

NO. 2003-1

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
January 13, 2003

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 Baptist Church, 21825 Bridgestone Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Monday, January 13, 2003, 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 except Director Marks, thus constituting a quorum. Also attending the meeting were 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; Messrs. Pat Hogan, P.E. and Erich Peterson of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Messrs. Tom Dunn and Joe Almaguer of Aqua Services, LP (formerly AquaSource, Inc.) ("Aqua Services"), operators for the District; Mr. Robert Hudson of Texas Investment and Development Company, developer of the Bridgestone Lakes and Gosling Pines subdivisions within the District; Mr. Erik Haaland of Terra Prima LTD, development manager for RH of Texas Limited Partnership, developers of the Bridgestone Ranch and Stone Forest subdivisions within the District; Mr. Frank Fitzgerald, proposed purchaser and developer of a portion of the Schoessow property; Messrs. Steve Alvis and Kyle Lippman and Ms. Candace Troy of NewQuest Properties, developer of property within the District; Mr. David Harrison of Sowell & Co., developer of Rhodes Landing within the District; Mr. Jim West of West/Hallbeck Investments, representing prospective purchasers of a 10-acre commercial tract within the District; Mr. Wayne Harris, Building and Grounds Committee Chairman for the Bridgestone Baptist Church; Messrs. Jeff Haneline, Brian Nauman and Gary Palmer, residents of the District; Mr. Jim Burke, applicant for the District's General Manager's position; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Johnson Radcliffe"), attorneys for the District. Copies of the sign-in sheets for those in attendance at the meeting are 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.

PUBLIC COMMENT

The Board first recognized Mr. Haneline of 4302 Pineville Lane, who appealed to the Board to resolve a water line leak problem located between the District's meter and the residence adjacent to his property at 4306 Pineville Lane. Mr. Haneline reported that the leak had been present for several months and was a potential health hazard to the District's water system. Director Dill recalled that the Board had discussed the problem in the late summer or early fall of 2002 and at that time, authorized Johnson Radcliffe to prepare and forward a letter to the resident advising that the District would make the necessary line repair if the resident did not repair the line within a specified period of time. Director Dill asked if there had been any response from the resident. Ms. Bobbitt stated that she did not recall receiving a response and would check the District's files. Mr. Almaguer added that he would also look into the matter. Director Steffes then assured Mr. Haneline that the matter would be investigated and handled appropriately by the District. Ms. Bobbitt recommended that, due to the existence of a potential cross-connection and contamination of the District's system, that the line be repaired by the District and the cost of such repair backcharged to the customer in accordance with the provisions of the District's Rate Order.

Mr. Dunn then entered the meeting at 6:14 p.m.

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 Aqua Services to repair the line leak and backcharge the resident for such repair.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the regular meeting of December 9, 2002, previously distributed to the Board. A correction was noted on page 7 of such minutes. 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 minutes of December 9, 2002, as corrected.

Approval of the minutes of September 25, 2001, April 16, 2002, July 17, 2002 and August 29, 2002 was deferred. Director Dill questioned the status of such minutes. Ms. Bobbitt stated she would try to finalize the outstanding minutes for the Board's next meeting.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall next presented the Tax Assessor/Collector's Report for the month of December with the Board, a copy of which is attached hereto. Ms. Hall reported that 96.6% of the District's 2001 taxes and 70% of the District's 2002 taxes had been collected as of today's date. 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 Tax Assessor/Collector's Report and authorize payment of the checks reflected therein.

Ms. Hall then reviewed the Delinquent Tax Attorney's Report with the Board, a copy of which is attached hereto. Ms. Hall noted that in the first group of delinquent accounts reflected on the Report (comprised of three (3) accounts), the property owners of 21603 Slippery Creek Lane had requested an extension until February 28, 2003 to pay the balance of their delinquent 2001 account, and that the property owners of 4739 Lost Lake Lane had requested an extension until January 30, 2003 to pay the balance of their delinquent 2001 account. 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 grant the requested extensions.

Mr. Harrison then entered the meeting at 6:20 p.m.

Ms. Hall next reported that Klein Independent School District has filed suit against the property owner of 19734 Auburn Park Lane, and that the District has been included as a co-plaintiff in such suit. Ms. Jarmon reminded the Board that she was still holding the \$119.11 utility security deposit refund for the former resident at such address because the resident did not provide a forwarding address. The Board directed Ms. Jarmon to continue to hold the deposit refund check.

