

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

September 27, 2016

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Bridgestone Municipal Utility District (the "District") met in special session, open to the public, at the Jerry Thomas Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, September 27, 2016, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jim Marks	President
Adrian E. Steffes	Vice President
John "Skip" W. Warren	Secretary
Ronald W. Schkade	Assistant Secretary
Mikuel K. Draper	Director

All members of the Board were present, except Director Schkade who monitored the meeting by conference call, thus constituting a quorum. Also attending the meeting were: Mr. Danny Staab of Water District Management Company, Inc., operator for the District; Mr. John Howell, of The GMS Group LLC, financial advisors for the District; and Mr. Jonathan D. Polley, attorney, and Ms. Alison A. Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC, 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.

DISCUSS FINANCIAL ADVISOR'S 2016 TAX RATE RECOMMENDATION AND RELATED FINANCIAL MATTERS

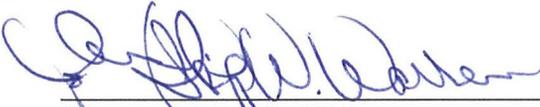
Mr. Howell reminded the Board that he previously presented a tax rate recommendation between \$0.55 and \$0.59 per \$100 assessed valuation for 2016. Mr. Howell then presented a tax rate recommendation of \$0.51 per \$100 assessed valuation, with \$0.33 for debt service tax and \$0.18 for operations and maintenance tax.

Mr. Howell also presented a tax rate recommendation of \$0.59 per \$100 assessed valuation, with \$0.40 for debt service tax and \$0.19 for operations and maintenance tax. Mr. Howell noted that this scenario would generate more money in the debt service fund that was required and would generate about \$2.4 million more in the general fund than what the District plans on spending for recurring operations costs in the future.

Discussion ensued regarding the proposed tax rates and the Board concurred with \$0.55 per \$100 assessed valuation, comprised of \$0.36 for debt service tax and \$0.19 for operation and maintenance tax.

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 October, 2016.



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Secretary, Board of Directors

