

NO. 2003-22

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
December 16, 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 Community Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, December 16, 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, thus constituting a quorum. Also attending the meeting were Mr. Gene Conner, General Manager of the District; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Ms. Mary Jarmon of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Messrs. Ed Shackelford, P.E. and 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. 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. Robert Hudson of Texas Investment & Development Company, developer of the Bridgestone Lakes and Gosling Pines subdivisions within the District and developer of the proposed Senterra Lakes tract (formerly known as Bridgestone Estates) to be annexed into the District; Messrs. James E. Moehlman, P.E. and John R. Moy, P.E., Project Manager, of LJA Engineering & Surveying, Inc., engineers for the Spring Terrace subdivision within the District; Messrs. Kyle Lippman and Jim Ridgway, P.E. of NewQuest Properties, developers of the Walgreens (located at Kuykendahl and Spring-Cypress) and Wal-Mart commercial developments within the District; Mr. David Harrison of Sowell & Co. ("Sowell"), developer of the Rhodes Landing subdivision within the District; Mr. Victor Bailey, representing Stimac Enterprises ("Stimac"), owner of the 14.9-acre commercial tract on FM 2920; Mr. John Kearns, Ms. Glenda Single and Mr. Gary Palmer, residents within the District; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, 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.

### DIRECTOR'S REPORT

Director Dill reported that he and Mr. Almaguer conducted an inspection of the detention and drainage facilities on December 8, 2003 and presented several photographs of the detention and drainage facilities and a copy of his report to the Board, copies of which are attached hereto. Director Dill noted that Ditches "A", "B" and "C" need to have trash cleaned out of each of them. Director Dill reported that the detention pond at the Albertson's site continues to deteriorate, especially the southern maintenance berm which is sloughing dirt into the detention pond. Director Dill also noted that the District's sanitary sewer line that serves Stone Forest is being undermined by the lack of maintenance of the detention pond, which may cause a failure of the sanitary sewer line. Concerning the Rhodes Landing detention pond, Director Dill reported that the north side slope has been reworked. Director Dill next reported that it was determined that the culverts under Shalom Creek were plugged on both sides and that Aqua Services was directed to unblock the culverts. Mr. Conner stated that Aqua Services also cleaned up downstream of the culverts and used a backhoe to remove the trash that was causing the blockage at the Shalom Creek culverts. Director Dill noted that the Klein Independent School District ("KISD") portion of the ditch had water standing in it due to the blocked culverts under Shalom Creek. Director Dill reported that there was no flooding reported during the next hard rainfall following the clean-up of the ditch. In conclusion, Director Dill noted that there had been some sloughing of the side slopes of the Bridgestone Ranch detention pond.

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.

Director Warren then asked Mr. Shackelford what had transpired over the last month concerning the KISD ditch matter. Mr. Shackelford reported that Jones & Carter was compiling information concerning the high spot in the flow line of a portion of the KISD ditch to provide to KISD. Mr. Conner stated that he would take the data to discuss with Mr. Butler of KISD. Mr. Conner added that he had walked the area again today with Mr. Hudson's contractor, who is assisting the District with the matter.

Director Warren next asked for a status report on the final inspection and approval for maintenance of Ditch "C" by Harris County (the "County"). Director Dill noted that the District is responsible for cleaning and maintaining Ditch "C" until it is accepted by the Harris County Flood Control District (the "HCFCD"). Mr. Peterson stated that the District needs to schedule the one (1) year inspection with the HCFCD. Mr. Almaguer noted that he would like to have the inspection scheduled first and then arrange for the ditch to be cleaned and mowed prior to the inspection.

Director Marks then entered the meeting at 6:30 p.m.