Ms. Hall then reported that the property owners of 4535 Tangle Creek Lane had not made installment payments since September 30, 2002. 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 tag 4535 Tangle Creek Lane for service termination for non-payment of delinquent taxes.

DEVELOPER REPORTS

Mr. Haaland reported that the power had been installed in Stone Forest, Sections 2 and 3 and that they were moving forward with the development of Section 4.

Mr. Hudson reported that the wet weather has been impeding paving work in Bridgestone Lakes, but noted that the contractor has begun Bonds Gully drainage improvements.

Concerning Rhodes Landing, Mr. Harrison reported that the permanent service for the detention pumps has been connected and will be operational in the next several days. Mr. Harrison also reported that the gas and electrical installation work was now complete in the subdivision.

Mr. West reported that the purchasers had closed on the 10-acre commercial tract and that Jones & Carter was preparing the utility layouts, which he hoped to have in time for the Board's February meeting.

Mr. Alvis updated the Board on completion of the environmental clean-up of the proposed Walgreens site. Mr. Alvis reported that the construction contract had been let and the contractor was waiting for dry weather to begin construction.

ANNEXATION AND SERVICE AGREEMENT AND AGREEMENT FOR FINANCING OF FACILITIES REGARDING FRANK H. FITZGERALD, TRUSTEE TRACT

Ms. Bobbitt next presented drafts of an Annexation and Service Agreement and Agreement for Financing of Facilities (collectively, the "Agreements") for the 53-acre Frank H. Fitzgerald, Trustee tract and briefly reviewed such Agreements with the Board. Ms. Bobbitt explained that the Agreements include some of the same provisions included in the agreements that the District has with Milestone Properties, Inc. ("Milestone") and Proguard Mini Storage LTD ("Proguard"), due to the fact that the Milestone, Proguard, KB Home and A-K-S-L 36 2920, L.P. tracts will all share in the costs of constructing the Kuykendahl trunk utility lines and Lift Station No. 5 to serve such tracts.

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 and authorize execution of the Agreements, copies of which are attached hereto.

DIRECTOR'S INSPECTION REPORT

Director Dill then presented his Director's Inspection Report, a copy of which is attached hereto.

Director Dill reported that he and Mr. Almaguer had inspected Water Plant No. 1 on January 10th and noted that construction of the new ground storage tank (the "GST") is almost complete. Mr. Almaguer then circulated some photographs of a pine tree that overhangs the new GST and recommended that the tree be removed.

Concerning Water Plant No. 2, Director Dill reported that well motor no. 1 had noisy bearings and had been pulled for a warranty repair.

Director Dill next reported on Water Plant No. 3 and stated that there appears to be a small leak along the north side of the GST driveway and that Aqua Services was investigating the source of the leak.

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 approve the Director's Report.

Ms. Hall then exited the meeting at 6:37 p.m.

OPERATOR'S REPORT

Mr. Dunn then reviewed the Operator's Report with the Board, a copy of which is attached hereto. Mr. Dunn reported that the water accountability ratio for the month was 91.9%, with a four (4) month average of 93.3% and that there were eight (8) sludge hauls during the month. Mr. Dunn reported that there are currently 2,312 connections in the District, 27 of which are vacant. Mr. Dunn noted that there had been no excursions at the Sewage Treatment Plant (the "STP") during the prior month.

Mr. Dunn went on to report that the installation of a grease trap at the Yummies Restaurant was complete and that a credit/refund from the Harris-Galveston Coastal Subsidence District for water not pumped under the District's well permit for the prior year had been received and forwarded to Ms. Jarmon.

Mr. Dunn then reported that Houston Service Industries, Inc. ("HSI"), the company that performs the semi-annual preventative maintenance on the blowers at the STP, had notified the District of a \$59.00 per visit increase in their service agreement effective June, 2003. A copy of such notice is attached hereto. Mr. Dunn noted the new cost per visit is \$1,044.79. Director Dill questioned whether there are other firms who perform this type of work. Mr. Dunn responded that HSI is the most knowledgeable and has been performing work on the District's blowers for a long period of time and, therefore, knows the history of the blowers. 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 increase and continue using HSI for the blower semi-annual maintenance.

Concerning the pine tree at Water Plant No. 1, Mr. Almaguer reported that he did not have a quote for the removal of the tree. Director Dill suggested that the GST contractor be asked to remove the tree. Director Warren suggested that quotes be solicited from other sources. Mr. Hogan reminded the Board that the new GST is still under warranty and recommended that the District have the contractor remove the tree. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor and one (1) vote opposed, with Director Warren voting in opposition, to authorize the GST contractor to remove the tree at a cost not to exceed \$500.

