

NO. 2004-4

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
April 20, 2004

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 regular session, open to the public, at the Bridgestone Community Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, April 20, 2004, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Adrian E. Steffes	President/Investment Officer
Brad Dill	Vice President
Robert J. Joyce	Secretary
Jim Marks	Assistant Secretary
Skip Warren	Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were Mr. Gene Conner, General Manager of the District; Mr. L. Carlin Short, financial advisor for the District; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Ms. Mary Jarmon of Myrtle Cruz, Inc. bookkeeper for the District; Mr. Erich Peterson of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Ms. Karen Sears and Mr. Joe Almaguer of Aqua Services, LP ("Aqua Services"), operators for the District; Mr. Perry Senn of H.H. Estates, LP, developer of the Bella Sera, Villages of Bridgestone and Northcrest Village subdivisions within the District; Mr. Erik Haaland of Terra Prima LTD, development manager for RH of Texas Limited Partnership, developers of the Stone Forest and Bridgestone Ranch subdivisions within the District; Mr. David Harrison of Sowell & Co., developer of the Rhodes Landing subdivision within the District; Messrs. Robert Hudson and Travis Hudson of Texas Investment & Development Company, developer of the Bridgestone Lakes and Gosling Pines subdivisions within the District and developer of the Senterra Lakes and Villages of Senterra Lakes tracts proposed to be annexed into the District; Mr. David Glunt of Glunt Investment and Development Company, Inc., Project Manager for Senterra Lakes and Villages of Senterra Lakes, proposed to be annexed into the District; Mr. Mark Janik of Centex Homes, co-developer of the Spring Terrace subdivision within the District; Mr. Nick Ozuna, Jr., Project Manager - Land for MHI Partnership, Ltd., developer/homebuilder of the Spring Terrace subdivision within the District; Mr. John R. Moy, Project Manager of LJA Engineering & Surveying, Inc., engineers for the Spring Terrace subdivision within the District; Messrs. Jim West, Fred Magee and John Carson of 2920 Kuykendahl Partners, developers of Springbrook Plaza; Mr. Ken Cohn of Texas Mega Storage, prospective purchaser of the 16.4-acre tract

located within the District; Mr. Darren Raines, representing 16.4 FM 2920 Limited, the owner of the 16.4-acre tract located within the District; Messrs. Sam Danna and David Jordan of CD Imaging Systems, vendor of DocStar Imaging System; Mr. Jerry Thomas, representing the United To Save Our Spring ("USOS") group and a candidate for the Board; Mr. Gary Palmer, resident of the District; Sergeant Blankenship of the Harris County Precinct 4 Constable's Office; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("JRPB"), 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.

CONSENT AGENDA

Director Steffes first reviewed with the Board the items reflected on the Consent Agenda. Director Steffes explained that this portion of the agenda deals with routine matters of the Board, and that no separate discussion of such items will occur unless a Board member or a member of the public requests that an item be moved to the regular portion of the agenda.

Director Steffes stated that review of the bid tabulations listed on the Consent Agenda as item no. 4.b. and approval of the pay estimate listed as item no. 5.b. would be deferred, and that item no. 7 of the Consent Agenda regarding review and approval of the Policies and Procedures for Development would be deferred.

Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the following Consent Agenda items: 1) the minutes of the regular meeting of March 16, 2004; 2) execution of the Petitions for Annexation of the 100.668-acre Villages of Senterra Lakes tract; 3) authorize design of the following projects: (a) Northcrest Village, Sections 1-3 water, sanitary sewer and drainage facilities and off-site utilities; (b) Senterra Lakes, Section 1 clearing and grubbing; (c) Senterra Lakes, Section 1 detention basin excavation; and (d) Senterra Lakes, Section 1 water, sanitary sewer and drainage facilities; 4) review bid tabulation and approve award of contract to Cravens Partners, Ltd. ("Cravens") in the amount of \$604,133.30 for construction of the water, sanitary sewer and drainage facilities to serve Springbrook Plaza; 5) approve the following pay estimates and change orders: Pay Estimate No. 1 in the amount of \$98,269.44 and Change Order No. 1 to Liftwater Construction, Inc. ("Liftwater") for construction of the Spring Terrace stormwater pump station; Pay Estimate No. 1 in the amount of \$308,410.38 to Big State Excavation, Inc. for construction of water, sanitary sewer and drainage facilities to serve Spring Terrace, Section One; Pay Estimate No. 1 in the amount of \$61,716.65 to SLC Construction, L.P. ("SLC") for construction of water, sanitary sewer and drainage facilities to serve Spring Terrace, Section Two; Pay Estimate No. 3 in the amount of \$51,976.87 to Cedar Ridge Excavation, Ltd. for construction of the Spring Terrace detention basin; Pay Estimate No. 2 in the amount of \$27,216 to Cravens for construction of the lift station and off-site utilities to serve Spring Terrace; Pay Estimate No. 5 in the amount of \$10,545 to Terra Services, Inc. for clearing and grubbing of Spring Terrace; Pay Estimate No. 3 in the amount of \$499,095 to SLC and Change Order No. 1 for construction of water, sanitary sewer and drainage facilities to serve Gosling Pines, Section 1;

Pay Estimate No. 7 and Final in the amount of \$8,362.36 to JAH0, Inc. for construction of water, sanitary sewer and drainage facilities to serve Springbrook, Section 2; Pay Estimate No. 8 (Revised) in the amount of \$18,556.20 to Plant Services for construction of the Springbrook detention basin, phase II; and Pay Estimate No. 1 in the amount of \$210,810.92 to S. Holland Co., Inc. for construction of water, sanitary sewer and drainage facilities to serve Stone Forest, Section 4; 6) ratify approval of Pay Estimate No. 1 to Liftwater for construction of the stormwater pump station to serve Spring Terrace; Pay Estimate No. 2 to Son-Way Agri-Products for clearing and grubbing of Villages of Bridgestone; and Pay Estimate No. 9 to Reddico Construction for construction of on-site utilities to serve Wal-Mart; and 7) developers reports.

REGULAR AGENDA

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall then presented the Tax Assessor/Collector's Report for the month of March, a copy of which is attached hereto. Ms. Hall reported that 92.3% of the District's 2003 taxes have been collected to date. Ms. Hall noted receipt of a request for waiver of \$75.44 in penalty and interest from a resident that said their tax statement was mailed to their mortgage finance company instead of the property owner. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to deny the request for the waiver of penalty and interest.

Upon motion by Director Warren, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report and to authorize payment of the checks reflected therein.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Hall next reviewed the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Ms. Hall noted that the Delinquent Tax Attorney was not requesting any actions by the Board at this time.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION FOR 2004 TAX YEAR

Mr. Short then presented and reviewed with the Board a memorandum regarding the feasibility of the District granting a homestead exemption for 2004, a copy of which is attached hereto. Discussion of the matter then ensued. Ms. Hall stated that based on the District's current tax roll, 1,622 homes would be eligible for a homestead exemption if granted by the Board. Ms. Hall also reported that there are 187 individuals who are eligible for a disabled or 65 years of age or older exemption.

Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to grant a \$25,000 exemption for individuals who are disabled or are 65 years of age or older and to grant a ten percent (10%) general residential homestead exemption for the 2004 tax year and to adopt a Resolution Concerning Exemptions from Taxation for 2004 Tax Year reflecting such exemptions, a copy of which is attached hereto.

ORDER ADDING LAND AND REDEFINING BOUNDARIES

Ms. Bobbitt then reported that on March 24, 2004, the City of Houston adopted Ordinance No. 2004-197, giving its consent to the addition of the Senterra Lakes 38.538-acre tract of land and the Stimac Enterprises, Inc. ("Stimac") 14.990-acre tract of land into the District and, therefore, adoption of an Order Adding Land and Redefining Boundaries of the District is required. Ms. Bobbitt added that the total acreage in the District is now 2,030.4823 acres.

Upon motion by Director Warren, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Adding Land and Redefining Boundaries of the District and authorize the filing of such Order in the Real Property Records of Harris County (the "County"), a copy of which is attached hereto.

