

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

December 6, 2017

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 359 (the "District") met in regular session, open to the public, on the 6th day of December, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Marilyn Keys	President
Janice Lavin	Vice President
Susan Rathgeber	Secretary/Records Management Officer
Rusk Elatassi	Assistant Vice President
David Keller	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Maurice Brown and Tor Persson, residents of the District; Brian Krueger of BKD, LLP; Glenn Woodson of Storm Maintenance and Monitoring; Neil Daniels, and Mike Berry of Shadowlake Homeowners Association ("Shadowlake HOA"); Matt Carpenter of IDS Engineering Group ("IDS"); Lizandro Campos and Yvonne Luevano of Wheeler & Associates, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; and Tim Austin and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

PRESIDENT'S COMMENTS

Director Keys discussed the status of City of Houston's (the "City") City Council approval of the Second Amended Utility and Functions Services Agreement.

Director Keys discussed correspondence between a homeowner in the District and Harris County Flood Control District ("HCFCD").

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the November 1, 2017, regular meeting. Upon a motion made by Director Lavin and seconded by Director Rathgeber, the Board voted unanimously to approve the minutes as presented.

AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2017

Mr. Krueger presented and reviewed an audit for the District's fiscal year ended August 31, 2017. Following review and discussion, Director Keller made a motion to approve the audit, subject to final Board review, and authorize filing of the audit with the Texas Commission on Environmental Quality and direct that the audit be filed

appropriately and retained in the District's official records. Director Rathgeber seconded the motion, which carried unanimously.

ENGINEERING MATTERS

Mr. Carpenter reviewed the engineer's report, a copy of which is attached.

Mr. Carpenter updated the Board on the status of the berm repair. He stated that the project is on hold due to groundwater conditions.

Mr. Carpenter updated the Board on the status of the erosion repair of the storm water detention facility and stated that Storm Water Solutions has made an initial inspection and plans to provide some alternatives and pricing for the next Board meeting.

Mr. Carpenter stated that IDS make an initial request to HCFCD regarding a fence across the outfall channel. He reported that HCFCD is reviewing their requirements and will let IDS know if they will consider a variance to the easement requirements.

UPDATE ON INSTALLATION OF FENCE ALONG SHADOWLAKE

Director Elatassi updated the Board on the status of fence construction along Shadowlake. No action was taken.

REVIEW STATUS OF DETENTION POND MAINTENANCE AND MOWING

Mr. Woodson reviewed a report on the detention pond maintenance and mowing, a copy of which is attached.

UPDATE ON COMMUNICATIONS WITH THE CITY REGARDING THE UTILITY AND FUNCTIONS AND SERVICES ALLOCATION AGREEMENT

Mr. Austin updated the Board on correspondence from the City.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS AND REVIEW OF INVESTMENTS

Mr. Hawthorne reviewed the bookkeeper's report, including a list of checks presented for payment and the quarterly investment report, copies of which are attached. After review and discussion, Director Lavin moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Rathgeber seconded the motion, which passed by unanimous vote.

INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy. Mr. Austin reported that during the 2017 Legislative Session, several changes were made to

the Public Funds Investment Act, Public Funds Collateral Act, and other laws impacting the investments of governmental entities. He stated that the District's current Amended Investment Policy would need to be revised accordingly. Mr. Austin next reviewed a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy. After review and discussion, Director Lavin moved to approve and authorize execution of the Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rathgeber seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed fees of office and expenses in connection with the Association of Water Board Directors winter conference. After discussion and consideration of the District's Travel Reimbursement Guidelines, Director Lavin moved to authorize up to three fees of office for attendance at the conference, up to three nights at a hotel at the conference rate, with reimbursement to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Keys seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Campos presented and reviewed the District's monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 10.17% of the District's 2017 taxes were collected as of the end of November, 2017. After review and discussion, Director Keller moved to approve the tax report and payment of the invoices. The motion was seconded by Director Rathgeber and carried unanimously.

UPDATE ON BRAYS BAYOU TRAIL

Director Keys updated the Board on the status of the Brays Bayou Trail (the "Trail").

Director Keller discussed how the possible placement of the Trail could affect the community and how access could potentially be gained to the Trail.

STATUS OF PREPARATION OF A PARK MASTER PLAN BY TALLEY LANDSCAPE ARCHITECTS, INC.

There was no discussion regarding this agenda item.

DISTRICT WEBSITE

The Board requested ABHR to obtain proposals for the creation of a District website to present at the next Board meeting.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS
COMPTROLLER

Mr. Austin reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

PUBLIC COMMENT

Mr. Persson commented on the status of the berm repair.

Mr. Brown inquired about the legality of certain uses of funds in District's operating account.

MEETING SCHEDULE AND ITEMS FOR THE NEXT BOARD MEETING

The Board discussed items for the next Board meeting and concurred to have its regular meeting on January 3, 2018, at the offices of ABHR.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Engineer's report.....	2
Report on the detention pond maintenance and mowing.....	2
Bookkeeper's report.....	2
Tax report.....	3