## PUBLIC COMMENT

The Board next recognized Mr. Kearns, a resident of the District, who asked the Board whether the District is required by State law to protect the District's water distribution system. Director Dill stated that the Board is responsible for the District's water quality and noted that the District had numerous rules and regulations for connecting to the District's water and sanitary sewer systems and must also comply with all of the rules and regulations of the Texas Commission on Environmental Quality (the "TCEQ"). Director Steffes asked Ms. Sears to provide a copy of the District's Rules and Regulations to Mr. Kearns. Mr. Kearns then reported that he noticed a problem with a backflow prevention device at the Kroger's tract and stated that it was not set according to standard requirements and that he had reported the matter to Aqua Services. Mr. Peterson noted that the water line Mr. Kearns is referring to is an irrigation line and is not used for potable water. Mr. Kearns asked who inspects the backflow prevention devices in the District. Ms. Sears explained that if an independent plumber installs the backflow prevention device, the plumber provides the District with a certificate of inspection. Mr. Kearns then stated that he is in the sprinkler installation and maintenance business. Mr. Kearns asked who approves permits for irrigation connections in the District. Director Steffes stated that irrigation permits are not required by the TCEQ in the District, but that Aqua Services tries to keep up with the installation of irrigation meters and swimming pools to be certain there is compliance with the District's Rules and Regulations. Director Dill noted that the District is not able to catch all of the new irrigation and pool connections but does try to monitor new connections. Mr. Conner offered to meet with Mr. Kearns if he had further concerns.

## CONSENT AGENDA

Director Steffes then 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 Consent Agenda items no. B.6.a. and B.6.b. would be deferred and also noted a corrections on the last paragraph of page 2 and the second paragraph from the bottom of page 7 of the November 18, 2003 minutes. 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: 1) approve the minutes of the regular meeting of November 18, 2003, as corrected; 2) ratify award of the contract for the water, sewer and drainage facilities to serve Spring Terrace, Section 2; 3) ratify authorization to proceed with the emergency relocation of the sanitary sewer force main serving the North Pines Business Park; 4) authorize the advertising of bids for water, sewer and drainage facilities to serve the a) Bella Sera development and b) Villages of Bridgestone development; 5) approve the Developers' Reports; 6) adopt the Order Adding Land and Redefining Boundaries of the District regarding the addition of 415.4012 acres to the District; and 7) approve and authorize execution of the Amended District Information Form to comply with Section 49.4522, Texas Water Code, as amended and authorize the filing of same.

## **REGULAR AGENDA**

### **OPERATOR'S REPORT**

Ms. Sears then reviewed the Operator's Report for the month of November with the Board, including the delinquent account list, copies of which are attached hereto. Ms. Sears reported that the water accountability ratio for the month was 941%, with a four (4) month average of 90.5%, and that there were eight (8) sludge hauls during the month. Ms. Sears added that there are currently 2,686 connections in the District, including 239 builder accounts and 28 vacancies. Ms. Sears noted that Aqua Services was waiting for notification from the TCEQ that the District's water supply system qualifies for a superior water supply designation.

Ms. Sears next reviewed a letter from Aqua Services to the Board, a copy of which is attached hereto, regarding the TCEQ 290 Regulations that require that when chlorine gas is used, a full-face self-contained breathing apparatus or supplied air respirator that complies with the Occupational Safety and Health Administration standards for construction and operation be available outside of the chlorinator room in the event of an emergency. Ms. Sears noted that Aqua Services was recommending that the District authorize the purchase of a Scott Industrial self-contained breathing apparatus ("SCBA") unit as described in the Aqua Services letter, plus an all-weather wall-mounted bracket for each SCBA for each plant facility at a cost of \$1,415 for each SCBA or a total of \$5,660. Ms. Sears stated that the Aqua Services employee will carry a face-piece canister in the company vehicle.

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 purchase of the SCBAs for the District's plant sites.

Mr. Almaguer then reported that he noticed a leak in the water line located adjacent to the Albertson's detention pond during the December 8<sup>th</sup> inspection with Director Dill and had the line repaired, but noticed that it was leaking again over the weekend. Mr. Almaguer reported that the water line was taken out of service on Monday in order for Aqua Services to repair the additional leak. Mr. Almaguer stated that the commercial strip at the Albertson's site did have water service during the repair work. Mr. Almaguer then expressed concern that the water line leak and deterioration of the side slopes of the detention pond may cause the failure of the District's sanitary sewer trunk line that provides service to the Stone Forest subdivision. Mr. Conner stated he is continuing to monitor the matter closely.

Mr. Almaguer next reported that he has requested cost estimates for two (2) types of access gates for Ditch "A" and will forward such estimates to Mr. Conner upon receipt. Concerning Ditch "A", Mr. Almaguer stated that Aqua Services had found a broken manhole near the ditch and had replaced its lid with a bolted lid.

Director Steffes stated that when sinkholes are discovered that appear to be undermining the District's lines, the General Manager and Aqua Services need to backfill them. Mr. Conner stated that perhaps the County would be willing to allow the District to fill in sinkhole areas with dirt from the County's Spring-Cypress Road expansion project. Mr. Almaguer stated that he would work on the backfilling of sinkholes.