AMENDED DISTRICT INFORMATION FORM

Ms. Bobbitt then presented an Amended District Information Form (the "Amended Form") reflecting the redefined boundaries of the District (2,030.4823 acres) for the Board's approval and execution. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Amended Form and authorize filing of same to comply with Section 49.452, Texas Water Code, as amended, a copy of which is attached hereto.

Mr. Ozuna then entered the meeting at 6:15 p.m.

REVIEW AND APPROVE PRELIMINARY OFFICIAL STATEMENT (THE "POS") FOR \$5,750,000 WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE BONDS, SERIES 2004 (THE "BONDS")

Mr. Short then distributed copies of a draft of the POS and Official Notice of Sale (the "NOS") for the Bonds for the Board's review and approval, copies of which are attached hereto. Mr. Short expressed his concerns regarding rising interest rates and recommended that the Board move ahead with the sale of the Bonds as quickly as possible. Mr. Short then discussed the proposed schedule for the sale of the Bonds, including a proposed sale date of May 18th, the Board's regular meeting date in May. Mr. Short noted that he would obtain proposals for insurance on the Bonds and stated it is likely that the previous Standard & Poor's underlying rating of BBB+ would be assigned to the Bonds.

Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the POS and NOS and to adopt the Order Adopting NOS and Bid Form, Authorizing Distribution Thereof and of POS and Authorizing Publication of NOS, a copy of which is attached hereto.

Director Steffes inquired as to why the Texas Commission on Environmental Quality (the "TCEQ") is not acknowledging the District's exemption from the elevated storage tank requirement. Mr. Peterson stated that he would investigate such matter with the Utilities Section staff at the TCEQ.

Ms. Hall then exited the meeting.

DIRECTOR'S REPORT

Director Joyce then reported on his recent inspection of the District's facilities. Director Joyce noted that a lightning strike had caused an electrical problem at Water Plant No. 2. Mr. Almaguer stated that repair parts were on order, and that Water Plant No. 1 was serving as the back-up supply well until Water Plant No. 2 is back online. Director Joyce stated that everything else at the District's facilities was in good order.

Upon motion by Director Joyce, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Director's Report.

It was then noted that Director Marks is scheduled to inspect the District's facilities for the months of May and June.

OPERATOR'S REPORT

Ms. Sears then reviewed the Operator's Report for the month of March with the Board, including the delinquent account list, copies of which are attached hereto. Ms. Sears reported that the District's water accountability ratio for the month was 91.4%, with a four (4) month average of 91.7%, and that there were eight (8) sludge hauls during the month. Ms. Sears added that there are currently 2,753 connections in the District, including 175 builder accounts and 26 vacancies.

Ms. Sears next reported that a draft of the District's 2003 Consumer Confidence Report (the "CCR") was attached to the Operator's Report. Ms. Sears stated that she would work with Director Steffes on the President's Message and present a draft of the finalized CCR for approval at the May meeting.

Director Steffes then asked about a transfer fee billed by Aqua Services on this month's invoices. Ms. Sears explained that in accordance with the provisions of the District's Rate Order, a transfer fee is collected from a customer at the time the account is established and that is the basis of the charge.

Upon motion by Director Joyce, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and to authorize the termination of service to the delinquent accounts.

BOOKKEEPER'S REPORT

Ms. Jarmon next reviewed the Bookkeeper's Report with the Board, including the revenues and expenses of the District, the budget comparison, investment report and the checks being presented for payment, a copy of which is attached hereto. Ms. Jarmon noted that the District's next debt service payment is due on May 1, 2004 and is reflected on the Report. Ms. Jarmon further reported that monthly invoices had been sent to the various developers in the District for construction management services and to those developers with outstanding balances for annexations and/or feasibility studies.

Ms. Jarmon also noted that notice had been received that the annual Harris-Galveston Coastal Subsidence District WaterWise program would be held on May 6, 2004 at 2:00 p.m. at Roth Elementary School.

