

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 248

Minutes of Meeting of Board of Directors
December 14, 2016

The meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 248 ("District") was held at 2727 Allen Parkway, Suite 1100, Houston, Texas 77019 on December 14, 2016 with a quorum of Directors present, as follows:

A. Richard Wilson, President
Michael D. Yancey, Vice President
Long Nguyen, Secretary
E. Paul Daigle, Jr., Director
Richard Ford, Director

and the following absent:

None.

Also present were Mr. Jerry Homan, Ms. Pat Hall, Mr. Loren Morales, Mr. Matt Dustin, Mr. Bob Ideus, Mr. John Moy, Ms. Rebecca Bellay, and Mr. Wm. Scott Smith.

The meeting was called to order and declared open for such business as might regularly come before it.

1. The Board reviewed the minutes of the meeting held on November 9, 2016. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Hall presented the tax assessor-collector's report indicating that 2016 taxes are 2.3% collected. The District's value remains at \$429 million certified and \$28 million uncertified. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

3. Mr. Homan presented the operator's report indicating that water accountability was 97%, and there were 728 bills mailed to District customers. There were ten bacteriological samples taken. There remains a large amount of construction activity within the District. Mr. Homan also reported that the North Harris County Regional Water Authority fee will increase by \$0.50 in April, 2017. The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. The operator noted that the accounts listed have neither attended the Board meeting nor contacted the operator's office or the District to contest or explain the charges. Accordingly, utility service to said accounts was authorized to be terminated pursuant to the provisions of the District's Rate Order.

4. Mr. Morales and Mr. Dustin then addressed the Board regarding the proposed 2017 refunding bond issue. The transaction has changed significantly due to compliance issues with respect to the City of Houston refunding bond ordinance. The financial advisors recommended that the District consider proceeding with a refunding of portions of the 2007, 2009 and 2011 bond issues. In addition, the District would make a significant cash contribution from the District's operating account. The proposed transaction would result in a significant net present value savings for the District. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved proceeding with the negotiation of a refunding with appropriate financial institutions.

5. Mr. Moy presented the engineer's report and stated that there was nothing new with respect to the 290 widening project or the Duke Realty project. The engineer and attorney are preparing the application to the TCEQ for approval to use surplus construction funds to reimburse the Starbucks water line project. In addition, bids will be received for construction of utilities to serve the Danesh hotel project. Mr. Moy also stated that he has received a request to provide capacity to a new oil change facility. Mr. Homan stated that he has not experienced significant problems with these types of facilities in the past. Accordingly, the Board authorized the issuance of the utility availability letter.

6. Mr. Ideus presented the bookkeeper's report, a copy of which is attached. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

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

Secretary