Mr. Steffes also suggested that the District research purchasing aluminum shoring boxes for use during District line repair projects. Mr. Almaguer stated that he would request cost estimates for shoring boxes.

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 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 reported that checks no. 6932 and 6933 were both to the County for the Constable security services that begin January 1<sup>st</sup> and noted that the District will pay for the security services one (1) month in advance.

Director Steffes asked if he needed additional investment training. Ms. Jarmon stated that Directors Steffes has one (1) year until he needs to take his next investment training session.

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

#### CONSIDER REQUEST FOR SERVICE TO 106-ACRE TRACT LOCATED WEST OF THE SENTERRA LAKES TRACT

Mr. Hudson then requested the Board to consider annexing and serving a 106-acre tract located adjacent to the 38.5-acre Senterra Lakes tract (formerly known as Bridgestone Estates). Mr. Hudson explained that the proposed lift station in Senterra Lakes will also serve this tract, which will also be developed into single-family residential lots. 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 authorize Jones & Carter to prepare a feasibility study for annexation and service to the 106-acre tract of land to be called Village of Senterra Lakes. It was determined that Mr. Hudson will be required to deposit \$3,000 with the District's bookkeeper for the costs of the feasibility study.

#### CONSIDER REQUEST FOR SERVICE TO BRIDGESTONE LAKES, SECTION 4

Mr. Hudson next reported that he was in the process of acquiring two (2) additional tracts of land located west of his Bridgestone Lakes tract that will be developed as Bridgestone Lakes, Section 4. A copy of a map of the Bridgestone Lakes development, along with an estimated cost summary for Section 4, are attached hereto. Mr. Hudson noted that the fourth section would be comprised of an 18-acre tract of land (formerly referred to as the Peterson tract) that is already within the boundaries of the District and a seven-and-one-half (7.5) acre tract that he is seeking to annex into the boundaries of the District. Mr. Hudson reported that he plans to develop the tracts into approximately 102 residential lots and noted that the builder in Section 4 would be Brighton Homes. Mr. Hudson then requested that the Board waive the requirement for a feasibility study on the proposed development since the tract had been included in the original

drainage study for the initial Bridgestone Lakes development. Director Marks inquired as to how the stormwater drainage would be discharged from the various detention ponds to be located in Bridgestone Lakes. Mr. Hudson responded that the stormwater will flow from the detention ponds through drainage pipes that connect the detention ponds. Director Marks then asked if easements will be granted to the District to access and maintain the detention ponds and stormwater lines. Mr. Hudson stated that easements will be provided and that sidewalks would be laid along the easements. Mr. Hudson noted that his current Agreement for Financing of Facilities to serve Bridgestone Lakes, Sections 1, 2 and 3 would need to be amended to include the 18-acre tract now and again later to include the 106-acre annexed tract. Mr. Peterson then noted that no feasibility study was performed on Section 3 of Mr. Hudson's development. Mr. Shackelford then recommended that the Board have Jones & Carter perform an updated feasibility study for Bridgestone Lakes, Sections 3 and 4 to be certain that there are no issues with water and sewer capacities. The Board concurred with such recommendation.

Upon motion by Director Dill, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Jones & Carter to prepare an update of their feasibility study for Bridgestone Lakes regarding Sections 3 and 4 of such development.

Ms. Single, Mr. Kearns and Mr. Palmer then exited the meeting 7:20 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 also briefly reviewed the various Consent Agenda items related to the Engineer's Report.

Ms. Hall then entered the meeting at 7:22 p.m.

Mr. Shackelford next reviewed the list of Construction Plan Reviews currently in progress, but noted that the updated spreadsheet of his information that was requested at the November meeting was not yet complete.

Mr. Peterson next reported that he had recently received a letter from Sowell, developer of the Rhodes Landing subdivision, informing Jones & Carter that the reimbursable cost of the land (between \$80,000 and \$100,000) for the Rhodes Landing detention pond had been omitted from the District's seventh (7<sup>th</sup>) bond application currently pending at the TCEQ. Mr. Peterson stated that the item was inadvertently omitted, but could possibly be inserted in the bond issue at the time the TCEQ Staff Memorandum is issued or included in the District's next bond application.