Ms. Jarmon next reminded the Board that May 11, 2004 is the deadline for submitting early registration forms to the Association of Water Board Directors - Texas for the upcoming Summer Conference to be held in Corpus Christi on June 24-26, 2004. The Board asked Ms. Jarmon to provide them with the registration information.

Upon motion by Director Warren, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and the payment of the checks reflected therein.

REVIEW AND DISCUSS POTENTIAL ALLOCATION OF DRAINAGE FACILITIES COSTS FOR UPPER SEALS GULLY WATERSHED

Mr. Senn then requested the Board to authorize Jones & Carter to review the feasibility study previously prepared for his proposed Northcrest tract, a portion of which was originally part of the Schoessow tract and was recently acquired by Northcrest 2920, L.P., and consider reallocating the costs for the drainage ditch to other developers in the area who will utilize such facility. Mr. Senn noted that construction of the drainage facilities for Upper Seals Gully will reduce or eliminate the need for some of the pumped detention basins in the District. Mr. Conner suggested that the Board defer consideration of Mr. Senn's request, as well as item no. 13 on the agenda, until such items can be discussed at a special meeting of the Board sometime in early May. Mr. Conner explained that he, Mr. Shackelford and Mr. Peterson are currently reviewing the matter and still need a little more time before they can make a recommendation to the Board.

The Board then asked Ms. Bobbitt to schedule a special meeting of the Board for Monday, May 10, 2004, at 7:00 p.m. at the Bridgestone Community Center.

Mr. Senn then exited the meeting at 6:50 p.m.

FEASIBILITY STUDY FOR SERVICE TO 16.4-ACRE FM 2920 LIMITED TRACT

Mr. Peterson then reported that Jones & Carter has completed the feasibility study for the 16.4-acre FM 2920 Limited tract located within the District on the south side of FM 2920 Road, adjacent to Water Plant No. 2, a copy of which is attached hereto. Mr. Peterson noted that 11.4 acres of the property would be developed into a self-storage facility, and that approximately five (5) acres of the tract would be developed as other commercial development along FM 2920. Mr. Peterson noted that the tract would require approximately 16,000 gallons per day ("gpd") average daily flow of water capacity and 14,000 gpd of sanitary sewer capacity. Mr. Peterson noted, however, that although the District currently has adequate water and sanitary sewer capacity available to serve the proposed development, with the numerous existing capacity commitments the District has outstanding to other developments, the District may not have adequate capacity to serve the ultimate capacity needs of all of the developments in the District, which will eventually mandate expansion of the District's water and sanitary sewer facilities. Mr. Peterson stated that the 12-inch water line at Water Plant No. 2, located adjacent to the tract,

could be extended by the developer approximately 50 feet to provide water service to the property under an existing construction contract at an estimated cost of \$35,000, including engineering and contingencies. Mr. Peterson went on to explain that the tract's on-site sewer lines could connect to the existing manhole located at the western edge of the property in order to provide sewer service to the tract. Mr. Peterson added that the tract will likely require a private detention facility, with the FM 2920 roadside ditch being the likely outfall for the development.

Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the request for service for the 16.4-acre tract adjacent to Water Plant No. 2.

Messrs. Cohn and Raines then exited the meeting at 6:55 p.m.

UPDATE ON STATUS OF GRAND PARKWAY ALIGNMENT

Mr. Conner then reported that he and Mr. Shackelford had recently met with Harris County Commissioner Jerry Eversole on April 16, 2004 to discuss alternate routing for the Grand Parkway. Director Warren reported that District 2 United States Representative Republican candidate Ted Poe had expressed that he sympathized with the USOS cause. Director Warren then reported that there would be a public hearing on the matter in June or July, as soon as a meeting venue is found that can accommodate the anticipated 2,000 attendees. Director Warren stressed the importance of supporting USOS.

Director Marks then entered the meeting at 6:58 p.m.

Director Warren also reported that Senator Jon Lindsay had not responded to USOS calls and that State Representative Debbie Riddle had been receptive to USOS.

Messrs. West and Magee then exited the meeting at 7:00 p.m.