Mr. Almaguer next reported that the chlorine contact basin at the STP needs to be cleaned, and recommended that the District install a galvanized metal baffle around the transducer to reduce the number of times the chlorine contact basin requires cleaning, along with the installation of two (2) additional air lines. Mr. Almaguer estimated that all of such work could be done for approximately \$7,000. Mr. Hogan noted that the cost of a stainless steel baffle is approximately \$1,500 more than a galvanized metal baffle. 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 the cleaning of the chlorine contact basin, the installation of a stainless steel baffle around the transducer and the installation of two (2) additional air lines, contingent upon the cost of the stainless steel baffle being not more than \$1,500 above the cost of a galvanized baffle.

Director Dill then questioned Aqua Services' invoice for a water line tie-in done over the weekend. Mr. Almaguer explained that the invoice was for the tie-in of the Bridgestone Lane line to a new section of development and that such work was performed on the weekend to avoid shutting down the elementary school's water during the week. Mr. Dunn noted that although the contractor can be backcharged for such work, the work was performed on the weekend for the convenience of the District's customers.

Mr. Dunn then provided the Board with an updated contact list for Aqua Services, a copy of which 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 Operator's Report and the service terminations 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 and the checks being presented for payment, a copy of which is attached hereto. Ms. Jarmon reported that the District's next debt service payment would be due on May 1, 2003. Ms. Jarmon noted that the checks being presented for payment included the District's 2002 fourth (4th) quarter pumpage fees to the North Harris County Regional Water Authority (the "NHCRWA"), the Texas Commission on Environmental Quality (the "TCEQ") annual assessment, Pay Estimate No. 6 in connection with the GST construction at Water Plant No. 1 and Pay Estimate No. 2 from Conn's, Incorporated ("Conn's") in connection with the construction of Lift Station No. 5. Ms. Jarmon reminded the Board that the District is responsible for the first \$200,000 of the Lift Station No. 5 construction costs pursuant to the Agreement for Financing of Facilities with Milestone.

Ms. Jarmon also presented a summary of developer/annexation deposits, a copy of which is attached hereto.

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 Bookkeeper's Report and the payment of the checks reflected therein.

DISCUSS STATUS OF REFUNDING BOND ISSUE

Mr. Short then distributed copies of the Preliminary Official Statement (the "POS") for the District's proposed \$4,880,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds, Series 2003 (the "Refunding Bonds"), a copy of which is attached hereto. Mr. Short requested that comments on the draft POS be provided to him by the end of the week, and noted that he will then forward the POS to the potential insurers of the Refunding Bonds in the next week. Mr. Short stated that he would like to call a special meeting for the sale of the Refunding Bonds once he has received a commitment for bond insurance. 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 adopt an Order Approving and Authorizing Distribution of the Preliminary Official Statement, a copy of which is attached hereto. Ms. Bobbitt noted that the Board's action would be ratified at the February meeting since such item was not included on tonight's agenda.

DISCUSS PROPOSED SEVENTH (7TH) BOND ISSUE

Mr. Hogan reported that Jones & Carter is continuing to work on the engineering report for the District's seventh (7th) bond issue. Mr. Short then explained that in order for the Refunding Bonds to be designated as "qualified tax-exempt obligations", the District must not issue bonds in excess of \$10 million during the 2003 calendar year and, therefore, the bond amount of the seventh (7th) bond application may need to be adjusted in light of the Refunding Bond issue.

ENGINEER'S REPORT

Mr. Hogan then presented the Engineer's Report to the Board, a copy of which is attached hereto.

Concerning Water Plant No. 1, Mr. Hogan reported that the new GST construction is nearly complete and presented Pay Estimate No. 6 for such project in the amount of \$12,474 for the Board's approval. Mr. Hogan noted that the contractor expects to complete the driveway, site work and pipe recoating by January 24, 2003. Mr. Hogan also submitted Change Order No. 1 to such contract in the amount of \$6,000 for the recoating of all the existing plant piping, including an extension of contract time until February 3, 2003. 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 Pay Estimate No. 6 and Change Order No. 1 to the contract with Schier Construction Company.

