

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 359

January 4, 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 4th day of January, 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 Tor Persson, resident of the District; Glenn Woodson and Jimmy Theach of Storm Maintenance and Monitoring ("Storm Maintenance"); Matt Carpenter of IDS Engineering Group ("IDS"); Ray Arce 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 a recent City of Houston Department of Public Works and Engineering meeting and potential projects for areas surrounding the District.

APPROVAL OF THE MINUTES

The Board considered approving the minutes of the December 7, 2016, regular meeting. Upon a motion made by Director Keller and seconded by Director Rathgeber, the Board voted unanimously to approve the minutes as presented.

SECURITY IN THE DISTRICT

The Board discussed security in the District.

APPROVE SECOND AMENDMENT TO UTILITY AND FUNCTIONS AND SERVICES ALLOCATION AGREEMENT

Mr. Austin reviewed the First Amendment to Utility and Functions and Services Allocation Agreement with the Board.

Mr. Austin updated the Board on communications with the City of Houston (the "City") staff regarding the Second Amendment to Utility and Functions and Services Allocation Agreement (the "Agreement") noting that it contains new provisions, not relevant to the purpose of the amendment. After discussion, Director Lavin moved to reject the Agreement, as written. Director Rathgeber seconded the motion, which carried unanimously.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Austin reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

#### RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Austin reported the District's insurance policies are due to expire on March 3, 2017, and requested the Board's direction on whether to solicit new proposals in addition to requesting the District's current insurance agent, HARCO Insurance Services ("HARCO"), obtain a renewal proposal from the Texas Municipal League ("TML"). Following discussion, Director Keller moved to authorize ABHR to obtain a renewal proposal from TML. Director Lavin seconded the motion, which passed by unanimous vote.

#### REVIEW LIST OF LOCAL GOVERNMENT OFFICERS PURSUANT TO CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Mr. Austin stated that pursuant to Chapter 176 of the Texas Local Government Code, the District maintains a List of Local Government Officers and the Board determined that no changes are needed at this time. Mr. Austin reviewed the List of Local Government Officers. After review and discussion, Director Lavin moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Rathgeber seconded the motion, which passed by unanimous vote.

#### 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 Keller moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Lavin seconded the motion, which passed by unanimous vote.

## ACCEPT ANNUAL DISCLOSURE STATEMENTS

Mr. Austin stated that in accordance with the District's Investment Policy, Mr. Darrell Hawthorne as the District's bookkeeper and Mr. Tom Burton and Ms. Ghia Lewis as the District's Investment Officers are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He added that the Disclosure Statements will be filed with the Texas Ethics Commission. After review and discussion, Director Lavin moved to accept the Disclosure Statements pursuant to the District's Investment Policy and the Public Funds Investment Act and direct that the statement be filed appropriately and retained in the District's official records. Director Keller seconded the motion, which carried unanimously.

## CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy and concurred that no updates were necessary at this time. Following review and discussion, Director Rathgeber moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that the current policy will remain in effect and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lavin seconded the motion, which passed by unanimous vote.

## REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Austin reviewed the District's Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Following review and discussion, Director Keller moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lavin seconded the motion, which passed by unanimous vote.

## TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Arce presented and reviewed the District's monthly tax report and delinquent tax roll, a copy of which is attached, reflecting that 31.56% of the District's 2016 taxes were collected as of the end of December 31, 2016.

After review and discussion, Director Rathgeber moved to approve the tax report and payment of the invoices. The motion was seconded by Director Keller and carried unanimously.

#### ENGINEERING MATTERS

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

Mr. Carpenter updated the Board on the stormwater detention facility capital improvement plan and berm repair. He reviewed responses to comments from Board members and a resident of the District.

The Board discussed erosion control options and concurred to table any action on this agenda item until the special meeting scheduled on January 25, 2017.

#### SURVEY OF DISTRICT PROPERTY

The Board did not take any action on this agenda item.

#### REVIEW CITIZEN REQUEST FOR SECURITY FENCE TO THE NORTHERN SECTION OF THE LAKE

The Board tabled discussion on this agenda item.

#### UPDATE ON BRAYS BAYOU TRAIL

Director Keys updated the Board on the Brays Bayou Trail.

#### DISCUSS MEETING SCHEDULE

The Board discussed the upcoming meeting schedule.

#### DISCUSS CREATING FUND FOR SHADOWLAKE HOA

The Board discussed creating a fund for Shadowlake HOA. 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.

Mr. Woodson reviewed a proposal for and discussed erosion control methods for the area at the north side of Shadowlake. After review and discussion, the Board concurred to table any action until the January 25, 2017, special meeting.

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

The Board concurred to hold a special meeting on January 25, 2017, at 12:30 p.m. at ABHR to meet with Merrie Talley to discuss the preparation of the master park plan.

PUBLIC COMMENT

Mr. Persson inquired about (i) the City's appropriation of funds for contracts with municipal utility districts; (ii) insurance related to construction contracts; and (iii) the volume and depth of Shadowlake and correspondence with Harris County Flood Control regarding same.

DISCUSS FEBRUARY AGENDA ITEMS

The Board discussed items for placement on the February agenda.

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

  
Secretary, Board of Directors



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