Mr. Shackelford went on to report that Jones & Carter was trying to resolve the outstanding items regarding the Rhodes Landing detention pond prior to year end. Mr. Harrison asked if Jones & Carter had reviewed the revised plans for the detention pond from RG Miller Engineers, Inc. Mr. Shackelford stated that he did not recall receiving the revised plans. Mr. Harrison stated that the plans had been sent by certified mail to Mr. Shackelford's Woodlands office over a month ago. Mr. Shackelford stated he would follow up on such matter.

Mr. Peterson next reported that the County Infrastructure Department has advised Jones & Carter of the proposed widening of Kuykendahl Road between Rhodes Road and FM 2920 Road. Mr. Peterson noted that the plans for such project reflect two (2) locations where the District's 12-inch water line conflicts with the proposed storm sewer inlets. Mr. Peterson stated that the District has the option of relocating the water line using a District contractor or paying the County to relocate the water line. Mr. Peterson noted that the water line at issue is the only supply to the Springbrook subdivision. Mr. Peterson stated that Jones & Carter is currently analyzing the options and will make a recommendation to Mr. Conner prior to the January Board meeting.

Director Warren then asked if Kevin Schnell, the Jones & Carter field construction manager, had contacted Mr. Hudson or Mr. Walkoviak since the special meeting held on December 9, 2003 concerning construction management issues. Mr. Shackelford stated that he did not know whether Mr. Schnell had been in contact with such developers. Director Warren stated in his opinion, that the construction manager should have made a special effort to contact the developers after the comments and concerns that had been expressed at the December 9<sup>th</sup> meeting. Mr. Hudson then noted that he and Mr. Shackelford had a conversation on December 10<sup>th</sup>, and that Mr. Shackelford sent out an email to the field inspectors to arrange to meet with the project developers prior to Mr. Hudson's departure from town for the holidays on December 18<sup>th</sup>. Director Warren then expressed his disappointment and frustration with the construction management issues and stated that his patience was wearing very thin with the construction management services being provided by Jones & Carter. Director Warren added that Mr. Shackelford should have followed up on the matter with Mr. Schnell prior to tonight's meeting.

Mr. Hudson then explained to the Board that he had inadvertently advertised for bids for the construction of the detention pond and lift station to serve Gosling Pines before the plans were approved and he will re-advertise the project once approval is received. Mr. Hudson added that he is in the process of resolving several issues concerning the plans for the water, sewer and drainage facilities to serve Gosling Pines, Section 1 and noted that the construction plans for such project were delivered to Jones & Carter earlier today.

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 Engineer's Report.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall then presented the Tax Assessor/Collector's Report for the month of November, a copy of which is attached hereto. Ms. Hall reported that 99.1% of the District's 2002 taxes and 3.3% of the 2003 taxes had been collected to date.

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 Tax Assessor/Collector's Report and to authorize payment of the checks reflected therein.

## DELINQUENT TAX ATTORNEY'S REPORT

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 Section I of the Delinquent Tax Attorney's Report, the first account had been paid in full and the other three (3) accounts were scheduled for termination. The Board directed that item no. 2, the 19707 Brentonridge Lane account, be given until December 18<sup>th</sup> to pay the \$1,000 installment payment and that the other accounts in Section I be terminated.

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 Delinquent Tax Attorney's Report and authorize service termination to the designated accounts.

## GENERAL MANAGER'S REPORT

Mr. Conner then reviewed the General Manager's Report with the Board, a copy of which is attached hereto.

Mr. Conner reported on the special workshop meeting held on December 9, 2003 and reviewed the Board's decision to have Jones & Carter contract directly with the developers in the District for construction management services. 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 ratify the actions taken at the special meeting held on December 9, 2003.

Ms. Hall then exited the meeting at 7:55 p.m.

Mr. Conner next reported that he, Mr. Shackelford and Ms. Bobbitt are trying to finalize the Policies and Procedures for Development (the "Policies and Procedures") by the January meeting and noted that he would schedule a meeting with the developers to review and discuss the Policies and Procedures once they are finalized.

Mr. Conner then noted that the Interlocal Agreement for Law Enforcement Services with County Precinct No. 4 had been executed and returned to the County and that the security services under the new contract would begin on January 1, 2004.

Concerning the flooding problems on Shalom Creek, Mr. Conner briefly reiterated what steps had been taken to clean the culverts as reported earlier in the meeting. Mr. Conner noted that a contractor for the County had inadvertently dammed up a section of Bonds Gully prior to the rains on October 9, 2003.