Mr. Hogan next reported on the receipt of a response letter from the Texas Department of Transportation ("TxDOT") regarding the FM 2920 drainage issues, a copy of which is attached hereto. Mr. Hogan noted that the Rhodes Landing drainage was designed to be pumped from the detention pond, travel east through a re-graded roadside ditch north of FM 2920 and outfall into the 54-inch pipe (part of the drainage design to serve the Bridgestone Lakes development) installed under FM 2920 and down the outfall ditch to Bonds Gully. Mr. Hogan stated that he still believes the design is sound as long as the Bonds Gully improvements are made and the FM 2920 roadside ditch is cleaned out. Mr. Hogan noted that the TxDOT letter did not address the District's request to block the two (2) culverts that allow drainage to flow under FM 2920. Directors Dill and Warren then stated that they still would like to obtain a response from TxDOT concerning such request and asked Mr. Hogan to continue to pursue the matter with TxDOT.

Mr. Hogan went on to report that a number of months ago, the owner of the mini-storage property located outside of the District and behind the Rhodes Road strip center had requested service from District. Mr. Hogan stated that the property owner is now going to drill a water well and has notified the District of such intent and, therefore, the District must respond as to whether water service is available from the District to serve such property. The Board then stated that water service is available if the property is annexed into the District and authorized the engineer to respond to the property owner accordingly.

Director Warren asked if the FM 2920 roadside ditch would be cleaned out soon. Mr. Hogan stated that the contractor for the Northwoods Catholic School ("Northwoods") would perform the clean-out work prior to the Board's February meeting. Director Warren commented that TxDOT and/or various utility contractors have done so much work up and down FM 2920 that they should be responsible for the ditch clean-out work. Mr. Hogan stated that the Northwoods contractor was not responsible for cleaning the entire length of the roadside ditch and noted that a TxDOT representative will be called out to inspect the ditch. Mr. Harrison interjected that he stopped by the TxDOT office to speak with the local field office representative, but he was out of the office at the time.

Concerning the improvements to Bonds Gully, Mr. Hogan reported that Mr. Hudson had solicited three (3) bids for the pilot channel work, copies of which are attached hereto. Mr.

Hogan explained that the low bid was submitted by Preventive Services Corporation ("Preventive Services") in the amount of \$19,500 to clear 2.9 acres of land and excavate a 1,545-foot pilot channel. 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 accept the low bid submitted by Preventive Services and to authorize Mr. Hudson to proceed with the improvements to Bonds Gully. The Board then requested that Mr. Hogan contact Preventive Services to see if they will also clean-out the FM 2920 ditch in front of Bridgestone Lakes for a cost of \$5,000 or less. Mr. Hogan stated he will obtain a cost estimate from Preventive Services and report to Director Steffes on such matter.

Mr. Hogan then presented Pay Estimate No. 2, in the amount of \$66,471.39 from Conn's in connection with the Lift Station No. 5 construction and recommended payment of such Pay Estimate. 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 Pay Estimate No. 2 to Conn's.

Messrs. Harris and Nauman then exited the meeting at 7:25 p.m.

Mr. Hogan then reported that requests for proposals for enhanced security services at the District's plant facilities had been sent out and suggested that since utility districts with populations in excess of 3,300 were going to be required to file vulnerability assessment reports and emergency response plans with the Environmental Protection Agency, it would be best to defer such proposals until the District's vulnerability assessment is completed. Ms. Bobbitt noted that there will be a seminar at the upcoming Association of Water Board Directors – Texas (the "AWBD") Mid-Winter Conference dealing with vulnerability assessments and security issues and also stated that her firm would be hosting a breakfast program on such topic some time in February.

Mr. Hogan then reviewed the updated Construction Project Timeline with the Board, a copy of which is attached hereto.

Mr. Hogan next reported that Jones & Carter had contacted Guthrie Buildings, Inc., as recommended by Director Marks, and had received a proposal of \$21,721 to construct a 40-foot by 40-foot metal building with minimum slab, two (2) doors and four (4) windows. Mr. Hogan noted that the proposal does not include the interior build-out of the building, additional exterior paving, sidewalks or fence work. Mr. Hogan added that Director Steffes had reviewed the proposed design and that Jones & Carter is estimating a total of \$90,000 to \$100,000 or approximately \$60 per square foot to build out the meeting facility. Director Warren asked what it would cost for Jones & Carter to prepare the design for the building. Mr. Hogan stated that the design work could be done under the District's existing contract with Jones & Carter. The Board deferred action and any further discussion on the matter until the February meeting when Director Marks would be present.