ENGINEER'S REPORT

The Board next recognized Mr. Peterson, who reviewed the Engineer's Report with the Board, a copy of which is attached hereto.

Mr. Peterson first reported that Jones & Carter had revised the legal descriptions for the access easement to the Rhodes Landing detention basin pump station and the easement for the pump station. Mr. Peterson also reported that Mr. Peter Terpstra has stated that he will now execute the sanitary sewer easement along FM 2920 that is needed to provide service to the Stimac tract.

Mr. Peterson then reported that Neal's Restaurant is receiving temporary water service, as previously approved by the Board, but that Canyon Construction is to begin construction of the water, sanitary sewer and drainage facilities to serve the Stimac tract within the next week. Mr. Peterson added that Mr. Magnusson had agreed to grant a 10-foot water line easement along FM 2920 to provide water service to the Stimac tract.

Concerning the final inspection of Ditch "C," Mr. Peterson reported that the Harris County Flood Control District (the "HCFCD") is requiring that the interceptor swale be adjusted and the silt that has accumulated in the ditch be cleaned out, and that the contractor for the original project does not believe that such work is his responsibility. Mr. Peterson added that he will obtain cost estimates for the silt clean-out and present them for the Board's review at the May meeting.

Mr. Peterson next reported that Messrs. Hudson and Glunt had recently received bids for clearing, grubbing and the detention pond excavation for Senterra Lakes, Section 1, but that the bids were \$200,000 over the estimated costs and, therefore, the developer is requesting approval to re-bid the project with an alternative in the plans and specifications to stockpile the excavation material on-site, rather than hauling it away, and to include road stabilization. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the re-advertising for bids for the clearing, grubbing and detention pond excavation for Senterra Lakes, Section 1.

Mr. Peterson noted that the final draft Policies and Procedures for Development would be ready for approval at the May 10th special meeting.

Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

Mr. Short and the remaining developer representatives, with the exception of Messrs. Hudson and Glunt, then exited the meeting at 7:10 p.m.

GENERAL MANAGER'S REPORT

Mr. Conner then introduced Messrs. Danna and Jordan of CD Imaging Systems, who gave a presentation concerning the DocStar Document Storage and Retrieval System ("DocStar") that Mr. Conner has been considering for the District. An extensive discussion then ensued concerning the process and procedures by which consultant information would be entered into DocStar and subsequently retrieved and utilized by the District's Board members and consultants. Director Marks questioned whether the District needed such a system. Director Steffes recommended that the matter be taken under advisement.

Sergeant Blankenship then entered the meeting at 7:45 p.m. and reviewed the monthly Harris County Precinct 4 Constable's Security Report with the Board, a copy of which is attached hereto. Sergeant Blankenship noted during his report that the unmanned security substation located adjacent to the volunteer fire station did not have an answering machine for incoming calls. Upon motion by Director Warren, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Director Steffes to purchase an answering machine for the substation at a cost not to exceed \$40.00. Sergeant Blankenship also reported that the new Wal-Mart store located in the District recently opened on April 14th and had already had security problems. Sergeant Blankenship stated that he was told by the store manager that he prefers to call the Harris County Sheriff's Department, rather than the Constable's office, when there is a problem. Sergeant Blankenship stated that because the District has a security contract with the Constable's office and the Wal-Mart store is located

within the District, the Constable's office would continue to respond to calls from the Wal-Mart store.

Mr. Conner next reported that Jones & Carter had begun work on the District's Geographical Information System project, as authorized by the Board at the March meeting.

Concerning DocStar, Mr. Conner reminded the Board that part of the idea over a year ago was to find a method for putting information on the District's website. Mr. Conner stated that the cost for the company that was referred to him by Ms. Payne, The Texas Network Company, for such services was going to be \$10,000 in equipment costs and \$1,500 per month for maintenance services. This cost was in contrast to the \$650 per month fee charged by DocStar.

Concerning the Albertson's detention pond matter, Mr. Conner reported that the current owner of the Albertson's facility is requesting termination of water service to the facility. Mr. Conner noted that Mr. Jose Gross of Bridgestone Partners, Ltd., owner of the adjacent strip center, is seeking to provide permanent water service to the strip center from the District's line located on Spring-Cypress.

