr. Hudson would like to discuss with the Board the circumstances under which the Board would agree to reimburse him for the land for the Bridgestone Lakes, Section 2 detention pond. The Board asked Mr. Polley to place an item regarding Mr. Hudson's request on the September 16th agenda.

Lt. Mayes then asked to speak with the Board and handed out an exhibit reflecting the increase of criminal activity in the District (2010 to 2014), a copy of which is attached hereto. Lt. Mayes stated that the District's commercial sector, especially Walmart, takes up a majority of security patrol time. Lt. Mayes explained to the Board that he is trying to adjust the security patrols to the residential areas with the highest levels of crime and has recently called in deputies to work overtime at the County's expense. Lt. Mayes noted that the Bike Patrol has been very

effective. Director Marks then informed Lt. Mayes that anytime he wants to address the Board, the Board will make time for him. Lt. Mayes thanked the Board and expressed a desire to keep an open line of communication with them.

Mr. Polley then noted that the Board's next regular meeting will be scheduled for Tuesday, September 16, 2014, at 6:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 21st day of October, 2014.


Secretary, Board of Directors