Concerning the Albertson's detention pond, Mr. Hogan reported that Albertson's has responded to his letter and stated that Jose Gross is the responsible party for the maintenance of the detention pond. Mr. Hogan added that a letter has been sent to Mr. Gross concerning the detention pond maintenance/repair issue, a copy of which is attached hereto. Director Warren

asked if the District could notify the Harris County Health Department (the "Health Department") concerning the hazardous condition of the detention pond. Mr. Hogan recommended that the Board members, as residents of the District, contact the Health Department with their concerns.

Director Steffes then presented photographs taken by Director Marks regarding a sinkhole located in the ditch near the Landell facility and Kuykendahl Road. Mr. Almaguer reported that Aqua Services had previously backfilled the sinkhole. The Board asked Aqua Services to inspect the area to determine if additional work is necessary.

Mr. Hogan then presented a utility availability letter for the 53-acre tract of land being purchased by Frank H. Fitzgerald, Trustee and annexed into the District, a copy of which is attached to the Engineer's Report. Mr. Hogan noted that Mr. Fitzgerald had requested a utility commitment letter for 35,000 gallons per day ("gpd") of water capacity and 31,000 gpd of sewer capacity. Mr. Hogan reported that the site plan for the 53-acre tract is being submitted to the Board for approval at tonight's meeting, a copy of which is attached hereto. The Board then briefly reviewed the proposed site plan. 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 site plan and authorize Jones & Carter to approve the utility commitment letter to Mr. Fitzgerald for the 53-acre tract, a copy of which is attached hereto.

Mr. Hogan then noted that he will submit a revised Schedule of Hourly Rates for 2003 to the District's Professional Services Agreement with Jones & Carter at the February meeting for the Board's consideration.

ATTORNEY'S REPORT

Ms. Bobbitt reported that it appeared that the TCEQ is going to revise the GASB 34 compliance requirements regarding electronic mapping and stated that she will continue to monitor the matter. Ms. Bobbitt stated that the matter will likely be discussed at the TCEQ Round Table meeting on January 24, 2003, at the AWBD Mid-Winter Conference. Mr. Hogan stated that Jones & Carter had not yet moved forward with work on the District's electronic facilities map.

EXECUTIVE SESSION

Director Steffes then adjourned the regular meeting at 7:55 p.m. and announced that the Board would convene in executive session pursuant to V.T.C.A. Government Code, Chapter 551, as amended, specifically Section 551.071 and 551.074, to consult with its attorneys regarding matters covered by the attorney-client privilege and personnel matters. All of the Board, with the exception of Director Marks, Ms. Bobbitt and Ms. Dold attended the executive session.

RECONVENE IN OPEN SESSION

Director Steffes then reconvened the meeting in open session at 8:35 p.m., at which time the Board took the following actions.

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 attorney to draft a letter to the Harris County District Attorney, with copies to Senator Jon Lindsay, Representative Peggy Hamric and Representative Debbie Riddle, expressing the Board's grave concerns regarding the recent actions of four (4) members of the Board of Directors of the NHCRWA with regard to the Open Meetings Act. Ms. Bobbitt is to prepare the letter for the Board's signature and will send it to the Board for comments prior to finalization.

It was then suggested that a District Town Hall meeting be scheduled and that Directors Rendl and Fessler of the NHCRWA be asked to attend such meeting to address NHCRWA matters. Director Warren stated that he would discuss the proposed Town Hall meeting at the upcoming Bridgestone Homeowners Association meeting on January 15th. 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 schedule a Town Hall meeting in March and invite the NHCRWA representatives to attend.

The Board then discussed whether the District should withhold payment of pumpage fees to the NHCRWA. Ms. Bobbitt advised the Board that there is no legal basis for the District to withhold the pumpage fee payments. A brief discussion then ensued; however, no action was taken by the Board.

Ms. Bobbitt then noted that the NHCRWA has scheduled a Water Users Advisory Group meeting on January 16, 2003, from 5:30 p.m. to 7:30 p.m. at the NHCRWA office, to introduce the new General Manager, Mr. Jimmie Schindewolf. Director Dill stated that he could not attend the meeting. Director Warren volunteered to attend such meeting in Director Dill's place.

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

PASSED, APPROVED AND ADOPTED this 10th day of February, 2003.

/s/Robert J. Joyce

Secretary, Board of Directors

(DISTRICT SEAL)

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