

2007-21  
MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS  
November 6, 2007

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, November 6, 2007, at 6:30 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Adrian E. Steffes	President
Jim Marks	Vice President
Linda D. Theiss	Secretary
Ronald W. Schkade	Assistant Secretary
Skip Warren	Treasurer

All members of the Board were present, except Director Schkade, thus constituting a quorum. Director Schkade monitored the meeting by conference call. Also attending the meeting were: Mr. Gene Conner, General Manager for the District; Messrs. Ed Shackelford and Erich Peterson, P.E., and Ms. Dedra Ecklund of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Mr. Michael McCall of McCall, Gibson & Company, PLLC ("McCall Gibson"), auditors for the District; Ms. Robin S. Bobbitt and Mr. Jonathan D. Polley, attorneys, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("JRPB"), attorneys for the District.

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.

#### ENGAGEMENT OF AUDITOR

The Board then recognized Mr. McCall, who presented an engagement letter to prepare the District's audit report for the fiscal year ending December 31, 2007, a copy of which is attached hereto. Mr. McCall stated that he estimates a cost between \$19,000 and \$22,000 to prepare the District's audit report.

Mr. McCall next noted that his auditor engagement packet includes a checklist from the Board regarding compliance with Statement of Auditing Standards No. 99 (assurance about whether the financial statements are free of material misstatements whether caused by error or

fraud). A copy of the checklist is attached hereto. Mr. McCall asked that Director Steffes complete the checklist and return it to McCall Gibson.

Mr. McCall then reviewed a letter from McCall Gibson regarding new audit risk assessments (SAS Nos. 104 to 111) that will significantly change the independent audit process, a copy of which is attached hereto.

Upon motion by Director Theiss, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to engage McCall Gibson to prepare the District's audit report for the fiscal year ending December 31, 2007 and to authorize execution of the engagement letter.

Director Marks then entered the meeting at 6:50 p.m.

#### REVIEW AND DISCUSS DRAFT OF AUDIT OF DEVELOPER REIMBURSABLES FROM THE PROCEEDS OF THE DISTRICT'S EIGHTH (8<sup>TH</sup>) BOND ISSUE

Mr. Peterson then distributed a Summary of Projects to be Reimbursed with Bond Issue No. 8 to the Board for review, a copy of which is attached hereto. Mr. Peterson informed the Board that the following projects were slated to be reimbursed from the proceeds of the District's \$8,100,000 Series 2007 Bonds: 1) Lift Station No. 5; 2) Rhodes Landing detention land and pump station modifications; 3) A-K-S 57 NEC FM 2920-Kuykendahl Wal-Mart project; 4) water, sewer and drainage facilities to serve Springbrook, Sections 1 and 2; and 5) water, sewer and drainage facilities to serve Bridgestone Lakes, Section 1.

Mr. McCall next reviewed the Audit Report on Applying Agreed-Upon Procedures to Construction, Engineering and Related Costs Reimbursable for the five (5) projects ("AUP"). A copy of the AUP is attached hereto.

Mr. McCall then exited the meeting at 7:35 p.m.

#### EXECUTIVE SESSION

Director Steffes then adjourned the regular meeting at 7:35 p.m. and announced that the Board would convene in executive session pursuant to Sections 551.071(2), Texas Government Code, as amended, to consult with the District's attorney regarding attorney/client privilege matters. The members of the Board, except for Director Schkade, who monitored the meeting by conference call, Mr. Conner, Mr. Shackelford, Mr. Peterson, Ms. Ecklund, Ms. Bobbitt, Mr. Polley and Ms. Dold remained in the executive session, at which time all other persons in attendance at the meeting exited the meeting room.

#### RECONVENE IN OPEN SESSION

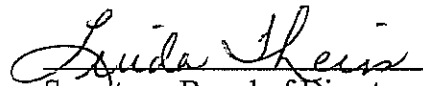
Director Steffes then reconvened the meeting in open session at 9:10 p.m., at which time the Board, upon motion duly made and seconded, authorized Mr. Conner to proceed with obtaining and finalizing the cost estimates for the cleaning and maintenance work to be performed on Upper Bonds Gully.

Ms. Bobbitt then reported that the Texas Commission on Environmental Quality's (the "TCEQ") approval letter regarding the District's ninth (9<sup>th</sup>) bond issue was received on November 2, 2007. Ms. Bobbitt noted that Jones & Carter and JRPB would review the letter and respond to the TCEQ within the next few days.

Ms. Bobbitt reminded the Board that the next regular meeting of the Board is scheduled for Tuesday, November 13, 2007, at 7:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of December, 2007.

  
Secretary, Board of Directors