Mr. Conner went on to report that the work to relocate the force main serving the North Pines Business Park had been completed on December 10<sup>th</sup> at a cost of \$24,600. Mr. Conner explained that Aqua Services had to bore under a storm culvert near Slippery Rock to avoid conflicting utilities in the area.

Mr. Conner then reviewed the operation status of the District's facilities and reported that due to a problem with the sludge return at the Sewage Treatment Plant (the "STP") over the Thanksgiving weekend, an odor had emanated from the STP for several days.

Mr. Conner then reported that re-work of Water Well No. 1 was in progress, that the surge protection device for Water Plant No. 2 was installed and that Water Well No. 4 had been returned to service as the District's lead well.

Mr. Conner noted that he obtained several proposals for the proposed ditch rehabilitation work on Bonds Gully, copies of which are attached to his Report, but that the cleaning of the ditch had been very effective and the rehabilitation work may not be necessary now.

Mr. Conner then explained that his Report also included a letter to the County's Public Infrastructure Department from Jones & Carter regarding the Gosling Pines stormwater detention facilities and reports from developers submitted after his Report was prepared.

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 General Manager's Report.

#### ATTORNEY'S REPORT

Ms. Bobbitt briefly reported that the 415.4012-acre annexation of land previously approved by the Board at tonight's meeting includes the following tracts: 7.5-acre KPC LTD. tract; 28.3849-acre Milestone Properties, Inc. tract; 274.846-acre Schoessow/Senn/Matthews tract; 5.1556-acre Terpstra tract; and the 99.5147-acre Gosling Road tract.

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 Attorney's Report

#### GOSLING PINES LIFT STATION

Mr. Hudson then asked the Board for authorization to advertise for bids for construction of the Goslings Pines lift station upon review and approval of the plans for such project by Jones & Carter. 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 advertising for bids for the Gosling Pines lift station upon approval of the plans for such project by Jones & Carter.

#### TEMPORARY UTILITY SERVICE TO NEAL'S RESTAURANT

Mr. Conner then explained that the new Neal's Restaurant ("Neal's"), to be located in the commercial strip center being developed on the Stimac tract, is scheduled to open the first week of January 2004. Mr. Conner stated that Mr. Neal must vacate his old location by December 31, 2003, and has requested temporary service to the new restaurant until the plans for the development are approved by the District, County and City of Houston and the off-site water and sanitary sewer lines are extended to serve the property. Mr. Conner then explained how the temporary sanitary sewer service could be provided to Mr. Neal's space by using the restaurant's 3,500-gallon grease trap as a holding reservoir and hauling sanitary sewer waste to the District's STP. Mr. Conner went on to explain that water service could be provided through a line going under FM 2920. Mr. Conner noted that the costs of providing the temporary water and sewer service would be borne by Mr. Neal and/or Stimac, and that out-of-district water and sewer rates

would be charged during the interim period since the property has not yet been annexed into the District. Mr. Conner recommended that the Board approve the temporary service to Neal's and that Mr. Neal and/or Mr. Stimac enter into a letter agreement with the District outlining the provisions of such temporary service. Director Dill asked whether the other tenants in the Stimac strip center would be making similar requests to the District. Mr. Conner responded that other tenants in the Stimac strip center may or may not make similar requests to the Board. Mr. Bailey indicated that his other tenants would not need temporary service and stated that he is willing to sign a letter agreement that reflects that the temporary service would be provided by the District only to Neal's.

Upon motion by Director Dill, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to authorize temporary water and sanitary sewer service to Neal's, as discussed above, and to authorize preparation of an appropriate letter agreement for such service.

Mr. Bailey then inquired about the status of the easements for the extension of the District's water and sanitary sewer lines to the Stimac tract. Ms. Bobbitt noted that the information for the easements had been delivered to her on December 4, 2003 and that she has begun work on the easements. Mr. Bailey noted that there may be difficulty in getting an easement from Mr. Terpstra. Mr. Shackelford explained that Mr. Terpstra has indicated a concern about off-site sheet drainage flow from the Stimac tract across his property and speculated that Mr. Terpstra would likely be willing to provide the necessary easements to the District.

#### MISCELLANEOUS MATTERS

It was then noted that the next regular meeting of the Board will be held on Tuesday, January 20, 2004, at the Bridgestone Community Center meeting facility.

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

PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of January, 2004.

/s/Bob Joyce

---

Secretary, Board of Directors

(DISTRICT SEAL)