Mr. Conner next reported that he had recently spoken with Mr. Raymond Anderson's office at the HCFCD regarding the District's plans for the interim improvements to Bonds Gully, including replacing the three (3) 24-inch culverts with two (2) 60-inch culverts located near the Progressive Pumps Corp. ("Progressive Pumps") facility and the permit that is required from the County to proceed with such work. Mr. Conner stated that Jones & Carter is preparing an exhibit/summary regarding the project to take to the County for review and approval. Mr. Conner noted that it will take the County 30 days to review the District's plans and estimated that it would be between 60 and 90 days before a permit could be issued for the proposed project.

Mr. Conner then emphasized that the District's plans for the clearing work in Bonds Gully is not involved with the culvert work and does not require a permit. Mr. Conner reported that he had previously obtained two (2) proposals (\$5,400 and \$10,000) for the cleaning of Bonds Gully from Shalom Creek to the Progressive Pumps property, but that such proposals are likely now stale and recommended obtaining additional proposals for such work.

Mr. Conner then estimated that it would cost an additional \$2,000 to clean out the section of Bonds Gully from Progressive Pumps to Spring-Cypress and stated he would also obtain a proposal for such work. Mr. Conner has requested a letter from Progressive Pumps stating that they have no objection to the proposed improvements to Bonds Gully by the District to be made along their property.

Mr. Conner next reported that Mr. Jim Sheffield had completed his inspection of the District's plant facilities and is now in the process of preparing the vulnerability assessment report for the Board's review and discussion.

Concerning the failure of the north bank of the Kroger Center ("Kroger") detention pond, Mr. Conner reported that he had forwarded photographs of the problem to Mr. Kevin Kelly, Maintenance Manager of Kroger, and asked that repairs be made immediately to restore the integrity of the detention pond. Mr. Conner noted that Mr. Bill Black, a hydrologist, is reviewing the problem for Kroger. A copy of Mr. Conner's email to Mr. Kelly is attached hereto.

Upon motion by Director Warren, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the General Manager's Report.

ATTORNEY'S REPORT

Ms. Bobbitt reported that JRPB had conducted an Election Official Training Seminar on April 17, 2004 and stated that Mr. and Mrs. Argyll Gustafson, the District's election officials for the upcoming Directors Election, had attended such seminar. Ms. Bobbitt next reported that Mr. Thomas had informed her prior to tonight's meeting that a swim meet is scheduled to be held at the Bridgestone Community Center on Saturday, May 15th, the same day as the Directors Election. Ms. Bobbitt further reported that Mr. Thomas stated that he would provide signage to reserve parking spaces for voters on one side of the parking lot near the entrance to the building. A discussion then ensued concerning having a Constable on duty to assist with traffic and parking on election day. Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the hiring of an off-duty Constable from 7:00 a.m. until 2:00 p.m. on Saturday, May 15, 2004, to assist with traffic and parking. Mr. Conner stated that he would contact the Constable's office regarding such matter.

Ms. Bobbitt next stated that the Board needs to determine a date between Sunday, May 23, 2004, and Wednesday, May 26, 2004, to canvass the election returns of the 2004 Directors Election. The Board agreed to schedule a special meeting to canvass the election returns on Tuesday, May 25, 2004, at 7:00 p.m. at Director Steffes' house. Ms. Bobbitt noted that only two (2) Directors are required to be present at such meeting, rather than a full quorum of the Board.

Ms. Bobbitt noted that some legal services time relating to preparation for the Directors Election had been billed to the District's general file rather than to a separate election file and stated that such matter would be corrected and that a separate invoice for the election work would be submitted for payment at the June meeting.

MISCELLANEOUS MATTERS

It was then noted that the next regular meeting of the Board will be held on Tuesday, May 18, 2004, at the Bridgestone Community Center.

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

PASSED, APPROVED AND ADOPTED this 18th day of May, 2004.

/s/Robert J. Joyce

Secretary, Board of Directors

(DISTRICT SEAL)

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